



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 21ST FEBRUARY 2024

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, S. R. Peters, 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 24th January 2024 (Pages 7 - 30)**

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**

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. **Independent Remuneration Panel Recommendations 2024/25 (Pages 31 - 46)**
9. **Recommendations from the Cabinet Meeting held on 14th February 2024 (to follow)**

Members are asked to note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation at a budget decision meeting of the Council.

- (i) Alternative Budgets (to follow)

Members are asked to note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation at a budget decision meeting of the Council. This includes any votes in respect of any alternative budgets that are proposed.

10. **Recommendations from the Cabinet meeting held on 21st February 2024**
(to follow)

Members are asked to note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the Council Tax at a budget decision meeting of the Council.

Under Section 106 of the Local Government Finance Act 1992, any Councillor who is 2 or more months in arrears with their Council tax payments cannot participate in any item at the Council meeting concerning the budget.

As this meeting of Cabinet is due to be held on the same day as the Council meeting, any recommendations made by the Cabinet at this meeting will be tabled at the Council meeting.

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

- (i) Governance Systems Task Group Update (Pages 47 - 84)
- (ii) Carbon Reduction Strategy - Annual Review (Pages 85 - 120)
- (iii) Non-Domestic Rates - Discretionary Rate Relief Policy (Pages 121 - 146)
- (iv) Pay Policy 2024/25 (Pages 147 - 156)
- (v) Medium Term Financial Plan (including Treasury Management Strategy, Capital Strategy, Minimum Revenue Provision and Investment Strategy) (Tranche 2) (Pages 157 - 230)
- (vi) Termination of shared service arrangement: North Worcestershire Economic Development and Regeneration (Pages 231 - 236)
- (vii) Parking Enforcement Service Level Agreement (Pages 237 - 244)
- (viii) Council Tax Resolutions 2024/25 (to follow)

Please note that this report will be published in a supplementary papers pack to the main agenda.

12. **To note the minutes of the meetings of the Cabinet held on 14th February 2024** (to follow)

Please note that the minutes from Cabinet meeting held on 14th February 2024 will be published in a supplementary papers pack to this agenda.

13. **Key Decisions - Financial Threshold** (Report to Follow)

14. **Questions on Notice** (Pages 245 - 246)

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.

15. **Motions on Notice** (Pages 247 - 250)

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.

16. **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**

17. **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>
18	3 & 4
19	3
20	3 & 4

18. **Termination of shared service arrangement: North Worcestershire Economic Development and Regeneration** (Pages 251 - 254)
19. **Parking Enforcement Service Level Agreement** (Pages 255 - 256)
20. **Confidential Minutes**

There is the possibility that the meeting of Cabinet scheduled to take place on 14th February 2024 will need to vote to go into exempt session. Should this be the case, the exempt minute will be published in a supplementary pack for this Council meeting.

Sue Hanley
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

13th February 2024

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

Parkside, Market Street, Bromsgrove, B61 8DA

Tel: (01527) 64252 Ext: 3072 or 3031

Email: jess.bayley-hill@bromsgroveandredditch.gov.uk

joanne.gresham@bromsgroveandredditch.gov.uk

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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 Bromsgrove District Council Meeting - 21st February 2024](#)

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

GUIDANCE FOR ELECTED MEMBERS AND MEMBERS OF THE PUBLIC ATTENDING MEETINGS IN PERSON

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

Notes:

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

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

at www.bromsgrove.gov.uk

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

24TH JANUARY 2024, AT 6.00 P.M.

PRESENT: Councillors S. Ammar (Chairman), A. Bailes, R. Bailes, S. J. Baxter, S. R. Colella, A. M. Dale, 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, B. McEldowney, S. T. Nock, D. J. Nicholl, S. R. Peters, J. Robinson, S. A. Robinson, H. D. N. Rone-Clarke, D. G. Stewart, K. Taylor, S. A. Webb and P. J. Whittaker

Officers: Mrs. S. Hanley, Mr P. Carpenter, Mr. G. Revans, Mrs. C. Felton, Ms. N Cummings, Mrs. J. Bayley-Hill and Ms M. Bassett

73\23 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J. Elledge, B. Kumar, K. May, P. McDonald and J Stanley.

74\23 **DECLARATIONS OF INTEREST**

Councillor S.R. Colella declared an Other Disclosable Interest which had not been registered, in Minute item no. 87/23, Motions on Notice in relation to the first Motion about funding for canals, as his son lived on a canal boat in London.

75\23 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 6TH DECEMBER 2023**

The minutes of the meeting held on 6th December 2023 were submitted for Members' consideration.

RESOLVED that the minutes of the meeting held on 6th December 2023 be approved as a true and accurate record.

76\23 **TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRMAN AND/OR HEAD OF PAID SERVICE**

Chairman

On behalf of the Council, the Chairman paid tribute and thanked Miss Jo Slade, Chair of the Friends of St John's Church, for securing funding from the National Heritage Lottery Fund of just under £250,000 to repair the spire tower of the church and run a series of heritage engagement activities. The Chairman also extended thanks to Hilda Roxburgh and Sheila Vincent, fellow Friends trustees, who assisted and supported the bid. The church had a history of 1,000 years and had been listed on Historic England's Buildings At Risk register due to issues with the spire, which was the tallest in Worcestershire. Miss Slade had spent considerable time and dedication making the application and involving many members of the community. The Council gave a round of applause to Miss Slade.

Head of Paid Service

The Head of Paid Service, Mrs S. Hanley, apologised to the Council and to members of the public who had received incorrect invoices for the garden waste service. She assured the Council that all who had been impacted had been notified individually and no direct debit customers were impacted.

77\23

TO RECEIVE ANY ANNOUNCEMENTS FROM THE LEADER

In the absence of the Leader, the Deputy Leader, Councillor S. Baxter, reported that both Councillors K. May and P. McDonald were unwell and on behalf of the Council wished them both a speedy recovery.

78\23

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

There were no comments, questions or petitions.

79\23

URGENT DECISIONS

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

80\23

TO RECEIVE AND CONSIDER A REPORT FROM THE PORTFOLIO HOLDER FOR STRATEGIC HOUSING, HEALTH AND WELLBEING

Councillor S. Webb, Portfolio Holder for Strategic Housing, Health and Wellbeing, presented her report to the Council and thanked Council officers for their hard work and contributions.

Members of the Council asked questions about the report and the following were the main items raised:

- Whether councillors could be involved in events which supported social prescribing; the Portfolio Holder undertook to ask the relevant team to notify all members when such events were taking place so that they could support them if they wished
- In response to a question, Councillor Webb confirmed that the Primary Care Network (PCN) funded the social prescribing activities
- In response to a request from Councillor B. M. McEldowney the Portfolio Holder would supply him with a list of the agencies which could refer to social prescribing activity
- A member pointed out that the Bromsgrove PCN did not cover the whole District and asked which organisations were responsible for the remainder of the area. Councillor Webb responded that the Bromsgrove PCN covered 77,000 of the total population of 99,600. Currently, whilst it was understood that social prescribing activity took place throughout the District, data was not yet available beyond the Bromsgrove PCN. The Portfolio Holder and Leader of the Council, who also held the Wellbeing portfolio for Worcestershire County Council, were pursuing obtaining all relevant data
- When homes at the Burcot Lane development would be occupied. The Portfolio Holder reported that the final stages of the legal process were being carried out and the homes should be occupied in a couple of months' time. In response to a further question, Councillor Webb reported that the properties were being marketed by Oulsnam Estate Agents and that two had been sold so far. Where rent was payable, this would be set by Spadesbourne Homes
- Another member asked whether there had been any issues with the houses being built at Burcot Lane; the Portfolio Holder responded that any issues should be picked up during the build, but there was also a 12 month window for snagging issues
- Councillor R.J. Hunter asked whether details could be provided by type of the accommodation brought onstream as a result of Section 106 agreements. Councillor Webb undertook to provide this detail separately to him
- Councillor Hunter also asked whether the Council could learn from details about the current housing waiting list to refine its housing offer. The Portfolio Holder responded that the current housing waiting list was 3,707 and she would provide a breakdown by category to Councillor Hunter outside the meeting

- A member referred to the property prices in Bromsgrove and sought the Portfolio Holder's views about the current 40% affordable housing target for greenfield and 30% target for brownfield sites. Councillor Webb responded that the targets were national policy
- In response to a question, the Portfolio Holder undertook to arrange a visit for Councillors to the Lifeline Service
- Councillor Webb also undertook to ask the Starting Well Service to circulate details of the various events and initiatives undertaken by it to all members, so that they could get involved as appropriate
- The Homes for Ukraine project had been well received but a member expressed concern that as it seemed very likely the conflict in Ukraine would continue and current visas and BRP cards (Biometric Residence Permit) were due to expire at the end of the year, this could cause difficulties for the continued provision of housing. It was suggested that the Home Office as the responsible Government Department should be approached to address this issue
- In response to a query from Councillor S. R. Peters, Councillor Webb would send him the latest homelessness and Council housing waiting list data once it was available.

81\23

OUTSIDE BODIES APPOINTMENT

The Council had been advised by Worcestershire County Council, which co-ordinated meetings of the West Mercia Police and Crime Panel, that the Council's substitute member on the panel must be from the same political group as the lead member. This was due to rules of political balance. As the Council's lead representative was Councillor H. Jones, the substitute member needed to be a Conservative Member.

RESOLVED that Councillor B. Kumar be appointed as the Substitute Member to the West Mercia Police and Crime Panel for the remainder of the 2023-24 Municipal Year.

82\23

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND PRELIMINARY STAGE BOUNDARY REVIEW FOR BROMSGROVE - COUNCIL SIZE SUBMISSION

Councillor Rone-Clark, Vice Chairman of the Electoral Matters Committee, introduced the item and explained the process for the review of Council size, which was being carried out by the Local Government Boundary Commission for England (LGBCE). At this first stage the

Council was recommending the size of the Council. The Electoral Matters Committee had discussed this in depth at its meeting and he proposed that the completed submission on Council size, as circulated with the Council agenda, should be submitted to the LGBCE.

Councillor J. Robinson seconded the recommendation.

During consideration of this item, Councillor S. Baxter thanked the officers and the Electoral Matters Committee members for their work on the review so far.

RESOLVED that

- 1) The Council puts forward a Council size of 31 in its submission to the Local Government Boundary Commission for England (LGBCE); and
- 2) The Council size submission report be submitted to the LGBCE as part of the Electoral Review for Bromsgrove.

83\23

OUTCOMES OF THE CORPORATE PEER CHALLENGE

Council considered a report on the findings and suggestions from a Corporate Peer Challenge (CPC) Review visit by the Local Government Association. This followed from the original CPC undertaken at the Council in March 2023. There were no new recommendations in the review report.

Councillor S. Baxter, Deputy Leader, presented the report and proposed the recommendations, which were seconded by Councillor P. Whittaker. Councillor Baxter referred to the progress made since the first CPC report and the proposed ongoing actions. During consideration of the item the following points were raised:

- In response to a question about whether the Council had mitigated risks from recommendation 4 in the original report relating to hybrid and flexible working, Councillor Baxter referred to the feedback from the CPC review which set out the progress made in addressing this recommendation.
- A member referred to excellent officer support for members but commented that this was not consistent across the Council.

- In response about being transparent with the public about the contents of the report, Councillor Baxter reported that it would be published in full on the Council's website
- Councillor Rone-Clarke recorded his thanks to the Environmental Services team who had recently addressed concerns he had raised very quickly. He asked that Councillors be kept informed of any indicators which would affect staffing.
- It was noted that whilst the report was generally positive, the 2021 Accounts had yet to be signed off
- In response to a query, Councillor Baxter assured the Council that the Cabinet Advisory Panels were being included in the action plan process
- Councillor D. Hopkins asked how the apprenticeship and leadership development programmes would be embedded beyond the period of the 2022-2026 Workforce Strategy. Councillor Baxter undertook to circulate information about this outside the meeting.

RESOLVED that the report in respect of the outcomes of the Corporate Peer Challenge progress review from The Local Government Association peers be noted, and thereafter published on the Council's website.

84\23

RECOMMENDATIONS FROM THE CABINET

Recommendations from the meeting of the Cabinet held on 17th January 2024 were presented for the Council's consideration.

Planning Enforcement Policy

Councillor K. Taylor presented the updated Planning Enforcement Policy for consideration by the Council and recommended its endorsement. Councillor H. Jones seconded the recommendation.

Councillor A. Bailes suggested that advice to enforcement officers about what would be appropriate and proportionate in enforcement should be included in the policy. He commented that the Council should be open and transparent when it was taking enforcement action in order to ensure the trust of the public. He also suggested that any review of the enforcement policy should be presented to the Planning Committee. Councillor Taylor responded that as some enforcement action was

sensitive it would not be appropriate to discuss cases in public, but Councillor Bailes' concerns would be raised with the Head of Planning.

In response to a query about whether biodiversity should be included in the Policy, Councillor Taylor reported that 89% of the district was green belt and policies to safeguard this were maintained robustly.

A member suggested that some wording in the policy should be reviewed, for example reference to 'trivial', because of the impact that enforcement action could have on the public. Councillor Taylor undertook to discuss this with officers.

RESOLVED that the Council's Planning Enforcement Policy be endorsed.

Council Tax Discretionary Council Tax Reduction Policy – Council Section 13a(C) Policy

Councillor C. Hotham presented the draft Council Tax Discretionary Council Tax Reduction Policy for the award of section 13A(1)(C) reductions in Council tax. The Council's policy had not been reviewed for several years; amendments to the policy would ensure that the delegation to provide discounts in line with any future national schemes were in place and enable support to be provided speedily to any qualifying households.

Further to reference in the Policy to the flood recovery framework, a member asked about support for victims of flooding and actions undertaken by the Council to prevent future flooding. Councillor Hotham gave details of the financial help available and proactive work undertaken by the Council in flood prevention.

The recommendations were proposed by Councillor C. Hotham and seconded by Councillor S. Baxter.

RESOLVED that

- 1) The Section 13A(1)(C) policy be approved and adopted from 1st April 2024.
- 2) The Council's scheme of delegation be amended to grant delegated authority to the Head of Finance and Customer

Services, and the Financial Support Manager to reduce the Council Tax payable on a case by case basis, as provided by Section 13A 1 (c) of the Local Government Finance Act 1992.

Council Tax – Empty Homes Discount and Premiums

Councillor C. Hotham reported that since the introduction of Council Tax in 1993 some properties had been eligible for council tax discounts, the levels of which had been varied by legislation. Until 2004, dwellings which were unoccupied were eligible for a council tax discount of 50%. Since then, amendments to legislation had given billing authorities the power to reduce or remove the discount for unoccupied dwellings and in the case of long-term empty homes, to impose a council tax premium.

The Levelling Up and Regeneration Act had introduced further changes to the discount and premiums for unoccupied homes. The main changes were that the period for which a dwelling must be vacant before it was classed as a long-term empty dwelling had been reduced from 2 to 1 year. The billing authority had also been given powers to apply a premium of up to 100% for any dwellings that were furnished and had no residents.

The Council currently applied the full premium to all long-term empty homes on the basis that a dwelling would be subject to the premium if vacant for 2 years or more. The amendment to the legislation would mean that from 1st April 2024 the premium would be applied to all dwellings that had been vacant for 12 months or more.

Councillor M. Marshall enquired whether the scheme could apply to commercial premises. Councillor Hotham responded that business rates might have to continue to be paid but he would enquire about the potential.

In response to a query from Councillor D. Hopkins, Councillor Hotham undertook to find the definition of ‘substantially unfurnished’ and forward it to him.

The recommendations were proposed by Councillor C. Hotham and seconded by Councillor S. Baxter.

