



## **BROMSGROVE DISTRICT COUNCIL**

### **MEETING OF THE CABINET**

**WEDNESDAY 12TH JULY 2023**

**AT 6.00 P.M.**

**PARKSIDE SUITE - PARKSIDE**

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

### **AGENDA**

1. **To receive apologies for absence**

2. **Declarations of Interest**

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

3. **To confirm the accuracy of the minutes of the meeting of the Cabinet held on 21st June 2023** (Pages 5 - 12)

4. **Minutes of the meeting of the Overview and Scrutiny Board held on 6th June 2023** (Pages 13 - 18)

(a) To receive and note the minutes

(b) To consider any recommendations contained within the minutes

5. **Bromsgrove 2040 Vision** (Pages 19 - 134)

6. **Worcestershire Housing Strategy 2040** (Pages 135 - 188)

7. **Cabinet Appointments to Outside Bodies** (Pages 189 - 194)
8. **Corporate Peer Challenge Action Plan** (Pages 195 - 266)
9. **Approvals to Spend Report** (Pages 267 - 280)
10. **Finance Recovery Plan - Update** (Pages 281 - 292)
11. **Treasury Outturn Report 22/23** (Pages 293 - 308)
12. **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.**
13. **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>
14	3

14. **Establishment of a Housing Company** (Pages 309 - 342)

K. DICKS  
Chief Executive

Parkside  
Market Street  
BROMSGROVE  
Worcestershire  
B61 8DA

4th July 2023

**If you have any queries on this Agenda please contact  
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[joanne.gresham@bromsgroveandredditch.gov.uk](mailto:joanne.gresham@bromsgroveandredditch.gov.uk)**

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#### **Notes:**

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



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## **BROMSGROVE DISTRICT COUNCIL**

### **MEETING OF THE CABINET**

**WEDNESDAY 21ST JUNE 2023, AT 6.00 P.M.**

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

Observers: Councillor S. T. Nock

Officers: Mr. K. Dicks, Mrs. S. Hanley, Mr P. Carpenter,  
Mrs. C. Felton and Mrs J. Gresham

1/23 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor S. Colella.

2/23 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3/23 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING  
OF THE CABINET HELD ON 15TH MARCH 2023**

The minutes from the Cabinet meeting that took place on 15<sup>th</sup> March  
2023 were submitted for Members' consideration.

**RESOLVED** that the minutes of the Cabinet meeting held on 15<sup>th</sup> March  
2023 be approved as a true and accurate record.

4/23 **RENEWAL OF THE ENTERPRISE RESOURCE PLANNING (ERP)  
CONTRACT**

The Interim Executive Director of Finance presented the report regarding  
the renewal of the Enterprise Resource Planning (ERP) Contract and in  
doing so informed Members that the existing contract was due to expire  
at the end of June 2023. Members were advised that the procurement  
would take place through the G Cloud, a local government framework,  
as it had been previously. However, it was clarified that, the new  
contract would not include the use of the HR and Payroll modules. It was  
queried whether, given the issues that had been experience during the  
implementation of the ERP System, if the Council could procure a new

supplier. Officers reported that were the Council to procure an alternative supplier to TechOne, the issue with Cash Receipting would still need to be cleared prior to any transfer to an alternative supplier. This would also result in further financial investment being made. Therefore, it was considered that to reprocur TechOne was the most satisfactory way forward. It was likely that there would need to be a further review process and potential new implementation in two years' time.

Cabinet was informed that it was hoped that the issues experienced in the Cash Receipting module of the system would be resolved by the end of the calendar year and that an update was planned on the system in early July 2023. It was noted that several available updates had been skipped due to the previous issues experienced and now that the system was working well this update would bring the system back up to date. It was clarified that slipping some updates had been made to ensure stability within the system before any updates were made.

In respect of the contract with Wincave, which was required in relation to the cash receipting system, it was reported that the contract did not expire until December 2023, however the process for procurement of a new contract would need to be undertaken in September 2023.

Following the presentation of the report Members asked several questions including:

- Invoicing within the system – it was reported that there had been some issues experienced regarding invoicing previously, however these were now resolved and had resulted in the issuing of old invoices that needed to be paid. It was noted that this was a positive outcome of the system, in that the Council were able to chase any outstanding debts.
- Systems Accountants – The use of Systems Accountants would be usual during the implementation of Finance systems. However, the Council did not currently have these roles within the Finance team. However, staff members had now been identified who could be trained in this area for the future. It was hoped that this would ensure that when the AMS contract finished, the finance team would be able to provide this function in-house.
- The cost as a result of not procuring the HR and Payroll modules – It was reported that this was not yet known, and that the pricing would be set out in the framework contract. The £190K 2022/23 cost for system included a rebate for year 4 due to the issues encountered during the implementation.

- Review of system – it was noted that any system needed to be market tested on a periodic basis. However, it was confirmed that regular testing took place on the ERP system within the Council and that the TechOne system was intuitive for users.

The Cabinet Member for Finance and Enabling, queried the wording of the following resolution contained within the report. As follows:

**‘That the AMS contract continued until the Council had confidence that their in house resource was capable of delivering all or part of that function.’**

It was clarified and agreed that *‘their’* included in the resolution above referred to the Council, and not AMS.

Subject to the preamble above regarding resolution 2, it was

**RESOLVED** that

1. the Council repurchased TechOne but at a reduced licence fee to reflect that HR and Payroll would not be used and delegated the finer negotiations to the Interim Director of Finance.
2. the AMS contract continued until the Council had confidence that their in house resource was capable of delivering all or part of that function.
3. the Wincave contract be renewed via a tender process in the autumn.

5/23

## **QUARTER 4 PERFORMANCE MONITORING REPORT**

The Interim Director of Finance presented the Quarter 4 Performance Monitoring report. The following was highlighted for Members’ consideration:

- The 2022/2023 Quarter 4 Outturn position would be considered at the next Cabinet meeting on 12<sup>th</sup> July 2023. This would allow the Finance team to reduce the volumes of items in Suspense and complete the Revenue and Capital Outturn suite of reports which were due for submission to Government on 31<sup>st</sup> July 2023.
- Improvements in several Operational Service Measures including a decrease in staff turnover, which was 1% lower than the national average. An increase in Council Tax collection rates and an increase in the speed in which Planning applications were processed.

- The remediation works at Windsor Street progress and process that had been undertaken to obtain quotes.

Following the presentation of the report Members queried the following areas:

- Measuring Health and Wellbeing – Some Members queried whether measures such as obesity were included in this report given that some of the responsibility for these issues did not lie with the Council. Officers noted that as the Council Plan was due to be refreshed shortly, this would provide Members an opportunity to look at the Council's priorities and include them in any future iteration of the Council Plan, if necessary.
- What measures were being taken by the Council to encourage residents to decrease their waste consumption given that the data regarding the amount of waste had been measured at 18% of residual waste, 35% was food waste (45% of which was still in the packaging). It was confirmed by Officers that the Head of Service for Environmental Services was working on a briefing for all Members in this area, given the far reaching changes that were to be made in the new Environmental Act by Central Government. It was noted that the Head of Service for Environmental Services would work with Councillor P. Whittaker as the relevant Portfolio Holder to ensure Members are kept fully up to date with the potential changes in this area.

**RESOLVED** that

The Q4 Performance data for the Period January to March 2023 be noted.

6/23

## **QUARTERLY RISK UPDATE**

The Interim Director of Finance presented the Quarterly Risk Update and informed Members that this was the fourth cycle of Corporate and Departmental Risk review since a baseline exercise was undertaken in April 2022.

As a result of these regular reviews, it was reported that there had been mitigation and reduction of risk across the Council and that measures to reduce risk had become business as usual. In addition to this, the Council had undertaken an update of the 4Risk system, the Council's repository for risk management and had established an Officer Risk

Group in order to ensure that a common approach to risk was embedded across the organisation.

Cabinet was informed that when the original baselining exercise took place there had been 105 Departmental Risks identified which reduced to 82 Departmental Risks following a review in June 2022. Currently there was a total of 55 Departmental Risks (2 Red, 21 Amber and 32 Green). The Red risks were in respect of the Revenue and Benefits Teams work, which currently included manual intervention when processing claims and therefore was considered to be an increased risk. The Bromsgrove Leisure contracts were also highlighted as a Red risk.

Members were keen to understand whether there needed to be a further risk included in respect of some partnership working, given the number of projects they were currently undertaking. It was felt that this would be an area that could be highlighted as a risk, particularly as one of the partners, North Worcestershire Economic Development and Regeneration (NWEDR) were managing a significant number of time-limited projects. Members were advised that the projects undertaken by NWEDR were risk assessed on a project by project basis.

The Interim Director of Finance informed Cabinet that at a recent conference hosted by the Department for Levelling Up, Housing and Communities (DHLUC) risks surrounding the number of Levelling Up projects across the country, the timescales for delivery, and the need for specialist contractors across many of these projects had been raised. It was hoped that there may be some flexibility of deadlines for some of the projects nationally in the future.

A further risk raised by Members was around the recruitment of the Chief Executive and Executive Director of Finance posts, that were to be advertised in the near future. Members agreed that this was a significant area of risk, and it was imperative that a succession plan was in place. Officers undertook to look at the risks as highlighted and progress accordingly.

**RESOLVED** that subject to the preamble above

The present list of Corporate and Departmental Risks and additional risks highlighted during the course of the meeting be considered and noted.

7/23

## **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 13TH AND 29TH MARCH 2023**

Councillor C. Hotham presented the item in respect of the Overview and Scrutiny Board minutes from 13th and 29th March 2023 in his role as previous Chairman of the Board for the municipal year 2022/2023. He wished to thank all Members of the Board who carried out detailed and successful scrutiny during his time as Chairman.

In respect of the minutes of the meeting held on 13<sup>th</sup> March, Cabinet was informed that there had been a report considered regarding Damp and Mould, which had been well received and answered many of the Members questions. In addition to this, it was noted that the regular update regarding the Worcestershire County Council Health Overview and Scrutiny Committee (HOSC) and a report on the Former Market Hall were considered.

The minutes of the Board meeting held on 29<sup>th</sup> March 2023 outlined the reports considered. Councillor C. Hotham stated that this had been a productive meeting which had included consideration of a report regarding the Provision of Street Signs, which had resulted in the Board making two recommendations. As a result, the budget for street signs, had been increased and included in the budget for 2023/24.

### **RESOLVED** that

- 1)The recommendations made by the Overview and Scrutiny Board at the meeting on 29th March 2023 be noted.
- 2)The minutes from the Overview and Scrutiny Board meetings that took place on 13<sup>th</sup> and 29<sup>th</sup> March be noted.

8/23

## **PROJECT MANAGEMENT OFFICE REQUIREMENTS - RESPONSE TO THE AUDIT TASK GROUP**

The Interim Director of Finance presented the report in respect of the Project Management Office. It was explained that this report was being considered as a result of a recommendation made by the Audit Task Group. The Task Group had conducted a detailed investigation into why the Section 24 Notice had been issued to Bromsgrove District Council in October 2022. The Bromsgrove Audit Task Group had considered hundreds of pages of written evidence and had held eight meetings over a period of 20 hours in February and early March 2023. The report and recommendations from the Task Group had been considered at a

meeting of the Audit, Standards and Governance Committee held on 9<sup>th</sup> March 2023, and subsequently at a Cabinet meeting held on 15<sup>th</sup> March 2023, when all of the recommendations were agreed.

Cabinet was informed that high level corporate projects were reported quarterly to the Corporate Management Team (CMT) and were also included as part of the Quarterly Finance and Performance Report.

Furthermore, Members were advised that the Council already had a number of Officers trained to be project managers at Prince 2. It was noted that these skills needed to be realigned in order to ensure that trained staff were, where operationally possible, project managing Council projects.

Officers reported that, the CMT had recently reviewed the number of projects that were either underway or planned to start across the organisation. However, a further review was undertaken in February and March and a third of these projects were moved from the project list and were now considered Business as Usual. Once the final number of projects was established, they had been categorised as follows:

- Economic Development and Regeneration.
- Housing.
- ICT Related
- Organisational Change Related

The Interim Director of Finance reported that the Project Management Office Requirements, in response to the Audit Task Group report, recommended that two new roles be established: a Programme Manager and Programme Officer. The establishment of these roles had been a recommendation from the Audit Task Group. It was hoped that by recruiting to these roles that the project framework would be adhered to more successfully and that reporting on all projects would be on a monthly basis. The salaries for these two roles would be in total between £70k and £110k. It was noted that these costs would be included in any costs allocated to a project and therefore would be spread across all service areas.

Members welcomed this report in light of the findings of the Audit Task Group. However, some Members were keen to ensure that the roles and responsibilities of the Programme Manager and Programme Officer were made clear when established; and that staff who were recruited had the correct qualifications. It was confirmed by Officers that this would be the case and that both roles would mainly report to the CMT.

There was a query regarding how NWEDR projects were managed, and Officers clarified that this area was covered by the Governance Group which was chaired by the Chief Executive of Bromsgrove District Council.

**RESOLVED** that

- 1) Formal reporting of all projects be undertaken on a monthly basis by Officers and that this information to be included in the Quarterly Finance and Performance Reports for Members.
- 2) A compliance structure be put in place to ensure the delivery of projects and the management of the multiple interdependencies across projects. This included:
  - a. A council programme office be established to provide oversight and validation of the delivery of projects across the organisation.
  - b. The roles of a programme manager and a programme officer be established to provide support for the delivery of this oversight, especially for ICT and Organisational Change projects across the organisation.

9/23

**TO CONSIDER ANY URGENT BUSINESS, DETAILS OF WHICH HAVE BEEN NOTIFIED TO THE HEAD OF LEGAL, DEMOCRATIC AND PROPERTY SERVICES PRIOR TO THE COMMENCEMENT OF THE MEETING AND WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, CONSIDERS TO BE OF SO URGENT A NATURE THAT IT CANNOT WAIT UNTIL THE NEXT MEETING**

There was no urgent business on this occasion.

The meeting closed at 6.59 p.m.

Chairman



## **BROMSGROVE DISTRICT COUNCIL**

### **MEETING OF THE OVERVIEW AND SCRUTINY BOARD**

**6TH JUNE 2023, AT 6.00 P.M.**

PRESENT: Councillors A. Bailes, R. Bailes, A. M. Dale, E. M. S. Gray, R. J. Hunter, P. M. McDonald, S. T. Nock, S. A. Robinson, H. D. N. Rone-Clarke and D. J. A. Forsythe (Substitute)

Observers:

Councillor C. A. Hotham – Portfolio Holder for Finance and Enabling

Councillor S. A. Webb – Portfolio Holder for Health and Wellbeing and Strategic Housing

Officers: Mrs. S. Hanley, Mr. P. Carpenter and Mr. M. Sliwinski.

1/23

#### **ELECTION OF CHAIRMAN**

A nomination for the position of Chairman was received in respect of Councillor P. M. McDonald.

**RESOLVED** that Councillor P. M. McDonald be appointed as Chairman of the Board for the ensuing municipal year.

2/23

#### **ELECTION OF VICE-CHAIRMAN**

A nomination for the position of Vice Chairman was received in respect of Councillor S. T. Nock.

**RESOLVED** that Councillor S. T. Nock be appointed as Vice Chairman of the Board for the ensuing municipal year.

3/23

#### **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillors J. D. Stanley and B. Kumar. Councillor D. J. A. Forsythe attended the meeting as named substitute for Councillor B. Kumar.

4/23

#### **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of whipping arrangements.

5/23

#### **OVERVIEW AND SCRUTINY BOARD ANNUAL REPORT 2022-23**

The Portfolio Holder for Finance and Enabling, in his capacity as Chairman of the Overview and Scrutiny Board in 2022-23, was invited to present the Board's Annual Report for that municipal year. The Annual Report detailed and summarised the work undertaken by the Board in 2022-23, including the recommendations made by the Board to Cabinet throughout the year.

The Portfolio Holder for Finance and Enabling stated that the 2022-23 municipal year saw a greater proportion of Overview and Scrutiny Board recommendations being accepted by Cabinet than in the previous few years. It was highlighted that scrutiny had an important role in reviewing the progress of the Levelling Up Fund and UK Shared Prosperity Fund projects taking place in Bromsgrove District.

The Portfolio Holder for Finance and Enabling highlighted that in 2022-23 the Overview and Scrutiny Board had concluded one task group review on fuel poverty. The final report of the Fuel Poverty Task Group contained six recommendations which were agreed by the Overview and Scrutiny Board and accepted in full by Cabinet. The Portfolio Holder for Finance and Enabling took the opportunity to thank Councillor R. J. Hunter, the Chairman of the Fuel Poverty Task Group, and Councillor S. A. Webb, who was integral in supporting the task group review in her capacity of a Cabinet Portfolio Holder.

Following the presentation, Councillor R. J. Hunter paid tribute to Councillor C. A. Hotham for his chairmanship of the Chairman of the Overview and Scrutiny Board over the past few years. He highlighted that the work of the Board had contributed to many positive developments for the residents of Bromsgrove and the Council such as the increase in council tax on empty homes and the broadening of the council tax support scheme.

**RESOLVED** that the Overview and Scrutiny Board Annual Report 2022-23 be noted.

6/23

## **OVERVIEW AND SCRUTINY BOARD - RECOMMENDATION TRACKER FOR 2022-23**

The Overview and Scrutiny Board Recommendations Tracker for 2022-23 was presented for Members' consideration and it was noted that the purpose of the tracker was to record the recommendations that the Board made to Cabinet and to track the status of these recommendations. For recommendations that were accepted by the Cabinet, the tracker provided updated information on the progress in implementing of those recommendations.

It was noted that the recommendations tracker would continue to be in place for 2023-24 municipal year.

**RESOLVED** that Overview and Scrutiny Board - Recommendation Tracker for 2022-23 be noted.

7/23

## **NOTICE OF MOTION - REQUEST TO INVESTIGATE**

The Chairman introduced this item and reported that this concerned the Motion agreed unanimously at the Annual Council meeting of 24<sup>th</sup> May 2023 for “the Overview and Scrutiny Board to prepare a report regarding the transition of the Council from a Cabinet System to that of a Committee System. The report to be presented to an Extraordinary Meeting of the Council to be held in September.”

It was proposed that in the first instance an invitation be made to the Local Government Association (LGA) to deliver a presentation on the governance system options at the Overview and Scrutiny Board meeting on 10<sup>th</sup> July 2023. Subsequent to this, it was planned for a review group (a sub-committee of the Board) to be convened to consider the issue and prepare a report on the Council’s governance system options including whether it was appropriate for the Council to transition to a Committee System.

The Chairman proposed that this review should be undertaken as a Short Sharp Review with meetings to take place on 10<sup>th</sup> August 2023 and several further dates in late August and early September. It was proposed that membership of the Short Sharp Review Group should be restricted to five Members who would be available to attend all meetings of the Review Group. It was further noted that the terms of reference of the Review Group would be finalised following the presentation to be delivered on 10<sup>th</sup> July 2023.

Members debated these proposals and in doing so agreed that the Short Sharp Review Group should be launched, comprising five Members in total with all political groups having representation. It was agreed that as the proposer of the Motion at the Annual Council meeting, Councillor P. M. McDonald be selected as the Chairman of the Review Group. It was further agreed that the Group Leaders of all political groups be invited to nominate one Member each to the four remaining positions on the Review Group.

### **RESOLVED** that

- 1) A Short Sharp Review Group be established to investigate the transition of the Council from a Cabinet System to a Committee System with the view for the Review Group to prepare its final report by September 2023;
- 2) The Short Sharp Review Group be composed of five Members with Councillor P. M. McDonald to be appointed as Chairman of the Short Sharp Review Group;
- 3) The remaining four positions be distributed equally amongst the political groups currently represented on the Council, with Group Leaders of all political groups invited to nominate one Member

each to the four remaining positions on the Short Sharp Review Group.

8/23

## **FINANCE AND BUDGET WORKING GROUP - MEMBERSHIP REPORT**

Members were advised that the chairman and other members of the Finance and Budget Working Group needed to be appointed. It was noted that the Chairman of the Group had traditionally been the Chairman of the Overview and Scrutiny Board. Members agreed that this arrangement should continue for 2023-24. It was noted that in addition five additional members of the Board plus the Chairman of the Audit, Standards and Governance Committee would be represented on the Finance and Budget Working Group as per the Terms of Reference. The five additional Members of the Board confirmed that they would be interested in serving on the Working Group in 2023-24.

**RESOLVED** that

- 1) Councillor P. M. McDonald be appointed Chairman of the Finance and Budget Working Group for the ensuing municipal year;
- 2) As per the Working Group's Terms of Reference, Councillor D. J. Nicholl be appointed to serve on the Finance and Budget Working Group in his capacity as the Chairman of the Audit, Standards and Governance Committee;
- 3) Councillors S. T. Nock, R. J. Hunter, H. D. N. Rone-Clarke, A. Bailes, and S. A. Robinson be appointed to serve on the Finance and Budget Working Group for the ensuing municipal year;
- 4) The Terms of Reference for the Finance and Budget Working Group be approved.

9/23

## **TASK GROUP UPDATES**

There were no ongoing task groups to report on before the Board.

10/23

## **WORCESTERSHIRE HEALTH OVERVIEW AND SCRUTINY COMMITTEE - UPDATE**

It was reported that the Overview and Scrutiny Board had not yet been delegated the authority to appoint a Member to serve on the Worcestershire Health Overview and Scrutiny Committee (HOSC). Therefore, nominations for this outside body appointment were to be considered once the authority to appoint had been granted to the Board.

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

11/23

## **CABINET WORK PROGRAMME**

The Cabinet Work Programme was presented for Members' consideration and it was requested that the following items be added for pre-scrutiny by the Overview and Scrutiny Board:

- Grass Verge Maintenance
- Parking Enforcement Service Level Agreement
- Playing Pitch Strategy
- Draft Council Tax Support Scheme 2024/25.

**RESOLVED** that, subject to the pre-amble above, the Cabinet Work Programme be noted.

12/23

## **OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME**

Members discussed the Overview and Scrutiny Work Programme. During the discussion it was noted that a scrutiny investigation request had been received from a member of the public regarding council policy on parking for blue badge holders. Members agreed that an initial presentation on this topic could be delivered by Officers at the next Board meeting.

With regards to the Overview and Scrutiny Board Work Programme, some Members argued that the Governance System Short Sharp Review should be prioritised at this point and the number of items on the Board's Work Programme kept to a minimum before the conclusion of this Short Sharp Review. Councillor Hunter responded that all matters raised by Members should be added to the Work Programme as many of these were issues that Members encountered when speaking with residents.

Following the debate, it was agreed to add to the Work Programme the pre-scrutiny items selected from the Cabinet Work Programme as noted under the previous agenda item and the overview item on parking policy with regards to blue badge holders to the next meeting's agenda. It was agreed that other items would not be added at this point to allow capacity for undertaking the Governance System Short Sharp Review.

**RESOLVED** that subject to the preamble above the Overview and Scrutiny Board Work Programme be noted.

13/23

## **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 scheme 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:-

Item No	Paragraph
14	3

14/23

**TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETINGS OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 13TH MARCH 2023 AND 29TH MARCH 2023**

The minutes of the meetings of Overview and Scrutiny Board that took place on 13<sup>th</sup> March and 29<sup>th</sup> March 2023 were considered including the exempt minutes record of the meeting of 13<sup>th</sup> March 2023 (Minute Item No. 91/22 –Former Market Hall Site Proposal – pre-scrutiny and Minute Item No. 92/22 – To confirm the accuracy of the minutes of the meeting of the Overview and Scrutiny Board held on 17<sup>th</sup> January 2023).

Councillor R. Hunter advised of an omission in the minutes of 13<sup>th</sup> March 2023 with respect of the action for officers to prepare a follow-up report on damp and mould issues outlining the steps that the Council had taken with regards to enforcement of this issue in the private rented sector. The Democratic Services Officer undertook to correct this omission and follow-up on this action from the meeting.

**RESOLVED** that subject to the correction listed in the preamble above the minutes of the Overview and Scrutiny Board meetings held on Monday 13<sup>th</sup> March 2023 and Wednesday 29<sup>th</sup> March 2023 be approved as a true and correct record and signed by the Chairman.

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information)).

The meeting closed at 7.04 p.m.

Chairman

### Cabinet

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#### Bromsgrove Town Centre 2040 Vision

Relevant Portfolio Holder		Councillor Sue Baxter and Cllr Karen May
Portfolio Holders Consulted		Yes
Relevant Head of Service		Ostap Paparega
Report Author Naznin Chowdhury	Job Title: Programme Delivery Manager Contact email: Naznin.chowdhury@nwedr.org.uk Contact Tel: 07976707561	
Wards Affected		Sanders Park Bromsgrove central
Ward Councillor(s) consulted		
Relevant Strategic Purpose(s)		<ul style="list-style-type: none"> <li>• Run &amp; grow a successful business</li> <li>• Affordable &amp; sustainable homes</li> <li>• Sustainability Communities which are safe, well-maintained &amp; green</li> </ul>
Key Decision: No		
If you have any questions about this report, please contact the report author in advance of the meeting.		

#### 1. RECOMMENDATIONS

**The Cabinet:-**

- 1) **endorse the Bromsgrove 2040 Strategy (appendix 1) in principle and to ask officers with bringing forward proposals for key development sites.**

#### 2. BACKGROUND

Following the Covid-19 pandemic and its impact on town centres across England, NWedR (on behalf of Bromsgrove District Council) appointed Burrell Foley Fischer (BFF) to produce the Bromsgrove 2040 Vision. The brief for the work was to deliver a vision for the town centre up to 2040. The vision needs to be adaptable and resilient to change, one that will support the future development of the area and provide the right level of services to meet the needs of both residents and business population. The vision will be important to provide the context for the statutory plan making process.

### Cabinet

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BFF were appointed via a competitive tender to set out the vision, identify the levers for change, and to propose an implementation strategy to bring the vision into life. The first stage of their work was to understand and set out the strategic context of the town centre. Following on from this initial stage the document provides evidence and analysis on key issues such as the impact of the Covid-19 pandemic and relationship with high street vacancy rates (including recent data), a review of challenges in terms of access and connectivity through the town centre and identifies the regeneration of specific sites that have been vacant or underused for some time.

The analysis shows that pre-Covid-19 there were a small number of units within the town centre that were vacant (9), however, the pandemic made the situation worse with Bromsgrove experiencing a doubling of vacancies, in line with national trends. More recent data taken in Feb 2023 finds that vacancy rates in the town centre has grown with 24 units found vacant. These are privately owned and managed units.

The current vision that Bromsgrove District Council's (BDC) Centres Strategy 2017-2020 has adopted for its town centre is set out in its economic priorities, this seeks to diversify and strengthen the offer within the town centre to meet changing customer requirements. The objectives are based on implementing key structural interventions aimed at improving the town centre's vitality, vibrancy, attractiveness and competitiveness, in the following ways:

- Focus on residential uses, with an emphasis on high quality housing
- Provision of high-quality flexible workspaces, including co-working and co-location, building on Bromsgrove's attractiveness for start-ups and micro-enterprises
- Introduce and expand the range of uses that encourage and increase 'dwell' time, such as food & beverage and leisure
- Provision of multi-functional workspaces with a specific focus on the emerging creative industries sector, bringing arts, culture and tech together



### Cabinet

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- Deliver public realm & green infrastructure with multi-purpose use to enable 'meanwhile' / 'pop-up' activities in key town centre locations

### 3. VISION OVERVIEW

- 3.1 The 2040 Vision provides a unique place-making opportunity to set an ambitious, yet deliverable, vision which delivers major social, economic, and environmental benefits and strengthens Bromsgrove Town Centre's viability, vibrancy, and attractiveness. The document is founded on the need to regenerate and the opportunity to redevelop major unused or underused sites which will attract people and investment to the town centre, these sites are:

**1. Windsor Street Site – recommended for residential development and associated public realm improvements (following asbestos removal, demolition and remediation of the site).**

**2. Churchfields Car Park – recommended for residential development on an underused car park**

**3. School Drive site (former Dolphin Centre) – recommended for residential development**

**4. Former Market Hall Site – recommended for commercial and cultural uses and associated public realm improvements.**

**5. Stourbridge Road Site – recommended for either a commercial or mixed residential led development with a commercial offer**

- 3.2 The Vision considers pedestrian access through the high street, highlighting where Bromsgrove currently has limited infrastructure to support walking and cycling journeys, and the subsequent effect of this on car use for short journeys.

The document examines car parking use and trends and provides data on current car parking capacity. Analysis is provided on car park usage in the town centre which identifies two sites, Churchfields Multistorey

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(which is now closed), and School Drive which is significantly underutilised (below 25% occupancy). In terms of the sites earmarked in the Vision document as development sites, which reduce the overall parking provision by 32% (456 spaces), BFF view is that this would not impact on the overall parking capacity because they would not expect occupiers of surrounding residential dwellings to use the car parks. Furthermore, even if a small percentage of people did use the car parks, there is still surplus capacity in the town centre. The detailed parking analysis, which analysed parking data to establish how many cars use each car park and for how long, against the number of spaces available in that car park and actual total hours once could use the car park. (This also includes season ticket holders and pay as you go ticket sales). The results from this analysis is provided in the table below:

<b>Bromsgrove Car Park</b>	<b>Frequency of use</b>
Churchfields Multistorey	5.9%
Recreation Road South (Asda)	27.0%
North Bromsgrove	19.7%
School Drive	20.7%
New Road	55.1%
Parkside	53.0%
Stourbridge Road	0.7%
St John. Street	49.9%
Windsor St.	57.0%
Parkside Offices	No data (permitted)

- 3.3 There is a review of planned public realm interventions to improve connections across the town centre, with the intention to create an improved sense of continuity and cohesion. The suggested improvements include replacement of pedestrian paving, resurfacing and realignment of highways, decluttering and rationalisation of street furniture, parking reconfiguration, augmentation of access routes and the selective planting of trees, shrubs, and perennial plants.
- 3.4 A final element of the document concerns access to sustainable transport, and the improvements needed to walking and cycling routes. The Vision provides a review of the key access and connections in the town centre from a walking, cycling, bus and rail connection perspective. BFF identify walking and cycling improvements as outlined

### Cabinet

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in the A38 Bromsgrove Route Enhancement Programme which in partnership with Worcestershire County Council could deliver upgrade of existing traffic infrastructure, path widening initiatives and additional and clearer signage to encourage walking and cycling. The Vision also considers vehicular access emphasising the need to address traffic congestion on the Market Street vehicular link. In relation to strategic transport BFF suggest a wider transport study which assesses the future transport infrastructure needed to support development in the Bromsgrove district. In particular, emphasis is given to the understanding how new residential developments will affect transport and parking needs and how this can be managed through both road and transport improvements.

- 3.6 The document pulls together key factors that impact on the look, feel and overall experience of the Bromsgrove town centre by its users at present, and sets out an implementation plan (covered in the later sections of the Vision) covering development of major sites, public realm interventions and infill sites in the town centre. This vision is principally delivered through the key intervention sites and associated public realm accessibility improvements to ensure that Bromsgrove Town Centre is fit for purpose over the next 20 years.

### Delivery

- 3.7 This 2040 Vision is important now and over the next two decades, it will inform the council's Local Plan preparation and the emerging Bromsgrove Centres Strategy. NWedR will work closely with the Bromsgrove Town Centres Manager and all other council departments to deliver the objectives of this Vision.
- 3.8 The major development sites will be delivered in several stages. The first stage (January 2022 – March 2025) includes the re-development of the former Market Hall site for flexible workspace, community and food & beverage uses and site clearance and remediation works on Windsor Street site to unlock the site for residential use. These two projects are part of the Levelling Up Fund programme. The delivery of the Levelling Up Fund Programme is overseen by a Programme Board, which is chaired by the Leader of the Council.
- 3.9 A Project Board has been set up for the redevelopment of the School Drive site (former Dolphin Centre) and Windsor Street site. The Board

### Cabinet

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is chaired by the Chief Executive. The projects are at feasibility stage with work being undertaken on site options appraisals, concept designs and viability appraisals.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The works on the former Market Hall and Windsor Street sites are funded by the Levelling Up Fund grant (£14.6m) and a £1.6m match funding from Bromsgrove District Council.
- 4.2 The Council has also applied for Brownfield Site Combined Authority for the clearance of the Windsor Street site. Funding for the development of new sites, as per the 2040 vision will need third party intervention/funding for delivery, which is now far more difficult to attract in the present financial climate. The Council must also assess how it will access over £1.5m of funding available through the now disbanded GBSLEP and possibly a further £78m of funding. Full business cases will be required to access these funds.

#### **5. LEGAL IMPLICATIONS**

- 5.1 Specific legal advice is being commissioned for each project.

#### **6. STRATEGIC PURPOSES - IMPLICATIONS**

##### **Relevant Strategic Purpose**

- 6.1 This project supports the following Strategic Purposes and Priorities:

Strategic Purposes: Run & grow a successful business; Affordable & sustainable homes; Communities which are safe, well-maintained and green

Priorities: Economic development and regeneration; a balanced housing market

### Cabinet

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#### **Climate Change Implications**

- 6.2 Through the redevelopment of the sites, energy efficiency measures and Low and Zero Carbon technologies will be explored and may be introduced with a view to reduce operational energy consumption and the associated carbon emissions targets. Specific solutions and targets will be explored as the designs are progressed as well as a commitment to achieving a minimum BREEAM 'very good' rating on suitable sites.

#### **7. OTHER IMPLICATIONS**

##### **Equalities and Diversity Implications**

- 7.1 Equality Impact Assessments will be undertaken when the individual projects are commenced.

##### **Operational Implications**

- 7.2 The operational implications of each of the individual projects will be outlined in the respective proposals/reports.

#### **8. RISK MANAGEMENT**

- 8.1 As part of the governance and reporting requirements a risk register and issues log has been (or will be) produced for each project.

#### **9. APPENDICES and BACKGROUND PAPERS**

- Bromsgrove 2040 Vision (Appendix 1)
- Bromsgrove Town Centres Strategy
- Bromsgrove District Plan – Town Centre Extracts
- GBSLEP – Town and Local Centres Framework

### Cabinet

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#### 10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	BDC Head of Planning	20/06/2023
Lead Director / Head of Service	Head of NWedR	20/06/2023
Financial Services	BDC S151 Officer – Peter Carpenter	20/06/2023
Legal Services	BDC Legal – Claire Green	20/06/2023



**Bromsgrove**  
District Council  
[www.bromsgrove.gov.uk](http://www.bromsgrove.gov.uk)

## BROMSGROVE TOWN CENTRE 2040 VISION

*Prepared by*  
Burrell Foley Fischer LLP  
28th February 2023

**BURRELL FOLEY FISCHER LLP.**

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This Report has been produced in support of the Bromsgrove Town Centre 2040 Vision.

28.02.23.

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# I.0 INTRODUCTION

Following competitive tender, Burrell Foley Fischer LLP were awarded the contract for Bromsgrove Town Centre - 2040 Vision.

The town is the largest centre within the Bromsgrove District and offers opportunities for redevelopment and regeneration, providing the ability to consider new and alternative options not based on the traditional 'retail' and shopping experiences, but rather offer potential solutions to diversify the offer for those living and visiting the town.

This report looks at building on the current vision for the town which has;

- A focus on residential uses, with an emphasis on high quality housing.
- A provision of high quality flexible workspaces, including co-working and co-location, building on Bromsgrove's attractiveness for start-ups and micro-enterprises
- A provision of multi-functional workspaces with a specific focus on the emerging creative industries sector; bringing arts, culture and tech together
- Amenities that introduce and expand the range of uses that encourage and increase 'dwell' time, such as food & beverage and leisure
- A pathway to deliver public realm & green infrastructure with multi-purpose use to enable 'meanwhile' /'pop-up' activities in key town centre locations

The report also aims to inform the production of the Bromsgrove Local Plan, which is under review, although it is not a Supplementary Planning Document (SPD).

The new vision will be important to provide the context for the statutory plan making process. In relation to this, the work undertaken in this report has taken into consideration other evidence based studies being brought forward to support the Plan Review process such as highway, active travel and passenger transport alongside the High Streets Task Force reviews.

Whilst each study will have a different remit, it is important a consistency of approach is adopted for considering the future development of Bromsgrove is applied.

This report considers **Strategic Context and Ideas** to culminate in a vision that will help to deliver major social, economic and environmental benefits and strengthen significantly Bromsgrove Town Centre's viability, vibrancy and attractiveness.

The report also aims to inform Local Transport Plan 5 (LTP5) and supports the five motives for change including; Sustaining Economic Success; Creating a fairer society; supporting local communities and places; becoming more active; tackling the climate emergency.



Current aerial view of Bromsgrove - High Street is highlighted in blue



Current drone view of Bromsgrove High Street with Market Street and Windsor Street adjacent

## I.1 STRATEGIC CONTEXT & IDEAS

### Strategic Context

Through the undertaking of this report, BFF have recognised that Bromsgrove is an established and successful Town Centre. We've looked to;

- Analyse Key Challenges and Opportunities
- Explore Future Potential
- Identify and support Key Aspirations that include a town centre that is adaptable and resilient to change which will support the future development of the area
- provide the right level of services to meet the needs of the residents and businesses
- Reference previous (excellent) studies, updated to a Post-COVID climate.

Our approach has included;

- Analysis of context and history
- Establishment of key opportunities for regeneration and redevelopment

We've also looked to highlight specific needs to be addressed such as;

- Provision of Services (Breadth and Blend)
- Drivers for users visiting the Town Centre
- Transportation issues (high level)
- Market opportunities and their Commercial viability

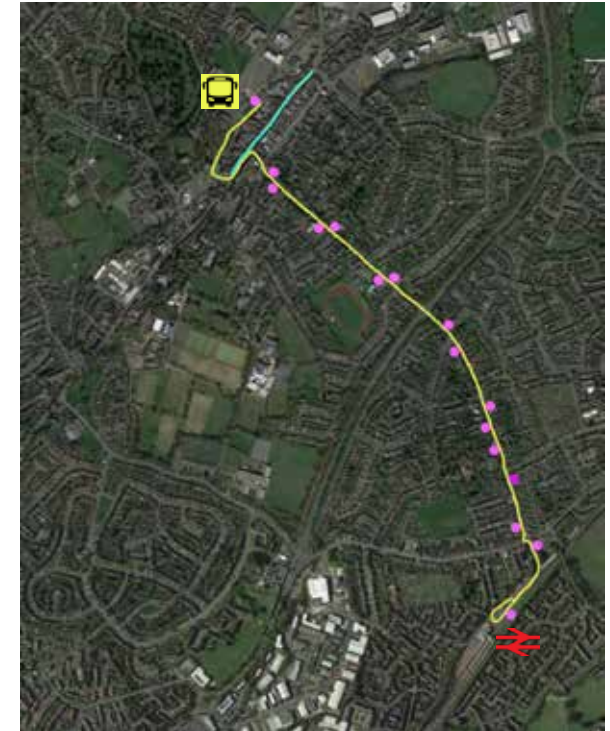
To achieve this we've;

- Consulted with the community and stakeholders to inform the scope of works
- Identified issues with movement and connectivity through and across the town centre with consideration given to accessibility
- Developed a Masterplan including Primary and Secondary Development Opportunities
- Produced option appraisals for key sites to determine Preferred Options
- Consulted with community on conclusions to inform this report

### Ideas

The report considers strategic approaches to re-vision and re-position the town centre by;

- Developing a vision that helps to create an inclusive, vibrant and resilient town centre
- Identifying key Primary Development sites and providing ideas on how these could be used
- Providing commentary on public realm intervention sites and providing ideas on how these could be improved
- Identifying Secondary Development sites to reinforce the town centre boundaries and further increase residential accommodation within the town centre to extend its use beyond traditional 'working' hours and requirements and potential options for land assembly by looking at a number of infill sites that could be united to provide a single site for potentially more comprehensive redevelopment.
- Acknowledging the impact of Covid-19 and the market trend towards flexible and co-working uses by embracing existing transport links.
- Supporting the five motives for change to help frame the outcomes required for the new Local Transport Plan 5 (LTP5) and the need for behavioural change to progress described by the 'avoid, shift, improve' framework.



Bromsgrove High Street shown in Blue. Most Direct bus route between town centre and Bromsgrove Train Station shown in yellow (Bus stops in purple).

## 2.0 EXECUTIVE SUMMARY

### The key principles of the report looked to;

1. Develop key sites
2. Review the Public realm interventions
3. Investigate how to reinforce the Market Street and Windsor Street urban “edge” by establishing principles for small scale infill sites development.
4. Investigate a New town square,
5. Review existing Public Transport and Active Travel Links and Public Transport with station and large scale residential developments which have secured Planning Approval

The core focus of this report has been the study of the 4(+1) Key Sites. These predominately residential sites are seen as drivers for growth in Bromsgrove Town Centre. A larger Town Centre population means increased opportunity for town centre usage throughout the day and into the evening, including the night-time economy and its benefits. Providing opportunities to: preserve and strengthen the town's vibrancy and historic significance, facilitate enduring future development, and augment existing transport and access connections all need to be considered going forwards.

Attracting local users back into their own town centre alongside those from further afield by offering activities that may not be available elsewhere is unquestionably a key driver – the Birdbox delivers such an activity. What is on offer in the town centre understandably informs the interest levels of potential users. A diverse offer across the town centre including additional housing can only increase this. Already, independent feasibility studies have been carried out by One Creative and AR Urbanism with the latter awarded LUF funding to develop the scheme on the Old Market Hall site (Key Site 4) – an indicator of progress during the span of this report.

If you can find it in Bromsgrove, why go elsewhere? Personal modes of transport excluding Active Travel methods should be discouraged to decrease conventional car usage in the drive to a more sustainable environment thus supporting the principles of LTP5.

The Public Realm Intervention sites will improve connections across the town centre and provide repairs to existing fabric. They will benefit the whole community and create safe and vibrant areas for both daytime and evening use.

A small study on the potential of infill sites on streets flanking the High Street has been undertaken and is included in the report. Both Market Street and Windsor Street currently suffer from being the rear elevations of the buildings that form the majority of the High Street. By infilling these sites, there is the opportunity to significantly improve the street-scape thus encouraging further residential/commercial activity such as live/work units which would further diversify the town centre offer.

A new town square was one of the development cornerstones for Key Site 4. This has been taken by AR Urbanism to include an area that can perform as a town square and offer the flexibility of other uses on the Old Market Hall site.

Another aspect to the report is the inclusion of transport and access to the town centre and improvements to walking and cycling routes. Bromsgrove town centre sits between the M5 and the A38, with the A38 creating an ‘eastern’ Bromsgrove area and proving something of a barrier in improving links back to the town centre and links between the town centre and Bromsgrove Train Station. A38 improvement works are included in the Transport section of the report which include Active Travel routes.

### Key recommendations and next steps;

- a. Investigate in further detail the Key sites with a view to developing them all including the car park sites
- b. Carry out the public realm improvements
- c. Invest in a new town square, noting AR Urbanism's scheme was awarded LUF funding and is closer to becoming a reality in harmony with the Birdbox offer.
- d. Investigate in further detail improvements to public transport links including those between the town centre and train station and to the large scale residential developments that have achieved planning approval by commissioning a separate study to be undertaken by Transport Consultants. Such a study should include sustainable travel and town centre car parking requirements at present and in the future should the residential developments be constructed. A detailed brief should be developed in advance.
- e. Continue to improve active travel links by utilising S106 Agreements and Planning Conditions as necessary
- f. Consider establishing a Mobility Hub on Crown Close to increase the types of travel available and improve the public realm
- g. Investigate the feasibility of Co-Working Hubs in vacant properties
- h. Establish a strategy for letting the vacant properties by investigating ownership/leaseholds.
- i. Establish a strategy for implementing the infill/pocket sites including live work units
- j. Deliver additional leisure and community facilities to increase the diversification of the town centre offer to cater for the existing local population and the occupants of almost 2,000 new dwellings if the large and small scale residential developments that have achieved Planning approval are constructed over the course of the next few years.



### 3.0 PROJECT BRIEF + TEAM

The project revolves around the development of major unused and under used sites to attract people into the town centre to take advantage of what it currently offers and what it will offer in the future. There are also insights into planned Public Realm Intervention sites to improve connections across the town centre and provide repairs to existing fabric. Furthermore, a sub-study on the potential of infill sites on streets flanking the High Street has been undertaken with a view not only to increasing the residential population, but also reinforcing the town centre boundaries.

There are two 2 major sites that currently provide car parking facilities and a third major site that has a redundant building complex. The forth site at the southern end of the High Street was vacant following the demolition of the Bromsgrove Market Hall in 2010 and the remaining retail/commercial building circa 2016 until being made into a car park circa 2018 and adjacent public realm space in 2020. A fifth site off Stourbridge Road also contains car parking, but is subject to a separate development agreement.

The location of three of the four sites a lend themselves to residential use as they are on the fringes of the established town centre and all very much in walking distance of the High Street. The Old Market Hall site due to its siting at the southern end of the High Street provides an opportunity for commercial offerings not found in the town centre.

#### Project Team

##### Client Contact

North Worcestershire Economic Development and Regeneration (NWedR);  
Jane Berry  
Ostap Paparega  
Nanzin Chowdhury

##### Property Consultant - Feasibility + Appraisal

Thomas Lister Limited;  
Andrew Croot

##### Highways Advice

David Tucker Associates  
Simon Parfitt

##### Architects and Urban designers

Burrell Foley Fischer LLP:  
Aidan Ridyard  
Sukey Hui  
Ian Munton

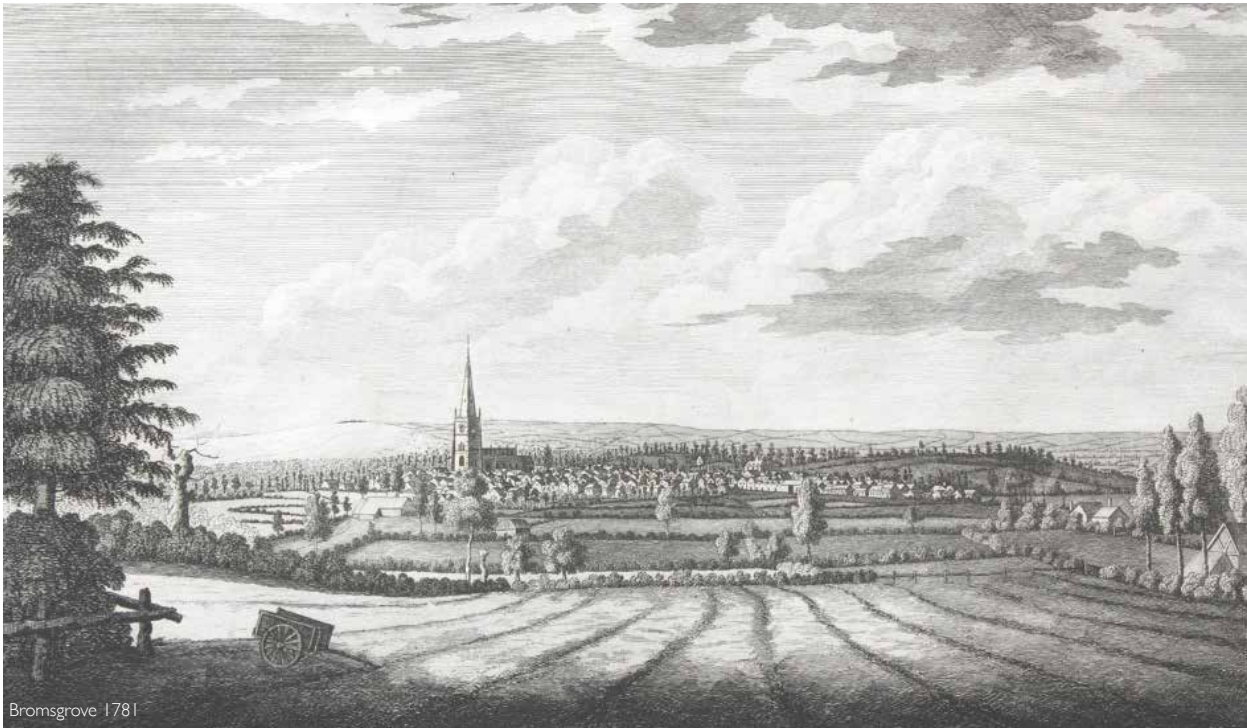
## 4.0 CONTEXT: HISTORIC ANALYSIS

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Agenda Item 5

4.1 HISTORIC TOWN



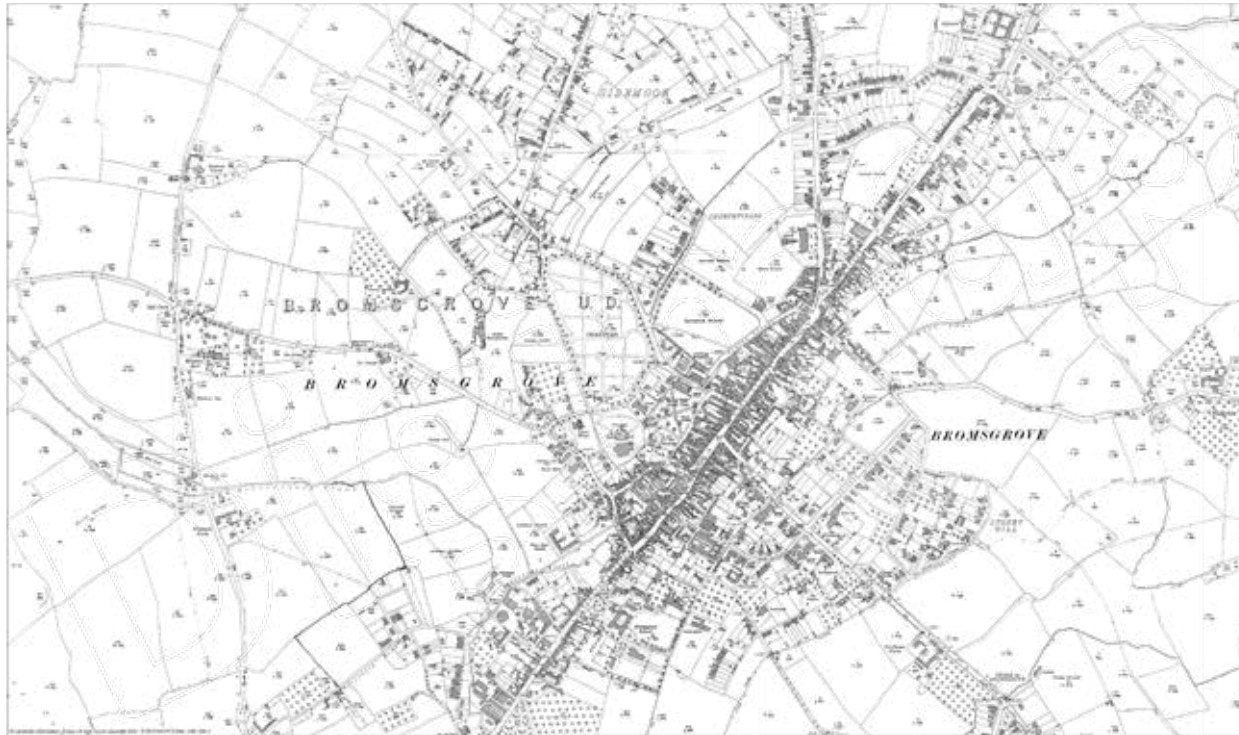
Bromsgrove is a medieval town in Worcestershire, England. The town is situated between Worcester, Kidderminster and Redditch, and is approximately 17 miles (27km) south-west of Birmingham.

The town has existed as a small urban settlement since the late 1200's. Specialising in trade and craftsmanship, Bromsgrove's early development and expansion was primarily driven by its concentration around the Roman Road: a major connective road linking Worcester and Birmingham.

Throughout the middle ages and early modern period, Bromsgrove's economy centred around both craftsmanship, and the preparation and sale of food and drink, and provision of overnight accommodation for visitors en route to larger medieval towns. By the eighteenth century, significant new development saw the reconstruction and notable alteration of much of the town's medieval core.



## 4.2 HISTORIC TOWN DEVELOPMENT 1920-1949



OS MAP 1920

Bromsgrove's splendid Church, on its ancient hilltop site, gives and indication of its importance as the medieval market town; its size may also reflect the extent of its parish, which stretched as far NE as Kings Norton (now within Birmingham). The town, granted a market charter in 1199 and a borough by 1295, lay to the E, developing in decidedly linear fashion along the former Roman Road (or Saltway) leading N from Droitwich. 'The towne of Bremisgreve is all of a manner in one very long strete, stondynge on a playne grownde,' wrote Leland in the 1530s, adding that it 'stanyth somewhat by clothinge'. By the C17-C18 its prosperity depended rather on the home production of wrought-iron nails, and industry mostly carried out in alley and courtyards opening off the High Street; the outlines of a few can still be traced.

In 1778, nearly a thousand were employed in this trade. James Dugdale, in 1819, called Bromsgrove 'a large and dirty place, full of shops and manufacturers of needles, nails, sheeting and other coarse linen'. The hand-made nail industry declined later in C19, in the face of industrialized manufacture elsewhere in the West Midlands. In 1898 the town's economy received a huge boost from the founding, by Walter Gilbert, of the Bromsgrove Guild of Applied Arts, which developed into a thriving enterprise, attracting craftsmen from across Europe; it closed in 1966. Of local architects, the most notable was John Cotton (1844-1934), a native of the town who also opened a Birmingham office, retiring early, in the 1890s.

Pevsner Architectural Guides: Buildings of England, Worcestershire

Steep decline of craft industries in the twentieth century, due to increasing competition from mechanised manufacture, occurred in conjunction with slum clearance efforts in the centre of the town.

As a result, significant development of the high street became paramount. Although much of the street pattern established within Bromsgrove's medieval core remained, vacant sites were in filled with 'lower grade', larger scale commercial buildings, housing chain stores.

Drastic changes to retail habits have continued into the twenty-first century with the advent of online shopping and restrictions imposed by Covid-19.



The demise of local craftsmen and takeover and subsequent redevelopment of the High Street (1943).

4.3 HISTORIC TOWN DEVELOPMENT 1950-1970



OS MAP 1970



St John's Street : street widening to accommodate vehicular traffic (1970).



## 4.4 HISTORIC TOWN DEVELOPMENT - THE MARKET HALL



Bromsgrove Market Hall, the Market Place. Demolished 2010.

The former Market Hall building was demolished in 2010. Birdbox which opened in 2020, has breathed new life into the site offering pop-up cuisine, open air dining and places to sit and enjoy public events.

The Birdbox is a welcome addition to the town centre and echoes the heritage of the site being a former trading area.



Illustration of Bromsgrove (1850s).



Demolition of Bromsgrove Market Hall (2010).

Birdbox, the current offering on the Old Market Hall Site



Bromsgrove Market Hall, the Market Place c2000.

## 5.0 CONTEXT: URBAN ANALYSIS

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## 5.1 KEY PRINCIPLES



### Key Sites

- |                          |   |
|--------------------------|---|
| 1. Windsor Street Site   | 4. Old Market Hall                                  |
| 2. Churchfields Car Park | 5. Stourbridge Road (Subject to separate agreement) |
| 3. Dolphin Centre        |   |

Site plan

At present, Bromsgrove continues to attract visitors to its high street from neighbouring Kidderminster, Worcester and Redditch. However, the attraction of its retail opportunities, varied food and drink outlets, and the centrality of Bromsgrove school, has instigated significant vehicular congestion issues. Numerous car park sites dotted around the high street are perceived as both a draw and a detractor.

The four sites within the town centre, highlighted for regeneration, (of which two are presently car parking sites) provide opportunities to: preserve and strengthen the town's vibrancy and historic significance, facilitate enduring future development, and augment existing transport and access connections.

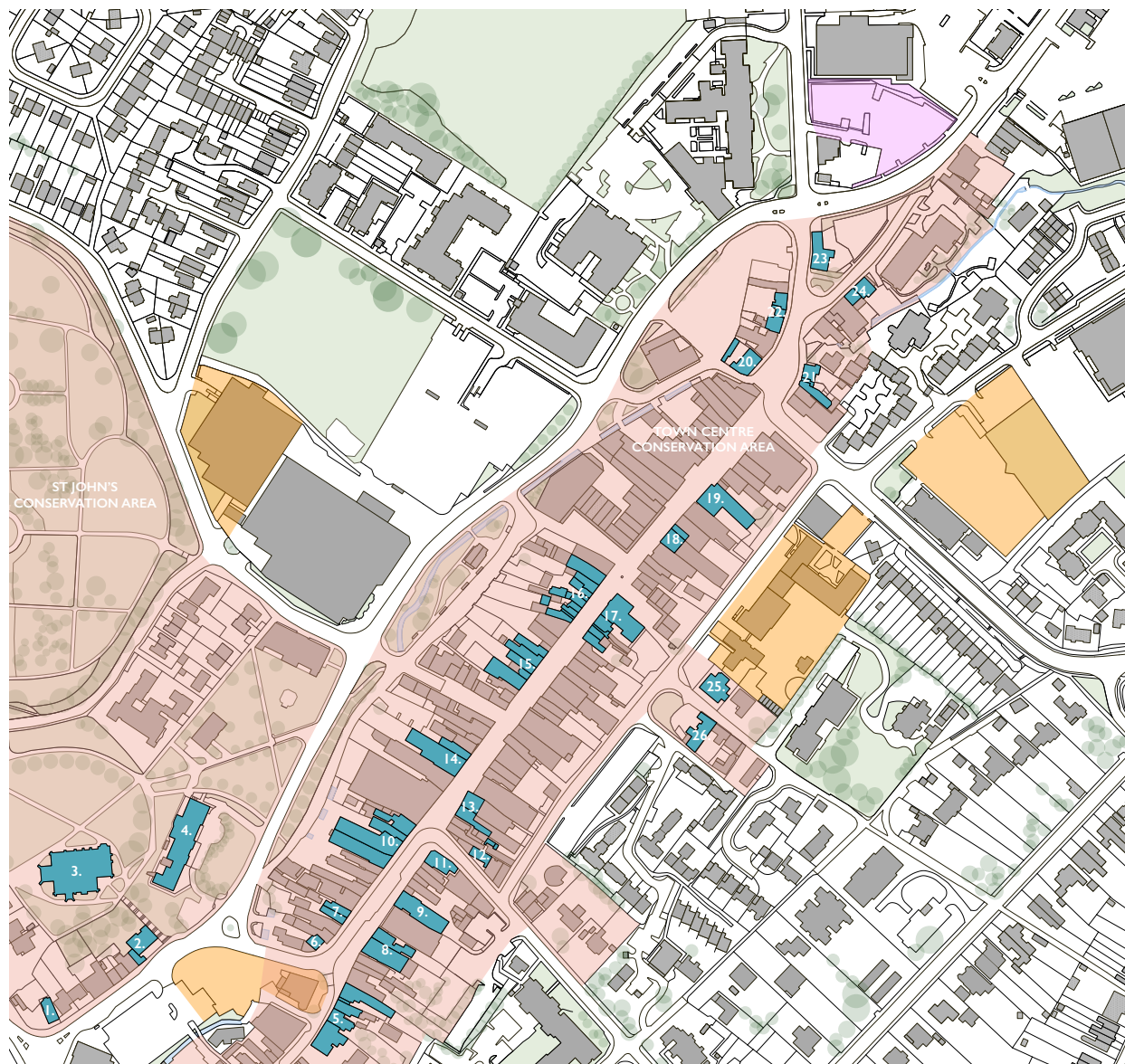
A fifth site, north of the Strand is subject to an additional development agreement..

This section of the report also reviews the public realm improvements with Section 6 of the report looking at wider public transport and active travel links to the town centre.

### 2040 Vision

- Develop key sites
- Reinforce Market Street and Windsor Street urban "edge"
- Public realm interventions
- New town square,
- Active Travel Links and Public Transport with station and large scale residential developments which have secured Planning Approval
- Adopt principles for small scale infill sites development

## 5.2 BUILDING STOCK



Significant buildings and historic fabric

Bromsgrove town centre has an impressive building stock. The listed buildings predominantly date from the eighteenth and nineteenth centuries. These are complimented by a few earlier surviving timber-framed buildings dating from the medieval period. Architecturally, the building stock exemplifies a variety of architectural styles, ranging from English Vernacular to Georgian and more elaborate Victorian Gothic.

- Listed Buildings
- Town Centre Conservation Area
- Development Sites



## 5.2.1 LISTED BUILDINGS AND SIGNIFICANT BUILDING STOCK



Listed buildings and significant historic fabric

### 5.3 TYPOLOGY AND MATERIALS



#### Typical Materials include;

- Midlands Red Brick
- Plain Render (secondary)
- Local Red Sandstone
- Pitched Clay Tiled Roofs
- Timber Framing (Expressed)



Typical Building materials



### 5.3.1 TYPOLOGY AND MATERIALS

There are 60 listed buildings in Bromsgrove town centre. These range from the 12th century St John's Church to the Bromsgrove School Memorial Chapel built in 1931. The majority of the listed buildings are on the High Street with 33 out of the 60 fronting onto the street itself.

The buildings of Bromsgrove are typical of the types and style of buildings to be found across the whole of north Worcestershire and the use of the building materials is also typical of Worcestershire. The natural building materials around Bromsgrove were timber; oak and elm were common in the area; sandstone, from the Bromsgrove Sandstone Formation; and brick, formed from the local clays. Timber was the most common building material in the medieval period and was used for the construction of most buildings, from the smallest, rudest, structures of a single room to more costly, high-status buildings. The use of timber continued into the post-medieval period with large and small timber-framed buildings being constructed throughout the later 16th century and 17th century.

The local sandstone, from the Bromsgrove Sandstone Formation, was used in the medieval and post-medieval periods for the very large structures of high status. An obvious example of this is St John's Church. Local Sandstone was also used for smaller buildings and boundary walls throughout the post-medieval period and into the 18th and 19th centuries. Whilst brick was being used for buildings in the medieval period, it is very rare to find in Worcestershire because of more easily accessible building materials, such as timber. It was only until the 17th century when brick began to be used in the County. Timber-frame buildings would be replaced with brick or they would be merely re-fronted as it was cheaper. This is visible on the High Street of Bromsgrove where a number of structures have evidence of timber-frame behind their brick frontage.

Reference: Rogers, T., Robson-Glyde, S. and Dalwood, H. (2013). The Historic Environment of Bromsgrove Town Centre, Worcestershire: A Baseline Survey. Worcestershire County Council.



*Relocation of Hop Pole Inn to New Road (c.1864). A timber framed building*

## 5.4 USE PROFILES



Building Stock : Use Profiles

### Bromsgrove's Building Stock : Use Profiles

Today, much of Bromsgrove town centre's economy revolves around retail and the sale of food and drink. The High Street predominantly houses retail outlets. These, in line with historic and more recent developments to the town, have expanded to the north and south of the High Street. Residential areas are located to the north west and south east of the medieval core. Currently, there is little in the way of leisure and community provisions within close proximity to the centre of Bromsgrove.

#### Key:

- Workplace
- Retail
- Residential
- Sites



## 5.4.1 EXAMPLES OF EXISTING USES OF BUILDINGS



RETAIL



RESIDENTIAL



FOOD &amp; DRINK



HOTEL



LEISURE / LOCAL COMMUNITY



BUSINESS &amp; OFFICE



PROFESSIONAL SERVICES



FOOD &amp; DRINK



NON-RESIDENTIAL INSTITUTIONS



SUI GENERIS





### 5.5 VACANT PROPERTIES - 2019

#### Bromsgrove's Building Stock : Vacant Properties Pre-Covid-19

Pre-Covid-19 there were a small number of sites in the Town Centre that were vacant - representative of a strong and healthy commercial district.

As illustrated, there are 10 properties vacant including the Leisure Centre. These were established during a tour of Bromsgrove conducted by BFF.

-  Vacant Property
-  Development Sites



Vacant property (2019 - Pre Covid)



### 5.5.1 VACANT PROPERTIES - 2020

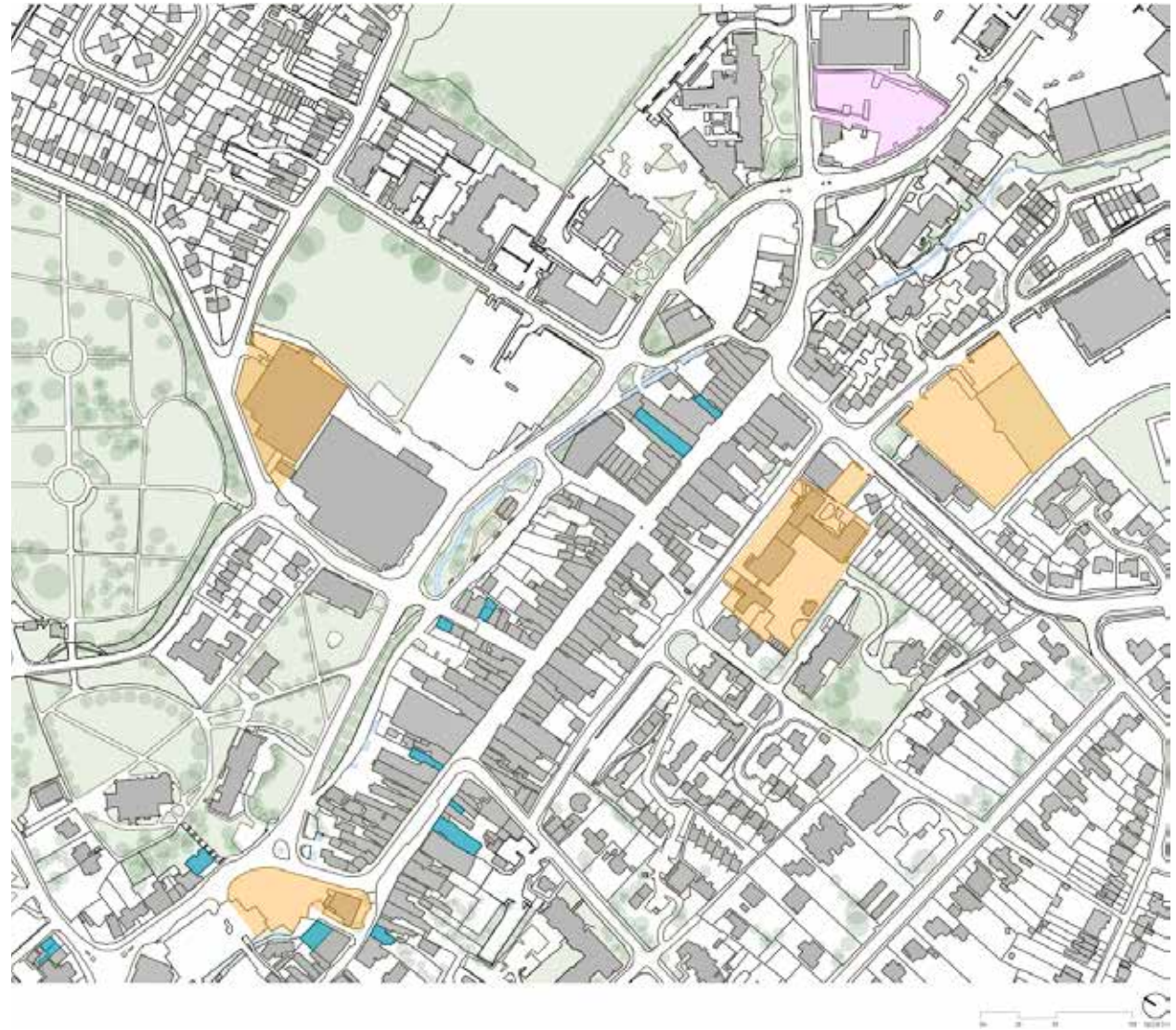
#### Bromsgrove's Building Stock: Vacant Properties During Covid-19

Covid-19 exacerbated already prevalent high street decline across the UK. Footfall was crippled by government restrictions and the closure of non-essential retail stores. This had an obvious effect on occupancy, leading to unprecedented high street vacancy.

