

Public Document Pack



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 9TH OCTOBER 2024

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

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

AGENDA

WELCOME

1. **To receive apologies for absence**

2. **Declarations of Interest**

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

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

4. **To receive any announcements from the Leader**

5. **To receive comments, questions or petitions from members of the public**

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

6. Urgent Decisions

7. **Constitution Review Working Group - Recommendations** (Pages 7 - 24)

8. **Joint Appointments Committee Update** (Pages 25 - 34)

9. **Section 151 Officer Report** (Pages 35 - 38)

10. **Political Balance** (Pages 39 - 42)

The appendix to this report, detailing the political balance figures, will be published in a supplementary papers pack to this main agenda.

11. **Audit, Standards and Governance Committee Annual Report 2023 - 2024**
(Pages 43 - 64)

12. **To receive and consider a report from the Portfolio Holder for Strategic Partnerships** (Pages 65 - 74)

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

13. **To consider the recommendations from the Cabinet meeting held on 24th July 2024** (Pages 75 - 76)

To consider the recommendations from the Cabinet meeting held on 24th July 2024.

14. **To consider the recommendations from the Cabinet meeting held on 11th September 2024** (Pages 77 - 78)

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

- (i) Cost of Living Proposal - Update (Pages 79 - 84)
- (ii) Combined Financial Outturn and Quarter 4 Financial Monitoring Report (including Update on the Fleet) (Pages 85 - 104)
- (iii) Treasury Management Outturn Report (Pages 105 - 120)

16. **To note the minutes of the meetings of the Cabinet held on 17th July, 24th July and 11th September 2024** (Pages 121 - 152)

Any recommendations included in the minutes for the Cabinet meeting that took place on 17th July 2024 have already been considered at the Council meeting held on 17th July 2024.

17. **Questions on Notice** (Pages 153 - 154)

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

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

18. **Motions on Notice** (Pages 155 - 158)

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

19. **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**

20. **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</u>
21	3

21. **Confidential Minutes from the Cabinet meeting held on 11th September 2024** (Pages 159 - 162)

Sue Hanley
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA
1st October 2024

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

Parkside, Market Street, Bromsgrove, B61 8DA

Tel: (01527) 64252 Ext: 3072 / 3031

Email: jess.bayley-hill@bromsgroveandredditch.gov.uk /
joanne.gresham@bromsgroveandredditch.gov.uk

GUIDANCE ON FACE-TO-FACE MEETINGS

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

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

[Link to the Live Stream of the Council meeting held on 9th October 2024](#)

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

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

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

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded and for any such items the live stream will be suspended and that part of the meeting will not be recorded.



INFORMATION FOR THE PUBLIC

Access to Information

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

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

You can access the following documents:

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

at www.bromsgrove.gov.uk

Council
2024

9th October

Recommendations from the Constitution Review Working Group

Relevant Portfolio Holder	Councillor Karen May
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton, Assistant Director of Legal, Democratic and Property Services
Report Author	Job Title: Assistant Director of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Priorities	Sustainability
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

Council is asked to RESOLVE that:-

- 1) **The changes to the terms of reference for the Licensing Committee, the Licensing Sub-Committee and the Licensing (Miscellaneous) Sub-Committee, as detailed Appendix 1, be approved;**
- 2) **the Council Procedure Rules in respect of Members' Questions on Notice be amended to enable Councillors to ask up to one supplementary question, which must be based on the original question, or the answer provided to that question;**
- 3) **the Chairman's allowance be increased to a multiplier of one of the Members' basic allowance, currently at £5,518; and**
- 4) **the updated allowance for the Chairman to be backdated to apply from 1st April 2024.**

2. BACKGROUND

- 2.1 The report details the background to recommendations agreed at a meeting of the Constitution Review Working Group (CRWG) held on 31st July 2024.

2.2 Members are invited to consider whether to approve these recommendations.

3. OPERATIONAL ISSUES

Licensing Committee and Licensing Sub-Committees

3.1 At Bromsgrove District Council, there is a Licensing Committee and Licensing Sub-Committees which have distinct roles:

- The Licensing Committee (parent Committee) considers and determines policy matters in line with national statute. At present, all Members serving on the Committee, including substitutes, have to have received relevant training. Up to now there have been 11 Members on the Committee, which meets in public.
- The Licensing Sub-Committee considers issues relating to the Gambling Act 2005 and the Licensing Act 2003. There are very few licences considered in relation to the Gambling Act 2005. Licences for premises are considered under the Licensing Act 2003. Licensing Sub-Committee hearings held in these circumstances occur in public and the membership comprises three Councillors and one reserve Member from the membership of the parent Licensing Committee. Members have to be trained in order to serve on this sub-committee.
- The Licensing (Miscellaneous) Sub-Committees A and B consider a range of licensing matters including street trading and taxi licensing. These hearings are mainly held in private and the membership comprises of three members and one reserve member from the memberships of the Licensing Committee. The intention of the A and B arrangements is to ensure that the pool of Members used for meetings of this Licensing Sub-Committee are rotated and this was introduced at a time when there were far more hearings of the Licensing (Miscellaneous) Sub-Committee held at the Council. Members have to be trained in order to serve on this Sub-Committee.

3.2 Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee hearings are quasi-judicial meetings where the rules of natural justice apply.

3.3 During the 2023/24 municipal year, difficulties were experienced in terms of organising hearings of the Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee. In particular, there were challenges in terms of the availability of Members to participate in these hearings.

Council
2024

9th October

- 3.4 These challenges were reported on a regular basis at meetings of group leaders held during the 2023/24 municipal year. Unfortunately, this situation resulted in a small number of members of the Licensing Committee having to participate in Licensing Sub-Committee hearings.
- 3.5 There were concerns amongst members of the CRWG about the disproportionate impact that this had had on the workloads of those few Members who were participating in hearings. Officers had therefore been asked to investigate potential options available to address this problem moving forward and to present a report on this subject to the CRWG for consideration.
- 3.6 In considering this matter, the CRWG noted that whilst meetings of the Licensing Committee are held in the evening at Parkside, Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee hearings are held during the day. This arrangement, which is standard practice at local authorities, is in place in recognition that applicants, and sometimes objectors, could arrange to have legal representation at the hearings and this would cost them more if the meetings were held outside standard working hours. In addition, by holding these hearings during the day and at times that do not coincide with school opening and closing times, the Council generally causes the applicants less disruption to their work; for example, taxi drivers tend to be busier at night and during school delivery times.
- 3.7 The CRWG was also asked to note that the number of meetings of the Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee is relatively low. For example, the CRWG was informed that in the period May 2023 to April 2024, the following hearings had taken place:
- Licensing Sub-Committee – Premises Licence Hearings 3
 - Licensing Sub-Committee A – Street Trading Hearings 1
 - Licensing Sub-Committee A – Taxi Hearings 4
 - Licensing Sub-Committee B – Taxi Hearings 1
- 3.8 Where participation in these meetings is shared amongst members of the Licensing Committee equitably, this should limit the impact on the workloads of individual members of the Licensing Committee.
- 3.9 Licensing Committee and Licensing (Miscellaneous) Sub-Committee meetings are scheduled into the meetings calendar each year. This calendar is circulated for Members' consideration prior to the start of a municipal year. Licensing Sub-Committee meetings for premises hearings are scheduled on an ad hoc basis as and when required.

- 3.10 The CRWG was advised that there were some options available to the Council that could address challenges experienced in terms of organising Licensing Committee meetings and sub-committee hearings, which included the following:
- Increasing the number of Councillors appointed to the Licensing (parent) Committee, which would increase the pool of Members available to participate in Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee hearings. Members were asked to note that this would have implications for the political balance at the Council. After the CRWG meeting, as requested by members of the group, the number of members on the Licensing Committee was considered as part of the political balance calculations. At the request of Group Leaders, the Chairman of the Licensing Committee was consulted on their preference of the maximum size of the Licensing Committee and based on the outcome of this discussion it is proposed that the number of members of the Committee be increased to thirteen.
 - Removing the requirement to have a reserve member booked to attend Licensing (Miscellaneous) Sub-Committee hearings. Rescheduling a Licensing (Miscellaneous) Sub-Committee hearing as a result of not having a reserve member present would cause limited disruption for taxi drivers beyond some inconvenience and they would be able to continue to operate whilst waiting for their meeting to be rescheduled. The CRWG agreed that this proposal should be taken forward.
 - Removing the need to have an A and B pool of Members for the Licensing (Miscellaneous) Sub-Committee hearings. Given the small number of hearings that took place during the year, it was suggested that this was no longer necessary. The CRWG agreed that this proposal should be taken forward.
 - Removing the requirement for members of the Licensing Committee, including substitutes, to be trained. It was suggested that this would help new Members in particular to start participating in meetings at an early stage in a municipal year even if they had not had a chance to participate in training. The group was asked to note that Members in this position would not be permitted to serve on Licensing-Sub-Committee hearings, however, it would help to ensure participation in Licensing Committee meetings and that these meetings could proceed with a quorum present. The CRWG agreed that this proposal should be taken forward.
- 3.11 Based on the information provided, the CRWG agreed to update the terms of reference for the Licensing Committee, Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee in

accordance with the options they had endorsed. The updated terms of reference can be viewed at Appendix 1 to this report.

Supplementary Questions at Council

- 3.12 At a meeting of the CRWG held on 31st August 2023, Members agreed to launch a trial arrangement whereby Councillors who had submitted Questions on Notice for consideration at Council meetings could ask up to one supplementary question at the meeting. The supplementary question had to be based on the original question that was asked or the answer that had been provided to that question.
- 3.13 The first supplementary questions were permitted at the meeting of Council held on 25th October 2023. Supplementary questions have been trialled at meetings of Council held since this date, with some Members taking the opportunity to ask supplementary questions whilst other Councillors have chosen not to do so.
- 3.14 The CRWG reviewed the outcomes of this trial at the meeting of the group held on 31st July 2024. There was general consensus amongst Members that the trial had worked well and that it would be reasonable for this to become a permanent arrangement at Council meetings, subject to the continuing stipulation that supplementary questions should relate to the original question or to the answer provided to that question.
- 3.15 Therefore, the CRWG recommended that the Council Procedure Rules in the constitution should be permanently updated to enable up to one supplementary question to be asked by Members at Council meetings.

The Chairman's Allowance

- 3.16 The Council appoints a Chairman of the Council each year. The Chairman of the Council has a civic role at the authority, chairing meetings of full Council and taking part in civic engagements on behalf of the authority.
- 3.17 The Chairman of the Council is currently paid an allowance of £4,110 per year in their role as Chairman.
- 3.18 The allowance paid to the Chairman of the Council has not been increased since 2013. In that year, Members agreed to increase the Chairman's allowance from £3,990 to £4,110 per annum. In the same period, the basic allowance paid to all Members has increased from £4,326 per annum to the current basic allowance of £5,518 per annum.

- 3.19 Given the length of time that has passed since the Council last reviewed the allowance paid to the Chairman of the Council, group leaders suggested that a review of this allowance would be timely and the matter was therefore referred to the CRWG for consideration.
- 3.20 The CRWG concluded that an increase to the Chairman's allowance was due, given the time that had elapsed since the last review.
- 3.21 Members of the CRWG agreed that the Chairman's allowance should be set at a level that reflected the importance of the role. The CRWG also agreed that this allowance should be updated more regularly.
- 3.22 In this context, the proposal was made that the Chairman's allowance should be increased to a multiplier of one of the basic allowance, currently set at £5,518.
- 3.23 The timing of this change to the Chairman's allowance was also discussed by the CRWG. Members noted that other allowances paid to Members in the 2024/25 financial year had been increased as of 1st April 2024, the start of the financial year. To ensure consistency, the group concluded that the increase to the Chairman's allowance should also apply from this date and therefore the proposed change should be backdated to apply from 1st April 2024.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council currently pays the Chairman of the Council an annual allowance of £4,110. This expense is covered within existing budgets allocated to Members' allowances.
- 4.2 In addition to the Chairman's allowance of £4,110, the Chairman is also eligible, like other Councillors, to claim for travel and subsistence expenses in line with approved duties, as detailed in the Scheme of Members' Allowances 2024/25.
- 4.3 It is envisaged that it should be possible to accommodate the proposed increase to the Chairman's allowance to £5,518, including backdated payments covering the period back to 1st April 2024, within existing budgets.
- 4.4 Any Member, including the Chairman of the Council, is entitled to forego receiving particular allowances should they wish to do so. In order to forego receiving a particular allowance or allowances, a Member should provide notice in writing to the Proper Officer that they wish not to receive a particular allowance or allowances.

5. LEGAL IMPLICATIONS

- 5.1 There is a legal requirement, detailed in the Licensing Act 2003, for the Licensing Sub-Committee to consider premises hearing within 20 days of receipt of a request for a hearing. These hearings cannot be scheduled in advance and Members of the Licensing Committee need to be available at short notice to participate in these meetings.
- 5.2 Officers had been asked to report to the CRWG about the potential for Members who have received relevant quasi-judicial training, but who are not members of the Licensing Committee, to participate as members on Licensing Sub-Committee hearings. This suggestion had been made as a possible option to increase the pool of Councillors who could participate in Licensing Sub-Committee hearings.
- 5.3 However, the legislation stipulates that applications considered at hearings under the Licensing Act 2003 may only be considered by trained Members of a Council's Licensing Committee.
- 5.4 The legislative requirements in respect of hearings held by the Licensing (Miscellaneous) Sub-Committee are set out in the Town Police Clauses Act 1847, the Local Government (Miscellaneous Provisions) Act 1976 (hackney carriages and private hire licenses) and the Local Government (Miscellaneous Provisions) Act 1982 (street trading and sex establishments). This legislation does not make specific reference to rules in respect of participation of substitutes, so is less prescriptive than the Licensing Act 2003 for Licensing Sub-Committee hearings. However, to ensure consistency, the CRWG was advised that only members of the Licensing Committee should take part in these hearings.
- 5.5 Whilst membership of the Licensing Committee forms part of the Council's political balance, there is no legal requirement for the membership of the Licensing Sub-Committee and Licensing (Miscellaneous) Sub-Committee hearings to be politically balanced. However, Officers contact all members of the Committee when arranging participation in hearings and try to ensure that there is cross-party representation on the hearings wherever possible.
- 5.6 There is no legal requirement to have a reserve member in attendance at Licensing Sub-Committee hearings. However, the CRWG agreed

that there should remain a requirement in the constitution for there to be a reserve member at these hearings in case a member should have to withdraw at short notice or during the course of a hearing. This would help to ensure that the hearing could proceed within the 20 days required for consideration of premises licences under the legislation.

- 5.7 There is no legal requirement to have a reserve member in attendance at Licensing (Miscellaneous) Sub-Committee hearings. However, Members of the CRWG felt that the opportunity should continue to be offered to Councillors to participate as reserve Members, even though this will no longer be a requirement, as this can be a useful learning opportunity for Councillors.
- 5.8 Sections 15 -17 of the Local Government and Housing Act 1989 place a duty on Councils to allocate the seats on certain committees in proportion to the size of the political groups on the Council. Appointments to Committees, including the Licensing Committee, are made by political groups in line with the authority's political balance.
- 5.9 There is no legal requirement for supplementary questions to be permitted at Council meetings. However, other Councils do have this arrangement in place including Malvern Hills District Council, Redditch Borough Council, Worcester City Council, Worcestershire County Council and Wyre Forest District Council.
- 5.10 Changes to the Council's constitution can only be made through agreement at a meeting of Council. Review and revision of the Constitution is governed by Article 15 in the articles of the Council.
- 5.11 The Local Authorities (Members' Allowances) (England) Regulations 2003 detail the rules in respect of payment of Members' allowances, including the role of Independent Remuneration Panels (IRPs) in reviewing allowances.
- 5.12 The Worcestershire IRP reviews allowances paid to District Councillors in Worcestershire (except for Wyre Forest District Councillors). The IRP reports their findings every year, usually at the start of the calendar year, and the Council has to give due regard to the IRP's findings. However, the allowance paid to the Chairman is not within the remit of the Worcestershire IRP to review.
- 5.13 Whilst the Chairman's allowance is not treated as a Special Responsibility Allowance under the terms of the work of the IRP, the payment of a Chairman's allowance is permitted in the Local Government Act 1972.

- 5.14 Any change to the Chairman's Allowance requires a decision to be taken by Council.

6. OTHER - IMPLICATIONS

Relevant Council Priority

- 6.1 The proposals detailed in this report are designed to ensure that Council Services remain efficient and sustainable moving forward.

Climate Change Implications

- 6.2 There are no specific climate change implications.

Equalities and Diversity Implications

- 6.3 At the meeting of the CRWG held in July 2024, Members raised concerns that if the Chairman's allowance was not increased in line with other allowances, this could deter some Members with work commitments, especially those on lower incomes, from potentially taking up the role of Chairman of the Council if the opportunity becomes available in the future.

7. RISK MANAGEMENT

- 7.1 There is a risk that if no changes are made to the terms of reference for the Licensing Committee and Licensing Sub-Committees, the Council will continue to struggle to convene meetings that are quorate and may be unable to meet the statutory deadline to hold Licensing Sub-Committee hearings to consider premises licences within 20 days.

- 7.2 Rescheduling Licensing Sub-Committee hearings to take place in the evening might be more convenient for Members. However, any applicants wanting to arrange legal representation for these hearings would then potentially be required to pay higher fees for this representation. Furthermore, hearings held during the evenings would cause disruption during one of the busiest periods for taxi drivers. There is therefore the risk that if hearings were to be held in the evenings this would cause reputational damage to the Council as well as severe disruption to individuals and local businesses. For these reasons, it is not proposed that members should move to holding Licensing Sub-Committee hearings during the evening.

8. APPENDICES and BACKGROUND PAPERS

Council
2024

9th October

Appendix 1 – Proposed amendments to the Committee Terms of Reference for the Licensing Committee, Licensing Sub-Committee and Licensing (miscellaneous) Sub-Committee

Council
2024

9th October

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Karen May, Leader of the Council.	
Lead Director / Head of Service	Claire Felton, Assistant Director of Legal, Democratic and Property Services	
Financial Services	Pete Carpenter, Deputy Chief Executive and Section 151 Officer	
Legal Services	Claire Felton, Assistant Director of Legal, Democratic and Property Services.	