RESOLVED that

- 1) From 1st April 2024, under section 11B(1) of the local government finance act 1992, for long-term empty dwellings

the discount under section 11(2)(a) will not apply and the additional council tax premium applied will be:

- i) For a dwelling that has been unoccupied and substantially unfurnished for less than 5 years – 100% premium.
 - ii) For a dwelling that has been unoccupied and substantially unfurnished for 5 years or more, but less than 10 years – 200% premium.
 - iii) For a dwelling that has been unoccupied and substantially unfurnished for 10 years or more – 300% premium.
- 2) The Head of Financial and Customer Services on a case-by-case basis may consider a reduction to the long-term empty premium under section 13A(1)(C) of the Local Government Finance Act 1992.

Final Council Tax Support Scheme 2024-2025

The Council was required by section 13A(2) of the Local Government Finance Act 1992 (LGFA '92) to make a council tax reduction (CTR) scheme specifying the reductions in council tax that would be provided to people who were in financial need, or to classes of people who were in general in financial need. Council was required to review its scheme each year.

Councillor C. Hotham proposed the recommendation to retain the scheme and uprate the income bands. This was seconded by Councillor S. Baxter.

RESOLVED that the Council Tax Reduction Scheme is retained for 2024-25 tax year, subject to uprating of income bands by 6.7% as set out in the table at appendix a to the report.

Planning and Environmental Enforcement Business Case

The Deputy Leader, Councillor S. Baxter, presented a report which outlined a Business Case for the enforcement activity across all services of Bromsgrove and Redditch Councils, including shared services. The objectives of the business case were to target enforcement using an intelligence led approach with proportionate use of resources and improved service standards. Recognising the risk to the authorities in getting enforcement wrong, both reputationally and financially, the business case sought to deliver a strong service with efficiencies.

The Business case had examined 4 options:

- Continuing with the current arrangements
- Grouping the enforcement roles into one team within the Councils
- Grouping enforcement with WRS, and
- Full triaging with the ability to resolve issues at first point of contact.

The last scenario was identified as the most appropriate.

The Business Case identified the level of resource to be transferred to WRS to meet demand for planning enforcement – a transfer of the current budget. The current backlog of cases had been considered, and additional resource provided in the Business Case to reduce the backlog and consequent delays.

As the customer services element for Environmental Services was across various roles and not easily extracted from service budgets, additional investment was identified to support triaging. In recognition of the public concerns about dog fouling, fly tipping and littering the Business Case emphasised proactive engagement and promotion of responsible behaviours.

Councillor Baxter proposed the recommendations, and these were seconded by Councillor P. Whittaker.

During the debate the following points were made:

- The view was expressed that moving the planning enforcement function to WRS risked the integrity of the end-to-end process and there should have been investment in the in-house service. The Acting Chief Executive clarified that WRS was a shared service across the District Councils in Worcestershire and Bromsgrove District Council was the host employer
- In response to a question, Councillor Baxter confirmed that Redditch Borough Council supported the proposals. The £93,600 cost was from the current budget for the planning enforcement service. If Council agreed the other recommendations, then the financial implications would form part of tranche 2 of the budget process
- It was noted that data about envirocrime was available in performance monitoring reports
- The view was expressed that it might be difficult to recruit to the proposed 2-year fixed term contracts. Councillor Baxter replied that an advantage of a larger service was that there would be

more opportunity to progress and use transferable skills across the different disciplines.

RESOLVED that

- 1) The Business case be pursued with the intention to bring together the enforcement functions within Environmental Services and Planning and associated current budget (as identified in Table 6 of Appendix 1) within the Shared Regulatory Service provided by WRS.
- 2) An additional £93,600 annually from existing resources be agreed to fund the service to meet the level of demand in Planning Enforcement.
- 3) An additional £55,590 be agreed to fund 1.6 FTE additional (Grade 6) resource to support the work in tackling the backlog of Planning Enforcement cases for the next two years only.
- 4) An additional £7,537.50 be agreed to fund 0.25 FTE additional (Grade 4) resource for the customer service resource element of fly-tipping, littering and enviro-crime.
- 5) An additional £21,650 be agreed to fund 0.5 FTE additional (Grade 6) resource to support the work on enforcement of fly-tipping, littering and enviro-crime.

Medium Term Financial Plan 2024-25 to 2026-27 Tranche 1

Councillor C. Hotham presented the Tranche 1 budget proposals and drew attention to changes in the forecast since the beginning of the financial year. Tranche 1 reflected the position in November 2023 and the situation was now clearer following the Government's announcement of the Local Government Settlement in late 2023.

No responses had been received to public consultation on Tranche 1. Work on the Tranche 2 budget was underway. Councillor Hotham reminded the Council that the outcomes of the play audit and bus shelter proposals were agreed to be added to the budget.

Councillor Hotham proposed and Councillor S. Baxter seconded the recommendations.

In response to a question, Councillor Hotham reported that the recent Government announcement of additional funding for local government did not provide details about how this would be allocated.

It was noted that because of the time lag between the item being considered by Cabinet and the Council meeting, reference in the Cabinet report to the level of the Council Tax cap was out of date and it was 3%.

RESOLVED that

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

85\23

TO NOTE THE MINUTES OF THE MEETINGS OF THE CABINET HELD ON 17TH JANUARY 2024

The minutes of the meeting of the Cabinet held on 17th January 2024 were noted.

86\23

QUESTIONS ON NOTICE

The Chairman advised that 6 Questions on Notice had been received for this meeting.

Question submitted by Councillor R. Hunter

Councillor R. Hunter asked the Portfolio Holder for Planning and Regulatory Services, “The new NPPF published in December 2023 clarifies that: ‘there is no requirement for Green Belt boundaries to be reviewed or changed when plans are being prepared or updated’ (Paragraph 145, p42). What will you do to enact this new Government directive here in Bromsgrove so that our Green Belt is better protected in the next local plan?”

Councillor K. Taylor responded that “The National Planning Policy Framework (NPPF) needs to be read as a whole and considered very carefully before decisions are made on the future planning policies for Bromsgrove. The sentence in the NPPF which follows the one quoted in the question reads as follows *‘Authorities may choose to review and alter Green Belt boundaries where exceptional circumstances are fully evidenced and justified.’* Therefore Paragraph 145 when looked at in full does not contain a directive on the green belt, it provides a choice for local authorities. That choice is for the local plan to consider alongside the rest of the NPPF which amongst many things still stresses the need to meet housing and employment needs. Officers are working on the options available to the Council in light of the new NPPF and will be discussed at the Strategic Planning Steering Group (SPSG) in due course.”

Councillor Hunter asked a supplementary question, whether Councillor Taylor accepted that this meant it was now effectively in the Council’s gift, where previously under the NPPF the Council did not have an option about whether or not to release green belt to meet the District’s housing targets.

Councillor Taylor responded that currently the Council had approximately three and a half years’ housing supply and some developers might look at what ‘special circumstances’ might be used to seek to develop in the green belt. He urged all members to participate in the SPSG to consider this issue.

Question Submitted by Councillor M. Marshall

Councillor M. Marshall asked the Deputy Leader:

“Empty shops on Bromsgrove High Street give an unsightly and depressing impression of our town, deterring visitors and potential investors. The former Edinburgh Woollen Mill is by far the worst example. What is the council doing to ensure the site is made safe and when will the barriers be removed?”

Councillor S. Baxter replied that “We are aware of Edinburgh Woollen Mill and agree that in its current state it sets a poor standard for the high street. The site is currently under investigation with the planning enforcement department. The Council is limited in the action it can take beyond ensuring safety for the public.

Bromsgrove joins multiple other high streets that are suffering from changes in shopping habits and economic challenges. Bromsgrove District Council have recently introduced a Centres Enhancement Grant. The aim is to tackle vacant units, make improvements to frontages, improve accessibility, boost footfall and enhance the sustainability of businesses. The grant offers £10,000 or £5,000 for businesses within the centres to either, occupy a vacant unit or improve the frontage of an existing unit. The Town Centre Manager works closely with local businesses to support them”. Councillor Baxter also commented that all Councillors should communicate the availability of the grants to appropriate businesses across the District.

Councillor Marshall asked a supplementary question about how long the Edinburgh Woollen Mill site would remain in its current condition, as he had been asking questions about it for 9 months.

Councillor Baxter responded that it was a difficult situation, she reiterated that the Council’s control was limited and it could ensure safety, but she could not give details about an ongoing enforcement case.

Question submitted by Councillor D. Nicholls

Councillor D. Nicolls asked the Portfolio Holder for Health and Wellbeing and Strategic Housing:

“I have two residents in my ward who have been waiting almost 5 months for a walk in shower funded by DFG to be installed. This is causing considerable hardship. How long should residents normally have to wait for aids and adaptations such as this and what can be done to speed up the process?”

Councillor S Webb responded that “The aids and adaption service is delivered through a County Wide contract with an organisation called Millbrook and timeframes are to some extent dependent on the number of cases at any one time.

There are 3 categories of work:

- Urgent
- Category 1
- Category 2/3

Referrals are worked in date order that they are received into the agency from the NHS Occupational Therapy Service. This is unless a referral is categorised by an Occupational Therapist as Urgent, in which these cases are picked up and completed within 55 days. These cases are usually for palliative customers or emergencies such as carer breakdown. The Occupational Therapist has the responsibility of prioritising the customer which is based on clinical need and cannot be changed by Millbrook.

There can be reasons why some customers may be seen before another (out of date order), the reasons may be:

- A delay in a landlord giving permission for work on the property
- Customer in hospital
- Customer temporarily unwell

On average the process of an Occupational Therapist identifying the need for a walk-in shower, to the final payment date is approximately 7-8 months (based upon 2023 completed cases). However, as mentioned above there are factors that can affect each individual case.

In respect of reducing this time, recruiting to vacant posts in a timely manner can assist (there is one vacant post out of 8 technical caseworkers within Millbrook). There has been a recruitment drive within the Occupational Therapists' service which has had a direct impact upon the number of referrals received. Since June 2023 we have seen referrals increase from an average of 10 per month to 30 per month this will have an impact upon timescales and available budget when reaching the approval stage.

Councillor Nicholls asked a supplementary question and thanked officers for their input. He referred to the distressing circumstances faced by the customers and asked whether the additional Government funding recently announced for local government could be used to improve the situation.

Councillor Webb replied that funding was not the issue, the performance of the contract was being reviewed together with the specifications and the contract which Millbrook was currently carrying out was due to be re-let next year.

Question submitted by Councillor S. Evans

Councillor S. Evans asked the Portfolio Holder for Planning, Licensing and WRS:

“Chronic traffic congestion in Bromsgrove town centre has been exacerbated recently by the closure of Whitford Road. The huge additional strain this put on local roads has caused significant delays, making people late for work and children late for school. Residents fear this could be a sign of things to come when the number of homes increases. What planning obligations have been placed on the developer to mitigate traffic congestion and is there a timescale within which these must be completed?”

Councillor K. Taylor responded that “The Whitford Road scheme allowed at appeal in February 2021 under outline planning application 16/1132 included a package of mitigation measures to address the effects on the highway network. The Fox Lane priority junction would be altered with the formation of a roundabout, alterations would be made to the mini-roundabout at the Charford Road junction, and a signalisation scheme is proposed for the staggered crossroads at the Kidderminster Road junction. Conditions have been imposed on the appeal decision which would ensure the provision of these junction works, together with a timeframe for implementation. These being:

(25) No part of the development shall be occupied until the junction of Fox Lane/Rock Hill has been altered in accordance with the scheme for a roundabout shown on the plan Fox Lane/Rock Hill schematic ref 7033-SK-005 revision F.

(27) No more than 99 dwellings shall be occupied until the junction of the A448/Whitford Road/Perryfields Road has been altered in accordance with the plan Whitford Road/ Perryfields Road proposed junction arrangement ref 461451-D-014, and until a pedestrian crossing on the A448 has been provided in accordance with the plan Potential A448 signalised crossing ref 7033-SK-015 revision A.

(28) No more than 249 dwellings shall be occupied until the junction of Charford Road/Rock Hill/Worcester Road has been altered in accordance with the scheme for a roundabout shown on the plan Mitigation for Rock Hill/ Charford Road mini-roundabout ref 7033-SK-013 revision E.

Through planning obligations, financial contributions would be made to schemes at other junctions. The sum of £744,681.58 would be paid to Worcestershire County Council (as the Local Highway Authority) towards alterations at the Hanover Street junction and at Market Street/St John Street, and a separate obligation would involve a contribution of £1,312,706.94 towards the County Council's A38 Bromsgrove Route Enhancement Programme. In addition, the proposal includes new pedestrian crossing facilities on Whitford Road and Kidderminster Road, and financial contributions towards a bus service between the development, the town centre and the railway station, and towards cycle and pedestrian links."

Question submitted by Councillor J. Robinson

Councillor J. Robinson asked the following question to the Deputy Leader:

"With the news that Bromsgrove will no longer be benefiting from the services of NWEDR, what action will you be taking to ensure efforts to regenerate North Worcestershire remain joined up and that Bromsgrove is still able to bid competitively for grant funding?"

The Deputy Leader replied that "A report will come to Cabinet on 14th February 2024 that deals with the Termination of the shared service arrangement for North Worcestershire Economic Development and Regeneration.

This report will contain a confidential appendix that sets out how the council priority of Economic Development and Regeneration will be delivered in future.

Economic development and regeneration is a key priority for Bromsgrove and we will have a team ready to ensure the delivery of the Levelling Up Fund and to be able to bid competitively for any future opportunities that arise."

Councillor Robinson asked a supplementary question about whether by operating the function on its own and potentially losing efficiencies

gained through the current shared service model, the Council would incur additional costs or have to make savings. Councillor Baxter replied that further details would be available when the report was considered by Cabinet and members were welcome to attend the meeting.

Question Submitted by Councillor D. Stewart

Councillor D. Stewart asked the Portfolio Holder for Health and Wellbeing and Strategic Housing, “I note with concern that the Household Support Fund Phase 4 has been closed to new applicants. Please could an overview be provided by officers of how the fund has been administered and the outcomes?”

Councillor S. Webb responded that “The Household Support Fund Round 4 has been paused due to all the funding being allocated.

The closure of the application was communicated to relevant service areas and partners and was shared on the Council’s website.

The fact that the funding was allocated so quickly reflects the needs for support for some of our residents. The Household Support Fund grants were not the only means of support and our cost-of-living website and leaflet produced in partnership with other agencies sets out a range of support available. This includes

- support from Act on Energy to help cover energy bills, energy debt and/or assistance towards repairing broken boilers and heating systems.
- Through the Worcestershire Advice Network, help is also available for eligible pensioners NOT in receipt of Pension Credit, people with disabilities or a long-term health condition of any age, and carers of any age.
- Details on the government’s Cost of Living Payments 2023-24 that are automatically paid to eligible residents and advice on how to report non receipt of this payment
- The Bromsgrove Energy Advice Service that provide a free impartial Energy Advice Service delivered by Act on Energy that helps residents to cut energy bills, minimise home energy use and reduce carbon emissions

Details of other local support available can be found on the Council’s Cost Of Living pages on its website and covers areas such as:

- Help with food, furniture and household supplies

- Help with jobs, education and development
- Help for families
- Help if you have a disability
- Help for older people
- Help with housing, money and debt
- Help with mental health and wellbeing
- Help for young people under 25

I will arrange for these links to be circulated after the meeting for Members' consideration."

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MOTIONS ON NOTICE

The Chairman reported that four Motions on Notice had been submitted for the meeting, but the Motion relating to the Household Support Fund had been withdrawn and dealt with as a Question, so would no longer be debated.