Unfortunately Bromsgrove did not escape this national and international trend resulting in a small increase in vacant sites (the Leisure Centre was now in use).

Reflecting this nationwide issue, Bromsgrove town centre should look to regeneration to ensure future development is sustainable, commercially viable, community focused and ensure the revival of Bromsgrove's former vibrancy.

As illustrated there are 11 vacant properties. These were established by AR Urbanism's Report 'Bromsgrove Town Centre Regeneration, Market Hall and Dolphin Centre Sites PART A - Analysis Report'.



- Vacant Property
- Development Sites

Vacant property (2020 - Covid)





5.5.2 VACANT PROPERTIES - 2023

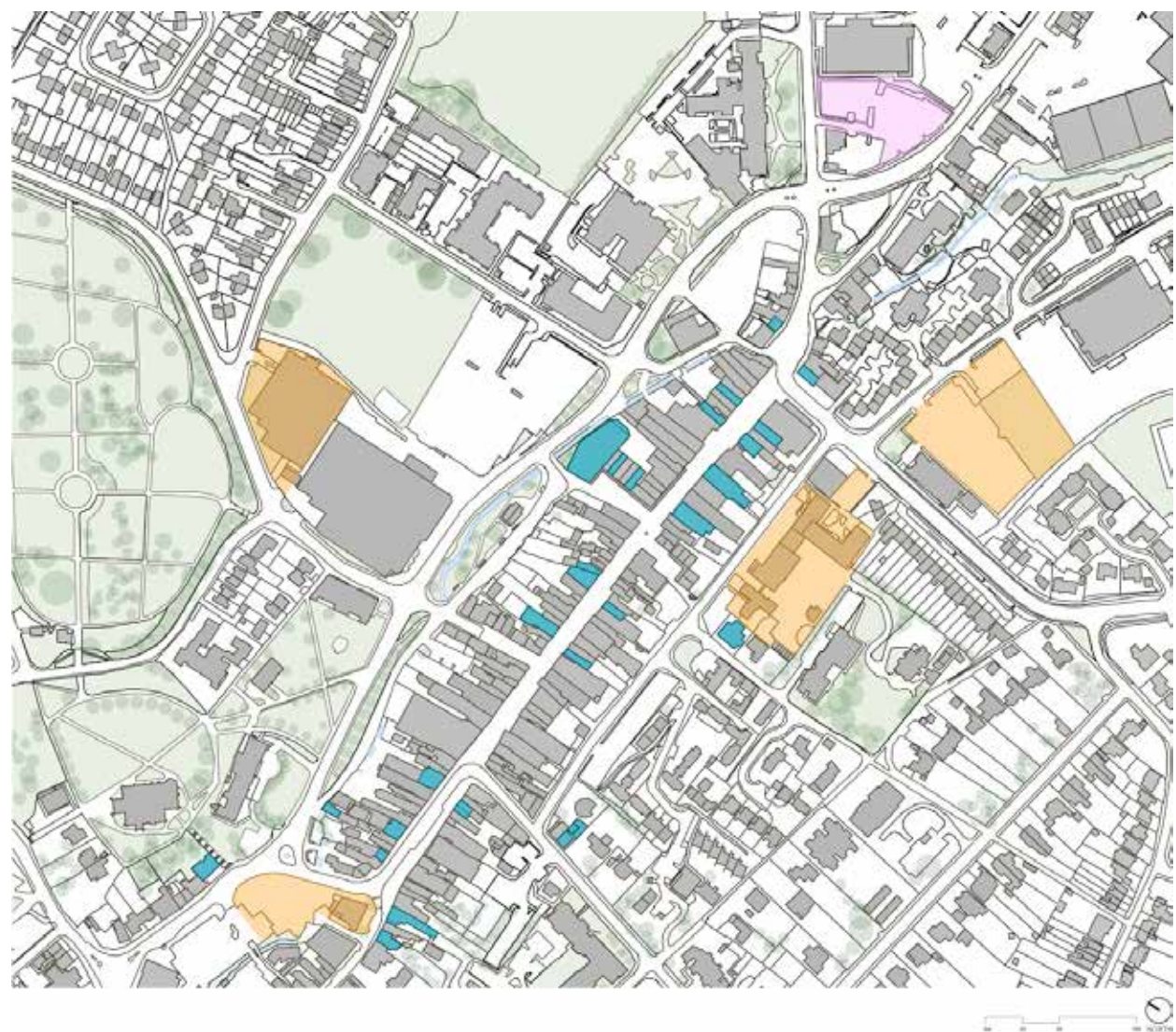
**Bromsgrove's Building Stock:  
Vacant Properties Post-Covid-19**

Since 2020 and the impact of covid, the number of vacant sites has more than doubled

As illustrated there are 24 vacant properties. These were established during a tour of Bromsgrove conducted by BFF in January 2023.

We note the Iceland Supermarket site is included as a vacant site as it is closing permanently in February 2023.

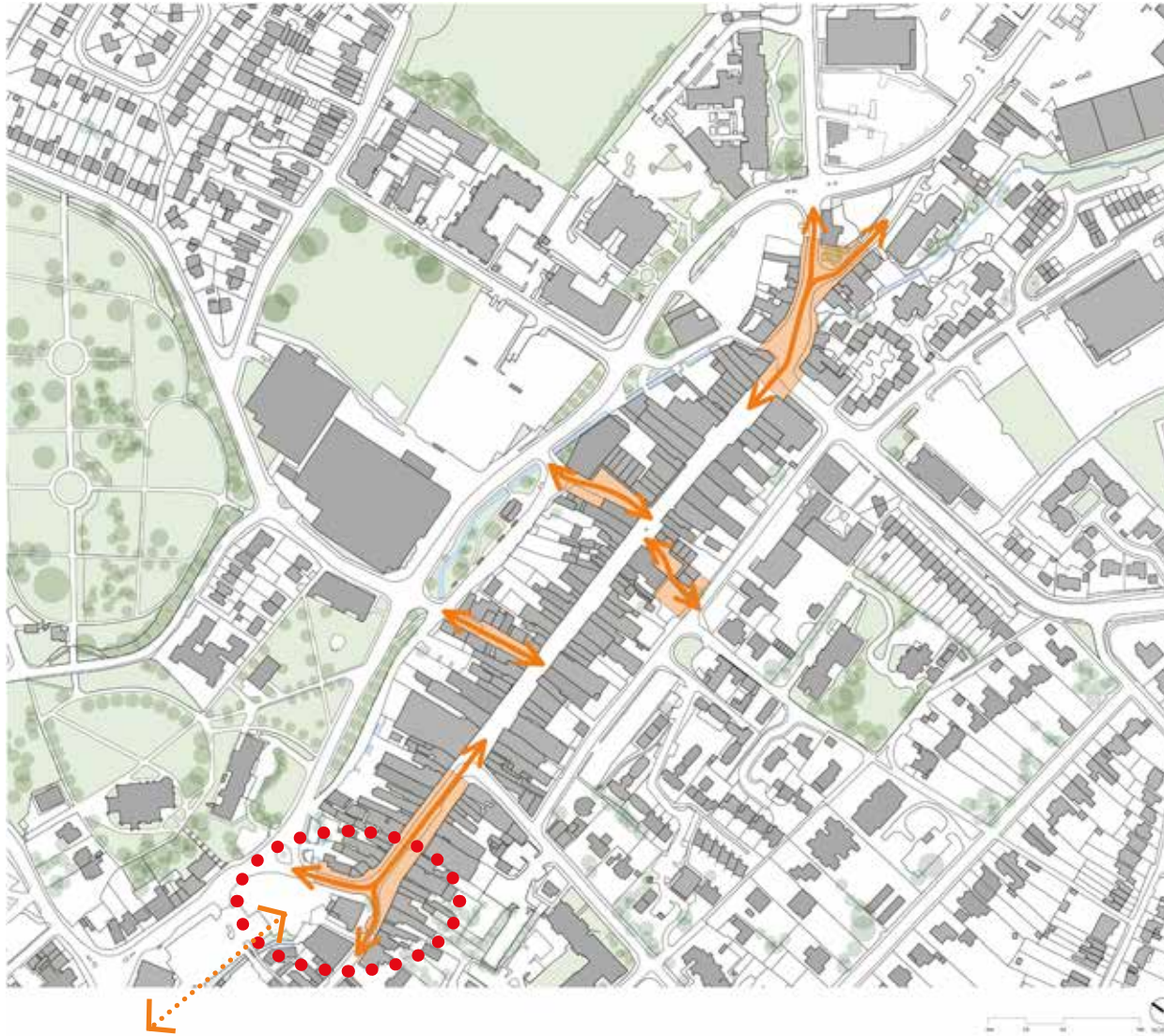
-  Vacant Property
-  Development Sites



Vacant property (2022 - Post Covid)



## 5.6 PUBLIC REALM INTERVENTIONS



Intervention sites

### Public Realm Intervention Sites

Five sites for possible intervention have been appointed. These sites, all lying within the Town Centre Conservation Area, are considered key entrances to the town: sites which could drive a new phase of town centre improvements.

As noted in the *Bromsgrove Town Conservation Area Appraisal*, 'The existing poor quality public realm affects both the character and appearance of the Conservation Area... In general the public spaces within the Conservation Area have that tired feel that detracts from the appearance of the historic buildings.' The appraisal recommends improvements to the Conservation Area could be made through 'changes to the basic surface material, the legibility and hierarchy of spaces, working with pedestrian desire lines rather than thwarting them as part of a wider wayfinding strategy'.

Incorporating the recommendations made within the appraisal, appropriate public realm interventions across the five sites were examined within the 2017 *ch2m A Vision for Bromsgrove (Phase 2) Report*. Works including: the replacement of pedestrian paving, resurfacing and realignment of highways, decluttering and rationalisation of street furniture, parking reconfiguration, augmentation of access routes and the selective planting of trees, shrubs and perennial plants, were all investigated as feasible works to enhance the Conservation Area. The report determined a homogeneous scheme enabling a sense of cohesion across the sites, initiated through a strong, consistent design language would positively counteract the present decline of the public realm, and associated impact to the town's retail offer.

The *Bromsgrove Town Conservation Area Appraisal* was followed by the *Townscape Heritage Initiative* (2012-2019) which included upgrades to the High Street and New Road.

## 6.0 TRANSPORT AND ACCESS

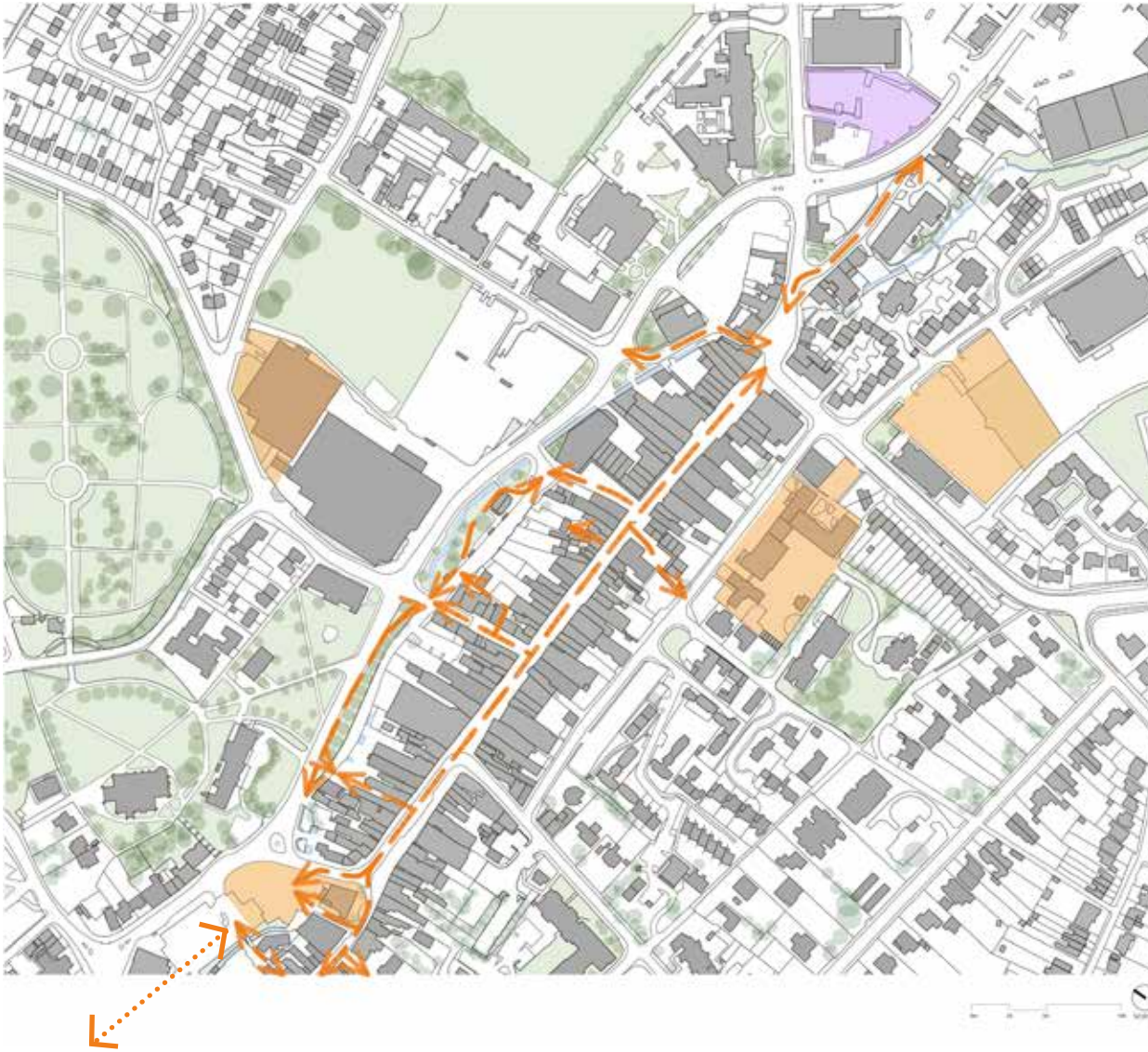
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## 6.1 PEDESTRIAN ACCESS AND CONNECTIONS



### Access and Connections : Pedestrian

Much of the town centre's medieval core is pedestrianised, creating a High Street with a sense of intimacy. A number of passageway routes connect the medieval burgrave back plots to the High Street, reinforcing the three pedestrianised routes which connect the High Street to Crown Close and Windsor Street. At present these perpendicular connections are cluttered, limiting their accessibility and legibility. To the north of the High Street, the Strand is less pedestrian friendly, with vehicular traffic and car parking realm prioritised.

Key:  
 Pedestrian traffic



6.1.1 EXISTING PEDESTRIAN ACCESS AND CONNECTIONS

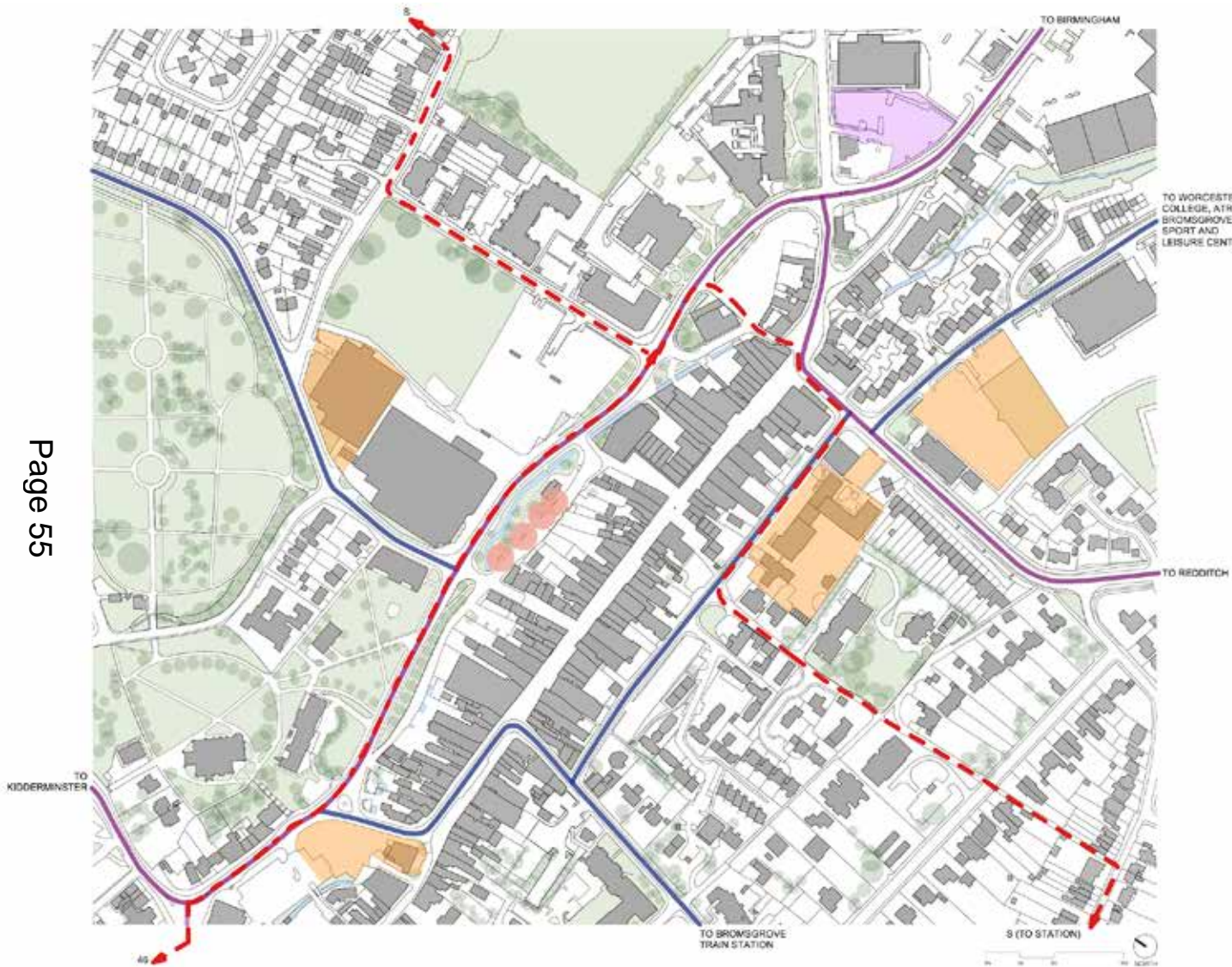


Pedestrian traffic routes





## 6.2 CYCLE ROUTES



### Access and Connections : Cycling

The town hosts two cycling routes; National Route 46 connecting Bromsgrove to Neath Route 5 connects to the local station.

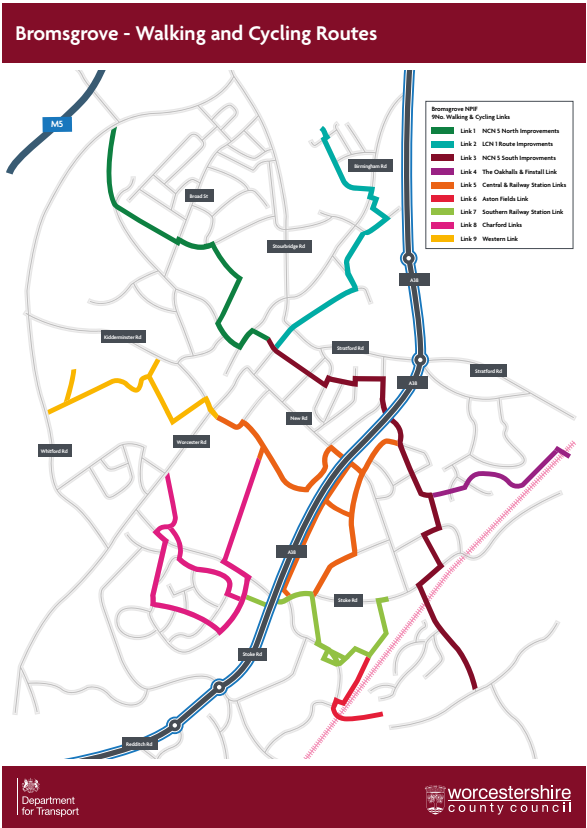
As Part of the A38 BREP, there are now plans to enhance active travel provision along A448 Stratford Road. This may impact on Site 1 Windsor Street. It is expected any such residential development will need to be designed in parallel with junction improvements to enhance active travel routes.

As noted in section 7.2.1, upon review of the One Creative Feasibility Study, for Windsor Street there is no further detail given on how the scheme addresses Policy Context or if any Public Realm or Public Highways or Road/Junction improvements including Active Travel provision on A448 Stratford Road will be considered as part of the scheme. The Local Planning Authority could look to impose conditions on any Planning Application to address these matters if required. As of February 2020 no formal Planning Application has been made.

There are no specific improvements relating to Active Travel provision noted in the AR Urbanism Report 'Bromsgrove Town Centre Regeneration: Market Hall and Dolphin Centre Sites Part B - Options Report' dated November 2020.

- PRIMARY ROAD CONNECTIONS
- SECONDARY ROAD CONNECTIONS
- BUS INTERCHANGE
- - - NATIONAL CYCLE ROUTES (46+5)

6.2.1 IMPROVING WALKING AND CYCLING ROUTES



Access and Connections :Walking and Cycling

Prior to the works undertaken 2019-122 as part of the NPIF and the A38 BREP scheme, Bromsgrove had limited infrastructure to support walking and cycling journeys. This forced some local people to drive short distances, adding to congested routes.

£3.4m of improvements for walking and cycling routes formed part of the wider transport and highways plan for the area and have seen an additional six recognised walking and cycling pathways introduced over the last two years. The work also included improving other recognised cycle ways across Bromsgrove..

The routes have provided new and improved links between the railway station, town centre, schools, as well as as employment and residential areas.

The image shown on this page is a plan showing the location of the active travel links in Bromsgrove which have seen improvements as part of the NPIF project. Between them they spread out across Bromsgrove, with the aim of improving cycling and walking routes in and around the town and helping people to cross the busy A38.

As at Oct 2022 some minor works are on-going on the NPIF routes and as part of the A38 BREP scheme there are plans to provide new active travel measures between the Town centre and the A38 along the A448 Stratford Road'. These should help promote active travel, particularly for local trips

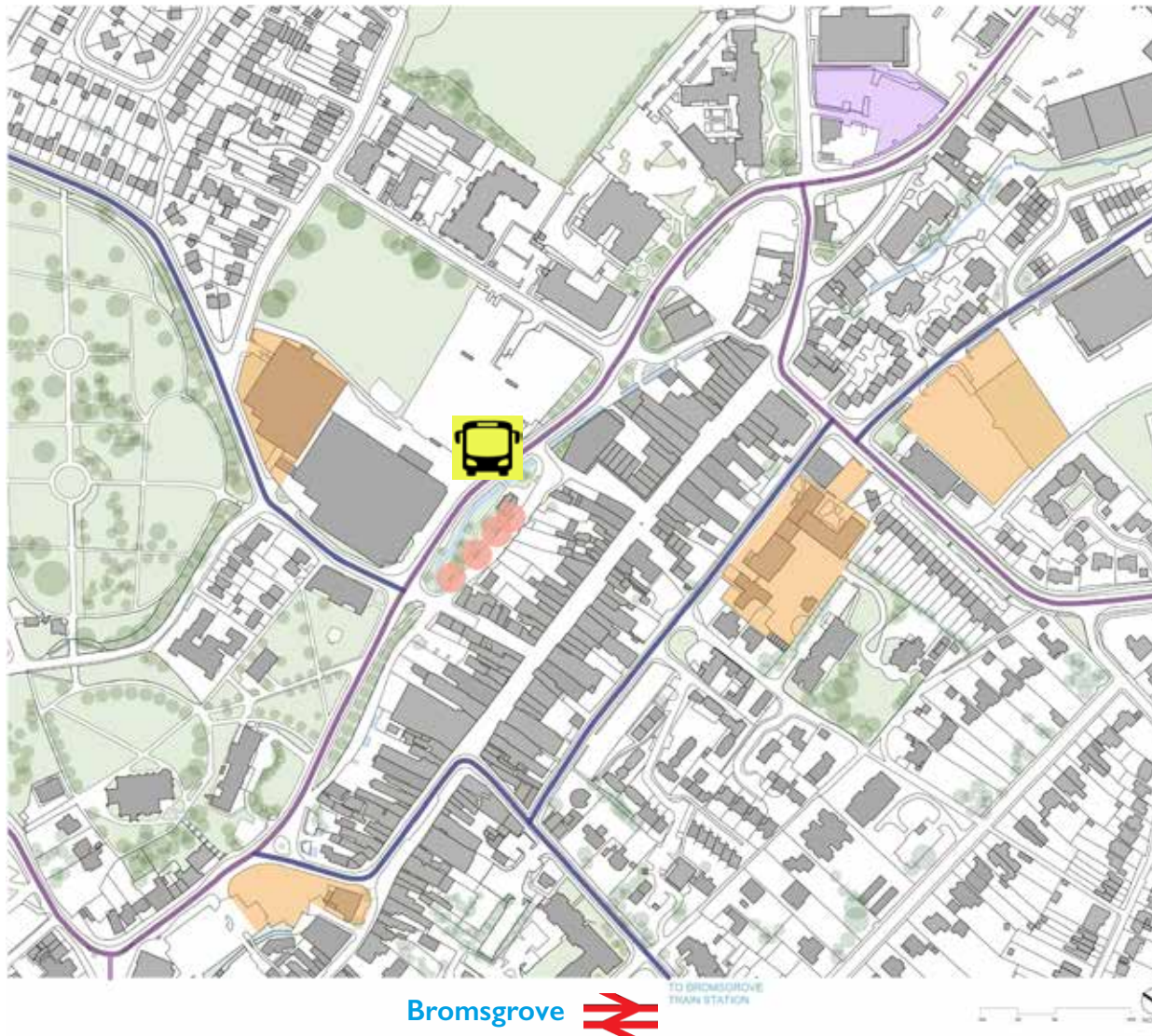
These improvements have included:

- An additional six walking and cycling routes creating a more robust network throughout Bromsgrove
- Upgrading of existing controlled crossings on Kidderminster Road and Market Street being made into toucan crossings and improving the toucan crossing on Birmingham Road by making the path wider.
- Widening of paths in some areas to accommodate use by pedestrians and cyclists. However; the majority of the cycle routes will remain on quieter, low traffic roads, with only a small number of shared use paths being introduced.
- Path and road resurfaced to improve journey comfort
- New LED lighting on pathways
- Clear signage indicating the length of time to walk and cycle to areas of the town centre to promote walking and cycling
- Dropping of kerbs and the
- Introduction of tactile paving at crossing points to improve accessibility



## 6.3 VEHICLE ROUTES

### Birmingham



#### Access and Connections :Vehicular

Bromsgrove town centre is connected to Worcestershire and the Midlands by a number of key vehicular routes. Connections to Kidderminster; to the north-west, and Birmingham, to the north-east, are facilitated by Market Street, which runs parallel to the High Street. However, in serving a various nearby towns and cities, as well as Bromsgrove town centre, the Market Street vehicular link is often highly congested, particularly at School drop off and pick up times.

New Road, which branches from the south of the High Street, directs vehicles to Bromsgrove train station. The station is 5 minutes drive from the Town Centre, placing it slightly beyond easy, accessible walking distance (25 minutes).

The primary bus interchange is located on Crown Close. Buses are the only form of public transport to which the town centre can be directly accessed from. Limitations to public transport opportunities has led to the car being the preferential mode of transport with which to access Bromsgrove. This is reinforced by the plentiful car parking opportunities scattered around the town centre.

A new 'on demand' pilot bus service (Diamond Buses) was introduced in July 2022 to increase public transport options.

#### Key:

- Primary Road Connections
- Secondary Road Connections
- Bus Interchange
- Sites



6.3.1 EXISTING VEHICLE ROUTES

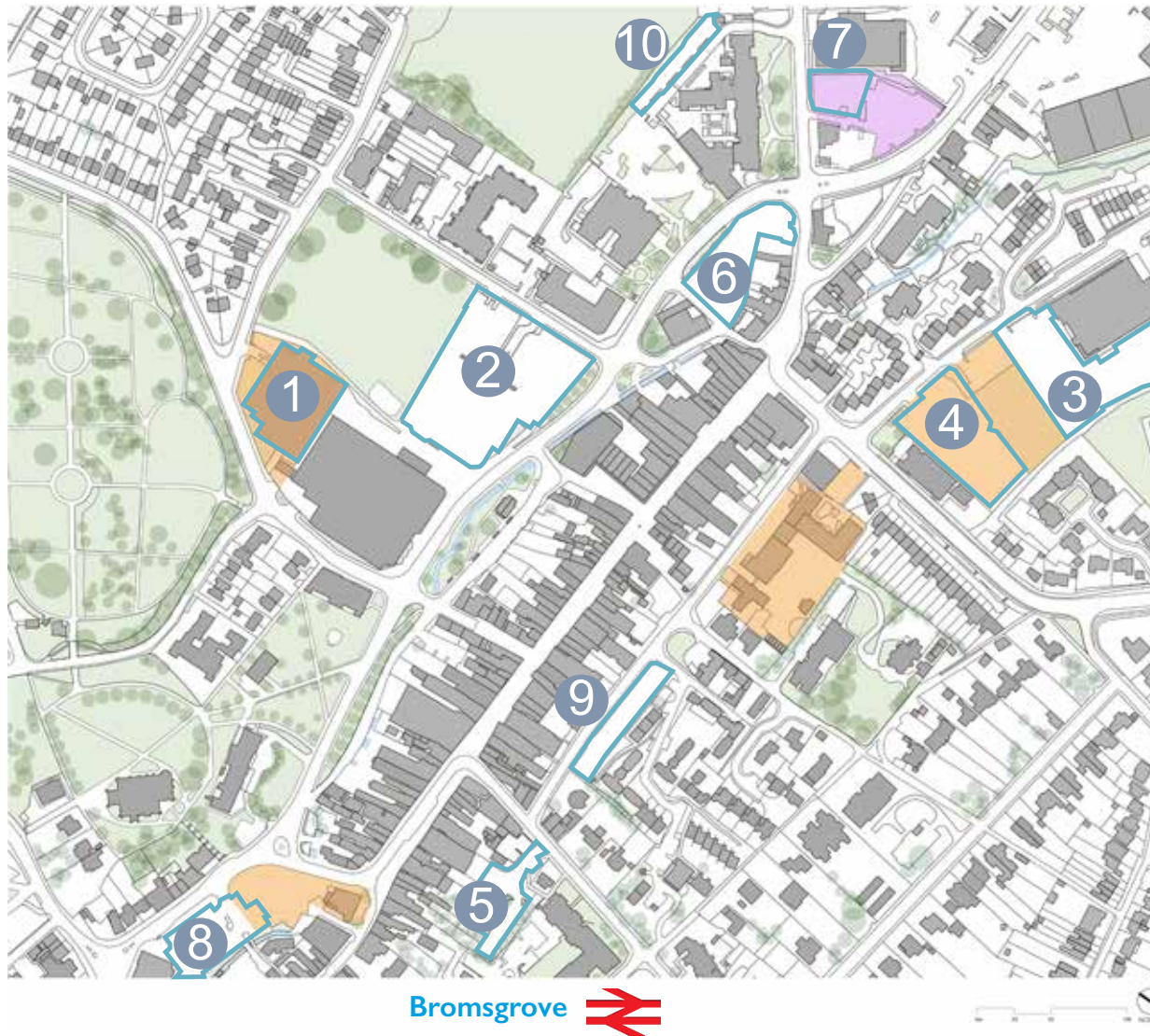


Primary transport connections



6.4 TRANSPORTATION AND PARKING

Birmingham



Design Considerations

- Review of Existing Infrastructure future initiatives
- Implications of new residential areas
- Current challenges to the existing system
- Future challenges of green travel strategies for 2040
- Reduction in overall parking quantum allowing development
- Improved Public Transport infrastructure
- Charging Point network expansion
- Enhanced Connection with Station and large scale developments that have gained Planning Permission - refer to sections 6.4.3 and 6.4.3.1

Current Capacity

1.	Chruchfields Multi Storey	318
2.	Recreation Road South	312 (ASDA)
3.	North Bromsgrove	195
4.	School Drive	138
5.	New Road	62
6.	Parkside	100
7.	Stourbridge Road	87 (tbc)
8.	St John Street	86
9.	Windsor Street	69
10.	Parkside Offices	Permits
	Golden Cross Lane	15 (tbc)
	Aston Fields	44 (tbc)
	<b>Total</b>	<b>1426</b>

Source; <https://www.bromsgrove.gov.uk/my-place/parking/our-car-parks.aspx> (noting Stourbridge Road and Golden Cross Lane not listed on website)

Car Park sites in Town Centre - Note site 10 Parkside Offices is not listed on following data page as permit only





### 6.4.1.1 PARKING ANALYSIS AND SUMMARY

The data on the previous page suggests the car park usage is very low for a number of the sites.

The frequency of use is calculated by using parking data to establish how many cars use the site and for how long against the number of spaces available and the actual hours of use. Season ticket holders have also been factored in.

#### **Parking Site 1 Churchfields Multi-Storey**

The data for Churchfields Multi-Storey has an Actual Frequency of use of only 5.96%. This is a very low percentage for what is the largest parking site available in Bromsgrove. This data suggests the site is incredibly under used at present. This is likely due to its location in relation to the High Street, its proximity to the Asda car park (Recreation Road South) but may also be influenced by early closing times and the locking of the facility overnight.

#### **Parking Site 2 Recreation Road South (Asda)**

The data for Recreation Road South suggests an Actual Frequency of use of 27.02%. This relatively low percentage is likely linked to it being the car park associated with the Asda Superstore and its opening hours. The data suggests this car park is seen as a destination for the supermarket rather than the Town Centre. Although close to, Market Street and Mill Lane need to be walked through to reach the High Street.

#### **Parking Site 3 North Bromsgrove**

The data for North Bromsgrove suggests an Actual Frequency of use of 19.77%. This relatively low percentage is likely linked to it being the car park associated with the town's Leisure Centre and its hours of use. The data suggests this car park is seen as a destination for the Leisure Centre rather than the Town Centre. School Drive, although it may be used as a 'drop-off' for

North Bromsgrove High School.

#### **Parking Site 4 School Drive**

The data for North Bromsgrove suggests an Actual Frequency of use of 20.73%. This relatively low percentage is likely linked to it being on the periphery of the Town Centre and its links to the neighbouring Methodist Church. Again, it may be used for drop off for North Bromsgrove High School.

#### **Parking Site 5 New Road**

The data for New Road suggests an Actual Frequency of use of 55.16%. This relatively High percentage is likely linked to it being close to the Town Centre.

#### **Parking Site 6 Parkside**

The data for Parkside suggests an Actual Frequency of use of 53.07%. This relatively High percentage is likely linked to it being close to the Town Centre. The site is also somewhat bordered by retail premises so it may be considered a destination car park.

#### **Parking Site 7 Stourbridge Road**

The data for Stourbridge Road suggests an Actual Frequency of use of 0.77%. This incredibly low percentage is likely linked to it being on the periphery of the Town Centre or drivers option to park for 1.5hrs free in the neighbouring Aldi car park off Birmingham Road. There is also 2hrs free parking offered across the Birmingham Road at Bromsgrove Retail Park (Home Bargains, Iceland, Lidl, Pure Gym).

#### **Parking Site 8 St. John Street**

The data for St John Street suggests an Actual Frequency of use of 49.97%. This relatively High percentage is likely linked to it being close to the Town Centre. and to the Waitrose Supermarket so it may be considered a destination car park.

#### **Parking Site 9 Windsor Street**

The data for Windsor Street suggests an Actual Frequency of use of 57.04%. This relatively High percentage is likely linked to it being so close to the Town Centre - effectively centralised with the High Street with easy links through Chapel street.

#### **Site 10 Parkside Offices**

Although no data is available as the site is permitted, its location away from the Town Centre and its primary role as the car park for the destinations of Bromsgrove District Council, Bromsgrove Library and the Registry Office.

In Summary, there are two Key Sites identified in this report as having development potential in the Town Centre which are currently car parks - Churchfields and the Dolphin Centre (Churchfields MS and School Drive respectively). Actual Frequency of use of only 5.96% for Churchfields and 20.73% School Drive indicates these sites are not performing well as car park's. This is most likely a result of their distance to the High Street coupled with better/more convenient places available to park. As it stands, we believe if these two sites were not car parks, there would still be more than the required capacity for the current car user population of Bromsgrove in the remaining car parks. As these are Town centre sites, we would not expect the occupiers of the residential dwellings to use the Town centre car parks - even if a small percentage were still to use the car parks, the data suggests there would still be capacity to accommodate them. This extends to the other Key Sites in this Report.

We note there is reference to potential large scale residential developments and their potential impact on car parking in section 6.4.3 and 6.4.3.1.

6.4.2 TRANSPORTATION IMPROVEMENTS

A38 Bromsgrove Route Enhancement Programme (BREP)

The A38 is one of Worcestershire’s most important strategic transport routes and has been undergoing a 3 phase improvement scheme;

- phase 1 schemes are now fully open (schemes i,ii and iii)
- phase 2 schemes are now fully open (schemes 2a, 2b and 4)
- phase 3 is currently in development and will be brought forward for delivery once funding has been secured (schemes A, B, C, D E, F, I,3,5 and 6)

The aim of the A38 improvements is to ensure the Bromsgrove area can be ‘open for business’ by supporting economic growth. The improvement schemes include a series of junction enhancements where delay and congestion are currently experienced or where conditions are predicted to deteriorate further without intervention. They also include a range of improvements to cycling and walking routes alongside and over the A38.

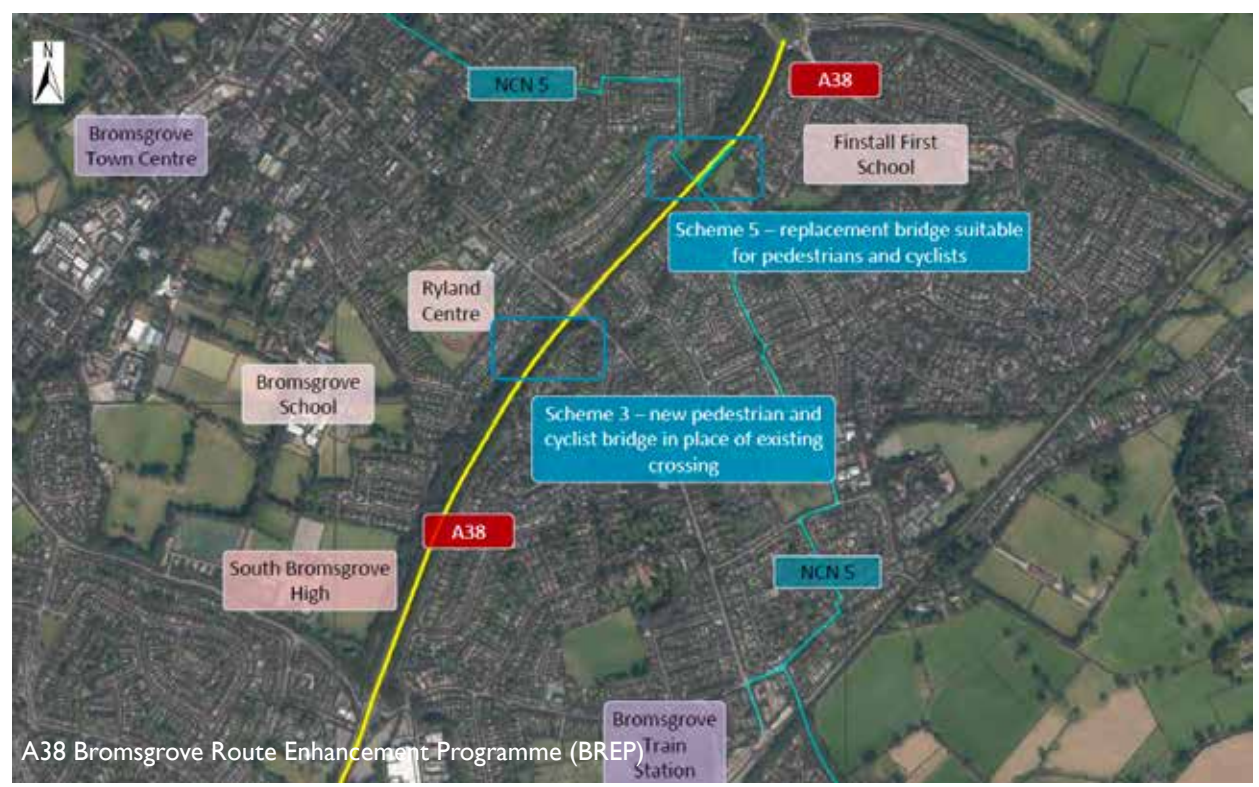
The need to improve the A38 corridor from Lydiate Ash (M5, Junction 4) to Hanbury Turn (junction with B4091 Hanbury Road) was identified in Worcestershire’s Fourth Local Transport Plan.

Bromsgrove Strategic Transport Assessment (STA)

This Transport related study commissioned by Bromsgrove District Council and Worcestershire County Council will form part of the local plan review evidence base and will help identify future transport infrastructure needed to support development for Bromsgrove District

Transport Funding

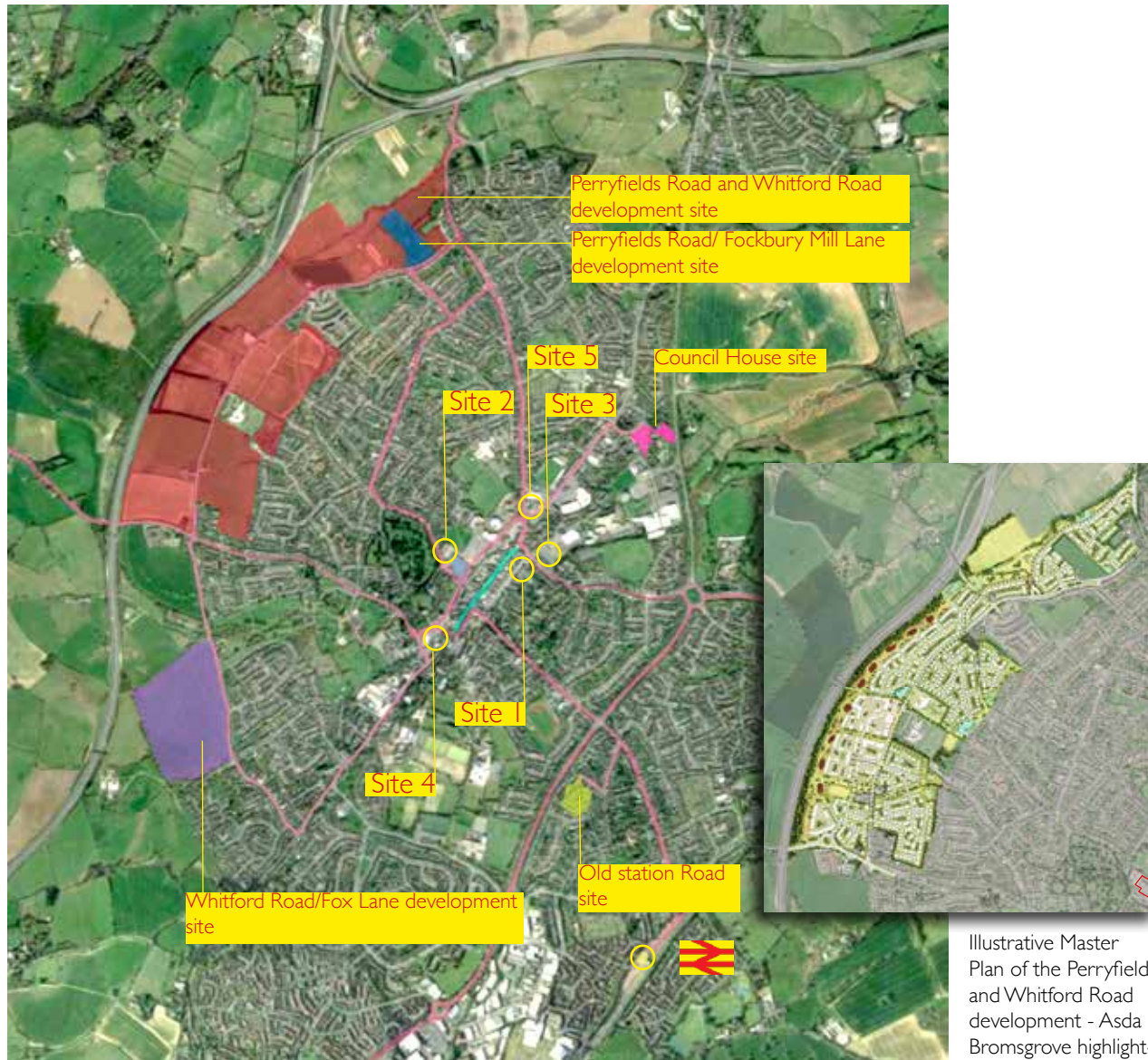
Transport funding – the planned delivery of new homes to the west of Bromsgrove Town centre (Perryfields Road and Whitford Road) has provided s106 funding to alter some highway junctions in the Town centre and also to enhance active travel and passenger transport provision.



A38 Bromsgrove Route Enhancement Programme (BREP)



### 6.4.3 TRANSPORTATION IMPACTS FROM POTENTIAL RESIDENTIAL DEVELOPMENTS



Large Scale developments that have achieved Planning Permission around Bromsgrove highlighted - main routes into the town centre and beyond to the train station indicated (High street in blue)

Illustrative Master Plan of the Perryfield and Whitford Road development - Asda Bromsgrove highlighted in red to bottom right corner

As noted under section 6.4.2, the planned delivery of up to 1300 new dwellings (and up to 200 unit extra care facility) to the west of Bromsgrove Town centre (Perryfields Road and Whitford Road) has provided S106 funding to alter some highway junctions in the Town centre and also to enhance active travel and passenger transport provision. The scheme was submitted for outline planning (16/0335/OUT), progressed to a Reserved Matters Application (21/01626/REM) and is pending consideration.

If such a scale of development is delivered there will be an undoubted impact on traffic to the town centre, bringing any investments in improvements into focus. If such a development encourages new residents to Bromsgrove, car use may increase. This would require management now and in the future potentially need to take into consideration road/transport improvements, and additional town centre car parking. There is the potential that the new residential developments could be filled with Bromsgrove residents – in which case the amount of cars would remain at current levels – however there would likely be increased pressure on concentrated areas at peak times which may require management. Active travel links and sustainable modes of transport should continue to be encouraged and integrated into schemes to offset. Indeed, sustainable transport measures could continue to be secured using S106 Agreements between the Local Authority and developers linked to Planning permissions.

*"Sustainable transport measures include a Transport Mobility hub, providing public transport advice, cycle hire, cycle repairs, E-bikes, car hire, car sharing, mini bus hire, secure drop-offs and deliveries. New occupiers will receive welcome packs in advance, detailing sustainable transport and mobility options to minimise the need for car ownership and car use".*

It is noted one of the routes from the Perryfields Road and Whitford Road development to the town centre runs directly past the Churchfields site (Site 2).

### 6.4.3.1 TRANSPORTATION IMPACTS FROM POTENTIAL RESIDENTIAL DEVELOPMENTS



Proposed development of the former Bromsgrove District Council House, BBC Hereford & Worcester Building and Hostel

A separate smaller scale residential development with 60 dwellings on Perryfields road close to Fockbury Mill Lane was granted full Planning Approval in February 2022 (21/01046/FUL).

A third residential site on Whitford Road/Fox Lane immediately south of Timberhonger Lane looks to provide a further 505 dwellings. An outline planning scheme progressed to Reserved Matters Application following appeal (22/00090/REM) and has been granted.

The fourth residential site is the conversion of a former nursing home into 15 dwellings off Old Station Road. This scheme has been granted subject to a S106 Agreement (20/01392/FUL). one of the conditions of this scheme is relating to occupation is the installation of electric charging points (1 per dwelling) and another relates to the provision of sheltered, safe, secure and accessible cycle parking. These are to encourage sustainable travel and healthy communities and compliance with the council's parking standards.

The fifth residential site is again subject to a S106 Agreement. Under 19/01610/FUL, the former Bromsgrove District Council House, BBC Hereford & Worcester Building and Hostel are demolished to make way for 61 dwellings consisting of houses, maisonettes and apartments.

There are a number of smaller scale developments (maximum nine dwellings on a site) totalling in excess of 150 dwellings that have achieved Planning Permission in the last 12 months. The extent of the sites and dwellings that have been constructed or started construction is to be confirmed by Bromsgrove District council Planning Department.

The large scale residential developments will continue to influence the districts' approach to sustainable transportation as a way to minimise conventional car usage into the Town Centre. The smaller sites may prove easier to integrate as the smaller volumes of dwellings and their impact will be absorbed at a slower rate.

As noted on the previous page, one of the routes from the Perryfields Road and Whitford Road development to the town centre runs directly past the Churchfields site (Key Site 2). When this residential development is constructed, in conjunction with the other four large scale sites as outlined, there will be 1,941 new dwellings in the Bromsgrove area. Even if a percentage of existing Bromsgrove inhabitants move into these new developments, we would still expect the majority of occupancy to be 'newcomers'. This is likely to result in an increased number of car users needing somewhere to park in the town centre.

If Key Sites 2 and 3 are indeed developed at the loss of Churchfields MS and School Drive car parks, there would be 456 less car parking spaces in Bromsgrove Town Centre. The replacement of these car parks with dwellings would need to be assessed in relation to the construction programme and phasing of the new large scale developments. For example, could Key Site 2 be developed first allowing Key Site 3 to remain a car park for a period of time to provide parking for an increased population?

**Establishing the potential impacts of such an increase in local population with intrinsic car use (conventional and sustainable) on town centre car parking should be explored in a separate study to be undertaken by a Transport Consultant. A long term strategy should be developed outside the parameters of this report. Such a study would need to review the impact of both the large scale and small scale developments that have gained Planning Permission to establish what this would mean for the town centre car parking provision in tandem with recommendations for sustainable public transport and active travel.**

Without completing an in-depth study, there will in all likelihood be a requirement for additional car parking spaces in the Town centre to serve the increased population. However, as per section 6.4.1, there are better/more convenient places to park than Churchfields and School Drive (Key Site 3, Dolphin Centre), and there is no guarantee this mind-set would change.

One possibility would be to increase the car parking provision at Recreation Road South (Asda). Adding an additional level of parking could be explored - the extent of this additional parking would need to be established, but the proximity of this car park to the town centre and high Street alongside additional road crossings to Market Street would work well.

There is also the existing Bus Interchange on Crown Close that would benefit from improved linkages between Market Street/Mill Lane and Asda (noting the Iceland off Mill Lane is Closing in February 2023).

A further possibility for investigation would be to develop the Crown Close Bus Interchange into a Mobility Hub where shared transport, public transport and active travel can be consolidated and look to improve the public realm.

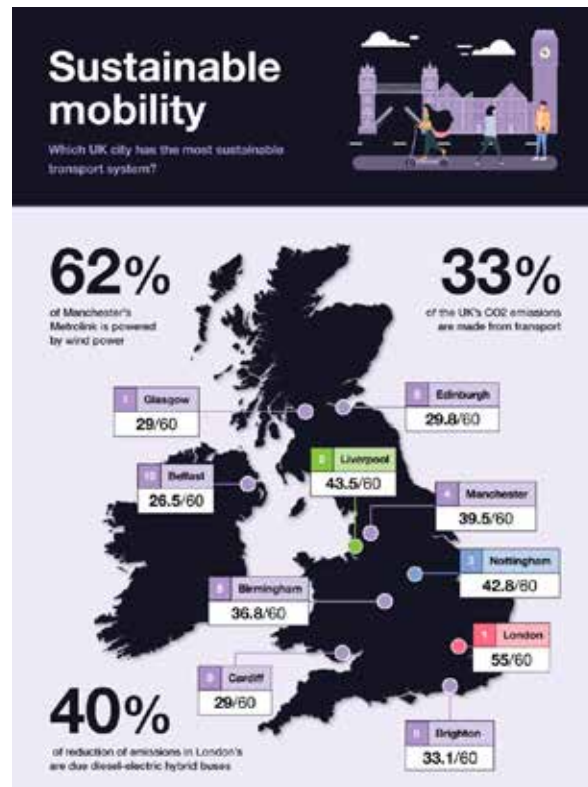


## 6.4.4 SUSTAINABLE TRANSPORTATION & INCREASING ACTIVE TRAVEL - PREPARED FOR CHANGE ?

### What are Sustainable Transport Modes?

The National Planning Policy Framework (NPPF) defines sustainable transport modes as:

'Any efficient, safe and accessible means of transport with overall low impact on the environment, including walking and cycling, low and ultra low emission vehicles, car sharing and public transport.'



Taking 15 UK cities and scoring them based on 6 sustainable transport markers: Bicycle Rental Scheme, Sustainable Urban Rail, Participation in European Mobility Week 2019, Sustainable Transport Plans and E-scooter Rental Scheme.

Source: U switch

This report looks to provide a vision for the next 20 years of Bromsgrove's growth and development with emphasis on the pragmatic and achievable.

Anecdotal information suggests that the provision of public transport in the Bromsgrove area is a decreasing trend set to continue for the foreseeable future. If this is the case, it could therefore be suggested the public will remain dependent on the car - especially those who live in rural areas currently not accessible by public transport. It is of course hoped the 'on demand' bus service as noted under Section 6.3 is a success and expanded.

Other personal modes of transport are of course available with some 'greener' than others. Electric car technology is ever-improving and the next 5-10 years will be crucial in their mass production and the inherent cost savings this will bring to make them more affordable and increase uptake. The U.K. government supports of the COP26 Declaration on accelerating the transition to 100% zero emission cars and vans by 2040.

Although improvements have been made to larger infrastructure to link Bromsgrove to other towns and cities and are scheduled to continue, there is the potential for such improvements and investment to not filter down to smaller local roads that Bromsgrove would benefit from. to improve access and connection to the Town Centre.

There is therefore potential for the number of cars in the Bromsgrove area to remain at their current levels instead of decreasing. If all of the residential sites highlighted in Section 7 are constructed, an outcome could be that car numbers in the town centre could increase. Of course, it would be hoped that by living in the Town Centre car owners would not need to use their cars to visit the High Street and surrounding areas.

However, If the major residential development highlighted in 6.4.2 is constructed this will in all likelihood increase road users further. Sustainable Transport measures will be adopted (noting the measures noted in section 6.4.2) to offset the potential increase

in car numbers to reduce pressure on existing local infrastructure. If cars, albeit more environmentally and humanly friendly, are to remain a major feature of access and connection to Bromsgrove Town Centre, they will still require roads, parking spaces and traffic & congestion management. The Local Authority Highways Department must be acutely aware of this and plan accordingly.

Decarbonising transport will require a shift to cleaner and active modes of transport. Further improvements to existing and provision of additional active travel links should continue to be integrated into District and County future policies and align with National Policies and initiatives.

In Local Transport Plan 5 (**LTP5**) the five motives for change are achieved by Reducing Traffic, Electrifying transport and Improving accessibility.

**Local Transport Note 1/20 Cycle Infrastructure Design** looks to promote significant increases in cycling in our towns and cities. The note looks to set out new standards and principles which will need to be met to achieve any future Government funding

**Active Travel England** has been established as an executive agency of the **Department for Transport (DfT)**. As noted in **Gear Change: A bold vision for cycling and walking** "The recent COVID-19 restrictions have profoundly impacted the way people live, work and travel as evidenced by the public's desire to be more active, and the rise in popularity of cycling and walking (Sport England, 2020). Now, we can embed those changes in people's travel behaviour, increase active travel, and transform permanently how many people move around, particularly in towns and cities". One of the themes of Gear Change is to put active travel and heart of transport, place-making and health policy.

The UK government has set a target of 50% of all journeys in towns and cities to be made by active travel modes by 2030 in **The second cycling and walking investment strategy (CWIS2)**. Sustainable Transport and Active Travel need to play a major role in Bromsgrove's vision for the next 20 years.

## 7.0 MAJOR SITES

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Agenda Item 5

## 7.1 MAJOR SITES





# 7.2 SITE | WINDSOR STREET



Windsor Street runs parallel to the High Street and the site is located next to the Grade II listed United Reformed Church, the second oldest church in Bromsgrove.

The site is approximately 0.7 hectares (1.73 acres) and is bound to the west by Windsor Street, to the south by a the church noted above and dental surgery off Chapel Street, to the east by a day centre and to the north by residential and commercial development



off Stratford Road, as well as Stratford Road itself.

The site currently contains several unoccupied buildings which include the former Bromsgrove Fire Station, County Council Offices and the Library. 56% of the site is currently owned by Herefordshire and Worcestershire Fire and Rescue Service, and 44% by Worcestershire County Council (WCC).





## 7.2.1 SITE | WINDSOR STREET - ONE CREATIVE ENVIRONMENTS FEASIBILITY

One Creative Environments produced a feasibility study for the Windsor Street Site in March 2022.

The preferred option (Option 3) looks at 2 and 3 bedroom Town Houses allowing connection to the neighbouring site and providing a shared garden space in front of the existing Church to the South of the site.

Part of the feasibility study acknowledges Policy Context and the Streetscape Design Guide, Worcestershire County Council (spring 2020) and references the following:

2.29. This documents sets out highways design for adopted highways in Worcestershire.

2.30. It also sets out parking requirements for new residential and commercial properties. Parking

numbers will need to be followed closely although there may be scope to slightly reduced numbers in some circumstances due to the Sites location within the town centre and public transport networks.

2.31. Minimum parking requirements for Houses and apartments

There is no further detail given on how the scheme addresses this Policy Context or if any Public Realm or

Public Highways or Road/Junction improvements including Active Travel provision on A448 Stratford Road will be considered as part of the scheme. The Local Planning Authority could look to impose conditions on any Planning Application to address these matters if required. As of February 2020 no formal Planning Application has been made.



One Creative Masterplan - Option 3



Computer Generated Image: Option 3, birds eye view of the town houses with Windsor Street in the foreground

7.2.2 SITE | WINDSOR STREET PRECEDENT IMAGES



Add description...materials, massing etc





## 7.2.3 SITE 1 WINDSOR STREET OPTIONS

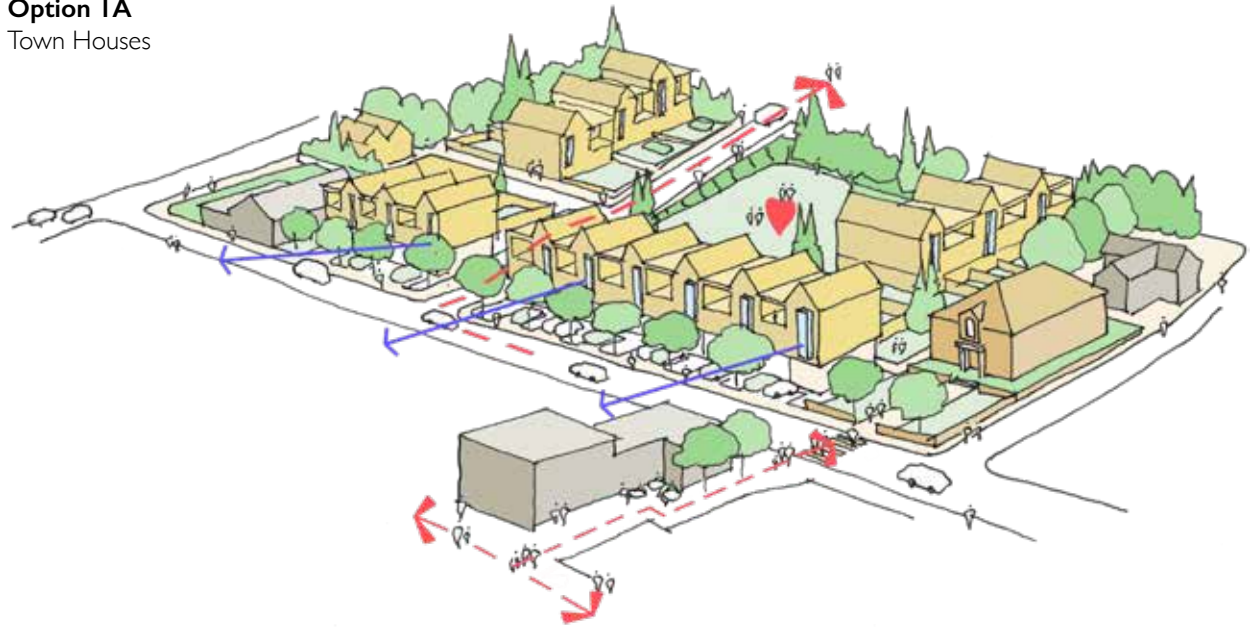
The proposal options aim to provide residential accommodation with shared amenity space within the community. It also creates a positive connection reinforcing the west to east pedestrian route across Chapel Street and Windsor Street allowing easy access to Bromsgrove High Street.

Option 1 looks to create a majority of Town Houses with a few semi-detached dwellings across the site.

Option 2 has a mix of Town Houses and apartments arranged over the site with the apartment blocks facing directly onto Windsor Street.

Option 3 also has a mix of Town Houses and apartments arranged over the site, but with the majority of the apartments created by refurbishing existing buildings..

**Option 1A**  
Town Houses



**Option 1A**  
Town Houses



**Option 2A**  
Town Houses + Apartments



**Option 3A**  
Town Houses + Apartments inc. Refurbishment

7.2.4 SITE | WINDSOR STREET - OPTION 1A

Existing OS Map



Option 1A Town Houses Layout



Option 1A - Accommodation Table

Site 1_Windsor Street	
Option 1	
3 Bed Town House	27
3 Bed Semi Detached	2
2 Bed Apartment (New)	
2 Bed Apartment (Refurb)	
3 Bed Apartment (New)	
2 Bed Live Work Units	
Public Amenity Space	600 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	
Site area	6475 sq.m

Existing Buildings:  
approx. 49,500 sqft on 1-5 storeys

### 7.2.5 SITE 1 WINDSOR STREET - OPTION 2A

Existing OS Map



Option 2A Town Houses + Apartments Layout



OPTION 2A - Accommodation Table

Site 1_ Windsor Street	
	Option 2
3 Bed Town House	12
3 Bed Semi Detached	2
2 Bed Apartment (New)	16
2 Bed Apartment (Refurb)	
3 Bed Apartment (New)	
2 Bed Live Work Units	
Public Amenity Space	540 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	
Site area	6475 sq.m

Existing Buildings:  
approx. 49,500 sqft on 1-5 storeys

7.2.6 SITE 1 WINDSOR STREET - OPTION 3A

Existing OS Map



OPTION 3A - Accommodation Table

Site 1_ Windsor Street	
	Option 3
3 Bed Town House	14
3 Bed Semi Detached	2
2 Bed Apartment (New)	6
2 Bed Apartment (Refurb)	21
3 Bed Apartment (New)	
2 Bed Live Work Units	
Public Amenity Space	700 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	
Site area	6475 sq.m
Existing Buildings: approx. 49,500 sqft on 1-5 storeys	

Option 3A Town Houses + Apartments inc. Refurbishment Layout





### 7.3 SITE 2 CHURCHFIELDS



#### Churchfields

Located next to the Asda Store, the Churchfields carpark site is bounded by Bromsgrove Old Cemetery to the south and a recreation ground to the north.

The site is approximately 0.45 hectares (1.13 acres) and is bound to the north by Bromsgrove Recreational Ground and residential housing off Churchfields and Crabtree Lane, to the east by an Asda supermarket and to the west by Bromsgrove Old Cemetery

Anecdotal information suggested the maximum usage of the carpark is 40 spaces out of 318 (13% usage). This is before any impact from the proposed large scale development beyond Perryfield Road and Whitford road. Analysis of parking data can be found in section 6.4.1.1.



7.3.1 SITE 2 CHURCHFIELDS PRECEDENT IMAGES





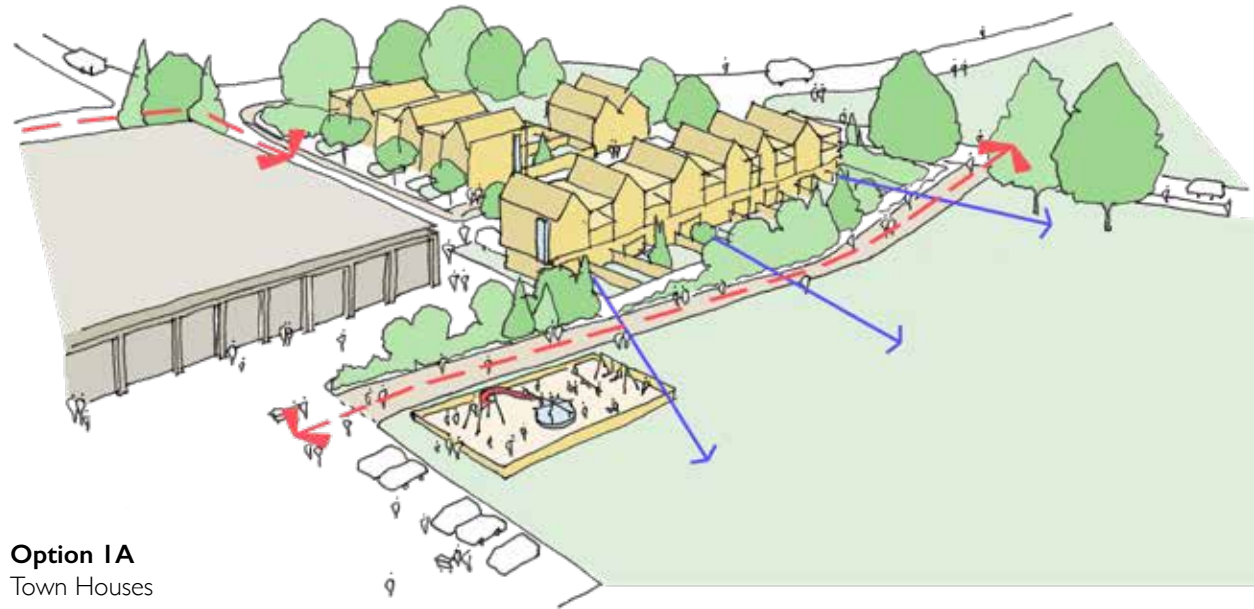
### 7.3.2 SITE 2 CHURCHFIELDS OPTIONS

Setting most of the houses and flats on the northeastern edge of the site creates maximum visibility for the residential development looking north up to the park.