This page is intentionally left blank

**APPENDIX 1 – COMMITTEE TERMS OF REFERENCE
LICENSING COMMITTEE**

Number of Members	11 13
Politically Balanced Y/N	Y
Quorum	6
Procedure applicable	Rules Council Procedure Rules (with the exception of Council Procedure Rules 1-4, 10-11, 13.4, 13.5, 14 and 21) <u>2- 4, 6, 8-10, 12.2-12.3, 14, 17, 19, 20 and 21</u>)
Terms of Reference	<ol style="list-style-type: none"> 1. To exercise all powers and duties of the Council in licensing and registration except the determination of applications and other matters relating to licences or licence applications delegated to Licensing Sub-Committees; in particular (but not limited to) the exercise of all powers and duties conferred by the Licensing Act 2003 and the Gambling Act 2005 <u>and the Local Government (Miscellaneous) Provisions Act 1976</u> 2. <u>Enforcement of licensing and registration</u> 3. <u>To determine street amenity consents</u>
Special provisions as to the Chairman	None
Whipping arrangements	No whipping is permitted
Special provisions as to membership	<p>Only those Councillors who have undertaken appropriate training may sit on the Licensing Committee.</p> <p>Neither the Leader nor Deputy Leader may be a member of the Licensing Committee</p>

Formatted: Space Before: 0 pt

LICENSING SUB-COMMITTEE
(Parent Committee – Licensing Committee)

Number of Members	3 (from the membership of the Licensing Committee) <u>with a fourth reserve Member on standby for each meeting</u>
Politically Balanced Y/N	N
Quorum	3
Procedure applicable	Rules Council Procedure Rules (with the exception of Council Procedure Rules 1-4, 9-11, 13.4, 13.5, 14, 18.2, 20.1 and 22) <u>2-4, 6, 8-10, 12.2-12.3, 14, 17, 19, 20, 21 and 25</u>)
Terms of Reference	To consider and determine applications and hearings arising from the Licensing Act 2003 and the Gambling Act 2005
Special provisions as to the Chairman	None
Special provisions as to membership	<p>Only those Councillors who have undertaken <u>the training specified below appropriate training</u> may sit on the Licensing Sub- Committee: -</p> <p><u>1:Committe Process and Quasi-judicial principles meetings training</u></p> <p><u>2. Licensing Act / Gambling Act Training Licensing Act/Gambling Act, taxi licensing and other licensing functions covered by Worcestershire Regulatory Services</u></p> <p>Neither the Leader nor Deputy Leader may be a member of the Licensing Committee</p>

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial

Formatted Table

**LICENSING (MISCELLANEOUS) SUB-COMMITTEES A AND B
(Parent Committee – Licensing Committee)**

Sub-Committee A and Sub-Committee B will sit in rotation

Number of Members	3 (from the membership of the Licensing Committee) including either the Chairman or Vice-Chairman of the Licensing Committee (with a fourth Member on standby for each meeting)
Politically Balanced Y/N	N (but to include where possible a member of the opposition)
Quorum	3
Procedure applicable	Rules Council Procedure Rules (with the exception of Council Procedure Rules 1-4, 9-11, 13.4, 13.5, 14, 18.2, 20.1 and 22) <u>2-4, 6, 8-10, 12.2-12.3, 14, 17, 19, 20, 21 and 25</u>)
Terms of Reference	To determine licensing applications (other than those arising under the Licensing Act 2003 and the Gambling Act 2005) including (but not limited to): 1. private hire and hackney carriage driver, operator and vehicle licensing; 2. street trading consents; 3. sex <u>establishment shop</u> applications; 4. pet shop licences; 5. animal boarding licences; 6. riding establishment licences; 7.4. charitable collections; 8.5. street amenity consents-
Special provisions as to the Chairman	None
Whipping arrangements	No whipping is permitted
Special provisions as to membership	Neither the Leader nor Deputy Leader may be a member of the Licensing (Miscellaneous) Sub-

Formatted: Line spacing: single

	<p>Committee</p> <p>Only those Councillors who have undertaken the appropriate training specified below may sit on the Licensing (Miscellaneous) Sub-Committee.</p> <ol style="list-style-type: none"><u>1. Committee Process and Quasi-judicial principles training</u><u>2. Licensing Act/Gambling Act, taxi licensing and other licensing functions covered by Worcestershire Regulatory Services</u> <p><u>Quasi-judicial meetings training</u></p> <ol style="list-style-type: none"><u>1. Taxi Licensing/ Street Trading training</u>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Formatted Table

Formatted: Font: (Default) Arial, 12 pt, Ligatures: None

Formatted: Font: (Default) Arial, 12 pt, Ligatures: None

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.32 cm + Indent at: 0.95 cm

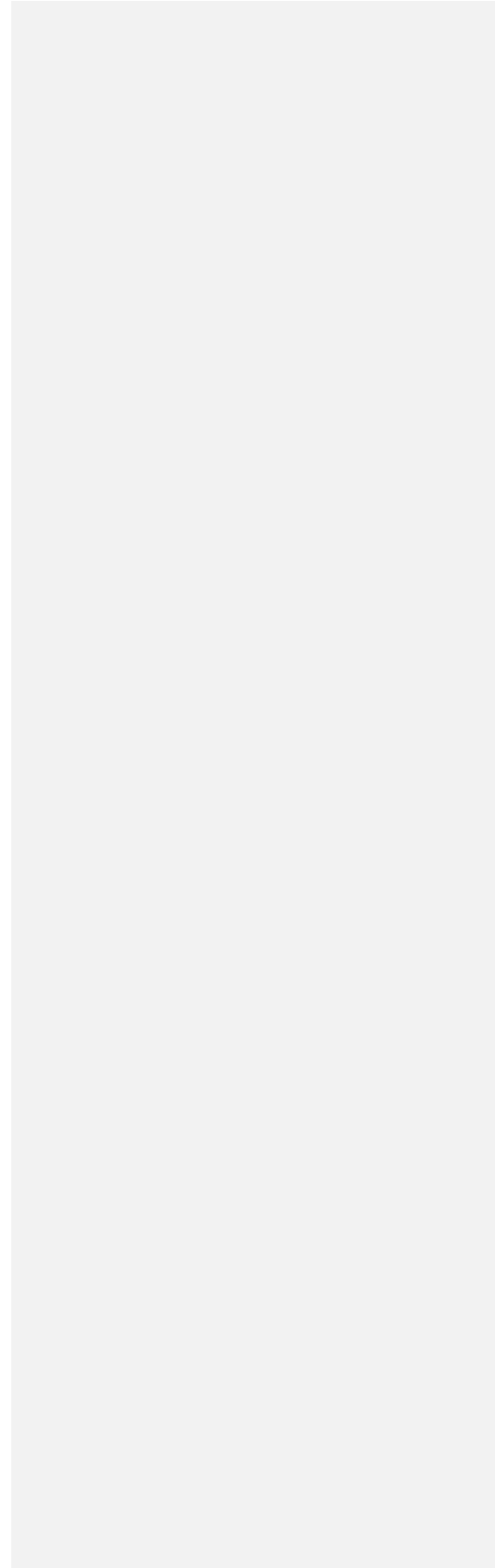
Formatted: Font: (Default) Arial, 12 pt, Ligatures: None

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.32 cm + Indent at: 0.95 cm

Formatted: Indent: Left: 0 cm

Formatted: Font: (Default) Arial, 12 pt, Ligatures: None

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.32 cm + Indent at: 0.95 cm



This page is intentionally left blank

Council
2024

9th October

JOINT APPOINTMENTS COMMITTEE

Relevant Portfolio Holder		Councillor Karen May
Portfolio Holder Consulted		Yes
Relevant Assistant Director		Claire Felton
Report Author Claire Felton	Job Title: Assistant Director of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Council Priority		Sustainability
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

Council is asked to RESOLVE:-

1. That the Joint Appointments Committee (JAC) has a standing sub-committee to deal with disciplinary matters on its behalf, which will replace the current Statutory Officers Disciplinary Panel.
2. That responsibility for the functions carried out by the Appeals Panel and the Statutory Officers Disciplinary Committee be transferred to the JAC and its sub-committee(s).
3. That the Committee Terms of Reference (Part 5 of the constitution) be updated to reflect the creation of the JAC and the transfer to it of the functions currently carried out by the Appeals Panel, and the Statutory Officers Disciplinary Panel as set out at Appendix A.
4. To authorise the Monitoring Officer to update the Constitution, including any consequential amendments required as a result of the above.

2. BACKGROUND

- 2.1 At Full Council on 17th July 2024 Members approved the creation of a Joint Appointments Committee (“JAC”). This committee will operate as a joint committee with Redditch Borough Council pursuant to sections 101 and 102 of the Local Government Act 1972 and carry out the functions of appointing the Chief Executive/ Head of Paid Service. The

Council
2024

9th October

JAC will also carry out other employment related functions relating to Joint Statutory Officers.

- 2.2 Since the meeting on 17th July officers have continued to work on the establishment of the JAC and considered in more detail how the committee can be set up to cover the full range of employment issues that are relevant to jointly employed statutory officers.
- 2.3 This has resulted in some additional matters being transferred to the committee which were not detailed in the previous report. To ensure that Members are fully aware of the proposed structure and operation of the JAC more detail of these changes are set out in section 3.
- 2.4 Following consultation with Group Leaders Part 5 of the Constitution (Committee Terms of Reference) has been updated to reflect the changes referred to in this report and the previous report dated 17th July. A copy of the final version of the Terms of Reference is attached at Appendix A.
- 2.5 The Monitoring Officer is requesting a delegation to finalise the wording of the full committee reference terms for the JAC. This document will include the mandatory wording relating to employment of statutory officers as required under Local Authorities (Standing Orders) Regulations 2001 (as amended) Schedule I Part II and will replace the existing Officer Procedure Rules at Part 17 of the Constitution.

3. OPERATIONAL ISSUES

- 3.1 Members will be aware from the previous report that there are detailed statutory provisions all councils must comply with regarding the employment of statutory officers.
- 3.2 Prior to the creation of the JAC council functions in relation to appointment and dismissal of Joint Statutory Officers were shared between the Appointment Committee, the Appeals Panel and the Statutory Officers Disciplinary Panel.
- 3.3 Under the new arrangements responsibility for these three areas passes to the JAC, and as a consequence the Appeals Panel, Appointments Committee and Statutory Officers Disciplinary Panel will no longer be required.
- 3.4 The JAC will exercise the function of recruiting to posts including Head of Paid Service/ Chief Executive and Section 151 officer and monitoring officers, with the final decision to be made by Full Council.

- 3.5 The disciplinary and dismissal functions which currently sit with the Statutory Officers Disciplinary Panel will be carried out by a standing sub-committee of the JAC. This will continue to be called the Statutory Officers Disciplinary Panel and include Members from both Councils operating as a panel taken from the main committee membership. The JAC terms of reference will also ensure that the Council can comply with other statutory requirements which may arise in relation to employment of Joint Statutory Officers from time to time including convening an Appeal Panel and the ability to appoint Independent Persons.
- 3.6 As already resolved by Members on 17th July, for the purposes of the current recruitment process for the posts of Head of Paid Service and section 151 officer, the JAC will appoint an ad hoc sub-committee of 6 members (three from each Council) to form the final interview panel and make recommendation to the JAC.

4. FINANCIAL IMPLICATIONS

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

5. LEGAL IMPLICATIONS

- 5.1 Local Authorities have powers to create a joint committee pursuant to S101 and 102 of the Local Government Acts 1972 and all other relevant legal powers.
- 5.2 Joint non-executive committees are subject to the political proportionality requirements imposed by the Local Government and the Housing Act 1989.
- 5.3 The mandatory provisions to be incorporated in Council constitutions are the Local Authorities (Standing Orders) Regulations 2001 (as amended) Schedule I Part II. These provisions are reproduced in the JAC Terms of Reference.

6. OTHER - IMPLICATIONS

Relevant Council Priority

- 6.1 Effective financial management underpins all the Council's operations and achievement of the Council priorities.
- 6.2 The appointment of a Head of Paid Service and S151 Officer will ensure there is stability and continuity.

- 6.3 This continuity and stability will assist the Council in terms of being a sustainable authority moving forward.

Climate Change Implications

- 6.4 There are no specific climate change implications.

Equalities and Diversity Implications

- 6.5 This report is about joint decision making for the appointment of statutory officers and therefore does not directly impact on any protected characteristics. There are no known equalities implications arising from the options outlined in this report.

7. RISK MANAGEMENT

- 7.1 These proposals seek to reduce risk for each Council by the provision of a single decision-making process to enable a consistent and co-ordinated approach to the appointment of statutory officers.

- 7.2 Failure to recruit to the Head of Paid Service position could lead to:-

- A deterioration in ensuring the Council's priorities are clear and translated into effective service delivery.
- A gap in leadership and direction to staff and positioning each organisation to meet current and future challenges.
- A diminution of the Council's corporate statutory and policy direction alongside the desired organisational culture.

- 7.3 Failure to recruit to the Section 151/Deputy Chief Executive position could lead to:-

- A failure to comply with the legal requirement for the Council to have a Section 151 Officer in place after expiry of the fixed term arrangements beyond 30th November 2024.
- A failure to maintain the financial health and integrity of both councils. - Potential adverse findings from external audit and inspection bodies.

- 7.4 Both the roles of Head of Paid Service and Section 151 officers are pivotal roles to ensure the Council operates effectively in accordance with legal and regulatory requirements. Failure to do so could have far reaching consequences on the Council's governance, operational, financial and reputational risks.

Council
2024

9th October

8. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix A - Updated Committee Terms of Reference for the Joint Appointments Committee.

Background Papers

Report to Council - Establishment of Joint Appointment Committee dated 17th July 2024

This page is intentionally left blank

COMMITTEE TERMS OF REFERENCE

APPENDIX A

PART B : JOINT COMMITTEES / COMMITTEES FOR COUNCIL OWNED COMPANIES

JOINT APPOINTMENTS COMMITTEE FOR BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

Local Authority Membership	Bromsgrove District Council and Redditch Borough Council
Functions	<ul style="list-style-type: none"> • Appointment of Chief Executive/Head of Paid Service • Appointment of Joint Statutory Officer Posts
Number of Members	10 made up of the Leaders of Bromsgrove District Council and Redditch Borough Council plus 4 members appointed by Bromsgrove District Council and 4 members appointed by Redditch Borough Council.
Politically Balanced	Yes
Quorum	6 subject to each Council being represented at a meeting by at least 1 member.
Procedure Rules applicable	The Joint Appointments Committee Composition and Terms of Reference in Part 17, together with all other applicable rules set out under the Constitution and all applicable law.

COMMITTEE TERMS OF REFERENCE

Terms of Reference	<p><u>1. Appointment of Chief Executive/ Head of Paid Service</u></p> <p>a. Subject to (b) below, to undertake and determine on behalf of the Councils the recruitment and selection of the Joint Chief Executive/Head of Paid Service including the final approval of terms and conditions of employment for that post.</p> <p>b. The final decision as to the appointment of the Joint Chief Executive/ Head of Paid Service shall be reserved to full meetings of both Councils.</p> <p>c. To confirm into post or otherwise, the successful candidate following any probationary or trial period.</p> <p><u>2. Appointment of Joint Statutory Officers Post</u></p> <p>a. Subject to (b) below, to undertake and determine on behalf of the Councils the recruitment and selection of any Joint Statutory Officer Posts. (including the final approval of terms and conditions of employment for that post.)</p> <p>b. The final decision as to the appointment of the Joint Statutory Officer Posts shall be reserved to full meetings of both Councils.</p> <p>3. General</p> <p>a. To be responsible for ad-hoc employment matters affecting any Joint Statutory Officer Posts, except for any disciplinary matters which would be determined by the Statutory Officers Disciplinary Panel.</p>
--------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

COMMITTEE TERMS OF REFERENCE

<p>Special provisions as to Chairmanship</p>	<p>To be chaired alternately between the respective Leaders.</p>
<p>Special provisions as to membership</p>	<p>All members of the Committee must have undertaken appropriate training on recruitment and selection with the respective Council, prior to participating in the recruitment process.</p> <p>No substitutes shall be permitted.</p>
<p>Additional information</p>	<p>There will be one standing Sub-Committee of the Joint Appointment Committee known as the Statutory Officer's Disciplinary Panel</p>

This page is intentionally left blank

Council
2024

9th October

STATUTORY OFFICER POSTS - APPOINTMENTS

Relevant Portfolio Holder	Councillor Karen May, Leader of the Council and Cabinet Member for Strategic Partnerships and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Sue Hanley, Chief Executive
Report Authors Sue Hanley	Job Title: Chief Executive Contact email: s.hanley@bromsgroveandredditch.gov.uk Contact Tel: (01527) 64252
Wards Affected	NA
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Sustainability
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

That the Council **RESOLVE** that

Mr Peter Carpenter continue to be appointed as the Deputy Chief Executive and Interim Executive Director of Resources (Section 151) until such time as a new permanent Section 151 Officer commences employment with the Council.

2. BACKGROUND

2.1 This report details proposals in respect of the extension of the fixed-term appointment of Mr Peter Carpenter to enable him to continue in post as the Council's Section 151 Officer and Deputy Chief Executive.

3. OPERATIONAL ISSUES

3.1 Members will recall that in December 2023, Council agreed to appoint Mr Pete Carpenter as interim Deputy Chief Executive and interim Executive Director of Resources (S151) until 30th November 2024.

3.2 Whilst the recruitment process for the permanent Deputy Chief Executive and Executive Director of Resources (S151) is now scheduled and will be underway imminently, the Council remains subject to the legal requirement to have a Section 151 officer in place.

Council
2024

9th October

- 3.3 To ensure continued stability at the senior level, it is proposed that Mr Peter Carpenter continue as Deputy Chief Executive and Executive Director of Resources (S151) until a permanent appointment is made to the post.
- 3.4 As previously advised, Mr Peter Carpenter would be “made available” to Redditch Borough Council under the shared service arrangements.
- 3.5 For the reasons detailed above the Council is being asked to consider continuing the arrangements for Mr Peter Carpenter as Deputy Chief Executive and Director of Resources (S151 Officer) until such time as a permanent appointment has been made to this position. Officers believe that this appointment would strongly mitigate against the risks of loss of knowledge and experience of delivering the statutory section 151 functions. It would also ensure the Council’s compliance with its obligations around the Section 151 function and allow for continued support to be given to members of the finance team in the short term.

4. FINANCIAL IMPLICATIONS

- 4.1 The Terms and Conditions of the continued appointment of Mr Peter Carpenter would remain unchanged and as agreed by Members on the 6th December 2023. Costs would be covered 50:50 between Bromsgrove District and Redditch Borough Councils.

5. LEGAL IMPLICATIONS

- 5.1 The Council is required to nominate an officer under Section 151 of the Local Government Act 1972 to be responsible for the proper administration of its financial affairs. The relevant wording states that: - “Without prejudice to section 111 above, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”
- 5.2 Section 6 of the Local Government and Housing Act 1989, further sets out that “ (1) On and after the commencement day the Common Council shall – (a) make arrangements for the proper administration of such of its financial affairs as relate to it in its capacity as a local authority, police authority, or port health authority, and (b) secure that one of its officers has responsibility for the administration of those affairs”.
- 5.3 Section 113 of the Local Government Finance Act 1988 requires that the officer appointed as the Chief Finance Officer (CFO) must be a member of a specified accountancy body.

6. OTHER - IMPLICATIONS

Relevant Council Priorities

- 6.1 Effective financial management underpins all the Council's operations and achievement of the Council's priorities.
- 6.2 The continued appointment of Mr Peter Carpenter as Deputy Chief Executive and Director of Resources (Section 151 Officer), on a fixed-term contract will ensure that there is consistency and continuity during the recruitment process.
- 6.3 This continuity will assist the Council in terms of being a sustainable authority moving forward.

Climate Change Implications

- 6.4 There are no specific climate change implications.

Equalities and Diversity Implications

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

7. RISK MANAGEMENT

- 7.1 The following risks have been identified in relation to the post of Deputy Chief Executive and Director of Resources (Section 151 Officer):-

- Loss of lead officer for implementation of Finance Recovery Plan at a time when the Council is subject to the Section 24 Notice.
- Loss of lead finance officer for the specific projects.
- Potential inability to comply with the legal requirement for Council to have a section 151 Officer.
- Loss to the organisation of knowledge and experience held by the current Section 151 Officer.

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

- The continuity of employment of the Deputy Chief Executive and Director of Resources (Section 151 Officer) until the recruitment process is concluded and the post appointed.

Council
2024

9th October

- The organisation will be able to retain the professional expertise of Mr Peter Carpenter and there will be continuity in respect of the projects he is leading on and the support provided to the Finance Team.
- The Council will be able to fulfil its legal obligations by employing a knowledgeable and experienced Section 151 Officer.
- There will be continuity in respect of the implementation of the Council’s Finance Recovery Plan and liaison between the Council and its external auditors.

8. APPENDICES and BACKGROUND PAPERS

Background Papers

Appointment of Interim Head of Paid Service, Returning Officer and Electoral Registration Officer – report to Council on 19th July 2023.

Statutory Officer Posts Appointments – report to Council on 6th December 2023.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Karen May, Leader and Cabinet Member for Strategic Partnerships and Governance	September 2024
Lead Director / Head of Service	Sue Hanley, Chief Executive	September 2024
Legal Services	Claire Felton, Assistant Director of Legal, Democratic and Property Services	September 2024

Council
2024

9th October

Political Balance Report

Relevant Portfolio Holder		Councillor Karen May	
Portfolio Holder Consulted			
Relevant Head of Service		Claire Felton, Head of Legal, Democratic and Property Services	
Report Author Claire Felton	Job Title: Assistant Director of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: (01527) 64252		
Wards Affected		All	
Ward Councillor(s) consulted		N/A	
Relevant Council Priority		Sustainability	
Non-Key Decision			
If you have any questions about this report, please contact the report author in advance of the meeting.			

1. RECOMMENDATIONS

Council is asked to RESOLVE that:-

- 1) **for the remainder of the 2024/25 Municipal Year, the Committees set out in the table in Appendix 1 of the report be appointed and that the representation of the different political groups on the Council on those Committees be as set out in that table until the next Annual Meeting of the Council, or until the next review of political representation under Section 15 of the Local Government and Housing Act 1989, whichever is the earlier.**
- 2) **Members be appointed to the Committees and as substitute members in accordance with nominations to be made by Group Leaders.**

2. BACKGROUND

- 2.1 The political balance is reported for Members' consideration at Annual Council meetings.
- 2.2 Further reports in respect of the political balance may be presented for Council's consideration during the municipal year should there be a change to the political composition of the authority.