Funding for Canals

Councillor P. Whittaker declared an interest in this item a canal ran through land he owned.

The Council considered the following Motion on Notice proposed by Councillor D. Nicholl.

"Bromsgrove District Council notes with concern planned cuts in government support from 2027 to our local canals.

1. The Canal and River Trust is warning that a reduction in grant funding of over £300 million in real terms from 2027 will threaten the future of the nation's historic canals, leading to their decline and to the eventual closure of some parts of the network.

2. This will almost halve the value of public funding for canals in real terms compared with recent years. This comes despite a Government Review, shared with the Canal & River Trust, confirming that its funding is 'clear value for money', with canals shown to deliver substantial benefits to the economy, to people and communities, and to nature and biodiversity.

BDC calls on the Leader to write to the Secretary of State for the Environment urging them to put in place a fairer funding settlement to help protect Bromsgrove's beautiful and historic canals."

Councillor Nicholl referred to the purpose of the motion and that it had attracted cross party support elsewhere. It related to the care and maintenance of infrastructure which was not only important to the District but of national significance.

Councillor D. Hunter seconded the motion. In doing so he referred to the Trust itself saying that if the proposed cuts were implemented from 2027 it would not be able to maintain the canal network as it did currently. The canals brought benefits to all residents and this had been recognised through finance being provided at a national level.

Having sought clarification about the responsibilities of the Canals and Rivers Trust, a potential amendment by a member to include reference to rivers in the motion was withdrawn.

The following were the main points made during consideration of the Motion:

- The Trust had been set up as a charity but had not been able to raise funds successfully and relied on grants to support its work
- Canals played a role in nature conservation and leisure and helped support the local economy
- The Trust was also responsible for maintenance of various structures, including reservoirs, of which there were a number in the District, and it was important that it received appropriate funding
- The Motion did not provide sufficient evidence to support the Leader in writing a letter to the Secretary of State
- The Canal and River Trust had assets of £1bn. Of its income in 2022-23 of £225m, 23% was funded by Government grant, and this was due to reduce over time
- The Trust should 'sweat its assets' and become more commercially focused
- Members appreciated the health and wellbeing opportunities for residents offered by the canals in the District
- It was difficult to understand the concept of what a 'fairer funding settlement' meant and it was unlikely to be productive for the Leader to write to the Secretary of State
- It was suggested that the status of the Trust was a private sector body, even though it was a registered charity and the requirement

to find alternative income sources had been known about for some time

- The funding change set out in the Motion was three years away and the Government might change; it was suggested that the timing of the Motion was inappropriate
- Councillors could contact MP's directly to give their views about the proposals.

Having been put to the vote the Motion was declared lost.

Warm Welcome Spaces

The following Notice of Motion had been submitted by Councillor P. McDonald and was proposed in his absence by Councillor E.M.S. Gray:

“This Council notes that:

Charities have warned that many households are struggling to pay for their energy, with more than one million of Britain's most vulnerable adults living in “Dickensian” cold and damp homes this winter.

Struggling households are facing an assault from all sides. Energy bills are going up just as winter bites hard, Christmas debts have to be paid off and the ongoing wider cost-of-living crisis continues into another.

In the face of the cost of living crisis, Bromsgrove District Council will work with faith and community groups to set up Warm Welcome Spaces across the District.”

The Motion was seconded by Councillor M. Marshall.

During consideration of the motion the Deputy Leader referred to actions that the Council were taking in supporting those in the community in difficult times. This included supporting the Bromsgrove Partnership which took a lead role in coordinating appropriate support such as the provision of warm hubs and spaces.

RESOLVED that

This Council notes that:

Charities have warned that many households are struggling to pay for their energy, with more than one million of Britain's most vulnerable adults living in “Dickensian” cold and damp homes this winter.

Struggling households are facing an assault from all sides. Energy bills are going up just as winter bites hard, Christmas debts have to be paid off and the ongoing wider cost-of-living crisis continues into another.

In the face of the cost of living crisis, Bromsgrove District Council will work with faith and community groups to set up Warm Welcome Spaces across the District.

Preparing For Extreme Heat Events

Council considered the following Motion proposed by Councillor M. Marshall:

“That the Cabinet be asked to undertake a review of how to take immediate action to educate and equip residents for impending heatwaves made more likely by climate change. This will include awareness campaigns, distributing guidelines and establishing cooling centres to ensure the community’s safety and well-being during future extreme temperature events.”

In proposing the motion, Councillor Marshall referred to increasingly intense weather events, especially a succession of heat events in the summer of 2022. One of the consequences of high heat was an increase in excess deaths. He considered that although the Council had taken actions to reduce its carbon emissions it should also prepare for dealing with the impacts of climate change that already existed. He suggested that lessons learned from the 2022 event included the need for better co-ordination between agencies, educating the public about actions they could take and services available.

Councillor E.M.S Gray seconded the motion. In doing so she suggested that the review would check and ensure that those who needed to be aware of the measures in place knew about them, as well as identify potential gaps.

During consideration of the motion the following points were made:

- The Council was a category one responder and had a legal duty to warn and inform the public and businesses before, during and after an emergency
- The Council was in the Local Resilience Forum, but in most cases, it was not the lead agency.

- The organisation Applied Resilience which was supporting the Council with emergency planning and business continuity had discussed establishing a 'Societal Resilience' group to look at opportunities to expand community and business resilience. This included awareness campaigns, community action groups and resilience measures, including extreme temperatures
- A lot of activity was taking place, so it was not necessary for Cabinet to review the activity, but it was suggested better communication of what was being done was required
- Parish councils should be involved in any actions to promote the principles of the motion.

Councillor P Whittaker proposed an amendment that reference to the Cabinet being asked to undertake a review should be replaced by the Overview and Scrutiny Board. Councillor J. Robinson seconded the amendment. The proposer of the motion agreed to include the amendment and it became the substantive motion.

RESOLVED that

the Overview and Scrutiny Board be asked to undertake a review of how to take immediate action to educate and equip residents for impending heatwaves made more likely by climate change. This will include awareness campaigns, distributing guidelines and establishing cooling centres to ensure the community's safety and well-being during future extreme temperature events.

The meeting closed at 9.21 p.m.

Chairman

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COUNCIL
2024

21 February

Report of the Independent Remuneration Panel – recommendations for members’ allowances for 2023-24 and the members allowances scheme

Relevant Portfolio Holder	Cllr May, Leader and Cabinet Member for Strategic Partnerships; Cllr Hotham, Cabinet Member for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Author	Job Title: Darren Whitney, Electoral Services Manager Contact email: darren.whitney@bromsgroveandredditch.gov.uk Contact Tel: 01527 881650
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	N/A
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Council is asked to RESOLVE

1.1 whether or not to accept all, some or none of the recommendations of the Independent Remuneration Panel for 2024-25;

1.2 having considered the Panel’s report and recommendations, whether or not changes are required to the Council’s scheme of allowances for Members arising from this.

2. BACKGROUND

2.1 Each Council is required by law to have an Independent Remuneration Panel (IRP) which recommends the level of allowances for Councillors. The Panel is made up of suitably skilled members of the public who are completely independent of the District Council. It also makes recommendations to four other District Councils in Worcestershire. The Panel’s report is enclosed for consideration by Council.

2.2 The panel recommends basic allowances, special responsibility allowances (SRA), travel, subsistence and dependent carer allowances.

3. FINANCIAL IMPLICATIONS

- 3.1 The IRP recommends a basic allowance of £5,518 which is an 8.6% increase from its recommendation from last year. However, since Council did not accept last years' Panel Recommendation acceptance of the basic allowance, if approved, it would mean a percentage increase of 16.6% (£786 per councillor on the basic allowance).
- 3.2 If the Council makes changes to the current amounts of allowances there will be additional budgetary costs. If the Council implements all the recommendations of the IRP budgetary costs across the year would be increased in the region of £33,000; if the current multipliers are used but the proposed basic allowance is accepted the increase will be approximately £29,800. This does not include Chairmen of overview and scrutiny task groups as they are paid pro rata for the length of the task group.
- 3.2 The upcoming budget will need to reflect any changes made from the recommendations in this report and the future costs will need to be covered in the medium term financial plan.

4. LEGAL IMPLICATIONS

- 4.1 The Council is required to "have regard" to the recommendations of the Panel. However, it is not obliged to agree to them. It can choose to implement them in full or in part, or not to accept them.
- 4.2 If the Council decides to review its scheme of allowances for Councillors, it is also required to take into account recommendations from the Panel before doing so.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 None as this report deals with statutory functions.

Climate Change Implications

- 5.2 None in this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 None in this report.

Operational Implications

6.2 There are no direct service or operational implications arising from this report. Once the Council has agreed the allowances for 2024-25 Officers will update and publish the Members' Allowances Scheme as appropriate.

7. RISK MANAGEMENT

7.1 Payments to Councillors can be a high profile issue. The main risks are reputational. However, the Council is transparent about the decisions made on allowances. The Allowances scheme and sums paid to Councillors each year are published on the Council's website.

8. APPENDICES and BACKGROUND PAPERS

Report and recommendations from the Independent Remuneration Panel for 2024-25.

Background papers:

Members Allowances Scheme – in the Council Constitution at part 19:

[Constitution of Bromsgrove District Council](#)

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**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2024-25

Bromsgrove District Council

December 2023

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Recommendations to the Council

The Independent Remuneration Panel recommends to Bromsgrove District Council the following:

- 1. A Basic Allowance for 2024-25 of £5,518, representing an 8.6% increase.**
- 2. A range of Special Responsibility Allowances as set out in Appendix 1**
- 3. That travel allowances for 2024-25 continue to be paid in accordance with the HMRC mileage allowance**
- 4. That subsistence allowances for 2024-25 remain unchanged**
- 5. That the Dependent Carer's Allowance remains unchanged**
- 6. That travel and subsistence payments made by Parish Councils to councillors (where they are paid) are made in accordance with the provisions set out in this report.**

1. Introduction and Context

The Independent Remuneration Panel (the Panel) has been appointed by the Council in accordance with the Members' Allowances Regulations. The role of the Panel is to carry out reviews of the allowances paid to Councillors, as required by the Local Government Act 2000 and subsequent legislation.

The report sets out recommendations for the Basic Allowance (as recommended to be paid for all Councillors), the special responsibility allowances (for those councillors with additional responsibilities) and allowances for mileage, subsistence and for those with dependent carer responsibilities.

The purpose of such allowances is to enable people from all walks of life to become involved in local politics if they choose. This continues to remain an important consideration for the Panel when submitting its recommendations.

The Panel acknowledges, however, that in the current challenging financial climate there are difficult choices for the Council to make. The Council will need to 'have regard' to the recommendations of the Panel, but ultimately, it is for the Council to decide how or whether to adopt them in full or in part.

The Panel's recommendations are based on thorough research and benchmarking, taking into account a range of comparative data as set out below.

2. Background Evidence and Research Undertaken

There is a range of market indicators on pay which can be used for comparison purposes. As background for the decisions taken by the Panel this year have:

- Analysed and considered the Annual Survey of Hours and Earnings (ASHE) statistics for 2023 which set out a mean hourly wage rate for Worcestershire of £18.83.
- Benchmarked the Basic Allowance against those paid within comparable local authorities to Bromsgrove as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) 'nearest neighbours' list
- Taken account of the 2023/24 National Pay Award for the majority of Local Government employees
- Considered the Consumer Price Index information as of September 2023

Details about these areas of research are set out in Appendix 2 to this report.

In determining a recommendation for the basic award for 2024/25, consideration has once again been given to the average number of hours spent by councillors on Council business. For 2024/25 this has again been informed by a time-recording exercise carried out by Worcester City Councillors in 2015 as updated by a similar exercise in 2022.

3. Comparative Spend on Allowances across Worcestershire 2022/23

As part of the research, consideration has been given to the Members' allowances budget for Basic and Special Responsibility Allowances in the previous year (2022-23) as a cost per head of population for each Council and also as a proportion of net revenue budget. This is set out in the table below:

Authority, population¹ and number of Councillors	Total spend Basic Allowances	Total spend on SRA	SRA as a percentage of total Basic Allowance	Cost of total basic and SRA per head of population	Total of basic and SRA as a percentage of Net General Revenue Fund expenditure
	£	£	%	£	%
Bromsgrove DC (31) 100,569	148,323	68,459	46.16	2.16	Not available yet
Malvern Hills DC (31) 79,445	176,037	73,841.17	41.9	3.15	2.7
Redditch Borough (29) 85,568	134,668	97,540	72.43	2.71	Not available yet
Worcester City (35) 100,265	153,495	96,085	60.62	2.54	1.25
Wychavon (43) 131,084	212,387	95,818	45.11	2.35	1.70

4. Average Payment per Councillor across Worcestershire 2022/23

In addition to the above, the following table also sets out the average payment per member of each authority of the Basic and Special Responsibility Allowances for the previous year (2022/23):

Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2023/24 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,992.97
Malvern Hills District (31)	6,575.74
Redditch Borough (29)	8007.17
Worcester City (35)	7,237.71
Wychavon District (43)	6,948.03

5. Consideration of allowances for the financial year 2024/25

a/ Basic Allowance

The Basic Allowance is paid to all Members of the Council in order to reflect:

- Their roles and responsibilities as Elected Members of the Council

¹ONS population estimates mid 2020. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2021-22 financial year.

- Their time commitments, including the total average number of hours worked per week on Council business
- A public service discount of 40% to reflect that Councillors volunteer their time.

Whilst each Council may set out role descriptions for Councillors, the Panel accepts that each Councillor will carry out that role differently, reflecting personal circumstances and local requirements.

In setting out its recommendations, the Panel considers the Basic Allowance to include Councillors' roles in Overview and Scrutiny, as any non-Executive member of the Council is able to contribute to this aspect of the Council's work. It is for this reason that the Panel does not recommend any Special Responsibility Allowance for members of the Overview and Scrutiny Committee.

The Panel also considers that the Basic Allowance should cover the need for Councillors to use ICT and social media support and communication systems as part of their role. However, it is accepted that specific local decisions may be made about how ICT support is provided.

As indicated in section 2 of this report, in formulating its recommendations, the Panel has once again reviewed the levels of wage rates for Worcestershire as set out in the ASHE data and the benchmark information available from the Chartered Institute of Public Finance and Accountancy (CIPFA) "nearest neighbours" authorities. Consideration has also been given to the nationally agreed pay award for local government employees for the financial year 2023-24 and the latest CPI (consumer price inflation) figure as of September 2023.

Based on all of the above considerations, the Panel recommend a Basic Award of £5,518 for the financial year 2024/25. This again aligns with the increase in the average pay levels as reflected in the ASHE data whilst acknowledging the CPI increase, CIPFA data and Local Government Pay Awards. It represents an 8.6% increase on the previous year's recommendation.

The recommendation takes strong account of the ASHE data and is set at an appropriate level in the context of the local government pay award. The Panel is conscious of the current financial challenges but also mindful to avoid increasing any gap in allowances between Redditch Borough Council and its "nearest neighbours."

The research information used in the consideration of the Basic Allowance is set out at appendix 2.

b/ Special Responsibility Allowances (SRA)

Special Responsibility Allowances are paid to a small number of Councillors to reflect responsibilities undertaken by them in addition to their day-to-day roles as Elected Representatives. Such allowances are paid in addition to the Basic Allowance and calculated as a multiplier of the Basic Allowance.

Any recommended changes in such allowances would be based on proposals made to the Panel each year and reflecting, for example changes in committee structures, new responsibilities or increases/decreases in existing responsibilities.

The Panel have not received any recommended changes in Special Responsibility Allowances for 2024/25. As such the recommended values have not changed for 2024/25.