Option 1 looks to create a majority of Town Houses with a few semi-detached dwellings across the site.

Option 2 has a mix of Town Houses and apartments arranged over the site with the apartment blocks facing directly onto Windsor Street.

Option 3 also has a mix of Town Houses and apartments arranged over the site, but with the majority of the apartments created by refurbishing existing buildings.



**Option 1A**  
Town Houses



**Option 1A**  
Town Houses



**Option 2A**  
Town Houses + Apartments



**Option 3A**  
Apartments inc. Refurbishment

7.3.3 SITE 2 CHURCHFIELDS - OPTION 1A

Existing OS Map



Option 1A Town Houses Layout



Option 1A - Accommodation Table

Site 2_Churchfields	
Option 1	
3 Bed Town House	18
3 Bed Semi Detached	2
2 Bed Apartment (New)	
2 Bed Apartment (Refurb)	
3 Bed Apartment (New)	
2 Bed Live Work Units	
Public Amenity Space	330 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	
Site area	4220 sq.m
Existing Carpark: approx. 92,000 sqft on 3 storeys	



### 7.3.4 SITE 2 CHURCHFIELDS - OPTION 2A

Existing OS Map



Option 2A Town Houses + Apartments Layout



Option 1A - Accommodation Table

Site 2_Churchfields	
	Option 2
3 Bed Town House	9
3 Bed Semi Detached	
2 Bed Apartment (New)	28
2 Bed Apartment (Refurb)	
3 Bed Apartment (New)	
2 Bed Live Work Units	
Public Amenity Space	330 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	

Site area 4220 sq.m

Existing Carpark:  
approx. 92,000 sqft on 3 storeys

7.3.5 SITE 2 CHURCHFIELDS - OPTION 3A

Existing OS Map



Option 3A Apartments inc. Refurbishment Layout



Option 3A - Accommodation Table

Site 2_Churchfields	
	Option 2
3 Bed Town House	9
3 Bed Semi Detached	
2 Bed Apartment (New)	28
2 Bed Apartment (Refurb)	
3 Bed Apartment (New)	
2 Bed Live Work Units	
Public Amenity Space	330 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	
Site area	4220 sq.m
Existing Carpark: approx. 92,000 sqft on 3 storeys	

## 7.4 SITE 3 DOLPHIN CENTRE



The site is approximately 0.71 hectares (1.76 acres) and is bound to the west by Bromsgrove Methodist Centre, to the north by care trust properties, to the east by Bromsgrove Sport and Leisure Centre and to the south by offices and residential properties off Stratford Gardens. The site fronts onto School Drive to the north.

The site is currently unfriendly to pedestrians because of predominance of vehicles and several conflicting pedestrian and car parking desires. The proposed development has the potential to become a strong pedestrian link between the High Street and Windsor Street.





7.4.1 SITE 3 DOLPHIN CENTRE ARUrbanism FEASIBILITY



Option 1 'Live-work Community'

- GEA of the ground floor: A-1820 sqm, + approx 600 sqm car park, B-585 sqm & C-540 sqm
- No of buildings: 3
- No of storeys: 3 to 4
- Total GIA: 7705 sqm
- No of residential units: 45 flats, 13 flexible layout houses and 12 townhouses
- No of car parking spaces: 72
- Estimated Total Cost: 21.3M

Key Benefits and Issues

- phased development possible,
- a high-quality residential development maximising residential provision and creating a sustainable and attractive neighbourhood,
- provides a mix of flats and houses to help viability,
- provides flexible units for work or live



Option 2 'Residential - Office Balance'

- GEA of the ground floor: A-1260 sqm, B-1380 sqm
- No of buildings: 2
- No of storeys: 3 to 4
- Total GIA: 16500 sqm (A-4250 sqm & B-4010 sqm)
- No of residential units: 64
- No of car parking spaces: 60 + on street parking
- Estimated Total Cost: 16.3M

Key Benefits and Issues

- phased development possible,
- mixed-use development,
- maximising development potential of the site,
- demand for workspace / office provision on the site is not tested,
- a large footprint of the development doesn't relate to the residential context along the northern edge of School Drive,
- less flexibility for the Council to allocate some of the proposed units for private rent,



Option 3 'Residential Neighbourhood'

- Building Footprint: A-1300 sqm, B-565 sqm & C-540 sqm
- No of buildings: 3
- No of storeys: 3 & 4
- Total GIA: 7535 sqm
- No of residential units: 45 flats, and 25 townhouses
- No of car parking spaces: 75
- Estimated Total Cost: 20.1M

Key Benefits and Issues

- phased development possible,
- a high-quality residential development maximising residential provision and creating a sustainable and attractive neighbourhood,
- provides a mix of flats and townhouses to help viability,
- provides social and economic benefits for Bromsgrove,



Option 4 'Townhouses'

- Building Footprint: A-600 sqm, B-270 sqm & C-315 sqm D-540 sqm,
- No of buildings: 4
- No of storeys: 3
- Total GIA: 4730 sqm
- No of units: 39 townhouses
- No of car parking spaces: 44
- Estimated Total Cost: 13.4M

Key Benefits and Issues

- phased development possible,
- a high-quality residential development and an attractive neighbourhood in town centre
- provides only one type of accommodation - townhouses (approx. GIA of 120sqm)

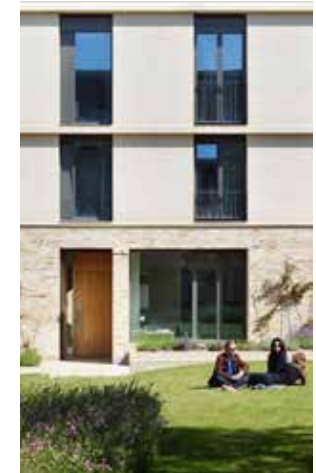
ARUrbanism looked at 2 key sites for NWedr developing regeneration proposals to secure social and economic resilience in the context of the covid-19 pandemic. One of these sites was the Dolphin Centre

A wide range of uses were proposed to encourage new businesses and increase dwell time, through public realm enhancements and meanwhile uses.

The proposals combined commercially viable options while fulfilling a place-making ambition for a sustainable, vibrant and viable town centre. Their report was completed in 2020.



## 7.4.2 SITE 3 DOLPHIN CENTRE PRECEDENT IMAGES



Add description...materials, massing etc

### 7.4.3 SITE 3 DOLPHIN CENTRE OPTIONS

Situated between the New Leisure Centre and Methodist Church, the residential development (with an mix-used option) on the Dolphin Centre site with houses, flats and public realm will provide flexible units for work or live.

Option 1 looks to create a mix of of Town Houses and live work units facing directly onto School Drive.

Option 2 has an equal split mix of Town Houses and apartments arranged over the site with the apartment blocks facing directly onto School Drive.

Option 3 has a majority of Town Houses but also apartments blocks centrally arranged providing a public realm space.



**Option 1**  
Town Houses + Live-Work Units



**Option 1**  
Town Houses + Live-Work Units



**Option 2**  
Town Houses + Apartments



**Option 3**  
Town Houses + Apartments + Public Realm



### 7.4.4 SITE 3 DOLPHIN CENTRE - OPTION 1

Existing OS Map



Option 1 Town Houses + Live-Work Units



Site 3 -Dolphin Centre  
**OPTION 1**

Option 1 - Accommodation Table

Site 3_Dolphin Centre	
Option 1	
3 Bed Town House	24
3 Bed Semi Detached	
2 Bed Apartment (New)	
2 Bed Apartment (Refurb)	
3 Bed Apartment (New)	
2 Bed Live Work Units	8
Public Amenity Space	480 sq.m
Cinema	
Restaurant	
Commercial Units	
Community Rooms	
Town Square	
Site area	7150 sq.m

7.4.5 SITE 3 DOLPHIN CENTRE - OPTION 2

Existing OS Map



Option 2 Town Houses + Apartments



Option 2 - Accommodation Table

Site 3_Dolphin Centre			
	Option 1	Option 2	Option 3
3 Bed Town House		24	
3 Bed Semi Detached			
2 Bed Apartment (New)		24	
2 Bed Apartment (Refurb)			
3 Bed Apartment (New)			
2 Bed Live Work Units			
Public Amenity Space			
Cinema			
Restaurant			
Commercial Units			
Community Rooms			
Town Square			
Site area		7150 sq.m	

Site 3 -Dolphin Centre  
OPTION 2



### 7.4.6 SITE 3 DOLPHIN CENTRE - OPTION 3

Existing OS Map



Option 3 Town Houses + Apartments + Public Realm



Site 3 -Dolphin Centre  
**OPTION 3**

Option 3 - Accommodation Table

Site 3_Dolphin Centre		
	Option 1	Option 2
3 Bed Town House		24
3 Bed Semi Detached		
2 Bed Apartment (New)		14
2 Bed Apartment (Refurb)		
3 Bed Apartment (New)		
2 Bed Live Work Units		
Public Amenity Space		820 sq.m
Cinema		
Restaurant		
Commercial Units		
Community Rooms		
Town Square		
Site area	7150 sq.m	

7.5 OLD MARKET HALL



The site is approximately 0.24 hectares (0.61 acres) and is located to the southern extent of the High Street and Market Street, fronting onto St John Street to the north and west, bound to the west by the Waitrose store and car park, to the south by existing retail units. The site formerly housed the Bromsgrove Market Hall and a Blockbuster video store..

The site currently comprises award winning public realm branded BirdBox which provides space for live events, pop-up dining, arts and crafts demonstrations and other well-being activities.



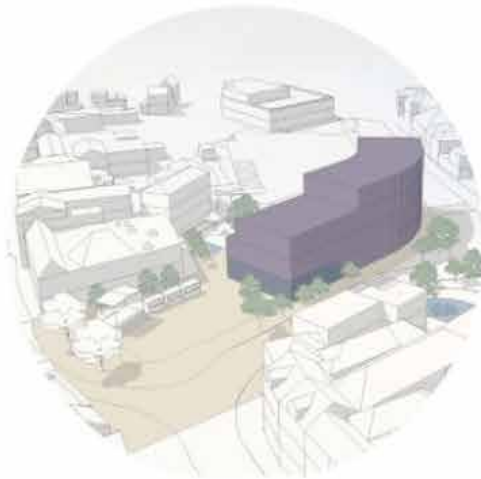
Sitting on part of the Old Market Hall site in the 1850s, a new public square with leisure, commercial and community buildings was looked at by BFF Architects across a range of Options.

The BFF options looked to promote the use of the public realm as both a link space and a place to gather (at cinema and mall). A new cluster of buildings at the southern tip of High Street looked to create a possible pedestrian link to Sanders Park and a strong presence to the town centre.





## 7.5.1 OLD MARKET HALL ARUrbanism FEASIBILITY OPTIONS



### Option 1 'Co-working and Community'

- GEA of the ground floor 900 sqm
- No of buildings: 1
- No of storeys: 3 to 4
- Total GIA: 2655 sqm
- potential for approx. 17 no of residential units
- Estimated Total Cost: 9.4M

#### Key Benefits and Risks

- most risky - doesn't allow phased development,
- large portion of the site used as public square - development potential compromised
- large public square at the culmination of the High Street,
- protected view from Gorge Street of the church lost
- located outside of the Flood Risk Zone 3 and the Conservation Area boundary

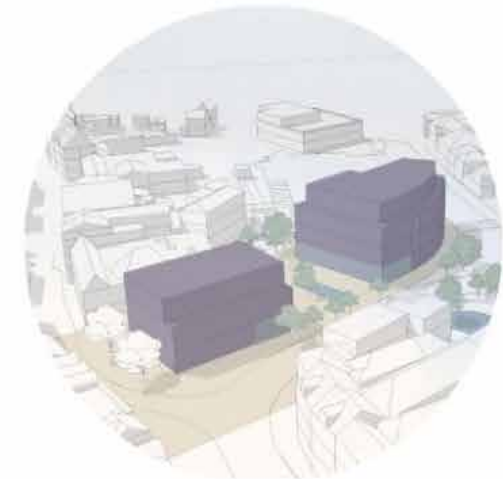


### Option 2 'Pavilion and Central Square'

- GEA of the ground floor 600 sqm and 420 sqm
- No of buildings: 2
- No of storeys: 2 to 4
- Total GIA: 2210 sqm
- potential for approx. 13 no of residential units
- Estimated Total Cost: 8.2M

#### Key Benefits and Risks

- less risky - possible phased development,
- development potential compromised,
- attractive public square and naturalised brook,
- protected view from Gorge Street of the church lost,
- pavilion in Flood Risk Zone 3 and within the boundary of the Town Centre Conservation Area.



### Option 3 'Two Volumes and Central Square'

- GEA of the ground floor: 680 sqm and 370 sqm
- No of buildings: 2
- No of storeys: 3 to 4
- Total GIA: 3177 sqm
- potential for approx. 16 no of residential units
- Estimated Total Cost: 10.9M

#### Key Benefits and Risks

- less risky - possibility of phased development,
- maximises development potential of the site and the returns,
- attractive public square and naturalised brook,
- protected view from Gorge Street of the church lost,
- Building B in Flood Risk Zone 3 and within the boundary of the Town Centre Conservation Area.

ARUrbanism looked at 2 key sites for NWeddr developing regeneration proposals to secure social and economic resilience in the context of the Covid-19 pandemic. One of these sites was the Old Market Hall. A wide range of uses were proposed to encourage new businesses and increase dwell time, through public realm enhancements and meanwhile uses.

The proposals combined commercially viable options while fulfilling a place-making ambition for a sustainable, vibrant and viable town centre. Their report was completed in 2020.

Levelling Up Funding (LUF) was applied for and successfully gained. Option 2 will now be developed further. Further details on Option 2 can be found on the following pages.

## 7.5.2 OLD MARKET HALL ARUrbanism FEASIBILITY OPTION 2

### 2.3 OPTION 2 'Pavilion and Central Square'

#### Form and Massing

2.3.1 Option 2 proposes a 3 and 4 storeys development and a 2 storey 'pavilion-like' building, with a **'Market Hall Square'** and the naturalised Spadesbourne Brook between the two proposed buildings.

2.3.2 The main building provides spaces for **offices and flexible working** with F&B uses on the ground floor, while the pavilion accommodates **spaces for start-ups**, **smaller businesses**, a cafe and rooms for **community initiatives** e.g. a local gallery.

2.3.3 This option provides approximately **GIA of 540 sqm** area on the ground floor for workspace/office and F&B uses in the main building, and additional **GIA of 190 sqm** in the pavilion. The approximate total **GIA in the main building is 1832 sqm and 378 sqm in the pavilion.**

2.3.4 The pavilion building terminates the High Street and it's visible from various points along its length. It's located in the heart of the historic Market Place.

2.3.5 The form of the main building follows the curve of St John Street. Set back on the second and third floor **reduces the overall massing** of the development and lessens the visual impact when viewed from the south and south-east, hence reduces the impact on the conservation area and views towards the church. Building creates a **strong edge** **defining St John Street**; it completes the street and frames the views of the church, however, the protected view from George Street is lost. This option gives the potential to **create a usable terrace amenity** on the third floor overlooking the new public space.

2.3.6 It is proposed that F&B tenures face the 'Market Hall Square' - a **high- quality public space in the middle of the site**. A café, bar or a restaurant in this location would support the new tenants and the local economy, **activating the square** throughout the day and in the evenings.

2.3.7 The new square creates an opportunity for an attractive entrance into the new developments off the street, as well as continuous active frontage along St John Street.

2.3.8 This option stipulates a **provision of blue badge car parking** spaces at the Waitrose Car Park.

#### Public Realm

2.3.9 The 'Market Hall Square' between the buildings gives an opportunity to create a high-quality public realm for community use and support of local businesses - **a continuation of the 'Bird Box' project.**



OPTION 2 'Pavilion and Central Square' - aerial view



OPTION 2 - view from the junction of St John Street and High Street



### 7.5.3 OLD MARKET HALL ARUrbanism FEASIBILITY OPTION 2



**2.3.10 Opening up of Spadesbourne Brook** from its enclosed culvert creates an attractive and sustainable public realm on the historic site.

**2.3.11 The naturalisation of the brook**, introduction of new trees and greenery would increase the attractiveness of Bromsgrove Town Centre.

**2.3.12 The opening between the two buildings**, create pedestrian links between the Town Centre and Waitrose and High Street and food and beverage use buildings on St John Street.

**2.3.13 There is an opportunity to celebrate the history of the site** and its meaning for the people of Bromsgrove by a public realm sculpture or an attractive landscaping outside of the pavilion building that tells the story of the site.

**2.3.14 A shared space** at the junction of St John Street, High Street and Worcester Road would slow down the traffic giving priority to pedestrians. This would benefit F&B businesses in this part of the High-Street and further enhance attractiveness of the Town Centre.

**2.3.15 Rationalisation and realignment of the junction** of St John Street and Market Road reclaims parts of the highway for pedestrian traffic and creates an opportunity for further public realm improvements.

#### BENEFITS

- development of the historic Market Hall site and provision of **two high quality 2 and 3 & 4 storeys buildings** - beacons of local regeneration and an attractive public space in the centre,
- provision of approximately **1832 sqm of total GIA in the main building and additional total GIA of 378 sqm in the pavilion building**,
- potential to provide **approx. 13 residential units** in town centre location,
- development respecting the visual impact on the church, surrounding heritage assets and the conservation area,
- realisation of the opportunity of the prominent location to propose a development of a larger footprint, higher than the surrounding buildings - a local marker,
- potential for an amenity terrace overlooking the new public space on the top floor of the main building,
- blue badge car-parking spaces on the Waitrose Car Park,
- a lower risk associated with the scheme as this option gives an opportunity for **phased delivery** and testing of the market, i.e pavilion could provide 'a testing ground' for market demand,
- the pavilion building - a focal point and a hub of local activity with the ground floor uses potentially controlled by the Council,
- pavilion building and a high-quality public space at the culmination of the High-Street, celebrating the prominence of the historic location,

Market Hall Site - Concept Design OPTION 2

1:500@A3

## 7.5.4 OLD MARKET HALL ARUrbanism FEASIBILITY OPTION 2

- potential for **continuous active frontage** facing the new 'Market Hall Square' and along the street edges,
- a **strong building line** along St John Street framing the views of the church,
- a generous public space - 'Market Hall Square' with the naturalised brook, for pop-up events, enhancement of business opportunities, community use and **continuation the Bird Box project**,
- creation of an attractive pedestrian link between Waitrose, the parade of shops and businesses on St John Street and the High Street and **unification of currently disjointed pedestrian environment** at the southern end of the High Street,
- **provision of an attractive public realm unifying commercial environment of the High Street, Worcester Road, and the new square**, slowing down the traffic giving pedestrians priority,
- a flexible public realm would give an opportunity for larger district-wide events, **strengthening the position of the town as the hub of Bromsgrove District**,
- **rationalisation and realignment** of the junction of St John Street and Market Road and improvements to the public realm,
- located a short walking distance from the bus stops.

### ISSUES

- **protected view of the church across the site from George Street and the junction of Worcester Road and George Street is lost**,
- the naturalisation of the brook and extended public realm improvements incline **additional cost**,
- potential negative impact on the conservation area **if the quality of the development is poor**,
- large footprint buildings are not common to the urban pattern of the Town Centre,
- **additional cost associated with the realignment and rationalisation of the junction of St John Street and Market St**,
- a relatively small scale pavilion building can be seen as a missed opportunity - **unrealised development potential on the site**,
- pavilion located in **Flood Risk Zone 3 and within the boundary of the Town Centre Conservation Area**
- **poor connectivity with Bromsgrove train station**,
- **blue badge car parking provision only**.



OPTION 2 'Pavilion and Central Square'

#### Key:

- office / workspace
- cafe / F&B
- residential



## 7.6 SITE 5 STOURBRIDGE ROAD



### Stourbridge Road

Located next to the Aldi store, the Stourfields Road site is bounded by Stourfields Road, Birmingham Road, Market Street and The Strand.

The site is approximately 0.34 hectares (0.845 acres)

It is noted that this site is subject to an additional development agreement.





7.6.1 SITE 5 STOURBRIDGE ROAD PRECEDENT IMAGES



**Marks & Spencers, Northallerton**  
Commercial



**Waitrose, Chester**  
Commercial



**Radlett Mews, London**  
Townhouses



**Amery Place, Alton**  
Townhouses



**Kingsley Walk, Cambridge**  
Townhouses

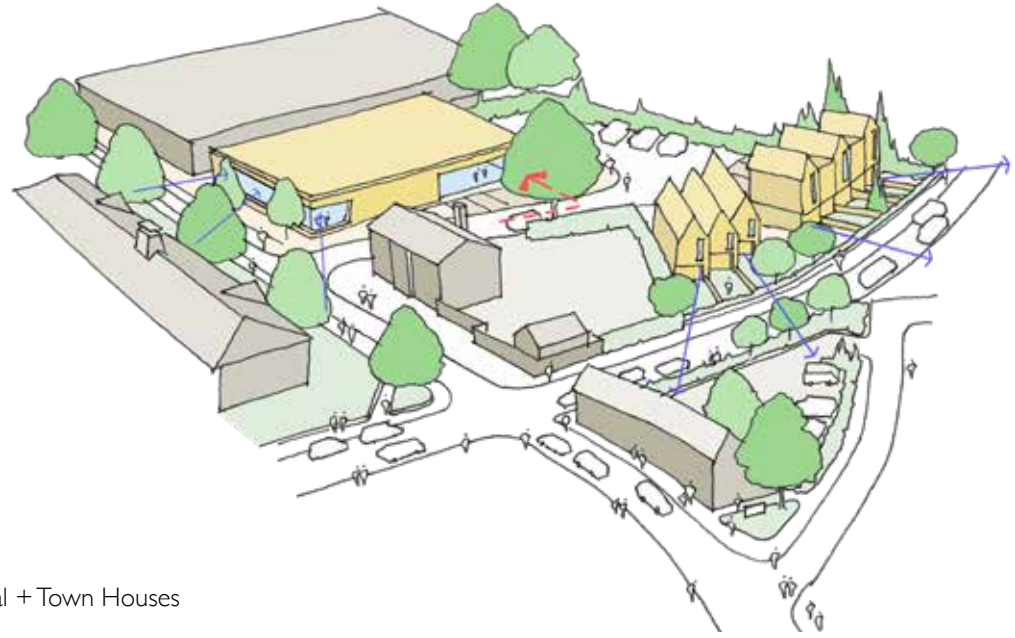
## 7.6.2 SITE 5 STOURBRIDGE ROAD OPTIONS

The options are a response to what confines the site - Stourbridge Road to the west and Birmingham Road to the east with Market Street and The Strand to the South. The north of the site is constrained by the Aldi Supermarket and the south by a few existing commercial buildings and a drive-in car wash.

Option 1 looks to increase the commercial offer on the site by constructing single storey buildings with small retail park aspirations for two units.

Option 2 has smaller commercial offer and eight Townhouses which are arranged around the east/south east boundary of the site and look onto existing residential dwellings on the strand.

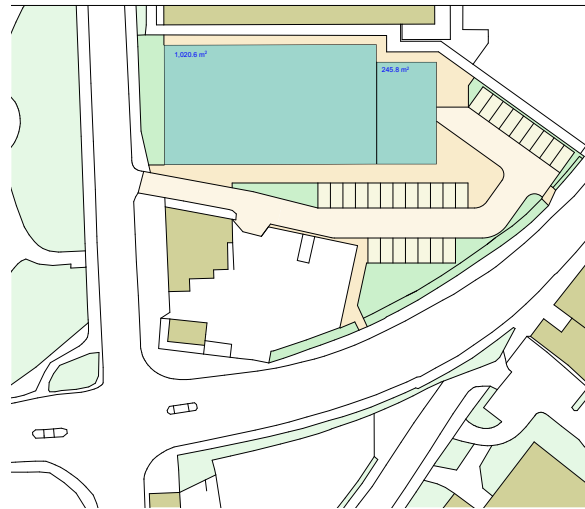
It is noted that this site is subject to an additional development agreement.



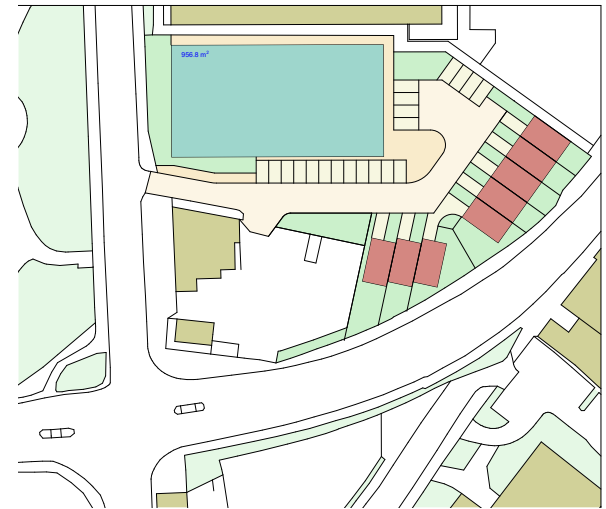
**Option 2**  
Commercial + Town Houses

**Site 5 - Accommodation Table**

Site 5, Stourbridge Road			
	Option 1	Option 2	
3 Bed Town House		8	
3 Bed Semi Detached			
2 Bed Apartment (New)			
2 Bed Apartment (Refurb)			
3 Bed Apartment (New)			
2 Bed Live Work Units			
Public Amenity Space			
Cinema			
Restaurant			
Commercial Units	1265 sq.m	956 sq.m	
Community Rooms			
Town Square			
<b>Site area</b>	<b>3421 sq.m</b>		



**Option 1**  
Commercial



**Option 2**  
Commercial and Townhouses

## 8.0 PUBLIC REALM INTERVENTIONS

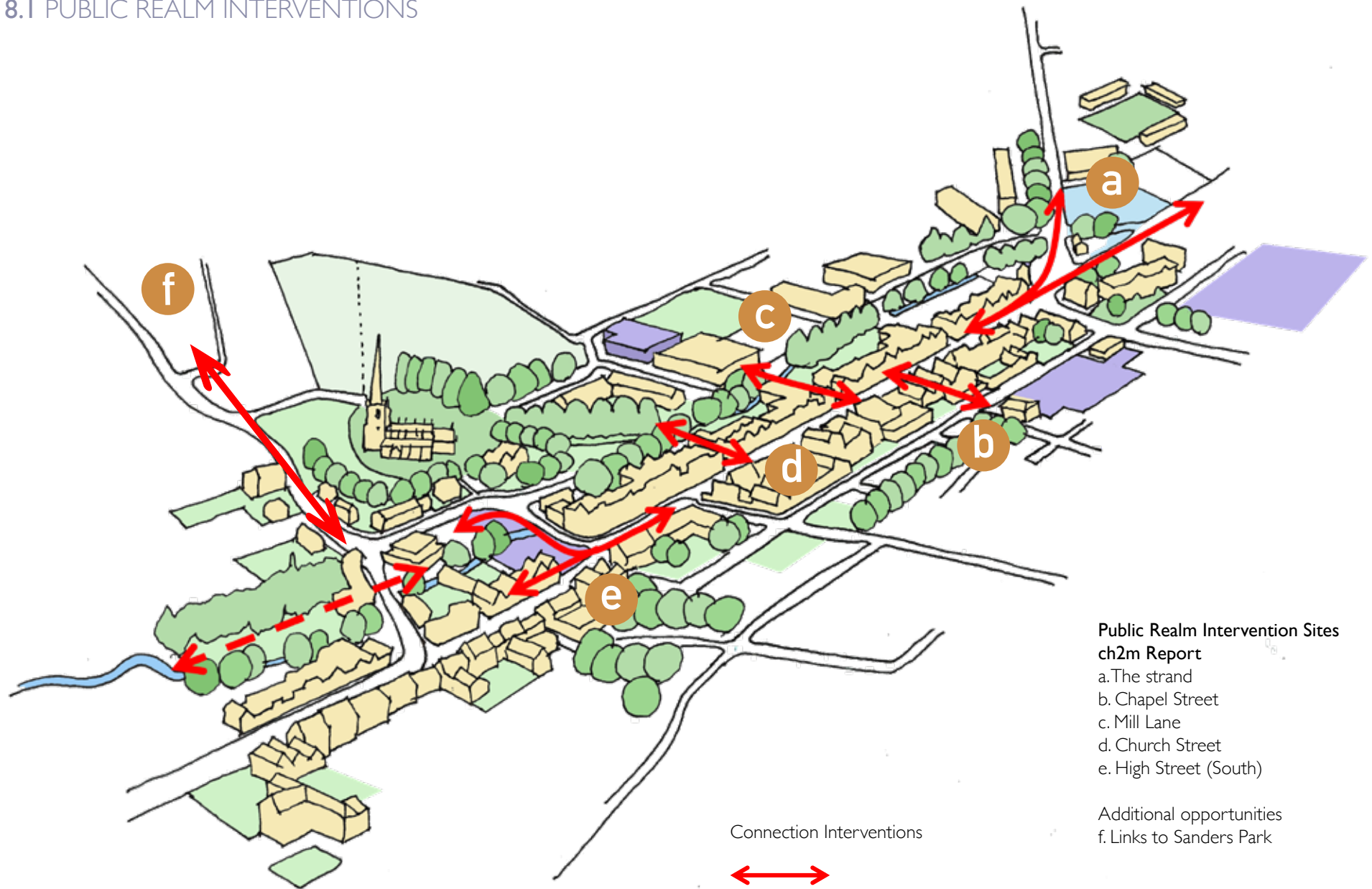
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Agenda Item 5



## 8.1 PUBLIC REALM INTERVENTIONS



8.1.1 PUBLIC REALM INTERVENTION SITE PHOTOGRAPHS



The Strand



Mill Lane, Chapel Street & Church Street

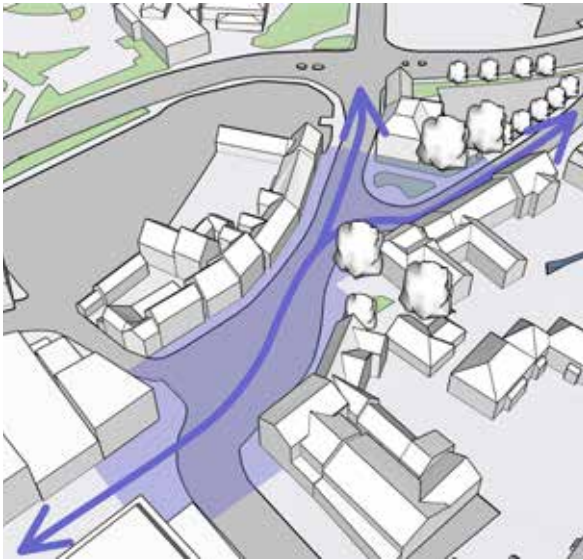


High Street, (South)



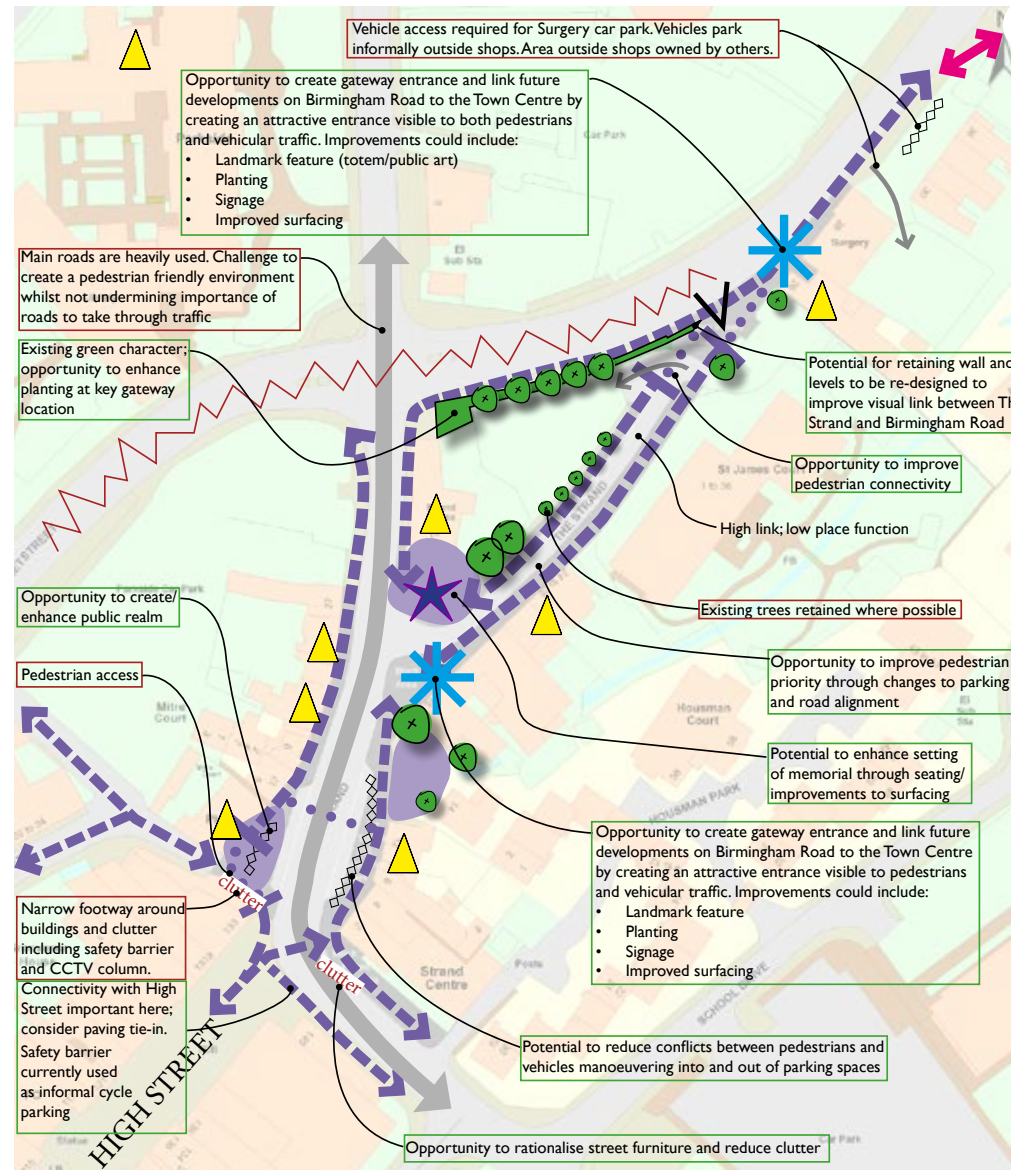


## 8.2 THE STRAND



The Strand intervention site

Described in the *Bromsgrove Town Conservation Area Appraisal*, as 'unfriendly to pedestrians' the Strand, situated to the north of the High Street has the potential to become a strong pedestrian link between the High Street and future retail development. Analysis of the site has highlighted the frictions arising as a result of the predominance of vehicles and several conflicting pedestrian and car parking desires. Augmentation of pedestrian experience would be attainable through widening of pavements in conjunction with highway narrowing, distillation of car parking and road markings, and reconsideration of surface materials. The *A Vision for Bromsgrove (Phase 2) Report* proposes two options which take these considerations into account, whilst simultaneously enhancing the environs of the proximate historic buildings.



A Vision for Bromsgrove site analysis plan (ARUrbanism analysis)



8.2.1 THE STRAND PHOTOGRAPHS



The Strand





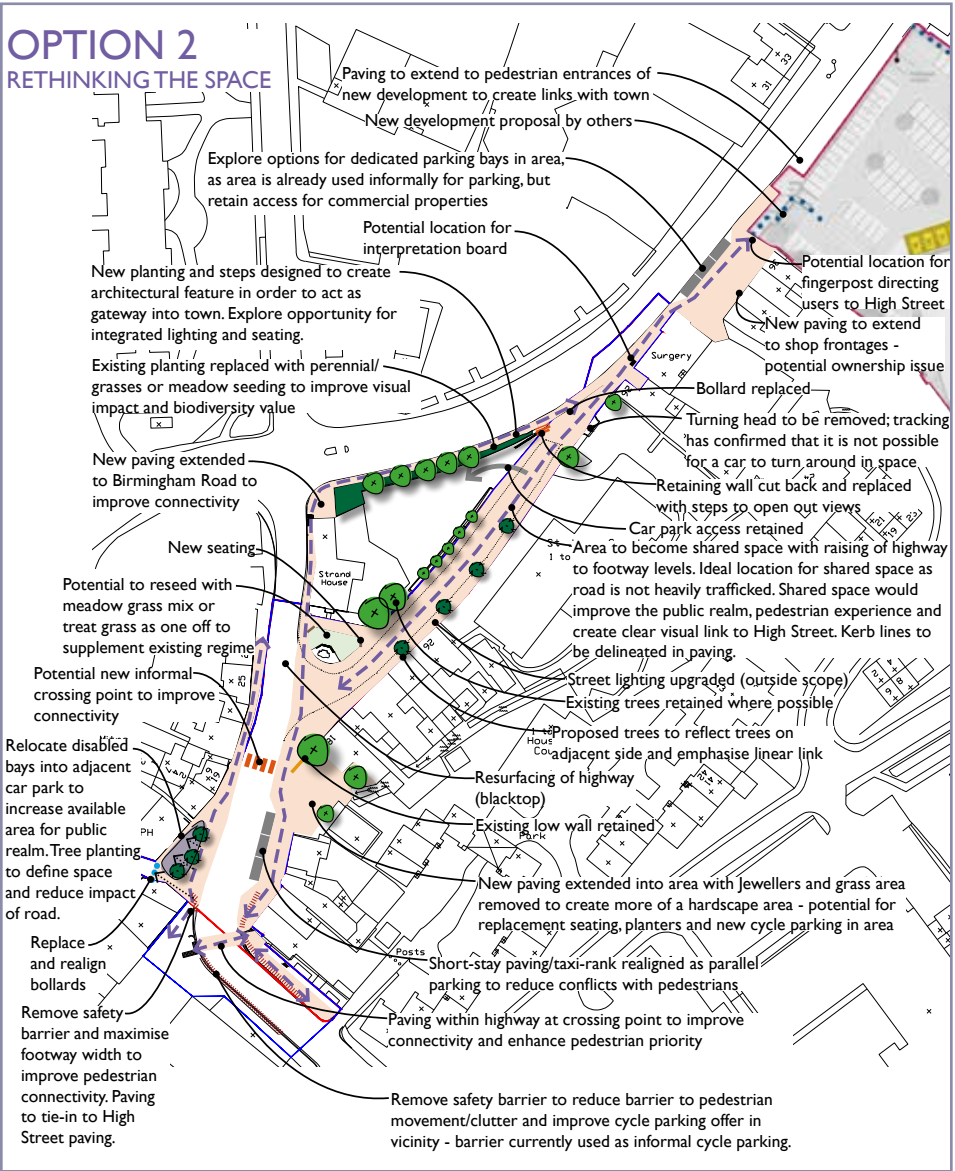
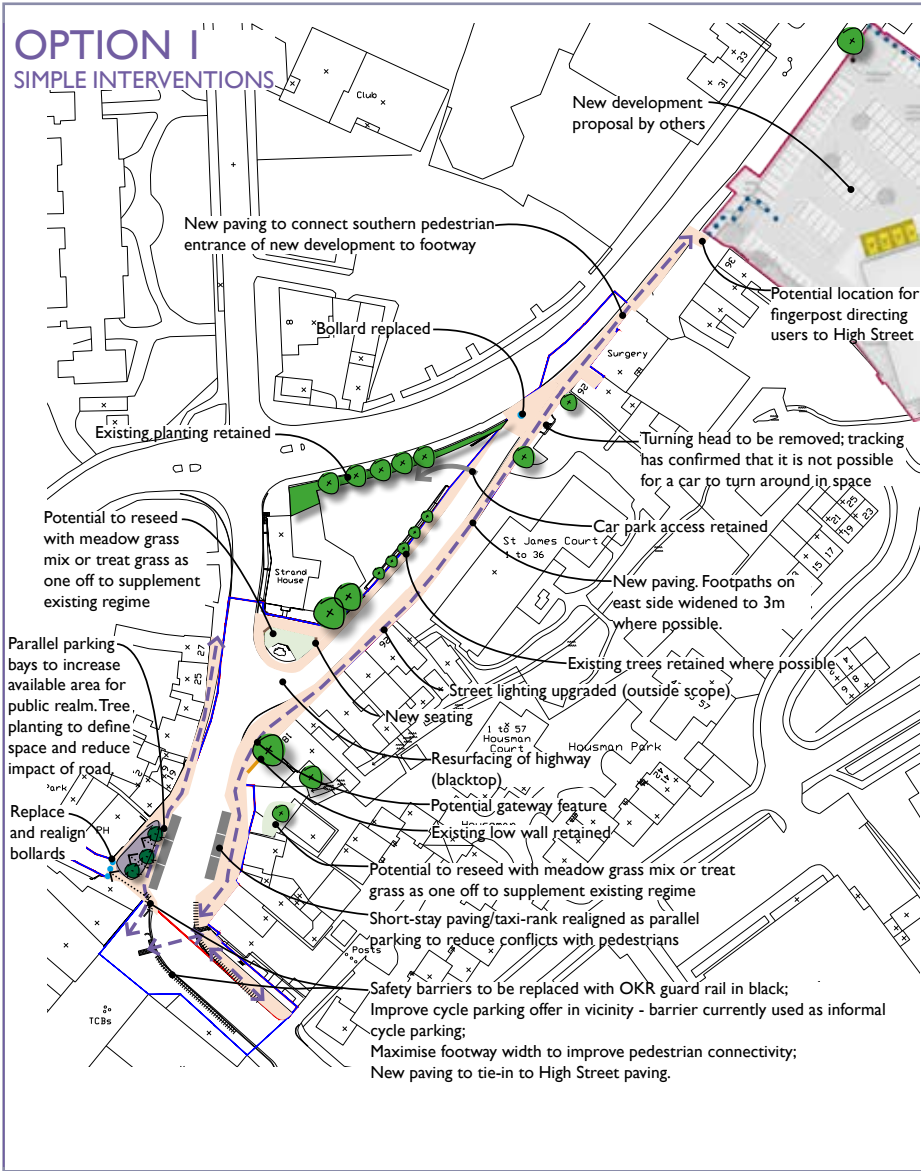
## 8.2.2 THE STRAND AERIAL PHOTOGRAPH



The Strand aerial photograph



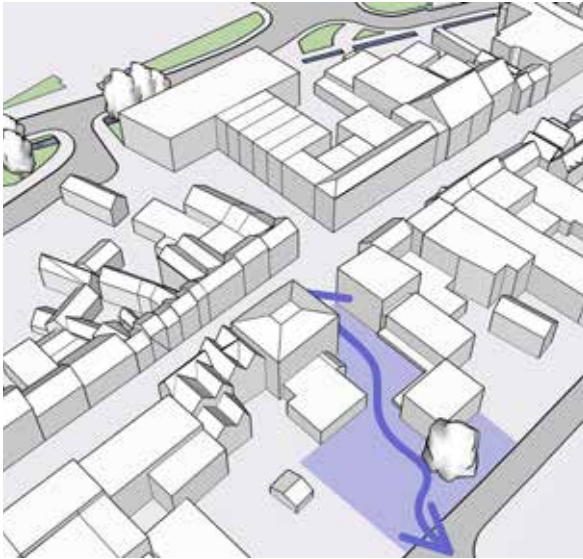
8.2.3 THE STRAND - OPTIONS



A Vision for Bromsgrove intervention concept design options (ARUrbanism analysis)

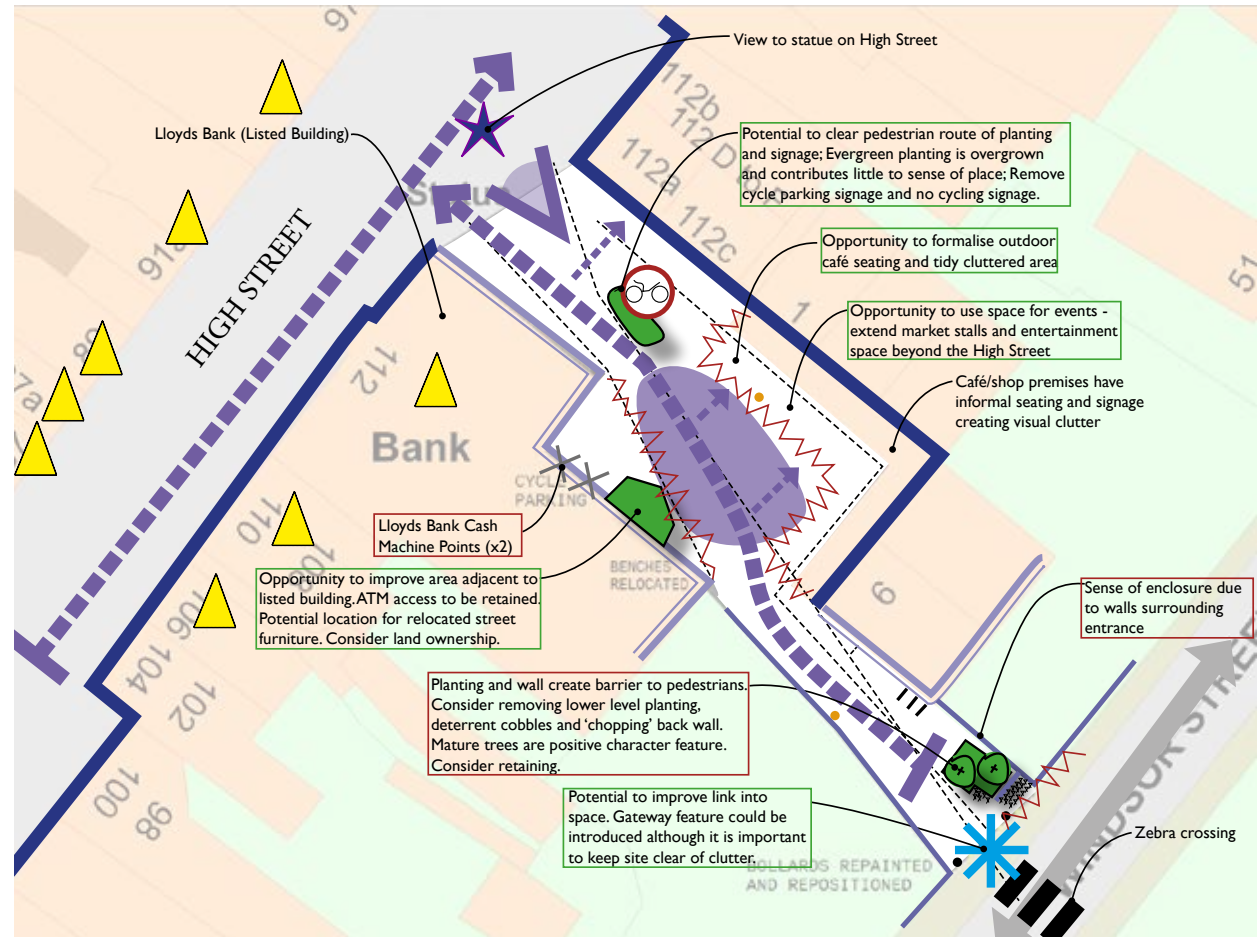


### 8.3 CHAPEL STREET



Chapel Street intervention site

Chapel Street: a connective link between Windsor Street and the High Street, is a pedestrian route bounded by food and drink and retail outlets. The intervention options proposed within the *A Vision for Bromsgrove Report* aim to forge a public space at a more intimate scale than it presently. They promote the use of the public realm as both a link space and a stopping place (at cafés), whilst taking advantage of opportunities to minimise clutter.



A Vision for Bromsgrove site analysis plan ((AR)Urbanism analysis)

8.3.1 CHAPEL STREET - PHOTOGRAPHS



Chapel Street





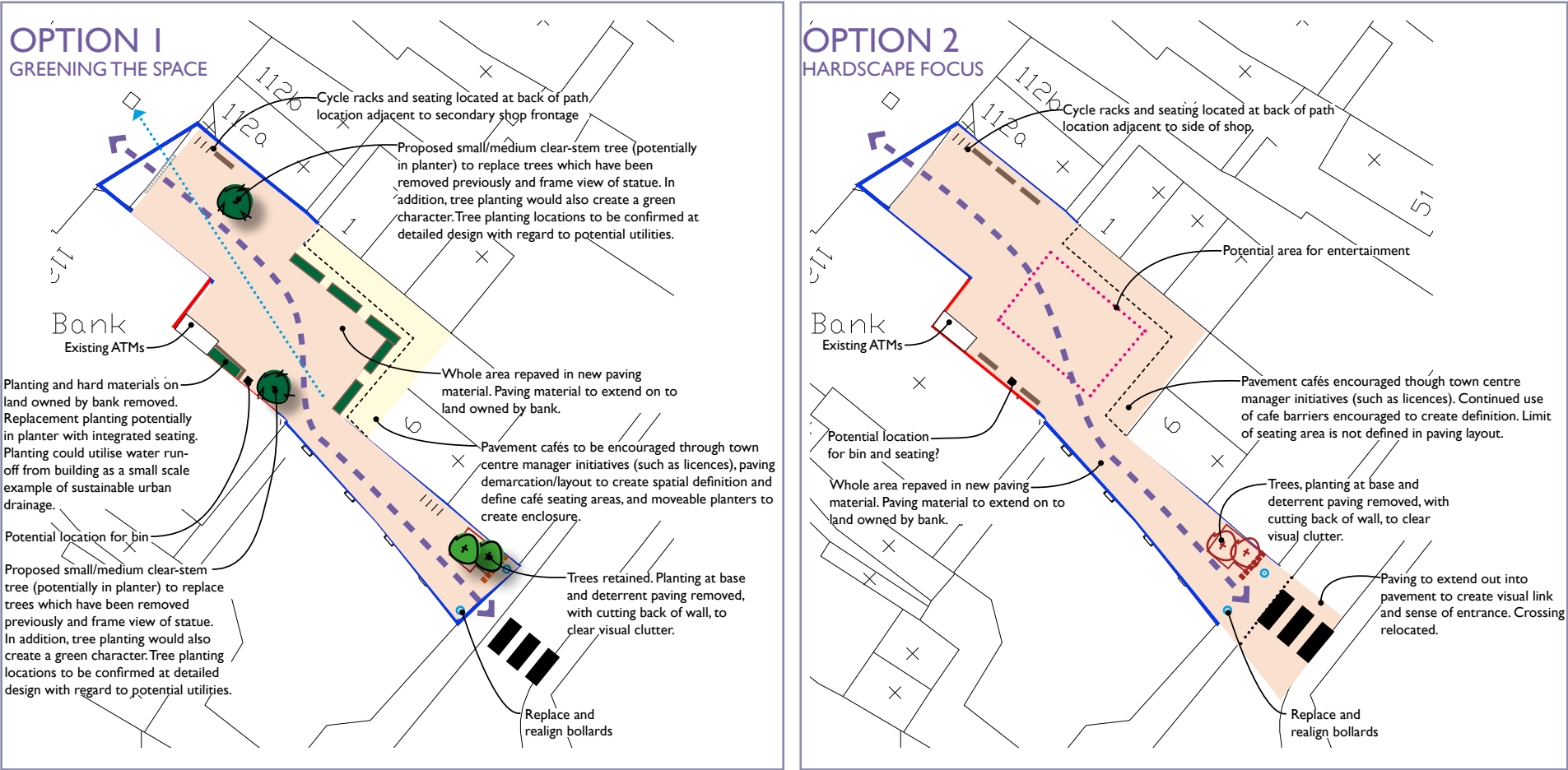
### 8.3.2 CHAPEL STREET - AERIAL PHOTOGRAPH



Chapel Street aerial photograph

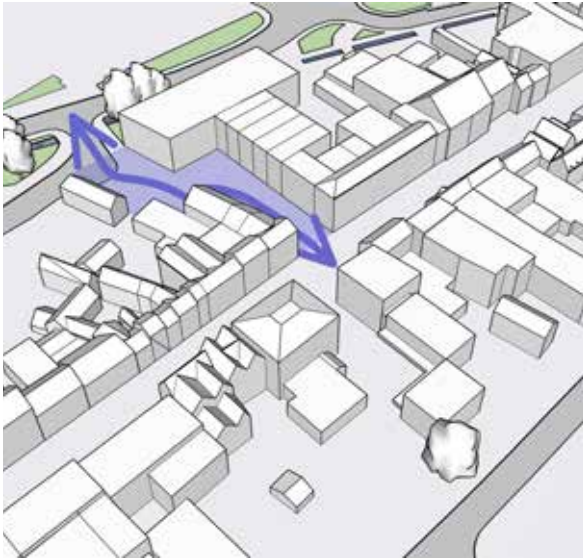


8.3.3 CHAPEL STREET - OPTIONS



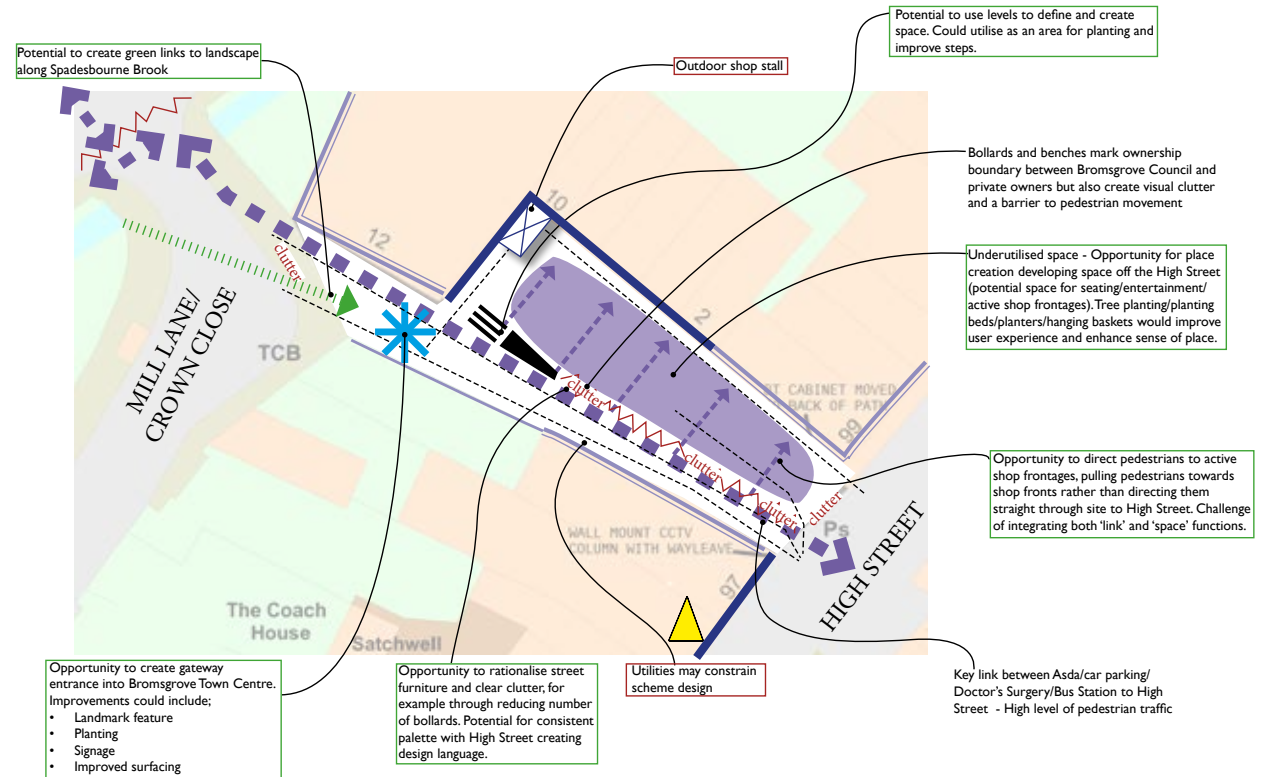
A Vision for Bromsgrove intervention concept design options (ARUrbanism analysis)

## 8.4 MILL LANE



Mill Lane intervention site

Opportunities for Mill Lane to become a key link space, through greater connectivity between public space and retail outlets have been considered in the two intervention concept designs. The proposals devised as part of the *A Vision for Bromsgrove Report* also consider the greening of Mill Lane to enhance its attractiveness, forging a piece of public realm which sits in dialogue with the green space to the west, bounding Spadesbourne Brook.



A Vision for Bromsgrove site analysis plan (ARUrbanism analysis)

8.4.1 MILL LANE - PHOTOGRAPH



Mill Lane

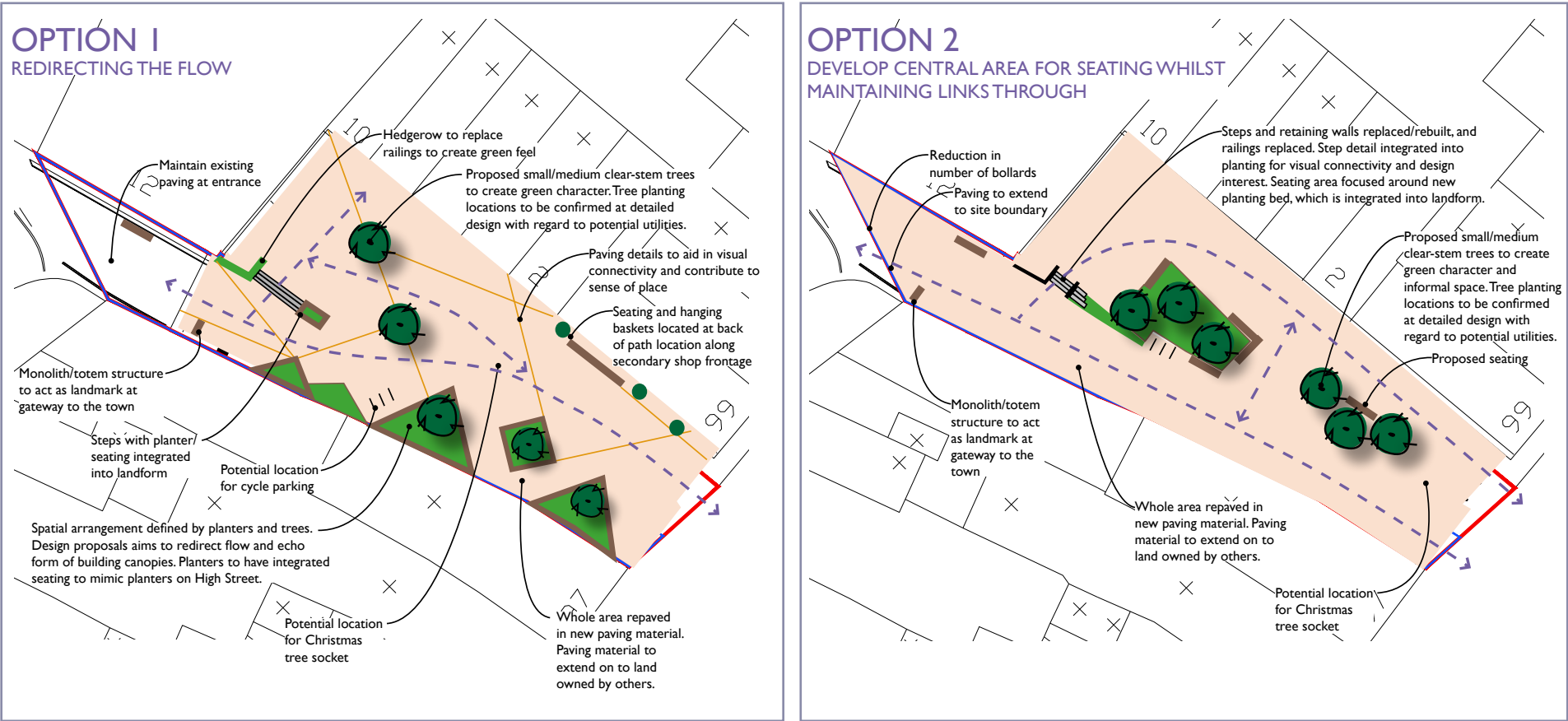


## 8.4.2 MILL LANE - AERIAL PHOTOGRAPH



Mill Lane aerial photograph

8.4.3 MILL LANE - OPTIONS

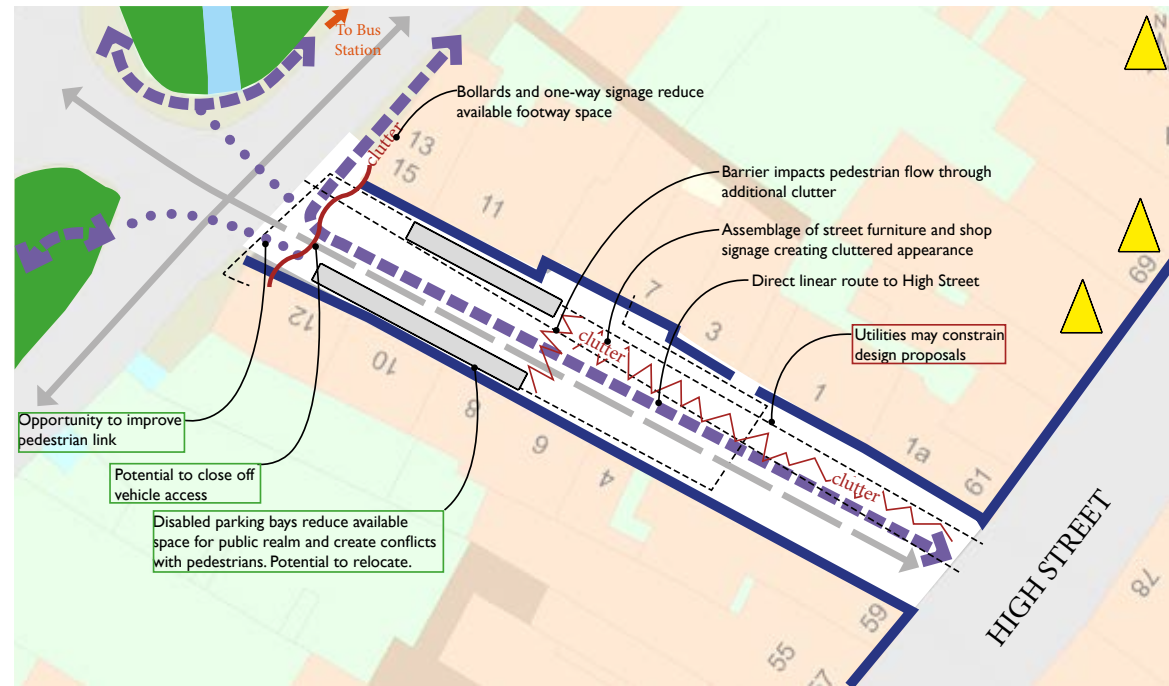


A Vision for Bromsgrove intervention concept design options (ARUrbanism analysis)



## An aerial perspective of a city block with a grid-like street pattern. A blue double-headed arrow is superimposed over a row of buildings, indicating a spatial dimension or measurement. The buildings are represented as simple 3D blocks. A green park area with a winding path is visible in the upper left.

The intentions of the *A Vision for Bromsgrove Report* for the intervention at Church Street involve the creation of an intimate streetscape, one which is not heavily congested by either vehicles or pedestrians. At present, Church Street is somewhat cluttered. The report design concepts recommend the removal, replacement and reorganisation of the street furniture which currently lines the public space. This will assist the enhancement of the street as a pedestrian link between the High Street streetscape and that of the eastern suburbs.