Council
2024

9th October

- 2.3 This report has been prepared due to changes arising to the political balance of the Council following a by-election held in Sidemoor ward in September 2024.

3. OPERATIONAL ISSUES

- 3.1 The rules of political proportionality mean that the political balance of the Council needs to be reflected in the political composition of individual Boards and Committees. In addition, the total number of seats allocated to each group must reflect the political balance of the Council.
- 3.2 The proposed allocation of seats on each Board/Committee is done on a strict mathematical basis.
- 3.3 The political balance calculations have been reviewed following a by-election at the Council. The membership of the Council now comprises 11 Conservative members, 6 Labour members, 6 Liberal Democrat members, 5 Independents 2024 members and 3 non-aligned members.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no specific financial implications.

5. LEGAL IMPLICATIONS

- 5.1 Sections 15 -17 of the Local Government and Housing Act 1989 place a duty on Councils to allocate the seats on certain committees in proportion to the size of the political groups on the Council.
- 5.2 A review of the political balance must take place as soon as is reasonably possible after a change occurs to the Council's political balance.

6. OTHER - IMPLICATIONS

Relevant Council Priority

- 6.1 This review of the Council's political balance is required following a by-election in Sidemoor ward in September 2024. The review will help to ensure that the Council remains sustainable.

Climate Change Implications

- 6.2 There are no specific climate change implications.

Equalities and Diversity Implications

6.3 There are no specific equalities and diversity implications.

7. RISK MANAGEMENT

7.1 Given there is a legal duty on Councils to allocate the seats on certain Committees in proportion to the size of the political groups on the Council, Members do need to agree the political balance.

7.2 There is a risk that if a political balance is not agreed for the Council this could cause reputational damage.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Political Balance (To follow)

This page is intentionally left blank

Bromsgrove District Council



Audit, Standards and
Governance Committee

ANNUAL REPORT

2023-2024



Bromsgrove
District Council

www.bromsgrove.gov.uk

CHAIRMAN'S FOREWORD

On behalf of the Committee, I would like to thank Councillor Steven Collella for his Chairmanship prior to the May local elections. I am particularly grateful to all the Members of the Committee for their diligence and attention given the breadth of work that the Committee undertakes.

My particular thanks go to Democratic Services Officers for their support, and to Mr Carpenter for dealing with the ongoing issues of non-delivery of the 2020-2021 accounts - issues, as highlighted, that are facing many local councils in the current economic climate. I am grateful for Councillor McEldowney, as Risk Champion, inquiring, amongst other topics, into the concerns over RAAC concrete.

Looking forward, there are two aspects this Committee should look to ensure happen. The first is the appointment of an independent lay member of the Committee. This is both a national recommendation and something that was highlighted in Councillor Collella's previous report to Council. Finally, as our Committee's role covers whistle-blowing strategies, this should be made more explicit to the public via the Bromsgrove District Council website.

I believe that the Audit, Standards and Governance Committee has provided and continues to provide a valuable contribution to the development of standards and protocols across the Council's governance in an effective and compliant way.

Councillor David Nicholl

Chairman of the Audit, Standards and Governance Committee

MEMBERSHIP



David Nicholl (Chairman)



Harrison Rone Clarke (Vice-Chairman)



Rachael Bailes



Samuel Evans



Derek Forsythe



David Hopkins



Bakul Kumar



Bernard McEldowney



Simon Nock



Justin Stanley



David Stewart



Marc Worrall (Parish Councils' Representative)

INTRODUCTION

This report provides an overview of the Audit, Standards and Governance Committee's activities during the municipal year 2023-24.

The ultimate responsibility for Audit rests with the Portfolio Holder with responsibility for Finance and the Section 151 Officer. The Portfolio Holder is expected to attend each meeting as determined in the Council's Constitution.

During the year the Committee has considered reports and updates on the following subjects:

- Monitoring Officer's Report – which details complaints and training which has taken place during the period between meetings.
- Updates from the External Auditors, Grant Thornton in respect of their work.
- Updates on the work of the Internal Audit Team.
- Joint Interim Auditor's Annual Report 2021-22 and 2022-23
- Quarterly Risk Update
- Annual Review from the Local Government Ombudsman
- Financial Compliance Report (including updates on Statements of Accounts)
- Financial Savings Monitoring Report
- Regulation of Investigatory Powers Act 2000 (RIPA) Report.

Further information about some of the key responsibilities of the Committee are detailed within this report.

Meeting dates and minutes of the Audit, Standards and Governance Committee meetings can be found on the Bromsgrove District Council website, link detailed below:

[Meeting dates and minutes of the Audit, Standards and Governance Committee meetings 2023-24](#)

The Role of The Audit, Standards And Governance Committee

Scope and Responsibility

The Audit, Standards and Governance Committee provides independent assurance to the Council in respect of:

- The effectiveness of the Council's governance arrangements
- The Annual Governance Statement
- The Review of the Annual Statement of Accounts
- Risk Management Framework and strategies
- The effectiveness of the Council's financial and non-financial performance
- Anti-Fraud arrangements
- Whistle-blowing strategies
- Internal and external audit activity
- Democratic governance

The Committee is also responsible for the Council's Standards Regime which covers both District and Parish Councils. Areas encompassed within the Standards Regime include:

- Promoting high standards of conduct by Councillors and co-opted members of Council bodies.
- Assisting Councillors and co-opted members to observe the Members' Code of Conduct.
- Advising and training Members and co-opted members in respect of the Code of Conduct.
- Formulating advice to members and officers in declarations of gifts and hospitality.
- Granting dispensations to Councillors and co-opted members from requirements relating to interests as set out in the Code of Conduct.
- Considering reports from the Monitoring Officer following investigation into complaints about elected Members.

Meetings of the Committee – 2023-2024

The Council's constitution requires the Audit, Standards and Governance Committee to hold quarterly meetings. At its meeting on 9th March 2023, the Committee agreed that it should hold six meetings per municipal year (meet bi-monthly) until issues with the submission of the outstanding Statements of Accounts have been resolved.

Standards Regime

There are two main areas which are considered regularly in terms of the Committee's responsibility for Standards.

Monitoring Officer's Report

This covers Member Training, Member Complaints and Parish Council matters.

If the elected Member was found to have breached the Authority's Code of Conduct, the powers available to the authority include a formal letter of warning to the Member and formal censure by motion, of a committee, for the removal of the Member from a committee (which does not legally prevent the Councillor in question from attending), in addition to adverse publicity.

The Council's Code of Conduct is designed primarily with the view of maintaining standards through a conciliatory approach and there was a high reliance on the Monitoring Officer working in cooperation with political Group Leaders when finding resolutions to Member complaints.

It was reported through the Monitoring Officer's report that Members received training throughout the 2023-2024 municipal year. The training included the following sessions:

- Code of Conduct training
- Modern.gov
- Safeguarding
- Data Protection
- Member Safety Training
- Carbon Literacy Training
- Decarbonisation of the Vehicle Fleet
- Procurement Training

The Member Development Steering Group (MDSG) has met a number of times throughout this municipal year. MDSG discussed the needs and adaptations required to make training relevant to Members. In addition, discussions took place regarding the Member Induction and training for the next municipal year.

The Constitution Review Working Group (CRWG) is a cross-party group where any potential changes to the Council's constitution are discussed. CRWG has continued to meet during 2023-2024 and had been considering issues relating to constitutional changes that follow the Council's approval on 20th September 2023 of the hybrid Leader and Cabinet governance model. This is due to be implemented from the start of 2024-25 municipal year. Among the items of business that the Group discussed are various constitutional updates deemed necessary to enact the hybrid Leader and Cabinet arrangements including updates to terms of reference for the Cabinet Advisory Group (CAG), Memorandum of Understanding (MoU) for cross party working.

Agenda Item 11

Topics such as behaviour at meetings and the rules for remote participation in meetings have also been considered.

Member Complaints

An update on Member complaints has been provided in all Monitoring Officer's reports. It is noted that several Member complaints had been received to date in 2023-24, most of which have been resolved locally. There had also been a number of complaints received in respect of Parish Councillors. It was noted that these were most appropriately dealt with by Parish Councils and not by the District Council's Monitoring Officer.

Dispensation Report

The Audit, Standards and Governance Committee received a number of dispensations reports this year.

On 1st June 2023, the General Dispensations Report was considered and through this the Committee agreed to grant General Dispensations (including Budget and Council Tax discussions) and Outside Body Appointment Dispensations.

The reports on Individual Member Dispensations were considered 17th July 2023 and 14th September respectively. The requests for individual member dispensations detailed in those reports were granted by the Committee. The dispensations agreed at these meetings remain valid until the first meeting of the Audit, Governance and Standards Committee following the next District Council Elections in May 2027 unless amended by the Committee prior to that date.

A further Individual Member Dispensations Report would be considered at the meeting on 7th March 2024.

Parish Council Involvement

The Parish Councils representative is able to add any item on to the agenda as required as outlined in the Committee Terms of Reference. Whilst Parish Councils have the opportunity to appoint two representatives on to the Committee, only one of these places was taken up. The Parish Councils Representative for the municipal year 2023-2024 is Mr M. Worrall.

Investigations and Enquiries

There have been a number of complaints this year at both Parish and District levels. These continue to be investigated locally by the Monitoring Officer.

There have been no investigations about Members which required a Hearings Sub-Committee to be convened.

The current Independent Person, Mr. Mel Nock, has continued to support the Monitoring Officer in the management of Member to Member complaints where necessary. The Council has considered joining the other District Councils in Worcestershire that had a retained pool of Independent Persons – any proposals for this would be considered by the Committee. In the meantime, Mr. Nock, remains the Independent Person on an interim basis.

INTERNAL AUDIT REPORTS

During the year the Committee has continued to receive updates on the work of the Internal Audit team including details of the following completed audit reports:

- Internal Audit Plan 2023-2024 (1st June 2023 meeting)
- Internal Audit Annual Report and Audit Opinion 2022-23 (1st June 2023 meeting)
- Internal Audit - Progress Report (every meeting).

EXTERNAL AUDITORS

During the year the Committee received reports from the current External Auditors, Grant Thornton on the following subjects:

- Grant Thornton - Sector Update (quarterly)
- Joint Interim Auditor's Annual Report 2021-22 and 2022-23 (27th November 2023)

The Progress Reports were considered at each meeting of the Committee and covered a range of issues including the following:

- Value for Money
- Significant Risks
- Financial Statements
- Housing Benefits

SECTION 24 NOTICE

In November 2022, Bromsgrove District Council was issued with a Section 24 Notice with the key reason being the non-delivery of the 2020-2021 Statement of Accounts. This year due to continued non-delivery of Statements of Accounts for 2020-2021, the Section 24 Notice was reissued by the External Auditor in November 2023. The Audit, Standards and Governance Committee recommended that this is accepted at the meeting of 27th November 2023, and this was subsequently approved at full Council on 6th December 2023.

At the 27th November 2023 meeting, it was noted that the Council continued to make progress in respect of addressing the key and improvement recommendations issued by External Auditors. It was restated that the sole reason for the reissuing of the statutory recommendation (Section 24 Notice) was the non-delivery of 2020-21 Statement of Accounts.

The Council has continued to implement the recommendations of the Bromsgrove Audit Task Group that carried out a root and branch review of how the Council arrived at the Section 24 Notice (these recommendations were approved for implementation by Cabinet on 15th March 2023).

Risk Champion Updates

The Risk Champion for the Council, Councillor B. M. McEldowney, has provided comprehensive updates on risk at all meetings of Audit, Standards and Governance Committee. The risk updates spurred a number of significant discussions among Members and a number of issues were followed up in detail. At the request of the Risk Champion, a detailed discussion and a response from senior officers was provided on equal pay and financial vulnerabilities of the Council. This followed concerns raised by the Risk Champion, the Chairman, and all Members of the Committee, about the situation at Birmingham City Council with regard to equal pay. Members were reassured about the Council's reasonable financial position, and officers explained that the Council last carried an equal pay audit in 2019 and was confident that its scheme ensures equality of pay.

Below is a summary of the main matters discussed at Audit, Standards and Governance Committee in this municipal year:

1st June 2023

Regulation of Investigatory Powers Act 2000 (RIPA) Report 2023-24

This report is considered annually by the Audit, Standards and Governance Committee as the legislation it relates to is required to be reviewed each year.

As part of the presentation Members were informed that the regime was overseen by the Investigatory Powers Commissioner's Office and included inspections of organisations by an Inspector appointed by the Commissioner.

General Dispensations Report

A number of general dispensations for all Councillors were granted. This includes a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak, and a dispensations under the above legislation to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of the Budget, Council Tax, Members' Allowances, and non-Domestic Rates – discretionary rate relief policy and guidance affecting properties within the District.

It was noted that these dispensations remain valid until the first meeting of the Audit, Standards and Governance Committee following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

Grant Thornton – External Audit Progress Report and Sector Update

The Committee was updated on the Council's submission of 2020-21 Accounts. It was recapped that a draft version of the Council's 2020-21 financial statements was presented to Members of the Audit, Standards and Governance Committee in December 2022, however, the Account had not yet been signed-off and submitted to the External Auditor. It was acknowledged that this was due to the Section 151 Officer awaiting the conclusion of the External Auditor's work on opening balances before signing the draft 2020-21 financial statements.

The External Auditor reported that testing had been performed on the data migration event from the Council's legacy financial ledger, eFinancials, to the new financial ledger supplied by TechnologyOne. Testing involved the selection of 25 transactions from the eFinancials reports to the TechnologyOne system and 25 transactions from the equivalent TechnologyOne transactional reports to the eFinancials system and checking that they had been migrated appropriately. No issues had been identified

during this testing.

It was explained, however, that the number of transactions tested represented a negligible volume of total transactions processed in the data migration event and the External Auditor had been unable to gain sufficient assurance on the basis of this testing that the whole data migration event was performed correctly. As a result automated solutions for gaining assurance over the data transfer were being considered by the External Auditor.

It was noted that 31st May 2023 was the statutory deadline for local authorities to submit the draft 2022-23 financial statements to their external auditors. The Council was significantly behind in terms of completion of its Accounts audits, and the Committee was reminded the Council was issued with statutory recommendations under Section 24 of the Local Audit and Accountability Act 2014 primarily for non-delivery of its 2020-21 Statement of Accounts.

Quarterly Risk Update

It was noted that this was the fourth cycle of reviewing Corporate and Departmental Risks since the original baselining of risks in April 2022.

The number of Corporate Risks stood at 13, including a risk related to the Cost of Living Crisis. Since last reporting, a new Corporate Risk had been added which related to the replacement of the Council's existing Customer interface, which was also linked to significant budgetary savings in the 2025/26 financial year.

The number of Departmental Risks continued to reduce and in this reporting period stood at 51. There was 1 red risk related to Revenues - Performance Indicator data which was not deemed robust as it could not be system generated. It was reported that it was unlikely the number of departmental risks could now be further reduced as most of the remaining risks were linked to compliance.

Financial Compliance Report including progress update on Statements of Accounts

Members were informed that the Accounting Policies Report before the Committee provided details of the financial governance framework under which the Council operated and the legislative reporting requirements for reporting to central government in respect of financial compliance.

It was noted that the Council's 2023/24 Budget was approved in February. Budgets were now loaded and a draft budget book was being prepared to assist in Members understanding the Budget. In terms of the budget process, Members were informed that a provisional outturn report would be presented to Cabinet at its July meeting.

It was agreed that this report would come to each Audit, Standards and Governance

Committee meeting to alert Members to possible no compliance issues.

Internal Audit Plan 2023-2024

At this meeting it was outlined that this was a risk-based plan which considered the adequacy of the Council's risk management, performance management and other assurance processes, as well as organisational objectives and priorities. Included in the report was the following:

- The adequacy of the internal audit resource allocation.
- The changing internal environment and ongoing transformational work being undertaken.
- Internal and external audit findings in respect of the financial systems and their inclusion as audit areas, as it is considered certain risks remain in these areas.
- The flexibility of the plan and the balanced approach taken, with progress being monitored and reviewed regularly.
- If the plan were to be amended in the future this would be done in consultation with the Section 151 Officer and brought back to this Committee.

It was explained that the coverage of the Plan had been based upon the Council's risk priorities as per the Corporate and Departmental risk registers. Areas of large budgetary spend areas had also been considered, along with areas that had direct association to the Council Plan.

Internal Audit Annual Report & Audit Opinion 2022-23

This report was a summary of looking back over the last year's internal audit work and provided commentary on Internal Audit's delivery for the period 1st April 2022 to 31st March 2023, against the performance indicators agreed for the service and further information on other aspects of service delivery.

It was noted that Debtors and Main Ledger audits received limited assurance and this was linked to issues with the cash receipting module of the new ledger system. It was highlighted that the implementation of the new finance system had created significant risks for the Council, however, the Council was undertaking significant work to rectify the issues (including clear outstanding sets of unaudited accounts).

It was the opinion of the Internal Auditor that enough coverage in terms of internal audit had been provided in 2022-23.

Annual Appointment of Risk Champion

The Committee appointed Councillor B. M. McEldowney as the Council's Risk Champion for 2023-24.

17th July 2023

Dispensations Report – Individual Member Dispensations

This report considered specific dispensations that Members had applied for in advance of this meeting. The Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations that were requested by Members up to the point of the meeting were granted under section 33 (2) of the Localism Act 2011. This enables those Members who applied for specific dispensations to participate in and vote at Council and Committee meetings in the individual circumstances detailed.

It was noted that the dispensations granted would remain valid until the first meeting of the Audit, Standards and Governance Committee following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

It was agreed that the Monitoring Officer write to each political Group Leader asking that they remind all Members of their obligation to request appropriate dispensations, if this was required.

Quarterly Risk Update

The Committee considered a risk update which set out corporate and departmental risks changes since the report to Committee in June 2023. It was reported that there had been no changes to the number of corporate risks since the last report. The cyber risk had moved from amber to red due to the increased risk in this area despite all the mitigations put in place. The total number of Departmental Risks also remained unchanged from last report.

Internal Audit - Progress Report

The Committee received the Internal Audit Progress Report that summarised progress made against the delivery of the Internal Audit Plan 2023-24 up to 30th June 2023. It was reported that the outstanding pieces of work with respect to the 2022-23 Internal Audit Plan were now nearing completion.

Financial Compliance Report including update on Statements of Accounts

The Committee considered the Accounting Policies Report which noted, as at the end of June, progress with the 2020/21 Statement of Accounts, the 'budget book' for 2023/24 and key reporting deliverables that were required by legislation to be submitted to the Government.

Dispensations Report – Individual Member Dispensations

A further report on individual member dispensations was considered as more requests for individual dispensations were received after the meeting of the Committee on 17th July 2023. The new requests were detailed and those dispensations were granted under section 33 (2) of the Localism Act 2011. This enables those Members named in the dispensations to participate in and vote at Council and Committee meetings in the individual circumstances detailed.

It was noted that the dispensations granted would remain valid until the first meeting of the Audit, Standards and Governance Committee following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

Grant Thornton – External Audit Progress Report and Sector Update

It was reported that some progress had been made with regard to the work on the Council's 2020-21 Statement of Accounts since that meeting. The External Auditors were able to verify and gain assurance that data reports from the legacy eFinancials system for periods 1 to 11 of the 2020-21 financial year provided real financial data. The data for periods 1 to 11 was now available in the format appropriate for its audit.

However, it was not possible to date for the Council to provide auditors with data included in period 0 of 2020-21 financial year. As a result, External Auditors had not yet been able to undertake any work on the balance sheet as period 0 transactions were critical for understanding the balance sheet position (the opening position). The Council continued attempts to reinstate their business objects licence for the eFinancials system in order to run a period 0 report and export it into an appropriate file. This would enable work on verification of period 0 balances to be started.

The External Auditor reported that on 15th August 2023 a decision was taken to redirect the audit team to other work as there were insufficient working papers were available. It was reported that the External Auditors would resume work on the 2020-21 Accounts audit in October 2023, with the timeline for audit completion of the Council's 2020-21 Accounts estimated to be March 2024.

It was stated that a joint Auditors Value for Money Annual Report for 2021-22 and 2022-23 financial years would be prepared and it was expected that this would be reported to the Audit, Standards and Governance Committee in this calendar year.