The full list of recommended SRA multipliers and values is set out at Appendix 1.

c/ Mileage and Expenses

The Panel notes that the Council has used the HMRC flat rate for payment of mileage for all types of vehicles and recommends that this continues.

d/ Dependant Carer Allowance

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

e/ Allowances to Parish Councils

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District. This year the Panel has not been asked to make recommendations on any matters by any Parish in Bromsgrove District.

6. The Independent Remuneration Panel

This Council's Independent Remuneration Panel is set up on a joint basis with four of the other five District Councils in Worcestershire. Separate Annual Reports have been prepared for each Council. The members of the Panel are:

Caroline Murphy (Co-Chair) – Caroline has over 20 years' experience of working in public and voluntary sector organisations, including three West Midlands Local Authorities and the Civil Service. She was a senior Education Manager at Wolverhampton City Council until 2011 developing and delivering a large part of the 14-19 Pathfinder, during which time her department was recognised as achieving Beacon Council Status. She has a wealth of experience at building partnerships. Caroline now works as freelance Education, Skills and Development Adviser supporting individuals and organisations with strategic management, quality assurance and improvement, safeguarding, regulation compliance, research and evaluation, data protection and developing policies and procedures. She has worked in a consultancy capacity for a number of organisations, specialising in those who support vulnerable young people. She also spent 14 years as the Vice Chair of Governors of a primary school in Birmingham.

Tim Hunt (Co-chair) – Tim is a qualified journalist with more than 25 years' experience in media and communications. He spent seven years covering community and local authority news in Worcestershire and Warwickshire, including four as editor of two local newspapers, before going on to work in corporate communications and events. Tim now runs his own PR agency and is a Member of the Chartered Institute of Marketing.

Reuben Bergman – Reuben is a Fellow of the CIPD with significant senior HR leadership experience across a range of public sector organisations in both England and Wales. He currently runs a HR Consultancy Business in Worcestershire providing advice and support on managing change, employment law, HR policy development, mediation, management coaching and employee relations. Reuben has led successful equal pay reviews in three separate local authorities and is known for his successful work in managing change and developing effective employee relations. He is a qualified coach, mediator and a Shared Service architect.

Xenia Goudefroy – Xenia is a Management Accountant with experience in the financial controlling and forecasting for a range of companies in the private sector. She holds an

Advanced Diploma in Management Accounting and has completed a Master's degree in Business Administration at University Vila Velha and in International Management at the Steinbeis University Berlin. As a focus topic of her thesis she has developed the order-to-cash process for new business models. Since she moved to the UK in 2017 in her free time she has been volunteering to help people in need and is also working as a volunteer at the Worcester fish-pass to help preserve the natural habitat of migrating species. She is fluent in three languages and enjoys learning new skills.

Susan Moxon - Susan has worked in the Education sector for over 20 years, working in schools in Warwickshire and Birmingham and then with the Department for Education, where she worked in the 6th form funding team, analysing data from incoming enquiries, mainly from schools and colleges regarding the calculation of their funding statements. She has acted as an independent observer at Teacher Disciplinary Hearings ensuring that the panel members followed procedures and were unbiased in their decision making. Previously she was an Exams Support Officer providing advice to schools and colleges in Hereford, Worcester and Gloucester about entering students for external exams and assessments, her particular area of expertise. She is currently Clerk to the Governing Bodies at two First Schools in Worcestershire and to two local charities. She organises meetings, manages the accounts and is the main point of contact with applicants, local providers and the Charity Commission.

7. Support and Thanks

The Panel has been advised and assisted by:

- Claire Chaplin and Margaret Johnson from Worcester City Council
- Darren Whitney and Jane Oyenuga from Bromsgrove & Redditch Councils
- Mel Harris from Wychavon District Council
- Matthew Davies from Malvern Hills District Council

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner. A special thanks is extended to Lisa Perks from Malvern Hills District Council who has so ably supported independent panel members during her appointment as Democratic Services Officer, and best wishes are extended to her in her subsequent role as Electoral Services Officer. The Panel also wishes to place on record its thanks to Matthew Davies for his time and invaluable work as a Member the Panel prior to his new role at Malvern Hills District Council.

Caroline Murphy and Tim Hunt, Co-Chairs of Independent Remuneration Panel

Independent Remuneration Panel for District Councils in Worcestershire

Summary of Basic Award and SRA recommendations

Role	Rec'd Multiplier 2023/24 (IRP)	Current Multiplier (Council Agreed)	Rec'd Allowance 2023/24 (IRP) £	Current Allowance 2023/24 (Council Agreed) £	Rec'd Multiplier 2024/25 (IRP)	Rec'd Allowance 2024/25 (IRP) £
Basic Allowance:	1	1	5,081	4,732	1	5,518
Special Responsibility Allowances:						
Leader	3	3	15,243	14,196	3	16,554
Deputy Leader	1.75	2	8,891.75	9,464	1.75	9,656.50
Executive Members (Cabinet Portfolio Holders)	1.5	1.3	7,621.50	6,151	1.5	8,277
Chairman of Overview and Scrutiny Board	1.5	1.3	7,621.50	6,151	1.5	8,277
Chairman of Overview & Scrutiny Task Groups	0.25	0.25	1,270.25	1,183 (paid pro rata for the length of the task group)	0.25	1,379.50
Chairman of Audit, Standards and Governance Committee	0.25	0.3	1,270.25	1,419	0.25	1,379.50
Chairman of Planning Committee	1	1.3	5,081	6,151	1	5,518
Chairman of Licensing Committee	0.3	0.3	1524.30	1,419	0.3	1,655.40
Political Group Leaders	0.25	0.25	1,270.25	1,183 Leaders of other political groups with 3 or more members (not applicable to the Leader of the Council)	0.25	1,379.50
Chairman of Appointments Committee (BDC only)	0.03	0.03	152.43 per meeting	141 per meeting	0.03	165.54 per meeting
Chairman of Electoral Matters Committee	0.03	0.03	152.43 per meeting	141 per meeting	0.03	165.54 per meeting

(BDC only)						
Chairman of Appeals Panel (BDC only)	0.03	0.03	152.43 per meeting	141 per meeting	0.03	165.54 per meeting

Appendix 2

Independent Remuneration Panel for District Councils in Worcestershire

Summary of Research

a/ Chartered Institute of Public Finance and Accountancy (CIPFA) “Nearest Neighbour” authorities’ tool.

No two Councils or sets of Councillors are the same. Developed to aid local authorities in comparative and benchmarking exercises, the CIPFA Nearest Neighbours Model adopts a scientific approach to measuring the similarity between authorities. Using the data, Bromsgrove District Council’s “nearest neighbours” are:

- Stroud
- Lichfield
- Maldon
- South Staffordshire
- Harborough
- Tewkesbury

Information on the level of Basic and Special Responsibility Allowances was obtained to benchmark the levels of allowances recommended to the Council. The average basic award across all the “nearest neighbour” authorities was £5,976 as at December 2023.

b/ Annual Survey of Hours and Earnings (ASHE) Data on Pay

[Earnings and hours worked, place of work by local authority: ASHE Table 7 - Office for National Statistics \(ons.gov.uk\)](#)

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at District level about rates of pay. For benchmarking purposes, the Panel uses the levels for hourly rates of pay excluding overtime (£18.83 as at December 2023).

For benchmarking purposes this is multiplied by 11 hours to give a weekly rate, then multiplied by 44.4 weeks to allow for holidays and then discounted by 40% to reflect the element of volunteering that each Councillor undertakes in the role.

The 11-hour multiplier is felt to reflect the average number of hours spent on Council business by frontline Councillors as reported in a previous survey of Worcester City Councillors in 2015 and updated in 2022. As a benchmark indicator this would produce a figure of £5,518 per annum which amounts to an increase of £437.

c/ CPI (Consumer Price Inflation)

In arriving at its recommendations the Panel has taken into account the latest reported CPI figure as published by the Office for National Statistics. This was 6.3% in September 2023. The uprating of the 2024/25 recommended basic award by the CPI figure would give a revised Basic Award of £5,401.10, which amounts to an increase of £320.10.

d/ Local Government Pay Award

The Panel was mindful of the current local government pay award offer of £1,925 for employees earning up to £49,950 (pro rata for part-time and term time only employees), with 3.88% on the table for higher-paid workers for 2023/24. Uprating of the 2024/25 recommended basic award by the same percentage would give a revised Basic Award of £5,419.80, which amounts to an increase of £338.80.

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Overview and Scrutiny

Board

2024

12th February

Governance Systems Task Group – Progress Update

Relevant Portfolio Holder	Councillor C. Hotham, Cabinet Member for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton, Head of Legal, Democratic and Property Services
Report Author Jess Bayley-Hill	Job Title: Principal Democratic Services Officer Contact email: jess.bayley-hill@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 proposed amendments to the Committee Terms of Reference, at Part 5 of the Constitution, in respect of special provisions as to the Chairmen of the Audit, Standards and Governance Committee and the Overview and Scrutiny Board, be approved as detailed in Appendix 1 to the report;
- 2) The proposed amendments to the Council Procedure Rules, at Part 8 of the Council’s Constitution, in relation to the appointments of the Chairman of the Council and the Chairmen of the Audit, Standards and Governance Committee and the Overview and Scrutiny Board, be approved, as detailed in Appendix 2 to the report; and

To **RESOLVE** that

- 3) The update in respect of progress with the implementation of actions arising from the Governance Systems Task Group be noted.

Overview and Scrutiny

Board

2024

12th February

2. BACKGROUND

- 2.1 This report provides an update on the work that is currently being undertaken to implement the recommendations arising from the Governance Systems Task Group review that was completed in September 2023.
- 2.2 In line with proposals made by the Task Group, proposed amendments to the Council's constitution are outlined in this report which would enable, where possible, Members from political groups not represented on the Cabinet to serve as the Chairmen of the Council, Audit, Standards and Governance Committee and Overview and Scrutiny Board respectively.

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 (CRWG) has held a number of meetings to consider progress with the implementation of the actions that were proposed by the Task Group.
- 3.3 Included amongst those proposals was the suggestion that, wherever possible, opposition Councillors should be appointed to the positions of Chairmen of the Council, Audit, Standards and Governance Committee and Overview and Scrutiny Board.
- 3.4 There has been a Councillor from a political group not represented on the Cabinet serving as the Chairman of the Council during the 2023/24 municipal year. Members have reported that they feel that this arrangement is working well. However, there is not currently a constitutional requirement for the Chairman of the Council to be a member from a political group that is not represented on the Cabinet.
- 3.5 The position of Chairman of the Council is a civic role which is apolitical in nature. The Chairman chairs meetings of full Council as well as representing the authority at civic events.

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- 3.6 Currently the Chairmen of the Audit, Standards and Governance Committee and the Overview and Scrutiny Board are members of political groups that are not represented on the Council's Cabinet. However, this is not a constitutional requirement at the authority.
- 3.7 The appointment of opposition Councillors as the Chairmen of the Audit, Standards and Governance Committee and Overview and Scrutiny Board complies with national best practice for Committees that have a role challenging the Executive (known as the Cabinet in Bromsgrove).
- 3.8 The proposed amendments to the Committee Terms of Reference and the Council Procedure Rules, at Parts 5 and 8 of the constitution, are designed to enable the Council to continue in the future to appoint Councillors who are members of political groups not represented on the Council's Cabinet wherever possible.
- 3.9 There is the possibility that, following future local elections, there may be insufficient numbers of opposition Members available to appoint to the positions of Chairmen of the Council, the Audit, Standards and Governance Committee and the Overview and Scrutiny Board respectively. Should this be the case, then the proposed wording of the Committee Terms of Reference and Council Procedure Rules would enable other Councillors to be appointed to those positions, thereby ensuring that Council business could continue without disruption.
- 3.10 The Council's constitution continues to be reviewed. Further proposed amendments to the constitution will be reported for the consideration of the CRWG at a meeting scheduled to take place on 12th March 2024.
- 3.11 Members are asked to note that 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 in this report.

5. LEGAL IMPLICATIONS

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

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- 5.2 With the exception of the Cabinet, the Council is required by law and / or its own constitution to allocate places on its main Committees in accordance with its political make-up and to approve the Committee terms of reference. The main requirements are that:
- the number of seats on each Committee allocated to each Political Group reflects the proportion it holds of the total number of seats on the Council;
 - the Group with the majority of seats on the Council should hold the majority of seats on each Committee.
- 5.3 The definition of a Political Group for these purposes is that it has a minimum of 2 members.
- 5.4 The current composition of the Council enables opposition Members to be appointed to the positions of Chairmen of the Council, the Audit, Standards and Governance Committee and the Overview and Scrutiny Board.
- 5.5 However, the Council's political composition could change in the future, following local District Council elections. The Council will need to assess after each election whether sufficient numbers of opposition Members are available to be appointed to these positions.

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 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

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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 amendments to the Committee Terms of Reference, at Part 5 of the Constitution

Appendix 2 – Proposed amendments to the Council Procedure Rules, at Part 8 of the Council's Constitution

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](#)

Governance systems Task Group – Update Report – report to the Overview and Scrutiny Board meeting held on 20th November 2023: [Governance Systems Task Group - Update Report - 20th November 2023](#)

Minutes of the Overview and Scrutiny Board meeting held on 20th November 2023: [Overview and Scrutiny Board minutes - 20th November 2023](#)

Minutes of the Cabinet meeting held on 22nd November 2023: [Cabinet minutes 22nd November 2023](#)

Governance Systems Task Group Progress Update, considered at a meeting of the Overview and Scrutiny Board held on 16th January 2024: [Governance Systems Update Report - 16th January 2024](#)

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor C. Hotham, Cabinet Member for Finance and Enabling	07/02/24
Lead Director / Head of Service	Claire Felton, Head of Legal, Democratic and Property Services	06/02/24
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	07/02/24

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

<p>Number of Members</p>	<p>9, none of whom may be members of the Cabinet + 2 co-opted non voting Parish Council representatives, who may not also be District Councillors, for the purpose of Standards</p>
<p>Attendance by other Councillors</p>	<p>Portfolio Holder with responsibility for finance expected to attend each meeting</p>
<p>Politically Balanced Y/N</p>	<p>Y</p>
<p>Quorum</p>	<p>5</p>
<p>Procedure applicable</p>	<p>Rules Audit, Standards and Governance Committee Procedure Rules and Council Procedure Rules (with the exception of Council Procedure Rules 2-4, 6, 8-10, 12.2 – 12.3, 14, 17,19, 20 and 21) – if there is any conflict, Audit, Standards and Governance Committee Procedure Rules to take precedence</p>
<p>Terms of Reference</p>	<p><u>Stewardship and Audit</u> To provide independent assurance to the Council in relation to: a. The effectiveness of the Council’s governance arrangements, risk management framework and internal control environment, including overseeing: <ul style="list-style-type: none"> • Risk management strategies; • Anti-fraud arrangements; • Whistle-blowing strategies; • Internal and external audit activity • Democratic governance b. the effectiveness of the Council’s financial and non-financial performance to the extent it affects</p>