A Vision for Bromsgrove site analysis plan (ARUrbanism analysis)



8.5.1 CHURCH STREET - PHOTOGRAPHS



Church Street



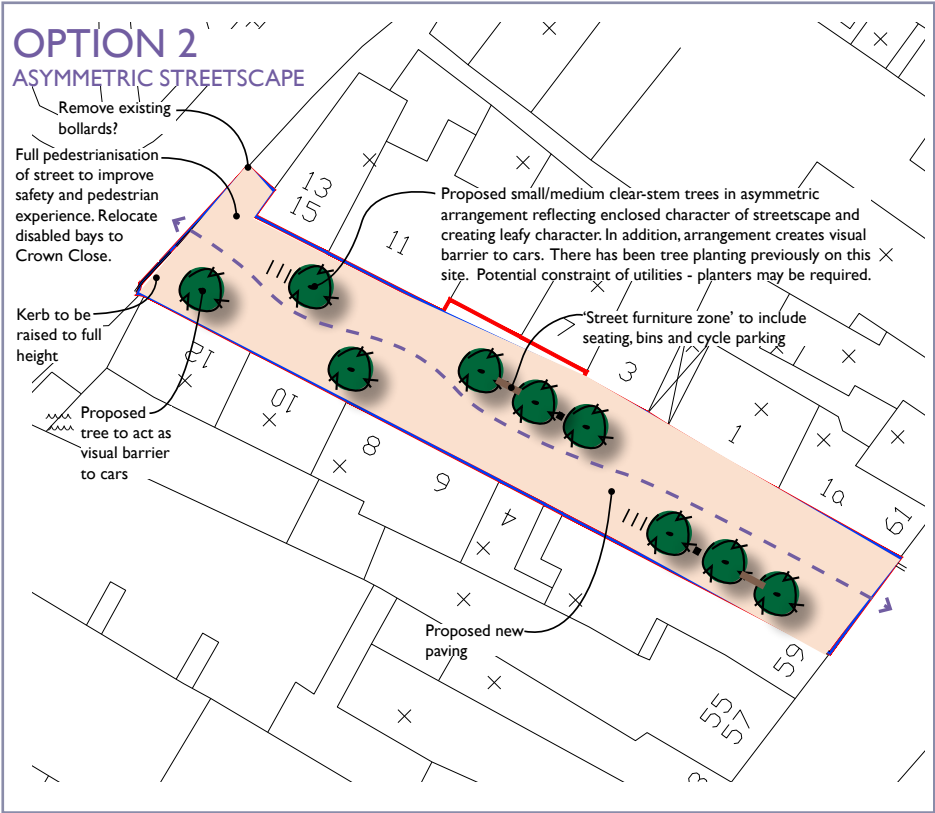
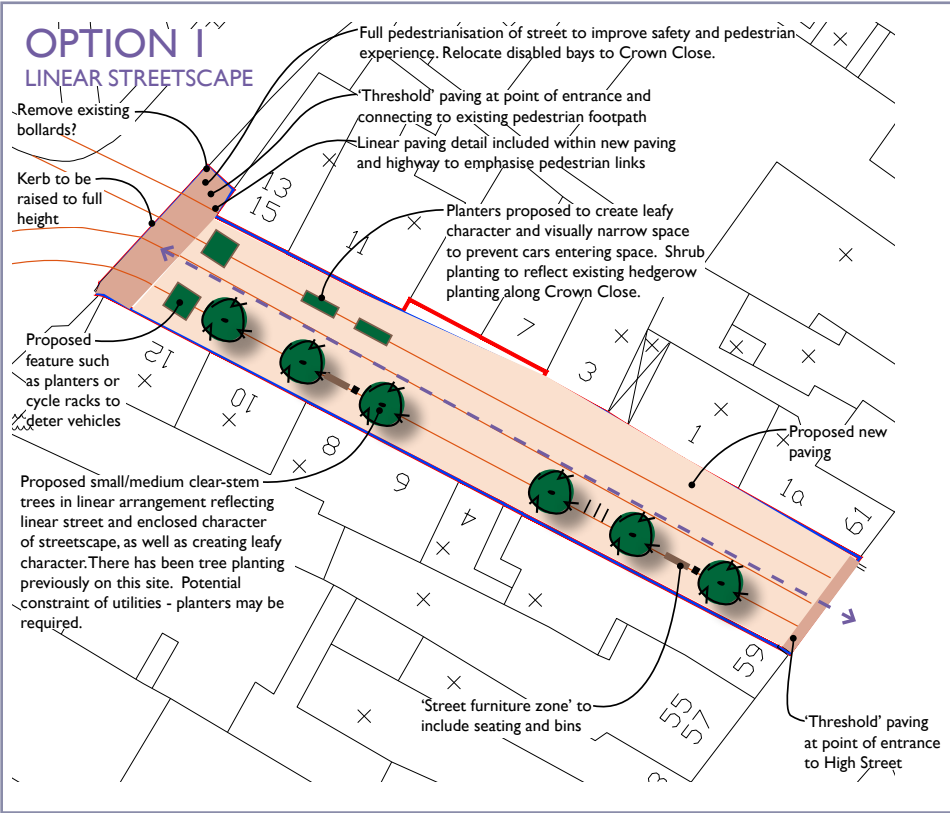


## 8.5.2 CHURCH STREET - AERIAL PHOTOGRAPH



Church Street aerial photograph

8.5.3 CHURCH STREET - OPTIONS



A Vision for Bromsgrove intervention concept design options (ARUrbanism analysis)

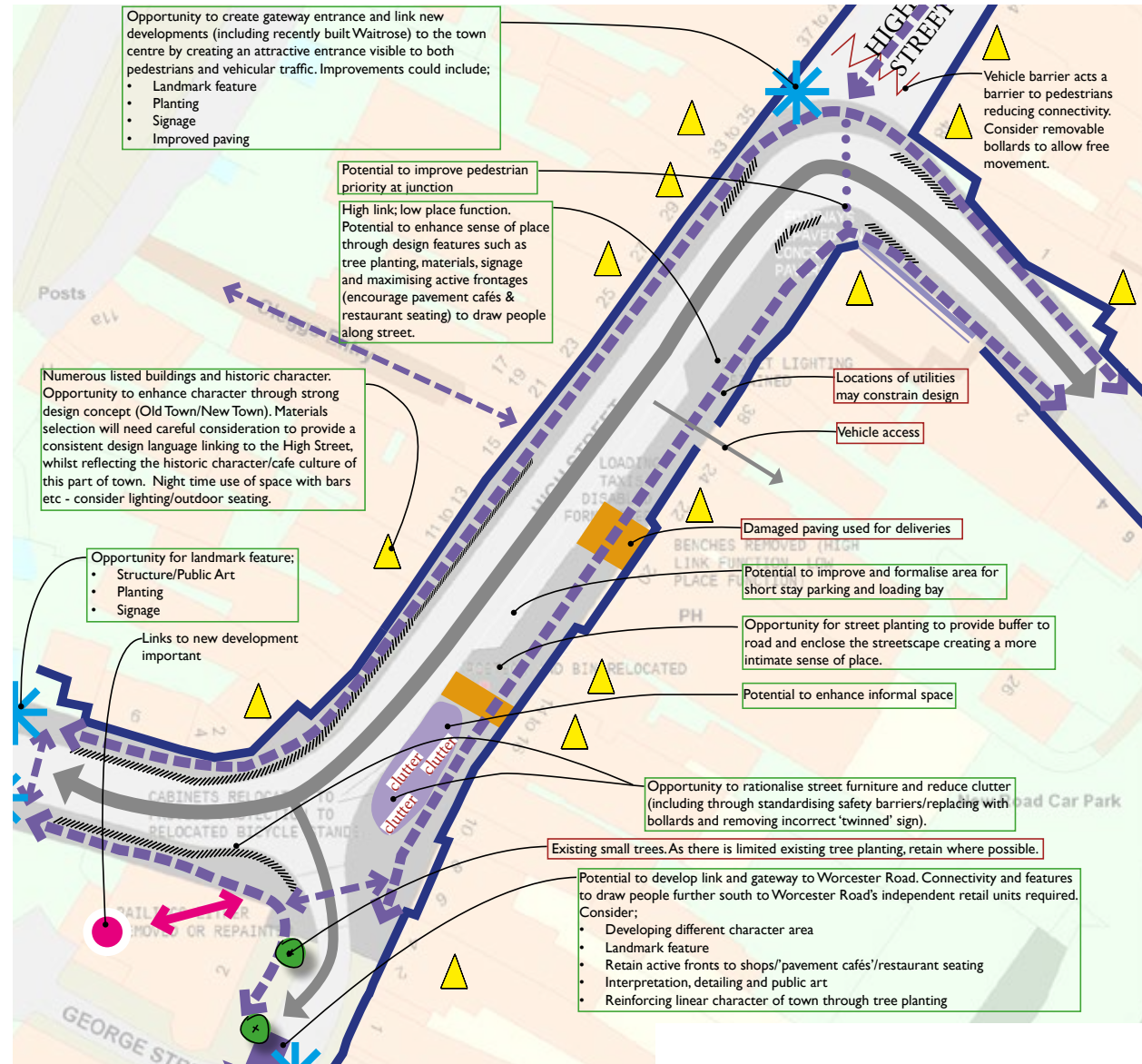


## 8.6 HIGH STREET (SOUTH)



High Street (South) intervention site

The High Street (South) design concepts propose this section of the High Street becomes a gateway entrance: linking the town's medieval core to Worcester Road and new developments; including Waitrose, to the south-west. This public realm would have the potential to act as a landmark gateway, realised through considered planting, signage and enhancement to current paving strategies, for both pedestrian and vehicular arrivals to the town centre. It is anticipated through the design intervention, the character of numerous listed, and historically significant buildings in this area of Bromsgrove, will be significantly augmented. Public art and planting could reinforce the perception of the High Street as a vibrant, active and characterful public space.



A Vision for Bromsgrove site analysis plan (ARUrbanism analysis)

8.6.1 HIGH STREET (SOUTH) - PHOTOGRAPHS



High Street (South)



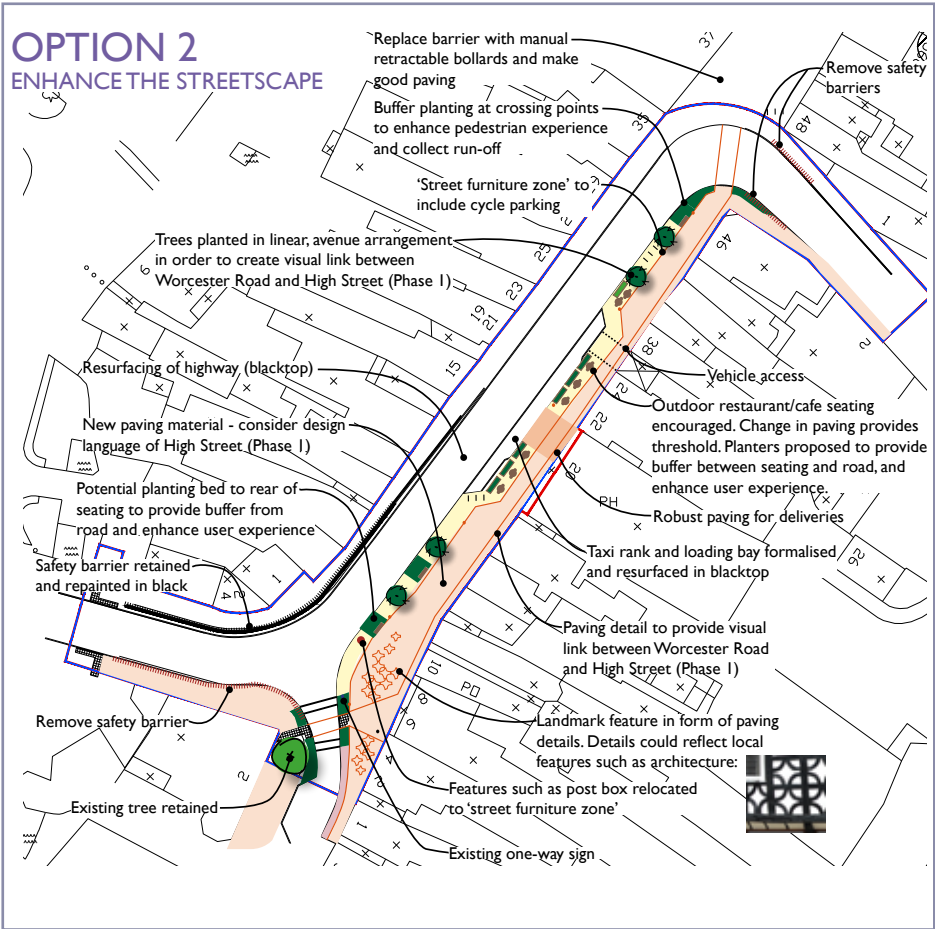
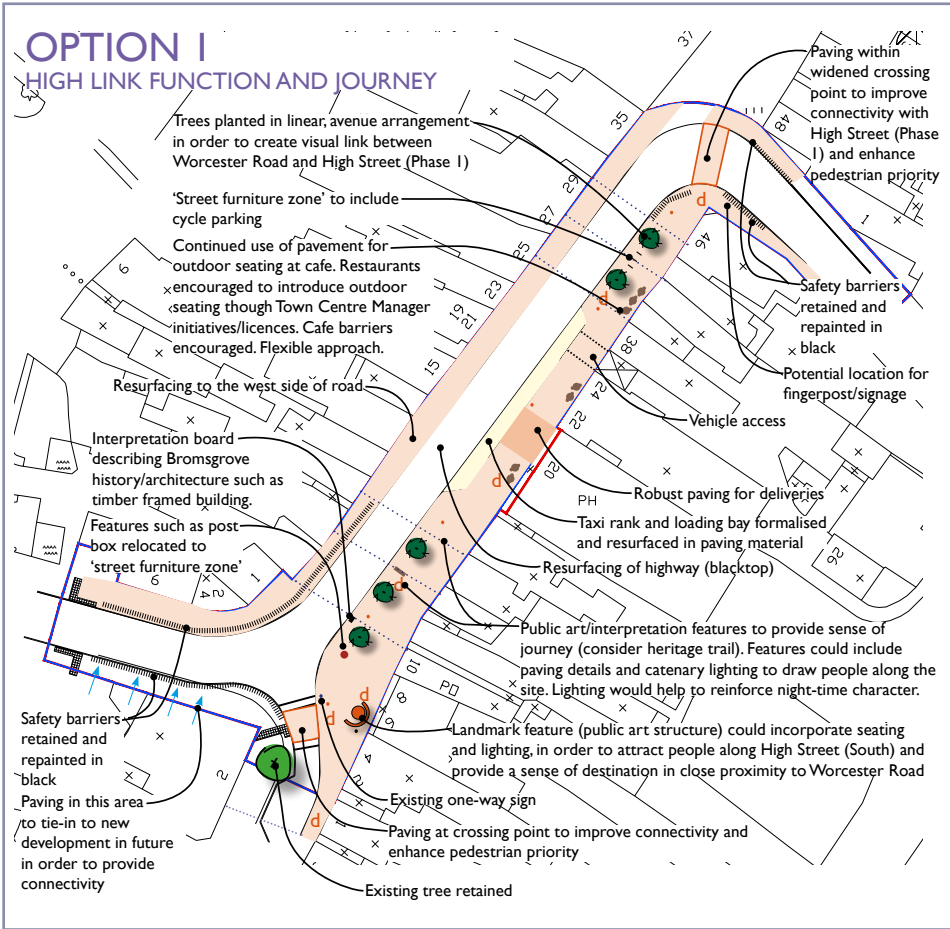
## 8.6.2 HIGH STREET (SOUTH) - AERIAL PHOTOGRAPH



High Street (South) aerial photograph



8.6.3 HIGH STREET (SOUTH) - OPTIONS



A Vision for Bromsgrove intervention concept design options (ARUrbanism analysis)

## 9.0 INFILL SITES



## 9.1 INFILL SITES - POTENTIAL LOCATIONS



The potential for using 'infill sites' to rededicate land to residential and commercial development in Bromsgrove Town Centre is high.

There are a large number of sites along Market Street/ Crown Close and Windsor Street that could be transformed to offer additional Town Centre living or commercial or community uses. The sites themselves are generally left-over plots belonging to the rear of buildings that line the High Street.

The 'recycling' of these sites can knit the urban edge of the Town Centre together, providing more attractive street scenes and an enhanced, safer and more prosperous community. They would also reinforce the connections created across the Town Centre by the interventions outlined in section 8 and be marketed towards first time buyers to encourage a younger generation of Town Centre dweller.

### Key:

- Primary Sites
- Secondary Sites
- Greenery
- Loop Route



### 9.1.1 INFILL SITES - LOCAL PRECEDENT



Infill site 2021



Regenerated infill site 2022

The transformative nature of infill sites can already be seen in this building sited on Market Street/Spadesbourne Brook.

Sitting empty as lately as 2021, it has been renovated to provide updated accommodation and offers a short walk to the High Street.



Drone image of Market Place with regenerated infill site highlighted in yellow

9.2 HIGH STREET (SOUTH)



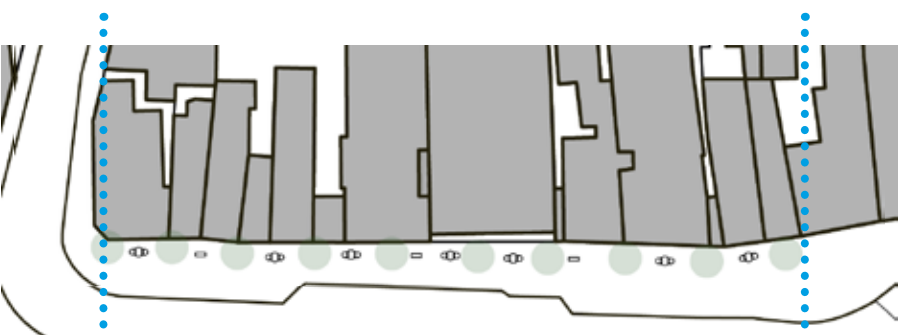
Partial OS Map

A simple yet transformative proposal which looks to add trees to the existing generous pavement to provide a natural barrier to the road.

The 'greening' of the High Street would also provide an opportunity for outdoor dining and encourage passers by to take advantage of the existing eateries.



Existing High Street (South) Elevation



Proposed High Street (South) Elevation



### 9.3 WINDSOR STREET (WEST) EXISTING SITES



Existing sites - potential for Infill

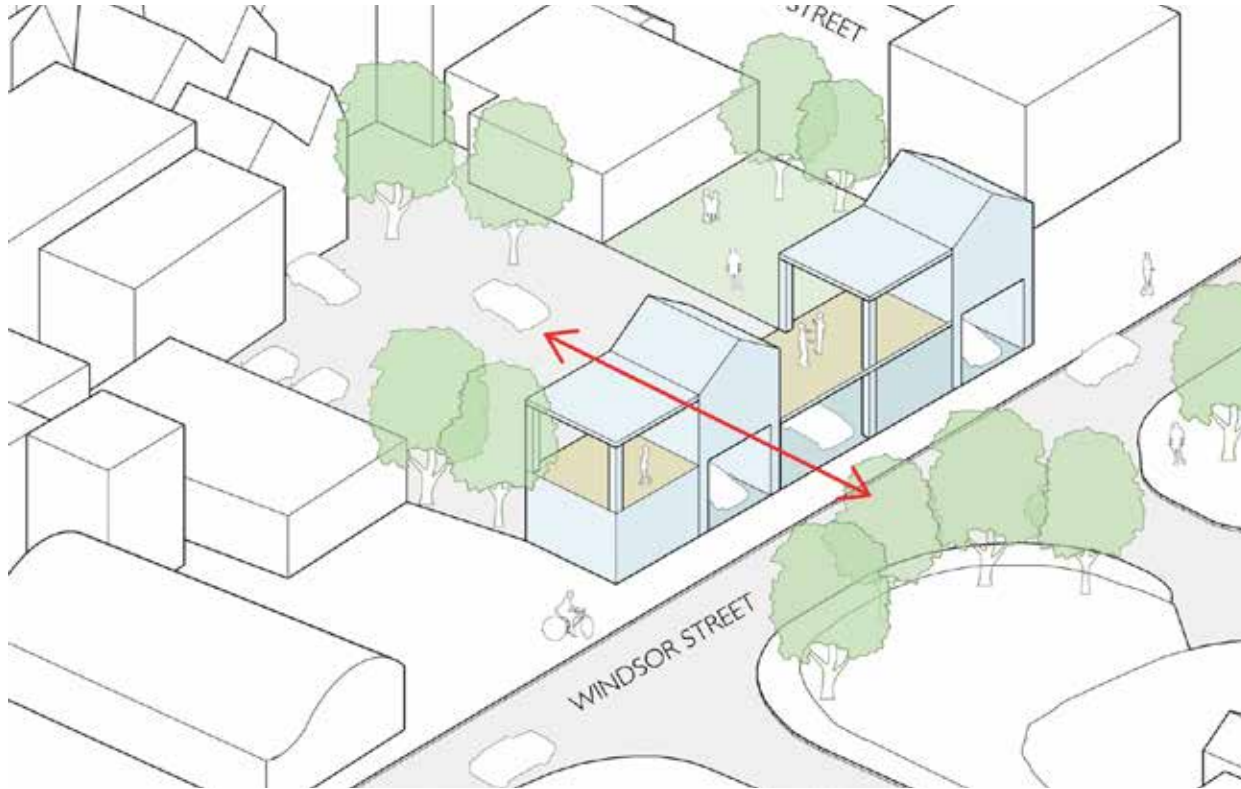




### 9.3.1 WINDSOR STREET (WEST) INFILL DEFINITION



### 9.3.2 WINDSOR STREET (WEST) PRECEDENTS





9.4 MARKET STREET - EXISTING SITES



Partial OS Map with Infill sites



Drone image of ifill sites at south end of Market Street



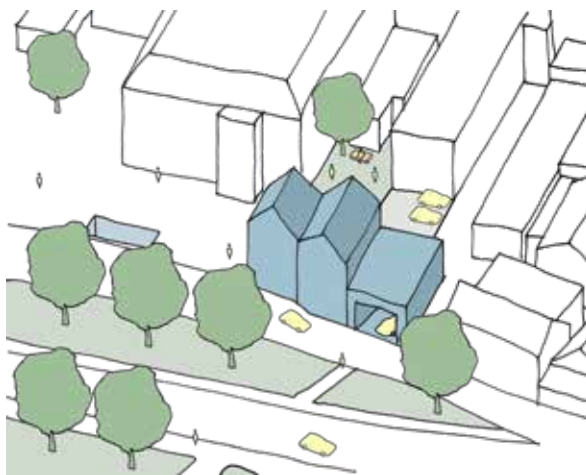
Existing sites - potential for Infill north of Kip McGrath



Existing sites - potential for Infill north of Poundland



## 9.4.1 MARKET STREET - INFILL DEFINITION



9.4.2 MARKET STREET - PRECEDENTS







10.1 CO-WORKING HUBS

A key opportunity for Bromsgrove - well suited to re-purposing existing buildings.

Existing vacant buildings could be re-imagined with the help of the growing market. Users could work closer to home to achieve a better life/work balance.



Above: Examples of existing unused buildings in Bromsgrove Town Centre



Above: Examples of Co-Working Hubs

## 11.0 CONSOLIDATED MASTERPLAN

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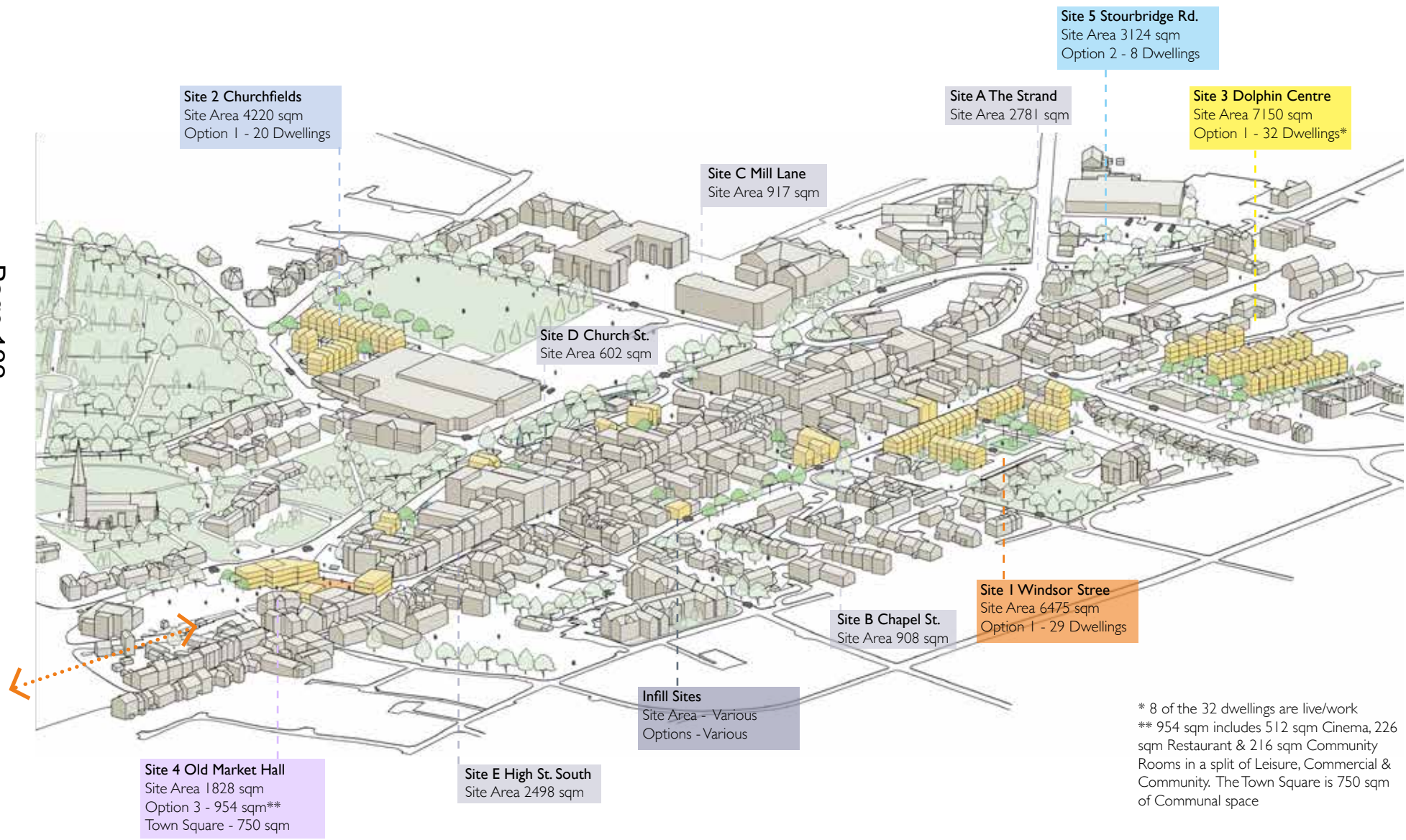


Agenda Item 5



# 11.1 CONSOLIDATED MASTERPLAN

Coherent Strategy: Practical Vision to Deliver Complimentary Uses





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Portway Court, Portway  
Worcestershire B48 7HY  
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London N1 2LY  
Tel: 02076206114

email: [mail@bff-architects.co.uk](mailto:mail@bff-architects.co.uk)

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**BURRELL | FOLEY | FISCHER**  
ARCHITECTS AND URBAN DESIGNERS

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**Cabinet**  
2023

12<sup>th</sup> July

### WORCESTERSHIRE HOUSING STRATEGY 2021-2040

Relevant Portfolio Holder	Councillor Shirley Webb
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Report Author	Job Title: Judith Willis Contact email: judith.willis@bromsgroveandredditch.gov.uk Contact Tel: 0152764252 ext 3348
Wards Affected ALL	
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	<ul style="list-style-type: none"> <li>• Affordable and Sustainable Homes</li> <li>• Work &amp; Financial Independence,</li> <li>• Living Independent, Active &amp; Healthy Lives</li> <li>• Communities which are Safe, Well Maintained &amp; Green</li> </ul>
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

#### 1. RECOMMENDATIONS

The Cabinet **RECOMMEND** that:-

- 1) The Worcestershire Housing Strategy 2021 – 2040 be adopted.
- 2) Officers be asked to develop a District Level Action Plan with consideration given to the proposals in this Strategy.

#### 2. BACKGROUND

- 2.1 The Council adopted a Worcestershire Housing Partnership Plan in 2017 which set out the strategic direction for housing across Worcestershire. This Plan has been reviewed and partners from across the County have produced a Worcestershire Housing Strategy 2021 – 2040 attached as Appendix 1.
- 2.2 The Strategy sets out a 20-year vision for the County, recognising that decisions made today will have a significant impact on housing in the future.



### Cabinet 2023

12<sup>th</sup> July

2.3 The strategy has been developed with representation from the 7 Worcestershire Local Authorities, NHS providers, local housing providers and the Worcestershire Local Enterprise Partnership (WLEP). It has undergone consultation across a range of stakeholders in the County to ensure that it reflects the needs, challenges, and opportunities in Worcestershire.

2.4 The strategy serves several purposes:

- It is a vision for housing in the county to 2040.
- It provides a statement of intent focused on specific priorities
- It provides the foundation of a set of more detailed action plans to cause the necessary changes and actions to happen and be delivered.
- It provides an opportunity to evolve Worcestershire's housing market offer to meet the needs of its citizens and business over the longer term.

2.5 The strategy sets out the vision for housing in Worcestershire:

*Worcestershire will be known for excellent housing. Everyone will have choices about how and where they live. Local homes will be warm, healthy and will lead the way towards Net Zero. Worcestershire housing will add to a better quality of life.*

2.6 The vision will be delivered through four priority areas, which are:

- a) **Economic growth and jobs-** this priority focusses on the relationship between housing and the economy and the need to supply the right housing for people who live and work in Worcestershire.
- b) **Quality and standards-** this priority focusses on ensuring that housing in Worcestershire is as good as it can be and that the County takes advantage of innovation in how houses are planned, built and upgraded.
- c) **Health and wellbeing-** this priority focusses on the importance of affordable, healthy housing that supports everybody, whatever their needs or circumstances as well as creating and maintaining sustainable communities.
- d) **Net Zero carbon and climate change-** this priority

focusses on ensuring that housing in Worcestershire is decarbonized in line with national targets.

- 2.7 To accompany the Strategy a Countywide action plan has been developed with each Local Authority having responsibility to develop its own action plan to set out how it intends to meet and contribute towards the ambitions of the Strategy locally. This will include consideration of housing needs in rural parts of the District to be addressed in this action plan.
- 2.8 Due to the strategy setting out a 20-year ambition, the proposals for delivery are at three levels of detail:
- a) A 100-day plan to create momentum and promote awareness.
  - b) A 5-year action plan setting out key priorities across each of the four priority areas. These actions will be delivered through Countywide delivery groups.
  - c) A twenty-year road map outlining how the components of the strategy will support the delivery of the vision.

### **3. OPERATIONAL ISSUES**

- 3.1 Upon approval of the Strategy, Officers will develop an individual district-level action plan.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications associated with adopting this strategy.

### **5. LEGAL IMPLICATIONS**

- 5.1 The deregulation Act 2015 abolished the statutory requirement for Council's to produce a Housing Strategy.
- 5.2 However, it is recognised across all the Worcestershire Council's and partners that Housing is key to the quality of life of residents and that this Strategy will provide future a vision and future direction to achieve this.

### **6. OTHER - IMPLICATIONS**

#### **Relevant Strategic Purpose**

- 6.1 The Strategy will support the Council's following Strategic purposes:

**Cabinet**  
**2023**

**12<sup>th</sup> July**

---

- Affordable and Sustainable Homes,
- Work & Financial Independence,
- Living Independent, Active & Healthy Lives
- Communities which are Safe, Well Maintained & Green

### **Climate Change Implications**

- 6.2 Carbon reduction is a key feature of the Strategy with the fourth priority being 'Net Zero carbon and climate Change. This provides an ambition to reduce the impact that dwellings have climate change and help the Council meets its Climate Change Strategy vision.

### **Equalities and Diversity Implications**

- 6.3 There are a range of equality considerations which have been taken into account in the development of the strategy. This includes the changing demographics across the County where it is projected that there will be an increasing ageing population and therefore a greater demand on later living housing provision.
- 6.4 Section 3.1 of the Strategy sets our population and Economics information which is then addressed within the Strategy.

## **7. RISK MANAGEMENT**

- 7.1 Failing to influence the housing market in a strategic way could lead to a rise in homelessness locally, and impact upon the delivery of affordable housing. Implementation and monitoring of the Strategy and action plans will be undertaken by the Countywide delivery groups.

## **8. APPENDICES and BACKGROUND PAPERS**

Appendix A – Worcestershire Housing Strategy 2021 to 2024



**Cabinet**  
2023

12<sup>th</sup> July

**9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	Cllr Shirley Webb	23.06.23
Lead Director / Head of Service	Judith Willis, Head of Community & Housing Services	20.06.23
Financial Services	Peter Carpenter	22.06.23
Legal Services	Claire Felton	21.06.23
Policy Team (if equalities implications apply)	-	
Climate Change Team (if climate change implications apply)	Matthew Bough	20.06.23

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# Worcestershire Housing Strategy

2023 - 2040





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## Foreword

Housing has always been an important consideration for the people of Worcestershire. Our towns and villages are attractive places to live, and many people aspire to move to the county. However, the challenges associated with ensuring that there is enough high quality, suitable housing to meet the needs of all citizens have been critical issues for many years. The cost-of-living crisis in 2022 and a continuing shortage of housing across all tenures has helped to highlight the importance of the role that housing plays in determining life chances in the county. However, there is room for improvement. By thinking of housing as one of Worcestershire's strategic assets, we can plan more effectively to deliver better outcomes, including health, well-being, and our low-carbon futures.

Local authorities play an important part in planning for future housing as well as providing services alongside housing including social care. In Worcestershire, these services are provided by the six District and Borough Councils and the County Council, all of whom are locally accountable. This arrangement ensures that local concerns are addressed in connection with housing and that new development respects local character. Looking forward, the role of local authorities in connection with housing can only become more extensive and more influential. Social care delivered in the home alongside other services for example is set to become an important enabler of independent living for our older residents. Work to improve the condition and performance of our homes will also play a key role in our meeting the UK's net zero carbon objectives.

To meet these expanded, long-term expectations, we need a long-term perspective. We will also need a joined-up approach. Whilst most of the work in connection with housing will continue to be undertaken by individual councils, it will make sense to approach many of our challenges in a consistent and collaborative way. Whilst we value the unique character of Worcestershire's communities, we also recognise that we can come together across the county to plan and to work together to deliver better outcomes for everyone who lives in the county.

In response to the challenges and opportunities we face, we have developed a long-term housing strategy for Worcestershire. The strategy focuses on key issues associated with how housing affects economic growth, jobs and health and wellbeing in the county as well as how housing can be harnessed to meet carbon and climate change ambitions. In the strategy we set out a joint-vision for housing for the period up to 2040 and a series of medium- and long-term priorities that all bodies interested in housing in Worcestershire can get behind. The benefit of having the strategy in place is that we will have a clear long-term vision for the role of housing in Worcestershire that we can all get behind and for which local authorities can be held accountable.

I have thoroughly enjoyed the process of developing the Worcestershire Housing Vision and Strategy, working with colleagues and stakeholders across the county to develop a flexible and adaptable plan that will equip us to work together to deliver better housing for everyone in the county. I am excited about the vision and the plan proposals and am confident that we can equip ourselves to meet the many complex issues surrounding housing in the county. Worcestershire housing will add to a better quality of life, and that is something that we can all work towards.

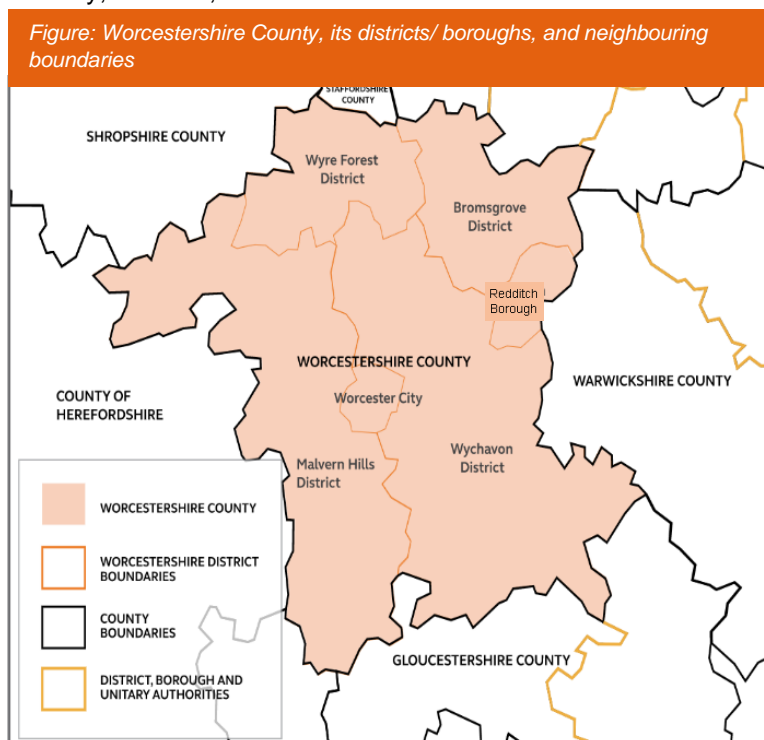


Kevin Dicks, Chair of the Worcestershire Housing Strategy Board

## 1 Introduction

### 1.1 Context and Background

Worcestershire benefits enormously from being right in the heart of England. With exceptional links into the UK motorway network, proximity to Birmingham International Airport, and in the medium term, HS2. The County has enjoyed one of the highest long-term economic growth rates outside of the Greater South-East and has real strengths in a diverse range of sectors including advanced manufacturing, agri-tech, cyber security, defence, and IT.



Worcestershire is a great place to live, with a diverse and contrasting choice of characterful urban and rural locations across the six districts/ boroughs. But the county has its challenges. Worcestershire has an older population than the national average, but the working age population is not growing quickly enough. Furthermore, the county's over 65s will grow in number by over 40% by 2040. To achieve its ambitious economic plan through to 2040, Worcestershire needs to build the workforce needed to attract and grow new businesses. To do this it will need to attract new families to live, work and grow in the county and it will need to retain its graduate and young talent. Worcestershire will also need to continue to care for its people, dealing in particular with issues of homelessness and ill-health as well as addressing the long-term implications of an ageing population.

Good quality housing is critical in attracting people to a place, but the Covid pandemic has also underlined the importance of fit for purpose housing in connection with people's health and wellbeing and has further reinforced the link between quality of housing and housing-related services to health and social care. Housing is also responsible for 22% of all UK carbon emissions and policies to accelerate decarbonisation will play a critical role in our fight against climate change.

Local Authorities in Worcestershire have policies and plans in place to manage housing delivery and housing related services in the short and medium term. However, there is the need for a long-term vision and a joined-up plan to enable the two tiers of government in Worcestershire to cooperate and collaborate (with third parties as needed) to deliver the best housing outcomes. Above all, authorities must focus on a range of actions to create and maintain momentum towards the long-term goal.

The 2040 Housing Strategy represents an ambitious, long term and important Vision for the County. It seeks to enable Worcestershire One Public Estate Partnership's (WOPEP) Housing Workstream to 'rebalance the housing market in Worcestershire in support of economic growth'. It sets out steps to support improving physical and mental health and wellbeing, reducing health inequalities, addressing climate change, and taking account of the longer-term impact of Covid-19. In short, it is a strategy that will improve the quality of life for the residents of, and visitors to, Worcestershire.

The starting point is a positive one. The county has a history of collaboration and partnership working across multiple services. Worcestershire developed one of the first One Public Estate (OPE) partnerships and has a very effective integrated care strategy (ICB) underpinned by effective working of local authorities, the NHS



and other health service providers across the county. Building on this well-established pattern, this Housing Strategy proposes further sharing of capability and best practice in a two-tier local authority context. The proposal, designed to ensure that services continue to be delivered in a joined-up way, is unique and has been developed through the collaborative working and engagement of a wide range of public sector partners, private sector businesses including Registered Providers<sup>1</sup> and third sector organisations. It is a Strategy for Worcestershire developed by the partners of Worcestershire.

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<sup>1</sup> Registered Provider (RP) is the umbrella term to describe Housing Associations and other third sector housing providers involved in the provision of social and affordable housing. RPs are actively involved in the development of for sale and shared ownership homes as part of a cross-subsidy model which supplements affordable homes grant funding.

## 1.2 Content, Purpose, and Objectives

The Housing Strategy is focused on the twenty-year period to 2040. During this period, there will be significant changes to the housing market in Worcestershire as well as huge challenges to meet including the net zero carbon transition. Housing in Worcestershire will be very different in 2040 to what it is today.

This means that decisions taken today will have a big effect on the future of housing in Worcestershire, and it is right to plan for this. It is also important that short-term opportunities, that can be taken to improve the experience of housing now, are not missed because of the priorities of a long-term plan.

The 2040 Housing Strategy aims to bring these priorities together, by setting a long-term vision and strategic plan, whilst also identifying suggestions for the tactical 'jobs to be done' that are set out in short-term action plans.

The 2040 Housing Strategy is designed to be read in conjunction with a wide range of other policies and plans. Most importantly, it complements existing development plans and sets out to show how housing development can be well integrated with other aspects of public service focused on health and social care. The Housing Strategy is also aligned to other long-term plans including the Worcestershire LEP Strategic Economic Plan.

The Strategy also complements existing plans aimed at setting the direction of travel for long-term policy in net-zero carbon and for outlining a blueprint for how housing related functions can be most effectively coordinated across Worcestershire.

The 2040 Strategy has five main sections:

- **Vision** – summarising the strategy and the five main challenges to be addressed for Worcestershire.
- **Context** – describing the local social and economic factors that the strategy should address.
- **Strategic priorities** – describing the detailed objectives, actions, and outcomes of the strategy.
- **Strategy review and governance** – setting out the organisation required to implement the strategy.
- **Action plan** – proposing the short and medium-term actions that may follow in the first 5-year period and form the basis of each district's own action plan.

The strategy has been developed by a county-wide team with representation from the 7 local authorities, NHS partners, local housing providers and the Worcestershire LEP, facilitated by Arcadis. We have undertaken extensive consultation across many stakeholders to seek a broad range of Worcestershire focused voices, to understand the challenges and blockers and the opportunities to be addressed by the Strategy. Whilst we cannot take account of all points of view, we are confident that the strategy represents a balanced approach to addressing the many opportunities and challenges that Worcestershire will face between now and 2040.

## 2 Vision

### **The Vision Statement**

*Worcestershire will be known for excellent housing. Everyone will have choices about how and where they live. Local homes will be warm, healthy and will lead the way towards Net Zero. Worcestershire housing will add to a better quality of life.*

### **The Call to Action**

The strategy will set out the steps needed to make this happen focused on four priority areas:

- Economic growth and jobs.
- Quality and standards.
- Health, wellbeing, and inclusion.
- Net-zero carbon and sustainability.

### **Realising the Strategy**

To make this vision a reality there are five big opportunities that need to be taken between now and 2040:

- Creating a culture of positive action in connection with housing. This will cover housing services, planning and other services focused on the Home. 'Getting things done' will help to ensure that Worcestershire is dynamic, growing, and a great place for everyone to live. This will be done by planning, by leadership and by everyone involved taking ownership of their role in making Worcestershire a better place to live.
- Reviewing aspects of housing services and planning across Worcestershire and reorganising where it makes sense to do so, sharing resources whilst protecting local accountability. Equipping Districts to take the assertive steps needed to implement the policies and aspirations that are set out in Development Plans.
- Using large scale developments to set the standard for sustainable development including place-based amenities and services. This will include getting the right mix of housing in a scheme and ensuring that services and infrastructure are in place from the outset.<sup>2</sup>
- Developing and managing affordable and social housing as an integral part of new and existing communities to increase inclusion in Worcestershire. This includes an active role for local authorities as planners, development partners and housing providers.
- Taking a leading role in the promotion of the net zero carbon agenda for housing, including organising and supporting public and private homeowners to meet their net zero targets.

Housing will be better in 2040 because of the active, evidence-led steps that will have been taken to sustain economic growth and housing development and to improve services and delivery. This strategy sets out these active steps and the timetable by which they will be taken. The jobs/actions to be undertaken are outlined in Section 4 – The Priorities.

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<sup>2</sup> Scale in housing development is context dependent. At the largest scale, the strategy describes urban extensions and other strategic developments that will be accompanied by large-scale social and economic infrastructure. However, in the context of rural communities, developments of 100 to 150 homes are also 'large scale' and also create an opportunity and responsibility for local authorities to set challenging targets around housing quality and the quality of wider infrastructure provision.



## 3 Local, Regional and National Context

### 3.1 Population and Economics

Worcestershire is situated in the Midlands region of England and the County is home to the six districts/ boroughs of Bromsgrove, Malvern Hills, Redditch, Worcester City, Wychavon, and Wyre Forest. The county has a diverse cultural heritage and a high-quality natural and urban environment. The unique character of the place is appreciated by the local community and attracts visitors and in-migration from all over the country contributing to economic growth.

#### Population

Worcestershire is home to 598,070 residents (mid-2020 ONS estimate)<sup>3</sup> of which circa 60% (354,064) of residents are of working age (16-64). The working age population has grown by less than 1% since 2015. The County has a higher median age of population (45.3) than the regional (39.6) and national median age (40.2). 23% of the population is over the age of 65 which is higher than the West Midlands and England average. The growth rate of the older population is expected to increase steeply with the number of over 65's expected to grow by 42% by 2040 (with a particularly high rate of growth in 80+ year group) against the population growth of 30-45's which is expected to be 10% to 2040.

The number of households in Worcestershire is expected to grow by 20% by 2043. This growth is largely due to an increase in one-person households (over 50%). The number of such households is projected to rise by almost 21,000 over the 25-year period from 2018 to 2043<sup>4</sup>. By 2035, the number of people living alone in Worcestershire is expected to rise by 36%. Both trends are linked to the ageing population.

*Different rates of growth in the working-age and later living cohorts are prominent issues for the housing strategy.*

*The strategy must deliver enough housing to accommodate families to support the growth ambitions of the county.*

*Similarly, it is important that housing supply and housing related services anticipate demand that will come from an ageing population.*

Migration into and out of the County, as well as between districts within Worcestershire, conforms to the established national pattern of migration, with most movement being from rural to urban areas (urbanisation). Worcestershire tends to experience a net gain in almost all age groups. A high inflow of persons aged 75-plus and 60-64 is also prominent as people move into the County after retirement or early retirement.<sup>5</sup>

In Worcestershire, just over 70% of people are defined as living in larger urban areas, with 20% of the population living in rural villages, hamlets, or isolated dwellings. This illustrates that Worcestershire is "less urban" than either the West Midlands region (in which almost 85% of the population live in urban areas) or the whole of England (80% living in urban areas). Over 50% of people living in Wychavon and Malvern Hills live in a rural area, whereas Redditch and Worcester City are almost entirely urban.<sup>6</sup>

Worcestershire residents generally have good levels of health, with life expectancy being better than the national average. Some areas of lifestyle require improvement when compared to the national average. These include excess weight in adults, smoking at time of childbirth, breastfeeding initiation, and early years

<sup>3</sup>ONS, Mid-Year Population Estimates, UK, June 2020

<sup>4</sup>ONS, 2018-based household projections for local authorities and higher administrative areas within England

<sup>5</sup>Worcestershire Demographic Report – Census 2011

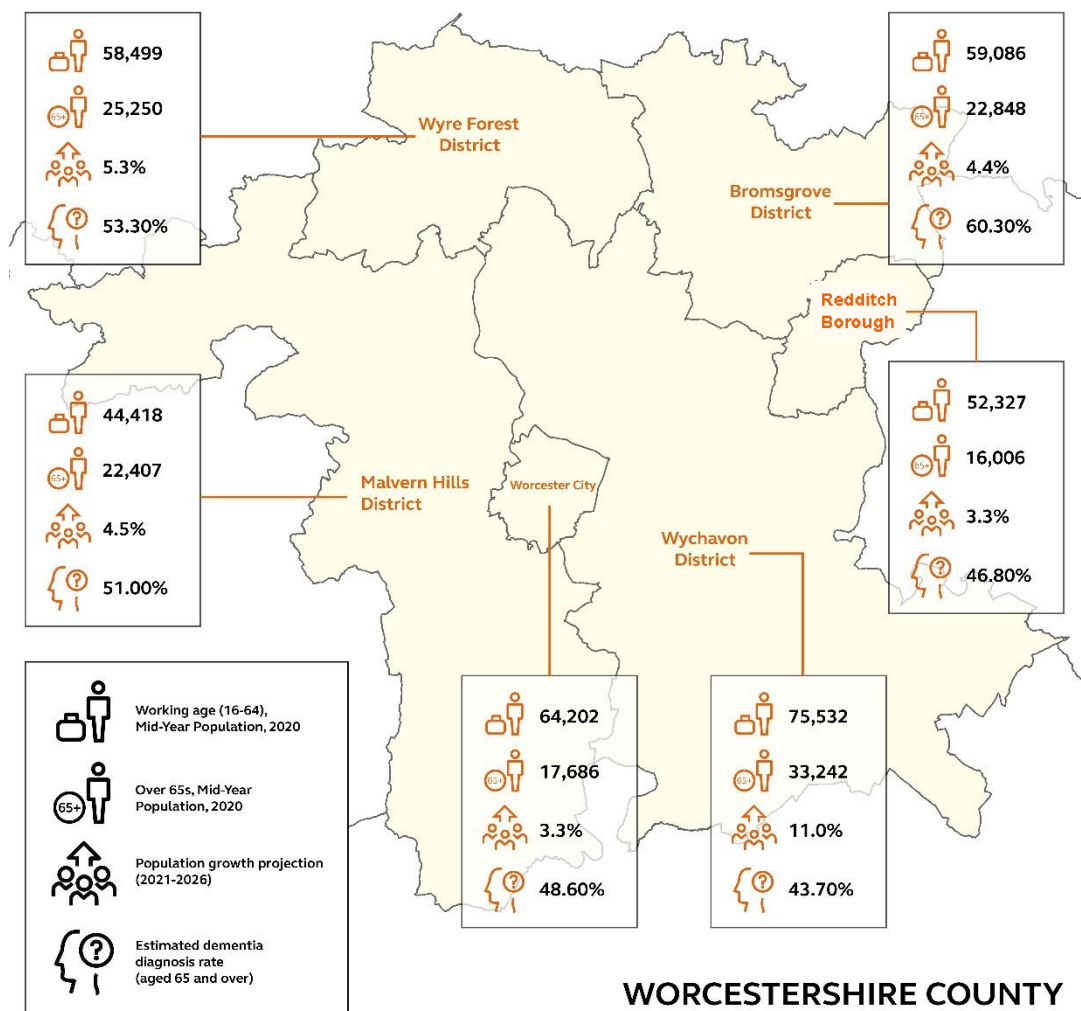
<sup>6</sup>Joint Strategic Needs Assessment Annual Summary September 2019

development for children eligible for free school meals.<sup>7</sup> Dementia will be a significant issue in future years as the population in the oldest age groups grows. The number of people with dementia in Worcestershire is forecast to increase by 56% between 2019 and 2035 from 9,560 to 14,905.

The requirement for a long-term plan for the reshaping of later-living provision in the county is highlighted in the strategy. This will not only provide a wider range of housing options for the healthy later living cohort but will also support better provision of care services to older clients.

Worcestershire's population does not reflect the ethnic diversity of the wider West Midlands region. The 2011 Census shows that Black, Asian and Minority Ethnic Persons (those not of White British origin) stand at around 7.6% of Worcestershire's average. The estimate of 7.6% in Worcestershire compares to estimates of 20.2% in England and 20.8% in the West Midlands region.<sup>8</sup> We anticipate that this gap will close over the period of the strategy which may have some implications for future service delivery.

The graphic below summaries key population statistics across Worcestershire:



<sup>7</sup> Worcestershire Health and Well-being Board, Joint Strategic Needs Assessment 2020, Executive Summary, Health Impacts of COVID-19

<sup>8</sup> Worcestershire Demographic Report – Census 2011

## Economic Performance

There has been good GVA growth in Worcestershire in the last five years, with one of the highest rates of any LEP in England. £14.1 billion GVA was generated in 2018 which is more than 10% of West Midlands total.

Currently there are 290,000 people in employment in Worcestershire, with good growth over the last five years. 3.5% of Worcestershire's economically active population are unemployed and perhaps as challenging, 1 in 18 of working residents have no qualifications. Worcestershire overall, however, performs well when compared to the region and country.

Median gross weekly earnings by residence in Worcestershire is £537 which is approximately 3% less than in the West Midlands and 10% less than in England. (This figure is significantly reduced by the gross weekly earnings in Redditch which is £460/week). Major infrastructure projects such as HS2 and private housing development are expanding at pace and will draw down from the labour supply. There will be a growing labour requirement from repair, maintenance, and improvement work, as for the demand retrofitting existing buildings to meet net zero emissions targets becomes more important. Covid-19 appears to have had little long-term impact on employment in the West Midlands based on latest data<sup>9</sup> from ONS. Employment levels between May-July 2021 were above pre-Covid levels, and unemployment at 5.1% was significantly below the 5.9% unemployment recorded between December 2020 and February 2021.

Skills development in Worcestershire is addressed in the 2019 to 2024 Education and Skills Strategy, which brings together a county-wide Education and Skills Strategy Board and the WLEP Education and Skills Board. Adult education is likely to be subject to significant development with the announcement of the Lifetime Skills Guarantee in September 2020. This is likely to channel training resources to many skills that are relevant to the Housing Strategy.

*The link between employment and the housing market will be increasingly significant over the next 20 years.*

*The Strategy highlights the requirement to develop low carbon retrofit supply chains in Worcestershire aligned to national demand for decarbonisation.*

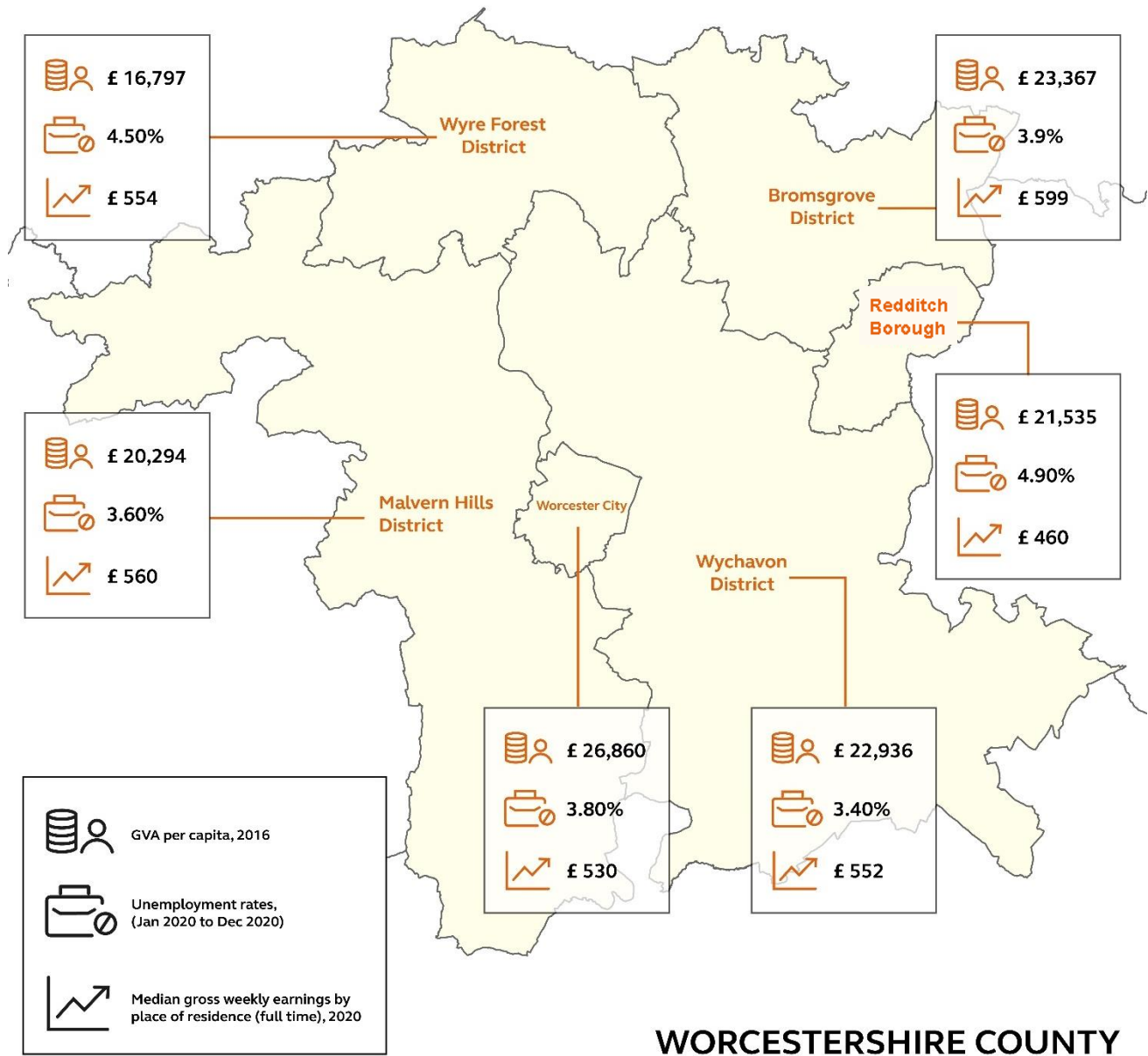
*These supply chains will potentially be developed to take advantage of existing capability and expertise in the County.*

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<sup>9</sup> HI05 Regional labour market: Headline indicators for the West Midlands, published September 2021.

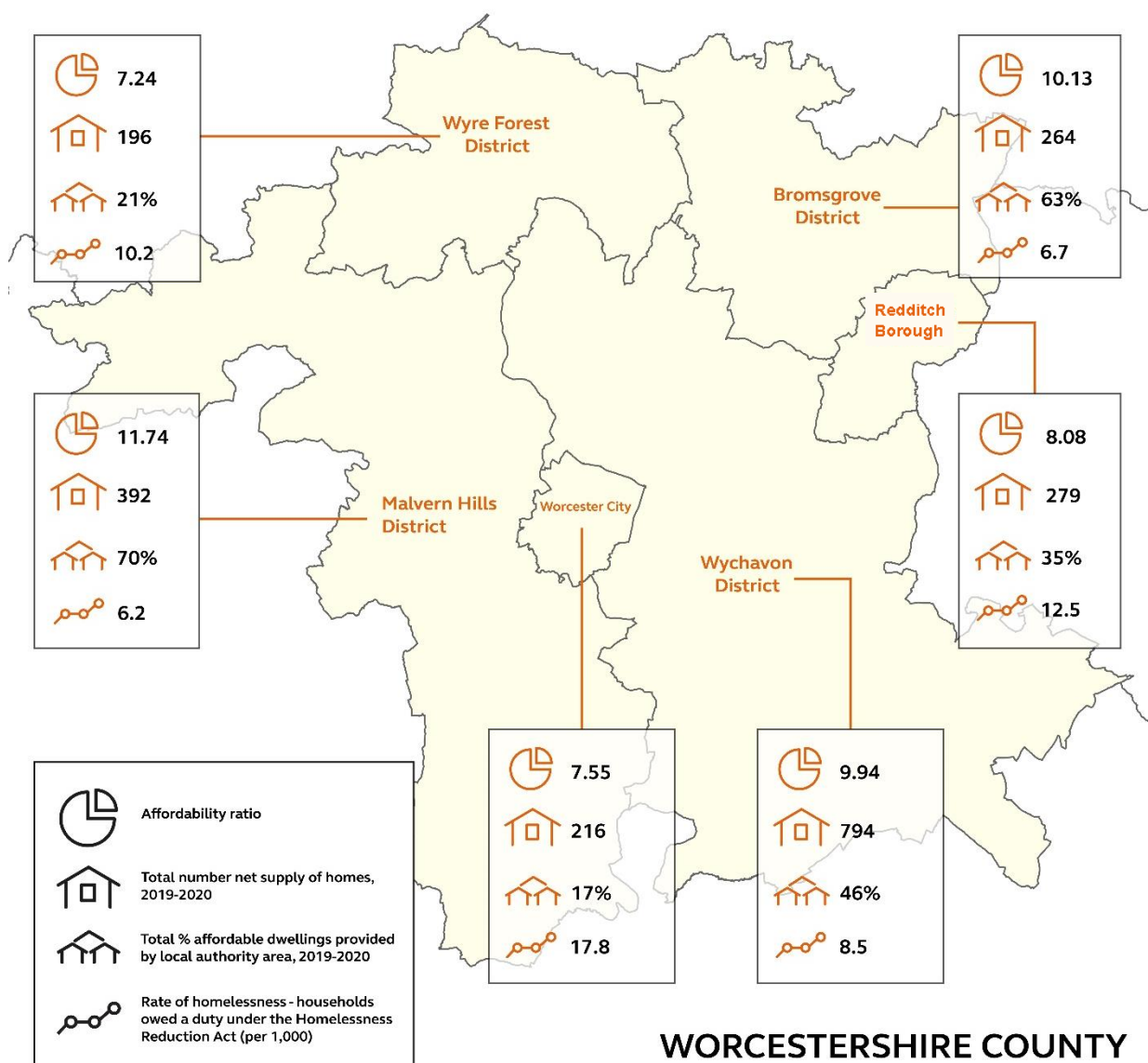


The diagram below summarises economic performance at a District/ Borough level across Worcestershire.



## Housing Delivery and House Prices

Worcestershire, like many other places is seeing a growing disparity between house prices and income. Worcestershire's affordability ratio, calculated by dividing median house prices by median gross annual earnings, was 8.87 in 2020<sup>10</sup>. By comparison, the West Midlands region affordability ratio is 6.78 and England is at 7.84.<sup>11</sup> In Worcestershire, the rate of homelessness in terms of households owed a duty under the Homelessness Reduction Act is 10.3 per 1,000, this is lower than the rate in England (12.30 per 1,000) and the West Midlands (11.20 per 1,000)<sup>12</sup>. The rate of homelessness since the 2018-2019 financial year as remained steady in Worcestershire. The diagram below summarises the position at district level, of Countywide affordability, housing supply (including affordable housing) and homelessness.



<sup>10</sup> In 2020, the median house price was £242,000 and median gross annual earnings were £27,285.

<sup>11</sup> ONS: House price to workplace-based earnings ratio

<sup>12</sup> PHE, Public Health Profiles (indicator source: MHCLG, Table A1, Detailed local authority level tables financial year 2019-20)

Housing affordability is closely related to the supply of new housing delivered through local development plans. Below is a summary of the Housing Delivery Test: 2020 measurement<sup>13</sup> which is an annual measurement of housing delivery in relevant plan-making authorities. Generally, local authorities have performed well, with 8,103 homes being delivered across the County against a three-year target of 5,640. As a result of below target rates of build-out, Bromsgrove faces the NPPF's presumption in favour of sustainable development and Wyre Forest must produce an action plan showing how they intend to boost delivery and have a 20% buffer on their housing land supply.

During the period 2017 to 2021, 4,115 affordable homes<sup>14</sup> were delivered in Worcestershire, representing over 45% of the total stock delivered in this period.<sup>15</sup>

Table 1. Summary of the Housing Delivery Test, DLUHC

Area	Total number of homes required 2018-2021	Total number of homes delivered 2018-2021	Housing Delivery Test: 2021 measurement	Housing Delivery Test: 2021 Consequence
Bromsgrove	1,413	624	44%	Presumption
Redditch	0	881	n/a	None
Wyre Forest	627	618	99%	None
Worcester City }				
Malvern Hills }	3,281*	5,100	128%	None
Wychavon }				

*\*\*Local Planning Authorities with Joint plans being measured jointly for Housing Delivery Test: 2020 measurement*

The implication of presumption in Bromsgrove is that developers are free to bring forward housing development sites outside of the scope of the adopted Local Plan in line with the presumption in favour of sustainable development embedded in the National Planning Policy Framework. This means that Bromsgrove District Council has much less control over local development than would be the case normally, even though the securing of planning consent in the district has been shown to be very difficult over the past 5 years.

Improved housing delivery in Wyre Forest has resulted in the requirement for a 20% buffer being removed. As a result, Wyre Forest District Council has increased control over land in the development pipeline in the past 12 months.

*The effective delivery of new housing is an important foundation for the 2040 Strategy.*

*The challenge will be that the housing continues to be delivered at rates to meet growth forecasts.*

*Furthermore, it is essential that new development meets the actual housing need of residents in the County whilst also delivering mixed, sustainable communities.*

<sup>13</sup> MHCLG, Housing Delivery Test: 2020 measurement

<sup>14</sup> Note: Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. It can be a new-build property or a private sector property that has been purchased for use as an affordable home. Data sourced from MHCLG, Live Table 1008c.

<sup>15</sup> MHCLG, Live Table 253.



## Quality and performance of existing homes

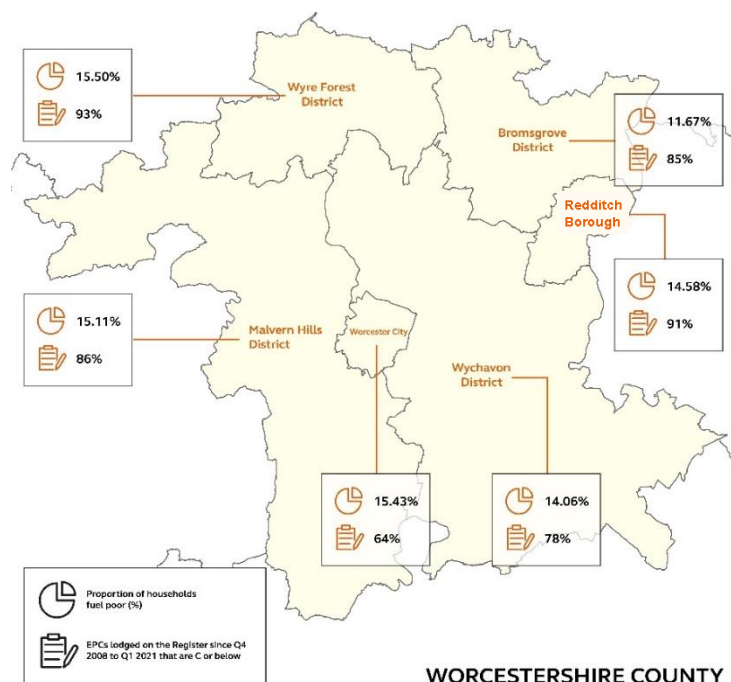
The quality of existing stock is an important consideration with respect to health and wellbeing of residents, and requirements for decarbonisation.

Fuel poverty is a material issue in Worcestershire, affecting around 14.4% of households compared with 13.4% of households in England as a whole<sup>16</sup>. A household is said to be fuel poor if it needs to spend more than 10% of its income on fuel to maintain an adequate standard of warmth. Following significant increases in energy costs in the past 12 months, fuel poverty is expected to affect many more people, and as a result, might further accelerate investment in energy efficiency through programmes such as ECO+.

The health effects of fuel poverty are far-reaching and disproportionately affect older people as there are links between cold homes and respiratory conditions. The five-year average for excess winter mortality index in the County is higher than England's five-year average.<sup>17</sup>

Energy Performance Certificates (EPC) can be used as a proxy for housing quality and low carbon performance. Data for dwellings lodged on the Register from Q4 2008 to Q1 2021 show that 87% of EPCs issued in the county are C or below (vs 89% in England), whereas 37% of EPCs issued in Worcestershire are for properties in Bands A to C (vs 39% in England) and 6% are for properties in Bands F and G (vs 6% in England). Worcestershire is comparable to the England average.<sup>18</sup>

The diagram below summarises the position at district level, of the proportion of households in fuel poverty and the number of EPCs at C or below.



*This data highlights the scale of the decarbonisation challenge in Worcestershire and the extent of work that will be necessary to bring homes up to net-zero carbon levels of performance.*

<sup>16</sup> ONS: Sub-regional fuel poverty data 2021. This data was collated before the 2022 energy price crisis and reflects the long-term trend.

<sup>17</sup> ONS: Excess winter mortality data, England, and Wales, 2019 to 2020 (provisional) and 2018 to 2019 (final)

<sup>18</sup> Live tables on Energy Performance of Buildings Certificates: Table D1

## Connectivity

Worcestershire's central location makes the county excellently connected through a comprehensive multimodal transport network of railways and highways (via M5 and M42), which in turn gives easy access to markets and skills. Birmingham Airport is at the doorstep of the county which provides access to 100 international locations.

Accessibility within Worcestershire is naturally affected by the rural nature of much of the county, where low population densities are associated with a lower-grade road network. This is particularly the case in the North-west of the County. A limited number of road crossings over the River Sever are also a constraint to mobility and a cause of congestion.

Worcestershire is crossed by two nationally important rail lines – the North Cotswold line from London Paddington to Worcester, Great Malvern and Hereford and the Bristol to Birmingham Line. Local services operate to Birmingham along the Kidderminster, Bromsgrove and Redditch routes which face challenges of overcrowding, particularly during peak periods.

Cross Country services between South-West England, Birmingham, and the North-West and North-East pass through but do not stop in Worcestershire, and the County's network suffers from various constraints such as mechanical signalling and single line tracks which have a direct impact on train service timetables. The opening of Worcestershire Parkway station in 2020 adds capacity and connectivity to the network and enhances accessibility to the North Cotswold Line and Cardiff – Nottingham Cross Country services.<sup>19</sup>

Worcestershire's rail connectivity requires improvement and the critical importance of rail as a key enabler of economic activity and growth is reinforced in the Local Transport Plan.