The Committee was updated in respect of the work undertaken each year in the certification of the Council's Housing Benefit subsidy claim to the Department for Work and Pensions (DWP). It was reported that the External Auditor had certified the Authority's annual Housing Benefit Subsidy claim in accordance with procedures agreed by DWP. The work on 2021-22 subsidy claim certification was expected to be

concluded within the next month. Members were reassured that there was no impact to residents, including in terms of payments of benefits, as a result of the national delays to certification work on Housing Benefit claims.

Internal Audit - Progress Report

The Committee received the Internal Audit Progress Report that summarised progress made against the delivery of the Internal Audit Plan 2023-24 up to 31st July 2023.

Financial Compliance Report including update on Statements of Accounts

The Committee considered the Financial Compliance Report which noted, as at the end of June, progress with the 2020/21 Statement of Accounts, the 'budget book' for 2023/24 and key deliverables as required by legislation and government.

It was noted that a number of key legislative deliverables had recently been submitted to Central Government, however, the key returns that remained outstanding for the Council were the Revenue Outturn forms for 2020/21 and 2021/22 and the VAT returns.

It was reported that measures were in place to improve procurement processes including the 'No Compliance No Order' process that had been live since April 2023, and all contracts requiring renewal over the existing £50,000 key decision threshold being reported to Cabinet through quarterly Finance and Performance Monitoring Report.

It was highlighted that the key issue remained the closure process for 2020-21 Statement of Accounts with work still undertaken by the Council and the External Auditors to validate the take on balances. The audit of the 2020-21 accounts was expected to be finalised in spring 2024.

The Committee made a Recommendation to Cabinet in respect of the concerns over provisional plans for the Department for Levelling Up, Housing and Communities (DLUHC) to introduce backstop dates for when the auditing of accounts had to be completed. The provisional deadlines for local authorities were as follows: 2020-21 Statements of Accounts to be signed-off by auditors by 31st March 2024 and the 2021-22 Statements of Accounts to be signed off by auditors by September 2024. The Recommendation to Cabinet read as follows:

RECOMMENDED that Cabinet ascertain from the Department for Levelling Up, Housing and Communities (DLUHC) the mechanism for audit of local authorities' accounts to be caught up as per their press release.

This recommendation was considered by Cabinet on 18th October 2023 (Minute No 39/23). A number of amendments to the wording of the recommendation were made and the Cabinet passed the following resolution:

RESOLVED that The Leader of the Council writes to the Department for Levelling Up, Housing and Communities (DLUHC) regarding the mechanism for auditing of local authorities' accounts to be caught up as per their press release and that a copy of the letter be forwarded to the Local Government Association (LGA).

Financial Savings Monitoring Report

This report outlined the areas of savings for the Council. It was explained that the Council was able to make additional savings of circa £1 million accounted for over the 2023-24, 2024-25 and 2025-26 financial years as a result of the favourable outcome of the triennial pension fund valuation. The next valuation was to be undertaken in the 2026-27 financial year. Another saving are highlighted was the one-off savings expected from recovering old debt (engaged capacity grid). The Council had around £6 million in uncollected debt, and it was expected that around 10 per cent of that figure might be recovered.

It was reported that at Q1 the projected full year overspend position on the 2023-24 revenue budget was £788,000. The overspend position was due to two main factors and these were the Local Government Pay Award, which at circa 6% is significantly more than the 2 per cent budget assumption, and the additional costs of maintaining the fleet.

Officers commented that a pay award offer for the local government sector was 6.8 per cent for the current financial year. It was commented that following last year's pay award of over 6 per cent, if confirmed, this offer would represent another year of pay awards in excess of 2 per cent, which was unprecedented.

To offset the impact of this, the Q1 Finance and Performance Monitoring Report going to Cabinet proposed that the assumed yearly drawdown of £351,000 be made from the Utilities Reserve, given the lower-than-anticipated utilities inflation. This would mitigate some of the overspend position and leave a £437,000 overspend position. The ongoing 2023/24 pay increases position, once finalised and ratified later this year, would then need to be resolved as part of the 2024/25 Medium Term Financial Plan (MTFP) process. It was proposed that in the following year's budget the percentage increase anticipated for ongoing pay awards be raised to 3 per cent.

It was clarified that the Council presently had an estimated £5.226 million in General Fund Reserves to cover one off issues, and a further £5.502 million in Earmarked Reserves for specific purposes. Accessing these was the only recourse available to the Council, apart from making reductions in spending, that the Council had to mitigate the present overspend position.

Annual Review Letter of The Local Government and Social Care Ombudsman

The Committee considered the report on the Local Government Ombudsman's Annual Review Letter, which set out the statistics for complaints made against the Council covering the year ending 31st March 2023.

During consideration of this report, it was noted that the Monitoring Officer was required to report this to Members, including to summarise the findings on upheld complaints over a specific period. It was reported that there was a cost implication of £150 arising from an upheld complaint that had been met from existing budgets. It was noted that in relation to this complaint, the Ombudsman also recommended that the Council review its practices in terms of recovering overpayments.

Members requested that this report be brought forward to the Committee earlier in the municipal year, in line with when the Annual Review Letter was issued by the Ombudsman (usually in summer each year). It was noted that reporting on complaints would become more regular as it would form part of the Quarterly Finance and Performance Monitoring Reports that would be presented to Cabinet and scrutinised on request by the Finance and Budget Working Group (sub-committee of the Overview and Scrutiny Board).

Members asked that the next iteration of reporting on complaints include detail on the number of outstanding complaints at the start of the Ombudsman reporting period.

Joint Interim Auditor's Annual Report 2021-22 and 2022-23

The Joint Interim Auditor's Annual Report, covering the period from 1st April 2021 to 31st March 2023, followed from the Section 24 Report considered by Audit, Standards and Governance Committee on 9th November 2022. Last year's Section 24 Report set out the Statutory Recommendation issued by the External Auditor under Section 24 of the Local Audit and Accountability Act 2014. It was highlighted that the Report before Members at this meeting updated on the progress against Statutory, Key and Improvement Recommendations that were issued in November 2022.

The Key Audit Partner explained that the Statutory Recommendation issued last year had been updated, and this was solely due to the Council's non-delivery to date of the 2020-21 financial statements. Subsequent financial statements also remained unaudited. It was deemed appropriate by the External Auditor to continue with the statutory recommendation due to the issues of transparency with financial reporting that still need to be fully resolved.

An update was provided on the status of the five key recommendations issued by the External Auditor in the previous year. It was noted that of the five key recommendations, four had been lifted, resolved, or downgraded to an improvement recommendation status, a lower level of recommendation that could be issued by the auditor. There were now 10 improvement recommendations. One serious weakness remained in relation to opening balances linked to the budget which would only be resolved through the delivery of the Accounts. This continued to be highlighted in that the Section 24 Statutory Recommendation remained.

It was noted that the External Auditor's had raised one new key recommendation with regard to organisational capacity and capability. The External Auditor deemed it appropriate to raise this key recommendation due to the Council's high staff turnover and capacity constraints coupled with the task of rectifying the issues with the ledger implementation. It was noted that the Council now had a Workforce Strategy in place which was a step in the right direction to resolve this recommendation, but effort now needed to be directed towards embedding this Strategy within the Council's processes.

This report proposed two recommendations to the Committee, which were accepted. These are as follows:

RECOMMENDED

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

These recommendations were subsequently considered, and approved, by full Council on 6th December 2023.

Quarterly Risk Update

It was noted that this was the sixth cycle of reviewing Corporate and Departmental Risks since the original baselining of risks in April 2022. The organisational risk level had moved to a moderate assurance level from May 2023.

There were 13 Corporate Risks, a number unchanged since March 2023. It was highlighted that risks relating to financial position rectification and new customer facing interface had moved from amber to red due respectively to lack of clarity from

the Government on audit deadlines (backstop dates) and the volume of work required in ensuring Council's customer interfaces data was up-to-date.

The number of Departmental Risks continued to reduce and now stood at 43 (compared to 51 at the previous report). There was 1 red risk related to Revenues - Performance Indicator data which was not deemed robust as it could not be system generated. It was reported that it was unlikely the number of departmental risks could now be further reduced as most of the remaining risks were linked to compliance.

Internal Audit – Progress Report

The Internal Audit Progress Report was presented. This report requested that revisions be approved to the 2023-24 Internal Audit Plan. This was due to pressures that affected the Worcestershire Internal Audit Shared Service (WIASS), including long-term sickness of staff and the loss of key personnel.

As a result, the report asked for approval of revisions to the 2023-24 Internal Audit Plan, in particular deferral of audits where this was prudent to do from a risk assurance perspective. The audits to be chosen for deferral to 2024-25 financial year were in relation to the Council Tax, National Non-Domestic Rates, and Benefits. The Committee agreed to the revisions proposed in the report.

Accounting Polices Report including update on Council's Statements of Accounts

An update on training that had taken place to increase financial awareness and skills of staff was provided. Training had been taking place on the use of the Council's enterprise resource planning (ERP) system. A mandatory budget manager training (which included the use of the TechnologyOne system) took place in September 2023 – through this training budget managers have been upskilled to input their budget forecasts directly into the system, rather than on spreadsheets. Further mandatory financial awareness training for managers took place in August and September 2023.

Equal Pay and Financial Vulnerabilities – Response to Members' Questions

A written response was provided by the Chief Executive Officer in relation to Members' questions on equal pay and financial vulnerabilities. The Council's Risk Champion thanked the Chief Executive and Council Officers for the swift response on this matter, especially in the context of recent reports about the situation at Birmingham City Council.

18th January 2024Internal Audit Progress Report

The Committee received the Internal Audit Progress Report that summarised progress made against the delivery of the Internal Audit Plan 2023-24 up to 31st December 2023. It was explained that as of this date, 48 per cent of the plan for the year had been completed. This was an improvement on last year's progress at this point.

In terms of critical audit reviews, it was noted that Accounts Receivable and General Ledger were the key internal audits from the Council's perspective as they provided a reflection of the progress the Council has made in terms of the financial recovery programme.

It was reported that with respect to cyber security that following publicised cyber-attacks on other councils, there was a proposal as part of the Tranche 2 of the Medium Term Financial Plan to increase the Council's annual funding for cyber security. It was also noted that as part of the Q2 Monitoring Report, an additional £50k was requested for upgrading and replacing tape drives. The tapes provided physical back up of IT data.

Capital Strategy 2024-25 including Treasury Management Strategy

The Committee received a report on the Capital Strategy 2024-25 including Treasury Management Strategy. The report combined an overview of how capital expenditure, capital financing, treasury and other investment activity contribute to the provision of local public services along with an overview of how associated risk was being managed and the implications for future financial sustainability of the Council.

The Deputy Chief Executive and Section 151 Officer explained that these reports were important from a compliance point of view. Any deviation from these strategies had to be reported directly to Audit, Standards and Governance Committee and then Council.

The Committee recommended that the Council approve the Capital Strategy as an overarching strategy for the Council in addition to the Treasury Management Strategy, the associated Minimum Revenue Provision (MRP) policy, and the Investment Strategy.

This was considered by full Council, and all strategies were approved, on 21st February 2024.

Accounting Policies Report including update on Council's Statements of Accounts

It was reported that local authorities have now been informed of Government proposal to introduce a backstop date of 30th September 2024 for completion of all outstanding local audits up to 2022-23 financial year. Local authorities would be consulted on the plans to tackle local government audit delays, including on the proposed backstop date, in February 2024.

It was reported that around 290 local authorities had yet to have their 2021-22 Accounts audited. As such, the proposal was a significant concern across the local government sector. There also remained concerns that the backstop proposal has not addressed the issue of lack of external audit resource.

Key points arising from the Provisional Local Government Finance Settlement were also presented. It was noted that generally there would be a 4.9 per cent increase in funding for Borough and District Councils, local authorities would have the ability to increase Council Tax by up to 2.99 per cent. For planning applications, there would be a charge increase of 25 per cent (small) and 35 per cent (large) applications respectively.

Financial Savings Monitoring Report

The report looked at 2023-24 budget savings and provided monitoring of savings. It was reported that savings from both tranches of the budget process were set out at Appendix A. The areas of savings that were covered in more detail included:

- Finance Vacancies - The Council would not achieve the target saving of £100k in 2023-24.
- Service reviews – It was reported that Bromsgrove Council had £2.9 million worth of vacancies covered by £1.6 million of Agency staff covering vacant posts. Across the shared service (Bromsgrove and Redditch), this amounted to around £5 million of vacancies and £3 million in agency staff cover (£2 million gap). An establishment review was taking place to provide an indication of the number of posts that were required across the Council.
- Engage Capacity Grid (one-off) – This was concerned with recovering Council Tax and Business Rates income from debtors. The Council was on track to deliver target savings.
- Pension Fund – The Council was on track to deliver the savings on this as resulting from the latest actuarial triennial report. The Council would need to monitor the impact at the next revaluation in 2026-27.

7th March 2024

The last meeting of Audit, Standards and Governance Committee in the 2023-24 municipal year at which this Annual Report will be presented. Items to be considered at this meeting include:

- Introduction to Council's new External Auditors (to begin from 2023-24 financial year audit)
- Standards Regime – Monitoring Officer's Report
- Dispensations Report – Individual Member Dispensations Update
- Internal Audit – Progress Report
- Grant Thornton – External Audit Progress Report and Sector Update
- Financial Compliance / Accounting Policies Report
- Quarterly Risk Update

Legal, Democratic and Property Services

Bromsgrove District Council

Parkside

Bromsgrove

Worcestershire B61 8DA

Telephone: 01527 64252 ext 3095

Email: democratic@bromsgroveandredditch.gov.uk



Portfolio Holder Report

Portfolio Holder Report – Strategic Partnerships and Enabling

Introduction and Overview:

At Bromsgrove District Council Portfolio Holders provide an annual update to Council on services within their portfolio remit. These services are delivered in accordance with the Council's Priorities, as detailed in the Bromsgrove District Council Plan 2024 - 27.

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

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

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

The report will be structured as follows:

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

The Council has the following Priorities:

Council Priorities	Organisational priorities
Economic Development	Financial stability
Housing	Sustainability
Environment	Partnerships
Infrastructure	Organisational Culture – the 4Ps
	Budget & Resources



Portfolio Holder Report

1. Update on Council Priorities

Relevant Council Priorities:

The Bromsgrove Partnership supports and complements all of the Council's Priorities and its Vision, particularly given it has representation from a wide variety of organisations and has a wide remit. The Partnership's vision is: *'We will make Bromsgrove District the place to live, do business and to visit.'*

The vision of the Partnership complements the Council's vision: *'We aspire to create a welcoming environment that prioritises quality of life, where residents and businesses feel a deep sense of belonging and connection'*

The Council plan highlights the thread created that relates to the wellbeing of our communities, which is integral to all the Council's priorities. This same thread is integral to the work of the Partnership, particularly in relation to the Collaborative, which forms part of the Partnership's remit.

Although the Bromsgrove Partnership has theme groups, such as the Community Wellbeing Theme Group, for the purposes of this annual report, and to avoid duplication with other Portfolio Holder Reports, this report will focus specifically on the Bromsgrove Partnership Board (including District Collaborative arrangements) and joint Cost of Living Partnership Group.

Background Context

Bromsgrove Partnership Board – The Bromsgrove Partnership is a local strategic partnership which brings together representatives from different organisations primarily from the public sector and voluntary and community sector. Instead of each organisation working separately in isolation, the Bromsgrove Partnership provides a way, through a Board and Theme Groups, for partners to work together in a more effective and cohesive way.

Following health reforms and the introduction of District Collaboratives within Integrated Care Systems (ICS), it was suggested by health partners that the Bromsgrove Partnership took on the remit of the local District Collaborative, which was agreed in 2022. The focus is on prevention and priorities agreed in 2023 were: Mental Health and Wellbeing; and Health Inequalities. This aligns with the Countywide Health and Wellbeing Strategy 2022-2032.

The Board meets every 2 months and are in person meetings. They are chaired by the Chief Executive of Bromsgrove District Housing Trust (BDHT) and the Vice-Chair is the Chief Executive of Act on Energy. Alongside the Leader, the District Council's Chief Executive and Assistant Director of



BROMSGROVE DISTRICT COUNCIL

Portfolio Holder Report

Community and Housing Services, are members of the Board, and other agencies represented on the Board, generally at Chief Officer level, are:

- Act on Energy
- Age UK Bromsgrove, Redditch and Wyre Forest (Age UK BRWF)
- Bromsgrove and Redditch Network (BARN)
- Bromsgrove District Housing Trust (BDHT)
- Bromsgrove Primary Care Network (PCN)
- Citizens Advice Bromsgrove and Redditch (CABR)
- Department for Work and Pensions (DWP)
- Heart of Worcestershire (HoW) College
- Hereford and Worcester Fire and Rescue Service (HWFRS)
- NewStarts
- Parish Councils - County Association of Local Councils (CALC)
- West Mercia Police
- Worcestershire County Council (including Public Health & Adult Social Care)
- Young Solutions

The above covers Board representation, however, there is a wider variety of representatives engaged at Theme Group level.

Cost of Living Partnership Group – Following a discussion at a Bromsgrove Partnership Board meeting back in 2022, it was suggested and agreed that a joint Cost of Living Partnership Officer Group be set up covering both Bromsgrove and Redditch. Relevant officer representatives from the Board volunteered to form the group, and additional officer representatives, including from our own our Financial Inclusion Team, were invited to join too. The purpose of the group is to bring together different agencies and stakeholders in Bromsgrove and Redditch to create a unified and comprehensive approach to alleviating the impact of the cost of living crisis, with the aim of improving the wellbeing of residents and communities. It's chaired by the District Council's Assistant Director of Community and Housing Services who reports back to the wider Board.

Key activities since last report:

Below are some recent examples of discussions and actions that have come out of the Bromsgrove Partnership Board and Cost of Living Group:

Falls, Frailty and Reconditioning –

Earlier this year, Dr Daphne Austin (DA) gave a presentation to the Board (and Ageing Well Group) regarding the above to raise awareness of skeletal muscle loss, that can happen as part of the ageing process and through deconditioning events (e.g. as a result of the recent pandemic, physical injury, mental health issue etc), and the significant impact muscle loss had on the incidence of frailty. It was explained that if an individual did not fully



Portfolio Holder Report

recondition (i.e. build muscle mass) after deconditioning events, the cumulative effect would be the individual would be on a trajectory to functional loss and frailty.

However, what was emphasised was frailty is not inevitable therefore the importance of considering ways to prevent functional decline in older age by individuals, employers, organisations (including NHS) and as a local system was highlighted. As a result of the presentation to partners, various actions were agreed and completed including:

- (a) Dr Daphne Austin was invited and attended HOW College to present to students and discuss with tutors the possibilities of incorporating information into the curriculum for relevant courses, as appropriate.
- (b) BDC Leisure Team colleagues met with Dr Daphne Austin and as a result changes were made to sessions delivered by instructors the Council work with to ensure reconditioning was covered as standard.
- (c) Resources were made available for partners (such as Age UK Bromsgrove, Redditch and Wyre Forest) to share with individuals to help raise awareness of the consequences of deconditioning and the importance of movement and reconditioning.
- (d) To help get the message out amongst partners, as suggested by the Chief Executive of the District Council, a presentation was recorded and circulated, along with many other links to other resource information: [Reconditioning and its importance in the prevention of frailty - YouTube](#)

Digital Connectivity –

Concerns were raised at the Board around connectivity which lead to the relevant officer from Worcestershire County Council being invited to attend to discuss further. During discussions the plans that are underway by the telecommunication industry to switch off the Public Switched Telephone Network (PSTN) and ultimately retire the copper network were raised. Whilst there is a need for the Councils (County and District) and partners to manage the impact on its systems and services (e.g. Lifeline Service) partners questioned what more could be done to ensure local residents, including vulnerable groups, were informed.

The need for a national approach was considered but, in the meantime, to assist at a local level, Age UK Bromsgrove, Redditch and Wyre Forest, with the support of partners, including Council teams such as Lifeline and Community Safety, as well as the Older People’s Forum, held a very successful digital switchover information and Q&A event with BT in the High Street earlier this year. Due to demand, a follow up event at Amphlett Hall with BT was also held. More discussions are planned at the next Board meeting to consider further ways partners can work together in relation to digital connectivity, including the mobile agenda and ways in which partners could potentially assist the County Council in collating data/evidence.