	<p>exposure to risk and poor internal control;</p> <p>c. the annual governance statement.</p> <p>d. The review of the annual statement of accounts, confirming the appropriate accounting policies have been followed, including the external auditor's report to those charged with governance on issues arising from the audit of the accounts.</p> <p><u>Appointment of External Auditors</u></p> <p>e. To arrange the recruitment and operation of the Council's Auditor Panel, in accordance with the requirements of the Audit and Accountability Act 2014.</p> <p><u>Standards</u></p> <p>f. Promote and maintain high standards of conduct by Councillors and any co-opted members of Council bodies.</p> <p>g. Assist Councillors and co-opted members to observe the Members' Code of Conduct.</p> <p>h. Advise the Council on the adoption or revision of the Members' Code of Conduct.</p> <p>i. Monitor the operation of the Members' Code of Conduct.</p> <p>j. Advise, train or arrange to train Councillors and co-opted members on matters relating to the Members' Code of Conduct.</p> <p>k. Formulate advice for Members and officers on declarations of gifts and hospitality and monitor and review the arrangements for recording interests, gifts and hospitality.</p> <p>l. Grant dispensations to Councillors and co-opted members from requirements relating to interests set out in the Members' Code of Conduct.</p> <p>m. For both District and Parish Councils, deal with</p>
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	<p>any report from the Monitoring Officer following an investigation into a complaint concerning the Members' Code of Conduct (statutory requirement).</p> <p>n. For both District and Parish Councils, consider and determine allegations that a Councillor or co-opted Councillor may have failed to follow the Code of Conduct and where a breach of the Code is established, impose sanctions as delegated by full Council or make recommendations as to any sanctions to the appropriate person or body (statutory requirement).</p> <p>o. Monitor and review the operation of the Protocol on Member-Officer relations.</p> <p>p. Monitor and review the operation of the Protocol on Member-Member relations.</p>
<p>Special provisions as to the Chairman</p>	<p>None <u>The Chairman shall where possible not be a member of a political group represented in Cabinet a member of the [Leading / Majority / Controlling] Political Group / shall be a member of [an / the] Opposition Political Group</u></p>
<p>Whipping arrangements</p>	<p>The party whip must not be applied</p>
<p>Substitutes</p>	<p>Substitutes are permitted</p> <p>A substitute is permitted for the Co-opted Non-voting Parish Representative (who shall not be a member of the same Parish Council as either of the Parish members).</p>
<p>Officer attendance</p>	<p>S151 Officer, Monitoring Officer and Audit Services Manager or their deputies are expected to attend each meeting.</p>
<p>Special provisions as to membership</p>	<p>Quasi-judicial meetings training will be required before members sit on hearings.</p> <p>Members of the Cabinet or the Chairman of the Council may not be a member of or substitute on the Audit, Standards & Governance Committee.</p>

OVERVIEW AND SCRUTINY BOARD

Number of Members	11, none of whom shall be members of the Cabinet
Politically Balanced Y/N	Y
Quorum	6
Procedure applicable	Rules Overview and Scrutiny Procedure Rules and Council Procedure Rules (with the exception of Council Procedure Rules 1-4, 9-11, 13.4, 13.5, 14, 18.2, 20.1 and 22) – where there is any conflict, Overview and Scrutiny Procedure Rules to take precedence
Terms of Reference	<p>The general terms of reference of the Overview and Scrutiny Board will be to perform all overview and scrutiny functions on behalf of the Council in relation to any matter affecting the District and its inhabitants</p> <p>The specific terms of reference include:-</p> <ol style="list-style-type: none"> a. To receive and consider Councillor Calls for Action b. To perform the functions relating to Crime and Disorder Scrutiny (in accordance with the Police and Justice Act 2006) c. To receive and consider Petitions d. To scrutinise the Budget e. To monitor performance improvement f. To identify unsatisfactory progress or performance and make recommendations on remedial action to the Cabinet; g. To monitor the following Council documents/strategies <ul style="list-style-type: none"> • Council Plan

	<ul style="list-style-type: none"> • Council Annual Report • Improvement Plan • Performance Management Strategy/Data Quality Strategy • Quarterly Finance & Performance Monitoring report
Special provisions as to the Chairman	<p>NoneThe Chairman shall [not be a member of the [Leading / Majority / Controlling] Political Group / shall be a member of [an / the] Opposition Political Group]where possible not be a member of a political group represented in Cabinet</p>
Officer attendance	<p>A Director is expected to attend each meeting. The relevant Head of Service is expected to attend for consideration of any item within his/her area of responsibility</p>
Whipping arrangements	<p>When considering any matter in respect of which a member of the Overview and Scrutiny Board is subject to a party whip, the Councillor must declare the existence of the whip, and the nature of it before the commencement of the Overview and Scrutiny Board's deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.</p>
Substitutes	<p>Substitutes are permitted subject to the restriction that each member of the Board may only nominate a substitute on up to two occasions during each municipal year (as set out in rule 1.3 of the Overview and Scrutiny Procedure Rules). In extenuating circumstances and upon application to the Chairman of the Overview and Scrutiny Board, this may be waived. [Substitutes cannot be used for Task Group meetings.]</p>
Special provisions as to membership	<p>Members of the Cabinet or the Chairman of the Council may not be a member of or substitute on the Overview & Scrutiny Board.</p>

**Appendix 2 Bromsgrove
District Council Procedure**

Rules

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Items marked with # also apply to Committee and Board meetings

Items marked with * cannot be suspended

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Bromsgrove District Council

Procedure Rules for Council and Committee Meetings

1. Introduction

- 1.1 These procedure rules apply to the Council and other meetings.
- 1.2 When a rule applies to a Committee, Sub-committee or Board, this is shown by # next to the heading.
- 1.3 The rules do not apply to the Cabinet or to Joint Committees or other meetings which operate under separate constitutions.
- 1.4 Nothing in these procedure rules overrides legal requirements which apply to the conduct of meetings.

2. Annual Meeting of the Council

Quorum: 16

- 2.1 In a year when there are ordinary elections the Annual Meeting will be held within 21 days of the retirement of the outgoing Councillors. In any other year, the Annual Meeting will take place in May. The meeting will usually start at 6.00pm.
- 2.2 The Annual Meeting will:
 - (a) elect a person to preside if the Chairman and Vice-Chairman are not present;
 - (b) elect [a member who where possible is not a member of a political group represented in Cabinet, as](#) the Chairman of the Council;
 - (c) elect the Vice-Chairman of the Council;
 - (d) receive any declarations of interest from Councillors;
 - (e) approve the minutes of the last meeting;
 - (f) receive any announcements from the new Chairman and/or the Chief Executive;
 - (g) in the year of ordinary elections of Councillors, or when there is a vacancy, elect the Leader;
 - (h) consider questions on notice from members of the Council in the order in which they have been received, in accordance with procedure rule 9;

- (j) consider motions in the order in which they have been received, in accordance with procedure rule 10;

- (i) agree:
 - (i) the terms of reference of,
 - (ii) size and
 - (iii) appoint to, in accordance with political balance rules,Committees and Boards as appropriate to deal with matters which are not functions of the Council or Cabinet;
- (i) agree the scheme of delegation;
- (j) consider other business required by legislation;
- (k) to consider any business set out in the notice for the meeting.

3. Ordinary Meetings of the Council

Quorum: 16

3.1 Ordinary meetings of the Council will take place in accordance with a programme agreed by the Head of Legal, Equalities and Democratic Services following consultation with the Leader and relevant Portfolio Holder. Council meetings will usually start at 6.00pm.

3.2 Ordinary meetings will:

- (a) Elect a person to preside if the Chairman and Vice-Chairman are not present;
- (b) Receive any declarations of interest from Councillors;
- (c) Approve the minutes of the last meeting;
- (d) receive any announcements from the Chairman and/or the Chief Executive;
- (e) receive any announcements from the Leader of the Council (*see also Procedure rule 14*);
- (f) receive comments, questions or petitions from members of the public and/or from Councillors on their behalf, in accordance with procedure rule 8;

- (g) deal with any business from the previous Council meeting;
- (h) deal with questions on notice from members of the Council in the order in which they have been received, in accordance with procedure rule 9;
- (i) receive minutes and/or reports from the Audit, Standards and Governance Committee;
- (j) consider reports and/or recommendations from the Cabinet. These may be presented as minutes of recent meetings of the Cabinet which contain recommendations and are also used to report on recent activity;
- (k) consider recommendations from any other Committees of the Council which require approval;
- (l) receive nominations and make appointments to outside bodies, except where appointment to the bodies has been delegated by Council or can be carried out only by the Cabinet. Details of ex-officio appointments will be set out in the agenda.
- (m) receive and consider reports from officers of the Council;
- (n) Receive and consider an annual report from one Portfolio Holder in accordance with Procedure rule 20;
- (o) Once a year, receive and consider an annual report from the Overview and Scrutiny Board about the work carried out by that Board, presented by its Chairman;
- (p) Once a year, receive and consider an annual report from the Audit, Standards and Governance Committee about the work carried out by that Committee, presented by its Chairman;
- (q) receive reports about activities of joint bodies to which the Council belongs, or other external organisations of interest to the District and ask questions about the report;
- (r) consider motions in the order in which they have been received, in accordance with procedure rule 10;
- (s) Consider any other business set out in the agenda;

- (t) To consider any urgent business not included in the agenda in accordance with legal requirements and subject to agreement with the Chairman prior to the meeting.
- (u) Other than items under paragraphs (a) – (c) the order of business may be varied by the Chairman or by Council resolution.

4. Extraordinary Meetings of the Council

Quorum: 16

Extraordinary meetings are additional meetings to those set out in the annual programme and are called to consider specific business.

4.1 The following may ask the Chief Executive to call an Extraordinary meeting of the Council:

- (a) the Council by resolution;
- (b) the Chairman of the Council;
- (c) the Monitoring Officer;
- (d) the Chief Financial Officer
- (e) any 5 members of the Council if they have signed a requisition presented to the Chairman of the Council asking him/her to call an Extraordinary meeting and he/she has either refused to call such a meeting, or has failed to do so within seven days of the presentation of the requisition.

Business to be transacted:

- 4.2 Extraordinary meetings of the Council will only consider the business on the agenda for the meeting, as set out in the requisition to convene it, and any other business which in the opinion of the Chief Executive is relevant to it. Meetings will usually start at 6.00pm.
- 4.3 The agenda for an Extraordinary meeting will not include Motions on Notice or Questions.
- 4.4 The agenda for an Extraordinary meeting may include approval of the minutes of the previous Council meeting and minutes of the Cabinet or other Committee/Board meeting or such other items of business as may be appropriate to ensure the efficient administration of Council business.

5. Notice of and Summons to Meetings #

- 5.1 The Chief Executive will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules.
- 5.2 Except in cases of urgency, at least 5 clear days before a meeting, the Chief Executive will send an agenda and reports to each member of the Council/Committee etc.
- 5.3 The agenda will give the date, time and place of each meeting, the business to be carried out and include available reports.

6. Previous Decisions and Motions

- 6.1 A motion, the effect of which is to rescind a decision made at a meeting of the Council within the previous 6 months (or has the same effect as one which has been rejected in the last 6 months) cannot be moved unless a Notice of Motion is signed by at least 7 Councillors, or is recommended by a meeting of the Cabinet or a Committee.

7. Urgent Business #

- 7.1 If a Councillor wishes to raise an item of urgent business which is not set out in the agenda for a meeting, s/he must discuss the issue before the meeting with the Chairman, Leader, Chief Executive and Monitoring Officer.
- 7.2 Having taken advice, the Chairman will decide whether or not the issue can be considered at the meeting.

8. Public Participation at Council Meetings

What is included

- 8.1 The agenda for each ordinary meeting of the Council will include a period of up to 15 minutes for members of the public to put comments about matters in the agenda and/or questions to the Council and to present petitions. The Chairman of the Council may agree to allow a similar arrangement at Extraordinary meetings of the Council.
- 8.2 The Chairman of the Council will have complete discretion as to how public participation is conducted and may agree to extend the time available under exceptional circumstances.

- 8.3 Comments, questions or petitions must be about matters for which the Council is responsible or which affect the District. The Council will not consider comments, questions or petitions that relate to specific planning or licensing matters. Neither will it consider matters which are confidential or exempt.
- 8.4 The Monitoring Officer may reject any comments, questions or petitions that:
- are, or appear to be, defamatory, racist or contain offensive language, or are otherwise not appropriate for consideration at a Council meeting;
 - are substantially the same as a question that has been put to a meeting of the Council in the last 6 months;
 - would more appropriately be considered at a meeting of the Cabinet or a Committee, in which case the request to participate will be passed to the relevant body.
- 8.5 Members of the public do not include:
- Employees of the Council or their representatives, on any matter relating to their employment;
 - Any applicants for, or recipients of, approvals, permissions or licenses;
 - Any person in a contractual relationship with the Council on a matter relating to that contract;
 - Councillors from a Local Authority on a matter concerning that local authority.

How to Apply

- 8.6 A copy of the comment, question or terms of petitions must be provided to the Monitoring Officer by 12 noon seven clear working days prior to but not including the date of the meeting (). This may be in writing or by e-mail and should include:
- The name of the person to whom it is addressed – at the meeting this will go to the Chairman in the first instance;
 - The name and address of the person submitting it;
 - In the case of petitions, the number of signatories with their names and addresses supplied.
- 8.7 The Chairman has discretion to allow a question and/or comment from a member of the public received after the deadline in exceptional circumstances.

At the Meeting

8.8 A member of the public may spend up to 3 minutes to:

- (a) Present a petition and explain its purpose;
- (b) Ask a question, or
- (c) make a comment on a matter on the agenda

Members of the public who register to participate in a meeting of Council under the rules set out in this section can do so using one of the three options below:-

- By attending in person and addressing the committee verbally;
- By joining the meeting virtually by video link and addressing the committee verbally; or
- By providing a written statement in advance of the meeting to be read out by an officer.

8.9 A petition may be presented to the Council by a Councillor acting on his/her own behalf or on behalf of members of the public.

8.10 The Chairman will receive a petition. If the petition relates to a matter on the agenda for the meeting it may be referred to during the debate on that item. Usually a petition will be received without comment at the meeting but the Chairman will ensure it is responded to as quickly as possible.

8.11 A question should be addressed to the Chairman of the Council who may reply in one of the following ways:

- (a) An oral answer;
- (b) By asking the Leader or another Councillor to reply, either orally or in writing;
- (c) By asking an Officer to reply in writing;
- (d) By referring to information in a publication;
- (e) A written answer following the meeting, a copy of which will be published on the Council's website and included with the signed minutes of the Council meeting.

8.12 No response will be given to a comment under this item but it may be referred to during the debate on the relevant item.

9. Questions from Councillors at Council Meetings

- 9.1 A Councillor may ask the Leader or the Chairman of a Committee any question without notice on an item of the minutes and/or any report of the Cabinet or Committee when that item is being received or considered by the Council.

Questions on Notice

- 9.2 A Councillor may ask:

- The Chairman;
- A member of the Cabinet;
- The Chairman of any Committee or Sub-Committee

a question on any matter to which the Council, Cabinet, Committee or sub-committee has powers or duties or which affects the District of Bromsgrove.

The content of the question should comply with Procedure rule 9.8 - Content

Deadline for Questions

- 9.3 The deadline for questions to be received by the Monitoring Officer is 12 noon, seven clear working days prior to but not including the date of the meeting
- 9.4 A question must be submitted in writing.
- 9.5 If a question relates to an urgent matter, the Councillor should obtain the permission of the Chairman and submit the question to the Monitoring Officer not less than 2 hours before the start of the meeting at which it will be asked.

Content

- 9.6 The Monitoring Officer may reject a question if:
- (a) it is defamatory, frivolous or offensive,
 - (b) it is substantially the same as one submitted within the previous six months;
 - (c) it asks the Council about a matter which is outside the powers or responsibility of the full Council;
 - (d) it relates to a specific planning or licensing matter;

(e) it does not relate to functions undertaken by the Council.

(f) It could be dealt with more appropriately by an officer;

At the meeting

9.7 The question will be read out at the meeting by the Councillor who has asked it or by another Councillor on his/her behalf.

9.8 The answer may be given as:

(a) A direct oral answer;

(b) A reference to information contained in a publication; or

(c) Where the answer cannot conveniently be given orally, a written answer, circulated to the questioner at the latest with the minutes of the Council meeting and appended to the signed copy of the minutes.