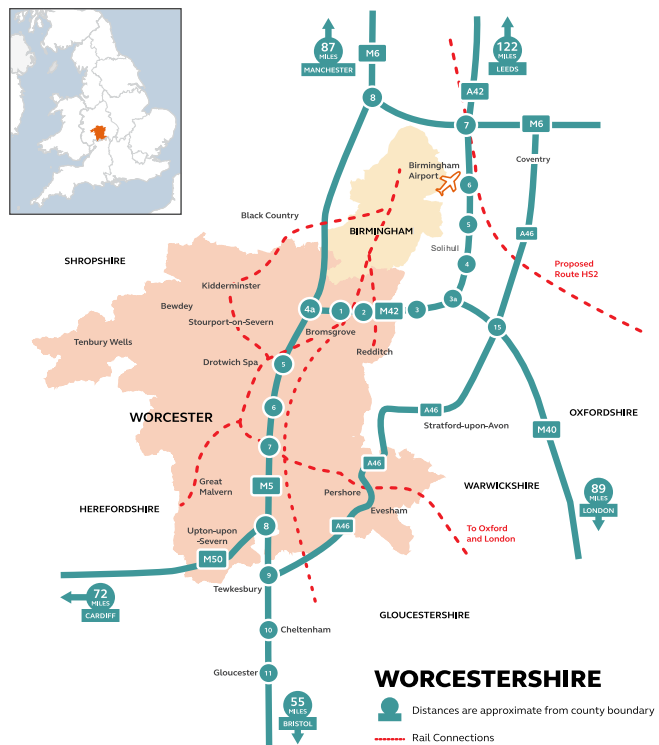


Figure: Location plan (top left) and transport map (bottom right)

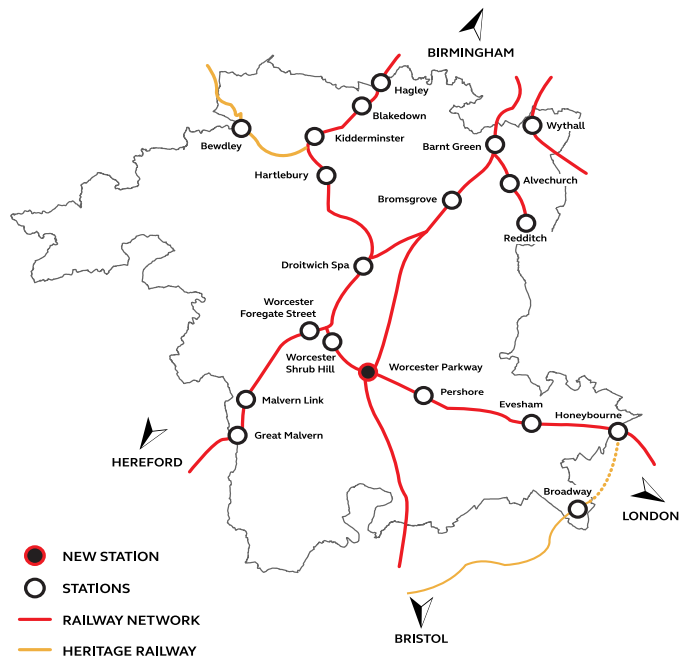


Figure: Rail connectivity plan

*The implication for housing development is that much-needed improvements in transport network connectivity are likely to free-up further land for large-scale housing development in future – creating opportunities for the development of sustainable mixed communities as advocated in this Strategy.*

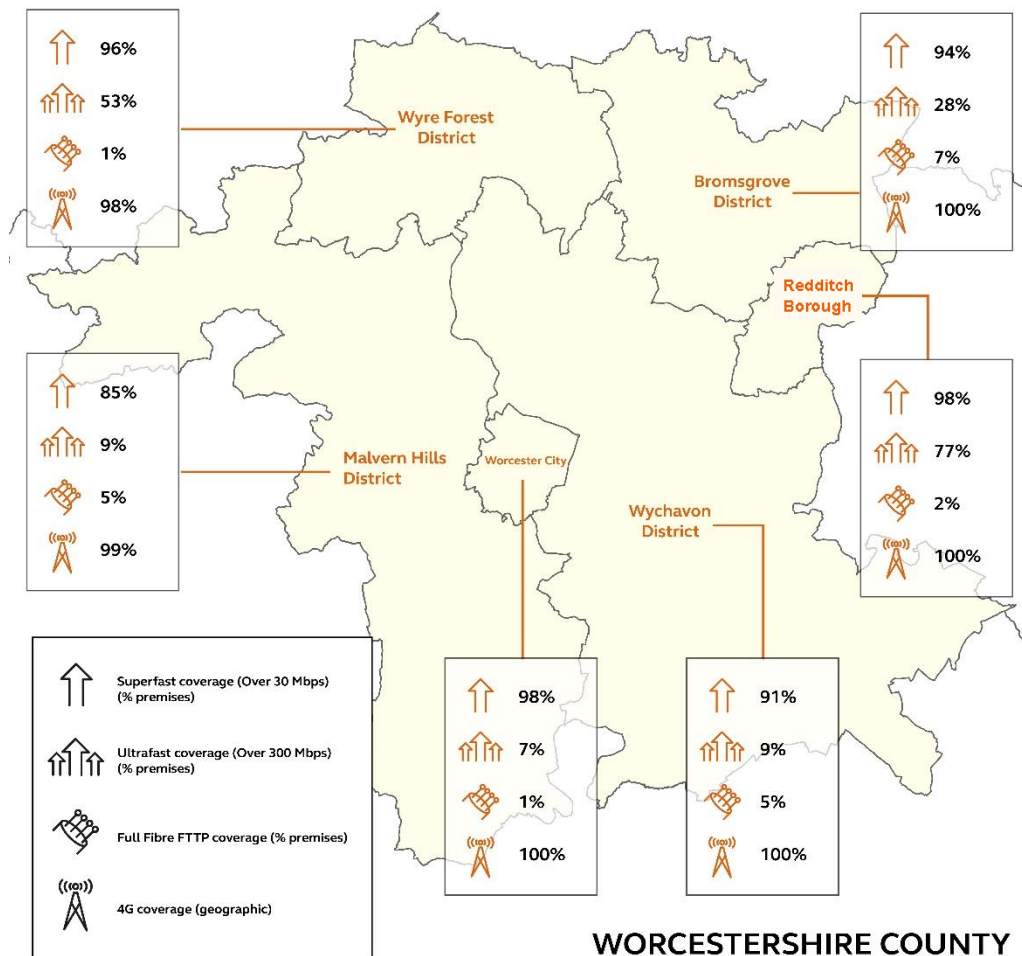
<sup>19</sup> Worcestershire Rail Investment Strategy, 2017

## Redditch Borough

Worcestershire has good digital connectivity but there is room for improvement. Over 95% of premises have superfast broadband (30Mbps or greater) coverage and over 98% of the geography has 4G signal availability. By contrast, only Redditch and Wyre Forest have more than 50% of premises covered by ultrafast broadband (300Mbps or greater). The Fibre to Premises (up to 1 Gbps) coverage in Worcestershire needs improvement with Bromsgrove having 8% of premises covered (highest in the district) and Worcester City and Wyre Forest having 1% of premises covered (lowest in the district). Worcestershire is nevertheless driving innovation and has one of the first 5G testbed networks in the UK, operating from sites in Malvern and Worcester.<sup>20</sup>

Worcestershire's digital ambition and continued investment inherently will facilitate both remote working and the delivery of digitally enabled home care and support services.

The diagram below summarises the position at district level, of broadband coverage across the County.



*Digital capability will play a significant role in meeting the ambitions of the housing strategy.*

*Following the creation of the Worcestershire Strategic Housing Partnership, this housing strategy will be important to maintain the close functional relationship between the districts and partners to work together to support the LEP's ambitious Strategic Economic Plan.*



## 3.2 Organisation, Administration and Strategy

Worcestershire is a 2-tier county formed of Worcestershire County Council and six District / Borough Councils. The County Council is responsible for services across the whole of the county such as education, transport, and social care. District/ Borough Councils are responsible for services such as housing and planning services. The table opposite provides a quick guide to the typical allocation of local authority responsibility for major services in England.

### Status of Local Plans

The councils' shared vision for the future of the county is the foundation for the development of the Housing Strategy 2040. All parts of the county have developed their Local Plans and the Housing Strategy 2040 will respect and build on those Local Plans. The National Planning Policy Framework (NPPF) reinforces the need for a plan-led approach to securing infrastructure as well as promoting sustainable development. The status of the Local Plans is listed below:

- Bromsgrove District Local Plan (2011-2030) - review underway, consultation closed.
- Borough of Redditch Local Plan (2011-2030) - review commenced.
- Wyre Forest District Local Plan (2016 - 2036) was formally adopted in April 2022.
- The South Worcestershire Development Plan (2016-2030) which is the Local Plans of the partners Malvern Hills District, Worcester City and Wychavon District Council. The development plan is being updated to 2041. A consultation on the review closed in December 2022.

### Status of WLEP Plans

The Worcestershire Councils have worked closely with the Worcestershire Local Enterprise Partnership (WLEP) over the last 10 years bringing together a strategic partnership to facilitate the collaboration of the private, public and education sector to deliver meaningful programmes to support economic growth in the county. Significant improvements have been delivered through the Counties Strategic Economic Plan (SEP) launched in 2014. By 2020 this plan had been successful delivered 38,000 new jobs, 15,990 homes and a £2.0bn increase in GVA (Gross Value Added – GVA).

The SEP set up the Game Changer Programme to help meet the first objective. The programme provides investment opportunities by identifying key development and delivery of strategic sites for companies looking

	County Council	District Council
Education	✓	
Environmental health		✓
Highways	✓	
Housing		✓
Leisure and recreation		✓
Libraries	✓	
Local planning		✓
Local taxation collection		✓
Passenger transport	✓	
Public health	✓	
Social care	✓	
Transport Planning	✓	
Waste collection		✓
Waste disposal	✓	

for larger sites, HQs, and state of the art opportunities in some of the best locations in the country. These sites are shown on the adjacent map and include the Redditch Eastern Gateway, South Kidderminster Enterprise Park, Worcester Growth Corridor and Malvern Hills Science Park.

The SEP recognised the challenges with housing affordability in many parts of Worcestershire and recognise its importance to support economic growth. The Worcestershire Housing Partnership Plan (WHPP) was developed, setting the strategic direction for housing across Worcestershire. The WHPP recognises that to maximise the health, wealth, and wellbeing of the residents of Worcestershire, and make the most effective use of existing resources, Councils need to work very closely with partner organisations across a range of sectors. The implementation of the national Health and Housing Memorandum of Understanding (MoU) in Worcestershire is an early example of this integrated approach to service delivery. The WHPP aims are:

- Effective partnership working to delivery housing outcomes which will in turn support other strategic objectives, such as improved health and wellbeing, educational achievement of children, employment, crime reduction and sustainable communities.
- Improved collaboration, coordination and integration of healthcare and housing in the planning, commissioning and delivery of homes and services.
- Promotion of the housing sector contribution towards addressing the wider determinants of health, social exclusion, and re-offending.
- Maximising the delivery of housing by co-ordinating the activities of housing developers, providers and support agencies which will support economic growth.
- Addressing the housing needs of specific groups and sectors of the housing market.
- The provision of good quality housing to improve health and wellbeing.
- Integrated health, care and support and housing solutions to make best use of budgets across the NHS, local authorities, and partners to achieve outcomes for less; for example, drawing on the Better Care Fund to support service transformation.
- A co-ordinated response to long term changes in population.
- Better use of existing housing stock.
- Co-ordinated support for vulnerable people.
- Increasing availability of affordable homes.

\*This plan has now been refreshed and the WLEP has, in May 2023, outlined an ambitious and exciting 2040 new vision for the county that will create a connected, creative, and dynamic economy for all. The aim is to boost the economic value of the county by £2.5bn per year and create 18,500 extra jobs.

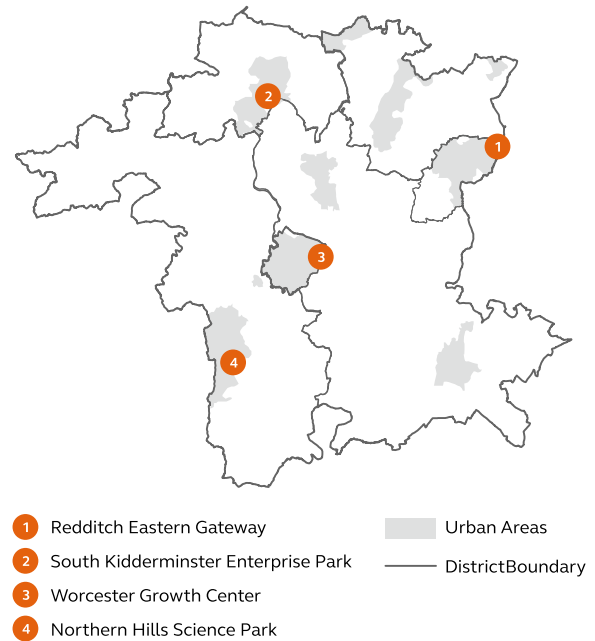


Figure: Economic "Game-Changer" Sites in Worcestershire

## 3.3 Policy

Housing and housing-related services in Worcestershire are governed by a wide range of policies. Many of these are developed at District level and are set out in Development Plans. They are regularly updated and consulted on and will continue to develop between now and 2040. The purpose of the 2040 Worcestershire Housing Strategy is to establish a common approach where this will improve the experience of residents without reducing accountability associated with local decision making and service delivery.

The 2040 Strategy is also being developed at a time where there will be significant change in housing policy related to planning, regulation and carbon emissions associated with new and existing buildings. There are also likely to be further changes to the management of the health service and the funding and management of social care.

The 2040 Strategy not only accommodates these changes but also sets out plans for a more coordinated Worcestershire-wide response – making better use of resources and in particular equipping authorities to implement changes to deliver the greatest benefit to the people of Worcestershire.

Significant changes to provision of housing and housing-related services include:

- **Social care reform.** The Social Care White Paper was published in December 2021, alongside an initial spending commitment of £5.4 billion for the three-year period to 2024/25. Integrating care with housing is a significant theme in the White Paper, and additional funding totalling £450 million, together with an £210 million extension to the Care and Support Specialist Housing fund (CASSH). Relevant proposals for the housing strategy include:
  - Integration of housing decisions into all health and care decisions
  - Support to the specialist housing market in line with an ambition to create a more diverse range of housing options.
  - Expanded funding for home adaptation.
  - Encouragement of longer-term thinking with respect to lifetime neighbourhoods
- **Housing management reform.** The implementation of the Charter for Social Housing Residents will require a significant change to the relationship between tenants of social landlords. The Social Housing Regulation Bill will further extend the rights of tenants and the powers of the Regulator of Social Housing (RSH) into areas of consumer issues including complaints handling, and housing decency. Together these will drive actions in connection with building safety, the introduction of consumer regulation for tenants, stronger resident engagement, and improved landlord performance metrics.
- **Building Safety Legislation.** The Building Safety Act was passed in Spring 2022. Secondary legislation will be passed over the next 2 years which will detail practical implementation. Local authorities and their affordable and social housing providers will have new statutory duties in connection with the safe management of higher risk residential buildings including undertaking the duties of the Building Safety Manager. These requirements are likely to be implemented prior to 2025.
- **Planning reform.** The Update was introduced into the House of Commons in May 2022. New provisions will affect Local Plans that are currently under development. Relevant aspects of the legislation include:
  - Removal of the requirement to maintain a rolling five-year supply of development land.
  - A greater focus on local planning issues through the introduction of National Development Management Policies dealing with issues that apply to most areas.
  - Further development in Neighbourhood Planning including a simpler neighbourhood planning tool called the Neighbourhood Priority Statement.
  - Replacement of SPDs with independently examined Supplementary Plans which will be used to create planning frameworks for new opportunities (e.g.; regeneration) or authority-wide requirements such as design codes.



- The introduction of a new Infrastructure Levy (IL), that will replace S106 and Community Infrastructure Levy. IL will be charged on sales value. Levy rates will be set locally and can vary within the boundaries of a planning authority. IL will be introduced gradually.
  - Requirements for planning authorities to produce Design Codes describing requirements for a planning consent to be granted, including the opportunity to produce more local design codes. Design Codes will be informed by the National Model Design Code.
  - Processes for assessing environmental impact assessment will be replaced by a single Environmental Outcome Report process. The level of protection will not be reduced.
  - Increase regeneration power including new CPO powers and the creation of a new form of Urban Development Corporation.
  - Enhanced enforcement powers associated with commencement and compliance with consents.
  - Increased fee levels to support better resourcing of the planning process.
- **Environment Act.** This will require developers to deliver 10% biodiversity net gain (BNG) on development projects. Local Authorities will have an active role in approving and monitoring biodiversity plans. BNG requirements will be implemented from 2023 onwards.
  - **Net-zero carbon.** Significant progress will need to be taken to improve the energy efficiency and low carbon performance of over 80% of homes in Worcestershire. The Heat and Buildings Strategy was published in October 2021. Relevant aspects of the strategy include:
    - Government has set a target to reduce carbon emissions from buildings by 47 to 62% by 2035. All homes will need to be upgraded to EPC C by 2035.
    - All homeowners, including local authorities will have to replace all fossil-fuel heating appliances with clean-heat technology by 2050.
    - As part of the Clean Growth Strategy, social renters are required to prioritise fuel poor households, meeting EPC C by 2030.

In the 2022 Autumn Statement, the Government also set a target for a 15% reduction in national energy use by 2030.

- **Levelling-up.** Levelling up is a flagship policy of the Government. The Levelling Up and Regeneration Bill currently passing through Parliament includes a number of provisions to promote the levelling up agenda. These are in addition to the planning reforms noted above:
  - Levelling-up missions. Establish legal duty and powers to set and report on levelling-up missions designed to reduce spatial disparity.
  - Expanded devolution of powers in England to all areas that want devolved powers – e.g., opportunities for bespoke devolution deals, and the creation of a new combined county authority model.

Enhanced regeneration powers including updated compulsory purchase processes described under planning and measures to reinvigorate high streets.

## 4 Priorities

### 4.1 Overview – What Are the Priorities?

The Vision for Housing, set out in section 2 is:

#### *The Vision Statement*

*Worcestershire will be known for excellent housing. Everyone will have choices about how and where they live. Local homes will be warm, healthy and will lead the way towards Net Zero. Worcestershire housing will add to a better quality of life.*

The vision will be delivered through four priority areas. Section 4 sets out the actions associated with the priority areas in detail. We describe the four priorities and explain how actions are organised to be delivered over the twenty-year life of the Strategy.

*The implications of the current wave of policy development and legislation are firstly that housing functions in Worcestershire will be required to implement notable change across most of their activities. This creates an opportunity to rethink some of the existing delivery models, taking advantage of modern technologies and remote and collaborative working. The new policy landscape also means that local policies will need to be reviewed and updated to take account of new priorities. The 2040 Strategy aims to start this process.*

The priorities are the first level of structure of the Strategy. They relate to the greatest challenges facing public authorities in Worcestershire and the policy framework within which they operate. The priorities have played an important role in the development of the Strategy including detailed engagement focused on how housing is affected by activities in each priority area. The priorities are:



- **Economic growth and jobs** describe the relationship between housing and the wider economy of Worcestershire. This priority includes the supply of the right housing for people who live and work in Worcestershire and the creation of employment opportunities close to where people live. *By focusing on this priority, Worcestershire will become a more attractive location for employers and more prosperous, and it will make it easier for people to get to their place of work.*
- **Quality and standards** are about making sure that Worcestershire housing is as good as it can be and that people benefit from changes in how houses are planned, built, and upgraded. This priority will help Worcestershire take advantage of housing innovation whilst respecting the character and quality of the existing housing and communities. *Making this a priority emphasises the need to plan and prepare for changes that are coming to housing markets including forthcoming planning reforms, ensuring that the greatest benefit is secured from these developments as they occur.*
- **Health, wellbeing, and inclusion** focuses on links between healthy housing, places, and well-being for everyone. This priority highlights the importance of affordable healthy housing that supports people at all stages of their lives, whatever their circumstances. It is also about the creation of sustainable communities

that have all the facilities residents need and which are well connected. Making this a priority will focus attention on improving the quality of existing housing, the planning of new development, as well as thinking about how health and social services can be delivered alongside housing.

- **Net-zero carbon, and sustainability** is the essential focus on making sure that housing in Worcestershire is decarbonized in line with national targets whilst also making sure that the places and communities which we create are resilient, self-supporting, and safe. Making sustainability a priority highlights the long-term nature of investment in places and homes and the critical role that housing will play in addressing the climate emergency.

## 4.2 How Are the Priorities Organised?

Each of the priorities is described at four levels of detail:



- **The Vision.** This describes the high-level outcome in 2040 that the Strategy will deliver if all the actions are taken.
- **Strategic levers.** These are long-term, joined-up multi-party initiatives that will result in a change to the development, operation, or use of homes in Worcestershire.
- **Jobs to be done.** These are medium term actions necessary to make progress and address blockers to progress. The detailed jobs to be done will evolve during the life of the strategy, partly to reflect progress on the agenda and partly to account for new needs or opportunities.
- **Worcestershire's Plans (the outcome – how Worcestershire will be different).** This describes how the experience of housing in Worcestershire will be different when the strategy is implemented.

## 4.3 Strategy Priorities

### Priority Area 1 – Economic Growth and Jobs

Vision Statement or Objective for 2040	
Worcestershire has a competitive housing offer based on thriving communities that attract employers and employees and which support economic growth:	<i>In Worcestershire average full-time earnings are 10% lower than the national average.</i>
Housing of all types is available to meet all needs including affordable housing and housing for later living. New housing is located conveniently for jobs and other amenities.	
<b>Why?</b> <ul style="list-style-type: none"> <li>• Worcestershire housing stock needs to be aligned to local demand as well as the wider market.</li> <li>• Ample affordable stock is needed because earnings in Worcestershire are below the national average.</li> <li>• An expanded Later Living provision is important to deal with the expected growth in the elderly population.</li> <li>• There are wider opportunities to attract a workforce by freeing-up and improving existing housing for use by young families.</li> </ul>	<i>Worcestershire's median population age is over 45 – 5 years older than the median for the West Midlands.</i>  <i>The number of over 60's will grow by 85% by 2035.</i>



- Steps taken by Local Authorities in Worcestershire support the viability and delivery of housing across a range of tenures.
- Worcestershire has made good progress delivering a high proportion of affordable housing, but this does not meet the needs of all residents.
- By partnering with developers, and actively participating in housing delivery through the release of public land and direct development, local authorities will have greater influence over the housing that is delivered.

*Worcestershire's housing affordability ratio in 2020 was 8.87, compared to 6.78 for the West Midlands.*

## Strategic Levers

### Lever 1

Active use of land in public ownership that is available for development to support mixed community development.

### Lever 2

Consistent and joined-up approach to the setting of Infrastructure Levy<sup>21</sup> contributions across the county to secure the necessary supply of affordable housing.

### Lever 3

Appropriate use of regeneration tools including compulsory purchase and permitted development rights, to support residential development as part of town centre revitalization.

## Jobs to be done

### Job 1

Examine opportunities for coordination and collaboration of planning resources across the county that is compatible with local accountability. Share resources where this will support greater capability or accelerate response to planning reforms.

### Job 2

Use large-scale development opportunities including urban extensions as the engine for high quality, mixed-tenure sustainable communities. Actively coordinate or participate in development if needed to secure desired housing outcomes.

### Job 3

Equip local authorities in Worcestershire to participate in the development of public land for housing. Consider the establishment of a county-wide development capability in line with proposals for Urban Development Corporations

## Who is involved?

- District Council housing, development, and planning
- County Council transport planning
- One Public Estate Team
- Worcestershire LEP
- Registered Providers and other housing providers
- Partnership housing developers
- DLUHC
- General public – through general and project specific consultation

## The outcome – how Worcestershire will be different:

- A thriving housing market in the public and private sector, with more choice for everyone.
- More diverse communities that feature a range of house types and tenures.
- The joint planning of housing and employment land so that homes are located near jobs.
- Land values and development models that support the development and maintenance of sustainable communities.

<sup>21</sup> The Infrastructure Levy (IL) is being introduced as part of a package of planning reforms included within the scope of the Levelling-Up and Regeneration Bill. The IL is planned to be a non-negotiable fixed % fee charged on the development value of a project. Planning authorities will be able to set the level of the levy, which can vary across the area served by the authority. IL will ultimately replace Section 106 and the Community Infrastructure Levy

## Making it happen (essential actions):

Strategic Lever 1: Active use of land in public ownership		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>Public land owned by Local Authorities, Public Bodies and Central Government can be used to increase the delivery of low-cost affordable and social housing.</li> <li>The equity value in public land will enable Local Authorities in Worcestershire to participate as partners in mixed community development.</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>Public land can be directly developed by a Local Authority.</li> <li>Partnership arrangements can be used to participate in mixed-tenure development schemes.</li> <li>Land can be developed for the private market to create the capital needed for additional affordable housing development.</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>Capital released from public land can be invested directly into affordable housing.</li> <li>Local Authorities have the means to participate in development.</li> <li>Local authorities are in the position to incorporate affordable housing in the scope of mixed-tenure partnership development.</li> </ul>
Jobs to be done1: Maximise coordination / collaboration in use of planning resources		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>With the upcoming planning reforms and the need to plan for the net zero carbon transition, there are more specialist planning jobs to be undertaken. Coordinating common approaches and resources across Worcestershire is the best way to respond to these challenges.</li> <li>This approach builds on the successful collaboration that has already taken place in South Worcestershire.</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>Planning reform. Where possible Districts should develop a coordinated response to proposed planning reform including plan development processes, digital systems, and design code templates.</li> <li>Specialist resources (e.g., energy network planners) should operate on a cross-boundary basis.</li> <li>Strategic responses to shared, long-term challenges (net zero carbon, ageing population) should be developed on a county-wide basis.</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>Achieve benefits of scale in the delivery of planning services.</li> <li>Resource-efficient response to major changes in planning such as the development of design code templates.</li> <li>Increase ability of Worcestershire to recruit specialist resources.</li> <li>Joined-up approach to long-term strategic objectives.</li> </ul>

## Other Strategic Levers:

**Consistent and joined-up approach to negotiation.** Sharing data and adopting a common approach to negotiation with developers with respect to development standards, contributions and sustainability requirements will reduce opportunities for negotiation arbitrage between districts.

**Appropriate use of regeneration powers.** Permitted Development Rights (PDR) and Compulsory Purchase (CP) are expected to play a valuable role in facilitating development as a part of town centre revitalization. Districts should be able to actively use the provisions of PDR and CP to achieve a balance of investment, appropriate regeneration, and development quality.

## Other jobs to do:

**Use large-scale development opportunities to set development benchmarks.** The strategy highlights the importance of balanced, mixed tenure communities with appropriate amenity provision. Districts should view large scale housing developments including urban extensions as one-off opportunities to deliver these communities. This may require active development participation to deliver the required tenure mix. Proposed reforms to planning including Supplementary Plans and Urban Development Corporations, will provide Districts with the tools to actively engage with developers.

**Establish a development capability.** To make best use of publicly owned land assets and to be able to influence development outcomes, local authorities could benefit from creating their own development capability. This might involve direct development or partnership working with housebuilders such as Housing Associations or SME developers. Such a capability could facilitate the optimization of the use of local authority assets by enabling the consideration of a wider range of options including the use of Infrastructure Levy funds as finance for direct development. There may be opportunities to build some shared capability at a county-wide level. Specialist District Council resources and initiatives focused on development, could be shared, particularly if this reduces the overall headcount for a development function. A development function managed on a county-wide basis could still support dedicated, District-level development.



## Priority Area 2 – Quality and standards

<p><b>Vision Statement or Objective for 2040</b></p> <p>Worcestershire needs to plan and prepare for changes to the way in which housing is built and managed so that the greatest benefit is secured and that the character and quality of existing communities is respected:</p> <p>Local Authorities make it a priority to prepare for changes in how homes are planned, built, and upgraded.</p> <p><b>Why?</b></p> <ul style="list-style-type: none"> <li>Housing will be subject to a lot of change during the strategy period, including changes to planning rules, housing management and the wider adoption of Modern Methods of Construction (MMC) for both new build and retrofit. Local Authorities in Worcestershire have an opportunity to influence this change but will need to act quickly and consistently to have an impact.</li> <li>Changes to processes and standards are likely to be complex and challenging to implement. Stakeholders must plan to ensure that sufficient resources are available to implement the planned changes effectively, and that opportunities to share expertise and common approaches are taken where appropriate.</li> <li>Local Authorities should be ambitious with respect to the quality and safety standards that they set, particularly in connection with the quality and performance of new-build housing, the safety of existing high-rise housing and retrofit to ensure issues with low energy performance and damp and mould are addressed.</li> </ul>		
<p><i>By 2035, the number of people living alone in Worcestershire is expected to rise by 36%.</i></p>		
<p><i>87% of EPCs for dwellings lodged on the Register between Q4 2008 and Q1 2021 are C or below.</i></p>		
<p><b>Strategic Levers</b></p>		
<p><b>Lever 1</b></p> <ul style="list-style-type: none"> <li>Support the wider adoption of housing delivered using Modern Methods of Construction (MMC) by collaborating across boundaries to consolidate public sector and Registered Provider demand to support MMC investment in the region.</li> </ul>	<p><b>Lever 2</b></p> <ul style="list-style-type: none"> <li>Use the planning reforms proposed in the Levelling-Up and Regeneration Bill to encourage great quality development.</li> <li>Develop local standards, design guides and codes as needed to secure high-quality development.</li> <li>Secure that sufficient resource is in place for any changes to the Local Plan process.</li> </ul>	<p><b>Lever 3</b></p> <ul style="list-style-type: none"> <li>Prepare to implement the digital technologies envisaged for planning as part of the reforms to the planning system.</li> </ul>
<p><b>Jobs to be done</b></p>		
<p><b>Job 1</b></p> <ul style="list-style-type: none"> <li>Collaborate with local businesses, training providers and other partners to plan for development of supply chain capacity in order to meet changing needs and quality requirements.</li> <li>The housing strategy should consider wider aspects of delivery capacity in order to</li> </ul>	<p><b>Job 2</b></p> <ul style="list-style-type: none"> <li>Develop a common approach to Design Codes across the county.</li> <li>Districts and distinct areas within districts have the opportunity to have their own codes based on a county-wide framework.</li> </ul>	<p><b>Job 3</b></p> <ul style="list-style-type: none"> <li>Implement Fire Safety requirements for existing residential buildings over 11m high.</li> <li>Implement changes introduced by the Charter for Social Housing Residents.</li> </ul>

<p>meet expected supply requirements. Key areas including skills for new build and retrofit construction trades, local developer, constructor and housebuilder capacity and access to specialist developers in areas including co-living and extra-care.</p>	<ul style="list-style-type: none"> <li>• A well-developed design code will enable Districts to deliver much needed housing whilst ensuring that the character of Worcestershire is embedded within local housing standards. .</li> </ul>	<ul style="list-style-type: none"> <li>• These measures will contribute to a better quality of life for affected residents in the county</li> </ul>
<p><b>Who is involved?</b></p> <ul style="list-style-type: none"> <li>• County Council – planning, public health, and transport</li> <li>• District/ Borough Council – housing, management, housing development and planning</li> <li>• Registered Providers and other housing providers</li> <li>• National, regional and SME housing developers</li> <li>• Housing third parties including funders, insurers etc.</li> </ul>		
<p><b>Worcestershire’s plan – how it will be different:</b></p> <ul style="list-style-type: none"> <li>• The safety and quality of housing in the private and public sector will be a top priority evidenced by a proactive response to legislative changes to the management of social housing. The build quality of homes in Worcestershire will be enhanced by the implementation of ambitious design guides and development standards appropriate to place.</li> <li>• The encouragement of a diverse supply chain including local SME developers and investment in MMC capacity related to pooled demand from schemes in Worcestershire.</li> </ul> <p>The successful implementation of digital planning systems and other changes will increase popular engagement with planning and other housing related issues. There will be sufficient capable local supply chain capacity to meet all needs of the strategy related to new build and retrofit housing markets.</p>		

## Making it happen (essential actions):

Strategic Lever: Support the wider adoption of housing delivered using MMC		
<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Traditional methods of house building are less well suited to the production of high-performance, net-zero carbon homes.</li> <li>• The increase in the capacity of the MMC housing industry will be supported by the consolidation of demand from across Worcestershire. A large visible pipeline of opportunity can be used to attract investment to factories in the county.</li> </ul>	<p><b>Solution</b></p> <ul style="list-style-type: none"> <li>• The consolidation of demand for MMC housing will be led by the public sector and by Registered Providers when delivering their own programmes.</li> <li>• A ‘clearing house’ function is required to bring together the demand from multiple programmes, along the lines of those developed for Greater Manchester Combined Authority and Sheffield City Region.</li> <li>• The clearing house will support the procurement of MMC homes from a range of suppliers on behalf of local clients.</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Access to MMC capacity in Worcestershire will be enhanced by the development of a clearing house function that consolidates demand from multiple clients.</li> <li>• The clearing house will simplify procurement and encourage investment. It might potentially encourage the development of MMC factories in Worcestershire.</li> <li>• The most important outcome will be the quality of homes produced which will contribute to reduced carbon emissions.</li> </ul>

Jobs to be done: Plan for the development of supply chain capacity		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>Investment associated with the delivery of the housing strategy will create significant opportunities for business growth and local employment over the next 20 years.</li> <li>New skills in developing areas including low-carbon heat will be needed, whilst traditional skills associated with housebuilding will also be in high demand.</li> <li>Expanded housebuilding, combined with support for SME and self-build housing will encourage the creation of additional housing development capacity.</li> <li>As part of the Housing Strategy, Districts and the County Council should collaborate with the county business and skills ecosystem so that requirements are known and planned for.</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>Skills requirements specific to the housing strategy should be included in county skills planning including the Worcester Local Skills Plan and other skills initiatives.</li> <li>The Worcester LEP and other stakeholders dealing with skills and industry capability should have a defined role in the delivery of the housing strategy.</li> <li>Planning powers should be used where appropriate to support an SME supply chain and skills development across the county in line with wider economic planning.</li> <li>Skills development should be aligned to the creation of capable and competent low-carbon supply chain (See net zero carbon).</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>There will be sufficient business and workforce capacity to meet the opportunities created by the Worcestershire Housing Strategy. Planners, developers, and customers will have confidence that planned developments are deliverable.</li> <li>Local people will have the opportunity to participate in the housing sector including new areas associated with low-carbon construction.</li> <li>The housing sector will be properly integrated into skills and capability markets in Worcestershire and the wider West Midlands region.</li> </ul>

## Other Strategic Levers:

**Use opportunities created by planning reforms to encourage great quality development.** The Levelling-Up and Regeneration Bill contains provisions that should enable Districts to raise the bar in terms of housing quality and infrastructure provision in line with local needs. Measures include 'Build Better, Build Beautiful' provisions, new Supplementary Plans and the funding transparency secured from a locally set Infrastructure Levy. A key objective of the housing strategy will be to encourage Districts to plan, organise and resource to secure the greatest leverage from the reforms to deliver better housing outcomes.

**Prepare to implement the digital technologies envisaged for planning.** Planning reforms will also accelerate the adoption of digital technologies to increase the level of public engagement with the planning process and to support the consent process. Districts should develop the capabilities to implement the required digital change programme.

## Other jobs to do:

**Develop Design Codes.** Design codes are a well-established means of raising the standard of housing design. All Planning Authorities will be required to develop a design code. Some codes, for example, the Essex Design Guide have played an important role in maintaining the quality and character of housing in a locality. Planning Authorities in Worcestershire presently rely on supplementary planning guidance (SPG) that will also be repurposed as part of proposed changes. Districts should develop and implement a joined-up plan for design codes appropriate for different parts of the county in line with the National Model Design Code. The design code process is a departure from current practice and will benefit from a common, lessons-learned approach.



**Advance preparation for the introduction of new Fire Safety requirements and housing management reforms.** Management of public housing will be subject to significant change during the early part of the housing strategy resulting in much more controlled approach to fire safety management and improved rights of representation for tenants. The new safety regime for occupied higher-risk buildings will apply to occupied buildings that are either over 18m or over 7 storeys high<sup>22</sup>. Housing authorities and public sector providers should aim to prioritise the implementation of these measures as a means of improving housing services. This can be done by securing representative buy-in and by commencing elements of the change programme ahead of the finalisation of primary and secondary legislation. County, Borough and District Councils will not have a role in the registration, assessment, or assurance of safety regimes for higher-risk buildings.

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<sup>22</sup> Details of the new safety regime for occupied higher-risk buildings were published as part of a consultation in July 2022. <https://www.gov.uk/government/consultations/consultation-on-the-new-safety-regime-for-occupied-higher-risk-buildings/consultation-on-the-new-safety-regime-for-occupied-higher-risk-buildings>

## Priority Area 3 – Health and Well-Being

<b>Vision Statement or Objective for 2040</b> <p>Housing has a central role in ensuring good Health and Wellbeing for everyone in Worcestershire:</p> <p>Local Authorities and their partners make it a priority to work to ensure that Worcestershire is a great place to live for everyone.</p> <p><b>Why?</b></p> <ul style="list-style-type: none"> <li>Housing plays a crucial role in contributing to quality of life in Worcestershire. Secure and warm housing is essential for good health. Avoiding fuel poverty and homelessness is part of this. Worcestershire has pockets of significant need associated with affordability, security of tenure and access to services. The Strategy prioritises reducing health inequalities, improving the life chances of more disadvantaged people alongside the wider population.</li> <li>Local Authorities and health partners in Worcestershire collaborate to deliver great services to citizens, centred around the home.</li> <li>Housing is recognised as having a key role to place in the provision of adult social care. Worcestershire's Integrated Care System provides a well-developed and collaborative approach to health and social care. The housing strategy will integrate with the Herefordshire and Worcestershire Integrated Care Board. The valuable touchpoints that housing services provide to people with complex care needs will be used to support care pathways.</li> </ul>		
<p><i>By 2035, the number of people living alone in Worcestershire is expected to rise by 36%.</i></p> <p><i>The number of people diagnosed with dementia is forecast to increase by 56% between 2016 and 2035.</i></p> <p><i>14.4% of households are affected by fuel poverty in Worcestershire compared to the national average of 13.4%</i></p>		
<b>Strategic Levers</b>		
<b>Lever 1</b> <ul style="list-style-type: none"> <li>Increase the delivery of a diverse range of affordable and social housing to suit the needs of citizens at all stages of life. This will equip Worcestershire to address care issues including acute housing needs, homelessness, and wider provision for later living more effectively.</li> </ul>	<b>Lever 2</b> <ul style="list-style-type: none"> <li>Develop a role for housing in the delivery of health and wellbeing services. This could potentially include service hubs working out of community facilities developed as part of housing schemes. Alternatively, contact points associated with housing services could be used. Integrate with other services that support wellbeing including leisure services.</li> </ul>	<b>Lever 3</b> <ul style="list-style-type: none"> <li>Adopt an area-based operating model that integrates the community with public and private housing providers and other service providers including leisure facilities.</li> </ul>
<b>Jobs to be done</b>		
<b>Job 1</b> <ul style="list-style-type: none"> <li>Take steps to improve the life chances of people living in poor quality housing. This will include the coordination of Net Zero Carbon retrofit programmes to reduce fuel poverty, tackle damp and mould and deliver improvements to amenities and</li> </ul>	<b>Job 2</b> <ul style="list-style-type: none"> <li>Develop later independent living housing products in line with an expected increase in the elderly share of the population, meeting the needs of both locals and inward migrants. The products should include co-living and</li> </ul>	<b>Job 3</b> <ul style="list-style-type: none"> <li>Promote mixed communities, with care supported by digital technologies. This will be achieved by working with a diverse range of housing providers, particularly in connection with larger scale development.</li> </ul>

public spaces to encourage active lifestyle choices.	extra-care developments to meet market expectation.	
<b>Who is involved?</b> <ul style="list-style-type: none"> <li>County Council – social care and public health</li> <li>District Council – housing, development, and planning</li> <li>Integrated Care System Partners</li> <li>Herefordshire and Worcestershire Health and Care Trust</li> <li>Worcestershire Primary Care Network</li> <li>Registered Providers and other housing providers</li> </ul>		
<b>The outcome – how Worcestershire will be different:</b> <ul style="list-style-type: none"> <li>Worcestershire has a diverse mix of healthy housing that directly contributes to improved health outcomes.</li> <li>Worcestershire has sufficient housing to need all housing needs. Homelessness and acute housing need are reduced as a result.</li> <li>Herefordshire and Worcestershire Integrated Care Board works closely with providers of housing and housing services to ensure that housing contributes improved health and wellbeing.</li> <li>Social and health services delivery takes place via the home and community, focused on the needs of people.</li> <li>Housing developments are planned to include active travel, community, and social facilities from the outset.</li> </ul>		

## Making it happen (essential actions):

Strategic Lever: Increase the delivery of a diverse range of affordable and social housing		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>Good quality housing plays an important role in quality of life. Affordability is important in Worcestershire due to below average wage levels.</li> <li>Homelessness and acute housing need will only be addressed if additional housing is developed to meet the need.</li> <li>Housing aimed to the needs of different groups including single adults and older residents will help to secure those specific needs can be readily met.</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>A diverse range of housing will be delivered by a partnership approach. It will include the involvement of specialist service providers, housing developers, the public sector and the third sector.</li> <li>New housing will meet the needs of currently underserved groups including families and single young adults at risk of homelessness.</li> <li>The planning system will play a key role in the matching of demand and supply – backed by an evidence-base of need.</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>More good quality, healthy, affordable housing will improve health outcomes – particularly for people whose choice of housing is limited due to personal circumstances.</li> <li>Levels of measurable deprivation including homelessness will fall.</li> <li>Housing, health, and social care services will be better integrated with some services being accessible through the use of digital technology enabling access to digital consultation and online services in community settings.</li> </ul>
Jobs to be done - Take steps to improve the life chances of people living in poor quality housing		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>Poor quality housing is known to contribute directly to health inequality. Fixing problems with</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>Net zero retrofit should be prioritised to improve the energy performance of the local</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>Worcestershire's net zero retrofit programme delivers</li> </ul>



<p>existing housing through retrofit programmes will result in better health outcomes. Improving accessibility in housing will also increase independence and will improve quality of life.</p> <ul style="list-style-type: none"> <li>• Homelessness is closely associated with poor physical and mental health.</li> <li>• Worcestershire has an ageing population. Many older residents live in their own homes. Many of these homes also need to be updated to make them warm, dry, secure, and accessible.</li> </ul>	<p>housing stock and tackle issues with damp and mould.</p> <ul style="list-style-type: none"> <li>• Public programmes should prioritise poor quality housing first.</li> <li>• Disposal of ‘hard to improve’ housing which will slow down improvement works by public bodies should not be permitted.</li> <li>• Housing providers should develop more dedicated accommodation for the homeless, including making use of PDR powers to develop new accommodation in suitable locations.</li> <li>• Independent living housing should be developed to meet the needs of local residents, enabling existing properties to be improved and reused.</li> </ul>	<p>healthy homes to the most-needy residents before 2030.</p> <ul style="list-style-type: none"> <li>• Public retrofit programmes prioritise housing that is in the poorest condition.</li> <li>• Housing provision for the homeless meets the needs of all groups including single people and families.</li> <li>• Elderly homeowners can access help and support to improve their homes or to move to more suitable accommodation.</li> </ul>
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## Other Strategic Levers:

**Develop a role for housing in the delivery of health and wellbeing services.** Opportunities include the integration of housing services contact points with other aspects of support for people with additional care and service needs. Use of digital technologies for housing management and for in-home care will also provide new long-term opportunities to integrate pathways associated with housing, social care, and healthcare.

**Adopt an area-based operating model that integrates the community with public and private housing providers.** Community-based approaches such as the Asset Based Community Development (ABCD) approach should be considered in the County as a means of organizing services in both existing and new communities. The principle should be that services are developed in consultation with local communities and build on the foundations of existing initiatives rather than replacing with new, centralized models. Initial work using the ABCD model has commenced in Worcestershire. These pilot projects should inform the development of a broadly-based strategy for community engagement through to 2040.

## Other jobs to do:

**Develop Later Living products including co-living, independent living, and extra-care.** Support the development of dedicated/ tailored later living accommodation to enable Worcestershire residents to have a wider range of options including downsizing. Enable development at sufficient scale across the county so that it can be operated economically – attracting more investment. Integrate later living developments as hubs into county-wide social and healthcare provision.

**Promote mixed communities, with care supported by digital technologies.** The strategy recommends that pathways associated with housing should be used to support the delivery of health and social care services. Two opportunities facilitated by the planning system are the provision of communal hub facilities in new development including within co-living and extra-care settings, and the embedding of devices and connectivity to facilitate digitally enabled support and care. Districts should set and meet challenging targets for the delivery of accessibility modifications to increase the independence of elderly residents.

## Priority Area 4 – Net Zero Carbon and Climate Change

### Vision Statement or Objective for 2040

Climate change is one of the most important challenges that the housing strategy will address. A large share of the housing stock in Worcestershire will need retrofit by 2040 to meet net-zero targets in line with the Heat and Buildings Strategy<sup>23</sup> (HBS):

Specific roles have been identified in the strategy for Local Authorities, including planning for decarbonisation, decarbonising local authority stock, providing information, and raising awareness of support available for the decarbonisation. Above all, Local Authorities must continue to prioritise the tackling of climate change over the extended period to 2050.

*In Worcestershire fuel poverty affects around 14.4% of households*

### Why?

- Government data suggests that 87% of homes in Worcestershire will require substantial retrofit investment to meet net-zero targets. Retrofit investments will create warmer, healthier homes with lower fuel bills helping to improve well-being (by tackling damp and mould issues) and eliminate fuel poverty.
- Local planning authorities in Worcestershire have opportunities and powers under the Environment Act to intervene to promote biodiversity recovery and improvements to air and water quality.
- Energy transition is a big economic opportunity and Worcestershire already benefits from employment created by Worcester Bosch. There is an opportunity to further develop a low-carbon heat eco-system based on consulting, and installation services focused on the local market.

### Strategic Levers

#### Lever 1

- Support the development of local low-carbon supply chains to deliver high-quality, best value retrofit to the public and social and affordable housing sector. This initiative will build on the long-term finance offered by the Social Housing Decarbonisation Fund launched in 2021.
- District councils should promote the adoption of PAS2035 on programmes beyond the scope of LAD and ECO<sup>24</sup>
- Adapt procurement models used for the Decent Homes programme such as Fusion 21 to create local jobs, maximise programme buying power and manage retrofit portfolios. Work with registered providers and other large-scale housing

#### Lever 2

- Promote the development of sustainable communities based in part on the 20-minute town model. 20-minute towns combine a diverse range of homes in different tenures, employment, social and welfare services, and green space within an area that can easily be accessed using public and active travel options. Sustainable communities should also be designed to be healthy and resilient, with ample green space to support exercise and biodiversity as well as long-term responses to climate change threats. The benefits of promoting a sustainable community's model are that it is a holistic response to all of the challenges

#### Lever 3

- Develop a coordinated plan for benefits realisation associated with the implementation of the Environment Act in connection with housing development.
- Develop a framework for the agreement of biodiversity net gain investments to enhance public realm and public amenity.
- Consider biodiversity net-gain as an integral part of wider programmes associated with protected and priority species and habitats.

<sup>23</sup> BEIS. Heat and Building Strategy. October 2021

<sup>24</sup> Energy Company Obligation Scheme. Under ECO energy providers fund housing improvement programmes for low-income households. ECO4 will commence in April 2022.

<p>owners to create a large-scale retrofit programme.</p> <ul style="list-style-type: none"> <li>Develop capacity for energy planning and mapping for decarbonisation in anticipation of the introduction of heat network zoning in 2025.</li> </ul>	<p>highlighted in the Housing Strategy.</p>	
<b>Jobs to be done</b>		
<p><b>Job 1</b></p> <ul style="list-style-type: none"> <li>Develop a public engagement strategy aligned to the extended timescales of the HBS. Plan to engage with homeowners through to 2050 to raise awareness of retrofit opportunities.</li> <li>Design the programme and specification to focus on privately rented and owner-occupied housing aligned to incentives outlined in the HBS.</li> <li>Raise awareness of existing and planned incentives for decarbonisation so that NZC opportunities are considered when homes are upgraded. Keep the engagement programme under regular review to assess impact and to align to new incentives as they are developed.</li> </ul>	<p><b>Job 2</b></p> <ul style="list-style-type: none"> <li>Progress on decarbonization as quickly as possible targeting the worst performing housing. Prioritise securing funding through ECO, Local Authority Delivery Scheme and Social Housing Decarbonisation.</li> <li>Develop county-wide strategies and targets in line with the long-term evolution of national decarbonization strategies. Anticipate direction of travel and adjust in response to detail such as the 2026 decision on hydrogen gas heating. This applies to new build and retrofit.</li> </ul>	<p><b>Job 3</b></p> <ul style="list-style-type: none"> <li>Develop an approach to the net-zero carbon retrofit of homes in Worcestershire focused initially on homes in the public sector but with a long-term target to encourage the upgrade of private homes.</li> </ul> <p>This will initially build on existing schemes including ECO/ECO+ and over time will expand to cover the wider private sector including the rental sector.</p> <p>This will anticipate the effect of incentives including funding and triggers for improvement.</p> <ul style="list-style-type: none"> <li>The Worcestershire plan will go beyond the strategy by promoting a common assessment process through an early emphasis on public engagement.</li> </ul>
<p><b>Who is involved?</b></p> <ul style="list-style-type: none"> <li>County Council – planning, public health, sustainability, and transport</li> <li>District Council – housing, management, housing development and planning</li> <li>DLUHC</li> <li>Midlands Energy Hub</li> <li>Registered Providers and other housing providers</li> <li>Energy generators contributing to ECO.</li> <li>National, regional and SME housing developers.</li> <li>Regional construction supply chain</li> <li>Housing third parties including funders, insurers etc.</li> <li>Training providers including the Higher Education sector.</li> </ul>		
<p><b>Worcestershire’s plan – how it will be different:</b></p> <ul style="list-style-type: none"> <li>Worcestershire will make rapid progress in the development of a decarbonisation plan and will be ahead of programme with respect to decarbonisation of existing public and private sector housing through retrofit by 2040.</li> </ul>		



- New communities developed in Worcestershire will be master planned, designed and built to be sustainable from the outset.
- Worcestershire will have a coordinated approach to the implementation of the Environment Act, which will support enhancements to biodiversity and resilience across the County.

## Making it happen (essential actions):

Strategic lever: Develop local low-carbon supply chains to be capacity to deliver the retrofit programme		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>• Net zero carbon retrofit will require the development of a completely new supply chain.</li> <li>• Adoption of the PAS 2035 standard will promote the development of a competent supply chain for the roll-out of retrofit at scale.</li> <li>• The development of the supply chain will require a programme of work, competent assured contractors, trained operatives, and a materials supply network.</li> <li>• Local authorities will have access to Social Housing Decarbonisation Funding and wider programmes in connection with the retrofit of the non-residential public estate to accelerate the development of this local capacity.</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>• This initiative will rely on the long-term development of funding solutions for net zero carbon retrofit in the public sector building on the platform of the Social Housing Decarbonisation Fund.</li> <li>• Local Authorities have developed locally based supply chains for previous programmes such as Decent Homes. A good exemplar is the Fusion 21 programme developed for the 2008 Decent Homes programme.</li> <li>• Fusion 21 featured a visible pipeline of work, a framework of local contractors, a training programme, a bulk material purchasing programme and a pre-agreed pricing framework.</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>• The development of a local supply chain for retrofit accredited to PAS 2035 is an essential step to ensuring that Worcestershire people fully benefit from net zero carbon – accelerating home improvement and creating local jobs and a local SME retrofit network.</li> <li>• The outcome of the strategy will be made more certain using proven supply chain models.</li> <li>• Expanded capacity for retrofit in Worcestershire will enable the rate of progress to be maintained and may also achieve savings related to scale economies.</li> <li>• The supply chain should be accessible by the public and private sector.</li> </ul>

Jobs to be done: Develop a public engagement strategy to encourage private sector decarbonisation		
<b>Opportunity</b> <ul style="list-style-type: none"> <li>• Most homes in Worcestershire are privately owned. The HBS anticipates that most homeowners will undertake their own retrofits in line with heating system upgrades.</li> <li>• Most homes in Worcestershire will require improvement works, so it makes sense to make early progress on 'no-regret' solutions that improve home comfort.</li> <li>• Eventually home-owners will need to install a low-carbon heat source like a heat pump. However, the right solution might not yet be available.</li> </ul>	<b>Solution</b> <ul style="list-style-type: none"> <li>• The HBS is a long-term strategy designed to work with the 'grain of consumer behaviour'. An engagement strategy needs to be similarly long-term.</li> <li>• Actively participate in 'inward engagement' through public consultation by Government, so the needs of Worcestershire are considered in policy development.</li> <li>• Encourage public adoption of existing and future advice sources as highlighted in the HBS including the Simple Energy Advice platform.</li> </ul>	<b>Outcome</b> <ul style="list-style-type: none"> <li>• Raised awareness of the importance of homes in tackling climate change. Citizens accept the need for substantial change to buildings and behaviours needed to retrofit / decarbonise housing.</li> <li>• Accelerated adoption of energy and carbon saving measures in line with the long-term trajectory needed to meet net zero targets.</li> <li>• People in Worcestershire are aware of the changes that are coming and have the time to prepare.</li> </ul>

<p>Making the right changes at the right time is critical.</p> <ul style="list-style-type: none"> <li>• Raising awareness of low carbon opportunities for existing homeowners will increase take-up of solutions over the 30-year period of the HBS.</li> </ul>	<ul style="list-style-type: none"> <li>• Promote awareness of the availability of support including advice and grants</li> <li>• Promote the awareness of retrofit incentives including upgrades to EPCs and other planned changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Housing retrofitted to meet NZC principles will be free of damp and mould.</li> <li>• Active participation by Worcestershire in policy formulation relevant to housing decarbonisation.</li> </ul>
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## Other Strategic Levers:

**Promote the development of sustainable communities.** Sustainable communities are a product of the people who live in a place and the homes and other facilities that support them. Sustainable communities should be mixed and diverse, readily accessible and should have facilities that meet the needs of all members of the community. These communities should also be designed to be sustainable in the face of climate change and other environmental challenges. Worcestershire will see large-scale housing development over the 20 years of the strategy. One of the most effective ways of meeting the objectives of all four priority areas will be to ensure that the largest-scale developments make a full contribution to climate change mitigation. This will be enabled by ambitious early master planning supported by local authorities, potentially facilitated by Supplementary Plans and development bodies including Urban Development Corporations.

## Strategic lever 2.

**Develop a coordinated plan for benefits realisation following the implementation of the requirements of the Environment Act** in connection with housing development, including biodiversity net gain. Integrate the plan with housing planning and development so as to support the creation of sustainable, resilient communities. Consider joint working across Worcestershire where this will deliver better outcomes for the local environment.

## Other jobs to do:

**Accelerate progress on decarbonisation as quickly as possible.** The HBS is designed to allow for the adoption of decarbonising technologies with the 'grain' of consumer behaviour. The strategy also promotes 'no-regrets' associated with new-build and off-grid homes where measures taken now will deliver benefit. Public sector retrofit should proceed as quickly as possible with initial support from the Social Housing Decarbonisation Fund.

Targets to increase adoption of low-carbon technologies are challenging, and work to create momentum in Worcestershire allied to existing low-carbon industries will increase the pace of uptake.

**Develop an approach to the net-zero carbon retrofit.** Most low carbon retrofit will take place in privately owned homes. Standardised approaches to retrofit based on PAS 2035 will help to improve standards, quality, and confidence for the consumer. This work will be delivered by the private sector, but Worcestershire will play a key role in facilitating a common approach. This is likely to involve working with Central, Regional and Local Government Partners to refine common standards suitable for use in the private housing sector.

## 5 2023-2025 Action Plan

It will be the responsibility of each district council to consider the ambitions set out in this strategy and develop its own action plan.

This section of the report sets out proposals for consideration in the development of these district-level action plans. As the strategy sets out a 20-year ambition, the proposals are at three levels of detail:

- A 100-day plan to create momentum and to promote awareness of the strategy across affected parties.
- A 5-year action plan setting out key priorities across the four priority areas.
- A twenty-year road map, showing how the components of the strategy will come together to support the delivery of the vision.

### 5.1 The 100-day plan

The purpose of the Housing Strategy is to deliver a step-change in housing provision in Worcestershire.

*Worcestershire will be known for excellent housing. Everyone will have the choice of how and where they live. Local homes will be warm, healthy and will lead the way towards Net Zero. Worcestershire housing will add to a better quality of life.*

This is summed up in the Vision for Housing:

As set out in this strategy, this vision will be delivered through coordinated action over 20-years across four broad areas of policy:



In order to create momentum in 2023, we propose a simple 100-day plan focused on the creation of momentum and awareness. The plan should act as a call for action around the following major opportunities:

- Creating a culture of positive action in housing and planning authorities to secure that Worcestershire is a dynamic, growing, and great place for everyone to live.
- Organising and actively collaborating in housing and planning authorities across Worcestershire. Taking assertive steps to meet the policies and aspirations that are set out in Development Plans.
- Using large scale development to set the standard for sustainable development including place-based amenities and services.
- Develop and manage affordable and social housing as an integral part of new and existing communities to increase inclusion in Worcestershire.
- Engaging with, organising, and supporting public and private homeowners to meet net zero targets.



**Actions during the first 100 days:**

We recommend the following key actions:

1. Obtain approvals and political support.
2. Develop individual district-level action plans with consideration being given to the proposals in this strategy.
3. Agree areas of collaboration.
4. Develop governance.

This Strategy serves several purposes:

- It is a vision for housing in the county to 2040.
- It provides a statement of intent focused on specific priorities.
- It provides the foundation of a set of more detailed action plans to cause the necessary changes and actions to happen and be delivered.
- It provides an opportunity to evolve Worcestershire's housing market offer to meet the needs of its citizens and business over the longer term. improving quality of life.

## 5.2 Action Plan 2023-2025

The proposed action plan summarises the series of key next steps to be implemented during the period 2023 to 2025 in order for the strategy to achieve its purpose. These are organised by the four priority areas, together with a series of important enabling actions. The proposed actions need to be developed by Partners, collectively and where necessary at individual organisational level to respond to the items proposed below.