UK Shared Prosperity Fund (UKSPF) –

The Partnership Board was requested to oversee the [UK Shared Prosperity Fund](#), of which Bromsgrove District was allocated £2.8m over 2022-25. The role of the Partnership is outlined in [Partnership Guidance](#) but in short it is



Portfolio Holder Report

It was explained that 'Poverty Truth' started with an understanding that any talk about poverty must include people who had experienced poverty - "Nothing about us, without us, is for us". It was explained that a commission sought to build relationships and trust between people struggling against poverty and decision-makers. The purpose is to collectively work together to understand the underlying issues that cause poverty and explore creative ways to address them. The Poverty Truth Network website was referred to www.povertytrustnetwork.org which included a short video to explain.

There are different phases of setting up a commission, including a closing event to communicate the findings, but the process starts with exploring the idea and then finding out if there is enough interest and commitment locally. The Partnership Board agreed it was worthwhile exploring and a small partnership group has been established to consider next steps, with the free support of a PTN mentor.

Knowledge Bank Redesign –

The [Knowledge Bank](#) is a community services directory covering Bromsgrove and Redditch. It's available publicly for all to use and is a searchable tool to help connect people to relevant support and activities. The Council, working closely with partners, in particular BARN (Bromsgrove and Redditch Network – who work with and support our voluntary and community groups) help us to update and maintain the content of the Knowledge Bank. The Council, and its partners, have supported this through existing resource only. Without the strong working relationships with partners, this would have been impossible to set up and more crucially, maintain, let alone redesign into a tool which is now more inviting and user friendly.

Partnership Bulletin –

There is a monthly Partnership E-Bulletin to help keep all informed. If local agencies, including teams across the Council, are well-informed, they in turn can ensure our residents are aware of all the appropriate help and support available locally. Information within the bulletin is information the Partnership team receives which is put into one email and circulated widely, including all District Councillors. It takes time to distil the information into one monthly email but the idea is simple but again, would not be possible if partners, including Council teams, did not share information to be included.

Anticipated Activities/Key Milestones For Next Period

The Partnership quite deliberately tries to remain flexible so that it is able to respond to issues / concerns / any partner requests, however, below is a list of some of the up and coming work anticipated over the next few months:

Digital Connectivity – Following on from earlier discussions, the Board is keen to revisit this to discuss what more they can do collectively at a local level. This will happen at the next meeting.



Portfolio Holder Report

Mental health and wellbeing and suicide prevention – Collectively the Board would like to consider what they are doing to support community wellbeing, directly and indirectly, and discuss together if there is anything further they can do by working together. Public health colleagues will lead on this item, as a starting point, at a meeting later in this year.

NHS Patient Engagement – The Board has been approached by the Worcestershire Acute NHS Trust to present their Patient Engagement Strategy, and this is being arranged to take place at the Board meeting in January 2025.

Sunrise 360 Project – This project originated some years ago from the Partnership originally focussed on a very small specific area of high need. Led by Bromsgrove District Housing Trust and supported by the District Council, it has grown and covers a far wider area and is tenure blind. The 360 team work in a way that is person-centred focussed, supporting vulnerable residents with complex needs who are often known to a number of agencies. Since it started, reports are provided to the Board and the next one is due in the coming months.

Poverty Truth Commission (PTC) – Exploration of this work will continue, including looking at ways to join up health related work (such as the 'Your Health' Bus) with engaging people with lived / living experience of poverty. For instance, linking Challenge Poverty week in October to Your Health bus events locally to help test out if residents are interested in sharing their story and being involved should a PTC be set up.

Poverty Alleviation Research – We have been approached by Aston University to attend a Cost of Living Partnership Group to present their research and a toolkit they have devised which might be useful to us in strengthening our collective action to alleviating poverty at a local level. Representatives will be joining our October meeting to explain more.

Wider promotion of Knowledge Bank – With a refresh of the Knowledge Bank to make it more inviting and user friendly, the next step is to increase the promotion to ensure all who may benefit from it, are aware the tool is there for them to use. With input from BARN (Bromsgrove and Redditch Network – who support local voluntary and community groups and assist us in maintaining the directory), promotional materials are being produced and distributed to make sure partners are fully aware of the community services directory that their teams can use, and local residents are aware of the free online tool too. It's already been incorporated into the Citizens Advice Bromsgrove and Redditch Information First Aid Training as a tool anyone can use.

Partnership Bulletin – Continuation of the monthly Partnership Bulletin as one way to help ensure all of our teams and our partners are as informed as possible with a variety of information, which they can glance through and pick what is relevant to them so they can effectively refer and signpost residents they are already engaging with.



Portfolio Holder Report

2. Partnership Working

Given this report relates to Bromsgrove Partnership, partnership working is covered within the above section.

3. Good News Stories and Awards (if applicable)

What the Bromsgrove Partnership does is provide a platform to facilitate and support partnership working locally. Effective partnership working can only happen when there is good understanding and strong working relationships between partners. Without that as a basis, even straightforward partnership projects can go wrong very fast.

No time is wasted on promoting the Bromsgrove Partnership itself, as that would be of little use to our local residents. Our residents are unlikely to even be aware of the Bromsgrove Partnership as its purpose is to smooth the way to ensure it's as easy as possible for local organisations to work together so that partners, including the Council, can deliver on its plans, priorities and overall vision for the benefit of our residents.

No one organisation, including the District Council, can work in isolation to deliver and meet the needs of local residents. This can only be achieved by working effectively together and we are fortunate in Bromsgrove that other organisations locally recognise this and are willing to take the time to come together to address issues which, ultimately and most importantly, benefits our local residents.

4. Other

LGA Corporate Peer Challenge – Feedback Report 2023

Finally, it is perhaps worth noting the positive feedback relating to the Bromsgrove Partnership that was contained within the LGA Corporate Peer Challenge Report last year. Below are a couple of extracts from that report:

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.

The council effectively uses partner capacity to shape and deliver priority outcomes. For example, the 'Sunrise Project' which worked closely with



Portfolio Holder Report

*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”**.*

This page is intentionally left blank

Recommendations from the Cabinet Meeting held on 24th July 2024

Cost of Living Proposal - Update

RECOMMENDED that

- 1) from the remaining £150,000 contained within earmarked reserves to support cost of living initiatives, £38,000 is allocated to a Voluntary Sector Money Adviser;
- 2) the £62,000 allocation to Citizen's Advice be amended to fund an Outreach Development Worker through to March 2026.

Combined Financial Outturn and Quarter 4 Financial Monitoring Report (Including Update on the Fleet)

RECOMMENDED that

- 1) The reprofiling of the Capital Fleet Replacement budget, relating to the Domestic Waste Collection Service, be approved.

This page is intentionally left blank

Recommendations from the Cabinet Meeting held on 11th September 2024

Treasury Management Report

RECOMMENDED that Council note:

- 1) The Council's Treasury performance for the financial year 23/24.
- 2) The position in relation to the Council's Prudential indicators.

This page is intentionally left blank

**Cabinet
2024**

24 July

Cost of Living Funding Proposal Update

Relevant Portfolio Holder		Councillor Karen May
Portfolio Holder Consulted		Yes
Relevant Head of Service		
Report Author	Job Title: Judith Willis Contact email: Judith.willis@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		Work and financial independence Living independent, active & healthy lives
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:

- a) From the remaining £150,000 contained within earmarked reserves to support cost of living initiatives, £38,000 is allocated to a Voluntary Sector Money Adviser;**
- b) The £62,000 allocation to Citizen’s Advice be amended to fund an Outreach Development Worker through to March 2026.**

2. BACKGROUND

2.1 Cabinet considered a report on 13 March 2024, and made a recommendation to Council to allocate, as a one-off investment, £150,000 contained within earmarked reserves to support the following cost of living initiatives.

- (a) Citizen’s Advice specialist housing adviser (£62,000)
- (b) Voluntary sector money adviser (£38,000)
- (c) Enhancing the support of the Council’s Financial Inclusion Team (£50,000)

2.2 At the Council meeting on 10 April 2024 clarification was provided that the amounts shown above were to fund the proposal to for 14 months.

**Cabinet
2024**

24 July

It is the intention that the proposal would be a trial for 14 months with a view to it informing a lottery bid by the VCS to further sustain the work. If the lottery bid was successful any monies not spent on the project would be put back in to reserves

- 2.3 It was also reported that since the Cabinet meeting in March, the Government had announced a Household Support Fund Round 5. This provides an allocation of £106,570 for BDC for a 6 month period and £29,500 would be spent on supporting Bromsgrove food banks
- 2.4 The Council meeting resolved that: £150,000 contained within earmarked reserves be allocated as a one-off investment to support the estimated costs of the following cost of living initiatives: a) Citizen's Advice specialist housing adviser - £62k, and b) Enhancing the support of the Council's Financial Inclusion Team - £50k
- 2.5 In respect of the Voluntary Sector Money Advisor element, this was deferred and asked Officers map the work covered by this to avoid potential duplication and to understand gaps in provision.
- 2.5 The view was also expressed that the proposed Citizen's Advice Specialist Housing Adviser should carry out outreach work to reach communities across the District. A member suggested that the proposed funding would act as a lever to achieve outreach work by the Citizens Advice.

3. OPERATIONAL ISSUES

- 3.1 The proposals set out in the March report were rooted in a partnership lottery bid for three extra workers: an income maximisation specialist for the Council's Financial Inclusion Team; extra capacity to lead and develop the volunteer Money Mentors in the voluntary sector; and a full-time debt specialist at Citizens Advice. This would add capacity at all levels of work and in the manner which would best develop each service. The new workers would all operate primarily remotely, so access to all the services would be enhanced. They would also have a collaborative function, so the organisations could achieve greater synergy and effectiveness in guiding clients to the best source of help, maximum the benefits of the public funded services already in existence. The March report sought match/seed funding for the two non-Citizens Advice posts, with a view to the partnership bid securing longer term funding. The report also proposed supporting a Citizens Advice specialist Housing support post.
- 3.2 The Councils discussions around duplication and overlapping services, has since helped shape some further thinking about local priorities. The

**Cabinet
2024**

24 July

first reassurance is that debt work cannot be duplicated. Debt work, unlike income maximisation or benefits work, is regulated by the Financial Conduct Authority. As a result once a client is registered with their creditors as being represented by one body, then like a solicitor, no one else can represent them at the same time. In terms of capacity, there are a number of organisations that offer basic income and benefits support, such as BDHT, but there are only three FCA registered organisations based in Bromsgrove, who are licenced to deal with debt. The Basement Project, who do work with 16- 24 year olds; NewStarts who operate under the auspices of the CMA (Community Money Advice) and Bromsgrove & Redditch Citizen's Advice who are licenced in their own right. They all work very cooperatively and are facing far greater demand that they have the capacity to deal with. Overlapping and complimentary services are essential for catching those who 'fall through the cracks'. The voluntary sector in Bromsgrove operates in a very cooperative and collaborative way, referring to each other and supporting each other's activities. They strive for the ideal that wherever a client enters the system, they will then get them to the organisation best placed to help them, something they hope that the Partnership lottery project, if successful, will improve even further.

- 3.3 In terms of the request from Cabinet and Council for the proposals to focus on outreach, this has been further discussed with Citizen's Advice. Coming out of lockdown and with new Chief Executive, their three-year business plan was focussed on building capacity, as demand had increased to such an extent that only around a quarter of calls could be answered. This led to an increase in the number of households helped over the last two years of 45%. Their Leadership, however, are also very keen on now pushing its services beyond the door. As part of that they have already launched the Advice First Aider scheme, supported by the UK Shared Prosperity Scheme. This is free training that equips local community figures, from hairdressers to councillors, to guide people into the advice system, often at a far earlier point than if they waited for the full crises to hit. This makes advice more effective as solutions are often quicker and easier at this stage.
- 3.4 Citizens Advice are also now developing their next business plan and at the heart of that is the expansion of outreach services. The current staff team contains significant experience of establishing outreaches and recognises not just their benefits, but also that the process can be challenging and slow. Outreach development is particularly complex when using volunteers, alongside time spent with no clients, a not uncommon occurrence in the early days of an outreach. The CAB recognises that using a high-end housing specialist for outreach would probably be inefficient, and make a "hard to recruit to" post, even

**Cabinet
2024**

24 July

harder to fill. It has also however recognised the synergy between its own plans and the desire of the Council members. To that end it is proposing a change of use for the allocated funding. Moving from funding a 14-month Specialist Housing support post, to a part time outreach development worker operating through to March 2026. They would establish a rolling program of outreach development, breaking ground on new locations and then handing them over to volunteer advisers as each became established, and then moving on to their next development.

The three proposed posts have enormous synergy. All three roles will be involved in establishing outreaches in different ways and locations, and where any one of them succeeds, it opens the possibility for partners from across the sector, to come in alongside them. There is also a realistic prospect of this work gaining longevity through the Partnership Lottery Bid. The vision is for an expanding series of outreach opportunities, varied in both form and location, developing alongside a growing Team of Advice First Aiders, both of which should enable greater and quicker access to all the advice provision available in Bromsgrove.

4. FINANCIAL IMPLICATIONS

- 4.1 The budget of £150,000 is within the Council's Earmarked Reserves and is available to support this initiative. Any underspend on the Scheme would be put back in to reserves

5. LEGAL IMPLICATIONS

- 5.1 The Council needs to ensure that it has a transparent and fair scheme, ensuring that we comply with the 2015 Local Government Transparency Code. The Council has the power to incur expenditure which in its opinion is in the interest of and will bring direct benefit to its area or any part of it or all or some of its inhabitants. The direct benefit accruing must also be commensurate with the expenditure to be incurred.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 This proposal will support the following Strategic Purposes:
- Work and financial independence
 - Living independent, active & healthy lives

Climate Change Implications

**Cabinet
2024**

24 July

- 6.2 The proposals have not direct impact on climate change. However, cost of living support to residents may include advise on energy costs and lead to energy efficiency improvements in residents homes.

Equalities and Diversity Implications

- 6.3 The proposed services will be available to all residents but there will be a targeted approach to reach those most adversely affected.

7. RISK MANAGEMENT

- 7.1 There is a risk that the proposals for delivering additional services to those affected by the cost-of-living situation will not reach the intended audience and/or provide quality outcomes. This will be mitigated by the establishment of a funding agreement with clear outcome measures that will be monitored half yearly. This will be reported to the Cost-of-Living Group alongside forming part of the Cabinet's Performance Monitoring Report.

8. APPENDICES and BACKGROUND PAPERS

Cost of Living Proposals Cabinet report dated 13 March 2024
Council minutes dated 10 April 2024

**Cabinet
2024**

24 July

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May, Portfolio Holder for Partnerships	17 July 2024
Lead Director / Head of Service	Guy Revans, Interim Director	3 July 2024
Financial Services	Pete Carpenter, Director	3 July 2024
Legal Services	Claire Felton, Head of Legal & Property Services	3 July 2024
Policy Team (if equalities implications apply)	Rebecca Green	25 June 2024
Climate Change Team (if climate change implications apply)	N/A	

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Combined Financial Outturn and Quarter 4 Revenue Monitoring 2023/24 (Including an update on the fleet)

Relevant Portfolio Holder	Councillor Colella – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Head of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
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 Council’s draft Revenue Outturn position for the financial year April 2023 – March 2024 (subject to final accounts closedown procedures and audit).

2. RECOMMENDATIONS

Cabinet are asked to RESOLVE to NOTE:

- 1. That the 2023/24 provisional outturn position in relation to revenue budgets is a projected revenue overspend of £453k after applying £351k from the Utilities Reserve as approved at Quarter 1.**
- 2. That the 2023/24 provisional outturn position in relation to capital expenditure is £4.0m against a total of an approved programme of £11.1m (see Appendix A).**
- 3. The provisional outturn position in respect of the General Fund Reserves at paragraph 3.13.**
- 4. The provisional outturn position in respect of Earmarked Reserves at Appendix B.**
- 5. That at the time of writing, the Council is yet to formally close its accounts for the 2020/21, 2021/22 and 2022/23 financial years. This could therefore result in adjustments to actual income and expenditure in those years and could have a consequential impact on the 2023/24 accounts.**

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

The Cabinet is asked to RESOLVE that (subject to Council approving the overall funding)

6. The revised Fleet Replacement Programme be approved.

The Cabinet are asked to RECOMMEND that:

7. The reprofiling of the Capital Fleet Replacement budget, relating to the Domestic Waste Collection Service, be approved.

3. KEY ISSUES

Financial Implications

- 3.1 This report sets out the draft financial outturn revenue and capital performance of the Council for 2023/24 against budget.
- 3.2 The £11.9m full year revenue budget included in the table below is the budget that was approved by Council in February 2023.
- 3.3 Whilst the Council has been on a finance recovery programme since April 2022, following the implementation of a new financial system in February 2021 which led to a deterioration of the Council's financial position, it is important to note that at the time of writing the Council is yet to formally close its accounts for the 2020/21, 2021/22 and 2022/23 financial years. This could therefore result in adjustments to the actual expenditure and income in those years and could have a consequential impact on the 2023/24 accounts.
- 3.4 The Finance team have undertaken a detailed review of the 2023/24 accounts since year end. There are a number of assumptions and manual adjustments that have been made to arrive at the provisional revenue outturn position, mainly as a result of transactions still being cleared from suspense. Those assumptions and manual adjustments include:
- Anticipated accruals and prepayments,
 - Grants are applied to known expenditure and remaining balances are carried forward,
 - Reserves are applied to known expenditure,
 - Shared service recharges between Redditch Borough and Bromsgrove District Councils where a shared service arrangement exists and
 - Transfers between the Collection Fund and the General Fund.
- 3.5 Work continues to refine the position including addressing the backlog of entries that are in suspense and any miscoding. Therefore, the provisional position detailed in this report is subject to change, and a further update will be presented to Members in due course. Taking this into account, the provisional revenue outturn position is anticipated to be a £453k overspend. This is an increase with the reported Q3 forecasted overspend of £222k due to additional fleet costs incurred, such as fleet repairs and hire costs within the Environmental Services department.

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

	2023/24 Full Year Budget	2023/24 Actual	2023/24 Shared Service and Manual Adjustments	2023/24 Adjusted Provisional Outturn	2023/24 Adjusted Provisional Outturn Variance
Regulatory Client	239,871	314,722	(59,687)	255,035	15,164
Business Transformation & Organisational Development	1,813,586	1,553,272	75,021	1,628,293	(185,293)
Corporate Budgets & Services	1,446,605	1,137,257	486,686	1,623,943	177,338
Community & Housing GF Services	1,102,638	1,264,347	(355,252)	909,095	(193,543)
Environmental Services	3,410,080	4,566,453	(486,685)	4,079,768	669,688
Financial & Customer Services	1,401,755	(17,594,293)	18,931,254	1,336,961	(64,794)
Legal, Democratic & Property Services	1,181,962	1,685,732	(521,521)	1,164,211	(17,751)
Planning, Regeneration & Leisure Services	1,349,503	2,075,311	(322,544)	1,752,767	403,264
Net Budget	11,946,000	(4,997,199)	17,747,272	12,750,073	804,073
Utilities Reserve	0	(351,000)	0	(351,000)	(351,000)
Overall Total	11,946,000	(5,348,199)	17,747,272	12,399,073	453,073

3.6 The following paragraphs set out the variances for each service area against the 2023/24 revenue budget.

Regulatory Client – draft outturn position £15k overspend

Within Regulatory Client there has been a decrease of £38k in anticipated taxi licensing fees offset by various underspends of £23k.

Business Transformation & Organisational Development – draft outturn position £185k underspend

Within Business Transformation & Organisational Development there is a large underspend on ICT purchases of £368k offset by overspends in Business Transformation on salaries and agency costs of £53k, Corporate Staff costs of £26k and Policy service of £67k. There are other various smaller overspends totalling £37k.

Community and Housing General Fund Services - draft outturn position £194k underspend

Within the Community and Housing General Fund Services the underspend is due to a number of factors. There are a number of staff vacancies within the service which accounted for £152k of the underspend, an £8k underspend on CCTV, £7k underspend on Lifeline services together with a number of smaller variances amounting to £27k.

Corporate Services - draft outturn position £177k overspend

Within Corporate Services the 'Corporate' service areas has a projected overspend due to increased audit fees in year.

Environmental Services – draft outturn position £670k overspend

Within Environmental Services there are two key areas that impact on budgets, fleet costs and salaries. Within fleet costs there is a £760k overspend due to maintenance, fuel and Insurance costs. The fleet used across the service area is generally beyond its life cycle, especially within the waste service. A revised fleet replacement programme is designed to ensure we have a more reliable fleet across the service which will result in lower maintenance costs and associated hire costs in order to deliver statutory responsibilities.