9.9 The Councillor who has been asked the question may, if appropriate, refer it to another member to answer.

9.10 Every question shall be put and answered without discussion.

Supplementary Questions

9.11 For a trial period commencing October 2023, a Member asking a question under rule 9.2 may, without notice, ask one supplementary question of the member to whom the first question was addressed. The supplementary question must arise directly out of the original question or the reply.

Time limit

9.12 At each meeting a maximum of 15 minutes will be allowed for the asking and answering of questions under this procedure rule.

9.13 The Chairman may at his/her discretion extend the time if s/he and the majority of those present agree.

9.14 Any questions that remain unanswered shall be dealt with at the next ordinary meeting of the Council in the order in which they were received, unless the Councillor who gave notice of it agrees to receive the answer in writing.

10 Motions on Notice at Council Meetings

- 10.1 Any Councillor may give notice of not more than one Motion for consideration at any meeting of the Council.

Deadline for Motions

- 10.2 Notices of Motion must be submitted to the Monitoring Officer by 12 noon seven clear working days, prior to but not including the date of the meeting
- 10.3 A Motion must be submitted in writing.

Urgent Notice of Motion

- 10.4 If a Motion relates to an urgent matter and otherwise complies with the requirements set out in this procedure rule, the Councillor submitting it should obtain the permission of the Chairman and submit the Motion to the Monitoring Officer not less than 24 hours before the start of the meeting at which it will be moved.

Content

- 10.5 The Notice must contain a written notice of the motion;
- 10.6 Motions must be about matters for which the Council is responsible or which affect the District.
- 10.7 The Monitoring Officer may reject a Notice of Motion if:
- (a) it is defamatory, frivolous or offensive,
 - (b) it is substantially the same as one submitted within the previous six months;
 - (c) it requests the Council to make a decision which is outside the powers or responsibility of the full Council;
 - (d) it is not of a strategic nature;
 - (e) it does not relate to functions undertaken by the Council.

At the meeting – Proposal and Withdrawal of Motion

- 10.8 The Motion can be moved by the Signatory to the Notice or another Councillor on their behalf.
- 10.9 If a Motion is not moved at a Council meeting, it will lapse and can only be moved again if Notice is given in accordance with these procedure rules.

Deferment of Motions

- 10.10 If, having taken advice from the Chief Executive and Monitoring Officer, the Chairman considers that the Motion should be dealt with in conjunction with a report from an Officer, the Motion will be deferred until this can be arranged.
- 10.11 No Motion shall be deferred for longer than one Ordinary meeting of the Council. The Chairman will inform the Council under his/her Announcements of any such deferrals.

Referral of Motions

- 10.12 If a Notice of Motion relates to an Executive function and is proposed and seconded, the Council may discuss the matter in order to inform the Cabinet's consideration of it. It cannot decide the matter.
- 10.13 Motions which relate to matters reserved to the Council or to non-Executive functions may be debated and decided by the Council.
- 10.14 If the motion is not debated, it will be referred to the Cabinet or appropriate body to consider and report back to the Council with recommendations on how to proceed.
- 10.15 If a Motion is referred to the Cabinet or another Committee for consideration, then the Proposer of the Motion will be invited to attend the relevant meeting when it is discussed to introduce and speak to it.

Time Limit for Motions on Notice

- 10.16 At each meeting up to one hour shall be allowed for consideration of all Motions on Notice. This may only be exceeded with the agreement of the Council.
- 10.17 At the end of the hour – or other time period if agreed by the Council – the Chairman will ask the Councillor speaking to conclude immediately.
- (a) If the speaker is proposing the motion then it can be formally seconded without comment;
- (b) If the speaker is moving an amendment, the Chairman will allow the amendment to be formally seconded, without comment, and the mover of the motion to exercise their right of reply;

(c) If neither (a) nor (b) then the mover of the motion will be allowed to have their right of reply for up to 5 minutes.

10.18 The Chairman will put to the vote, without further discussion, all questions necessary to dispose of the motion being debated and put the Motion to the vote.

10.19 If as a result of reaching the time limit a motion is not moved by either the Councillor who gave notice or another Councillor on their behalf, it shall be either:

(a) treated as withdrawn and cannot be moved without fresh notice, although it will not be restricted by the 6 month rule set out at Procedure rule 6; or

(b) with the consent of the Council, be postponed until the next Ordinary meeting.

11 Chairing the Meeting #

11.1 The person presiding at the meeting may exercise any powers or duty of the Chairman.

11.2 Where these rules provide for a maximum time to be devoted to an item or speech or other process, the Chairman may, if s/he and the majority of Members present agree, extend that time if it felt appropriate in the interests of effective conduct of Council business.

11.3 Any ruling of the Chairman shall not be challenged.

12 Councillor Conduct # 12.1 only

12.1 Councillors are expected to treat each other with respect and abide by the Code of Conduct.

12.2 When a Councillor speaks at a meeting of the Council s/he must, if able, stand and address the meeting through the Chairman unless the Chairman agrees and directs otherwise. Only one Councillor may stand at a time. Other Councillors must remain seated whilst a Councillor is speaking, unless they wish to make a point of order or a point of personal explanation (Procedure rule 17.6).

- 12.3 When the Chairman stands during debate, any Councillor speaking at the time must stop and sit down. The meeting must be silent.

Prevention of Disorderly Conduct #

Prevention of Disorderly Conduct – Councillors and Public

- 12.4 The Chairman may take the following action if a Councillor persists in misconduct:
- (a) forbid the Councillor from speaking for all or part of the meeting;
 - (b) tell the Councillor to leave all or part of the meeting;
 - (c) order the Councillor to be removed from the meeting;
 - (d) adjourn the meeting for an appropriate time to try and resolve the situation.
- 12.5 Similar action can be taken if a member of the public disrupts the meeting.
- 12.6 If there is more general disorder in any part of the room where the meeting is being held which is open to the public, the Chairman may order that part to be cleared and may adjourn the meeting as appropriate.
- 12.7 Members of the public are permitted to take photographs, films, video record or audio record a Council and other meetings open to the public, provided that they do not intimidate public speakers or cause disruption and abide by any directions given by the Chairman. Oral commentary is not permitted. Members of the public intending to record meetings should notify the Democratic Services Manager in advance of the meeting. The Council's protocol is on the website and explains this further.
- 12.8 The taking of photographs, filming, video or audio recording is not permitted at private meetings or where the public have been excluded. Recording equipment must not be left in a meeting room after the public have been excluded.

13 Quorum #

- 13.1 The quorum of a meeting will be a proportion of the voting members of the Committee, Sub-Committee or Board etc, as agreed by the Council from time to time.

- 13.2 If at any time during the meeting the Chairman declares that there is not a quorum present, the meeting will adjourn immediately for 15 minutes.
- 13.3 If after that time there is still not a quorum present, the meeting shall end.
- 13.4 Any remaining business will be considered at the next meeting, whether ordinary or extraordinary, unless the Chairman makes other arrangements prior to the next meeting.

14. Announcements

- 14.1 Each person entitled to make an announcement may speak for a total of five minutes.
- 14.2 Announcements must not relate to items on the agenda or exempt or confidential items.
- 14.3 In respect of Leader's announcements only, Councillors may ask questions by way of clarification. Up to five minutes in total may be devoted to Councillors' questions to the Leader.

15. Minutes #

- 15.1 The Chairman will sign the minutes of the proceedings at the next suitable meeting.
- 15.2 The Chairman will propose that the minutes of the previous meeting be signed as a correct record. The only aspects of the minutes which can be discussed is their accuracy.
- 15.3* If the next meeting is an Extraordinary meeting (called under Para 3 of Schedule 12 to the Local Government Act 1972) then the minutes will usually be signed at the next following Ordinary meeting.

* *Mandatory procedure rule, Local Authorities (Standing Orders) Regulations 1993*

16. Advice from Officers #

- 16.1 Whenever the Chief Executive, the Section 151 Officer, the Monitoring Officer or the Head of Planning and Regeneration considers it appropriate to give advice to the Council, they shall be at liberty to do so and the Council shall hear such advice.

17. Rules of Debate

Not every debating possibility can be covered in these procedure rules. In the event of an issue not being covered by them, the Chairman's ruling shall be final.

Dealing with Motions and Amendments

- 17.1 A motion or amendment must be proposed and seconded before it can be discussed.
- 17.2 The Chairman may require any procedural motion to be written down and handed to him/her before it is discussed.

Speeches

- 17.3 Speeches may not exceed 5 minutes without the consent of the Chairman and a majority of those present.
- 17.4 Speeches must be about the item being discussed or about a point of order or personal explanation.
- 17.5 When seconding a motion or amendment, a Councillor may reserve their speech until later in the debate.

When Councillors may speak more than once, including Point of Order and Personal Explanation

- 17.6 A Councillor may only speak once on a motion except:
- (a) to speak once on an amendment moved by another Councillor;
 - (b) if their first speech was on an amendment and that has now been dealt with, to speak on the main proposal;
 - (c) to exercise a right of reply as a mover of a motion (not an amendment);
 - (d) on a point of order or by way of personal explanation.
 - (i) A point of order may only relate to an alleged breach of these Council procedure rules or the law and the Councillor must indicate the way in which s/he considers it has been broken. The ruling of the Chairman will be final and not open to discussion.

(ii) Personal explanation may only relate to some material part of an earlier speech by the Councillor at the same meeting which may appear to have been misunderstood in the current debate. The ruling of the Chairman on the admissibility of a personal explanation will be final and not open to discussion.

(e) to move a further amendment;

(e) to make a motion to close the debate.

Amendments

17.7 An amendment must be relevant to the motion and will be:

(a) to refer the matter to an appropriate body or individual for consideration or reconsideration;

(b) to leave out words

(c) to leave out words and insert or add others; or

(d) to insert or add words

As long as the effect of (b) to (d) is not to negate the motion.

17.8 Only one amendment may be dealt with at a time.

17.9 Amendment not carried – a further amendment to the motion may be moved.

17.10 Amendment carried – the amended motion takes the place of the original motion. It is known as the “substantive motion” and further amendments may be moved to this.

17.11 After an amendment is carried the Chairman will read out the amended motion before accepting any amendments. If there are no further amendments the substantive motion is debated before being put to the vote.

Alteration of Motion

17.12 An alteration to a motion must be either:

(a) to refer the matter to an appropriate body or individual for consideration or reconsideration;

(b) to leave out words;

(c) to leave out words and add others;

(d) to add words;

So long as the effect of (b) to (d) is not to negate the motion.

When a motion can be altered

17.13 A motion may be altered:

- (a) before it has been moved by the Councillor who submitted it (or another Councillor on his/her behalf) if the majority of those present agree;
- (b) after it has been moved and seconded if both the mover and seconder and the majority of those present agree.

Withdrawal of Motion

17.14 A Councillor may withdraw a motion which s/he has moved. Once withdrawn it cannot be discussed any further.

Rights of Reply – motions and amendments

17.15 Mover of motion has right of reply at end of debate on the motion, immediately before it is put to the vote.

17.16 If an amendment is moved, the mover of the original motion has right of reply at close of debate on the amendment but shall not speak on it apart from this. The mover of the amendment has right of reply at end of debate on the amendment, immediately prior to the final right of reply of the mover of the original motion.

Motions which may be moved during debate

17.17 During debate on a motion, the following are the only further motions that can be moved:

- (a) to amend a motion;
- (b) closure motions – see procedure rule 17.19 below;
- (c) under Procedure rule 12.4 that a Councillor is not heard further; or that a Councillor leave the meeting;
- (d) to exclude the public and press in accordance with the Access to Information rules.

Procedural Motions without notice

17.18 The following procedural motions may be moved without notice:

- (a) to appoint a Chairman of the meeting;

- (b) in relation to the accuracy of the minutes;
- (c) to change the order of business in the agenda;
- (d) to refer something to an appropriate body or individual;
- (e) to appoint a committee or a member arising from an item on the agenda for the meeting;
- (f) to receive reports or adopt recommendations from Committees or Officers and any resolutions following from them;
- (g) closure motions under procedure rule 17.18;
- (m) to suspend a particular procedure rule;
- (n) to exclude the public and press in accordance with Access to Information Rules;
- (o) to not hear further a member named under rule 12.4 or to exclude them from the meeting;
- (p) to give the consent of the Council where it is required under this constitution.

Closure Motions

17.19 A Councillor may move, without comment, the following motions at the end of a speech of another Councillor:

- (a) to proceed to next business;
- (b) that the question now be put to the vote;
- (c) to adjourn a debate;
- (d) to adjourn a meeting.

17.20 **“That the meeting proceed to next business”** – if seconded and the Chairman thinks the item has been sufficiently discussed, s/he gives mover of motion right of reply and procedural motion is put to the vote.

17.21 **“That the question now be put”** – if seconded and the Chairman thinks the item has been sufficiently discussed, s/he will put the procedural motion to the vote. If passed, the mover of the original motion has the right of reply before the motion is put to the vote.

If the Chairman considers there has been insufficient debate, s/he may refuse to accept the motion.

17.22 **“That the debate be now adjourned”** and **“that the meeting do now adjourn”** – if seconded and the Chairman thinks the item has not reasonably been discussed and cannot reasonably be discussed on this occasion, s/he will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

18. **Voting #**

18.1 Unless a recorded vote is demanded or required, voting shall be by general assent or by show of hands. Any matter will be decided by a simple majority of those present and entitled to vote in the meeting at the time the question was put.

18.2 If there is an equal number of votes for and against, the Chairman may use a second or casting vote. There is no restriction on how the Chairman chooses to use a casting vote.

Recorded Votes

18.3 If before the Chairman has called for a show of hands, any Councillor present at a meeting demands it, the vote shall be recorded to show the names of those who voted for or against the motion and those who abstained.

18.4* Where any member requests it immediately after a vote is taken, their vote will be recorded in the minutes to show whether they voted for or against the matter or abstained from voting.

Mandatory Procedure Rule, Local Authorities (Standing Orders) Regulations 1993

18.5* Immediately after any vote is taken on a budget or Council Tax decision at a budget decision meeting of the Council, the names of those who voted for or against the motion or abstained shall be recorded.

Mandatory Procedure Rule, Local Authorities (Standing Orders) (England) Regulations 2014

Voting on Appointments

18.6 If there are two or more people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new

vote taken. The process will continue until there is a majority of votes for one person.

19. Consideration of Recommendations from Cabinet and Reports presented by Cabinet Members

- 19.1 Each report or recommendation from Cabinet will be presented by a member of the Cabinet whose initial presentation shall not exceed 10 minutes.
- 19.2 Other speeches shall not exceed 5 minutes.
- 19.3 The member of the Cabinet presenting the report or recommendation may, with the consent of the Chairman, respond to all questions raised or points made during the debate.
- 19.4 The member of the Cabinet presenting the report or recommendation has a right to reply at the end of the debate on the recommendation immediately before it is put to the vote.
- 19.5 The member of the Cabinet presenting the report or recommendation may alter or amend the recommendation if the majority of members present agree, provided such alteration or amendment is one which could be made as an amendment to a motion under Rule 17.7 – 17.11.
- 19.6 An amendment to a report or recommendation from Cabinet may be made provided such amendment is one which could be made as an amendment to a motion under Rule 17.7 and the procedure set out in Rule 17 insofar as it applies to amendments to motions shall apply to amendments to recommendations from Cabinet.