	Proposed Actions	Outcome	Benefits
<b>Enabling actions</b>			
Engagement strategy	<ul style="list-style-type: none"> <li>Prepare and implement bespoke targeted stakeholder engagement programme.</li> </ul>	<ul style="list-style-type: none"> <li>Aligned stakeholders support for the strategy and implementation of its recommendations / next steps.</li> </ul>	<ul style="list-style-type: none"> <li>Quick and frictionless implementation of strategy delivering early benefits.</li> </ul>
Strategy update	<ul style="list-style-type: none"> <li>Agree strategy monitoring and evaluation process.</li> <li>Agree strategy review periods - we recommend a review every 12 months and a refresh every 3 years.</li> <li>Develop review and refresh process.</li> </ul>	<ul style="list-style-type: none"> <li>Constant focus on delivery and evolution of strategy.</li> <li>Maintenance of evidence base of impact and benefits delivered – enabling ongoing stakeholder support.</li> <li>Strategy remains ambitious and future looking.</li> </ul>	<ul style="list-style-type: none"> <li>Strategy remains up to date and relevant to Worcestershire, its citizens, and stakeholders.</li> <li>Worcestershire remains the most attractive place to live, work, learn and enjoy leisure time in the UK.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Monitor the effectiveness of existing governance arrangements as part of the strategy roll-out.</li> <li>Consider establishment of housing board.</li> </ul>	<ul style="list-style-type: none"> <li>Streamlined governance model mobilised.</li> </ul>	<ul style="list-style-type: none"> <li>Identification and recognition of linkages between economic / housing / health activity leading to more impactful decision making and greater benefits being delivered.</li> <li>Development of culture of positive action and collaboration – task and finish approach.</li> </ul>
Government support & involvement of DLUHC	<ul style="list-style-type: none"> <li>Develop key areas from the strategy where Government intervention, support or policy change is required to deliver the best possible outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Strategy outcomes are delivered efficiently and effectively through recognition that support is required and changes in policy are made that positively impact delivery through the life of the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>The type and quality of homes required are delivered in Worcestershire.</li> </ul>

	<ul style="list-style-type: none"> <li>Initiate and act on strategic case for Homes England support around key interventions and initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Homes England resources are deployed to support the Worcestershire agenda.</li> </ul>	
Evidence Base	<ul style="list-style-type: none"> <li>Develop a Plan for collecting, measuring, and reviewing data/ to form an evidence base for decision making and policy changes/support.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence base to demonstrate to developers that a step change in activity in Worcestershire is required – for example NZC and independent living homes</li> </ul>	<ul style="list-style-type: none"> <li>The type and quality of homes required are delivered in Worcestershire.</li> </ul>
<b>Economic Growth and Jobs</b>			
Opportunity Pipeline	<ul style="list-style-type: none"> <li>Develop 5+ year public sector pipeline of development sites.</li> <li>Review existing known sites for housing and identify new possibilities e.g., WOPEP estate rationalisation, land promotion, change of use.</li> <li>Classification, appraisal, prioritisation of sites; identifying capacity, viability, timescales, and wider benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Initial programme of sites for development.</li> <li>Increased rate of delivery of social and affordable housing.</li> <li>Visible pipeline for the development of Offsite Manufacture</li> <li>Barriers and enablers to development identified and plans to mitigate prepared.</li> </ul>	<ul style="list-style-type: none"> <li>Pipeline informs opportunity for alternative housing delivery models.</li> <li>Drives efficiency opportunities through better use of assets and associated cost savings.</li> <li>Underpins confidence in ability to directly influence housing market.</li> </ul>
Development of housing delivery capacity	<ul style="list-style-type: none"> <li>Use Local Plans to assess the most appropriate way of bringing the sites forward for development</li> <li>Consider alternatives to land sale including establishment of delivery vehicle(s).</li> <li>Establish a clearing house function to consolidate demand for MMC.</li> <li>Assess alternative delivery vehicles considering a range of factors.</li> <li>Explore potential partners such as Homes England, Registered Providers etc.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of Delivery Vehicle capacity within district councils or option to sell assets to traditional market - aligned to stakeholder ambitions.</li> <li>Delivery of a diverse range of housing to meet the needs of all citizens.</li> <li>Direct delivery sets standards and expectations for large-scale development including sustainable communities.</li> </ul>	<ul style="list-style-type: none"> <li>Ability to accelerate delivery of affordable housing (or other tenure) aligned to county's social, economic, and environmental needs.</li> <li>Setting benchmarks on design quality.</li> <li>Opportunity to explore new innovations and drive forward agreed initiatives e.g., net zero carbon, modern methods of construction, healthy homes etc.</li> <li>Best value capital and revenue generation.</li> </ul> <p>*See Quality and Standards action</p>



Effective deployment of housing resources	<ul style="list-style-type: none"> <li>• Build on (existing) collaborative cross-county working practices between district councils to prepare for additional workload and requirements for new capability that will come from planning reform.</li> <li>• Address / assess in terms of 'jobs to be done' and how best to deliver; recognising the significant opportunities transformation could realise.</li> <li>• Adopt a consistent approach to dealing with development parties to secure the necessary supply of social housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Positive action and collaboration between the district councils that is able to respond to the Strategy and adapt to the changes and additional workload that will likely result from planning reform</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency of delivery / lower cost to deliver / greater capacity to deliver / higher quality of delivery.</li> <li>• Joined up consistent approach to market leading to better housing being delivered across the county.</li> <li>• Best practice developed and applied with a 'local lens'.</li> </ul>
<b>Quality and standards</b>			
Support the adoption of MMC housing by collaboration across boundaries to consolidate MMC demand.	<ul style="list-style-type: none"> <li>• Public sector and Registered Provider housing developers to support adoption of MMC solutions at scale.</li> <li>• Clearing house to be established across the county to consolidate demand from multiple programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to MMC capacity in the county is enhanced.</li> <li>• Procurement of MMC housing is simplified for public bodies in the county.</li> <li>• Quality of housing delivered in the county will be enhanced and productivity will increase.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased housing delivery capacity in Worcestershire based on a more diverse housebuilder supply chain.</li> <li>• Delivery of better-quality housing</li> </ul>
Plan for the implementation of planning reform to encourage great quality development	<ul style="list-style-type: none"> <li>• Prepare to use planning reform to promote great quality development.</li> <li>• Develop local standards, design guides and codes as needed to secure high-quality development.</li> <li>• Building planning capability to manage large scale consents.</li> <li>• Plan for a faster planning process and secure opportunities for participation.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective implementation of major changes to the planning system.</li> <li>• Better quality development with more amenity for the community.</li> <li>• Improved engagement with stakeholders as part of future housing planning activity</li> </ul>	<ul style="list-style-type: none"> <li>• Smooth implementation of reform to planning.</li> <li>• A housing offer that underpins / supports economic growth.</li> <li>• Increased volume of house building to meet targeted need.</li> <li>• Better use of planning resources across the county.</li> </ul>

	<ul style="list-style-type: none"> <li>• Prepare to implement digital technologies as part of planning reform.</li> </ul>		
Develop local supply chain capacity	<ul style="list-style-type: none"> <li>• Prepare for opportunities associated with growth in new build and retrofit markets.</li> <li>• Collaborate with local businesses, training providers and other partners to plan for development of supply chain capacity.</li> <li>• Consider business capacity as well as skills.</li> </ul>	<ul style="list-style-type: none"> <li>• Sufficient capacity is planned to meet the requirements of the housing strategy.</li> <li>• Local people have the opportunity to participate in the housing sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Housing requirements are met.</li> <li>• The housing market supports good quality jobs and local enterprise.</li> <li>• Worcestershire economy benefits from further diversification</li> </ul>
Design Codes and Quality Standards	<ul style="list-style-type: none"> <li>• Develop a common approach to development of localised Design Codes across the county.</li> <li>• Set minimum standards and expectations for large scale development / settlements.</li> <li>• Take a lead on permitted development rights in town centres.</li> </ul>	<ul style="list-style-type: none"> <li>• Driving the delivery of housing aligned to Worcestershire's economic and community / citizen needs.</li> <li>• Delivery of citizen centric, mixed sustainable communities with high quality placemaking principles as standard.</li> </ul>	<ul style="list-style-type: none"> <li>• Housebuilders in Worcestershire deliver beautiful homes that meet the needs of all occupiers.</li> <li>• Worcestershire is the best place to live in England.</li> <li>• Zero carbon communities are developed with increased resilience to climate change and lower cost of retrospective measures.</li> </ul>
Advance preparation for the introduction of new Fire Safety requirements for existing residential buildings	<ul style="list-style-type: none"> <li>• Develop a plan to implement forthcoming building safety legislation in connection with Local Authority and Registered Provider managed housing over 11m in height (where relevant).</li> <li>• Integrate the plan with wider reforms in connection with the management of social housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Worcestershire will have a county-wide plan to implement building safety management programmes as soon as practicable.</li> <li>• Reforms will be implemented as a single programme.</li> </ul>	<ul style="list-style-type: none"> <li>• People living in affected housing will benefit from improved safety management practice.</li> </ul>

Health, wellbeing, and inclusion.			
Increase the delivery of a diverse range of affordable and social housing.	<ul style="list-style-type: none"> <li>Develop an accurate model to forecast demand for lower-cost housing.</li> <li>Design of affordable housing requirements in the planning system to meet diverse housing needs.</li> <li>Wide range of tenures in large-scale developments including urban extensions.</li> <li>Local authority participation in development.</li> </ul>	<ul style="list-style-type: none"> <li>Data-led approach to affordable and social housing provision.</li> <li>Supply of housing aligned to the needs of the local working population.</li> <li>Greater diversity of housing supply, particularly in larger development.</li> </ul>	<ul style="list-style-type: none"> <li>Worcestershire meets the housing needs of all citizens.</li> <li>More choice of social and affordable housing increases social mobility.</li> <li>Homes and jobs are located more closely together.</li> </ul>
Tackling homelessness	<ul style="list-style-type: none"> <li>Review the findings and recommendations of the Homelessness and Rough Sleeping Strategy to align ambition and direction.</li> </ul>	<ul style="list-style-type: none"> <li>A joined-up approach to resolving the challenges of homelessness and rough sleeping.</li> </ul>	<ul style="list-style-type: none"> <li>The strategy will seek to deliver a long-term housing solution to the homeless of Worcestershire.</li> </ul>
Improve the life chances of people living in poor quality accommodation	<ul style="list-style-type: none"> <li>Prioritise net zero retrofit to deal with poorest quality housing first.</li> <li>Develop dedicated housing to meet the needs of the homeless.</li> <li>Prohibit the disposal of hard to decarbonise homes in public ownership.</li> <li>Promote private sector retrofit schemes to older residents in privately owned homes.</li> </ul>	<ul style="list-style-type: none"> <li>Worcestershire's most needy residents benefit from warm, healthy accommodation.</li> <li>Public retrofit funding is focused on housing that is in the poorest condition.</li> <li>Fewer people are homeless.</li> <li>Elderly homeowners can access support to improve their homes.</li> </ul>	<ul style="list-style-type: none"> <li>Improved health outcomes for Worcestershire's most needy residents.</li> <li>Greater equality in access to healthy housing.</li> <li>Greater independence for elderly homeowners who will be helped to improve their homes.</li> </ul>
Deliver housing suitable for later living in line with forecast demand	<ul style="list-style-type: none"> <li>Anticipate growth following the reform of funding for social care including sector-specific forecasts.</li> <li>Work with partners to provide evidence base to support and promote the adoption of 'Lifetime Homes</li> </ul>	<ul style="list-style-type: none"> <li>Planned housing supply in line with predicted demand.</li> <li>Resilient new housing able to meet the requirements of all potential residents.</li> <li>Increased interest from the development supply chain in the development of age-specific housing.</li> </ul>	<ul style="list-style-type: none"> <li>Worcestershire meets the needs of an important and growing housing cohort.</li> <li>Older residents live in suitable housing.</li> <li>Family homes are recycled for younger families.</li> </ul>



	<p>Standards' to reflect better the demographics of the county.</p> <ul style="list-style-type: none"> <li>• Work with partners to provide evidence base to support and promote later living housing through the planning system. Enable private sector operators to achieve scale in the county.</li> <li>• Work with extra-care housing providers to respond to the post-COVID-19 landscape and in raising the quality of existing accommodation to meet market expectation and need.</li> </ul>	<ul style="list-style-type: none"> <li>• Extended life of existing sheltered housing stock.</li> </ul>	<ul style="list-style-type: none"> <li>• Health issues associated with loneliness and fuel poverty etc are addressed.</li> </ul>
Develop a role for housing in the delivery of health and wellbeing services.	<ul style="list-style-type: none"> <li>• Collaborate with Integrated Care System Partners with the need to identify opportunities to better integrate housing service and healthcare pathways.</li> <li>• Identify opportunities to pilot health and well-being hubs using existing community facilities.</li> <li>• Learn from assisted tech pilot undertaken by Community Housing and current initiatives and commission a single strategy to explore how digital technology can be used to facilitate healthcare in the home (over the long-term).</li> </ul>	<ul style="list-style-type: none"> <li>• Build on existing collaborative initiatives. Make full use of the contact opportunities created by housing services to provide other support as needed.</li> <li>• Develop a partnership-based model for shared community services and activities focused on the shared community facilities delivered by new build housing development.</li> <li>• Accelerate the adoption of digital care services.</li> </ul>	<ul style="list-style-type: none"> <li>• More joined-up working centred on the home.</li> <li>• Effective use of community facilities to host outreach activities and events.</li> <li>• Early appreciation of the potential of digitally enabled home healthcare ahead of growth of demand in Worcestershire.</li> </ul>
<b>Net zero-carbon and climate change</b>			
Public engagement	<ul style="list-style-type: none"> <li>• Develop long-term plan for public engagement to increase awareness of the need for home decarbonisation and access to resources</li> </ul>	<ul style="list-style-type: none"> <li>• Worcestershire people understand the issues, are engaged and are ready when they need to act to decarbonise.</li> </ul>	<ul style="list-style-type: none"> <li>• Faster rate of decarbonisation</li> <li>• Wider base of support for decarbonisation measures</li> <li>• More homes that are healthier, less polluting and free of damp and mould.</li> </ul>

		<ul style="list-style-type: none"> <li>• Fewer chances to progress decarbonisation are missed because of better knowledge.</li> </ul>	
Healthy, sustainable communities	<ul style="list-style-type: none"> <li>• Set standards and expectations for the delivery of high quality, mixed-tenure sustainable communities.</li> <li>• Promote the development of sustainable communities based in part on the 20-minute town model.</li> <li>• Carry out feasibility study / pilot project on creating a model of “Worcestershire Healthy Housing”.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of sustainable communities that are great places for everyone to live.</li> <li>• Evidence base developed for new model of housing development.</li> </ul>	<ul style="list-style-type: none"> <li>• Healthier more economically active population.</li> <li>• Places that promote healthy, economically active lifestyles leading to lower costs for public services.</li> <li>• Reduced long-term cost of health and social care to the public sector.</li> </ul> <p>Worcestershire is seen as a trailblazing county – the healthiest in England.</p>
Net-zero carbon retrofit	<ul style="list-style-type: none"> <li>• Review current and planned NZC initiatives in the county and beyond including engaging with Registered Providers to assess size of opportunity / demand / need.</li> <li>• Develop a common approach to the retrofit challenge for both social and private housing based on PAS 2035.</li> <li>• Promote awareness and benefits of Net Zero Carbon retrofit to homeowners.</li> <li>• Prioritise / pilot poor quality housing with multiple issues e.g., high energy costs, risks to health through for e.g., damp and mould.</li> <li>• Develop local low-carbon supply chains to deliver retrofit to the public sector.</li> <li>• Consider the countywide economic model where the public sector takes a proactive/ interventional role in delivering retrofit to the private sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Worcestershire local authorities have a plan for retrofit and are active participants in discussions about funding and implementation.</li> <li>• A common approach minimises duplication of resources and inconsistent standards.</li> <li>• Homeowners are engaged early, creating awareness.</li> <li>• Worcestershire develops a local supply chain to deliver assured net zero carbon retrofit.</li> </ul>	<ul style="list-style-type: none"> <li>• Early progress and quick wins on the biggest housing challenge affecting Worcestershire.</li> <li>• Consistent implementation minimises operational disruption to Local Authority housing teams.</li> <li>• Capture the economic benefits through local supply chain opportunities.</li> <li>• Accelerate the transition to a zero-carbon county.</li> <li>• Accelerate retrofit programmes to improve quality standards of existing homes with better energy efficiency and being free of damp and mould.</li> </ul>

Public engagement	<ul style="list-style-type: none"> <li>• Develop long-term plan for public engagement to increase awareness of the need for home decarbonisation and access to resources</li> </ul>	<ul style="list-style-type: none"> <li>• Worcestershire people understand the issues, are engaged and are ready when they need to act to decarbonise.</li> <li>• Fewer chances to progress decarbonisation are missed because of better knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Faster rate of decarbonisation</li> <li>• Wider base of support for decarbonisation measures</li> <li>• More homes that are healthier and less polluting.</li> </ul>
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### 5.3 Long-term transformational road map

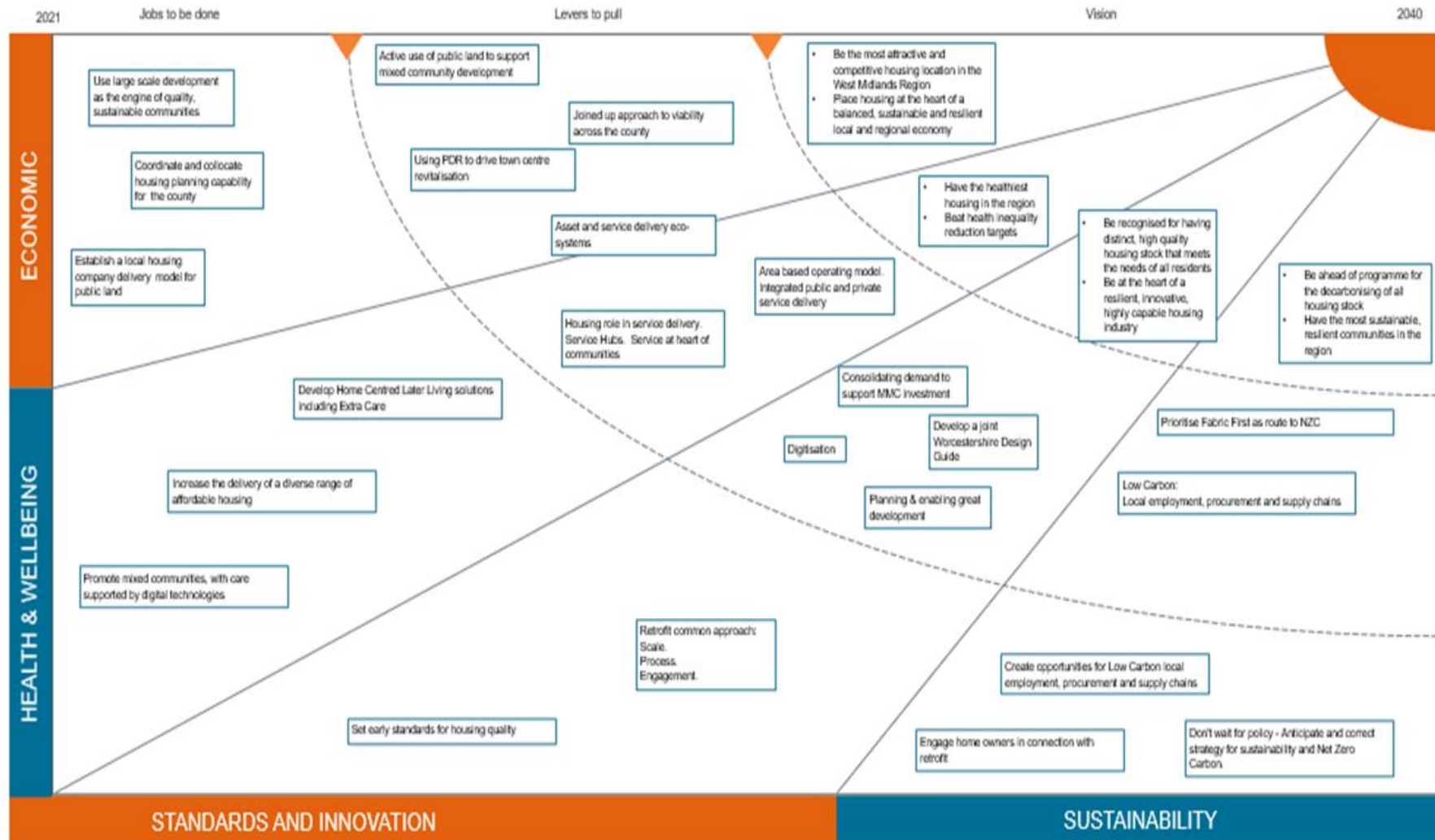
The road map summarises the main activities that are described and explained in the priorities section in the sequence required to deliver the 2040 objective.

The road map highlights the integrated nature of the strategy and the long-term nature of the actions required to deliver the expected level of change. This emphasises the importance of the five opportunities highlighted in the strategy:

- Creating a culture of positive action in housing and planning authorities to secure that Worcestershire is a dynamic, growing, and great place for everyone to live.
- Organising and actively collaborating in housing and planning authorities across Worcestershire. Taking assertive steps to meet the policies and aspirations that are set out in Development Plans.
- Using large scale development to set the standard for sustainable development including place-based amenities and services.
- Integrating affordable housing into new development in all communities.
- Engaging with, organising, and supporting public and private homeowners to meet net zero targets.



# Transformation Roadmap



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### **Outside Body Appointments 2023/24**

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

#### **1. RECOMMENDATIONS**

It is recommended that Cabinet considers nominating to the bodies listed at Appendix 1 as appropriate.

#### **2. BACKGROUND**

- 2.1 The Cabinet makes appointments and nominations to a number of Outside Bodies each year; some of these are for executive functions and these are made by the Cabinet. This report sets out the details of the relevant appointments.

#### **3. FINANCIAL IMPLICATIONS**

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

#### **4. LEGAL IMPLICATIONS**

- 4.1 No specific legislation governs the appointment or nomination of members to outside bodies by the Council. Depending on the nature of the relationship the Council has with the organisation, the legal status of the organisation, its corporate, charity or other status and its constitution, there are differing legal implications for the members sitting on these bodies.
- 4.2 The Local Authorities (Indemnities for Members and Officers) Order 2004 governs the Council's ability to indemnify members sitting on outside bodies.



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### **5. STRATEGIC PURPOSES - IMPLICATIONS**

#### **Relevant Strategic Purpose**

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

#### **Climate Change Implications**

- 5.3 There are no specific climate change implications.

### **6. OTHER IMPLICATIONS**

#### **Equalities and Diversity Implications**

- 6.1 There are no specific equalities and diversity implications.

#### **Operational Implications**

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

### **7. RISK MANAGEMENT**

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

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**8. APPENDICES and BACKGROUND PAPERS**

**Appendices**

Appendix 1 - list of appointments to outside bodies

**Background Papers:**

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

**9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	Councillor C. Hotham	27 <sup>th</sup> June 2023
Lead Director / Head of Service	Peter Carpenter, Interim Deputy S151 – Finance	27 <sup>th</sup> June 2023
Financial Services	Michelle Howell, Head of Finance & Customer Services	27 <sup>th</sup> June 2023
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	27 <sup>th</sup> June 2023

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## Appendix 1: Outside Bodies By Office (Cabinet appointments) –

Organisation	Number of representatives and length of term	Representatives Appointed 2022/2023	Nominations to be Appointed 2023/2024
Bromsgrove Partnership (Local Strategic Partnership)	Leader  Substitute – Deputy Leader	Cllr Karen May  Sub: Cllr Geoff Denaro	Cllr Karen May  Sub: Cllr Sue Baxter
District Councils Network	Leader  Substitute – Deputy Leader	Cllr Karen May  Sub: Cllr Geoff Denaro	Cllr Karen May  Sub: Cllr Sue Baxter
Local Government Association General Assembly	Leader  Substitute – Deputy Leader	Cllr Karen May  Sub: Cllr Geoff Denaro	Cllr Karen May  Sub: Cllr Sue Baxter
North Worcestershire Community Safety Partnership	Cabinet member	Cllr Margaret Sherrey	Cllr Peter Whittaker
PATROL (Parking And Traffic Regulations Outside London) Adjudication Joint Committee	Portfolio Holder for Environmental Services  Substitute:	Cllr Margaret Sherrey	Cllr Peter Whittaker  Sub: Cllr Shirley Webb
West Midlands Employers (previously West Midlands Councils)	Portfolio Holder for Human Resources	Cllr Geoff Denaro	Cllr Charlie Hotham
Worcestershire Health and Wellbeing Board	1 Rep for each council	Cllr Shirley Webb  Sub: Cllr Nyear Nazir RBC	Cllr Shirley Webb  Sub: Cllr Sue Baxter

Organisation	Number of representatives and length of term	Representatives Appointed 2022/2023	Nominations to be Appointed 2023/2024
Worcestershire Local Enterprise Partnership (LEP)	One representative on behalf of the 3 North Worcestershire Councils – required by LEP constitution	Cllr Karen May  Sub: Cllr Helen Dyke Wyre Forest DC	Cllr Marcus Hart (Wyre Forest District Council)  Sub: Cllr Karen May
Worcestershire Local Transport Body	Two representatives and one substitute from the North Worcestershire authorities	Cllr Matt Dormer  Sub: Cllr Helen Dyke Wyre Forest DC	Cllr Matthew Dormer (Redditch Borough Council)  Sub: Cllr Karen May

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### **Corporate Peer Challenge – Bromsgrove DC and Redditch BC 2023**

Relevant Portfolio Holder	Councillor May
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Report Author	Chief Executive <a href="mailto:k.dicks@bromsgroveandredditch.gov.uk">k.dicks@bromsgroveandredditch.gov.uk</a> 01527 881484
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

## **1. RECOMMENDATIONS**

- 1.1 It is recommended that Cabinet:
  - a. discuss and note the Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback report (Appendix A) which took place in March 2023.
  - b. discuss and endorse the Councils response (Appendix B) and supporting action plans (Appendices C to G).

## **2. BACKGROUND**

- 2.1 Since 2012 the LGA has provided, as part of its support to the sector, the facilitation of CPC reviews whereby senior members and officers from other local authorities, supported by LGA staff, visit the Councils with the objective to inform their improvement plans and how to develop corporate learning. It is designed to be forward looking, and to facilitate reflection on issues and how they may be resolved. While it can be used as an external 'health check' on the authorities corporate governance, the peer challenge is not a form of inspection.
- 2.2 On the 7th December 2022 at the Bromsgrove District Council (BDC) Full Council meeting Members discussed a report which detailed the section 24 Statutory Recommendation given by the council's External Auditors, Grant Thornton. This outlined the key reason being the non-delivery of the 2020/21 financial statements, with further detail available in the Interim Auditor's 2020/21 Annual Report issued by the



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Auditors. Although an action plan to address the issues was agreed, Full Council agreed to commission a LGA CPC with a specific focus on corporate governance based on the information contained within these two reports. Redditch Borough Council (RBC) received similar reports in November 2022 and accepted the recommendation along with the action plan to address the issues identified. Due to the shared nature of the councils and the issues identified BDC and RBC agreed to jointly commission this CPC.

- 2.3 The five high-level themes adopted for all LGA CPC's provides the initial framework:
- Local priorities and outcomes: Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities and achieving improved outcomes for all its communities?
  - Organisational and place leadership: Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
  - Governance and culture: Are there clear and robust governance arrangements? Is there a culture of respect, challenge and scrutiny?
  - Financial planning and management: Does the council have a clear understanding of its current financial position? Does the council have a strategy and a clear plan to address its financial challenges?
  - Capacity for improvement: Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?
- 2.4 The CPC was weighted to have a specific focus on corporate governance (within theme c of the above). In the context of the Section 24 recommendation and the associated Interim Auditor's 2020/21 Annual Report this focussed on understanding improvement requirements around governance systems and decision making. The CPC did not investigate the circumstances which led to the s24 notice, as this was part of a separate review undertaken by the Bromsgrove Audit, Standards and Governance Committee and was not requested at Redditch and sought to identify any learning and focus on areas of improvement for the future. As part of this, the wider system of checks and balances in place for local government including relevant council duties and legislation were considered in order to provide additional assurance to both BDC and RBC on their position. This included the peer team reviewing, but not being limited to the following areas:
- Governance and Culture:
    - Are governance arrangements effective?
    - How does the council deliver on its duty to deliver best value?
    - Are the roles of Members and officers clear?

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- What are the key governance issues from a political and officer perspective?
  - E.g. clarity, transparency, speed of decision making, accountability. To what extent are they structural or cultural / behavioral?
  - Is scrutiny welcomed and supported – both formal O&S and scrutiny more generally? Do all Members have the opportunity to inform and influence?
  - Does the Annual Governance Statement cover the key issues – and is it reflective / self-critical? When and how are the governance essentials reviewed? e.g. Constitution, Scheme of Delegation, etc.
  - How effective is the Audit, Standards and Governance Committee (BDC) and the Audit, Governance & Standards Committee (RBC)?
  - How strong are audit and governance arrangements - are the officer and Member responsibilities clear? Are the terms of reference for the Audit, Standards and Governance/Audit, Governance and Standards Committee effective?
  - Are there effective governance arrangements in place e.g. Audit, risk and the delivery of corporate objectives?
  - Are the arrangements for managing and monitoring delivery fit for purpose?
  - How does the council work with its Audit, Standards and Governance/ Audit, Governance and Standards Committee and its internal and external auditors to ensure effective financial controls are in place and to address issues raised?
  - How are major audit issues addressed, especially in relation to findings in the two reports highlighted earlier in this scope?
  - How is Worcestershire Internal Audit Shared Service working for BDC and RBC?
  - How are statutory officers fulfilling their role as laid out in relevant legislation?
  - Are there clear strategic risk management arrangements?
  - Is there a positive organisational culture – e.g. respect, transparency, performance management and challenge – and how is this reflected in behaviours and practice?
- b. Financial planning and management:
- Are financial reporting and audit seen as essential management and oversight tools?
  - Are financial systems, processes and controls adequate to ensure accountability for public money and accurate information for decision makers?

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- Do lead Members and management receive up to date and reliable financial management information when they need it?
- Are there effective and proportionate arrangements in place for the delivery of services across Bromsgrove and Redditch councils e.g. the approach to crosscharging?
- Is the reporting of monthly, annual and quarterly figures timely enough for action to be agreed and if necessary taken before the end of the next period?
- Are external auditors listened to and regarded as key partners in ensuring effective value for money and transparent governance?
- Are good and effective systems of financial management and administration in place, in areas such as income collection, investment returns, buying and paying and fraud and audit?

2.5 The CPC team comprised of:

- Joanne Wagstaffe - Chief Executive at Three Rivers District Council
- Councillor Peter Fleming OBE - Leader at Sevenoaks District Council
- Councillor Georgina Hill – Independent Member at Northumberland County Council
- Councillor Alan Rhodes – Labour Member at Bassetlaw District Council
- Peter Stachniewski - LGA Associate on Finance
- Sanjit Sull - Assistant Director (Legal and Democratic Services) at North Northamptonshire Council
- Helen Whiting - Head of Human Resources & Organisational Development at City of York Council
- Satvinder Rana - Senior Regional Adviser at the LGA

### **The Process**

- 2.6 The peer team were based at both the Bromsgrove and Redditch offices during the four day review. There was an initial 'scene setting' and 'checking the brief' discussion with the Chief Executive and Leaders of the Council.
- 2.7 Meetings and discussion sessions then took place with a range of officers, members and other stakeholders/partners enabling the peer team to explore the issues relevant to the purpose, scope and suggested terms of reference for the CPC.



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- 2.8 At the end of the initial on-site activity (10<sup>th</sup> March) there was a feedback session and members of the Executive (Redditch), Cabinet (Bromsgrove), Group Leaders, Corporate Management Team were invited to attend and presented with the findings of the CPC.
- 2.9 This has been followed by a written feedback report (Appendix A), summarising the peer team's feedback with their recommendations for improvement.
- 2.10 Following consideration by the Corporate Management Team and Leaders of both Councils, a Council response to the CPC Feedback Report has been developed (Appendix B) along with more detailed Action Plans (Appendix C to G) to support the Councils response.
- 2.11 Members views are particularly sought as to what, if anything, else the Council should do to address Recommendations 2 and 6 (Appendix D) given the work currently ongoing, the fact that the Council is in a No Overall Control Situation and that the Council has agreed to investigate moving to a Committee system.

### **Six month Check-In**

- 2.12 Six months after the CPC, the LGA will organise a CPC Check-In. This will be a short-facilitated session which creates space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps. Following this, the LGA will produce a short note which reflects the council's progress and provides examples of any good or innovative practice. The estimate dates for the Check-In at both councils would be around December 2023.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The cost of the CPC is included within the authorities' annual subscription to the LGA. Other costs are internal ones related to officer time. The cost of implementing the CPC action plan will be met from current budgets (unless separate specific reports are required).
- 3.2 There are no direct financial implications arising from this report.

### **4. LEGAL IMPLICATIONS**

- 4.1 None arising directly from this report.

### **5. STRATEGIC PURPOSES – IMPLICATIONS**

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5.1 All Strategic Purposes.

**Climate Change Implications**

5.2 None directly associated with this report.

**6. OTHER IMPLICATIONS**

**Equalities and Diversity Implications**

6.1 None directly associated with this report.

**Operational Implications**

6.2 Addressed within the action plans.

**7. RISK MANAGEMENT**

7.1 No risks have been identified arising directly from this report.

**8. APPENDICES and BACKGROUND PAPERS**

Appendix A – Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback Report

Appendix B – Council response to CPC Feedback Report

Appendix C – Recommendation 1 Action Plan – Council Plan

Appendix D – Recommendation 2 and 6 – Governance and Engagement

Appendix E – Recommendation 3 – Workforce Strategy Action Plan

Appendix F – Recommendation 4 – Agile Working Action Plan

Appendix G – Recommendation 5 – Finance Recovery Action Plan

**9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May, Leader	June 2023
Lead Director / Head of Service	N/A Report author	N/A

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Financial Services	Pete Carpenter	June 2023
Legal Services	Claire Felton	June 2023

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Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Officer (if climate change implications apply)	N/A	N/A



# LGA Corporate Peer Challenge

Bromsgrove District Council

Dates: 7<sup>th</sup> – 10<sup>th</sup> March 2023

Feedback report



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5. Next steps ..... 21

## 1. Executive summary

Bromsgrove District Council serves an attractive area of rolling countryside boasting several idyllic rural communities in stunning villages as well as the traditional and cosmopolitan market town of Bromsgrove. The council is ambitious in providing help and support to enrich the lives and aspirations of all its residents, businesses and visitors through the provision of high-quality services. The Leader has a very ambitious agenda on economic regeneration.

There is an ongoing commitment to shared services with Redditch Borough Council and this arrangement is working well across both councils. It is commendable that whilst each council retains political and democratic sovereignty, people see themselves as working for one organisation and are committed to serving the residents of both councils.

There is a dedicated and long serving cadre of staff who have a strong sense of belonging to the organisation and feel the organisation cares for them. There are also good Member and officer relationships but these need to translate into enhanced joint working so that the ambitions of the council can be delivered in the most effective way.

The council has a stated vision, strategic purposes and a set of priorities outlined in the Council Plan for 2019-23 and updated in the Council Plan addendum. However, there is a disconnect between what the council wants to deliver and achieve and the activities the organisation is pursuing. A lack of specific clarity about the desired outcomes from the delivery of the priorities means that priorities are open to interpretation. Clearer communication to staff on the priorities and the expected outcomes backed up with a robust performance management framework to track progress should help to ensure that organisational effort is invested in the right places.

There are also issues of capacity and operational mechanisms to deliver on ambitions and priorities; and whether these are aligned to make an impact. For example, capacity is constrained at the senior level in the organisation and in programme and project management both of which are critical in delivering on some of the ambitions particularly around the economy, regeneration and skills agenda.

Elected Members in Bromsgrove are hard-working, ambitious for their areas and focused on improving the quality of life for their residents. Whilst Members are engaged, their focus on strategic delivery of corporate priorities could be strengthened. Governance and decision-making processes are important, and the active involvement of all Members should be supported to move Members into a strategic space and away from operational delivery. Furthermore, an improved working culture at the political level, especially in council meetings, needs to be fostered to improve debate. Challenging Member to Member relationships could be improved by the modelling of positive behaviour. This is the responsibility of all Members, and group leaders have a particular role in modelling behaviour.

There are very strong, honest and trusting partner relationships in place at the senior levels through the Local Strategic Partnership and the council is to be commended as the peer team heard universal praise on this. The partnership is driven by a desire to improve local services, and everybody is committed to making a difference.

Partner relationships now need to be better invested across the whole organisation. This calls for appropriate officers to start building those relationships and networks at different levels within partner organisations to support more co-design and co-production of solutions and services, particularly at community and neighbourhood levels.

The council navigated the pandemic well and is now supporting its residents through the cost-of-living crisis – all within the constraints of the financial challenges facing local government generally. The organisation was able to put in place working arrangements that enabled it to respond to the challenges in the most effective way. However, the time is now right for a post-pandemic reset, particularly on working arrangements, across the organisation so that its modus operandi is fit for purpose and is geared to delivering the councils priorities in the most effective and impactful way.

Residents identified strongly with the areas in which they live, and they were broadly positive about the council. Nevertheless, there is room for improved, consistent, and timely communication and engagement across the organisation for Members, staff and residents so that they all understand what the council is doing, how it is doing it and the impact it is making.



The council is financially stable with a balanced budget, which in the current financial climate is positive. The task now is to ensure that plans for ensuring financial sustainability over the medium to longer term are in place and supported by robust delivery arrangements. The council must also ensure the recommendations made by the external auditor in the Section 24 Notice and 2020/21 Interim Annual Audit Report are fully implemented.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

### 2.1. Recommendation 1

*The council needs to review its strategic priorities and realign resources accordingly.*

Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Bromsgrove.

### 2.2. Recommendation 2

*The organisation should consider a governance review to improve decision-making.*

There is room for improvements in the council's governance arrangements and a review will strengthen decision-making through more Member engagement and provide a greater level of scrutiny, challenge and assurance. It will also improve the processes and support arrangements across the council to enable Members to deliver on their democratic and leadership responsibilities.

### 2.3. Recommendation 3

*Embed the 2022-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.*

This will help to align organisational capacity, corporate resources, transformation,

workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.

## **2.4. Recommendation 4**

*Agile working principles and policies need to be implemented consistently.*

This calls for flexible and hybrid-working plans to be supported by clear management and staff guidance on how this will work in practice for the whole workforce in an equitable way. Not having clear guidelines and parameters in place exposes the council to potential unequal and discriminatory practices leading to inconsistencies across the organisation.

## **2.5. Recommendation 5**

*Ensure the Section 24 Notice and 2020/21 Interim Annual Audit Report recommendations are fully implemented.*

This is a key priority for the council as it impacts on the reputation of the council and statutory compliance. Furthermore, the implementation of the recommendations will lead to improved governance and financial management in the organisation.

## **2.6. Recommendation 6**

*Use engagement, shared values, and improved processes to create a positive democratic culture.*

This means finding ways to involve a greater number of Members in the work of the council and fostering a more supportive and cordial culture between Members and enhanced understanding and joint working between Members and staff to strengthen the democratic process.

## 3. Summary of the peer challenge approach

### 3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- **Joanne Wagstaffe** - Chief Executive at Three Rivers District Council
- **Councillor Peter Fleming OBE** - Leader at Sevenoaks District Council
- **Councillor Georgina Hill** – Independent Member at Northumberland County Council
- **Councillor Alan Rhodes** – Labour Member at Bassetlaw District Council
- **Peter Stachniewski** - LGA Associate on Finance
- **Sanjit Sull** - Assistant Director (Legal and Democratic Services) at North Northamptonshire Council
- **Helen Whiting** - Head of Human Resources & Organisational Development at City of York Council
- **Satvinder Rana** - Senior Regional Adviser at the LGA

### 3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its

current financial position? Does the council have a strategy and a plan to address its financial challenges?

5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the peer team was asked to weight feedback on corporate governance in the context of the Section 24 recommendation and the associated Interim Auditor's 2020/21 Annual Report so that it focuses on understanding improvement requirements around governance systems and decision making.

### 3.3. The peer challenge process

This corporate peer challenge was a combined peer challenge conducted at Bromsgrove District Council and Redditch Borough Council over a four-day period.

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information to ensure they were familiar with both councils and the challenges they are facing. The team then spent four days onsite at Bromsgrove District Council and Redditch Borough Council, during which they:

- Gathered information and views from around 55 meetings, in addition to further research and reading.
- Spoke to over 130 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.



## 4. Feedback

### 4.1. Local priorities and outcomes

The council has articulated its vision, strategic purposes and a set of priorities around economic development & regeneration, skills, health & wellbeing, housing, crime & disorder, financial stability, high quality services, and sustainability in the Council Plan for 2019-23 – and these have been reviewed as part of the Council Plan addendum. These are all based on the needs of residents and the locality and demonstrate a good understanding of the current and medium-term issues facing the council and the area it serves. Staff say they understand the council's vision and priorities and partners are complimentary about what the council is trying to achieve. Nevertheless, more work is required to embed the vision and priorities with partners and within communities so that residents also fully understand the direction of travel and the progress that is being made.

The council communicates and consults its residents on critical issues but should now move to better engagement to ensure wide and deep buy-in to its vision, which is critical. Members have a crucial role to play in the engagement exercise, as do staff. The council's workforce should be seen as critical to the communication and promotion of the vision and strategy because a proportion of council staff are local residents and thus capable ambassadors for the council.

As the council refreshes its Council Plan post 2023 there is an opportunity to develop, with partners and strategic stakeholders, an aspirational and forward-looking longer-term (5-10 year) shared vision and a strong and compelling 'place narrative' about how the council would like to see the area and its communities developing in the future. Developing a shared place vision through a strong story about the future of Bromsgrove and communicating this through clear and consistent messaging, engagement and communication with residents, businesses, and strategic partners will help to consolidate the council's place leadership role and secure both awareness and sustained buy-in to its ambitions and priorities. It will also bring clarity about how it will impact on residents, partners, businesses, and staff so that everybody understands how they fit into its future, what their responsibilities might be, and what outcomes they can expect.

At present there is a disconnect between what the council aspires to achieve and

what is being delivered. There is ample evidence of the outputs being achieved, but less so of the tangible outcomes. For example, one of the priorities of the council is around skills and to support young people to gain the skills they need, but it's not clear what activity is taking place to enable this to happen and what impact is being made in terms of moving young people into stable jobs.

There is a capacity issue in the council, and this is being compounded by three factors:

- (i) A lack of capacity at senior officer and programme/project management levels.
- (ii) Capacity being deployed on activities that may not be making an impact on delivering the priorities.
- (iii) Recruitment and retention in some the core areas, which is an issue across the local government sector

The organisation needs to match and better align resources to its vision and priorities. It also needs to improve performance management across the organisation so that there is a greater focus on measuring outcomes as well as outputs and not simply reporting on progress against activities. This calls for the political and managerial leadership to have a clear line of sight on performance information – presented in an easy to digest format such as a traffic light dashboard - to enable them to take corrective action where performance may be faltering. That said, it is good to see that the organisation is moving towards a data-driven model, and this should help to build a more robust performance management system and culture throughout the organisation.

There are stated objectives and documentation on equalities, diversity and inclusion issues, including an Equality Strategy 2022-26, in place. These now need to be translated into measurable outcomes for staff and residents so that all sections of the community and council workforce can benefit from not just investments in services but also the economy and access to education, training and good quality jobs – including those within the Council. The starting point for this is for the organisation to have accurate information on the make-up of its workforce against the protected characteristics as outlined in the Equality Act 2010.

There is clarity in the council on the importance of the Green Agenda, but it needs to

focus on delivery through a well-defined programme of work. This will also mean the council having greater clarity on some of the conflicting ambitions for additional housing and protecting the green belt. These are difficult issues to resolve and require a lot of work in terms of consultation and engagement with communities to find solutions.

## **4.2. Organisational and place leadership**

There is established political and managerial leadership in the organisation, and it is delivering for the residents of Bromsgrove. Members are hard-working, ambitious for their areas and focused on improving the quality of life for their residents. The Leader demonstrated personal knowledge of local communities and her passion for the local area. Her leadership skills are recognised, and she is very well liked by partners and residents the peer team spoke to – *“she wants to do the right things and is here for everyone”*.

The Chief Executive and senior managers are approachable, liked and well regarded by staff and partners. However, there is a lack of capacity at the senior officer level as well as a high turnover of staff, which is holding the council back in terms of delivering its priorities at pace.

The council effectively uses partner capacity to shape and deliver priority outcomes. For example, the ‘Sunrise Project’ which worked closely with families struggling with issues including drug and alcohol addiction, debt problems, anti-social behaviour and school absenteeism was a successful project between the council and the Local Strategic Partnership. This was due to strong and productive partnership relationships at senior level which have been praised by strategic partners, community and voluntary sector and the wider county networks – *“by far the best partnership I’ve worked with”*.

The organisation plays its part at local and regional levels, but it could go further to benefit from shared learning and shared agendas. At present there is a lot vested in the role the Chief Executive plays on external forums – *“95 per cent relationship with the council is framed by the relationship with the Chief Executive”*. Whilst this is very positive, there is a risk that relationships are vested in one individual and both leading Members and other senior officers are detached from this. They also need to carve a place for themselves in this space to widen their perspective and provide

more distributive leadership of place.

There are a number of partnerships in place in Bromsgrove, such as the North Worcestershire Community Safety Partnership (NWCSP), the Strategic Housing Partnership, problem-solving task groups, etc. There is an opportunity to expand partnership working at the local level in Bromsgrove by working even more closely with Parish Councils and by ward Members engaging with them more actively. Parish Councils can be brought on-board through, for example, a Parish forum and a co-designed and co-produced framework for future engagement. This will help to strengthen relationships and facilitate better engagement and promote shared ownership of ambitions for Bromsgrove in their localities.

There are productive relationships with the trade unions and the council's workforce strategy provides a good framework to develop the organisation and its people. It now needs to be implemented at pace through a measurable action plan. Some of the critical areas to address are filling vacancies in key areas, for example finance, putting in place the necessary policies and guidelines to facilitate agile working, and improving internal and external communication and engagement. This means bringing more clarity on what is expected from staff and how they should work and ensuring that there are timely responses to external enquiries.

There is evidence that managers have discretionary leadership to manage services, however, lack of resources within current structures and recruitment and retention of staff was raised across numerous services by front line staff and service managers. This in turn is impacting on motivation and ability to deliver at the appropriate and needed pace in some areas.

Succession planning, creative recruitment and development of the workforce is acknowledged as a key strand within the workforce strategy to address capacity, but it was not clear that there was a commitment at all levels to enact.

Members in Bromsgrove have the potential to become more actively involved in the business of the council and within communities and become forceful ambassadors for the area with the right kind of training, development and support. This is inconsistent at present and needs to be improved so that they are fully briefed on their areas of responsibility and are working as effectively as they can. Members need good officer support, and they need to take up training opportunities which may



be available through the member development programme. These opportunities may incorporate induction training for new Members; external mentoring for new portfolio holders; corporate governance; leadership skills; equality, diversity and inclusion training; chairing skills; decision making; and communication – some of which will be mandatory for all Members. The Local Government Association can support the council in this work.

The council's shared services arrangement with Redditch Borough Council provides a huge opportunity to tackle some of the big issues in collaboration and bring consistency to the 'one organisation' ethos. Regular meetings between the Cabinet and Executive (in Redditch BC) to discuss issues common to both councils and how priorities of each council are to be delivered could help move this forward and enable both Member and officer capacity to be maximised.

#### **4.3. Governance and culture**

The necessary and standard governance, decision-making and risk management arrangements appear to be in place in Bromsgrove. The Cabinet is providing political leadership and the Leader is supported by four Cabinet Members with portfolios loosely aligned to the priorities of the Council. The senior management team provides strategic and managerial leadership with the Chief Executive supported by two directors and seven service heads.

Whilst governance, decision-making and risk management arrangements are in place it is not clear they are adequate or that good governance and decision-making and the management of strategic risk flows from them. There are various examples, such as the effectiveness of overview and scrutiny and robust organisational challenge, the visibility and role of front-line members in council business, officer accountabilities on delivery, and the role of Cabinet in policy and strategy development which demonstrate that governance and decision-making needs to improve and become better embedded within the organisation so that they can provide the necessary assurances.

There are generally good Member and officer relationships but these need to translate into improved joint working so that the ambitions of the council can be delivered in the most effective way. At present the roles of Members and officers are often misunderstood. This is partly due to frustration around provision of information

and perceived lack of delivery where Members find the need to step into the officer space. Clearer role definitions, greater understanding of demarcation lines, and better communication on delivery can help to resolve some of these issues. To ensure that this is embedded within the organisation the council may want to revisit the codes of conduct which regulate Member and officer behaviours and working relationships with each other. Members should lead this review through the Audit, Standards and Governance Committee. This will make it clear what the expectations of each party should be and how robust challenge can be handled to ensure proper accountability. Officers need to recognise the legitimate rights of Members for information in a timely way to enable them to perform their role and for Members to recognise that policy is the preserve of the council unless delegated and officers saying no is a legitimate outcome. Crucially, officers should ensure Members are fully briefed on the reasons for the approach.

Members could be even more effective if a larger number of them engaged more fully in the business of the council by providing constructive political leadership. At present some Members are disengaged from the governance and decision-making processes and their active involvement needs to be supported. Members raised issues around their ability to take part in the democratic process due to issues with timeliness of reports, shaping agendas, asking questions, provision of information, etc. These issues are easily rectified by putting in place the necessary processes and timelines.

Governance is a matter for the whole organisation, and everyone needs to play their part and ensure the process and the timelines work smoothly for the whole organisation. It is important that everybody starts thinking about corporate discipline and what good governance looks like to them at their level. This may be facilitated through a governance review which will require everyone to think about what needs to change and then to agree and make the necessary changes and incorporate them into the Constitution and business processes.

In addition, Member to Member relationships and behaviours requires attention. A better working culture at the political level, especially in council meetings, needs to be fostered so that some of the strained and challenging Member to Member relationships are smoothed and become more constructive. This is the responsibility of all Members, and group leaders have a particular role in modelling behaviour.

There is a dedicated and long serving cadre of staff who have a strong sense of belonging to the organisation and feel the organisation cares for them. The workforce also looks after each other and have established good support mechanisms between teams, peers and colleagues. Staff groups that the peer team met did indicate that they are fatigued and there is a need for an injection of clear messaging to ensure that priorities and support are known, and the workforce can be resilient to the future challenges.

The organisational culture is one where the staff feel supported and empowered to bring forward improvements. They are happy and want to help the council to respond to the needs of the different communities.

There is good staff communication and engagement with the Chief Executive through his monthly staff briefings and these need to continue and embed across all levels of the organisation. This could be extended to include the Leader so there is joint delivery of messages. Embedding this communication across the organisation will require the platforms and methods of staff communication to be widened so that correct and timely information reach all levels of the organisation. In addition, wider management engagement with staff could be improved through more face-to-face interactions which brings more visibility to managers and encourages them to go and talk to all their team members.

The council navigated the pandemic well and was able to put in place working arrangements that enabled it to respond to the challenges in the most effective way. Staff are proud of their response to the pandemic, and rightly so, however, some of the working methods deployed during the pandemic have continued and these may now not be the most effective for organisational performance. The time is, therefore, right for a post-pandemic reset across the organisation so that its modus operandi is fit for purpose and is geared to delivering the priorities of the council in the most effective and impactful way. It is important to ensure that the positive relationships, partnership working and cross directorate working that excelled during the pandemic are embraced and embedded into business as usual before silos begin to form again.

At present there is inconsistency around flexible and hybrid-working and it is not clear whether they are working for everyone in the way intended. The flexible and hybrid-working plans need to be supported by clear management and staff guidance on how

this will work in practice for the whole workforce in an equitable way. Lack of clear parameters and guidelines introduces the potential risk for unequal and discriminatory practices leading to inconsistencies across the organisation.

Investments in Agile working must lead to a more responsive and efficient organisation with a refreshed set of organisational values to help deliver better customer interactions and service delivery that meets the changing needs and expectations of residents. This means an increasingly flexible customer-focused workforce and improved processes that embraces the use of digital technology to deliver services and information online.

#### **4.4. Financial planning and management**

A key focus of the financial element of this review was the extent to which the financial issues that had resulted from the implementation of the financial system (which in turn had given rise to the Section 24 Notice) had been addressed.

The most significant issue was accuracy of the data available from the new system and the issues this caused for assessing the council's financial position. The cash receipting system implemented in February 2021 did not correctly allocate income between Bromsgrove DC, Redditch BC and Rubicon Leisure. Since November 2022, income has been correctly allocated, but work is ongoing on allocating cash received between February 2021 and November 2022. In addition, there are issues about the robustness of the data transfer from the old to the new system. Resolving past data issues has delayed the audit of accounts, with the audit of the 2020/21 accounts not expected to be completed until the middle of 2023 and consequential delays in subsequent year audits. Whilst discussions with council officers suggest that a reasonable level of confidence can be placed on the data they are using for financial reporting purposes, there remains a degree of uncertainty.

Issues arising from the finance system implementation together with staff turnover in the finance team meant there was a period of over a year during which members did not receive reports on the financial position of the council. There was no financial reporting to Members until the final month of the 2021/22 financial year, but it recommenced in 2022/23. There was a first financial quarter monitoring report to Cabinet in October 2022, followed by a second quarter monitoring report in November 2022, with the third quarter monitoring report going to Cabinet in March



2023. There is confidence that issues of financial reporting to members have been addressed although the reliability of this is dependent on the robustness of the underlying data produced by the financial system.

Staffing turnover in the finance team has also been a major issue. Eleven out of the sixteen staff in the finance team left the council over an 18-month period. There is a new interim director of finance and Section 151 officer who has been in post for just over a year and a permanent head of finance who has been in post for 9 months. Posts have been filled at lower levels of the structure although some key posts, including chief accountant, remain vacant. Members and officers indicated confidence in the way that the finance department is now being run. There remains a significant risk about what happens when the interim director of finance's contract comes to an end in June 2023 but the process for recruiting to the permanent role is underway.

Based on the best information available, it appears that council reserves are at a healthy level. The current forecast, following publication of the 2022/23 third quarter monitoring report, is that overall reserves will stand at £13.8m at 31st March 2023, with £6.1m held in a general balance and £7.7m held in earmarked reserves. These figures are above what would be considered a prudent level for a council of the size (£12.1m net revenue budget in 2022/23), and with the risk profile of Bromsgrove DC.

The council has historically maintained overall spending within budget. The impact of pay and price inflation in 2022/23, which is significantly above levels forecast when budgets were set, has made it particularly difficult to maintain spend within budget in 2022/23. The 2022/23 budget variance was forecast at £0.3m in quarter 2 monitoring but increased to £1.5m at the time that the 2023/24 budget estimates were reported to Full Council, largely because of the impact of the higher than budgeted pay award. The latest forecast in the quarter 3 budget monitor is that the overspend will be £0.9m. Whilst most of this is due to pay and price inflation, there is a significant (£0.4m) projected overspend in the amount that has to be paid to the council's leisure provider.

Provision was made within the budget for the impact in 2023/24 of the 2022 pay award, for energy and contractual price increases, and for the shortfall in base budget provision for the leisure contract. The budget also assumed a 2% increase in

pay in 2023 but this has been overtaken by the subsequent pay offer by the local government employers which will lead to a shortfall in budget provision for 2023/24. This issue will need to be addressed at quarter one monitoring in 2023/24. Overall, however, budget assumptions seem reasonable and, given the quarter three forecast overspend in 2022/23 is less than when the 2023/24 budget was set, the council should be in a position to manage spending within budget.

The council's Medium-Term Financial Plan runs to 2025/26. It is based on the assumption that external resources remain broadly at 2023/24 levels in future years and builds in assumptions about pay, prices and council tax increases. The only significant savings item forecast for future years (beyond 2023/24) is from service reviews tied in with implementation of the customer and digital strategy and redesign of Redditch Town Hall which were expected to deliver savings of £0.1m in 2023/24 rising to £0.4m in 2025/26. The forecast for the general fund balance is that it will remain broadly at the level projected for 31st March 2023 at 31st March 2026 i.e. around £6m.

In order to ensure that the council remains financially sustainable in the longer term and can meet local priorities, the council has identified a number of measures it needs to take to improve the efficiency and effectiveness of its services, including reviewing the effectiveness of the council's largest contracts, assessing the council's leisure and cultural strategy in terms of affordability, rationalisation of the asset estate, possible redevelopment of depots, and implementation of a new operating model tied in with digitisation of services. Each of these is a large project and the council needs to ensure that it has the programme and project management arrangements in place to deliver them. It will also need to identify one-off resources not only to meet the cost of these programme and project management arrangements but also to ensure that posts can be backfilled so that business as usual activity is maintained and that any redundancy payments can be met. Key to successful delivery of these changes will be lessons learnt from the financial systems implementation project as resolved and set out in the Audit, Standards and Governance Committee report of 9<sup>th</sup> March 2023.

There is a need for greater collective ownership by Members in the way council priorities are reflected in financial plans. Members need to be involved in identifying what the key priorities of the council are and what they are not and reflect those in

the way the council allocates budgets to services. This also means portfolio holders having oversight of budgets in their areas of responsibility and overview and scrutiny being able to scrutinise budget proposals. Furthermore, thought needs to be given to how stakeholders' views can be considered in budget decision-making processes. The council went out to consultation on the budget last year, but it is unclear how that then informed the budget later. Every council finds this difficult, but it is easier once priorities are clear, and people are aware of how delivery of the priorities ties in with the resources available.

One of the improvement recommendations of the external auditor is the need to improve the council's capital budgeting and ensure that the capital programme is delivered. There appears to have been considerable slippage in the capital programme in previous years which was mainly due to delays in delivery in the Burcot Lane housing scheme and limited opportunities, particularly during Covid, to use the Regeneration Fund. The Burcot Lane housing scheme is now nearing completion and as part of its budget setting for 2023/24 the council is focusing its regeneration efforts on delivery of the Levelling Up Fund programme and using all its capital programme to provide match funding for the Levelling Up Fund programme. The council should bear in mind that government funding is time limited and failure to deliver on time could have significant implications for the organisation.

The council should also look at arrangements that could improve the effectiveness of its internal audit arrangements. Weaknesses in strategic risk management mean that internal audit activity has not always targeted the highest risk areas. This led, for example, to internal audit's role in the financial systems implementation not being clearly defined. In addition, there do not appear to be clear processes in place for ensuring that internal audit recommendations are implemented. Improved effectiveness of internal audit would in turn contribute to increased effectiveness of the Audit, Standards and Governance Committee. Internal audit now starting to report to Corporate Management Team on progress is a good start.

#### **4.5. Capacity for improvement**

There is potential for the council to make significant improvements in the way it does business. The refresh of the Council Plan is due and once the priorities have been redefined it will be important to ensure that resources (both financial and human) are

realigned to them. This means putting the right skills in the right place with the necessary governance and decision-making arrangements to ensure the right kind of delivery. It will also be important to prioritise the actions that will lay underneath the priorities to ensure timely delivery.

Realigning resources will inevitably mean reviewing the current operational arrangements to ensure organisational capacity is utilised in the most effective way to facilitate the delivery of those priorities. The key areas to focus on will be the deployment of available workforce capacity; organisational culture and development; programme and project management; equality, diversity and inclusion; communications; systems and processes to ensure they facilitate delivery of priorities. Concerted effort and focus will, therefore, be needed to ensure that some key management processes are further developed and embedded into the organisation to enable it to move to the next level. This could include:

- (i) A much clearer and integrated strategic planning process that aligns the corporate plan with the financial plan, service plans, team plans and the employee appraisals process – all backed up with analytics and data.
- (ii) A robust performance management framework that tracks progress against corporate priorities through SMART and ambitious targets for the outcomes the council wants to achieve and provides a clear line of sight on progress to senior management and Cabinet through an easy to digest dashboard and traffic light system.
- (iii) A system for receiving, fielding, and responding to Member enquiries in a solution-based and timely manner.
- (iv) Ensuring the customer interface is effective and makes full use of digital communication, engagement, and transactions in addition to face-to-face interactions.

Getting these in place and strengthening existing management processes can provide some quick wins for the organisation.



## 5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Helen Murray, Principal Adviser for West Midlands, is the main contact between your authority and the Local Government Association. Helen is available to discuss any further support the council requires at Email:

[helen.murray@local.gov.uk](mailto:helen.murray@local.gov.uk) or Tel: 07884 312235.

### **Satvinder Rana**

Senior Regional Adviser, LGA

(On behalf of the peer challenge team)

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## Bromsgrove District Council and Redditch Borough Council – Corporate Peer Challenge Action Plan

### Key Recommendations

Recommendation	Response / Action	Lead Officer	Timescale
<p><b>Recommendation 1</b>  <i>The council needs to review its strategic priorities and realign resources accordingly.</i></p> <p>Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Redditch.</p>	<ul style="list-style-type: none"> <li>Agree with the recommendation. The Management Team will work with the Executive (RBC) and Cabinet (BDC) to review the priorities and non priorities. This work will start immediately with a view to seeking agreement to new Council Plans (in both Councils) in September. The new Council Plans will drive the review of the Medium Term Financial Strategy.</li> <li>Action Plan attached</li> </ul>	Kevin Dicks / Deb Poole	September 2023 (for new Council Plan)
<p><b>Recommendation 2</b>  <i>The organisation should consider a governance review to improve decision-making.</i></p> <p>There is room for improvements in the council's governance arrangements and a review will strengthen decision-making through more Member engagement and provide a greater level of scrutiny, challenge and assurance. It will also improve the processes and support arrangements across the council to enable Members to deliver on their democratic and leadership responsibilities.</p>	<ul style="list-style-type: none"> <li>Agree with the recommendation. Significant work is already being undertaken in this regard (attached) – members are asked to identify what if anything else is required. Depending on this there may be a requirement to commission external support (LGA/Peer lead(s))</li> </ul>	Kevin Dicks / Claire Felton	TBC

<p><b>Recommendation 3</b>  <i>Embed the 2022-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.</i></p> <p>This will help to align organisational capacity, corporate resources, transformation, workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.</p>	<ul style="list-style-type: none"> <li>• Agree with the recommendation. Members agreed the Strategy commencement date should be 2023.</li> <li>• Action Plan attached</li> </ul>	Sue Hanley / Deb Poole	As per Action Plan
<p><b>Recommendation 4</b>  <i>Agile working principles and policies need to be implemented consistently.</i></p> <p>This calls for flexible and hybrid-working plans to be supported by clear management and staff guidance on how this will work in practice for the whole workforce in an equitable way. Not having clear guidelines and parameters in place exposes the council to potential unequal and discriminatory practices leading to inconsistencies across the organisation.</p>	<ul style="list-style-type: none"> <li>• Agree with the recommendation.</li> <li>• Implementation Plan attached</li> </ul>	Sue Hanley / Deb Poole	As per Action Plan



<p><b>Recommendation 5</b>  <i>Ensure the Section 24 Notice and Interim Annual Audit Report recommendations are fully implemented.</i></p> <p>This is a key priority for the council as it impacts on the reputation of the council and statutory compliance. Furthermore, the implementation of the recommendations will lead to improved governance and financial management in the organisation.</p>	<ul style="list-style-type: none"> <li>• Agree with the recommendation.</li> <li>• Action Plan Attached</li> </ul>	<p>Pete Carpenter / Michelle Howell</p>	<p>As per Action Plan</p>
<p><b>Recommendation 6</b>  <i>Use engagement, shared values, and improved processes to create a positive democratic culture.</i></p> <p>This means finding ways to involve a greater number of Members in the work of the council and fostering a more supportive and cordial culture between Members and enhanced understanding and joint working between Members and staff to strengthen the democratic process.</p>	<p>Agree with the recommendation. Significant work is already being undertaken in this regard (attached) – members are asked to identify what if anything else is required. Depending on this there may be a requirement to commission external support (LGA/Peer lead(s))</p>	<p>Kevin Dicks / Claire Felton</p>	<p>TBC</p>

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## Bromsgrove Council Priorities – Council Plan

Currently Bromsgrove District Council has a number of priorities which are underpinned by a set of key milestones. These priorities and milestones are set out in the current Council Plan 2019 – 2023 and in the Council Plan Addendum 2022/23. The Council Plan Addendum was created to provide an intermediary position ahead of a full review of the Council's long term priorities in 2023. The current key priorities for BDC are:

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

These high level strategic documents, whilst outlining the direction of travel, also recognise that the council cannot deliver all of these priorities on its own. Considerable support and input from partner organisations will be needed if these, and future priorities, are to be successfully achieved. It is for this reason that the council will again need to determine its role in the delivery of its priorities and in the associated projects, to be categorised as either:

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

Further highlighting the importance of the council's priorities were the findings from a recent Corporate Peer Challenge which recommended that:

***The council needs to review its strategic priorities and realign resources accordingly.***

*Getting the right priorities in place to maximise emerging opportunities and deal with the challenges will provide the council with the strategic framework for engaging with citizens, collaborating with partners, improving the quality of life for residents, facilitating the transformation of the organisation, and will enable everybody to better understand their place and role in delivering for Bromsgrove.*

In order to deliver this recommendation the council will need to review its council plan and priorities during the coming months in order to have a clear direction of travel for the next four year council plan period. The high level timeline below sets out the four stages that will be required in order to have a refreshed council plan by September 2023.

## Stage One – Community Panel Engagement

**May 2023**

**Lead Officers – DP, BG, HM, EP**

During the recent Corporate Peer Challenge, a number of members of the councils Community Panel volunteered to take part in a discussion with the peers about their opinions of the council.

These sessions were extremely successful and have led to the proposal to ask for Community Panel volunteers to take part in a priorities workshop to better understand what our communities think the council should be paying attention to over the next four years.

No	Task	Date	Lead
1	Establish a set of questions to initiate the discussions	May 2023	DP/HM/BG
2	Engage with the group to ask for volunteers	May 2023	HM/BG/EP
3	Set up meeting arrangements (remote or F2F)	May 2023	HM/BG/EP
4	Deliver the workshop	TBC	HM/BG/EP

## Stage Two – Create Feedback Datasets

**June 2023**

**Lead Officers – BG, HM, TB, KJ**

After the Community panel workshop there will be a requirement to analyse the feedback and develop datasets for Members to use during a future Cabinet priorities workshop.

This analysis will also need to include Community Survey findings, recent and relevant Census data as well as the feedback from the volunteer community panel members. SMT and CMT will need to consider the areas for discussion ahead of the priorities workshop. A discussion will be scheduled for a CMT meeting at the end of June where the data can be discussed.

No	Task	Date	Lead
5	Collate feedback from panel meeting, include Census and Community Survey data	June 2023	HM/BG/TB
6	Develop user friendly data sets for Member workshops	June 2023	HM/BG/TB
7	Circulate data to SMT/CMT prior to the Member workshop	June 2023	HM/BG



## Stage Three – Member/SMT/CMT Priorities Workshop

**July 2023**

**Lead Officers – KD, ?? ??**

This workshop will allow the Cabinet along with the senior leadership team to discuss and explore what the priorities for the next four years should be. This will also provide an opportunity to rationalise and focus in on the right priorities. By establishing a clear and concise set of priorities the council will be better able use its resources to deliver the things that matter to our communities.

The datasets and agenda will circulated closer to the date.

No	Task	Date	Lead
8	Create agenda and establish approach	July 2023	DP/HM/BG/KD
9	Set up workshops meeting arrangements (remote or F2F)	July 2023	HM/BG
10	Capture feedback from the meeting	July 2023	HM/BG/EP

## Stage Four – Develop New Council Plan

**August/Sept2023**

**Lead Officers – DP, BG, HM**

The new council plan will need to be ready to go forward to members for approval in September 2023. A draft will be required for SMT/CMT in early September for comments and amendments ahead of member approval.

No	Task	Date	Lead
11	Collate feedback from Member workshop	Aug 2023	HM/BG
12	Create first draft Council Plan	Aug 2023	DP/HM/BG
13	Circulate draft to SMT/Leader for feedback	Aug 2023	HM/BG
14	Include final feedback and create final draft	Sept 2023	HM/BG
15	Final draft to Cabinet for approval	Sept 2023	DP/HM/BG

## Links to the Medium Term Financial Strategy

The review and update of the Council Plan and priorities will create a clear direction of travel for the next four year council plan period. Internal resources are already allocated to this project for the May to September period and therefore fully budgeted. Any updated set of priorities, once agreed by Council in September, will then become part of the 2024/25 Medium Term Financial Plan (MTFP) Process.

Like the 2023/4 MTFP process, the initial Tranche of pressures and savings linked to the new Corporate Plan will be actioned before Christmas. A second tranche will be delivered in February 2024. Where Council Plan priorities affect the 2023/4 year financially, changes to budgets will be actioned and approved through the quarterly financial and performance monitoring reports.

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## CPC Action Plan – Governance and Engagement Recommendations 2 and 6

There are a significant number of actions already taking place which will hopefully improve the position:

- The Constitution Review Working Group (CRWG) meets throughout the year to review the Council's constitution. Proposed changes are designed to make the Council operate in a more effective manner.
- Key decision threshold – the threshold for key decisions which have significant implications in terms of expenditure and savings is in the process of being reviewed at the Council to make sure that this is made fit for purpose, having not been reviewed for many years. Proposed changes will be reported to the CRWG before reporting on to Cabinet and Council for consideration.
- Officer decisions
  - Training has been delivered to CMT and some fourth-tier managers on the subject of officer decisions.
  - Officer decision training has been booked into the corporate training calendar which the Monitoring Officer will deliver.
- Committee Report template
  - The template was reviewed and updated in 2021 to streamline and simplify report writing processes. For the first time, report authors are required to link their proposals to the Council's strategic purposes.
  - The report writing guidance was produced at the same time to provide a helpful guide for report authors on how to write a report using the template. It also provides useful information such as guidance on the information in a report that can be exempt etc.
  - The Committee report template, guidance and officer decision forms can be accessed by staff from the home page of the Orb.
  - There is a sign off section at the bottom of the new report template. The aim was to provide senior officers with a chance to check whether their staff are following the proper process by consulting with the right people. This will be enforced.
- Report writing training – report writing training is being provided by an external trainer, following consultation with Democratic Services regarding the Council's report processes. Good feedback has been received from people who have attended this training.
- Late reports – The Interim S151 Officer and Monitoring Officer now hold meetings just prior to the statutory deadline for the receipt of Cabinet reports. They are rejecting any late reports received after the report deadline, unless considered urgent and / or there are reasonable grounds for late submission.
- The Council has introduced and tested meeting owls. The owls are much more efficient to use and easier to set up than the Council's polycom devices, with a better quality audio visual system. This enables staff, partners and members of the public who are unable to attend a meeting in person to participate remotely via Microsoft Teams in a hybrid arrangement. The tests have also successfully involved live streaming meetings, involving a member of staff logging onto Teams remotely. Subject to further discussion by CMT

and Members, further use of the owls and live streaming may assist the Council to improve the transparency of the local decision making process.

- Hybrid and remote meetings – whilst Members continue to be required to attend formal meetings in person, Council staff (with some exceptions), partners and members of the public can be offered the chance to attend Committee meetings remotely, via Microsoft Teams. Informal meetings, such as Chairmen's briefings, are often held remotely. This builds on using skills developed during the pandemic and allows for greater flexibility as well as a reduction in carbon emissions associated with Committee meetings.
- Independent Person – Standards Regime – The Council is in the process of exploring the potential to join the Worcestershire Independent Persons pool. This will help to achieve efficiencies and enable the Council to involve a greater number of independent people with relevant expertise in standards investigations.
- Bromsgrove Audit Task Group investigation – Council officers facilitated the Audit Task Group's investigations and insured that the findings were recorded and published in an open and transparent manner. The Council has considered the group's findings and proposed actions are in the process of being implemented by Council Officers.
- Budget Setting – the budget setting process has improved considerably, from a democratic perspective, this year. The Finance and Budget Working Group have been regularly involved at every stage. The inclusion of different tranches of savings allows for Overview and Scrutiny Members to consult on different options with interested parties, should they wish to do so.
- Modern.gov Report Management – the Democratic Services team have been working closely with the Business Improvement Team (BIT) on the introduction of the report management system. This will take time to implement but should result in improving the efficiency of the democratic process, improvements in version control in respect of reports and encourage report authors to take greater ownership of their own reports, thereby supporting positive culture change.
- The Cabinet Work Programme (Forward Plan) is published on the Council's website using the modern.gov system. In addition to giving notice of forthcoming key decisions in the work programme, the Council also gives notice of forthcoming non-key decisions in the work programme, to ensure that the authority is as transparent as possible in relation to forthcoming business.
- Reducing Committee paperwork
  - Members and senior Officers can use the modern.gov app, including the private modern.gov, to access and annotate Committee papers.
  - Joint Modern.gov app training was provided to Members on 25th May and one-to-one training has also been provided to individual Members where requested. Further training can be offered.
- Democratic Services team – two members of the team are currently in the process of undertaking the Association of Democratic Services (ADSO) Certificate in Democratic Knowledge. This will help those team members to learn about best practice for implementation in the workplace. The Principal and Senior Democratic Services Officers are both members of ADSO and monitor key developments in the sector based on information shared by this professional body.



- Constitution Review – External support has been secured for a review of the constitution.
- Improved Performance and Project Management in place with need for clearly agreed project plans. Project Management of key projects is included in the quarterly Monitoring Reports.
- At the Annual Council meeting in May 2023 a coalition Cabinet, comprising Conservative and Independent Councillors, was confirmed.
- A Labour Councillor has been appointed as chairman of the council for the 2023/24 municipal year.
- Councillors not representing political groups involved in the coalition on the Cabinet, have been appointed as Chairmen of the Audit, Standards and Governance Committee and the Overview and Scrutiny Board respectively.
- The Council is exploring having member champions for issues such as homelessness.
- The Council has a Member Development Steering Group which co-ordinates member training and induction arrangements.
  - Meetings take place throughout the year and extra meetings can be convened where required.
  - The group can and do consider requests for additional training to take place during the year. For example, in 2022/23, an extra Code of Conduct training session was held in January 2023.
- The induction event that was due to take place on the evening of 10<sup>th</sup> May 2023 did not proceed in the form originally planned due to the significant changes arising following the local elections in May 2023. Officers are currently exploring potential dates on which to hold the postponed induction event, to which a representative of the LGA will be invited to attend.
- Joint training - at the request of the Member Development Steering Group, a lot of the training is taking place jointly this year with Redditch Borough Council. This helps to achieve efficiency savings and provides opportunities for Members to network with Councillors from another authority. However, where members did not feel joint training was appropriate, separate sessions are being held. (E.g. the Council's Overview and Scrutiny training session was delivered to Bromsgrove Members only).
- In person training - At the request of the Member Development Steering Group, a lot of the training in the first few months after the elections is being held in person, rather than remotely. Members felt that this would support new Councillors more effectively and would also be helpful in the first few weeks until new Councillors received their Council IT equipment. Since the elections, some Members have indicated that they might struggle with attending training in person. Therefore, it has been agreed with group leaders that the assumption will remain that training will be attended in person but where reasonable notice is provided, a link to the training will be provided to a Member, if possible, to enable remote participation.
- The following training is due to be or has already been provided to Members this year as part of the induction process:
  - Code of Conduct (covering the Member Code of Conduct and standards regime. Separate code of conduct training sessions are provided to Parish Councillors.)
  - Planning (including two planning refresher training sessions)

- Licensing (including training in respect of chairing Licensing Sub-Committees.)
- Chairing skills training – There is a training session due to take place on 5<sup>th</sup> July but one-to-one training has also been offered to new Chairmen prior to this to enable them to fulfil their roles (An LGA booklet on chairing meetings has also been included in the induction packs.)
- Data Protection
- Safeguarding
- Civility in Public Life including Social Media – this training is being delivered jointly to Councillors from all Councils in Worcestershire apart from Wyre Forest District Council (The LGA's guide to Members' use of social media was also included in the induction packs)
- Overview and Scrutiny
- Audit, governance and standards (covering audit functions and corporate governance)
- Carbon literacy
- IT training including cyber security training (For new Councillors. Cyber security training was provided to Members at both Councils in December 2022)
- Modern.gov app
- Civil leadership in emergencies
- LGA training
  - The LGA sessions designed for new Councillors have been included in the induction programme and promoted to new Councillors.
  - The political leadership sessions provided by the LGA are being promoted to group leaders and specific Members following the elections.
- Mandatory Training
  - Invitations are sent to Members in plenty of time and for the induction process the induction programme, detailing all forthcoming training, has been included in the induction packs so notice is being provided to all newly elected members on forthcoming training dates.
  - There is a long standing practice whereby Members are mandatorily required to attend planning and licensing training before they are permitted to serve on the Planning Committee and Licensing Sub-Committees.
- The Member Development Steering Group met on 14<sup>th</sup> June 2023. During this meeting, the group agreed that further mop up training should be delivered in the autumn. Officers will work to arrange follow up training and will communicate the dates of these sessions in due course to Members.
- Evaluation forms are being circulated after every session and the feedback will be reported to the Member Development Steering Group to provide them with an opportunity to consider amendments that could be made to improve the induction and training arrangements in future. The group have agreed that group leaders should consult with their Members about the outcomes of the training and report back their comments at the next meeting of the group due to take place in October 2023.
- Interactive training - At the request of the Member Development Steering Group, training is designed to be interactive wherever possible and trainers are always asked to avoid "death by PowerPoint".