Within Bereavement Services there has been an increase of £10k in anticipated burial and cremation fees.

There were a number of smaller underspends amounting to £80k within the service.

Financial & Customer Services – draft outturn position £65k underspend

Within Financial & Customer Services there is an underspend of £55k due to lower than forecast Rent Allowances. There are salary underspends due to vacancies in Finance which are offset by additional agency costs. There are a number of various underspends of £10k within the service.

Legal, Democratic and Property Services – draft outturn position £18k underspend

Within Legal, Democratic and Property Services there was an increase in forecasted income for property rental income offset by an overspend on agency fees. There was also an underspend on the Market.

Planning, Regeneration and Leisure Services – draft outturn position £403k overspend

Within Planning, Regeneration and Leisure Services there are a number of factors resulting in a £403k overspend. There are additional costs for NWEDR amounting to £123k, an overspend in Development Management of £187k due to Professional Fees including Solicitor Fees and Planning Enforcement and £87k overspend on Town Centre. There were also additional £6k overspends within the service.

3.7 Cash Management

Borrowing

- As of the 31st of March 2024, there was £7.5m short-term borrowings. The Council has no long-term borrowings.

Investments

- On 31st March 2024 there were no short term investments held.

Capital Monitoring

3.8 A capital programme of £11.1m was approved in the Budget for 2023/24 in February 2023. This has been fully reviewed as part of the MTFP using actual data as at the end of December 2023. The table below and detail in Appendix B set out the Capital Programme schemes that are approved for the MTFP time horizon.

3.9 Many of these schemes are already in partial delivery in the 2023/24 financial year. By approving this list, the Council also agreed sums not spent in 2023/24 (and 2022/23 by default if schemes originated earlier than 2023/24 as sums have been carried forward through to the 2022/23 MTFS Report) to be carried forward into 2024/25. The table also splits amounts by funding source, Council or third party.

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

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

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

- The two Levelling Up schemes – Old Fire Station and Market which are funded via £14.5m of Government Funding, and the Council is funding £1.6m of works. Public Realm works link to both schemes.
 - The Market Street is in the middle of a re-engineering process to bring it closer to the budget level and finalise the design. The original application has passed planning and Kier has been appointed as the Design and Build contractor.
 - Windsor Street demolition tenders are in process. Project managers MDA have been appointed. The winning tender, which is being validated is now back to the budgeted level (a £19k overspend). Work on the demolition is expected to be completed by the end of this calendar year. Given power to the site has now been switched off, more vandalism is taking place which is requiring mitigation.
 - Public Realm though is projected to be underspent by £546k which will be used to part mitigate the Market Hall overspend position.
- To mitigate any further overspending position, we have the following option which needs to be pursued as this funding is due to the Council:
 - There is £1.5m available from the GBLEP to Bromsgrove to apply to the remainder of the overspend although this would need to go through the appropriate Member approvals. In late November, there is now a joint proposal to split the overall sum at £2.45m per Council which the Council is actively pursuing its portion.
- UK Shared Prosperity Schemes totalling £2.8m (although it should be noted that these grants funded schemes are a mix of capital and revenue).
- The Burcot Lane development at £10.275m (£904k spend this year) which has now been completed.

3.11 The outturn spend is £4.0m against a capital budget totalling £11.1m and is detailed in Appendix B. It should be noted that as per the budget decision carry forwards of £2.843m will be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24.

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Earmarked Reserves

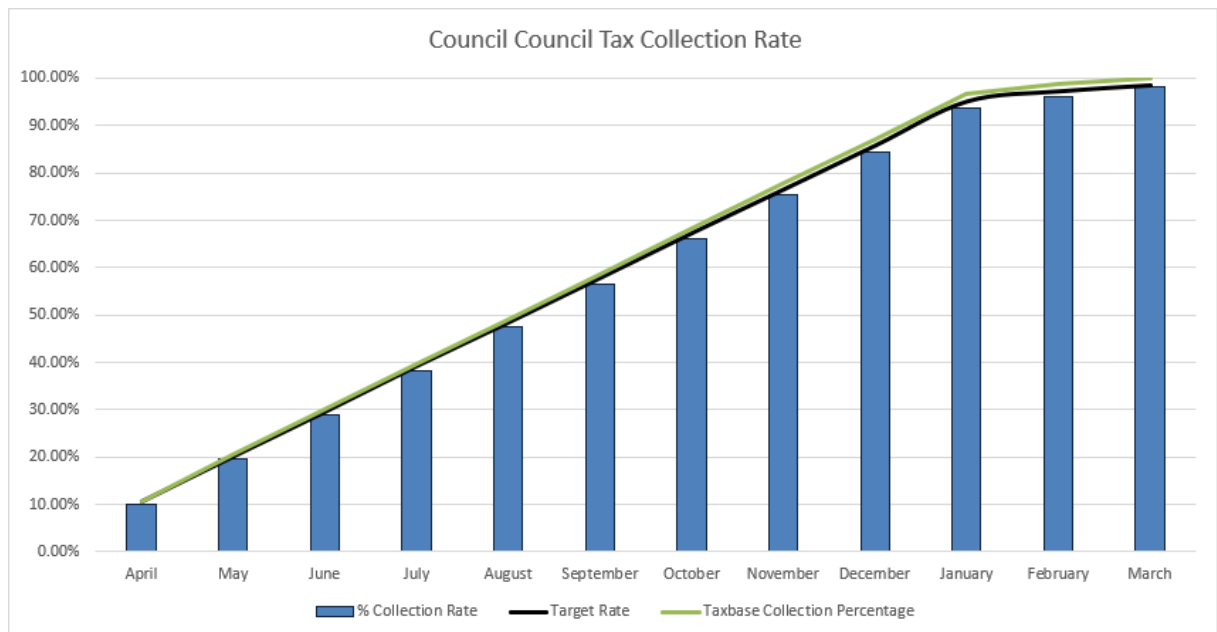
3.12 The position as reported to Council in February 2024 as per the 2024/25 – 2026/27 Medium Term Financial Plan (MTFP) is shown in Appendix C. This has been adjusted for the actual 2023/24 Outturn position, which was only estimated based on Q3 monitoring information at the time of the MTFP. As part of the MTFP all reserves were thoroughly reviewed for their requirement and additional reserves set up for inflationary pressures such as utility increases. At the 31st March 2024 the Council holds £6.379m of Earmarked Reserves.

General Fund Position

3.13 The General Fund Balance as at the 31st March 2024 is £5.197m. With 2020/21, 2021/22 and 2022/23 still to be closed and approved by Audit, these figures are subject to change. Progress on the Accounts has been reported to Executive through the Finance Recovery Plan Report and is reviewed at every Audit Committee.

Financial Performance

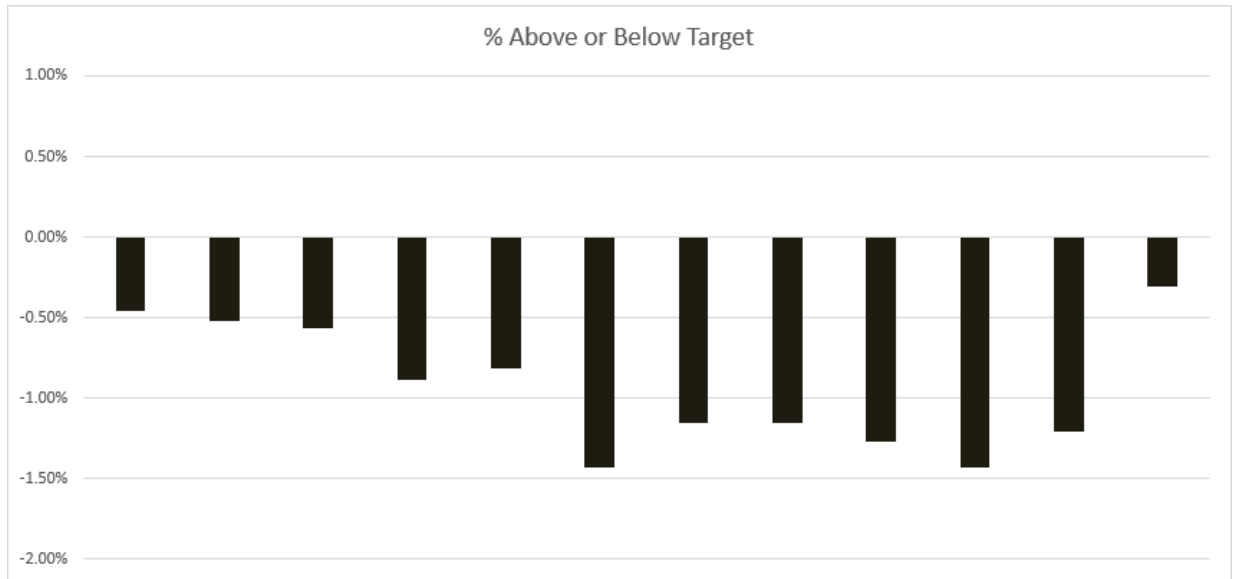
3.14 Council Tax collection rate data as Quarter 4 2023/24 is set out in the following tables. Overall, collection was just under 0.5% below target.



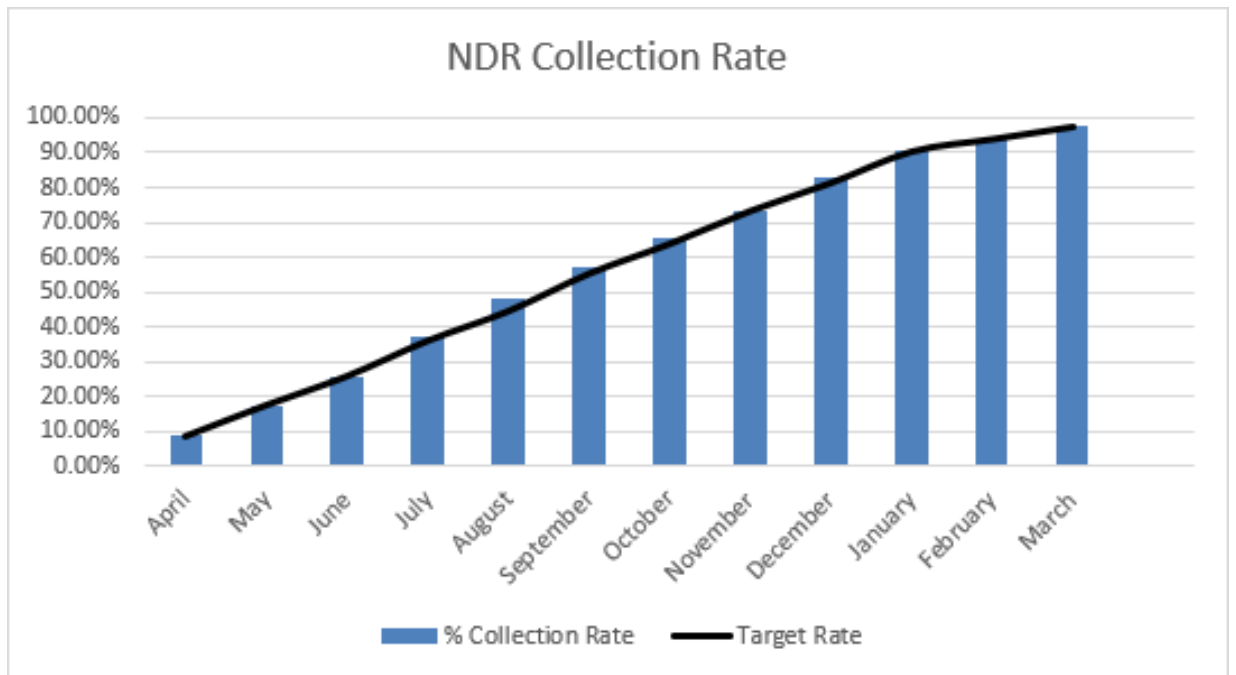
BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024



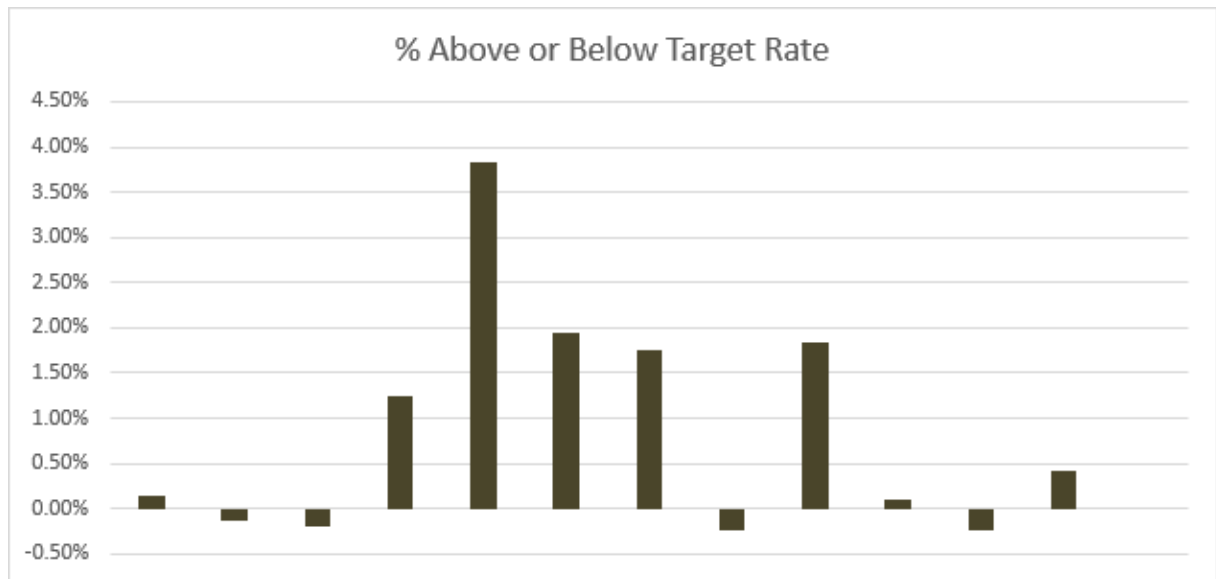
3.13 The National Non Domestic Rates collection rate data as Quarter 4 2023/24 is set out in the following tables. Overall, collection was just under 0.5% above target.



BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024



Reprofiling of the fleet

- 3.14 The first of these is the reprofiling of the Capital Fleet Replacement budget relating to the Domestic Waste Collection Service.

- 3.15 In 2021, as part of a review of Council finances, the decision was taken to extend the life of operational vehicles by an extra year before replacement, and also to start refurbishing Waste Collection Vehicles to extend their life by a further period in order to reduce the capital expenditure on new vehicles, and make savings that could be put towards the increased costs of more expensive energy efficient vehicles as part of our Climate Change ambitions in the future.

- 3.16 When this adjustment was made, no allowance was given for the operational impact of refurbishment, which removed multiple vehicles from the operational services for extended periods, requiring the use of hire vehicles to support service delivery, and introducing an additional unbudgeted revenue pressure.

- 3.17 In addition to this, the first few vehicles took nearly 12 months to be refurbished as a result of parts and supply issues that were confirmed as affecting the sector during 2022/23, and subsequent vehicles have all over run on planned timescales.

- 3.18 Due to significant mechanical failures with these older vehicles on our existing fleet, in addition to the normal operational requirements for vehicles to be in for servicing, MOT's, and day to day repairs, we are currently reliant on a number of hire vehicles to maintain our minimum service at additional un-planned cost. In light of the increased costs and operational challenges arising from the extended vehicle operational lifespans, refurbishment experience, and staffing issues within our workshop, it is proposed to revert to a seven-year replacement cycle on our Waste fleet, and re-profile the Capital Fleet Replacement budgets to support the purchase of replacement vehicles that will

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

reduce the maintenance pressure on our workshop and support our operational service delivery.

- 3.19 In light of the proposed continuance of using ICE vehicles for the Waste Collection Service, we will also be exploring the options for further investment in HVO as part of the mediumterm financial plan to ensure that we maximise our Carbon benefits by reducing our usage of fossil fuels in the operation of our Fleet. Full detail is set out in Appendix C.

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

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.

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

8. APPENDENCES

Appendix A – Capital Outturn

Appendix B – Reserves Position

Appendix C – Fleet Requirement

AUTHOR OF REPORT

Name: Debra Goodall – Head of Finance and Customer Services (Deputy S151)

E Mail: Debra.Goodall@bromsgroveandredditchbc.gov.uk

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Appendix A - Capital Outturn

Description	Approved budget date	Original approved Budget £	duration (years)	Department	22/23 Spend £	cf	2023/24 Total £	23/24 Spend £
Large Schemes								
Levelling Up Fund Fund								
- Government Funded		14,492,401		Planning, Regeneration & Leisure Services	126,902	5,202,139	7,563,360	428,395
Market Hall (LUF)	22/23			Planning, Regeneration & Leisure				
EF - Fire Station	22/23			Planning, Regeneration & Leisure				
- Council Funded		1,610,266			0	420,133	805,133	15,592
UK Shared Prosperity Fund		2,825,702						
- Capital Element				Planning, Regeneration & Leisure Services	0	50,000	0	0
- Revenue Element				Planning, Regeneration & Leisure Services	0	290,499	0	0
- Remainder (to be allocated)				Planning, Regeneration & Leisure Services	0	20,000	680,988	73,987
Schemes Agreed to Continue								
Burcot Lane	2019/20	10,275,000		Financial & Customer Services	7,914,009	-2,940,157	0	927,642
Funding for DFGs	2020/21	750,000		Community & Housing GF Services	969,792	-56,792	913,000	842,776
Home Repairs Assistance	2018/19	50,000		Community & Housing GF Services	4,088	45,912	50,000	-19,690
Energy Efficiency Installation	2018/19	110,000	2	Community & Housing GF Services	7,810	102,190	0	0
Cemetery Extension infrastructure at at North Bromsgrove Cemetery Phase	2017/18			Environmental Services	15,576	-9,076	0	0
New Finance Enterprise	2019/20	455,000		Financial & Customer Services	13,680	-13,680	0	0
OLEV ULEV Taxi infrastructure scheme	2019/20	300,000	1	Community & Housing GF Services	700	-700	0	0
Fleet Replacemnet new line	New				75,292	280,708	441,000	865,561
Replacement Parking machines and Upkeep of Sites	2020/21	120,000		Environmental Services	123,985	129,015	96,000	212,270
Wheelie Bin Purchase	2018/19	ongoing		Environmental Services	169,034	-25,034	55,000	188,195
Footpaths		ongoing		Environmental Services	0	0	75,000	75,408
Buildings		ongoing		Legal and Property	0	0	100,000	

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Description	Approved budget date	Original approved Budget £	duration (years)	Department	22/23 Spend £	diff	2023/24 Total £	23/24 Spend £
Greener Homes	2020/21	180,000	1	Community & Housing GF Services	192,053	-192,053	0	197,505
New Digital Service	2020/21	57,400	1	Community & Housing GF Services	0	33,668	33,668	0
Bus Shelters	2020/21	18,000		Environmental Services	0	18,000	0	0
Cisco Network Update	22/23		3	Business transformation & Organisational Development	18,573	-12,856	11,574	0
Server Replacement Est(Exact known Q2 2022)	22/23		4	Business transformation & Organisational Development	0	83,250	2,000	93,201
Laptop Refresh	22/23		4	Business transformation & Organisational Development	4,961	39	25,000	11,542
Install Solar panel and Upgrade lighting Sanders Park	22/23	150,000	1	Legal, Democratic and property services	0	0	0	24,707
	22/23			Planning, Regeneration & Leisure Services	24,511	-24,511	0	33,027
Fleet Replacement Costs					0	0	9,400	0
Wheely Bin Increases					0	0	85,000	0
Wild Flower Machinery					0	0	62,000	0
Initial Play Audit Requirements					0	0	87,000	0
Movement of ICT Cyber Capital Works Forward					0	0	50,000	0
New ongoing Cyber security budget								
Play Area, PDS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	22/23	37,956	1	Planning, Regeneration & Leisure Services	6,488	31,468	0	8,842
Total		32,730,005			10,256,330	2,843,286	11,145,123	3,978,960

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Appendix B - Earmarked Reserves

	Balance at 31/3/23	Transfers in 2023/24	Transfers out 2023/24	Balance at 31/3/24	Transfers in 2024/25	Transfers out 2024/25	Balance at 31/3/25	Transfers in 2025/26	Transfers out 2025/26	Balance at 31/3/26	Transfers in 2026/27	Transfers out 2026/27	Balance at 31/3/27
General Fund Reserve	5,800	100	(703)	5,197	744	(234)	5,707		(8)	5,699		(7)	5,692
General Fund Earmarked Reserves:													
Building Control Other	0			0			0			0			0
Building Control Partnerships	82			82			82			82			82
Business Transformation	0			0			0			0			0
Commercialism	0			0			0			0			0
Community Safety	0			0			0			0			0
Community Services	271		(125)	146		(125)	21			21			21
Economic Regeneration	398	50		448			448			448			448
Election Services	51			51			51			51			51
Environmental Services	49			49			49			49			49
Financial Services	3,195	638		3,833			3,833			3,833			3,833
Housing Schemes	346			346			346			346			346
ICT/Systems	197			197			197			197			197
Leisure/Community Safety	330			330			330			330			330
Litigation Reserve	0			0			0			0			0
Local Development Framework	0			0			0			0			0
Local Neighbourhood Partnerships	16			16			16			16			16
Other	0			0			0			0			0
Planning & Regeneration	133			133			133			133			133
Regulatory Services (Partner Share)	46			46			46			46			46
Replacement Reserve (Inc. Recycling)	0			0			0			0			0
Shared Services (Severance Costs)	0			0			0			0			0
Utilities Reserve	1,053		(351)	702		(702)	0			0			0
Regeneration Reserve					150		150			150			150
Ward Budget Initiative					234	(78)	156		(78)	78		(78)	0
Covid-19 (General Covid Grant)	0			0			0			0			0
Covid-19 Sales Fees and Charges	0			0			0			0			0
Covid-19 (Collection Fund)	1,547		(1,547)	0			0			0			0
Total General Fund	7,714	688	(2,023)	6,379	384	(905)	5,858	0	(78)	5,780	0	(78)	5,702

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Appendix C - Reprofiting of Capital Fleet Replacement Budget – Domestic Waste Fleet

1. Context:

In 2021, as part of a review of Council finances, the decision was taken to extend the life of operational vehicles by an extra year before replacement, and also to start refurbishing Waste Collection Vehicles to extend their life by a further period in order to reduce the capital expenditure on new vehicles, and make savings that could be put towards the increased costs of more expensive energy efficient vehicles as part of our Climate Change ambitions in the future.