20. Annual Reports from Portfolio Holders

- 20.1 At each ordinary meeting of the Council there will be an item on the agenda to receive and consider an annual report from one portfolio holder.
- 20.2 The report will include important matters from the previous 12 months and forthcoming policy issues which the Portfolio holder wishes to raise with the Council.
- 20.3 Each report will be presented by the Portfolio Holder and their initial presentation shall not exceed 10 minutes.
- 20.4 Councillors may ask questions of the Portfolio Holder. Questions and answers shall not exceed 3 minutes.
- 20.5 A maximum of 30 minutes will be allowed for this item at the meeting.

- 20.6 Councillors will not take any decisions in connection with or vote on the report. The main issues raised during discussion of the reports will be minuted.

21. Suspension and Amendment of Council Procedure Rules

Suspension

- 21.1 All of these Council Rules of Procedure except Rule 15.3, 18.4 and 18.5 may be suspended by motion on notice or without notice if a majority of those present and entitled to vote agree. Suspension shall last until such time as the meeting agrees to reinstate the suspended rule(s), or the end of the meeting, whichever is the earlier.

Amendment

- 21.2 Any motion to add to, vary or revoke these Council Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

22. Application to Committees and Sub-Committees

- 22.1 All of the preceding Council Rules of Procedure apply to meetings of full Council. None of the rules apply to meetings of the Cabinet.
- 22.2 All of the preceding Rules except Rules 2-4, 6, 8-10, 12.2-12.3, 14, 17, 19, 20 and 21 apply to meetings of committees and sub-committees. Rules 23 – 25 shall apply only to meetings of committees and sub-committees.

23. Election of Chairmen and Vice-Chairmen of Committees #

- 23.1 Every Committee will, at its first meeting following the Annual Meeting of the Council, before proceeding to any other business, elect a Chairman and Vice-Chairman for the municipal year. If both the Chairman and Vice-Chairman are absent from a meeting of that Committee during the municipal year, the Committee may elect a member to chair that particular meeting.

23.2 In the event of a vacancy arising in the office of Chairman or Vice-Chairman of a committee, the committee will at its next meeting following the declaration of the vacancy appoint a member to fill the vacancy for the remainder of the municipal year.

~~23.2~~23.3 Where possible the Chairman of the Overview and Scrutiny Board and the Chairman of the Audit, Standards and Governance Committee shall not be a member of a political group represented in Cabinet.

24. Extraordinary Meetings of Committees #

- 24.1 The Chairman of a committee or the Chairman of the Council may summon an extraordinary meeting of the committee at any time.
- 24.2 An extraordinary meeting shall also be summoned on the requisition in writing of a quarter of the members of the committee. The summons shall set out the business to be considered at the extraordinary meeting, and no other business than that set out shall be considered at that meeting.

25. Appointment of Substitute Members of Committees and Sub-Committees #

- 25.1 When a member of the Council is unable to attend a particular meeting of a committee or sub-committee, he/she may appoint another member *from the pool of substitute members for that Committee or sub-committee*, to attend the meeting as his/her substitute. Members may not arrange for substitutes to attend in their place at Cabinet.
- 25.2 Substitute members will have all the powers and duties of any ordinary member of the committee.
- 25.3 Substitute members may attend meetings in that capacity only:
 - (a) where the ordinary member will be absent for the whole of the meeting; and
 - (b) after notifying the Head of Legal, Equalities & Democratic Services before or at the commencement of the meeting of the intended substitution.

26. Calculation of Time #

“Working day” shall not include a Saturday, Sunday, bank holiday, public holiday or other day on which the Council House is closed.

“Clear day” shall not include the date on which notice is given, or the date of the meeting.

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Cabinet

14/02/2024

Carbon Reduction Strategy Annual Review

Relevant Portfolio Holder		Councillor Steve Collela
Portfolio Holder Consulted		Yes
Relevant Head of Service		Judith Wills
Report Author	Job Title: Climate Change Manager Contact email: matthew.eccles@Bromsgrove@Redditch.gov.uk Contact Tel: 07816112073	
Wards Affected		All
Ward Councillor(s) consulted		All
Relevant Strategic Purpose(s)		All
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Cabinet **RECOMMEND** that:-

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

2. BACKGROUND

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

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

3. OPERATIONAL ISSUES

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

4. FINANCIAL IMPLICATIONS

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

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

5. LEGAL IMPLICATIONS

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

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

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

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

Climate Change Implications

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

Equalities and Diversity Implications

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

7. RISK MANAGEMENT

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

8. APPENDICES and BACKGROUND PAPERS

8.1 Carbon Reduction Strategy.

8.2 Carbon Reduction Strategy Review.

9. REPORT SIGN OFF

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

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

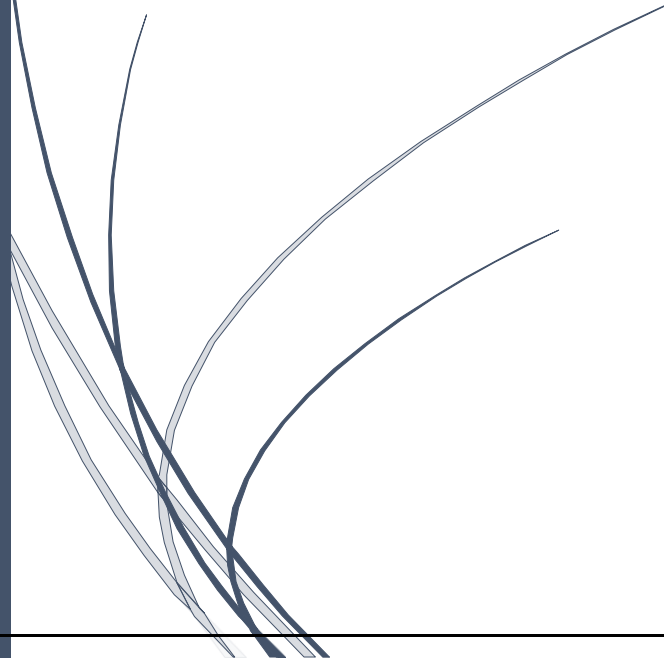
Measure	Estimated annual saving in tonnes CO ₂	Service area	Co- benefits	2023 Review Comment	2024 Actions
				been secured thus far is to be spent by 2025.	
Apply for funding for Parkside Building energy efficiency / generation measures	15	Legal, Democratic & Property Services	Reduction in running costs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

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

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October 2022

Bromsgrove District Council Carbon Reduction Strategy & Action Plan V6



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Background & Introduction

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

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

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



Chief Executive



Portfolio Holder for Climate Change

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

Progress against targets will be reviewed twice a year.

50% reduction in carbon dioxide emissions by 2030

Net Zero by 2040

Our Key Successes and Top Five Future Actions

Key successes:

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

Top five future actions:

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

Commitment & Integration

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

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

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

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

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

Partnership Working

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

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

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

What further actions are we going to take?

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

Community Engagement & Communication

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

What are we currently doing?

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

What further actions are we going to take?

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

Co – benefits

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

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

What further actions are we going to take?

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

Equality, Diversity & Inclusion

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

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

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

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

Ecological Emergency

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

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

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

What further actions are we going to take?

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

Education skills and training

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

What are we currently doing?

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

What further actions are we going to take?

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

Governance, Development & Funding

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

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

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

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

Low Carbon Economy

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

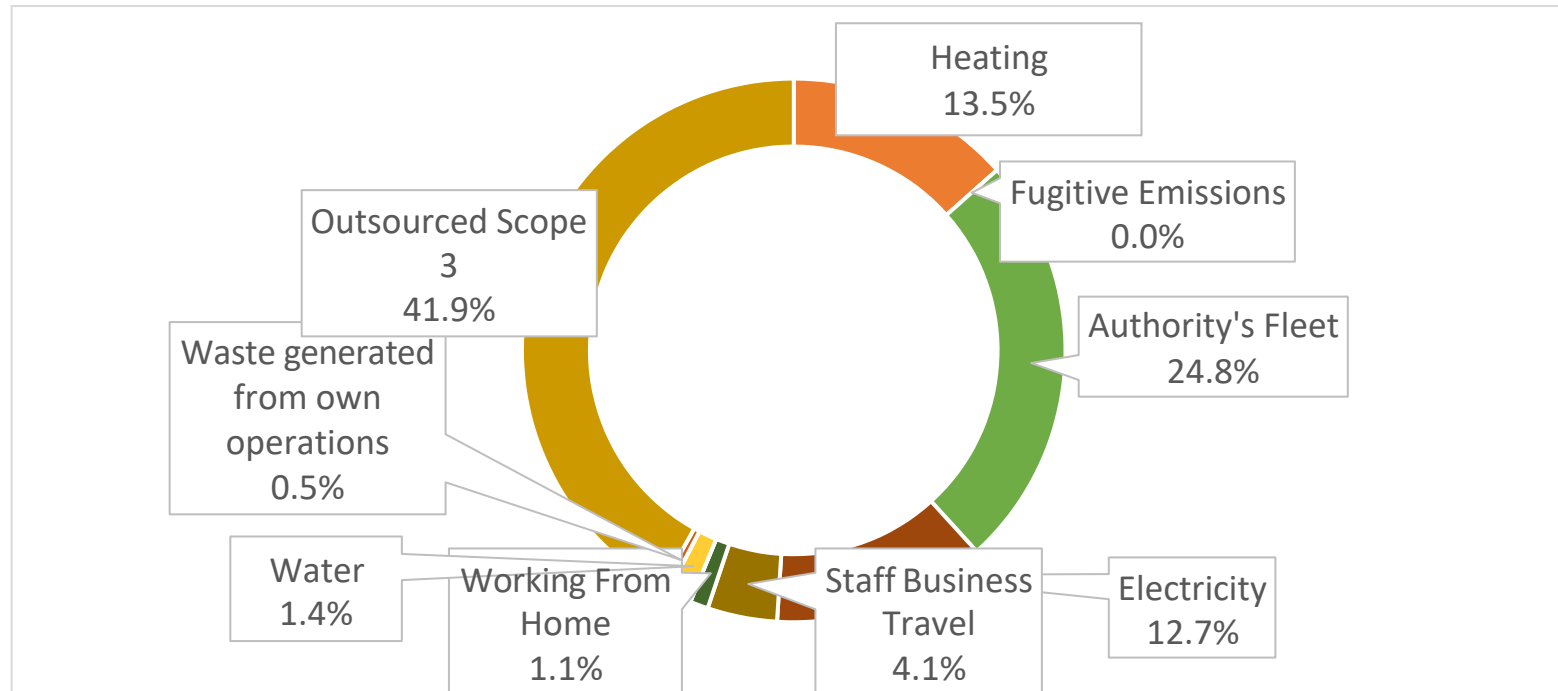


What are we currently doing? The Economic Strategy for Bromsgrove is delivered by North Worcestershire Economic Development and Regeneration (NWeDR). Appropriate grants administered by the County Council and others are signposted to local businesses. Both Worcestershire Local Enterprise Partnership and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

What further actions are we going to take?

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

Measuring and setting emissions targets



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

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

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

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

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

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

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

Mitigation & Adaptation

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

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

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

Waste & Recycling

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

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

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

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

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

Action Plan – measures with quantified savings.

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

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

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

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

Action Plan – measures without quantified savings

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

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

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

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

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

Non-Domestic Rates Discretionary Rate Relief Policy

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

1. RECOMMENDATIONS

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

2. BACKGROUND

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

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

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

3. FINANCIAL IMPLICATIONS

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

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES – IMPLICATIONS

Relevant Strategic Purpose

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

Climate Change Implications

None

6. OTHER - IMPLICATIONS

- 6.1 None

Equalities and Diversity Implications

- 6.2 None

Operational Implications

- 6.3 None

7. RISK MANAGEMENT

- 7.1 No specific risk identified.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Discretionary Rate Relief Policy

9. REPORT SIGN OFF

BROMSGROVE DISTRICT COUNCIL

Cabinet
2024

14th February

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

Non-Domestic Rates - Discretionary Rate Relief Policy and Guidance

Summary of Document

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

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

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1.0 Introduction

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

2.0 Legislative Framework

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

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

3.0 Discretionary Rate Relief for Charities and Community Amateur Sports Clubs

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

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

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

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

4.0 Discretionary Rate Relief for Charity Shops

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

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

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

5.0 Discretionary Rate Relief for Non-Profit Making Organisations

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

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

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

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

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

6.0 Rural Rate Relief

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

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

7.0 Hardship Relief

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

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

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

8.0 Relief for Part Occupied Premises

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

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

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

8.3 Applications for retrospective periods will not be accepted.

9.0 Localism Act Discretionary Rate Relief

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

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

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

10.0 Discretionary Rate Relief - Central Government Funded Reliefs

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

11.0 Costs of Relief

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

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

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

12.0 Reduction in Relief - Transitional Arrangements

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

13.0 Level of Relief and Budget Restrictions

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

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

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

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

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

14.0 Period of Relief

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

15.0 Backdating Relief

- 15.1 Applications for relief will be backdated to the beginning of the rate year, or the start date of the ratepayer's liability whichever is the later. Backdating for periods before the current rate year will be considered where:
- a) The application for relief is made and determined within 6 months of the end of the relevant financial year.
 - b) A hereditament is entered into the rating list for the first time and an application for relief is made within 3 months of the hereditament entering the rating list.
- 15.2 Government funded reliefs will be backdated where funding remains available from the relevant government scheme.

16.0 Appeals

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

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

17.0 Delegated Powers to Determine Awards of Relief

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

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

18.0 Interest of Officers and Members

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

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

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

CABINET

14th February 2024

PAY POLICY STATEMENT 2024/25

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

1. SUMMARY OF PROPOSALS

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

2. RECOMMENDATIONS

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

3. KEY ISSUES

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

The Statement must set out policies relating to-

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

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

Financial Implications

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

Legal Implications

- 3.3 These are already included in the report.

Service / Operational Implications

3.4 There are no implications in relation to this report.

Customer / Equalities and Diversity Implications

3.5 There are no implications in relation to this report.

4. RISK MANAGEMENT

There are no implications in relation to this report.

5. APPENDICES

Appendix 1 - Pay Policy 2024/25

AUTHOR OF REPORT

Name: Becky Talbot

email: becky.talbot@bromsgroveandredditch.gov.uk

Tel.: 01527 64252

**BROMSGROVE DISTRICT COUNCIL
PAY POLICY STATEMENT**

Introduction and Purpose

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

Legislative Framework

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

Pay Structure

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

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

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

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

Senior Management Remuneration

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

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

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

Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

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

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

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

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

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

Payments on Termination

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

Publication

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

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

Lowest Paid Employees

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

Accountability and Decision Making

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

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

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

1. SUMMARY OF PROPOSALS

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

2. RECOMMENDATIONS

Cabinet are asked to Recommend to Council that:

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

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- 9 Members take account of any feedback from the Tranche 2 consultation process undertaken.

Cabinet note that:

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

3. Background

Introduction

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

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

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

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

- 3.2 This report will set out:

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- The approved Tranche 1 Position including base assumptions.
- The impact of the Local Government Settlement.
- Council Priorities
- Strategic Approach
- The final Tranche 2 three year balanced budget, including updated assumptions.
- Impact of Tranche 2 on Reserves and Balances.
- The 5 year Capital Programme.
- The Risk Assessment
- The S151 Officers Robustness Statement
- Consultation Details.

The approved Tranche 1 Position including base assumptions.

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

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

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

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

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- The £702k utilities reserve was transferred to the General Fund.
- A 7% increase in (non-parking) fees and charges has been approved.
- Inflation on fees and charges is 2% in 2025/6 and 2026/7.