The main areas of concern as outlined in the CPC report were as follows. Included under each area are possible other actions / ideas to address:

These are the 5 things:

- **The effectiveness of overview and scrutiny and whether there is robust challenge within the organisation**

The Chairmen of both the Audit Committee and the O&S Committee have been offered places on LGA training / development sessions.

Specific training, including the detailing of the key legislative documents and the responsibilities of Statutory Officers, Auditors (Internal and External) and the Audit Committee has been delivered.

The Centre for Governance and Scrutiny (CfGS) is due to deliver an update to the Overview and Scrutiny Board in relation to the review of the committee system at a meeting on 10<sup>th</sup> July.

- **The visibility and role of front-line members in council business and whether they are adequately engaged**

All members have access to reports of the Cabinet and can attend meetings to observe discussions. There is also the opportunity for O&S to scrutinise any items.

More all member briefings will be arranged on key policy / strategic items / items of interest for members. Feedback from Group Leaders on areas to be covered is welcomed.

It has been agreed at Bromsgrove that Cabinet Members will do periodic, at least 6 weekly, update reports to members and hold face to face Q&A Sessions on the content of these reports and key decision items before decisions are made.

- **Officer accountabilities on delivery and how that is built into the performance management framework**

This is already being addressed through improved performance and project management and more rigour being applied to the quality and timeliness of reports. The Constitution is also being reviewed and where necessary the Member and Officer Codes of conduct will be reviewed. Any changes to the Performance Management Framework will be picked up as part of the Workforce Plan.

An updated report on project management and the effective “programme” management of the 60 plus projects being delivered at the Councils and their complex interrelationships including the prioritisation of resources will come to Cabinet in June.

- **The role of Cabinet in policy and strategy development and whether that is strong enough**

The Cabinet plays a strong role in Policy development with Portfolio Holders working closely with officers. This will be continued and reviewed where necessary and appropriate.

At Bromsgrove, with the significant changes in Cabinet, LGA training is being commissioned to ensure that the role of Cabinet Members is effectively discharged.

- **Improve joint working between Members and officers through clearly set out roles, responsibilities and demarcation lines – and improving communication and flow of information to Members.**

This will be picked up by a number of actions outlined above and those that are currently happening.



## Workforce Strategy – Strategic Action Plan

The council has approved a four-year Workforce Strategy that sets out how the organisation will develop the capacity and capability of the workforce to achieve the Strategic Priorities set out in the Council Plan. The aim is to create a high-performance culture that drives effective and efficient service delivery.

The Council Plan will set out a clear vision for the outcomes the council wants to deliver for residents. The Workforce Strategy describes the way we plan to develop our current and future workforce to ensure we have the right people with the right skills, to enable the council to deliver the council plan. The strategy sets out the aims and plans for the next four years and demonstrates a commitment to our workforce.

It is recognised that the workforce is the organisation's most valuable asset. For the Workforce Strategy to be successful we must ensure that all staff feel engaged and motivated so that they can deliver the best possible outcomes for residents.

Delivering the Workforce Strategy will be vital for the long-term success of the council. It will be challenging and will take time to embed across the organisation. To support the delivery of the strategy a detailed operational action plan is being developed, which services will work to deliver over the next four years.

This action plan is based on the three key themes of the Workforce Strategy:

1. Workforce Planning and Talent Management
2. Engagement
3. Health, Safety and Wellbeing

Further highlighting the importance of workforce planning were the findings from a recent Corporate Peer Challenge which recommended that the council:

**Embed the 2023-2026 Workforce Strategy and develop an action plan which needs to be implemented at pace.**

*This will help to align organisational capacity, corporate resources, transformation, workforce development, succession and talent management, and performance management to the new priorities. It will also strengthen the link between the council's ambitions and delivery as well as providing a clear corporate line of sight on how resources are being deployed, what is being achieved and how the organisation is feeling.*

A high-level strategic action plan has also been developed to demonstrate the direction of travel and to outline the key action points that sit under the three main strategic themes of the plan.

Some actions span across all three of the themes, but for ease have been included under the theme where most actions fall. The themes have been subdivided into broad subject areas. The actions consist of a combination of business as usual, new projects which have already been started and completely new workstreams. There are a total of 118 different actions within the action plan ranging from short term "quick wins" to long-term complex activities and projects.

Whilst the enclosed action plan gives indicative dates, these will be refined in accordance with the more detailed action plans managed within the organisation. The Strategic Action Plan will not be a static document but will grow and evolve over time as we see the impact of our actions and / or we are faced with new challenges. There are many interdependencies within the Action Plan and many of the activities cannot be done in isolation.

Whilst Human Resources and Organisation Development have had a major role in shaping the Action Plan and will provide extensive support around its delivery, the principal players in implementing the plan will be CMT, Heads of Service and service managers. Without them to lead on initiatives and activities staff will not engage in the changes we are trying to bring about to align our workforce with the changing environment in which we operate.

The strategic action plan is detailed in the following pages.

Theme One – Workforce Planning and Talent Management

Lead Officers – SH, DP, CF, BT, PS, HoS

**Workforce Planning and Talent Management** - the way we secure and retain the workforce that we need now and, in the future, whilst achieving an increasingly diverse workforce where everyone’s contribution is recognised and valued.

This is the largest of the three themes within the Action Plan with 65 separate activities allocated to it. These have been broken down into three areas for ease of communication:

- 1. Workforce Planning
- 2. Recruitment and Retention
- 3. Corporate Human Resources Policies

1. The main actions and timeframes for the **Workforce Planning** area are as follows:

No	Overarching Task	Examples of Key Activities	Date
1	Build on the work already undertaken to embed workforce planning as a key business process, using apprenticeships and other ways to build talent pipelines and make wider use of HR metrics to support decision making	Develop and implement robust service-level business plans containing longer-term detailed workforce plans, knowledge transfer plans and recruitment and retention plans	TBC
		Managers to use HR metrics to support decision-making, workforce planning etc	31/03/2024
		Increase the number of "true" apprentices employed by the council to help build a talent pipeline to support workforce planning by developing and launching a Corporate Apprenticeship programme. Encourage further use of the Apprenticeship Levy to support the development of existing staff to develop internal capacity for the future	31/03/2024

		Review the provision of agency staff so that it aligns to our Workforce Strategy and Workforce Plans for both ad hoc and fixed term agency provision	31/03/2024
2	Continue to support the development of our staff, extending this to explore opportunities for career development and succession planning	Managers to explore the options for career pathways and career graded posts, and provide development opportunities which allow staff to progress	31/03/2025
		Look at ways of evaluating the impact of L&D activities on performance, including creating measures to report on how these impact on performance	30/12/2024
		Use a variety of learning and development initiatives and tools to upskills staff including the corporate and service-based training programmes, Apprenticeship Levy, coaching and mentoring programmes, awareness sessions and on-line resources etc	31/03/2024
3	Embed leadership and management development within the culture of the organisation to provide a pipeline for future managers and leaders	Create inspiring leadership development programmes for both aspiring future leaders and potential senior leaders	31/03/2024
		Relaunch our Level 3 and Level 5 Management Apprenticeship programmes	30/06/2023
		Simplify and align Skills Matrix and Manager Role Profile with our Principles and expand the use of these tools in one-to-ones and appraisals	31/12/2023
4	Extend the use of appraisals and one-to-ones to support workforce planning, career development and succession planning to help us overcome the challenges that have been identified through the initial work on workforce planning	Review and relaunch corporate Appraisals, Personal Development Plans and One-to-One meetings ensuring that these are linked to workforce planning, career development and succession planning along with the allied knowledge transfer plans	31/08/2023
		Build on our approach to performance management to reflect the changing environment in which we work, understanding what “good” looks like, providing staff with recognition for high performance, and supporting staff if they struggle to achieve this	31/03/2025



	and to develop our workforce of the future	Identify potential high performing individuals and those with potential to be high performers as part of the appraisal process and set them personal development plans accordingly. Ensure that conversations about aspirations form part of appraisal and one-to-one discussions for all staff no matter what point there are at in their career	31/12/2024
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2. The main actions and timeframes for the **Recruitment and Retention** area are as follows:

No	Overarching Task	Examples of Key Activities	Date
1	Continue to review and develop our recruitment processes and methodologies, supporting managers with training, engaging with local schools and colleges to increase the pool of potential candidates and raise the council's profile as an employer of choice, thereby increasing our chances of securing the best possible candidates for vacancies	Continue to review our recruitment processes to ensure that they are flexible, fit for purpose and relevant to the roles being recruited to, and produce new recruitment policies, processes and procedures as necessary	31/03/2024
		Develop and promote our corporate brand as an employer of choice and promote the wider benefits of working in the public sector to make the councils more attractive to potential candidates	31/03/2024

2	Continue to review and build on ways of retaining talented members of staff eg HR policies and terms and conditions of employment, and further develop our induction process to support the successful on-boarding of new starters and staff moving into new roles within the council, to help us to become an employer of choice	Ensure that our policies and procedures support staff retention eg allowing opportunities for secondments and acting up arrangements etc. Review the current induction process and develop / launch a revised induction programme and process for all new starters and staff moving within the organisation which is used consistently for all new starters at both Corporate and Service level	30/09/2023
3	Continue to review ways of working such as Agile working and the use of digital and technological advances to enable more effective ways of working which support both customer-focused service delivery and employee wellbeing	Develop and launch the Agile Working Policy and ensure that the move to Agile Working is driven by a customer-service delivery focus	31/08/2023
		Understand how staff are using the workspaces at the councils' office locations and provide appropriate workspaces to enable staff to work in-house instead of remotely when needed	31/03/2024
		Managers, supervisors and team leaders to undertake training to enable them to manage remote and hybrid workers effectively and consistently	Ongoing

The main actions and timeframes for the **Corporate HR Policies** area are as follows:

No	Overarching Task	Examples of Key Activities	Date
1	Ensure that our policies and procedures are fit for purpose, promote our principles and culture and support recruitment and retention	Continue to review all corporate employment policies according to the agreed timetable, to ensure that they are fit for purpose and contribute towards developing the culture and behaviours which the organisation espouses	Ongoing
		Ensure that equalities, diversity and inclusion considerations are built into all our policies and procedures	31/07/2024
		Provide training for managers and staff to embed new policies and behaviours	31/03/2024
		Ensure that we have policies and procedures that enable us support recruitment and retention	31/09/2024
2	Look to introduce more creative ways of reaching potential candidates, using more varied ways of selecting the best talent for our organisation and recruiting for future potential. Provide wider opportunities for our residents through work experience and apprenticeships	Explore the options for broadening our range of recruitment tools and techniques to provide more flexible approaches which are aligned to our workforce plans and Principles. Establish a policy for regular, more formal opportunities for work experience and internships, taking into consideration the remote working nature of the workforce, to give potential applicants an insight into the careers available within the organisation and local government more widely	31/03/2025

Theme Two – Engagement

Lead Officers – SH, DP, BT, PS, HoS

**Engagement** - the ways employees are motivated and engaged in the delivery of the Councils’ Strategic Purposes.

There are a total of 26 different activities which fall under the Health, Safety and Wellbeing theme and these fall broadly into three areas:

- 1. Culture
- 2. Equalities, Diversity and Inclusion
- 3. Engagement, Communication and Consultation

No	Area	Overarching Task	Examples of Key Activities	Date
1	Culture	Further develop our culture to allow our staff to be high performers, who understand their role in, and are committed to, contributing to our success	Promote our Principles and build them into the heart of who we are and how we behave, both individually and as an organisation. Enable our managers to build on their abilities to have open and supportive conversations with staff which help build a culture of trust and which engage our staff in two-way discussion	31/03/2024
			Continue to implement the Culture Working Group's work programme and review this alongside the WFS Action Plan	31/03/2024
2	Equalities, Diversity and Inclusion	Ensuring our Equalities, Diversity and Inclusion (EDI) policies are reflected in our processes, procedures, behaviours and culture	Work to achieve an increasingly diverse workforce which has a high level of awareness of EDI and behaves in a way which reflects our EDI policies	31/03/2025



3	Engagement, Communication and Consultation	Increase the level and effectiveness of employee engagement and motivation and increase the involvement of staff, especially front-line staff, in our consultation and communications processes.	Continue to hold regular staff surveys and extend these to other forms of internal consultation and communication, reviewing the effectiveness of these over time. Broaden the delivery of the current, successful Chief Executive's Q&A sessions to other Heads of Service and to cover specific topics of interest and importance	31/03/2025
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Theme Three – Health, Safety and Wellbeing

Lead Officers – SH, DP, BT, PS, MB, HoS

**Health, Safety and Wellbeing** – the health, safety and wellbeing of our staff is important, and we will strive to provide a safe and healthy working environment that promotes everyone’s wellbeing, and we will focus on helping staff to make better choices, change behaviours and better manage their overall wellbeing.

There are a total of 26 different activities which fall under the Health, Safety and Wellbeing theme and these fall broadly into three areas:

- 1. Health and Safety
- 2. Occupational Health
- 3. Workforce Wellbeing

No	Key Areas	Overarching Task	Examples of Key Activities	Date
1	Health and Safety	Ensure compliance with our legal obligations to staff in relation to workplace health and safety and support managers in carrying out their role within this.	Continue to enhance the provision of training, advice and support for managers and staff around H&S, enabling them to carry out their roles effectively, supported by robust policies	31/12/2024

			and procedures. Ensuring that up-to-date and accurate risk assessments are in place throughout the organisation.	
2	Workforce Wellbeing	Ensuring the wellbeing of all our staff so that they can function effectively and deliver high performance and make a significant shift from reactive to preventative approaches to wellbeing	Build on the range of resources and awareness sessions available around important health and wellbeing topics so staff can take good care of themselves. Extend the use of the Health & Safety Executive's Stress Management Standards throughout the Workforce Strategy to prevent stress-related illness as far as reasonably practicable, and to minimise the impact of stress-related issues on the workplace. Support managers so that they can continue to address wellbeing related issues in the workplace	31/03/2024
3	Occupational Health	Ensure that current OH services meet the needs of the organisation, through shadowing with teams on the frontline to establish where the issues lie, providing focused Mental Health, Menopause Awareness and Men's Health Champions training, in addition to enhancing the health surveillance profiling and checks for frontline staff	Work with our current occupational health provider to ensure that the provision continues to meet the needs of the organisation including developing new and appropriate approaches for dealing with stress and other health issues in the workplace. Ensure that the provision of occupational health services is understood by staff and managers and are accessed as needed.	30/12/2023

## High Level Agile Working Implementation Action Plan

### Overview

The project has worked with a number of service areas as a trial to understand how agile working is best implemented to meet the customer needs, provide performance data and make the service as effective as possible in a new way of working. This has involved looking at the ICT requirements, the facilities needed, performance measures, management of staff and more. Alongside the work with specific services there has been a training programme for all managers and leaders within the organisation to help them with managing an agile workforce. The Policy has been developed with input and approval from CMT and 4<sup>th</sup> Tier CMT and this along with the feedback from the service areas has shown that it is now important to implement the policy for all staff. This has all been overseen and managed by the project board made up of Sue Hanley (Project Sponsor), Deb Poole (Senior User), Becky Talbot (Senior User) and Chris Wells (Project Manager).

### Objective

The project board has used the learning from the trial service areas, the feedback from the Corporate Peer Challenge and response of the fourth tier CMT team to understand that the time is right to release the Agile Working Policy for all staff. Then following the policy being implemented it will then be important for all service areas to apply the new corporate policy being led by the Heads of Service and Fourth Tier Managers. The objective will be for the project team to facilitate the implementation, provide additional guidance where required and review the effectiveness of the implementation.

### High Level Tasks

No	Action	Details	Owner	Completion Date
1	Create a final version of the Policy for publication.	The policy has been approved corporately and with Trade Unions having been briefed and the policy being shared with the regional representative. So now prior to publication to all staff a final version with cover will be produced with the help of the design team.	Becky Talbot/Design Team	May 2023
2	Communicate with all of CMT and 4 <sup>th</sup> Tier about the policy and the expectations on staff and managers.	A session will be held with all of CMT and 4 <sup>th</sup> Tier to provide an overview of the policy, the expectations on service areas and managers. This will make sure that they are all aware of what will be expected of them corporately.	Project Board	May 2023

## High Level Agile Working Implementation Action Plan

3	<b>Agile Working Policy launch and communication to all staff.</b>	<p>The Agile Policy will be launched to the organisation and a communication plan will be developed to ensure that messaging goes out to all staff in a variety of ways to make sure they are aware of the policy, that it has been read and its impacts understood. This will be done through a variety of internal communication channels.</p> <p>A staff event where the practicalities of Agile working will be demonstrated, staff will have an opportunity to understand how the new set up in the offices will work for them as well as other support on offer. This is going to be held on June 14<sup>th</sup> for all staff to have the opportunity to attend.</p>	Chris Wells/ Comms Team	June 2023
4	<b>Member Briefing</b>	All new and existing members to be briefed on the new policy and the implementation of Agile working by both Councils.	Project Board	June 2023
5	<b>Training and Development</b>	<p>The mandatory manager training will be extended to allow all managers who have not yet attended the sessions on managing an agile workforce the chance to do so.</p> <p>Customer service training will also be provided for managers to help them to ensure their services remain customer focused and are providing the best customer service possible.</p>	Phillippa Smith	December 2023
6	<b>Communication Plan - Continued</b>	A further round of communications will be put in place to make sure that as the policy and new ways of working continue to be implemented as expected and that all staff are aware of these.	Chris Wells/ Comms Team	December 2023
7	<b>Facility Development</b>	New working environments are being developed to allow staff to work in an agile way whilst in one of the Councils buildings. This will include new hotdesking spaces, suitable meeting rooms and quiet spaces. This will also include a booking system to allow the spaces to be managed and used effectively.	Chris Wells and Neil Perrett	September 2023
8	<b>Implementation Review</b>	As the policy is implemented there will be a review process to look at how this is being achieved service by service and corporately. There will also be the opportunity for shared learning across the organisation.	Chris Wells	December 2023



**High Level Agile Working Implementation Action Plan**

9	Lessons Learned Review	The implementation phase of the project has a scheduled completion date of December 2023. However, the project board recognise that the implementation across the organisation will take time to embed. The project will be carried out alongside the new policy so it will be important to do a lessons learned review in order to ensure the policy remains fit for purpose.	Project Board	March 2024
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## Finance Delivery Plan CPA Assessment Recommendation 5

### Ensure the Section 24 Notice and Interim Annual Audit Report recommendations are fully implemented.

This Report will cover:

- 1) Progress and actions arising from the Recommendations contained in the S24 Statement.
- 2) Progress and actions arising from the Recommendations contained in the Draft External Audit Report for 2020/21.

### **Progress on Recommendations of the Draft External Audit Report for 2020/21**

On the 31st October 2022, the Councils External Auditors Grant Thornton issued a S24 Statement in relation to late delivery of the 2020/21 Accounts and a Draft External Audit Report for the 2020/21 Financial year. The External Audit Report had 5 Key Recommendations for Bromsgrove and 13 Improvement Recommendations.

The initial responses to the **Statutory Recommendations** were included in the reports that went to Audit Standards and Governance Committee, Cabinet, and Council in November and December. The Statutory Recommendation set out the following:

#### **Financial Systems and Governance**

The Council cannot yet produce its 2020/21 Draft statements of accounts due to long-standing issues in relation to cash receipting requiring resolution. The Council must ensure that arrangements allow for the successful implementation of the remaining issues with its ERP system, with long-standing issues being resolved to allow key elements of financial governance and compliance to be undertaken routinely and in a timely manner. In order to achieve this the Council should:

- ensure the Council has access to the necessary knowledge and expertise to resolve the remaining key issues with the ERP system in a timely manner to provide management with sufficient assurance over the completeness and veracity of the data included within the system;
- undertake appropriate testing of the fixes and ensure that appropriate sign-off of these is received prior to running them on live system data; and
- ensure budget holders and other relevant officers possess the skills and knowledge to appropriately use the ERP system as intended, including relevant training and updates to key documentation and process manuals.

Once system issues are properly resolved, the Council must:

- undertake key control activities such as bank and control account reconciliations on a monthly basis and ensure that these are kept up to date;
- produce the 2020/21 and 2021/22 draft financial statements, along with high quality supporting working papers;
- conclude the 2020/21 and 2021/22 RO and CO submissions, and other key Government returns including Whole of Government Accounts; and

- ensure timely reporting of budget outturns and report publicly on in-year financial monitoring, including updates on the capital programme and savings scheme achievement.

The Council's response, as set out in the S24 notice issued on the 31<sup>st</sup> October stated that:

- The Finance Recovery Plan which is a wider schedule of finance deliverables – monitoring, delivery of returns, budget, reported to CMT on a Monthly basis, and reviewed by the Senior Finance Team on a weekly basis.
- Weekly meetings held both internally on reconciliation and associated issues. Monthly ERP Board is in place. Two weekly meetings on utilisation of assets.
- Cash Receipting issues escalated on Tech1 side to worldwide Head of Local Government (met 6 July 2022) for resolution. Now in final phase of testing before solution can be transferred to the live environment.
- Council is a first and only Council user for cash receipting and there is limited Tech1 expertise to resolve ongoing design issues which require scheduling.
- System Tech1 expertise commissioned to fully document the solution in October to aid full understanding.
- Documentation a plan to correct 20/21 and 21/22 entries which will be reviewed by Internal Audit before being presented to External Audit.
- Handovers have taken place to new establishment Staff who were on-boarded up to August 22 in preparation for delivery of 20/21 accounts and user training.
- Financial Governance is being reviewed as part of Finance Recovery plan and is basis for revised training and responsibilities being implemented in the Autumn.
- User Guides and manuals being redrafted for Autumn training launches.
- Tech1 User Group set up in September to assess documentation and support across the Sector.
- Tech1 has the Tech1 University which is comprehensive but not site specific to base documentation on. Staff have access to this to deliver updated guides and manuals.
- Staff in place to undertake bank rec but dependent on final cash receipting fix. Cannot fully start bank reconciliation on system as it is presently causing more transactions to be produced.
- Other monthly controls set up for the end of August.
- Internal Audit Recommendations will be added to the Recovery plan
- Members have been updated on issues through Audit Committee and Cabinet during 2022.

Since the initial response to the S24 Statutory Notice and it's associated recommendations, the following progress has been made:

## **S 24 Statement Progress**

### **a) Bromsgrove**

- An Emergency Audit Standards and Governance Committee was convened on the 9<sup>th</sup> November to review the Reports (minutes available)
- Cabinet Reviewed Reports on the 23<sup>rd</sup> November (minutes available)
- Council debated the issue on the 7<sup>th</sup> December (minutes available). Council requested a Peer Review concentrating on Governance, which took place in the week of the 6<sup>th</sup> March 2023, and also that Audit Committee carry out a Task and Finish Group Review of what caused the S24 statements to be issued. This review fed into the Peer Reviews.



- An Emergency Audit, Standards and Governance Committee convened on the 14<sup>th</sup> December to review the draft Accounts for comment (minutes available).
- Audit Standards and Governance Committee on the 19<sup>th</sup> January, reviewed progress on tasks to date.
- Auditors were on site from Wednesday 25<sup>th</sup> January. They have started their work by reviewing the data transfer balances (old to new system) and it has been agreed between the Auditors and the Council that draft 20/21 Accounts will be provided to Auditors after both sides have signed off the data take on balances.
- The Task and Finish Group membership and Remit was agreed and meetings took place on the 1<sup>st</sup> Feb, 9<sup>th</sup> Feb, 14<sup>th</sup> Feb, 20<sup>th</sup> Feb, 21<sup>st</sup> Feb, 28<sup>th</sup> Feb, 2<sup>nd</sup> March and 6<sup>th</sup> March. The Final Report was taken to Audit, Standards and Governance Committee on the 9<sup>th</sup> March for approval. The recommendations of the Task Group are included in this report as Appendix A.
- Audit, Standards and Governance Committee on the 9<sup>th</sup> March also had an update on progress on the Statement of Accounts, the Internal Audit Progress Report and the yearly Audit, Standards and Governance Committee Annual Report. The Committee also agreed to change its frequency to every 2 months to ensure challenging progress and ensuring the recommendations of the S24 Statement and the Draft External Audit Report were implemented.
- The Constitution Review Working Group agreed Chair of Audit, Standards and Governance should join the Budget and Performance Working Group in order to ensure correct conversations could be held.
- On the 1<sup>st</sup> June, the Committee had for the first time an Accounting Policies Report. **The Accounting Policies Report will go to every Audit Committee and sets out:**
  - The Accounting Policies being used their Source and associated Governance Arrangements be noted.
  - The Accounting Policies report be considered at each Audit, standards and Governance Committee meeting to alert Members to possible no compliance issues.
  - Bromsgrove District Council Audit Task Group Report into the issuing of the S24 Statement be noted.

## **b) Officer side**

### **C1) Closure**

- Data Take on working paper had completed ready for Auditors (efin to tech1) including description of issues found while undertaking the reconciliation. First meeting with the external auditors with all this information held on the 11<sup>th</sup> January 2023. Data take on is key given that treatments have to be agreed as the starting point and this is where the Auditors are starting their work.
- A Solution to the cash receipting issues were finally resolved in the live environment on the 5/6<sup>th</sup> November 2022.
- Draft accounts produced between 6 November and 14<sup>th</sup> December for both Audit Committees. In these Audit Committee meetings it was highlighted that items in suspense were still higher than wanted and will work on driving numbers down before have to issue the final draft accounts.
- Audit deliverables list supplied by External Auditors on the 16<sup>th</sup> January in preparation for arrival on 23 January. Following meetings with the External Auditors through to June 2023 the timetable has been slightly amended as follows:
  - Closure 2020/21

- Agreement of Treatment of Take on Balances – This will now take place in early July 23 as significantly more testing is required by the External Auditors
- Provision of Draft 2020/21 Accounts to Audit (to begin Audit) July 23. This is dependent on the External Auditors confirmation that they have approved both Council's take-on balances work. The auditors are having issues in how they need to test the transactional data due to their "normal" models not working on our data.
- 2020/21 Audit – July to September 23 (estimated)
- Sign Off of 20/21 Accounts - November 2023
- Closure 2021/22
  - Updated Outturn position – August 2023
  - Draft Accounts to Auditors November 2023 (following external Auditors sign off of 20/21 Accounts)
  - Audit of Accounts December to April
  - Sign off of the Accounts – May/June 2024
- Closure 2022/23
  - Budget Manager Closure Training – 23<sup>rd</sup>-28<sup>th</sup> March 2023 – 83 staff attended closure training at the end of March.
  - Provisional Outturn Report – Cabinet Report for 12<sup>th</sup> July 2023. This will show outturn as well as amount in suspense to be cleared. This will enable the 2022/23 Revenue Outturn Report to be presented to DLUHC on the 31<sup>st</sup> July 2023 as per Government deadlines.
  - Draft 2022/23 Accounts to Audit – June 24 (following External Auditors sign off 21/22 Accounts)
  - Sign off of the Accounts – November 2024
  -

## **C2) Wider Actions linked to the S24 Recommendation**

- Finance Delivery Plan and overall deliverables converted to more BAU with an Assurance Meeting (last Wednesday CMT each month) taking items on board. Updated report format showing deliverables (linked to the Accounting Policies Report) launched in March 2023.
- Lanluas, a TechOne consultancy, has undertaken a TechOne Health check on 7/8/16/17 November with deliverables reports. This identifies areas where the Council can move the system forward. Following the upgrade more independent resource will be commissioned to ensure full system functionality is leveraged.
- TechOne now using AMS days to ensure other priorities delivered now that the cash receipting solution has been fixed on 5/6 November
- The Council are Upgrading TechOne to latest version with regression testing under way. It was expected this would go live in March 2023 but the Council are delaying this to June and will move to the latest version on the 10<sup>th</sup> July. The delay is due to the fact that TechOne Cash Receipting consultants will be in the UK in Early June and their time has been booked so this work can be done "face to face" given the Council is still the only TechOne Cash Receipting user and specific testing must be undertaken in this area.
- Additional reconciliation staff were engaged in February to address the backlog in suspense and key reconciliations to get the Council up to date.
- Back Office Protocols launched in December. This sets out what the "back office" provides and what the expectations are for Service managers. Finance services are a considerable part of these protocols.

- Implementation of controls is very dependent on completing clearance of suspense items which we have engaged additional staff.
- Still an issue replacing staff – due to Market shortages which are now more acute and driving up day rates. The Head of Finances maternity leave has been covered for a year with the replacement starting in the first week of May to allow handover. Chief Accountant has been recruited and a Head of Management Accountancy being sought.
- **Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group:**
  - Budget
    - Delivered by 11<sup>th</sup> March in preceding financial year – ***delivered Feb 2023***
    - Council Tax Base – Yearly – ***2023/24 delivered in January 2023***
    - Council Tax Resolution – ***Yearly 2023/4 delivered in February 2023***
    - Council Tax Billing – Yearly (2 weeks before 1<sup>st</sup> DD is due to be taken) – ***Bills distributed in March 2023***
  - Closure
    - Draft Accounts delivered to Audit by 30<sup>th</sup> June
    - Audit Completed by 30<sup>th</sup> November (will change in 22/23 Audit)
  - Government Returns
    - VAT – Monthly
      - ***Still to be delivered for 20/21 – dependent on closure of accounts***
    - Revenue Outturn Reports – July
      - ***Still to be delivered for 20/21 – dependent on closure of accounts***
    - Capital Outturn Reports – July
      - ***Still to be delivered for 20/21 – dependent on closure of accounts***
    - Quarterly Revenue Outturn Estimates
      - ***Quarters 1-3 delivered (have warnings from previous year as not delivered)***
    - Quarterly Capital Outturn Estimates
      - ***Quarters 1-3 delivered (have warnings from previous year as not delivered) Q4 to be delivered on 21st April 2023***
    - Quarterly Borrowing Return
      - ***22/23 Quarterly Returns delivered - Q4 delivered on 11th April 2023***
    - Quarterly Council Tax and Business Rates Returns
      - ***22/23 Quarterly Returns delivered - Q4 due 5th May 2023***
    - Whole of Government Accounts Returns – August
      - ***Still to be delivered for 20/21 – dependent on closure of accounts***
    - RA – Revenue Budgets – April
      - ***2022/23 Delivered on the 5<sup>th</sup> May 2022 and 2023/24 delivered on 14th April 2023***
    - Capital Estimates Return – ***to be delivered by 24th March 2023***
    - Public Works Loans Board Certainty Rate – April
      - ***2022/3 delivered on 28<sup>th</sup> April 2022***
    - Pooling of Housing Capital Receipts – May
      - ***2022/23 Delivered 13th May***
    - NNDR1 Return (Business Rates) – January
      - ***Delivered December 2021 for 2022/23 and January 2023 for 2023/24 return***
    - NNDR3 Return (Business Rates) – June and September
      - ***Delivered in June 22 for 2022/23***

- **Draft 22/23 NNDR3 provided to Worcestershire County Council for view of the pool. Final draft NNDR3 to be submitted to DLUHC by 30<sup>th</sup> April 2023**
- Housing Benefit Subsidy Return – Yearly
  - **Sent 29th April 2022**
  - **2022/23 subsidy return due to be delivered on 28th April 2023**
- DHP Claim – Yearly
  - **Sent 29th April 2022**
- CTB1 (Council Tax Base) – October
  - **Sent October 2022**
- CTR1(Council Tax Requirement) – March
  - **22/23 sent 16 March 2022**
  - **23/24 sent 7 March 2023**
- Policies
  - Treasury and Asset Management Strategies
    - Initial Strategies as part of the MTFP – **2023/4 Strategy Approved in March 2023**
    - Half Yearly Report
      - **Update provided in Q1 Revenue Return**
    - Yearly Outturn Report
      - **To be produced in July**
  - Council Tax Support Scheme – Yearly – **Approved in Jan 2023 after consultation**
  - Minimum Revenue Provision – yearly – **Approved as part of the 2023/4 to 2025/6 Medium Term Financial Plan**

Local indicators include:

- Financial Monitoring – quarterly – **quarters 1-3 2023 delivered in September, November and March**
- Risk Management – quarterly – **2023 updates delivered in July, November and January**
- Financial Controls (still in development)
  - Clearance of suspense accounts
  - Bank Reconciliation
- Over £500 spending.
  - **Updated to February 2023**

The key returns that have still not been delivered are the Revenue and Capital Outturn forms for 2020/21 and 2021/22. Although the Government now allow these returns to be completed based on estimates, the level of uncertainty due to the Cash Receipting means these cannot be completed until the External Auditors sign off the Councils take on balances and the Council provides the draft accounts to Audit for each Council.

## C3) Compliance

There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Report 2020/21. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

**Training:**



- Number on Closure Training 23, 24, 27, 28 March – by Service Area – 83 attended.
- Mandatory Budget Manager Training – July - by Service Area – Corporate Finance team trained on budget loading processes in April but issues due to cash receipting changes have led to budgets not being loaded until June. Also waiting the Upgrade so training will also encompass that as well.
- Mandatory Financial Awareness Training – July/August – by Service Area
- TechOne Budget Manager Training July/August – by Service Area.
- Number on Payments Purchase Order Training (Monthly) by Service Area.

## Errors:

- Non delivery of GPC Card Data (monthly basis) – will begin at the end of Quarter 1.
- Mis-codings on TechOne per month – by Service Area - will begin at the end of Quarter 1 due to April closure issues taking priority.

## Process updates:

- Finance time to respond to queries
  - Finance
  - Payments and Insurance
  - Income
- Procurement
  - The new 'No Compliance No Order' process has been live a month now, we have a few issues to resolve with T1 but hoping these will be resolved with the upgrade on the system.
  - Many departments are now proactively getting quotations for lower value works. A lot of the issues we have are now training issues that are being resolved.
  - We still have no contracts for garage related matters, but we now have dates for these to be resolved by and a meeting is to be set up monthly to ensure progress on these.
  - The number of contracts in place is growing regularly and we are confident that this process is having a positive effect. We hope that eventually we get to the place where the number of orders coming to us is minimal.
  - A spreadsheet is being collated for requests with no contracts and we will discuss this with teams going forward. We hope that eventually we get the place where the number of orders coming to us is minimal.

## General Finance Indicators:

- Council Tax collection rates – 2022/23 RBC 95.7%, 2022/23 BDC 97.8%, April 2023 so far RBC 8.9%, April 2023 so far BDC 8.7%
- Business rates collection rates - 2022/23 RBC 94.8%, 2022/23 BDC 94.6%, April 2023 so far RBC 6.8%, April 2023 so far BDC 6.6%
- Number of invoices paid within 30 days – update to be provided in next report
- Outstanding debt over 30 days (Accounts Receivable) – RBC £1.7m, BDC £1.1m, Rubicon £0.2m
- Bank reconciliations – significant progress on 2021/22 reconciliation
- Volume of items in suspense:

	2021/22 (work ongoing to transfer items out of suspense)	2022/23

	<b>Number of Transactions on Suspense Codes</b> (including any correcting lines)	<b>Value (£m)</b>	<b>Number of Transactions on Suspense Codes</b> (including correcting lines)	<b>Value (£m)</b>
RBC	28,846	(17.9)	18,146	25.1
BDC	5,870	(87.4)	9,595	(15.0)
Rubicon	-	-	2,994	1.3

## Draft External Auditors Annual Report 2020/21

### Statutory Recommendation – see above

On the 31st October 2022, the Councils External Auditors Grant Thornton issue a Draft External Audit Report for the 2020/21 Financial year. The External Audit Report had 5 Key Recommendations for Bromsgrove and 13 Improvement Recommendations for both Councils.

The initial responses to the 5 recommendations are included in the reports that went to both Audit Committees, Cabinet, and Council in November and December are as follows:

#### Recommendation 1

The Council needs to ensure that the Medium Term Financial Plan presented to Members is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.

Council Response 31<sup>st</sup> October –

- Unallocated savings amount from the existing MTFP of £477K has been highlighted in the Q1 monitoring that went to Cabinet in September. Decision has been taken to apply these amounts to vacancies at Q2 to resolve the issue. This will be reflected in the Q2 monitoring which will be presented to Cabinet in November.
- 2023/24 MTFP will be delivered in 2 Tranches. As set out in the existing MTFP there is a deficit of £1,588k to close in 2023/24 rising to £1,k in 2025/26 . Tranche 1 documentation which will be presented to Cabinet on the 26<sup>th</sup> October sets out how this could be bridged without the use of Reserves. Fuller detail is given on an underlying assumptions and a Savings Proposal Document gives the required transparency and allocation to the correct budgets.
- Given the present financial crisis, and including inflation running at over 10%, with utilities even higher, the Tranche 1 Reports have a draft Robustness statement setting out the viability of the budget at this time as the projected Gap with present inflationary and utility pressures would extinguish reserves within 2 years.
- 20/21 forecast outturn report presented to Cabinet in January 2021.
- 21/22 P11 set out that revenue would be delivered within budget, confirming the savings built into the budget were anticipated to be delivered in year.

## Recommendation 2

The Council needs to improve management of key projects, such as the financial ledger implementation, to ensure that expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure lessons are learned for future key projects.

Council Response 31<sup>st</sup> October –

- The Council has set up a Back Office Working Group which meets on a 2 weekly basis. Part of this groups remit is to “gatekeep” major projects to ensure the correct resources are allocated to projects up front and that there is clarity if an initiative cannot be resourced and this is linked to benefits realisation. This also applies to ongoing contract management.
- A Level 4 Group, which is a sub Group of CMT, now meets on a 2 weekly basis. Part of the remit of this group, which is cross Council, is to future scan for new “projects” and again ensure the right officers/expertise is involved from initiation.
- The Present MTFP has assessed projects and deliverability.
- Key Council projects are reported to CMT on a Quarterly basis for review
- That a shortcoming of the ERP implementation – full documentation of the system is now being addressed through a third party.
- The ERP was implemented in a time of restrictions due to C-19. A key learning point has been the limitations of remote working on a major implementation and the effects on staff – most of whom have left the Authority.
- A full post implementation review will take place once the system moves to steady state.

## Recommendation 3

The Council should review and implement effective governance arrangements in respect of performance monitoring to allow Members to make informed decisions. In order to achieve this the Council should reinstate public reporting on performance, linking this to the Council Plan and the related strategic objectives, allowing Members to scrutinise performance. This should be done at least twice per year.

Council Response 31<sup>st</sup> October –

- During this period the council did have a corporate performance dashboard which was available to Members. This is now being replaced with a Power BI based application. The corporate management team currently have access to this new application. Member access will be available by the end of 2022
- The Q1 2022/23 Finance and Performance Monitoring Report was presented to Members in September. This has been reviewed by the Budget Working Group in September.
- CMT reviews performance data on a monthly basis as part of its monthly assurance meeting
- The Q2 Finance and Performance Monitoring Report will be presented to Cabinet in November.

## Recommendation 4

The Council should review and implement effective governance arrangements in respect of risk monitoring to allow Members to make informed decisions. In order to achieve this the Council should make risk management reporting a standing item on the Audit, Standards &

Governance Committee agenda, with Members considering the Corporate Risk Register and Risk Management arrangements in an appropriate forum.

Council Response 31<sup>st</sup> October –

- Risk Management was relaunched in April and went to both Cabinet and Audit Committees in July 2022 as part of a quarterly monitoring regime.
- An updated Risk Approach agreed by CMT in April 2022.
- Risk data is reviewed monthly by Departmental Management Teams, quarterly by a Council wide officer risk board before being presented to CMT as part of the Assurance meeting.
- The Risk Management report to the 21st September will be presented to both Cabinet and Audit Committee in October.
- Risk Management is planned to be reported quarterly to Audit Committee.
- Internal Audit have recently conducted a follow up Audit on Risk Management where progress on the Risk Action plan was reviewed.

## **Recommendation 5**

The Council should ensure timely and relevant financial monitoring reporting is undertaken and presented to the appropriate public forum.

Council Response 31<sup>st</sup> October –

- As reflected above financial monitoring was delivered for P11 in 2021/22.
- There was internal financial reporting in 21/22 to managers to ensure operation delivery could be maintained.
- There is a monthly CMT Assurance meeting where progress on key controls is reviewed.
- The 2022/23 Q1 combined Finance and Performance monitoring was presented to Cabinet in September.
- Unallocated savings amount from the existing MTFP of £477k has been highlighted in the Q1 monitoring that went to Cabinet in September. Decision has been taken to apply these amounts to vacancies at Q2 to resolve the issue. This will be reflected in the Q2 monitoring which will be presented to Cabinet in November.
- The 2022/23 Q2 Combined Finance and Performance Monitoring will be delivered to Cabinet in November.
- The Tranche 1 2023/24 Budget (see Recommendation 1) sets out the ongoing position and moves to balance the budget. This will be presented to Cabinet in October.

## **Progress on Key Recommendations since 31<sup>st</sup> October have been:**

- The Council has resolved Cash Receipting Issue, and is in the process of upgrading the TechOne system so that it is the latest release. TechOne AMS support days, which were being used to clear the Cash Receipting issue are now reducing the overall issue list (which is down to 17 logged issues). This resource can also start to be proactively used for training. We also will be engaging again with Lanlaus for external support and to drive improvements forward.
  - **Once TechOne is updated the Council will engage with Lanlaus for further system improvements and efficiencies.**
- With the issuing of the back-office protocols, and the impending upgrading of TechOne, there will be the requirement at year end to undertake a significant tranche of retraining on system and wider back office “requirements. This includes budget monitoring



(system and finance perspectives). These training requirements and respective delivery timescales have been detailed earlier in this document.

- **Delivery of Financial training detailed in this document will move staff to right level of skills.**
- **TechOne will be upgraded to the latest version in June 2023.**
- There is still a resource issue across both Councils, many covered by Agency and temporary staff. The Council, through WM Employers have been engaged with Opus since the 1<sup>st</sup> April to deliver and more closely manage agency staff and reduce vacancies.
- Financial monitoring activities are now combined with performance reporting, and this is provided to Members on a quarterly basis with Quarters 1, 2 and 3 having been provided to Cabinet and also the appropriate scrutiny committees. Monitoring is a significant overspending position in both Councils due to a number of factors including the pay award. Unallocated savings amounts from previous years in both Councils have been either cleared or reduced to a low figure.
  - **Quarterly combined financial and performance monitoring will continue in 2023/4.**
- The 2023/24 Budget is being delivered in two tranches:
  - Tranche 1 has been approved by both Councils (December and January)
  - Tranche 2 in Bromsgrove
    - 23/4 is a £250k deficit, reducing to £44k surplus before increasing to a £431 deficit in 25/6.
    - Reserve have been fully reviewed with G/F balances at the end of the period £5.6m and Earmarked Reserves at £4.8m.
    - Capital programme concentration is on time limited Levelling Up Fund Schemes with high-cost fleet replacement being deferred until more clarity on Environment Bill with fleet being refurbished instead.
    - The Savings Document in Tranche 1 did have a consultation section, but there were no responses. This needs to be rethought in future years.
    - As per Robustness Statement still significant Risk – although most of this is sector wide.
  - **The 2024/5 MTFP will start in the summer. As part of this process the approach to consultation will be rethought.**
  - **The MTFP will include Scenario analysis given short term Government guidance on central support.**
- Capital and Treasury Management Strategies have been delivered as part of both the 2022/3 budget process and the 23/4 process:
  - Strategy Documents provided as part of Tranche 2 of the budget.
  - Update for 22/23 indicators in Quarter 1 monitoring as needed to change the cash at bank Indicator.
- Working Group meeting that span levels of control below CMT to ensure projects and projects delivery are more joined up:
  - Final CMT meeting each month is on assurance and reviewing where the Council is on those matters. This now includes a review on progress with outstanding Internal Audit Recommendations.
  - This includes an update from the 4<sup>th</sup> Tier and Back Office Working Groups
  - Audit, Standards and Governance working group assessed why the S24 was issued and this fed into March Audit Committees and the Peer Review.
  - **Integrate/endorse Audit Task Group Recommendations**

- Risk Management, has risen from a Limited Assurance rating in March 2022 to a Moderate Assurance level in April 2023, through the implementation plan which is now being embedded (and a further follow up internal audit has just been scoped to review progress) as part of business as usual has been through three reporting cycles to CMT and the respective Audit Committees. Q4 2022/23 data presented to Audit. Standards and Governance Committee and Cabinet in June 2023.
  - **Run Risk workshops to assess Risk Appetite of Cabinet and Audit Committees.**
  - **Implement Internal Audit Risk Review recommendations.**
  - **Change order of Audit Committees to deal with risk earlier as per the Recommendations of the Audit Task Group.**

The Draft External Audit Report 2020/21 also had Improvement Recommendations. Those not already mentioned above and required to be assessed/implemented are:

- Capital monitoring is being integrated with normal reporting. This is part of the assurance reports that come to CMT. In addition, there is a Governance Group meeting bi monthly that oversees the “major projects” such as Levelling Up Fund and UK Shared Prosperity Fund which is where the majority of the spend takes place.
- We are in the process of implementing a workforce plan and this went to Cabinet in November. Retaining and attracting staff is a major issue for councils in Worcestershire.
- We are still to use the CIPFA comparative data fully although we do now have access to it through the CIPFA Benchmarking Club.
- We have clear procurement policies and have done extensive training with staff. The major issue has been culture change to compliance with process.

## **Actions**

- **The Accounting Policies Report will go to every Audit Committee.**
- **The key closure deliverables for each financial year are set out below. The owner of these deliverables are the S151 and Deputy S151 Officers. Closure and Audit of the 2020/21 Accounts delivers the S24 Recommendations. The owners of these deliverables are the S151 and Deputy S151 Officers.**
- **Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy S151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.**
- **Delivery of Financial training detailed in this document will move staff to right level of skills.**
- **TechOne will be upgraded to the latest version in June 2023.**
- **Once TechOne is updated the Council will engage with Lanlaus for further system improvements and efficiencies.**
- **Quarterly combined financial and performance monitoring will continue in 2023/4.**
- **The 2024/5 MTFP will start in the summer. As part of this process the approach to consultation will be rethought.**
- **The MTFP will include Scenario analysis given short term Government guidance on central support.**
- **Integrate/endorse Audit Task Group Recommendations**

- **Run Risk workshops to assess Risk Appetite of Cabinet and Audit Committees.**
- **Implement Internal Audit Risk Review recommendations.**
- **Change order of Audit Committees to deal with risk earlier as per the Recommendations of the Audit Task Group.**

## **Appendix A Recommendations of the Audit Task Group**

The following 10 general recommendations and 4 ERP recommendations are the findings of the Audit Task Group which reported to both Bromsgrove Audit Standards and Governance Committees on the 9<sup>th</sup> March 2023 and Redditch Audit Governance and Standards Committee on the 23<sup>rd</sup> March 2023. These recommendations now form part of the overall finance recovery program.

### **1. Recommendations**

1. BDC to ensure that subject specialists, internal or external, are involved in the design of relevant procurement specifications for all major projects.
2. Given a number of substantial and important projects on the horizon for BDC, set up a permanent Project Management Office at BDC to support the full range of projects undertaken by the Council. This Project Management Office would report to CMT/ SMT as part of its remit. CMT is tasked with setting out the requirements of this new programme office and resource requirements to ensure compliance with the recommendations in this Report. This Report will be presented to the first Cabinet meeting after the BDC elections in May 2023.
3. In order to establish that a system chosen is fit for purpose, future scoring criteria as part of all procurement exercises will include the need for evidence that the system on offer to BDC is tried and tested.
4. Internal Audit should be cited on all major projects, together with a professional member of the Project Management Office. If necessary, independent or peer validation of technical specifications and/or bid due diligence should be considered.
5. Staff required on any major projects should be backfilled, to ensure no work over-load impacting BDC staff well-being.
6. Should staff training be required as part of any new system or project implementation, BDC as a purchaser of that system/solution, should ensure that all training requirements are included as part of the project specification.
7. The Agile Working Policy should take account of the need, from time to time, for officers to work collaboratively and in line with the needs of the project.
8. The Council should fully and accurately record action points at project board meetings (and potentially, other Council meetings). They should then be implemented by the specific person responsible and reported upon at the following project meeting within a suitable and reasonable time scale. Where this is not possible, there should be RAG rating to escalate this further, to secure a suitable resolution is discussed by the relevant project team.
9. Officers, as a standard Report, will highlight to Audit, Standards and Governance Committee any possible finance and governance issues in the next six months not delivering to standard or timescales. This will include the timescales of delivery of finance training, delivery of VAT returns, delivery of the 2021/22 and 2022/23 accounts.
10. The Corporate Risk Register to be discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee. Any risks are to be clearly flagged to the members of the Committee, particularly where they are rated as red.

## ERP Recommendations

1. All finance staff and Council users are to be trained as a matter of urgency and no later than by 31st August 2023 on how to use the ERP system and that the progress with this is reported to the next meeting of the Audit, Standards and Governance Committee as a regular agenda item.
  2. BDC to work with a specialist with the knowledge of the TechOne system and Cash Receipting to help in real time with the completion of the implementation of the new ERP system and all of its components and to help with any training needs and improvements to the system.
  3. VAT returns to be up to date for 2020-21 and 2021-2022 by the end of May 2023 and for 2022-2023 by the end of August 2023.
  4. The 2021-2022 Accounts to be in draft format by 30th June 2023.
  5. The 2022-2023 Accounts to be in draft format by 30th September 2023.
- (All of the above milestones will be dependent on resources and will be reported to the Committee as per recommendation 9 above.)



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### **Approval to Spend Report**

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

#### **1. SUMMARY**

The purpose of this report is to set out to Cabinet the key implications of the New Procurement Bill which the Council has to comply with from 1<sup>st</sup> April 2024, and what the Council needs to do to meet its obligations.

#### **2. RECOMMENDATIONS**

**Cabinet are asked to Recommend to Council that:**

- **The Key Decision threshold is raised to £200k.**
- **On a quarterly basis a report “the Approval to Spend Report” will be provided to Cabinet which sets out the Council’s Procurement Pipeline for approval to be included on the forward plan and an analysis of spending over the past 4 years to identify spending with suppliers over the £200k limit to ensure this spending is converted to properly contracted expenditure and rogue expenditure is dealt with.**
- **That items from the initial pipeline report at the appropriate Key Decision level, as set out in Appendix C, are added to the forward plan.**

#### **3. KEY ISSUES**

##### **Introduction**

- 3.1** This report sets out the key implications of the new Procurement Bill, which needs to be enacted by 1<sup>st</sup> April 2024. The Bill brings even more transparency to how Councils undertake their business. The report sets out:
- the key parts of the new Bill
  - Transparency arrangements already in place at the Council

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- Council procurement governance requirements
- An analysis of present procurements and comparison of limits against local Councils
- The proposed way forward.

#### **The Procurement Bill**

- 3.1 The Bill will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations
- 3.2 It will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. And it will more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
- 3.3 It will strengthen the approach to excluding suppliers where there is clear evidence of their involvement in Modern Slavery practices, and running throughout each part of the Bill is the theme of transparency.
- 3.4 Contracting authorities must have regard to delivering value for money, maximising public benefit, transparency and acting with integrity. Integrity must sit at the heart of the process. It means there must be good management, prevention of misconduct, and control in order to prevent fraud and corruption. The Bill also includes a duty on contracting authorities to have regard to the particular barriers facing SMEs, and to consider what can be done to overcome them.

#### **Key Points within the Bill**

##### **Undertaking a Procurement**

- 3.5 The Bill introduces a new procedure for running a competitive tendering process - the competitive flexible procedure - ensuring for the very first time that contracting authorities can design a competition to best suit the particular needs of their contract and market.

##### **Contract Management**

- 3.6 The important work on procurement does not stop once a contract has been awarded. Part four of the Bill sets out steps that must be taken to manage a contract. This includes the strengthening of rules ensuring that suppliers are paid on time and new requirements to assess and publish information about how suppliers are performing.

### **Transparency Notices**

3.7 The Bill proposes a number of measures to ensure greater transparency to make it easier to scrutinise procurement decisions. In particular, contracting authorities will be required to publish:

- a "pipeline notice" where contracting authorities consider that they will spend more than £100 million on certain types of procurement in the next financial year;
- a tender notice at the commencement of the procurement procedure;
- more detailed information about the evaluation to unsuccessful bidders;
- a contract award notice before (instead of after) entering into a public contract;
- information about contracts after they have been concluded;
- a copy of any public contract with a value exceeding £2 million within 90 days of it being entered into;
- information about payments under public contracts to enable scrutiny by the general public;
- a contract implementation notice to update on performance against KPIs;
- a contract change notice in advance of implementing amendments; and:
- a contract termination notice ahead of the expiry or termination of a contract.

### **Measures already in place**

3.8 Whilst the above may appear daunting, the recent work that the Council has already done to put measures in place means that the majority of the requirements under the new Bill are already being met with a few changes required for transparency purposes.

Our existing measures include:

- No Compliance No Order which was implemented on the TechOne system on the 1<sup>st</sup> April 2023. With this, an order cannot be raised unless it's linked to a contract or an identifiable procurement route. We are 3 months into this process and in the short term we will allow orders not linked to contracts as long as the contracting process is under way (which is checked/approved by the Procurement Team. By the end of the Calendar year we expect high compliance as contracts will have been set up for all significant expenditure.
- All new suppliers have to be approved by the procurement and payments teams. Up to September 2022 new suppliers were approved just by the payments teams. The

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new route ensures that we are making the most value of contracting and reducing rogue non contract linked expenditure.

- Monthly spending of over £500 is placed on the Councils Website. Please use this link <https://www.bromsgrove.gov.uk/council/finance/supplier-payments-over-%C2%A3500.aspx>
- That the Council has an EPC Card system for small expenditure. Controls are in place using these Cards:
  - Maximum monthly expenditure.
  - Individual transaction limits.
  - Merchant Category Group code blocking
    - Each supplier is classified with a Category Group code. Any number of these codes can be blocked or left unblocked to ensure compliance with business policies.
- The contracts register is available to Officers, Members and the Public – See Appendix C.
- The Procurement team is available for monthly meetings with HOS and this ensures the procurement team has visibility of what service departments are procuring to ensure contracts are set up to ensure compliance to the No Compliance No Order regime.
- Procurement training is provided to the teams on request in order for them to understand the new and wider procurement requirements. The procurement team recently provided a series of training in September 2022.
- Monthly Accounts payable training delivered to ensure that those administering procurements within Service Departments understand how to use the TechOne system to properly code those requisition and orders.
- There is a dedicated Procurement Teams Page (See **Appendix A**) for Officers which covers:
  - The Procurement Process
  - Award Procedures
  - Frameworks Commonly Used
  - How we Advertise our Contract Information
  - Requests for Training
  - Social Value
  - Glossary of Procurement Terms
  - Template documents

### **Council Governance**

- 3.9 Part 6 of the Constitution sets out the Schemes of Delegation. The schemes of delegation set out what decisions can be delegated to Cabinet and individual Officers. These are set out in Appendix B.



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- 3.10 The Council Constitution sets out that from a financial basis a “key decision” is any item that has a combined financial spend (either as a single item or for the length of the contract) of £50,000.
- 3.11 Key decisions need to be on the Council’s forward plan. Then
- Cabinet Decisions are actioned via a Cabinet Report;
  - Decisions delegated to Officers are actioned via an Officer Decision notice.

This includes Revenue, Capital and S106 allocations.

### **The Present Council Procurement Pipeline**

- 3.13 The Council’s Procurement Pipeline, which is presently based on the Contracts Register, is set out in Appendix C along with the initial “pipeline document”. The Procurement Pipeline provides a forward look of potential contracting opportunities and when existing contracts are due to expire. The initial pipeline document which has been derived from the Council’s existing Contracts database. However, as set out in section 3.8 above, this is in the process of being built and so departmental procurement officers have been asked to update the Pipeline document for any procurements that they have coming up in 2023 and 2024 that are over £50k for the life of the contract and are not already on the contract register.
- 3.14 The key task of the pipeline is **to allow for proper planning of procurements** to ensure the Council maximises its contracting opportunities by
- Alerting Officers and Members to contracts coming to the end of their terms;
  - Reducing the likelihood of duplicating contracts;
  - Ensuring that if decisions are Key that they are on the appropriate Key Decision Registers
- 3.15 By having an up to date procurement pipeline, and ensuring procurements and the associated key decisions are efficiently planned, we will ensure that the Council is delivering fully to the new Procurement Bill which becomes a requirement on the 1<sup>st</sup> April 2024.
- 3.16 Assessing the current joint procurement register we have the following levels, by spending, of contracts:

Contracts Register – taken as at 17<sup>th</sup> June

- Over £200k – 44 Contracts
- £100K to £200k – 32 Contracts
- £50k to £100k – 36 Contracts
- £10k to £50k – 94 Contracts

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- Up to £10k – 62 Contracts

Capital (Just Bromsgrove) – taken from the present capital programme approved in February 2023

- Over £200k – 9 Schemes
- £100k to £200 – 2 Schemes
- £50k to £100k – 1 Scheme

3.17 It is clear from this data that the present £50k threshold for Key Decisions covers far too many projects as many contracts last for multiple years. The majority of Councils have traditionally set the key decision limit at the EU Threshold level of £179k. Other Councils in Worcestershire have the following key decision limits:

- Wyre Valley - £50,000
- Worcester City – £164,176 in 2017, suggests not required in present structure

As a further Comparison we have

- Birmingham – Capital £1m, Revenue £500k, Chief Officers £200k
- Solihull - £500k
- Wolverhampton - £250k

### **Proposal**

3.18 Given the above points, it is proposed that:

- The Key Decision threshold is raised to £200k. The logic of this is for revenue expenditure using GCloud, contract lengths can be up to 4 years. As such this is the existing £50K limit expanded to the full term of revenue contracts. This new threshold will apply to all classes of delegated decision.
- On a quarterly basis a report “the approval to spend report” will be provided to Cabinet which sets out from the Procurement Pipeline those procurements that should be taking place over the next year. This report will be refreshed every quarter and can be converted once approved by Cabinet into the ongoing forward plan.
- That as part of this report an analysis of spending will be made of the past 3 years to identify spends with suppliers over the £200k limit to ensure this spending is converted to properly contracted expenditure and rogue expenditure is dealt with.

## **4. Legal Implications**

4.1 No Legal implications have been identified.

## **5. Strategic Purpose Implications**

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### **Relevant Strategic Purpose**

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

### **Climate Change Implications**

- 5.2 The green thread runs through the Council plan. Procurements by their nature have potential financial implications and these in term can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

### **6. Other Implications**

#### **Customer / Equalities and Diversity Implications**

- 6.1 None as a direct result of this report.

#### **Operational Implications**

- 6.2 Managers meet with procurement officers to consider their current procurement position and to ensure actions are in place to mitigate any expenditure that is not contracted properly.

### **7. RISK MANAGEMENT**

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

### **8. APPENDENCES**

Appendix A – Dedicated Procurement Team Page  
Appendix B – Bromsgrove Scheme of Delegation  
Appendix C – Forward Pipeline and Contracts Register

### **AUTHOR OF REPORT**

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### Appendix A – Dedicated Procurement Teams Page

Thinking about procuring something? Read the process here first then ask us for any advice you may want or need. [Email us](#) or post in [the chat in this channel](#). Procurement is part of Legal Services.

What you procure, when, and why, is up to you and your teams inside the councils' usual political processes. It's your work.

**How** you procure, however, is **not** up to you. As public employees how we procure is regulated, and there is a process you must follow, with support from Procurement. The process is simple, essential, and will help you to procure well.

It's your responsibility.

### Service Protocol – Procurement

Our service protocol can be found [here](#)

### The process of procurement

Follow this simple **four-step process** whenever you think about procuring. Links to relevant supporting resources are included as you go along. Documents you may wish to refer to here are collected in [the Files tab of this channel](#).



#### Step 1: DETERMINE THE NEED

1. What are you procuring? Identify and scope the requirement. (Refer to: *Procurement Training*, as a summary of the formal *Contract Procedure Rules*)
2. Agree the procurement with management, including, for new a requirement, whether it's a priority.

#### Step 2: SPECIFY THE PROCUREMENT TO MEET THE NEED

1. Set out exactly what will you need to buy. This step is critical as it will determine what you end up getting. (Refer to: *Specification training* and *Specification template*. Here's some Crown Commercial Service [info on writing a specification](#))
2. Determine which award procedure you will be following. See [the Award procedures section](#) below for more.
3. Get your specification approved with management, and where necessary get advice from Legal Services.

#### Step 3: GO TO MARKET (only skip this if your award procedure is a direct award via a framework)

1. Depending on your award procedure, run your tender or quotation procedure. Refer to the template documents, terms and conditions, etc., in [the Files tab](#) on this channel. The standard terms & conditions are not appropriate for all procurements, so please check with Legal Services which terms and conditions are suitable for you.
2. If you are using the procurement portal to go to market, Procurement will handle incoming questions via the portal.
3. Evaluate supplier responses. (Refer to: *Evaluation training*)
4. Feed back to all bidders, and where necessary get advice from Legal Services first.



# Agenda Item 9

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### Step 4: AWARD/CONTRACT

1. Award the business / contracts.
2. Notify and sign contracts.
3. Request that the supplier and contract are added to the system (all new suppliers require a [new supplier form](#) to be sent to Payments (that file is always available over on the [Purchasing and Payments channel](#) of the ERP Support Team, which is where you should go if you want more support on adding a new supplier).
4. Manage the business / contracts as an ongoing concern.

**Note:** procurements may require technical guidance by Legal Services at certain points before they can proceed. This protects both you and the councils from compliance issues. Most contract and larger-value awards require technical guidance.

### Award procedures

All procurements must follow the relevant **award procedure** in line with councils' Contract Procedure Rules. This isn't just our policy, it's the law, and it protects you, the councils, and the public purse.

The award procedure depends on the amount you're spending. Generally speaking the more money you are spending, the more demanding the award procedure, and the more time you will need to allow for it including getting any technical guidance.

Which award procedure do you need to follow?

Total value of spending (including repeat spending on the same thing)	Award procedure	Written evidence you need on file (emails are ok)	Retain evidence for
£0- £3,000	Order off a Framework*		
	or		
£0- £3,000	There must be evidence of competitive enquiries being undertaken, with details of final selection criteria recorded and retained for one year from date of purchase (this can be in by email) Good practice is to get three quotes. This can be via email with a required response date.	Framework agreement or Your enquiries and how you decided	Purchase date or contract end date plus one year
	Send your final choice to Procurement for logging on the Contracts Register & ERP. Order off a Framework*		
£3,001 - £25,000	or		
	Get at least 3 written quotations and record how you decided which supplier to award to, this can be completed by email.	Framework agreement or Your quotes and how you decided	Purchase date or contract end date plus one year
	Send your final choice to Procurement for logging on the Contracts Register & ERP.		

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	<i>Optional:</i> Ask Procurement to advertise the opportunity for you!		
	Order off a Framework*	Framework agreement	
	or	or	Purchase date or contract end date plus five years
<b>£25,001- £50,000</b>	Contact Procurement to advertise an invitation for businesses to quote	All procurement documentation	
	Send your final choice to Procurement for logging on the Contracts Register & ERP.		
	Order off a Framework*		
<b>£50,001 – £177,897.50 (goods and services) or £4,447,447.50 (works)</b>	or	Framework agreement	
	Contact Procurement to advertise an invitation to tender via the Proactis Portal managed by Procurement Team.	or	Purchase date or contract end date plus five years
<b>Figures exclusive of VAT</b>	Send your final choice to Procurement for logging on the Contracts Register & ERP.	All procurement documentation	
	Order off a Framework*		
<b>Over £177,897.50 (goods and services) or £4,447,447.50 (works)</b>	or	Framework documentation	
	Contact Procurement to Advertise on 'Find a Tender' and via the Proactis Portal managed by Procurement Team.	or	Purchase date or contract end date plus five years
<b>Figures exclusive of VAT</b>	Send your final choice to Procurement for logging on the Contracts Register & ERP.	All procurement documentation	

*\*Where there is no adequate framework (see below) we can establish our own mini-framework of suppliers to meet a procurement need. Please ask.*

## Frameworks we commonly use

Frameworks go to the market so you don't have to.

They invite suppliers to compete to win business from multiple framework customers (us, and organisations like us). This saves time for you, and can mean significantly better prices too, because framework suppliers aren't just competing for your business - they're competing for the business of every customer who comes to that framework. Frameworks can be a simple, low admin way to procurement compliance.

Other sector specific frameworks are available, so if you don't see what you need here or these frameworks don't have what you need on them, please ask.

- Yorkshire Purchasing Organisation (YPO) <http://www.ypo.co.uk/>
- ESPO <http://www.espo.org/supplier-area/becoming-a-supplier.aspx>
- Crown Commercial Service <https://www.gov.uk/government/organisations/crown-commercial-service>
- LHC <https://www.lhc.gov.uk/>
- Fusion 21 <https://www.fusion21.co.uk/>

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- EEM Ltd <http://eem.org.uk/>
- PFH <http://procurementforhousing.co.uk/>
- NHS SBS [Procurement Services - NHS SBS](#)
- Procure Partnership [Procure Partnership Frameworks | Procurement For The Public Sector \(procurepartnerships.co.uk\)](#)

Here's some more information on [what a framework is](#), from the Crown Commercial Service.