This was mirroring an approach taken by other Local Authorities, such as neighbouring Wyre Forest, who have refurbished their vehicles previously with positive results to extend the life of their assets.

This would also have given more time for the HGV Electric Vehicle market to develop, as current options are limited in performance and cost more than twice as much as existing internal combustion vehicles.

This saw a reduction on Capital investment from circa £200,000 per vehicle to an intended £70,000, with an expectation of a further five-year operational life before replacement.

When this adjustment was made, no allowance was given for the operational impact of refurbishment, which removed multiple vehicles from the operational services for extended periods, requiring the use of hire vehicles to support service delivery, and introducing an additional unbudgeted revenue pressure.

In addition to this, the first few vehicles took nearly 12 months to be refurbished as a result of parts and supply issues that were confirmed as affecting the sector during 2022/23, and subsequent vehicles have all over run on planned timescales, resulting in significant unbudgeted costs on Hire Vehicles.

Actual Revenue Costs - Truck Hire against a zero budget.

	2021/22	2022/23	2023/24
BDC	59,869	103,700	260,874

This has resulted in a backlog of vehicles that have exceeded their operational life, and we currently have six vehicles that should have been refurbished/replaced by the end of the 2023/24 financial year, that haven't.

Due to significant mechanical failures with these older vehicles on our existing fleet, in addition to the normal operational requirements for vehicles to be in for servicing, MOT's, and day to day repairs, we are currently reliant on a number of hire vehicles to maintain our minimum service at additional un-planned cost.

It has also been identified in conjunction with our corporate procurement team that the refurbishment and vehicle hire done to date has not been arranged through a compliant procurement route, and so further work has been paused whilst reviewing our options regarding the capital replacement schedule.

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

Having extended the operational life of our Waste Collection vehicles from seven years to eight, it has become apparent that the level of failure and breakdowns associated with these vehicles has increased considerably as a result of the volume of work and mechanical wear and tear experienced.

In parallel with these pressures, the workshop providing maintenance for all of the Environmental Services vehicles has been understaffed for over five years now as result of high demand for HGV mechanics in the private sector on higher salaries, and the recent retirement of one of our HGV mechanics has now left us with 50% of the mechanics built into our staffing structure.

This is a similar picture at our Redditch workshop as well, which also supports our shared fleet across the two authorities, and is also running at 50% of planned staffing levels.

We currently have four mechanic vacancies that we are attempting to recruit to across the two sites, and this has necessitated increased use of third parties to support the maintenance of our fleet and avoid service failure, as well as associated delays as a result of capacity pressures on the private sector as well.

In conjunction with the reduced staffing currently in place at our Workshops, the extended life of Refuse vehicles and associated increased mechanical failure has put considerable pressure on our already reduced workshop teams to maintain an operational fleet each day, and those vehicles that have been refurbished have continued to see mechanical failure arising from the age of the chassis and elements that were not included in the refurbishment specification, which was primarily targeted at the body of the vehicle and waste compaction systems.

This need to prioritise work on the Waste Collection fleet (Domestic & Commercial) has impacted on the availability of other vehicles required for statutory services such as road sweepers, Place Team vans for litter picking and fly tip removal. It has also impacted on discretionary and chargeable services such as the District Public Toilet cleaner's vehicle, and WRS's dog warden van, which has impacted on their income generation as well.

Background:

The combined collection fleet for Domestic Waste in Environmental Services consists of sixteen 26ton vehicles, one 18ton vehicle, and three smaller trucks operating from the Bromsgrove Depot; and eight 26ton vehicles and one 18ton vehicle operating from the Redditch Depot. Services require a minimum of twenty 26ton vehicles, one 18ton vehicle, and one small RCV daily to operate the service across the two Authority areas.

Due to the legal requirement for regular inspections and servicing to maintain a safe and compliant fleet, as well as routine maintenance and repairs on an operational fleet that collects waste from 40,000 households each week, it is best practice to operate a number of spare vehicles, and the rural nature of Bromsgrove puts additional pressure on the fleet as a result of high mileages and narrow lanes requiring specific vehicles to support consistent collections in certain areas where standard RCV's cannot gain access.

The Redditch information is included for reference, as the shared service operates jointly across the two Local Authorities areas.

Proposals:

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

In light of the increased costs and operational challenges arising from the extended vehicle operational lifespans, refurbishment experience, and staffing issues within our workshop, it is proposed to revert to a seven-year replacement cycle on our Waste fleet, and re-profile the Capital Fleet Replacement budgets to support the purchase of replacement vehicles that will reduce the maintenance pressure on our workshop and support our operational service delivery.

It is proposed to increase revenue funding to support the ongoing use of hire vehicles to safeguard operational service delivery of the waste service during 2024/25 to recognise the pressures on the existing fleet and maintenance arrangements.

In light of the proposed continuance of using ICE vehicles for the Waste Collection Service, it may be appropriate to consider a planned timescale for investing in HVO to ensure that we maximise our Carbon benefits by reducing our usage of fossil fuels in the operation of our Fleet.

FINANCIAL IMPLICATIONS

It is proposed to re-profile the existing Capital replacement budget apportioned to the Waste Fleet as shown below, which illustrates the timeframe consistent with the 7 year life span of the vehicles currently on our fleet:

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total Spend
Current Capital Prog	280,000	350,000	350,000	0	3,500,000	2,250,000	2,250,000	0	8,980,000
No. of Vehicles	4 (Refurb)	5 (Refurb)	5 (Refurb)		8 (Buy)	5 (Buy)	5 (Buy)	0	
Proposed Reprofiling	0	2,180,000	1,265,000	820,000	0	0	0	0	4,265,000
No. of Vehicles	0	10 (Buy)	6 (Buy)	4 (Buy)	0	0	0	0	0
Impact on Revenue Repayments (MRP) and Interest Payments	-15,960	88,350	342,654	371,536	289,179	-339,071	-660,499	644,539	-568,350

The current timescales on the purchase of new refuse collection vehicles is approximately 40 weeks. During that time, it is expected that there will be an ongoing need for Hire Vehicles to support the delivery of Operational Services, for which there is currently no revenue budget.

BROMSGROVE DISTRICT COUNCIL

Cabinet

24th July 2024

To address this, it is recommended that a one-off revenue budget of £150,000 be approved for 2024/25 to reflect the current reliance on hire vehicles until such time as new vehicles become available, or staffing in the workshop be improved to reduce the down time of existing assets.

This additional revenue funding would be linked to the proposed re-profiling and purchase of new vehicles, and would need to be increased significantly beyond this as an on-going pressure beyond the 2024/25 financial year if the replacement programme is not adjusted.

Environmental/Climate Change Implications

Previous discussions had been looking at the possible transition to alternative energy efficient vehicles from 2026/27, but it has been identified that until parallel discussions around the future of the existing depots have been resolved and implemented, it is unknown what infrastructure will be achievable to support a transition to such vehicles.

With no current timescale for a rationalisation/relocation of our current space limited Depot Spaces, it is unlikely that we will be in a position to invest in alternative vehicles before 2030.

A decision has already been made to make greater use of HVO¹ as a Diesel alternative that provides sustainable carbon savings over fossil fuels at an approximate cost increase of 20% at current prices.

Current plans have been built into the Medium-Term Financial Plan for 30% of our Diesel usage to be replaced with HVO from the 2024/25 financial year on, and this will support a Carbon benefit to the authority alongside on-going use of ICE vehicles when compared with our previous arrangements.

The use of HVO in 2024/25 will reduce the Carbon impact from our Domestic Refuse service by an estimated 162 Tons of CO₂ per year in comparison with the use of Diesel alone.

Although HVO is more expensive than Diesel, and so places a pressure on revenue budgets, this will defer the higher financial pressure associated with converting the fleet to Electric or other alternative energy sources until such a time as technology and funding allows for a further review of the fleet and investment in appropriate vehicle technology to support delivery of improvements in line with the Climate Emergency declaration that the Council made in 2019.

LEGAL IMPLICATIONS

The current refurbishment programme has not been compliant with procurement rules, and a return to purchase of vehicles through a compliant framework agreement will prevent further non-compliance.

As there is no legal agreement or contract linked to the refurbishment programme, there are no legal implications associated with not continuing with this approach.

OTHER - IMPLICATIONS

¹ Hydrotreated Vegetable Oil

Equalities and Diversity Implications

There are no implications arising from the reprofiling of the fleet.

This page is intentionally left blank

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

Treasury Management Strategy Outturn Report 2023/24

Relevant Portfolio Holder	Councillor Colella – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Head of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
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 annual outturn for 2023/24 on the Council’s Capital and Treasury Management Strategies, including all prudential indicators.

2. **RECOMMENDATIONS**

Cabinet are asked to RECOMMEND that Council NOTE:

1. **The Council’s Treasury performance for the financial year 23/24.**
2. **The position in relation to the Council’s Prudential indicators.**

3. **BACKGROUND**

Introduction

- 3.1 The Authority has adopted the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.
- 3.2 This report includes the requirement in the 2021 Code, mandatory from 1st April 2023, of reporting the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority’s normal quarterly revenue report.
- 3.3 The Authority’s treasury management strategy for 2023/24 was approved in February

2023. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

External Context

- 3.4 **Economic background:** UK inflation continued to decline from the 8.7% rate seen at the start of 2023/24. By the last quarter of the financial year headline consumer price inflation (CPI) had fallen to 3.4% in February but was still above the Bank of England's 2% target at the end of the period. The core measure of CPI, i.e. excluding food and energy, also slowed in February to 4.5% from 5.1% in January, a rate that had stubbornly persisted for three consecutive months.
- 3.5 The UK economy entered a technical recession in the second half of 2023, as growth rates of -0.1% and -0.3% respectively were recorded for Q3 and Q4. Over the 2023 calendar year GDP growth only expanded by 0.1% compared to 2022. Of the recent monthly data, the Office for National Statistics reported a rebound in activity with economy expanding 0.2% in January 2024. While the economy may somewhat recover in Q1 2024, the data suggests that prior increases in interest rates and higher price levels are depressing growth, which will continue to bear down on inflation throughout 2024.
- 3.6 Labour market data provided a mixed message for policymakers. Employment and vacancies declined, and unemployment rose to 4.3% (3mth/year) in July 2023. The same month saw the highest annual growth rate of 8.5% for total pay (i.e. including bonuses) and 7.8% for regular pay growth (i.e. excluding bonuses). Thereafter, unemployment began to decline, falling to 3.9% (3mth/year) in January and pay growth also edged lower to 5.6% for total pay and 6.1% for regular pay, but remained above the Bank of England's forecast.
- 3.7 Having begun the financial year at 4.25%, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 5.25% in August 2023 with a 3-way split in the Committee's voting as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. Bank Rate was maintained at 5.25% through to March 2024. The vote at the March was 8-1 in favour of maintaining rates at this level, with the single dissenter preferring to cut rates immediately by 0.25%. Although financial markets shifted their interest rate expectations downwards with expectations of a cut in June, the MPC's focus remained on assessing how long interest rates would need to be restrictive in order to control inflation over the medium term.
- 3.8 In the Bank's quarterly Monetary Policy Report (MPR) released in August 2023 the near-term projection for services price inflation was revised upwards, goods price inflation

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

widespread across products, indicating stronger domestic inflationary pressure with second-round effects in domestic prices and wages likely taking longer to unwind than they did to emerge. In the February 2024 MPR the Bank's expectations for the UK economy were positive for the first half of 2024, with a recovery from the mild recession in calendar H2 2023 being gradual. Headline CPI was forecast to dip below the 2% target quicker than previously thought due to declining energy prices, these effects would hold inflation slightly above target for much of the forecast horizon.

- 3.9 Following this MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% remains the peak in Bank Rate and that interest rates will most likely start to be cut later in H2 2024. The risks in the short-term are deemed to be to the downside as a rate cut may come sooner than expected, but then more broadly balanced over the medium term.
- 3.10 The US Federal Reserve also pushed up rates over the period, reaching a peak range of between 5.25-5.50% in August 2023, where it has stayed since. US policymakers have maintained the relatively dovish stance from the December FOMC meeting and at the meeting in March, economic projections pointed to interest rates being cut by a total of 0.75% in 2024.
- 3.11 Following a similarly sharp upward trajectory, the European Central Bank hiked rates to historically high levels over period, pushing its main refinancing rate to 4.5% in September 2023, where it has remained. Economic growth in the region remains weak, with a potential recession on the cards, but inflation remains sticky and above the ECB's target, putting pressure on policymakers on how to balance these factors.
- 3.12 **Financial markets:** Sentiment in financial markets remained uncertain and bond yields continued to be volatile over the year. During the first half of the year, yields rose as interest rates continued to be pushed up in response to rising inflation. From October they started declining again before falling sharply in December as falling inflation and dovish central bank attitudes caused financial markets to expect cuts in interest rates in 2024. When it emerged in January that inflation was stickier than expected and the BoE and the Federal Reserve were data dependent and not inclined to cut rates soon, yields rose once again, ending the period some 50+ bps higher than when it started.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

- 3.13 Over the financial year, the 10-year UK benchmark gilt yield rose from 3.44% to peak at 4.75% in August, before then dropping to 3.44% in late December 2023 and rising again to 3.92% (28th March 2024). The Sterling Overnight Rate (SONIA) averaged 4.96% over the period to 31st March.
- 3.14 **Credit review:** In response to an improving outlook for credit markets, in January 2024 Arlingclose moved away from its previous temporary stance of a 35-day maximum duration and increased its advised recommended maximum unsecured duration limit on all banks on its counterparty list to 100 days.
- 3.15 Earlier in the period, S&P revised the UK sovereign outlook to stable and upgraded Barclays Bank to A+. Moody's also revised the UK outlook to stable, Handelsbanken's outlook to negative, downgraded five local authorities, and affirmed HSBC's outlook at stable while upgrading its Baseline Credit Assessment. Fitch revised UOB's and BMO's outlooks to stable.
- 3.16 In the final quarter of the financial year, Fitch revised the outlook on the UK sovereign rating to stable from negative based on their assessment that the risks to the UK's public finances had decreased since its previous review in October 2022, the time of the mini-budget.
- 3.17 Moody's, meanwhile, upgraded the long-term ratings of German lenders Helaba, Bayern LB and LBBW on better solvency and capital positions, despite challenges from a slowing German economy and exposure to the commercial real estate sector. Moody's also upgraded or placed on review for an upgrade, Australian banks including ANZ, CBA NAB and Westpac on the back of the introduction of a new bank resolution regime.
- 3.18 Credit default swap prices began the financial year at elevated levels following the fallout from Silicon Valley Bank and collapse/takeover of other lenders. From then the general trend was one of falling prices and UK lenders' CDS ended the period at similar levels to those seen in early 2023. Earlier in the year some Canadian lenders saw their CDS prices rise due to concerns over a slowing domestic economy and housing market, while some German lenders were impacted by similar economic concerns and exposure to commercial real estate towards the end of the period, with LBBW remaining the most elevated.
- 3.19 Heightened market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

Local Context

3.20 On 31st March 2024, the Authority had net borrowing of £10.09m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.23	31.3.24
	Actual	Actual
	£m	£m
General Fund & Regeneration CFR	20.08	32.65
Total CFR	20.08	32.65
External borrowing**	-0.15	-7.50
Internal borrowing	19.93	25.15
Less: Usable reserves	-13.49	-11.96
Less: Working capital	-3.10	-3.10
Net borrowing	3.34	10.09

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

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

3.21 The treasury management position at 31st March and the change during the year is shown in Table 2 below.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	31.3.24 Balance £m	31.3.24 Rate %
Long-term borrowing				
- PWLB				
- LOBOs				
- Other				
Short-term borrowing	3.75	3.75	7.50	
Total borrowing	3.75	3.75	7.50	5.51%
Long-term investments				
Short-term investments	1.00	-1.00	0.00	5.00%
Cash and cash equivalents				
Total investments	1.00	-1.00	0.00	
Net borrowing	2.75	4.75	7.50	

Borrowing Strategy and Activity

- 3.22 As outlined in the treasury strategy, the Authority’s chief objective when borrowing has been to strike an appropriately 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. At the present time short term interest rates are higher than long term interest rates.
- 3.23 Interest rates have seen substantial rises over the last two years, although these rises have now begun to plateau. Gilt yields fell in late 2023, reaching April 2023 lows in December 2023 before rebounding to an extent in the first three months of 2024. Gilt yields have remained volatile, seeing upward pressure from perceived sticker inflation at times and downward pressure from falling inflation and a struggling economy at other times.
- 3.24 On 31st December, the PWLB certainty rates for maturity loans were 4.74% for 10-year loans, 5.18% for 20-year loans and 5.01% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

- 3.25 The cost of short term borrowing from other local authorities has generally risen with Base Rate over the year. Interest rates peaked at around 7% towards the later part of March 2024 as many authorities required cash at the same time. These rates are expected to fall back to more normal market levels in April 2024.
- 3.26 CIPFA’s 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Authority has no new plans to borrow to invest primarily for financial return.
- 3.27 **Loans Portfolio:** At 31st March the Authority held £7.5m of loans, as part of its strategy for funding previous and current years’ capital programmes. Outstanding loans on 31st March 2024 are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.23 Balance £m	Net Movement £m	31.3.24 Balance £m	31.3.24 Weighted Average Rate %	31.4.24 Weighted Average Maturity (years)
Public Works Loan Board					
Banks (LOBO)					
Banks (fixed-term)					
Local authorities (long-term)					
Local authorities (short-term)	3.75	3.75	7.50	5.51%	0.5
Total borrowing	3.75	3.75	7.50		

Treasury Investment Activity

- 3.28 The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines 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.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

- 3.29 The Authority does not hold any invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £1.0 and £6.5 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.23	Net	31.3.24	31.3.24	31.3.24
	Balance	Movement	Balance	Income Return	Weighted Average Maturity
	£'000	£'000	£'000	%	days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government	1.00	-1.00	0.00		6 days
Local authorities and other govt entities					
Corporate bonds and loans					
Money Market Funds					
Total investments	1.00	-1.00	0.00		

- 3.30 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.
- 3.31 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 3.32 Bank Rate increased by 1% over the period, from 4.25% at the beginning of April 2023 to

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

5.25% by the end March 2024. Short term rates peaked at 5.7% for 3-month rates and 6.7% for 12-month rates during the period, although these rates subsequently began to decline towards the end of the period.