3.5 Departmental pressures are summarised in the following table:

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

Table 1 Departmental Pressures

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

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

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

Table 2 – Tranche 1 Approved MTFP Position

The impact of the Local Government Settlement

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

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

Council Strategic Priorities

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

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

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

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

Strategic Approach

3.19 The Council has come into the 2023/24 budget process with a number of conflicting issues. These include:

- An ongoing deficit to close of £637k from the 2023/24 MTFS.
- The requirement to fund the 23/4 pay award which is 5% higher than planned at an average value of 7%.
- Increases in Council Tax are limited at 2% or £5, which is significantly lower than the present rates of inflation.

3.20 Following the significant higher pay awards over the past two years than was budgeted for the Council must move to financial sustainability over the time scale of this MTFS. The next section sets out the Tranche 2 position but in it the Council moves to a sustainable position over the 3 year planning period. The level of reserves and balances presently held suggest that although significantly more is held than the suggested 5% recommended level for the General Fund, that any calls on this amount for a significant emergency situation would reduce levels by possibly 50%.

3.21 The Council must adapt how it operates to take advantage of customer requirements, technology, available resources, and the economic and environmental conditions to remain a sustainable viable organisation. To ensure this happens there will be the need for future investment, efficiencies and possibly the requirement to fund redundancy (both from reserves and balances).

3.22 As set out later in the Robustness Statement, in compiling Tranche1 of the budget, assumptions were based on the best information held then. Issues the Council is facing are not unique, they are being faced by almost all Councils. Tranche 2 of the budget will adjust for any funding that the Government will provide and also look at other options to close any deficit should the Government settlement not bridge any resultant gap.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact of Tranche 2 on Reserves and Balances

- 3.32 The existing 23/24 MTFP saw general fund balances reduce by £637k over the three year period as the original plan moved the Council towards sustainability. In the 2023/4 budget, the Council was prudent and reviewed all its earmarked Reserves and reallocated a substantial amount to the General Fund and also a newly formed Utilities Reserve due to the significant pressure on budgets in that area. As we have moved into 2023/4 there have been additional inflationary pressures, although they have been due to staffing and the 2023/4 allocation of the Utilities Reserve has been used to mitigate these. Years 2 and 3 of this reserve are not required and have been transferred to the General Fund to bolster its position.
- 3.33 The projected 2024/5 to 2026/7 position, at Tranche 1, had £795k of pressures to mitigate. This has been mitigated in Tranche 2 and a £27k surplus is now forecast. Presently the General Fund sits at a value of £5.708m (taking account of the Tranche 2 position) at the 31st March 2027. This sum is approximately 14.5% of gross expenditure and above the 5% benchmark quoted by the Government a being a minimum requirement. If Housing Benefit payments, which are passported through the Council are ignored than this percentage rises to 23.1% of expenditure.
- 3.34 The analysis in Table 5 sets out the effects on Council General Fund and Earmarked Reserves. Full detail is set out in Appendix C.

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

Table 5 Reserves Position

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

The 5 Year Capital Programme

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

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

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

Table 6 Summary Capital Programme

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

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

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

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

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

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

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

The Risk Assessment

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

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

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

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

The S151 Officers Robustness Statement

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

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- 3.51 The next most significant financial risk is the fact that the Council has not been able to present its 20/21 accounts (and subsequent years) for Audit, and the possible inaccuracy of opening balances used in budgetary data. This will be resolved with the delivery of Audited Accounts. It is understood that new legislation will be approved by Government which will require all accounts up to the 2022/23 year to be approved by the 30th September 2024.
- 3.52 The revenue budget and capital programme have been formulated having regard to several factors including:
- Funding Available.
 - Inflation.
 - Risks and Uncertainties.
 - Priorities.
 - Service Pressures.
 - Commercial Opportunities.
 - Operating in a Post C-19 environment.
- 3.53 The MTFP highlights that the current financial position has moved, following the Local Government Settlement to a position of sustainability.
- 3.54 In line with Section 25 of the Local Government Act 2003, this report of the Chief Financial Officer (CFO) sets out the robustness of estimates included in the budget and the adequacy of the Council's reserves.

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

- 3.55 Relevant budget holders are responsible for individual budgets and their preparation. All estimates are then scrutinised by Financial Services staff and the Corporate Management Team prior to submission to Members.
- 3.56 The two tranche 2024-5 budget process has ensured that all budget assumptions have been reviewed and reconsidered by Officers, and then Members, through the Finance and Budget Scrutiny Working Group, Cabinet and Council.
- 3.57 The budget is now sustainable over the medium term planning horizon but more work will need to be done to embed changes to ensure financial sustainability is embedded across the organisation.

Adequacy of Reserves

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

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- 3.59 Despite the present positive medium term financial position, given the possible issues with Opening Balances due to Accounts not being fully closed, it is prudent for the Council to build reserves as they are the Council's single source of funding for business change initiatives.
- 3.60 Further work will be undertaken to ensure that expenditure levels are sustainable and matched by income over the medium to long term. Plans are therefore in place to continue to review budgets and identify and accelerate further savings opportunities.

Collection Fund and Precepts

- 3.61 The Council Tax collection fund is anticipated to be in surplus based on December data by £0.397m, which will be distributed amongst the major preceptors using the prescribed formulae. The Council's share of the surplus payable as a one-off sum in the following financial year 13% of the total which amounts to £52k.
- 3.62 Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 8th February. This will enable the Council to set the Council Tax on 21st February 2024. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Council on 21st February.

Consultation Details

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

4. IMPLICATIONS

Financial Implications

- 4.1 Financial implications are set out in section 3.

Legal Implications

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

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

Service / Operational Implications

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

Customer / Equalities and Diversity Implications

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

5. RISK MANAGEMENT

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

6. APPENDICES

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

6. BACKGROUND PAPERS

None.

7. KEY

None

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Appendix A – Grant Levels

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

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Appendix B – Budgets by Department

							Changes	Changes	Revised
Summary 2024/5	Employees	Other Expenditure	Recharges	Recharges	Income	Base Budget	Expenditure	Income	Budget
BDC Regulatory Client	0	584,210	20,000	0	-324,873	279,337	118,000	-18,227	379,110
Business Transformation & Organisational Devel	1,812,166	878,567	254,024	-1,186,640	-17,500	1,740,617	119,119	-982	1,858,754
Chief Executive	413,774	936,705	247,914	-381,360	-157,568	1,059,465	43,835	-190	1,103,110
Community & Housing GF Services	407,843	734,401	690,477	-352,512	-406,722	1,073,487	120,558	-18,323	1,175,722
Environmental Services	9,212,147	2,797,170	42,486	-4,117,626	-4,215,457	3,718,720	733,706	-268,248	4,184,178
Financial & Customer Services	0	15,171,934	1,721,553	0	-15,651,687	1,241,800	200,000	0	1,441,800
Legal, Democratic & Property Services	1,436,438	1,180,572	499,019	-743,989	-847,128	1,524,912	159,495	-43,208	1,641,199
Planning, Regeneration & Leisure Services	2,230,138	658,188	429,912	-707,092	-1,184,674	1,426,472	207,287	-168,822	1,464,937
Total	15,512,506	22,941,747	3,905,385	-7,489,219	-22,805,609	12,064,810	1,702,000	-518,000	13,248,810
Corporate Financing	0	12,669,253	0	0	-24,778,066	-12,108,813	340,000	-1,523,000	-13,291,813
Financing						-44,003			-43,003
Summary 2025/6	Employees	Other Expenditure	Recharges	Recharges	Income	Base Budget	Changes	Changes	Revised
BDC Regulatory Client	0	595,210	20,000	0	-324,873	290,337	118,000	-24,607	383,730
Business Transformation & Organisational Devel	1,842,996	878,567	254,024	-1,202,534	-17,500	1,755,553	118,981	-1,326	1,873,209
Chief Executive	365,526	942,705	250,798	-387,455	-77,580	1,093,994	133,742	-334,257	893,480
Community & Housing GF Services	416,010	734,401	708,358	-356,596	-416,242	1,085,931	120,600	-24,737	1,181,794
Environmental Services	9,384,892	2,797,170	43,116	-4,196,632	-4,246,661	3,781,885	683,954	-327,583	4,138,256
Financial & Customer Services	0	15,171,934	1,722,452	0	-15,652,187	1,242,189	200,000	0	1,442,189
Legal, Democratic & Property Services	1,461,276	1,180,572	505,485	-756,119	-913,128	1,478,086	159,409	-63,331	1,574,164
Planning, Regeneration & Leisure Services	2,271,390	658,188	436,654	-707,092	-1,184,674	1,474,466	207,313	-177,160	1,504,619
Total	15,742,090	22,958,747	3,940,887	-7,606,428	-22,832,845	12,202,451	1,742,000	-953,000	12,991,451
Corporate Financing	0	12,651,253	0	0	-24,422,065	-11,770,812	145,000	-1,357,000	-12,982,812
Financing						431,639			8,639
Summary 2026/7	Employees	Other Expenditure	Recharges	Recharges	Income	Base Budget	Changes	Changes	Revised
BDC Regulatory Client	0	595,210	20,000	0	-324,873	290,337	118,000	-31,252	377,085
Business Transformation & Organisational Devel	1,842,996	878,567	254,024	-1,202,534	-17,500	1,755,553	154,203	-1,683	1,908,072
Chief Executive	365,526	942,705	250,798	-387,455	-77,580	1,093,994	147,880	-334,326	907,547
Community & Housing GF Services	416,010	734,401	708,358	-356,596	-416,242	1,085,931	128,550	-31,417	1,183,064
Environmental Services	9,384,892	2,797,170	43,116	-4,196,632	-4,246,661	3,781,885	863,309	-389,042	4,256,152
Financial & Customer Services	0	15,171,934	1,722,452	0	-15,652,187	1,242,189	200,000	0	1,442,189
Legal, Democratic & Property Services	1,461,276	1,180,572	505,485	-756,119	-913,128	1,478,086	187,336	-80,434	1,584,988
Planning, Regeneration & Leisure Services	2,271,390	658,188	436,654	-707,092	-1,184,674	1,474,466	250,722	-185,845	1,539,343
Total	15,742,090	22,958,747	3,940,887	-7,606,428	-22,832,845	12,202,451	2,050,000	-1,054,000	13,198,451
Corporate Financing	0	12,651,253	0	0	-24,422,065	-11,770,812	169,000	-1,589,000	-13,190,812
Financing						431,639			7,639

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Appendix C – Reserves Position

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

Appendix D – Ward Budget Proposal

Subject - Bromsgrove Ward Councillor Fund Pilot Scheme

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

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

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

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

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

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

The scheme could be funded in 2 different ways:

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

1. Guiding Principles

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

1.2 Members have considerable discretion in how they allocate funds.

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

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

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

2. Scheme principles

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

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

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

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

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

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

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

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

3. Scheme Specifics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Review

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

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Appendix E – Capital Programme

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

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

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

Appendix F – Capital Strategy

Capital Strategy Report 2024/25

Introduction

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

Capital Expenditure and Financing

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

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

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

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

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

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

Table 2: Capital financing in £ millions

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

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

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

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

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

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

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

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

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

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

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

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

- Surplus to requirements

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

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

Table 5: Capital receipts receivable in £ millions

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

Treasury Management

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

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

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

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

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

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

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

Table 7: Borrowing and the Liability Benchmark in £ millions

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

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

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

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

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

Table 9: Treasury management investments in £millions

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

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

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

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

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

Investments for Service Purposes

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

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

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

Liabilities

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

Revenue Budget Implications

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

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

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

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

Knowledge and Skills

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

Appendix G – Treasury Management Strategy

Treasury Management Strategy Statement 2024/25 Bromsgrove

Introduction

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

External Context

Economic background:

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

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

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

Credit outlook:

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

Interest rate forecast (November 2023):

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

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

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

Local Context

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

Table 1: Balance sheet summary and forecast

** shows only loans to committed and excludes

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

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

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

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

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

Table 2: Prudential Indicator: Liability benchmark

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

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

Borrowing Strategy

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

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

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

Treasury Investment Strategy

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

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

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

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

Table 3: Treasury investment counterparties and limits

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

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

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

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

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

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

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

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

Treasury Management Prudential Indicators

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

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

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

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

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

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

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

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

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

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

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

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

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

Related Matters

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

Financial Implications

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

Other Options Considered

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

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

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Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain
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Appendix A – Arlingclose Economic & Interest Rate Forecast – November 2023

Underlying assumptions:

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

Forecast:

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

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

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

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Appendix B – Existing Investment & Debt Portfolio Position

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

Appendix H – MRP Statement

Annual Minimum Revenue Provision Statement 2024/25

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

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

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

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

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

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

Appendix I – Investment Strategy

Investment Strategy Report 2024/25

Introduction

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

Treasury Management Investments

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

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

Service Investments: Loans

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

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

Table 1: Loans for service purposes in £ millions

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

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

Commercial Investments: Property

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

Table 2: Property held for investment purposes in £ millions

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

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

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

Loan Commitments and Financial Guarantees

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

Proportionality

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

Borrowing in Advance of Need

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

Capacity, Skills and Culture

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

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

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

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

Investment Indicators

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

Table 3: Total investment exposure in £millions

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

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

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Table 4: Investments funded by borrowing in £millions

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

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

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

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

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

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

1. RECOMMENDATIONS

The Cabinet RESOLVE:

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

And the Cabinet is asked to RECOMMEND that

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

2. BACKGROUND

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

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

3. OPERATIONAL ISSUES

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

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

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

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

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

Climate Change Implications

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

Equalities and Diversity Implications

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

7. RISK MANAGEMENT

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

8. APPENDICES and BACKGROUND PAPERS

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

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

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9. REPORT SIGN OFF

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

Cabinet

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PARKING ENFORCEMENT – SERVICE LEVEL AGREEMENT WITH WYCHAVON DISTRICT COUNCIL

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

1. RECOMMENDATIONS

The Cabinet RESOLVE that: -

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

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

Or

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

The Cabinet RECOMMEND that: -

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

2. BACKGROUND

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

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

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

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

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

3. FINANCIAL IMPLICATIONS

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

4. LEGAL IMPLICATIONS

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

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

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

Climate Change Implications

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

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

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

Operational Implications

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

7. RISK MANAGEMENT

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

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

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

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Exempt Information

Background Papers:

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

9. REPORT SIGN OFF

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

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**Bromsgrove District Council – 21st February 2024
Member Questions**

**1. From Councillor D. Hopkins
Question for the Leader**

“Would the leader of the Council be able to provide an update with regards to the progress made in lobbying Worcestershire County Council and Birmingham City Council on the full restoration of the 144 Bus Service?”

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NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor R. Hunter:

“Council notes the loss of the proposed route for the western relief road as a result of planning permission being given for housing development.

Council believes a detailed study into alternative options for a relief road is now urgently required in order that chronic traffic congestion can be addressed. Council further believes that Bromsgrove District Council should commission its own independent study, as part of the development of the next local plan, and calls on officers to produce a business case for the Cabinet to consider within the next six months.”

NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor D. Stewart:

“Out of hour GP services play an important role in reducing the pressure on Accident and Emergency Departments. Current arrangements in Worcestershire mean that patients, a significant number being children or elderly, have to travel to Redditch, Worcester or Kidderminster for appointments. Services are provided locally in smaller towns, namely Malvern and Evesham. There is not an out of hours Primary Care Centre in Bromsgrove District. Facilities at The Princess of Wales Hospital could be used to provide this service locally for Bromsgrove residents.

We therefore call upon the Leader of the Council to write to Herefordshire and Worcestershire Integrated Care Board to ask them to address this inequality of provision of care.”

NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor J. Robinson:

“Bromsgrove District Council’s private sector housing team plays a vital role in protecting tenants from poor quality housing. However too many residents in need of help are unaware that the service exists.

Council resolves to run a full awareness campaign about the help available to those in substandard housing as soon as possible so nobody in our community is left to suffer in poor quality housing.”

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of the Local Government Act 1972.

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