## How we advertise our contract information

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We use the Proactis Pro Contract (Due North) platform, and sometimes we use Government platforms too.

- **All our contracts:** [Proactis Pro Contract \(Due North\)](#). Users can sign up for alerts.
- **Our lower value contracts but over £25k:** [HM Government Contracts Finder](#)
- **Our higher value contracts over £177,897.50 (goods and services) or £4,447,447.50 (works):** [HM Government Find a Tender](#)

We also use Proactis for our [contract register](#), which is a public record of all our contracts.

## Request training

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Procurement training is **mandatory** if you purchase for our councils. The Procurement team offer regular training sessions across the councils, but you can request your own bespoke training at any time by contacting the team. We recognise that one size does not fit all!

Request training anytime by contacting Procurement. Training documents that support the key areas of procurement are available in the Files tab of this channel.

## Social Value

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Social value in procurement is about making sure that what you buy creates additional benefits for society. To get it right, you need to start thinking as early as possible about how to apply it to what you are buying.

Here's a [link to Crown Commercial Service article on Social Value](#).

## Glossary of Procurement Terms

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Running a procurement can involve technical language that can sometimes be a little daunting. We want to help you understand some of the [common terms and abbreviations](#) you may come across.

## Related documents and files

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See [the Files tab in this channel](#).

# Agenda Item 9

## BROMSGROVE DISTRICT COUNCIL

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### Appendix B – Bromsgrove Scheme of Delegation

Link to the Council's Scheme of Delegation

<https://moderngovwebpublic.bromsgrove.gov.uk/documents/s53711/6%20Scheme%20of%20Delegations%20April%202022.pdf>

### Appendix C – Contracts Register and Forward Pipeline

Link to the Council's Contracts Register

[Contracts register \(due-north.com\)](https://contractsregister.due-north.com)

### Forward Pipeline – Bromsgrove Specific

Council	Contract Title	Contract Description	Department	Current Contract Expiry Date	Procurement Start Date	Contract Commencement Date	Contract Length	Extension	Contract Value (anticipated Lifetime Value)	Planned Procurement Route (project type?)	Suitable for SME's?	Suitable for VCSE's?
Joint	Supply of MFD	Supply of MFD and associated requirements	Communications	31/08/2023	01/05/2023	01/09/2023	5	0		Framework	Y	N
Joint	ERP System	ERP system	Finance	13/06/2023		14/06/2023	2	2		Framework	N	N
Bromsgrove	Dangerous Dog Contractor Ser	Framework Agreement Dangerous Dog Contractor Services For	WRS		TBC	TBC	TBC	TBC				
Bromsgrove	Dog warden cover	Worcestershire Regulatory Services framework agreement to provide dog warden cover for Worcestershire regulatory services.	WRS	06/04/2024						Open Tender	Y	Y
Bromsgrove	out of hours dog warden serv	framework agreement to provide out of hours dog warden services for	WRS	28/02/2024	TBC	TBC	TBC	TBC		Open Tender	Y	Y
Bromsgrove	Management and maintenance of data centre	Worcestershire Regulatory Services. Management and maintenance of data centre infrastructure	ICT	28/02/2024	TBC	TBC	TBC	TBC		Open Tender	Y	Y
Bromsgrove		Civica Open Revenues	Revenues & Benefits	01/01/2024	TBC	TBC	TBC	TBC	£378,000			
		Contract for the design, supply, installation, maintenance, and removal of Christmas lighting displays for the Borough of Redditch and District of Bromsgrove Including	Leisure	01/12/2023	TBC	TBC	TBC	TBC		Framework	Y	N
Joint	Christmas lighting	FRAMEWORK AGREEMENT TO PROVIDE Kennelling of Dogs FOR	WRS	31/01/2023	01/05/2023	01/11/2023	3	0	150,000	Open Tender	Y	Y
Bromsgrove	PROVIDE Kennelling of Dogs	WORCESTERSHIRE REGULATORY	WRS	31/03/2024	TBC	TBC	TBC	TBC		open Tender	Y	Y
Bromsgrove	IDOX Software	BDC-Call-off contract to support and maintenance for Idox Uniform and DMS solution	WRS		TBC	TBC	TBC	TBC				
Bromsgrove	Water Supply	Water, Wastewater and Ancillary Services VIA CCS RM6187	Property Services	28/02/2023	TBC	TBC	TBC	TBC	£77,000	Framework	Y	N
Bromsgrove	Energy Advice	Provision of Energy Advice and Energy Efficiency Schemes in Bromsgrove District and Redditch Borough	Housing Strategy	30/04/2023	TBC	TBC	TBC	TBC	£45,000	Framework	N	N
Joint	Fuel	BDC Diesel Fuel via CCS RM6177	Environmental -	31/05/2024	TBC	TBC	TBC	TBC	£161,000	Open Tender	Y	Y
Bromsgrove	Fuel	RBC Diesel Fuel via CCS RM6177	Environmental -	31/03/2024	TBC	TBC	TBC	TBC	£450,000.00	Framework	N	N
Bromsgrove	Vehicle Hire	Vehicle Hire and Car Share (BDC) Via CCS RM6013	Environmental - Fleet	31/03/2024	TBC	TBC	TBC	TBC	£24,000.00	Framework	N	N
Bromsgrove	Wheeled Bin	Supply of wheeled plastic bins via ESPO 860_22 BDC	Environmental - Stores	31/07/2023	TBC	TBC	TBC	TBC				
Bromsgrove	Air Quality Monitoring	Air Quality Monitoring	WRS	31/03/2024	TBC	TBC	TBC	TBC	£300,000.00	Framework	Y	Y
Bromsgrove				N/A	Aug-23				£276,000	Open Tender	Y	Y

Bromsgrove Capital Schemes  
 Levelling UP Scheme  
 UK Shared Prosperity Scheme



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Disabled Facilities Grant  
Home Repairs Assistance  
New Fleet Replacement  
Replacement Parking Machines  
Wheely Bin Purchases  
Footpaths Maintenance  
Buildings Maintenance

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## **BROMSGROVE DISTRICT COUNCIL**

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### **Financial Recovery Plan**

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

#### **1. SUMMARY**

The purpose of this report is to set out the processes the Council has been following to rectify a deterioration in its financial position and processes due to the impact of the implementation of a new financial system in February 2021 during the C-19 pandemic period. This follows on from a report presented on the 14<sup>th</sup> September 2022 and also the discussions over the S24 Statutory Recommendations that took place in Audit, Standards & Governance Committee, Cabinet and Council in November and December 2022.

#### **2. RECOMMENDATIONS**

**Cabinet are asked to Resolve that:**

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

#### **3. KEY ISSUES**

##### **Financial Position**

- 3.1 The Council implemented a new financial system in February 2021. The existing financial system was at the end of its useful life and would not deliver process improvements required to move the Council forward. This implementation has not been

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smooth and has led to a deterioration of the Councils financial position. This has included:

- Non completion of the 2020/21, and 2021/22 Accounts.
- Non delivery of monitoring information during the 2021/22 financial year.
- Non delivery of Government financial returns.
- Incomplete take-up of the new system by both Finance and Service Users.
- Loss of key financial staff.

- 3.2 A finance recovery programme was put in place from April 2022 to start to rectify the situation. This was reported through to Cabinet in September 2022.
- 3.3 These issues build on comments from the External Auditors relating to 2019/20 accounts, which were only approved in the fall of 2021 and the subsequent issuing of the S24 Recommendation on the 31<sup>st</sup> October 2022 due to non-delivery of the 2020/21 Statement of Accounts. Comments on the 2019/20 accounts highlighted issues on working papers were highlighted as a significant issue.
- 3.4 Audit, Standards and Governance Committee, Cabinet and then Council debated the S24 Recommendation and the Draft 2020/21 External Audit Report in November and December 2022. The outcome of Council was that:
- the Section 24 Statutory Recommendation be accepted, and that Council review the recommendation, endorse the actions included in the management responses which form the rectification process required as per legislation and
  - the Council, through the Leader, commission a Corporate Peer Review by the Local Government Association (LGA) to look into Corporate Governance linked to the Section 24 Notice report and the draft External Audit Report for 2020/21. The review would then be reported back to the Chief Executive and the Leader of the Council, who in turn would discuss the outcomes with other Group Leaders
  - the Audit, Standards and Governance Committee carry out a root and branch investigation on how the Council arrived at the Section 24 Notice.
- 3.5 And in terms of the 5 Key Recommendations and 13 Performance recommendations in the draft External Audit Report for 2020/21 that
- the 5 Key Recommendations and 13 Improvement Recommendations within this report be agreed.
  - Council agree that the Management Actions contained within this report will rectify these issues
- 3.6 The Council continue to move forward with the rectification processes and in particular:
- A Peer Challenge did take place in early March, which was a joint review with Redditch, and another report on this agenda sets out actions plans, including a “finance action plan”, to meet the Peer Challenge’s recommendations.



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- A Task Group of Audit, Standards and Governance Committee did meet to carry out the root and branch review on how the Council arrived at the Section 24 recommendations. This Task Group met in February and presented its findings to Audit, Standard and Governance Committee on the 9<sup>th</sup> March.
- That Audit, Standards and Governance Committee as a standing agenda agenda item review progress against the Audit recommendations, and national and local deadlines.

### **Rectification Process**

- 3.7 The Reports presented to Council in December set out the Management Action Plans in place to rectify the issues set out in the S24 Recommendations and the draft 2020/21 External Audit Report. These are also set out in the Peer Review report Appendix G. This report now concentrated on movement since those formal responses.
- 3.8 Interactions with Members since the 7<sup>th</sup> December 2022 have included:
- An Emergency Audit, Standards and Governance Committee convened on the 14<sup>th</sup> December to review the draft Accounts for comment (minutes available).
  - Audit Standards and Governance Committee on the 19<sup>th</sup> January, reviewed progress on tasks to date.
  - Auditors reporting they were on site from Wednesday 25<sup>th</sup> January. They have started their work by reviewing the data transfer balances (old to new system) and it has been agreed between the Auditors and the Council that draft 20/21 Accounts will be provided to Auditors after both sides have signed off the data take on balances.
  - The Task and Finish Group membership and Remit was agreed and meetings took place on the 1<sup>st</sup> Feb, 9<sup>th</sup> Feb, 14<sup>th</sup> Feb, 20<sup>th</sup> Feb, 21<sup>st</sup> Feb, 28<sup>th</sup> Feb, 2<sup>nd</sup> March and 6<sup>th</sup> March. The Final Report was taken to Audit, Standards and Governance Committee on the 9<sup>th</sup> March for approval. The recommendations of the Task Group are included in this report as Appendix A.
  - Audit, Standards and Governance Committee on the 9<sup>th</sup> March also had an update on progress on the Statement of Accounts, the Internal Audit Progress Report and the yearly Audit, Standards and Governance Committee Annual Report. The Committee also agreed to change its frequency to every 2 months to ensure challenging progress and ensuring the recommendations of the S24 Statement and the Draft External Audit Report were implemented.
  - The Constitution Review Working Group agreed Chair of Audit, Standards and Governance should join the Budget and Performance Working Group in order to ensure correct conversations could be held.
  - On the 1<sup>st</sup> June, the Audit Standards and Governance Committee had for the first time an Accounting Policies Report. The Accounting Policies Report will go to every Audit Committee and sets out:
    - The Accounting Policies being used their Source and associated Governance Arrangements be noted.
    - The Accounting Policies report be considered at each Audit, standards and Governance Committee meeting to alert Members to possible no compliance issues.

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- Bromsgrove District Council Audit Task Group Report into the issuing of the S24 Statement recommendations.

3.9 In terms of closure work, the following actions have taken place/been agreed with our External Auditors:

- Data Take on working paper had completed ready for Auditors (efin to tech1) including description of issues found while undertaking the reconciliation. First meeting with the external auditors with all this information held on the 11th January 2023. Data take on is key given that treatments have to be agreed as the starting point and this is where the Auditors are starting their work.
- A Solution to the cash receipting issues were finally resolved in the live environment on the 5/6th November 2022.
- Draft accounts produced between 6 November and 14th December for Audit Committee. In the Audit Committee meeting it was highlighted that items in suspense were still higher than wanted and will work on driving numbers down before have to issue the final draft accounts.
- Audit deliverables list supplied by External Auditors on the 16th January in preparation for arrival on 23 January. Following meetings with the External Auditors through to June 2023 the timetable has been slightly amended as follows:
- Closure 2020/21
  - Agreement of Treatment of Take on Balances – This will now take place in early July 23 as significantly more testing is required by the External Auditors
  - Provision of Draft 2020/21 Accounts to Audit (to begin Audit) July 23. This is dependent on the External Auditors confirmation that they have approved both Council's take-on balances work. The auditors are having issues in how they need to test the transactional data due to their "normal" models not working on our data.
  - 2020/21 Audit – July to September 23 (estimated)
  - Sign Off of 20/21 Accounts - November 2023
- Closure 2021/22
  - Updated Outturn position – August 2023
  - Draft Accounts to Auditors November 2023 (following external Auditors sign off of 20/21 Accounts)
  - Audit of Accounts December to April
  - Sign off of the Accounts – May/June 2024
- Closure 2022/23
  - Budget Manager Closure Training – 23rd-28th March 2023 – 83 staff attended closure training at the end of March.
  - Provisional Outturn Report – Cabinet Report for 12th July 2023. This will show outturn as well as amount in suspense to be cleared. This will enable the 2022/23 Revenue Outturn Report to be presented to DLUHC on the 31st July 2023 as per Government deadlines.
  - Draft 2022/23 Accounts to Audit – June 24 (following External Auditors sign off 21/22 Accounts)
  - Sign off of the Accounts – November 2024

3.10 Wider recovery programme actions include:

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- Finance Delivery Plan and overall deliverables converted to more BAU with an Assurance Meeting (last Wednesday CMT each month) taking items on board. Updated report format showing deliverables (linked to the Accounting Policies Report) launched in March 2023.
- Lanluas, a TechOne consultancy, has undertaken a TechOne Health check on 7/8/16/17 November with deliverables reports. This identifies areas where the Council can move the system forward. Following the upgrade more independent resource will be commissioned to ensure full system functionality is leveraged.
- TechOne now using AMS days to ensure other priorities delivered now that the cash receipting solution has been fixed on 5/6 November
- The Council are Upgrading TechOne to latest version with regression testing under way. It was expected this would go live in March 2023 but the Council are delaying this to June and will move to the latest version on the 10<sup>th</sup> July. The delay is due to the fact that TechOne Cash Receipting consultants will be in the UK in Early June and their time has been booked so this work can be done “face to face” given the Council is still the only TechOne Cash Receipting user and specific testing must be undertaken in this area.
- Additional reconciliation staff were engaged in February to address the backlog in suspense and key reconciliations to get the Council up to date.
- Back Office Protocols launched in December. This sets out what the “back office” provides and what the expectations are for Service managers. Finance services are a considerable part of these protocols.
- Implementation of controls is very dependent on completing clearance of suspense items which we have engaged additional staff.
- Still an issue replacing staff – due to Market shortages which are now more acute and driving up day rates. The Head of Finances maternity leave has been covered for a year with the replacement starting in the first week of May to allow handover. Chief Accountant has been recruited and a Head of Management Accountancy being sought.

3.11 Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group:

- **Budget**
  - Delivered by 11<sup>th</sup> March in preceding financial year – **delivered Feb 2023**
  - Council Tax Base – Yearly – **2023/24 delivered in January 2023**
  - Council Tax Resolution – **Yearly 2023/4 delivered in February 2023**
  - Council Tax Billing – Yearly (2 weeks before 1<sup>st</sup> DD is due to be taken) – **Bills distributed in March 2023**
- **Closure**
  - Draft Accounts delivered to Audit by 30<sup>th</sup> June
  - Audit Completed by 30<sup>th</sup> November (will change in 22/23 Audit)
- **Government Returns**
  - VAT – Monthly
    - **Still to be delivered for 20/21 – dependent on closure of accounts**

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- Revenue Outturn Reports – July
  - ***Still to be delivered for 20/21 – dependent on closure of accounts***
- Capital Outturn Reports – July
  - ***Still to be delivered for 20/21 – dependent on closure of accounts***
- Quarterly Revenue Outturn Estimates
  - ***Quarters 1-3 delivered (have warnings from previous year as not delivered)***
- Quarterly Capital Outturn Estimates
  - ***Quarters 1-3 delivered (have warnings from previous year as not delivered) Q4 to be delivered on 21st April 2023***
- Quarterly Borrowing Return
  - ***22/23 Quarterly Returns delivered - Q4 delivered on 11th April 2023***
- Quarterly Council Tax and Business Rates Returns
  - ***22/23 Quarterly Returns delivered - Q4 due 5th May 2023***
- Whole of Government Accounts Returns – August
  - ***Still to be delivered for 20/21 – dependent on closure of accounts***
- RA – Revenue Budgets – April
  - ***2022/23 Delivered on the 5<sup>th</sup> May 2022 and 2023/24 delivered on 14th April 2023***
- Capital Estimates Return – ***to be delivered by 24th March 2023***
- Public Works Loans Board Certainty Rate – April
  - ***2022/3 delivered on 28<sup>th</sup> April 2022***
- Pooling of Housing Capital Receipts – May
  - ***2022/23 Delivered 13th May***
- NNDR1 Return (Business Rates) – January
  - ***Delivered December 2021 for 2022/23 and January 2023 for 2023/24 return***
- NNDR3 Return (Business Rates) – June and September
  - ***Delivered in June 22 for 2022/23***
  - ***Draft 22/23 NNDR3 provided to Worcestershire County Council for view of the pool. Final draft NNDR3 to be submitted to DLUHC by 30<sup>th</sup> April 2023***
- Housing Benefit Subsidy Return – Yearly
  - ***Sent 29th April 2022***
  - ***2022/23 subsidy return due to be delivered on 28th April 2023***
- DHP Claim – Yearly
  - ***Sent 29th April 2022***
- CTB1 (Council Tax Base) – October
  - ***Sent October 2022***
- CTR1 (Council Tax Requirement) – March
  - ***22/23 sent 16 March 2022***
  - ***23/24 sent 7 March 2023***
- **Policies**
  - Treasury and Asset Management Strategies
    - Initial Strategies as part of the MTFP – ***2023/4 Strategy Approved in March 2023***
    - Half Yearly Report
      - ***Update provided in Q1 Revenue Return***

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- Yearly Outturn Report
  - ***To be produced in July***
- Council Tax Support Scheme – Yearly – ***Approved in Jan 2023 after consultation***
- Minimum Revenue Provision – yearly – ***Approved as part of the 2023/4 to 2025/6 Medium Term Financial Plan***
- **Local indicators include:**
  - Financial Monitoring – quarterly – ***quarters 1-3 2023 delivered in September, November and March. Outturn report is on this agenda***
  - Risk Management – quarterly – ***2023 updates delivered in July, November, January and June***
  - Financial Controls (still in development)
    - Clearance of suspense accounts
    - Bank Reconciliation
  - Over £500 spending.
    - ***Updated to February 2023***

3.12 The key returns that have still not been delivered are the Revenue and Capital Outturn forms for 2020/21 and 2021/22. Although the Government now allow these returns to be completed based on estimates, the level of uncertainty due to the Cash Receipting means these cannot be completed until the External Auditors sign off the Councils take on balances and the Council provides the draft accounts to Audit.

3.13 There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Report 2020/21. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

#### **Training:**

- Number on Closure Training 23, 24, 27, 28 March – by Service Area – 83 attended.
- Mandatory Budget Manager Training – July - by Service Area – Corporate Finance team trained on budget loading processes in April but issues due to cash receipting changes have led to budgets not being loaded until June. Also waiting the Upgrade so training will also encompass that as well.
- Mandatory Financial Awareness Training – July/August – by Service Area
- TechOne Budget Manager Training July/August – by Service Area.
- Number on Payments Purchase Order Training (Monthly) by Service Area.

#### **Errors:**

- Non delivery of GPC Card Data (monthly basis) – will begin at the end of Quarter 1.
- Mis-codings on TechOne per month – by Service Area - will begin at the end of Quarter 1 due to April closure issues taking priority.



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### Process updates:

- Finance time to respond to queries
  - Finance
  - Payments and Insurance
  - Income
- Procurement
  - The new 'No Compliance No Order' process has been live a month now. We have a few issues to resolve with T1 but hoping these will be resolved with the upgrade on the system.
  - Many departments are now proactively getting quotations for lower value works. A lot of the issues we have are now training issues that are being resolved.
  - We still have no contracts for garage related matters, but we now have dates for these to be resolved by and a meeting is to be set up monthly to ensure progress on these.
  - The number of contracts in place is growing regularly and we are confident that this process is having a positive effect. We hope that eventually we get to the place where the number of orders coming to us is minimal.
  - A spreadsheet is being collated for requests with no contracts and we will discuss this with teams going forward. We hope that eventually we get the place where the number of orders coming to us is minimal.
- **General Finance Indicators:**
  - Council Tax collection rates – 2022/23 RBC 95.7%, 2022/23 BDC 97.8%, April 2023 so far RBC 8.9%, April 2023 so far BDC 8.7%
  - Business rates collection rates - 2022/23 RBC 94.8%, 2022/23 BDC 94.6%, April 2023 so far RBC 6.8%, April 2023 so far BDC 6.6%
  - Number of invoices paid within 30 days – update to be provided in next report
  - Outstanding debt over 30 days (Accounts Receivable) – RBC £1.7m, BDC £1.1m, Rubicon £0.2m
  - Bank reconciliations – significant progress on 2021/22 reconciliation
  - Volume of items in suspense:

	<b>2021/22</b> <b>(work ongoing to transfer items out of suspense)</b>		<b>2022/23</b>	
	<b>Number of Transactions on Suspense Codes</b> (including any correcting lines)	<b>Value (£m)</b>	<b>Number of Transactions on Suspense Codes</b> (including correcting lines)	<b>Value (£m)</b>
BDC	5,870	(87.4)	9,595	(15.0)

- 3.14 Following the work undertaken, the following list are the actions that are now being delivered to rectify issues highlighted in the S24 Recommendation as well as key recommendations of the draft 2020/21 External Audit Report:

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- The Accounting Policies Report will go to every Audit Committee.
- The key closure deliverables for each financial year are set out below. The owner of these deliverables are the S151 and Deputy S151 Officers. Closure and Audit of the 2020/21 Accounts delivers the S24 Recommendations. The owners of these deliverables are the S151 and Deputy S151 Officers.
- Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.
- Delivery of Financial training detailed in this document will move staff to right level of skills.
- TechOne will be upgraded to the latest version in June 2023.
- Once TechOne is updated the Council will engage with Lanlaus for further system improvements and efficiencies.
- Quarterly combined financial and performance monitoring will continue in 2023/4.
- The 2024/5 MTFP will start in the summer. As part of this process the approach to consultation will be rethought.
- The MTFP will include Scenario analysis given short term Government guidance on central support.
- Integrate/endorse Audit Task Group Recommendations
- Run Risk workshops to assess Risk Appetite of Cabinet and Audit Committees.
- Implement Internal Audit Risk Review recommendations.
- Change order of Audit Committees to deal with risk earlier as per the Recommendations of the Audit Task Group.

#### **4. Legal Implications**

- 4.1 No Legal implications have been identified.

#### **5. Strategic Purpose Implications**

##### **Relevant Strategic Purpose**

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

##### **Climate Change Implications**

- 5.2 The green thread runs through the Council plan. Every report has potential financial implications and these in turn can have implications on climate change. These will be

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addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

### **6. Other Implications**

#### **Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report.

#### **Operational Implications**

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

### **7. RISK MANAGEMENT**

7.1 The financial monitoring is included in the corporate risk register for the authority

### **8. APPENDENCES**

Appendix A – Audit Task Group Recommendations

#### **AUTHOR OF REPORT**

Name: Pete Carpenter– Interim Director of Finance (S151)  
E Mail: [Peter.Carpenter@bromsgroveandredditchbc.gov.uk](mailto:Peter.Carpenter@bromsgroveandredditchbc.gov.uk)

Appendix A – Audit Task Group Recommendations

#### **Appendix A Recommendations of the Audit Task Group**

## **BROMSGROVE DISTRICT COUNCIL**

### **Cabinet 12<sup>th</sup> July 2023**

The following 10 general recommendations and 4 ERP recommendations are the findings of the Audit Task Group which reported to both Bromsgrove Audit Standards and Governance Committees on the 9<sup>th</sup> March 2023 and Redditch Audit Governance and Standards Committee on the 23<sup>rd</sup> March 2023. These recommendations now form part of the overall finance recovery program.

#### **1. Recommendations**

1. BDC to ensure that subject specialists, internal or external, are involved in the design of relevant procurement specifications for all major projects.
2. Given a number of substantial and important projects on the horizon for BDC, set up a permanent Project Management Office at BDC to support the full range of projects undertaken by the Council. This Project Management Office would report to CMT/ SMT as part of its remit. CMT is tasked with setting out the requirements of this new programme office and resource requirements to ensure compliance with the recommendations in this Report. This Report will be presented to the first Cabinet meeting after the BDC elections in May 2023.
3. In order to establish that a system chosen is fit for purpose, future scoring criteria as part of all procurement exercises will include the need for evidence that the system on offer to BDC is tried and tested.
4. Internal Audit should be cited on all major projects, together with a professional member of the Project Management Office. If necessary, independent or peer validation of technical specifications and/or bid due diligence should be considered.
5. Staff required on any major projects should be backfilled, to ensure no work over-load impacting BDC staff well-being.
6. Should staff training be required as part of any new system or project implementation, BDC as a purchaser of that system/solution, should ensure that all training requirements are included as part of the project specification.
7. The Agile Working Policy should take account of the need, from time to time, for officers to work collaboratively and in line with the needs of the project.
8. The Council should fully and accurately record action points at project board meetings (and potentially, other Council meetings). They should then be implemented by the specific person responsible and reported upon at the following project meeting within a suitable and reasonable time scale. Where this is not possible, there should be RAG rating to escalate this further, to secure a suitable resolution is discussed by the relevant project team.
9. Officers, as a standard Report, will highlight to Audit, Standards and Governance Committee any possible finance and governance issues in the next six months not delivering to standard or timescales. This will include the timescales of delivery of finance training, delivery of VAT returns, delivery of the 2021/22 and 2022/23 accounts.
10. The Corporate Risk Register to be discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee. Any risks are to be clearly flagged to the members of the Committee, particularly where they are rated as red.

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### **ERP Recommendations**

1. All finance staff and Council users are to be trained as a matter of urgency and no later than by 31st August 2023 on how to use the ERP system and that the progress with this is reported to the next meeting of the Audit, Standards and Governance Committee as a regular agenda item.
  2. BDC to work with a specialist with the knowledge of the TechOne system and Cash Receipting to help in real time with the completion of the implementation of the new ERP system and all of its components and to help with any training needs and improvements to the system.
  3. VAT returns to be up to date for 2020-21 and 2021-2022 by the end of May 2023 and for 2022-2023 by the end of August 2023.
  4. The 2021-2022 Accounts to be in draft format by 30th June 2023.
  5. The 2022-2023 Accounts to be in draft format by 30th September 2023.
- (All of the above milestones will be dependent on resources and will be reported to the Committee as per recommendation 9 above.)



#### **Draft 2022/23 TREASURY MANAGEMENT OUTTURN REPORT**

Relevant Portfolio Holder	Councillor Charlie Hotham, Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell
Report Author	Job Title: Head of Finance & Customer Services email:michelle.howell@bromsgroveandredditch.gov.uk Contact Tel: 0152764252
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

#### **1. SUMMARY OF PROPOSALS**

- 1.1 This report for 2022/23 presents the draft outturn position on the Council's Capital and Treasury Management Strategies, including all prudential indicators. There is the requirement for progress to reported through Cabinet to Council.

#### **2. RECOMMENDATIONS**

**Cabinet are asked to Recommend to Council that:**

- 1 That Cabinet note the Treasury Outturn Position for 2022/23.

#### **3. Background**

##### **Introduction**

- 3.1 In June 2022 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.
- 3.2 The Authority's treasury management strategy for 2022/23 was approved at a meeting on 22<sup>nd</sup> June 2022. The half yearly update was presented to Cabinet on the 23<sup>rd</sup> November 2022. The Authority has borrowed and invested

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substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

- 3.3 CIPFA published its revised Treasury Management Code of Practice [the TM Code] and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year if they wish, which the Authority has elected to do.
- 3.4 Treasury risk management at the Authority is conducted within the framework of the TM Code. This Code now also includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

#### *External Context*

#### **Economic background:**

- 3.5 Economic background: The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.
- 3.6 Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.
- 3.7 Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

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- 3.8 Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.
- 3.9 The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.
- 3.10 The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.
- 3.11 Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.
- 3.11 The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

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- 3.12 After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.
  
- 3.13 From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.
  
- 3.14 Financial markets: Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.
  
- 3.15 Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.
  
- 3.16 Credit review: Early in the period, Moody's affirmed the long-term rating of Guildford BC but revised the outlook to negative. The agency also downgraded Warrington BC and Transport for London.
  
- 3.18 In July Fitch revised the outlook on Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive. In September S&P revised the outlook on the Greater London Authority to stable from negative and Fitch revised the outlook on HSBC to stable from negative.
  
- 3.19 The following month Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

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- 3.20 During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.
- 3.21 Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.
- 3.22 On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.
- 3.23 As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.
- 3.24 Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree caution is merited with certain authorities.

### **Local Context**

- 3.25 On 31st March 2023, the Authority had net borrowing of £2.5m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.



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Table 1: Balance Sheet Summary

	31.3.23 Actual £m
Draft General Fund CFR	30.4
Less:	
External borrowing	(3.8)
Internal (over) borrowing	26.6
Less: Draft Usable reserves/working capital	(24.1)
Net borrowing	2.5

**\* Figures are draft as still to close 20/21 and 21/22 Statements of accounts which impact opening 2022/23 opening balances**

- 3.26 The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.
- 3.27 The treasury management position at 31st March 2023 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.22 Balance £m	Movement £m	31.3.23 Balance £m	31.3.23 Rate %
Long-term borrowing	0	0	0	0
Short-term borrowing	0	3.7	3.7	4.50
Total borrowing	0	3.7	3.7	
Long-term investments	0	0	0	0
Short-term investments	7	(5.8)	1.2	4.05
Cash and cash equivalents	0	0	0	0
Total investments	7	(5.8)	1.2	
Net borrowing / (investments)	(7)	9.5	2.5	

### **Borrowing**

- 3.28 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital

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financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

- 3.29 The Authority has reviewed its capital programme in light of changes to the CIPFA Prudential Code and PWLB lending arrangements to ensure that borrowing to invest primarily for commercial return is no longer undertaken.

### **Borrowing Strategy and Activity**

- 3.30 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.31 The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after Liz Truss' 'mini-budget' included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies: over a twenty-four-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain volatile and well above recent historical norms. The PWLB 10 year maturity certainty rate stood at 4.33% at 31st March 2023, 20 years at 4.70% and 30 years at 4.66%.

### **Explain the impact on the authority, and current strategy.**

- 3.32 At 31st March 2023 the Authority held £3.7m of short term loans, a £3.7m increase on 31st March 2022, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March are summarised in Table 3 below.

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Table 3A: Borrowing Position

	31.3.22 Balance £m	Net Movement £m	31.3.23 Balance £m	31.3.23 Weighted Average Rate %	31.3.23 Weighted Average Maturity (years)
Public Works Loan Board	0	0	0		0
Banks (LOBO)	0	0	0		0
Banks (fixed-term)	0	0	0		0
Local authorities (long-term)	0	0	0		0
Local authorities (short-term)	0	3.7	3.7	4.50%	< 1
<b>Total borrowing</b>	<b>0</b>	<b>3.7</b>	<b>3.7</b>		

- 3.33 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.
- 3.34 The Authority had remained debt free until this short term debt requirement and its capital expenditure plans do not currently imply any need to borrow over the near term. Investments fell by £5.8m to £1.2m as capital receipts were used to finance capital expenditure and reserves used to finance the revenue budget.

#### **Treasury Investment Activity**

- 3.35 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 3.36 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £9.0m and £1.2 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

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Table 4: Treasury Investment Position

	<b>31.3.22 Balance £m</b>	<b>Net Movement £m</b>	<b>31.3.23 Balance £m</b>	<b>31.3.23 Income Return %</b>	<b>31.3.23 Weighted Average Maturity days</b>
Banks & building societies (unsecured)					
Covered bonds (secured)					
Government (incl. local authorities)	7.0	(6.0)	1.0	4.05	9
Corporate bonds and loans					
Money Market Funds	0	0.2	0.2	3.94	34
Other Pooled Funds					
Real Estate Investment Trusts					
<b>Total investments</b>	<b>7.0</b>	<b>(5.8)</b>	<b>1.2</b>		

3.37 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.38 Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities.

3.39 By end March 2023, the rates on DMADF deposits ranged between 4.05% and 4.15%. The return on the Council's Money Market Funds ranged between [0.5% - 0.7% p.a.] in early April and between [3.9% and 4.1%] at the end of March.

3.40 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

Undertaken through Brokers

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**Externally Managed Pooled Funds:** The authority currently does not invest in any of these vehicles.

- 3.41 The change in the Authority's funds' capital values and income earned over the 12-month period is shown in Table 4.
- 3.42 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 medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns should exceed cash interest rates.
- 3.43 The Authority had budgeted £250,000 income from these investments in 2022/23. Income received was £111,350, whilst a further £4,500 has been declared and is due to be paid by April/May.
- 3.44 The DLUHC published a consultation on the IFRS 9 pooled investment fund statutory override for English authorities for fair value gains and losses on pooled investment funds which was due to expire with effect from 2023/24. The options under evaluation were to allow the override to lapse, to extend it, or to make it permanent. The override will be extended for two years and therefore remain in place for the 2023/24 and 2024/25 financial years. Under the Regulations, gains and losses resulting from unrealised fair value movements relating to treasury pooled investment funds, that otherwise must be recognised in profit or loss under IFRS 9, are not charges to the revenue account, and must be taken into an unusable reserve account.
- 3.45 Where investment income has exceeded budget, the Authority has transferred revenue savings to an earmarked reserve to manage future volatility. This reserve was £0m on 31/3/2023.

#### **Non-Treasury Investments**

- 3.46 The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for



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service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

3.47 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

3.48 The Authority also held £0m of such investments.

3.49 The Authority held £0m of investments made for commercial purposes

#### Treasury Performance

3.50 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	<b>Actual £m</b>	<b>Budget £m</b>	<b>Over/ under</b>	<b>Actual %</b>
Short Term Borrowing	<b>3.7</b>	<b>0</b>	<b>3.7</b>	<b>4.5</b>
<b>Total borrowing</b>	<b>3.7</b>	<b>0</b>	<b>3.7</b>	
PFI and Finance leases	0	0	0	0
<b>Total debt</b>	3.7	0	3.7	
DMO	1.0	0	1.0	4.05
Money Market Funds	0.25	0	0.25	4.00
<b>Total treasury investments</b>	<b>1.25</b>	<b>0</b>	<b>1.25</b>	

#### Compliance

3.51 The Interim Director of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy apart from the movement up of the Councils operational limit for its bank which increased to

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£2m. Compliance with specific investment limits is demonstrated in table 7 below.

- 3.52 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	<b>2022/23 Maximum</b>	<b>31.3.23 Actual</b>	<b>2022/23 Operational Boundary</b>	<b>2022/23 Authorised Limit</b>	<b>Complied? Yes/No</b>
Borrowing	3.7	3.7	45.0	50.0	Yes
PFI and Finance Leases	<b>0</b>	<b>0</b>	<b>1.0</b>	<b>1.0</b>	Yes
<b>Total debt</b>	<b>3.7</b>	<b>3.7</b>	<b>46.0</b>	<b>51.0</b>	Yes

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

Table 8: Investment Limits

	<b>2022/23 Maximum</b>	<b>31.3.23 Actual</b>	<b>2022/23 Limit</b>	<b>Complied? Yes/No</b>
Any single organisation, except the UK Government	0	0	£5m each	Yes
Any group of organisations under the same ownership	<b>0</b>	<b>0</b>	unlimited	Yes
Any group of pooled funds under the same management	<b>0</b>	<b>0</b>	£5m per group	Yes
Negotiable instruments held in a broker's nominee account	<b>0</b>	<b>0</b>	£5m per manager	Yes
Limit per non-UK country	<b>0</b>	<b>0</b>	£5m per broker	Yes
Registered providers and registered social landlords	<b>0</b>	<b>0</b>	£5m per country	Yes
Unsecured investments with building societies	<b>0</b>	<b>0</b>	£2.5m in total	Yes
Loans to unrated corporates	<b>0</b>	<b>0</b>	£2.5m in total	Yes

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Money Market Funds	£6.5m	£250k	£20m in total	Yes
Real Estate Investment Trusts	0	0	£20m in total	Yes

### Treasury Management Indicators

3.54 The Authority measures and manages its exposures to treasury management risks using the following indicators.

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

		31.3.23 Actual	2022/23 Target	Complied?
Portfolio average credit rating		AAA	A	Yes

3.56 **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.

	31.3.23 Actual	2022/23 Target	Complied?
Total cash available within [3] months	£1.25m	£2.5m	No
Total sum borrowed in past [3] months without prior notice	£2.75m	0	Yes

The council maximises the use of cash balances and minimises borrowing where possible to reduce the exposure to interest rates given the economic market. The council also undertakes short-term borrowing with Redditch Borough Council without advance notice when there is a short-term cashflow need.

3.57 **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 interests was:

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Interest rate risk indicator	31.3.23 Actual	2022/23 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	50,000	£500,000	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	50,000	£500,000	Yes

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

3.59 **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 all borrowing were:

	31.3.23 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	£3.75m	100%	0%	Yes
12 months and within 24 months	0	100%	0%	Yes
24 months and within 5 years	0	100%	0%	Yes
5 years and within 10 years	0	100%	0%	Yes
10 years and above	0	100%	0%	Yes

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

3.61 **Principal Sums Invested for Periods Longer than a year:** 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 limits on the long-term principal sum invested to final maturities beyond the period end were:

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	£1.25m	0	0
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m
Complied?	Yes	Yes	Yes

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#### 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 targets are achieved.

##### **Customer / Equalities and Diversity Implications**

- 4.4 The implementation of borrowing and investment decisions indirectly affect all Council interactions as it is fundamental to the management of working capital to make operational decisions.

#### 5. **RISK MANAGEMENT**

- 5.1 There is a risk Investment income could be lost if the Council do not invest with "accredited" institutions. The Council can no longer "borrow for gain" and if did would no longer be able to use the Public Works Loans Board to finance its debt.

#### 6. **APPENDICES**

None

#### 6. **BACKGROUND PAPERS**

Treasury Management Strategy. Cabinet 3<sup>rd</sup> May 2022

#### 7. **KEY**

None



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## **BURCOT LANE HOUSING DEVELOPMENT MANAGEMENT OPTIONS - PRIVATE RENTED PROPERTIES**

Relevant Portfolio Holder	Councillor Hotham Councillor Webb
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell, Head of Finance and Customer Services Claire Felton – Head of Legal, Democratic and Property Services
Report Author Peter Carpenter	Job Title: Interim S151 Officer Contact Pete Carpenter email: peter.carpenter@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Work and financial independence Affordable and sustainable homes
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	
If you have any questions about this report, please contact the report author in advance of the meeting.	

### **1. SUMMARY**

- 1.1 This report follows the below reports in respect of the development of the site at Burcot Lane where the former Council House and Burcot Hostel were situated:
- Council Report 14.07.2021 – *Disposal of Affordable Housing Units at Burcot Lane*;
  - Council Report 20.01.2021 – *Disposal of Affordable Housing*;
  - Cabinet Report 06.08.2020 – *Next Steps, Finance and Operating Model*;
  - Cabinet Report 31.10.2018 – *Burcot Lane Report*;
  - Council Report 06.09.2017 – *Site Disposal Burcot Lane, Bromsgrove*.
- 1.2 This report provides an update on the development of the Burcot Lane site and the current status of the matter, and includes the recommendations detailed below to affirm the progress of the matter to date and effect next steps.
- 1.3 The report sets out the Council's options for the management of the 37 private rented units of the Burcot Lane development in consideration of the potential financial returns to the Council, and the Council's overarching housing strategy. The report:
- (i) sets out the strategic housing context;

- (ii) sets out and evaluates the options for the ownership / management of the 37 private rent units and management of the communal space on the site;
- (iii) includes a financial analysis of the options;
- (iv) sets out the recommended option and further considerations.

## **2. RECOMMENDATIONS**

2.1 Cabinet is recommended to resolve:

- (a) That the progress of the matter to date be noted and affirmed;
- (b) That a housing company limited by shares wholly owned by the Council is established;
- (c) That the 37 private rented units of the Burcot Lane development are long-leased from the Council to the housing company;
- (d) That by way of a formal loan agreement between the Council and the housing company and in compliance with the requirements of subsidy control (formerly State aid) the Council provide the housing company initial operating capital to the sum of £50,000;
- (e) To note that officers are continuing to work on provisions for the internal and external common areas of the 37 private rent properties and in respect of the wider Burcot Lane development. A managing agent will be required to undertake this role.

## **3. KEY ISSUES**

### **Background**

3.1 On 31 October 2018, Cabinet resolved:

- (a) that the indicative plans and projected financial outcomes for the development project be approved and that provided the minimum financial projections are maintained, authority be delegated to the Section 151 Officer to agree the final

details when these have been signed off by external advisors when appointed, and after consultation with the Group Leaders;

- (b) that agreement in principle is given to establishing a Housing Company to manage retained housing stock subject to the business case for the company being brought to Cabinet for approval;
- (c) that Officers proceed to implement the pre-development steps on the site, to include planning and building control applications, demolition of the existing building and the appointment of a Project Development Manager;
- (d) that further work be carried out to explore the options available to the housing company to allow it to act as a letting agent; and
- (e) that the housing company's overarching principle be to provide rental accommodation that is affordable for local people.

3.2 Subsequent to the meeting of 18 October 2018 the Council approved an increase in the Capital Programme of £8.072m to fund the associated costs of the demolition and development of the Burcot Lane site. Although works were originally going to be funded via a loan of £7.072m from the Public Works Loans Board they were in fact funded through internal working capital. An additional £1m was funded from the grant allocation. The allocation of the 3 year increase in the Capital Programme was as follows:

- 2018/19 £1.611m
- 2019/20 £2.065m
- 2020/21 £4.396m

3.3 Officers obtained advice from external solicitors as to the corporate structure and governance arrangements for a housing company, in accordance with which, a housing company would be established in the form of company limited by shares wholly owned by the Council. The housing company would be incorporated under bespoke articles of association with the company and the Council also entering into a bespoke governance agreement to provide for and regulate the relationship between them and set out the matters to be decided by the Council in its capacity as the company's shareholder.

3.4 The model for the development of the Burcot Lane site originally preferred envisaged a mixed tenure of residential units comprising:

- six market sale units to be sold by the Council;
- a long lease for each of the thirty-seven market rental to units to be sold to the housing company, with the Council retaining the freehold;
- eighteen affordable housing units to be sold by the Council to a registered provider – Bromsgrove District Housing Trust.

3.5 Funding was secured from the Homes England Accelerated Constructions Fund (the Funding Agreement) in respect of which an agreement was entered on 20 February 2020. However, due to the Covid-19 pandemic, the various milestones under the Funding Agreement have been revised and the preferred development model and associated returns and risks have been reassessed in consideration of the prevailing economic conditions.

3.6 Officers have continued to progress the Burcot Lane development project and consider other of the Council's potential housing development schemes in view of the effects of the Covid-19 pandemic, and more recently, significant increases to interest rates and the rate of inflation.

3.7 The Burcot Lane development model has been reviewed and the financial forecasts, costs and risks reassessed as part of analysis of the project undertaken by external consultants.

## Current Position

3.8 The Burcot Lane development is due to complete by the end of July 2023. The table below set out costs to date.

Scheme Costs		11,686,000
<b>Less</b>		
Homes England Grant		1,300,000
Green Grant		610,000
Sale of 6 Units		1,945,000
Sales of 18 Affordable units		2,100,000
Total		5,955,000
Amount to Borrow		5,731,000



3.9 Total costs for the Burcot Lane development are estimated at £11.7m. The Council has received grant funding totalling £1.91m.

3.10 To date the Council:

- (i) is currently progressing transfer of the 18 units of affordable housing to Bromsgrove District Housing Trust for a total of £2.1m;
- (ii) expects to sell on the private market the 6 units private sale housing for circa £2m.

3.11 This leaves the Council with 37 units of housing for private rent comprising:

- 27 one bedroom flats;
- 4 two bedroom flats;
- 6 houses (two or three bedroom).

There is £5.731m of debt associated with these 37 units. Council tax receipts on the completed scheme are estimated at £95k per annum, of which the Council would receive directly £12k per annum.

3.12 Cabinet is requested to note that the Council also owns land at Windsor Street, School Drive and the presently closed Churchfield Car Park all of which could be used for the delivery of housing. These sites have been evaluated as part of the Bromsgrove 2040 Plan. However, it is unlikely that these sites will be delivered within the next 3-4 years.

## The Strategic Housing Context

3.13 As part of their strategic leadership and place shaping activities, local authorities should be addressing the housing needs of all residents across all housing tenures. The below table shows the housing tenure breakdown within the district. This shows that owner occupation within the district is significantly higher than the regional and national averages impacting on both the amount of social housing and private rented housing.

	Owned	Social Rented	Private Rented	Owned (%)	Social Rented (%)	Private Rented (%)
Bromsgrove	32,452	4,417	4,395	78.7	10.7	10.7

West Midlands	1,545,293	443,332	440,869	63.6	18.2	18.1
England	14,605,016	4,005,663	4,825,406	62.3	17.1	20.6

- 3.14 It is important for the Council to work with partners to balance the current housing market. To increase the supply of affordable housing the Council works with Registered Providers to develop and procure affordable housing through their own development plans and affordable housing secured through planning policy. There is generally limited scope for the Council to increase properties in the private rented sector and as such the properties at Burcot Lane provide an important opportunity for the Council to bring some balance to the local housing market.
- 3.15 An emerging trend in the private rented sector is the increase in the number of tenancies that are being ended as landlords leave the sector or have to significantly increase rent due to increases in mortgage costs. This has resulted in limiting access to the private rented sector and increasing approaches for homelessness assistance. In the period September 2021 to September 2022 approaches for homelessness assistance have risen by 62% with the reason for homelessness being reported as the ending of an assured shorthold tenancy.
- 3.16 The Council is a member of the *Worcestershire Strategic Housing Partnership*, the plan of which was agreed 2017 with the strategy being reviewed and updated this summer (2023).
- 3.12 The vision of the Worcestershire Strategic Housing Partnership plan is:
- to create the right home environment for Worcestershire residents that is essential to their health, wealth and wellbeing throughout life.*
- 3.13 The headline issues affecting Worcestershire are:
- welfare reform and changing legislation;
  - inadequate supply of housing including affordable housing;
  - supporting vulnerable groups and preventing homelessness;
  - poor condition and affordability in the private rented sector;
  - housing and Health.

3.14 The Burcot Lane development meets the original ideals and the priorities of the strategy by maximising the delivery of good quality housing of the right type and tenure by coordinating the activities of housing developers, providers and support agencies to meet existing and future housing need in a sustainable way. The Burcot Lane development has:

- built 61 new properties;
- leveraged significant grant funding to a high specification, including the Green Credentials, with a focus on the needs of the Bromsgrove district.
- focussed on enhancing the supply of properties available in the private rented sector;
- built properties designed and specified for rental in the private rented sector (i.e., the properties include white goods and floorings) which goes beyond what is routinely provided in social housing.

3.15 The Council has a number of options for bringing the 37 private rent units into use as detailed below.

## **Options for the Ownership / Management of the 37 Private Rent Units**

3.16 The Council obtained external legal advice from Trowers and Hamlins Solicitors on options for ownership/ management of the 37 units in May 2021 as to different delivery options. This was precipitated by increased interest costs in the last year. The advice is set out at Appendix A. The sections below summarise this advice:

### **Option 1: Hold in the Council**

3.17 With this option:

- the Council can hold up to 199 units, without having to re-open its HRA;
- the Council would be letting secure tenancies under the Housing Act 1985. The Council is not able to grant assured tenancies (shorthold or otherwise);
- Right To Buy (RTB) would apply once the requisite qualifying period (3 years in any public sector tenancy) has been met by the tenant;
- Social Rents would need to be charged (50% of Open Market Rents).

### **Option 2: Establish a Housing Company**

3.18 With this option the housing company could buy or lease the properties from the Council and:

- the company as a separate legal entity would be able to grant assured shorthold tenancies on market level rents which may provide a source of income to the Council and the properties would not be subject to statutory RTB.
- the company would be wholly owned by the Council in its capacity as the company's shareholder;
- the company would need a board of directors, and governance arrangements would need to provide for the Council's exercise of its shareholder role;
- the company would need financial support – start up capital from the Council;
- the company would contract with third party managing agents who manage the properties and common areas on a day-to-day basis;
- there would be set up costs and on-going costs for the company.

### **Option 3: Arrangement with a Registered Provider**

3.19 With this option:

- the Council could consider either a sale or lease to a Registered Provider. A sale would deprive the Council of the future benefit of the property but would generate a capital receipt and nomination rights could also be secured;
- a shorter-term lease arrangement with a not-for profit Registered Provider would mean the Registered Provider was in a position to let and manage the properties in accordance with its own housing management policies – subject to any specific agreement entered into between the Council and the Registered Provider;
- the statutory RTB would not arise as the landlord would be the Registered Provider even though the freehold was retained by the Council.

However, see below at paragraph 3.37.

### **Option 4: Lease Arrangement with Redditch Council**

3.20 This is similar to Option 3. The Council could consider granting a lease to Redditch Borough Council (RBC). With this option:

- RTB does not arise unless the landlord owns the freehold or has an interest sufficient to grant a lease in pursuance of the relevant part of the Housing Act 1985:
  - where the dwelling-house is a house, a term exceeding 21 years, or

- where the dwelling-house is a flat, a term of not less than 50 years, commencing, in either case, with the date on which the tenant's notice claiming to exercise the right to buy is served.
- As such, provided that RBC's leasehold term does not meet these requirements RTB would not arise.

## **Option 5: Dispose of the Properties on the Open Market**

3.21 With this option:

- The Council can seek to maximize the capital value of the properties by disposing of them to the highest bidder through a market (competitive) sale;
- The freehold of the block of 27 flats which are included in the 37 private rent units would also need to be sold to remove any ongoing liability on the Council as the freeholder.

## **Financial Evaluation of Options**

3.22 There are 5 options to evaluate financially. To manage the properties, either through a company set up for the purpose or through a Registered Provider or via the Council, a number of functions need to be delivered. Detailed financial analysis is set out in Appendix B.

## **Option 1: Hold in the Council**

3.23 As the Council will have under 200 housing units the Council can hold the 37 units without having an HRA, the properties would have to be let at social rent levels. However, over time, tenants may be able to purchase the properties which would reduce the number available for utilisation in the private rented sector which is a key aim of the Council and the *Worcestershire Strategic Housing Partnership*, and would impact on the financial viability of the remaining units.

3.24 For completeness, the following assumptions summarise the background for this option for the Council. These are:

- Income would need to be at social rent levels, not private rent levels, thereby reducing the financial return to the Council;
- As the Council does not currently have the facility to manage these units a managing agent would need to be engaged;



- There will be the cost of maintenance to the units and common area;
- There is the requirement to repay the capital build costs over a period of time (capital and interest);
- It is assumed that the contract management of the managing agent contract would be managed by the Council's strategic housing team.

3.25 The financial analysis indicates that the Council holding the 37 units is not a viable option.

## **Option 2: Establish a Housing Company**

3.26 The major differences between the Council managing the stock in-house and managing the stock through a 100% owned housing company are the overheads of the Company and the transfer of the assets to the Company and the tenure and rent levels able to be used.

3.27 As the Council does not presently have a 'housing company' it would need to set up the company and put in place arrangements for its governance. Appendix C sets out the tasks that the company would need to undertake over and above just managing the 37 private rent units. Additionally, it is unlikely that the Council has the in-house resource to deliver the functions of a company which as such will need to be brought in.

3.28 The major differences between a housing company and the Council holding the 37 private rent units are:

- The company could let the properties at private rent levels (rather than social rent levels);
- Capital charges – the transfer of the 37 units to a housing company would need to be compliant with 'subsidy control' requirements (formerly (State aid);
- The Council has the option to lease or sell the 37 units to the company;
- Other costs will be similar to that incurred under Option 1.

3.29 Financial analysis shows that establishing and utilising a company may provide a source of income to the Council.

## **Option 3: Arrangement with a Registered Provider**

3.30 An arrangement with a Registered Provider could comprise a leasing arrangement or a straight sale of the 37 units (see further Option 5 below). Financial analysis shows that leasing charges in the range £171,00 - £286,00 taken against estimated income would

lead to surpluses of £109,600 to £120,160 at the base scenario with 10% management charges. However, an arrangement with a Registered Provider would be subject to negotiation with the Registered Provider. The 37 units are of a very high specification and the Burcot Lane development is situated in a good location so this Option 3 could be an attractive solution. Financial analysis further shows that while the sale of the 37 private rent units to a Registered Provider is not viable due to capital costs, a long-lease arrangement might be acceptable to both the Council and a Registered Provider. However, see further below at paragraph 3.37.

## **Option 4: Lease Arrangement with Redditch Council**

- 3.31 This arrangement would be similar to that of Option 3 but would involve different rent levels and types of tenancy.

## **Option 5 – Disposal on the Open Market**

- 3.32 An outright sale of the 37 private rent units on the open market is a further option for consideration. The Council need to ensure that such a sale would cover its incurred capital costs of £5,731,000, and consideration would need to be given to the transfer / ownership of the common areas.

## **Options Summary**

- 3.33 In considering the results of the financial analysis at Appendix B and the Council's housing strategy in light of the *Worcestershire Strategic Housing Partnership* plan, the Options detailed above can be summarised as follows:

### **Option 1: Hold in the Council**

- 3.34 Financially, at Social Rent levels, Option 1 is not viable. The limitations of this due to the restrictions on the type of tenancies on which the Council could let the 37 units would mean they would not be available for use in the private rented market as originally intended.

### **Option 2: Establish a Housing Company**

- 3.35 Selling or leasing the 37 units to a company established and owned by the Council would provide the most flexibility to the Council in terms of how the units were let and managed. The properties would remain in the private rented sector as originally intended and may provide a source of income to the Council. Given the current interest rates and the

prevailing economic conditions, the company's purchase of the properties from the Council is unviable and as such the Council would long-lease the properties to the company. However, the company would not have the internal resources to manage and operate the properties and common areas on a day to day basis and as such would need to procure management agent(s) for the purpose. Leasing rates in the range of 3-5% are considered viable and would ensure that the Council is covering its existing debt provided that the terms on which the company was able to engage a managing agent are competitive. Appendix D details further analysis which considers the 'roll-in' to the rent of the costs of utilities provision.

### **Option 3: Arrangement with a Registered Provider**

- 3.36 Like a transfer to a company, this option ensures that the 37 units would remain within the private rented sector as intended. With an outright sale of the units to a Registered Provider the Council would however lose control over the properties, and there would be more flexibility over assignment rights under a lease arrangement. A Registered Provider would have the resource and experience to manage and operate the properties, the 37 of which would be marginal to the volume of Registered Provider's overall housing stock. Either the sale or the lease of the 37 units to a Registered Provider would be subject to negotiations and agreement between the Council and the Registered Provider. The preferred option would be for the Council to enter a lease arrangement with a Registered Provider rather than the outright sale of the properties.
- 3.37 Initial discussions have taken place with a third party Registered Provider to ascertain the market for either leasing the units or acting as a managing agent. However, it is understood that many Registered Providers do not presently manage private rental properties and reservations would include, concerns over the mixed tenure of the properties comprising the Burcot Lane development, current interest rates and economic conditions, and changes in rental market. In view of these discussions, officers consider that a managing agent will be required to manage the 37 units and the communal areas of the site more generally.

### **Option 4: Lease Arrangement with Redditch Council**

- 3.38 In its capacity as a housing authority RBC will be required to let the 37 units at market rent levels which would impact on the financial returns to the Council. Redditch Borough Council has a HRA and the in-house resource to operate and manage the properties on

a day-to-day basis, and at 37 the number of properties would be marginal to the volume of RBC's housing stock. However, another local authority being responsible for properties owned by the Council and the arrangements between them would require careful consideration. Financially, costs under this option would be the same as those under Option 3.

## **Option 5 – Disposal on the Open Market**

- 3.39 The Council has a capital cost to cover of £5,731,000 but an outright sale of the 37 private rent units would need to consider provision for the transfer, management and upkeep of the common areas. Present sale estimates are in the region of £5.8m. The most likely avenue for an outright sale would be an arrangement with a Registered Provider, however, as detailed at paragraph 3.37 above, this option is considered unlikely.
- 3.40 There is the requirement to sell the freehold of the block of flats comprising 27 of the private rent units to a single vendor otherwise the Council will remain responsible for the maintenance, health & safety, and other regulatory compliance requirements of the internal and external common areas of the block.
- 3.41 An outright sale of the 37 units would provide the Council with a capital receipt, but the loss of potential income generated through the rental of the properties, and the Council would also lose control over the properties and their use.

## **The Recommended Option – Establishing a Housing Company**

- 3.42 In the likelihood that Option 3 is no longer viable, the recommended option for the management and operation of the 37 private rent units is via a long-lease of the properties to a housing company wholly owned and established by the Council for the purpose. As set out above, under such an arrangement the properties would remain available to let in the private rental sector as originally intended, would remain assets over which the Council maintained ultimate control through its retention of the freehold, and may generate income for the Council. A housing company would also provide flexibility as to tenancies, and potentially could also be used in the facilitation of future Council housing projects included in the Bromsgrove 2040 Vision such as Windsor Street, School Drive and Churchfield Car Park. The Council would also retain an option to sell the freehold of the properties to the company at a future date were economic conditions favourable.

- 3.43 Establishing a housing company to which the Council would long-lease the 37 private rent units requires the consideration and effecting of a number of matters which as yet include those detailed below.
3. 44 A Board Meeting would need to be held within two days of the Council decision if the decision is taken to set up a Housing Company.

## **The Company Aims and Objectives**

- To bring high quality housing to Bromsgrove to balance the housing market in the district which has a deficit in the private rented sector when compared to national indicators.
- The provision of high quality energy efficient housing available in the private rented sector (which enables the company to be utilised for developments in the wider Bromsgrove 2040 Vision).
- The company has been set up to meet the Councils objective of “finding Somewhere to live” and as such will target and prioritise residents of Bromsgrove but not exclusively;
- The Companies overall aspiration is to bring high quality housing to Bromsgrove to balance the housing market in the district which has a deficit in the Private Rental Sector when compared to national indicators.

## **The Company's Corporate Form**

- The company will be a private company limited by shares incorporated under the Companies Act 2006;
- The Council will be the company's sole owner and shareholder;
- Once incorporated the company will be a legal entity in its own right and distinct from the Council.

## **The Company's Governance Arrangements**

- Bespoke Articles of Association;
- Bespoke Shareholders Agreement;
- The Council to exercise its 'shareholder function' via a Shareholder Committee established as a sub-committee of the Cabinet.
- The Shareholder Agreement will include 'reserved matters' for determination by the Shareholder Committee;



- The Shareholder Agreement will provide for the company's reporting to the Shareholder Committee and its overview of the company, and for the Shareholder Committee's reporting to and scrutiny by the wider Council;
- Officers are working with external solicitors in the preparation of the Articles of Association and Shareholder Agreement which have been subject to consideration by the Council's Fourth Tier Working Group and are approaching finalisation;
- The company will be subject to Part V of the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995.

## **The Company's Board**

- The Directors comprising the Board are responsible for the day-to-day management of the company;
- The Directors owe fiduciary, common law and statutory duties to the company and thereunder must always act in the best interests of the company;
- The Board to comprise the Deputy 151 Officer, a Director of Housing/ Director of Regeneration, and up to 2 external, independent non-executive directors with sector expertise and experience;
- The Director of Housing Services will be the nominal Chief Executive of the Company;
- The Board to meet monthly.

## **Financing and Resourcing the Company**

- The company will require its own bank account.
- The Council will provide the company with the necessary start-up funding and working capital via a formal loan agreement;
- In its formative years at least, the company will not have any employees;
- The Council to provide 'back office' support services to the company on a full cost recovery basis via service level agreements;
- The company will need to enter into arrangements with a third party managing agent who will undertake the day-to-day operation and management of the properties (and common areas);

## **The Company's Allocations Policy**

- The most appropriate way forward is considered to be the company having a sliding scale process that is time restricted in that priority is given to those able to afford it and with a connection to the district through residency, (with exceptions for those who have special circumstances such as Armed Forces member or those fleeing Domestic Abuse) employment or close relatives living in the district. This restriction would then fall away after a short timeframe to anyone who can afford it;
- In regard to the other options under consideration the more restrictions being placed on a sale agreement the greater the impact on value. For instance if the Council were to sell all the properties on the open market, the Council is able to decide who it sells to however by restricting who can purchase it could mean that the Council is not able to show best consideration. By limiting the numbers of potential buyers this could result in properties being unsold.

## **The Council's Allocations Policy**

- The Council's current allocations policy is administered by BDHT;
- Depending on the allocations policy and the type of tenant, insurance assumptions could change. This is factored within the Landlord maintenance costs.

## **Income Assumptions**

- Presently there is a lack of properties in the private rented sector;
- It is expected that the 37 private rent units will be sought after;
- A vacancy factor has been factored into the financial analysis for the establishing of the company.

## **Exit Strategy**

- An exit strategy will be required in respect of the 37 private rent units on the termination of the long-lease of the properties from the Council to the company or on the occasion of other events;
- The exit strategy will need to be provided for in the agreement under which the Council long-leases the 37 private rent units to the company;
- The exit strategy will also need to provide for the internal and external common areas of the block of 27 flats and those of the wider Burcot Lane development.

## **The Company's Consideration for the Lease of the Properties**

- The company will issue additional shares at a premium to the council in consideration of the Council granting it a long-lease of the 37 private rent properties.

## **The Long-Lease of the Properties to the Company**

- An agreement will be required between the Council and the Company which provides for the long-lease of the properties;
- The agreement will need to provide for such arrangements are determined with regard to the internal and external common parts in respect of the properties;
- The agreement will need to provide for the exit strategy.

3.45 Those matters set out above under paragraph 3.43 are anticipated to be subject to further reports to Cabinet for information and / or additional resolutions.

## **4. Legal Implications**

4.1 The legal implications of Options 1-5 are included above at section 3 and Appendix A.

4.2 The Council is unable to directly let the 37 private rent properties to the private rent market at private rent levels, and where the Council is seeking to generate income from the letting the properties, (albeit income generation may not be the dominant purpose), the Council may be considered to be acting for commercial purposes, in which case it can only act through a company.

4.3 The Council's power to establish a company is provided by the General Power of Competence under sections 1 and 4 of the Localism Act 2011 and other enabling legislation which also provide the Council with powers to provide funding, guarantees and other forms of security, and to enter into such legal agreements as may be necessary to effect the matters set out above in respect of the Options 1-5.

4.4 Any financial support to the company for privately let residential property would be caught by Sections 24 and 25, Local Government Act 1988 and require Secretary of State consent. There is a General Consent in place and Anthony Collins Solicitors consider that Consent C (General Consent, 2010) is sufficient to cover financial assistance to local housing companies by their owning authorities.

- 4.5 The Council's power to lease the 37 private rent properties to the company is provided under section 123 of the Local Government Act 1972 provided that the consideration for the disposal is the best that can reasonably be obtained.
- 4.6 As well as its general fiduciary duty in exercising its powers the Council must always have regard to its duty under section 3 of the Local Government Act 1999 to secure best value which requires consideration of all relevant social, economic and environmental matters. The Council does not have a statutory duty to develop or provide accommodation for let on the private rented market but the social, economic and environmental matters are set out in this report and inform the Council's wider housing strategy.
- 4.7 Any financial support provided by the Council to the company must satisfy the requirements of subsidy control (formerly State aid) and must otherwise be subject to a formal loan agreement between the Council and the company.
- 4.8 The above are executive functions and are for Cabinet's determination in accordance with the Council's Constitution.
- 4.9 The company will be a legal entity in its own right separate to, and distinct from, the Council.

## **5. Financial Implications**

- 5.1 The financial implications of Options 1-5 are included above at section 3 and Appendix B.

## **6. Strategic Purpose Implications**

### **Relevant Strategic Purpose**

- 6.1 The Council's Strategic Purposes are included in the Council's current Corporate Plan and guide the Council's approach to budget making ensuring a focus on issues and what is most important for the district and local communities. The specific Strategic Purposes of this transaction are the delivery of affordable and sustainable homes.

### **Climate Change Implications**

- 6.2 The green thread runs through the Council plan and the specification of the properties built fulfils this requirement. This includes risks linked to activities and actions that link to our climate.

## **7. Other Implications**

## **Customer / Equalities and Diversity Implications**

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

## **Operational Implications**

- 7.2 Operational implications are addressed above and in the appendices to this report. The options are for the Council to lease the 37 private rent properties of the Burcot Lane development either to company established for the purpose and owned by the Council, or under an arrangement with a Registered Provider. The operational implications of these options are set out above and in the appendices to this report.

## **8. RISK MANAGEMENT**

- 8.1 The financial stability and sustainability of the Council is a core underlying theme of the Council's Risk Management Strategy. In terms of this transaction there are the following specific risks:

- Timescales – there is a requirement to have a decision on the management and operation of the 37 private rent properties ahead of completion of the Burcot Lane development which is expected at the end of July 2023. To facilitate this timeframe this report intended to go to Cabinet on the 12 July 2023 and Council on 19 July 2023 should Option 2 (establishing a housing company) be the Cabinet's preferred option. Security – this transaction will assist with the progression of security arrangements for the properties subsequent to completion;
- Financial Risk – as set out in section 3 the scheme is marginal in terms of financial viability. Only the high rent, low agency costs options work in either scenario set out in section 3. If the final outcome is worse than this there will be reputational risk from a loss making;
- The Council has a limited maintenance budget for the 37 properties in the assumptions made for the options set out in this report. A maintenance budget will also need to include incidental costs such as buildings insurance. As the 37 private rent units are new, significant maintenance should not be required during the initial years, but a maintenance budget will need to include adequate provision for future maintenance costs;
- There is also a risk for the Council if the units remain empty which will be reputational and could result in future Bromsgrove 2040 developments having limited backing.



## 9. **APPENDENCES**

Appendix A – Exempt

Appendix B – Exempt

Appendix C – Exempt

Appendix D – Exempt

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