Non-Treasury Investments

- 3.33 The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).
- 3.34 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

Treasury Performance

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

Table 5: Performance

	Actual £m	Budget £m	Over/ under
<i>Government (incl. local authorities)</i>	7.50	10.00	2.50
Total borrowing	7.50	10.00	2.50
<i>Short-term Investments</i>	0.00	0.00	0.00
Total treasury borrowing	7.50	10.00	2.50

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

MRP Regulations

- 3.36 On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding Capital Financing Requirement (CFR) in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.
- 3.37 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

Compliance

- 3.38 The Director of Resources and Section 151 officer reports that some treasury management activities undertaken during the year complied fully with the principles in the Treasury Management Code, while lending to Bromsgrove District Council didn't comply, and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2023/24 Maximum	31.3.24 Actual	2023/24 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£4m each			
UK Central Government	Unlimited			
Unsecured investments with banks and building societies	£2.5m in total			
Loans to unrated corporates	£1m in total			
Money Market Funds	£20m in total			
Foreign countries	£5m per country			
Real Estate Investment Trusts	£2.5m in total			

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

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

Table 7: Debt and the Authorised Limit and Operational Boundary

	2023/24 Maximum	31.3.24 Actual	2023/24 Operational Boundary	2023/24 Authorised Limit	Complied? Yes/No
Borrowing	50.00	7.50	50.00	55.00	Yes
PFI and Finance Leases	1.50	0	1.50	1.50	Yes
Total debt	51.50	7.50	51.50	56.50	

- 3.40 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

Treasury Management Prudential Indicators

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

Liability Benchmark

- 3.42 This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2m required to manage day-to-day cash flow.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

	31.3.23	31.3.24	31.3.25	31.3.26
	Actual	Actual	Forecast	Forecast
Loans CFR	20.08	32.65	33.77	34.54
Less: Usable Reserves	-13.49	-11.96	-11.72	-11.14
Less: Working Capital	-3.10	-3.10	-3.10	-3.10
Net loans requirement	3.49	17.59	18.95	20.30
Plus: Liquidity allowance	0.20	0.20	0.20	0.20
Liability benchmark	3.69	17.79	19.15	20.50
Existing borrowing	0.15	7.50	10.20	12.54

- 3.43 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £12.54m, minimum revenue provision on new capital expenditure based on a 40 year asset life and income, expenditure and reserves all increasing by inflation of 2% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.

Maturity Structure of Borrowing

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

	Upper Limit	Lower Limit	31.3.24 Actual	Complied?
Under 12 months	100%	0%	100%	Yes
12 months and within 24 months	100%	0%	0%	Yes
24 months and within 5 years	100%	0%	0%	Yes
5 years and within 10 years	100%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

- 3.45 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.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

Long-term Treasury Management Investments

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

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m	
Actual principal invested beyond year end	0	0	0	
Complied?	Yes	Yes	Yes	

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

Additional indicators

Security:

- 3.48 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.

	2023/24 Target	31.3.24 Actual	Complied?
Portfolio average credit rating	A	-	Yes

Liquidity:

- 3.49 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.

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

	2023/24 Target	31.3.24 Actual	Complied?
Total cash available within 3 months	£2.5m	£2.5m	Yes
Total sum borrowed in past 3 months without prior notice	Nil	£4.0m	Yes

Interest Rate Exposures:

3.50 This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	2023/24 Target	31.3.24 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	500,000	0	Yes

3.51 For context, the changes in interest rates during the year were:

	<u>31/3/23</u>	<u>31/3/24</u>
Bank Rate	4.25%	5.25%
1-year PWLB certainty rate, maturity loans	4.78%	5.36%
5-year PWLB certainty rate, maturity loans	4.31%	4.68%
10-year PWLB certainty rate, maturity loans	4.33%	4.74%
20-year PWLB certainty rate, maturity loans	4.70%	5.18%
50-year PWLB certainty rate, maturity loans	4.41%	5.01%

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

BROMSGROVE DISTRICT COUNCIL

Cabinet

11th September 2024

4. IMPLICATIONS

Legal Implications

- 4.1 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 Councils statutory function.

Service / Operational Implications

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

Customer / Equalities and Diversity Implications

- 4.3 The only impact of treasury transactions is in respect of ethical investment linked to the Councils investment counterparties. Presently the Council has a limited counterparty list based on financial risk to the Authority.

5. RISK MANAGEMENT

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

6. APPENDICES

None

7. BACKGROUND PAPERS

MTFP 2023/24 – February 2023 which contains the years Capital Strategy, Treasury Management Strategy and MRP Policy.

AUTHOR OF REPORT

Name: Debra Goodall – Head of Finance and Customer Services (Deputy S151)
E Mail: Debra.Goodall@bromsgroveandredditchbc.gov.uk

This page is intentionally left blank

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 17TH JULY 2024, AT 3.00 P.M.

PRESENT: Councillors K.J. May (Leader), B. McEldowney, K. Taylor,
S. A. Webb and P. J. Whittaker

Officers: Mrs. S. Hanley, Mr. G. Revans, Mrs. R. Bamford,
D Goodall, Mr. M. Bough, Mrs. R. Green and Mrs J. Gresham

1/24 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors S. Baxter and S. Colella.

2/24 **DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

3/24 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 13TH MARCH 2024**

The minutes from the Cabinet meeting held on 13th March 2024 were submitted for Members' consideration.

It was highlighted that there was a typographical error in the resolution for Minute number 94/23 – Cost of Living Funding Proposal. Members noted that the figure should have read £38k rather than £32k. Officers undertook to make this amendment.

RESOLVED that subject to the preamble above, the minutes from the Cabinet meeting on 13th March 2024 be approved as a true and accurate record.

4/24 **LEADER'S ANNOUNCEMENTS**

The Leader announced that there was a Cabinet Advisory Group (CAG) meeting due to take place in respect of the Play Audit and Investment Strategy on 18th July 2024 and that all Members were invited to attend.

5/24

RECOMMISSIONING OF THE PROMOTING INDEPENDENT LIVING SERVICE (HOME IMPROVEMENT AGENCY)

The Strategic Housing & Business Support Manager presented the Recommissioning of the Promoting Independent Living Service (Home Improvement Agency) report for Members' consideration.

In doing so, it was reported that the Home Improvement Agency (HIA), known as Promoting Independent Living (PIL) worked with Bromsgrove District Council, five other Local Housing Authorities and Worcestershire County Council in order to provide a wide range of services which included Disabled Facilities Grants (DFGs), Home Repairs Assistance and Dementia Dwelling Grants.

The contract with the current provider, Milbrook was due to finish at the end of March 2025 and a tender exercise was due to take place shortly in order to procure a contractor for this service in the future.

The tender was due to be evaluated using the following criteria:

- Service Implementation
- Partnership and Engagement
- Continuous improvement and innovation
- Staff Management
- Customer Service
- Additional Social Value

Following the presentation of the report, the Cabinet Member for Health and Wellbeing and Strategic Housing thanked the Strategic Housing & Business Support Manager for the work that had been undertaken in this area. A brief discussion followed in respect of how funding was allocated and who provided the final agreement of expenditure. It was confirmed that once the HIA had received a request for repairs or installation of equipment these were then reviewed by the Council prior to sign off.

RESOLVED that

- 1) approval be given to recommission the Promoting Independent Living Service;
- 2) authority be delegated to the Head of Community & Housing Services, in consultation with the Head of Legal, Equalities & Democratic Services and following consultation with the Cabinet Member for Health and Wellbeing and Strategic Housing to agree

the final process, timetable and evaluation model for the appointment of a new contractor to deliver the Home Improvement Agency service; and

- 3) to award the contract to the successful provider(s).

6/24

THE BROMSGROVE DISTRICT COUNCIL PLAN

The Policy Manager presented the report for Cabinet's consideration. It was reported that the development of the Council Plan had taken place over a number of months and had begun with some sessions supported by the Local Government Association (LGA). Once key priorities had been identified, there were two further workshops with Cabinet Members and the Corporate Management Team (CMT) to progress further the key priorities that had previously been identified.

The final Council Plan provided an overarching vision for the District with the four new priorities as follows:

1. Economic Development
2. Housing
3. Environment
4. Infrastructure

It was also noted that operationally, The Council Plan, informed the service business planning process and helped to determine the Medium Term Financial Plan. The priorities and objectives contained within the Plan would be monitored using specific measures in order to ascertain the success and any areas of improvement.

Following the presentation, the Leader thanked the Policy Manager for all the hard work that had gone into producing such a comprehensive vision for the District for the next four years.

There were some discussions regarding Planning Policy and the future of building in the district, particularly in terms of design statements of future builds within the District. It was reported by Officers that this would form part of the Local Plan and that it would be more appropriate to discuss these kinds of design aspirations as part of a future Strategic Planning Steering Group (SPSG) meeting.

RECOMMENDED that

The Council Plan be approved.

7/24

PRODUCTIVITY PLANS

Prior to the presentation of the Productivity Plans it was noted by the Chief Executive Officer that although it had stated that there were some recommendations in respect of this report, it was a resolved item that could be agreed by Cabinet. It was further reported that an announcement reflecting the above would be made at the Full Council meeting that evening, therefore the report would not need to be considered at the Full Council meeting.

Cabinet was informed that the Productivity Plans had been produced as a result of a letter sent by the then Minister for Local Government to all Local Authority Chief Executive Officers regarding the preparation of these plans in order to review productivity across services. It was noted that these plans would help the then Government ascertain the areas that were working well and identify any common themes in order to provide value for money for residents.

Guidance had been provided and included the following suggested themes and if possible, refer to the work already undertaken by the Council in these areas:

- How the Council had transformed the design and delivery of services to make better use of resources.
- How the Council took advantage of technology and made better use of data to improve decision making, service design and use of resources.
- The Council's plans to reduce wasteful spend within the organisation and systems.
- The barriers preventing progress that the Government could help to reduce or remove.

In exploring these areas, it appeared that the Council was already successful in many areas included in the guidance. These areas were as follows:

- The Council already undertook significant Shared Service work and had done so since 2008.
- The Council were leveraging Levelling Up Funding to regenerate the Town Centre.
- The Council was using ICT to drive service efficiencies.
- The Council used Partnerships to drive effective Service Delivery.

- The Council linked finance and performance monitoring with regular reporting.
- The Council used Benchmarking and data to drive service improvement.
- Staff, and their skills, were core to delivery.
- The Council listened to the communities' requirements.

Following the discussion of the report, the Leader thanked Officers for their hard work in putting together the Productivity Plans. It was noted that they had provided confirmation that the residents in the District received value for money from the services delivered and that Members and Officers should be proud of the Council's achievements.

RESOLVED that

The Productivity Plan, be approved and published on the Council's Website and forwarded to the Department of Levelling Up, Housing and Communities before 19th July 2024.

8/24

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.

9/24

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 11TH MARCH AND 22ND APRIL 2024

Cabinet considered the minutes from the meeting of the Overview and Scrutiny Board meetings on 11th March 2024 and 22nd April 2024. In doing so it was noted that there were some recommendations contained within the minutes that related to the Foodbank and Community Shop Provision Task Group report that was due to be considered by the Cabinet at its next meeting on 24th July 2024.

Councillor P. Whittaker highlighted that he had not been included in the attendees for the meeting of the Board held on 22nd April 2024. However, he confirmed that he was indeed in attendance at this meeting. Officers undertook to update the attendees accordingly. It was also requested that Officers ensure that the Chairman of the Overview and Scrutiny Board be invited to all meetings of the Cabinet.

RESOLVED that the minutes of the Overview and Scrutiny Board meetings on 11th March 2024 and 22nd April 2024 be noted.

10/24

LEVELLING UP UPDATE ON WINDSOR STREET CONTRACT AND MARKET HALL

Cabinet considered the Levelling Up Update on Windsor Street Contract and Market Hall report. Following the presentation there were several questions from Members in respect of the future funding from the defunct Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). There were also some queries regarding the value of the Windsor Street site and the potential of an increase in value in the future once it had been cleared.

In terms of commencement dates, Members were informed that the commencement date would be around August 2024 with the hope of completion around the end of 2024 or early 2025.

The issue of vandalism was raised as part of the discussion. It was noted that there had been Anti-Social Behaviour (ASB) issues experienced on the vacant site, which had been closely monitored by the Police, security team and the Minor Works team at the Council. There had been a decrease recently and it was hoped that the demolition of the site would result in no further issues in this area.

RESOLVED

- 1) To note the challenges and work done to date;
- 1) that City Demolition be appointed to carry out the demolition of existing buildings and associated site remediation, removal of existing redundant services and utilities; and
- 2) that A 10 week extension in the Market Hall Pre Construction Service Agreement (PCSA) in order to fully validate costs be approved.

The meeting closed at 3.48 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 24TH JULY 2024, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Leader), S. J. Baxter (Deputy Leader), S. R. Colella, B. McEldowney, S. A. Webb and P. J. Whittaker

Observers: Councillor E. M. S. Gray, Councillor P. M. McDonald and Councillor S.T. Nock

Officers: Mrs. S. Hanley, D. Goodall, Ms J. Willis and Mrs. J. Bayley-Hill

11/24 **TO RECEIVE APOLOGIES FOR ABSENCE**

An apology for absence was received on behalf of Councillor K. Taylor.

12/24 **DECLARATIONS OF INTEREST**

Councillor S. Webb declared a pecuniary interest in respect of Minute Item No. 17/24 – Cost of Living Proposal Update - due to her appointment to the Citizens Advice Bureau (CAB) as an outside body on behalf of the Council. During consideration of that item, she left the room and took no part in the debate nor vote thereon.

Councillor E. Gray also declared a pecuniary interest in relation to Minute Item No. 17/24 – Cost of Living Proposal Update - due to her appointment to the Citizens Advice Bureau (CAB) as an outside body on behalf of the Council. She left the meeting prior to consideration of this item and therefore took no part in the debate nor did she observe the vote thereon.

13/24 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 25TH JUNE 2024**

The Chairman of the Overview and Scrutiny Board, Councillor P. McDonald, presented the minutes from the meeting of the Board held on 25th June 2024.

During consideration of these minutes, Members noted that a typographical error had been highlighted in the minutes of the previous meeting, held on 22nd April 2024, which had referred to “Operational Therapists” and Members commented that the minutes from the 25th June 2024 meeting had not noted what the appropriate term should

have been. Officers confirmed that this should have been referred to as “Occupational Therapist”.

RESOLVED that the minutes of the Overview and Scrutiny Board held on 25th June 2024 be noted.

14/24

FOODBANK AND COMMUNITY SHOP PROVISION TASK GROUP - FINAL REPORT

The Chairman of the Foodbank and Community Shop Provision Task Group, Councillor E. Gray, presented the group’s final report for the Cabinet’s consideration.

Members were advised that the Task Group had commenced their review in December 2023. During the course of the review, the Task Group had considered the findings of the previous Fuel Poverty Task Group, had interviewed relevant Council Officers and had undertaken visits to food banks in the District.

Cabinet was advised that there had been a delay since the Task Group’s report had been presented to the Overview and Scrutiny Board in April 2024. The delay had arisen partly due to the transfer from one municipal year to another but also due to changes to meeting dates that had occurred in the build up to the general election. As a consequence of this delay, Members were asked to note that there had been some changes locally in respect of food bank and community shop provision, including the closure of a food bank in Sidemoor ward.

Based on the evidence gathered during the review, the Task Group had proposed five recommendations, which had been endorsed by the Overview and Scrutiny Board.

The intention of the first recommendation was primarily to enhance communications in relation to food banks. This would help to more easily signpost residents to the food banks and community shops in the District that were available to use.

The second recommendation focused on the support that the Council could provide to food banks and community groups. It was recognised that Officers already undertook a lot of work in this space and the Bromsgrove Partnership also had an important role in relation to this matter. However, Councillor Gray commented that newer groups did not necessarily have links to the partnership and this created some challenges.

The third recommendation related to enabling access to food banks and community shops. The group had learned that many food banks required residents to provide personal data and to have received referrals, such as from local churches, in order to access support. The suggestion was made that this could have GDPR implications, in terms of data use and storage.

In respect of the fourth recommendation, Cabinet was advised that the group had considered potential gaps in provision geographically. As part of this process, a gap in provision had been identified by the Task Group in Rubery and it was felt that residents living in this ward should be able to access a Food Bank within Bromsgrove District.

The final recommendation focused on developing a network of food banks across the District. It was suggested that participation in this network should be a prerequisite in order for groups that were operating these venues to be permitted to apply for Council funding and other support.

In concluding her remarks, Councillor Gray suggested that the Task Group's findings should not be considered in isolation. Instead, she urged Cabinet to consider this matter in a wider context, in terms of the impact of the cost of living on local residents. Members were asked to note that it was within the same context that the Impact of Heatwaves Task Group had been launched and alongside concerns about managing the costs of heatwaves was the concern that many residents had about covering heating costs during the winter months.

Following the presentation of the report, Cabinet thanked Councillor Gray and the other Members of the Task Group for their hard work and report. There was general consensus amongst Cabinet Members that recommendations 1, 2, 3 and 5 could be endorsed as printed in the Task Group's report and that these proposals, once enacted, would have a positive impact on the local community. Indeed, it was reported that some of the actions proposed in the report were already in place and this was welcomed by Cabinet Members.

In respect of recommendation 3, Members commented that the Council had no control over how Voluntary and Community Sector (VCS) groups managed food banks, including the data they gathered. As such, each of the community groups involved in co-ordinating food banks and community shops were responsible for how they managed data and for their compliance with GDPR regulations.

Concerns were raised about the wording of the Task Group's fourth recommendation. It was noted that the Council had not previously been involved in establishing and running a food bank in a particular location and therefore this recommendation would not be appropriate to take forward in its current form. However, the suggestion was made that this recommendation could potentially be supported subject to amending the wording of the proposal to reflect the Council's role working to support VCS groups that might wish to be involved in establishing a food bank in Rubery. It was with this in mind that the following changes to the wording of recommendation 4 were proposed:

"That the Council endeavour to investigate, under the auspices of existing arrangements available to the Council, such as the

Bromsgrove Partnership, whether communities in areas of the district that do not currently have foodbanks require this provision, and that the Council make best effort to *support the local community and Voluntary and Community Sector (VCS)* to create a food bank in Rubery where a need has already been identified.

Consideration was given to the proposed amendment to the wording of recommendation 4 and as part of that process, Councillor Gray, as Chairman of the Task Group, and Councillor McDonald, as Chairman of the Overview and Scrutiny Board, were consulted on their views. It was noted that the wording of the Task Group's recommendations had been agreed collectively by Members of the group and, as such, it was suggested to the Cabinet that the Task Group should be permitted to reconvene to consider this proposal further. It was therefore agreed that this recommendation should be referred back to the Task Group, via the Overview and Scrutiny Board, for further consideration.

RESOLVED that

- 1) That the Council update its website to include contact details of all foodbanks in the district which wish to be on the list. The Council will ensure that the webpage links to the foodbanks' websites and/or other contact details of the foodbanks, such as telephone and social media, are up-to-date and that information on how to get in touch is easily accessible.
- 2) That all organisations providing foodbanks receive the appropriate and necessary support and resources from Bromsgrove District Council, which is proportionate and equivalent to their size and what they require. In the transition period, if the organisation is growing, appropriate support and funding needs to be allocated.
- 3) That the Council develop a consistent universal understanding/guidelines of what level of recording of users' personal information is required for the needs of the community engaged in the foodbank service without breaching the GDPR legislation. That the Council recognise there might be specific recording requirements as conditions attached to accessing specific funding streams.
- 4) That the Council continues to develop opportunities to enable foodbank organisations to come together as part of a network to support each other and to promote the sustainability of the help being provided to the community across the district. That the Council makes clear that joining the network is a pre-requisite if applying for Council funding, should this become available in future.

RECOMMENDED to the Overview and Scrutiny Board that the Foodbank and Community Shop Provision Task Group be reconvened to consider the proposed amendments to the wording of recommendation 4, as detailed in the preamble above.

The Head of Finance and Customer Services presented the Quarter 4 Performance Outturn Report for 2023/24. Members were advised that the report detailed performance in relation to a range of measures and this data had been provided for Members' information.

During consideration of this item, it was noted that the report had been pre-scrutinised at a meeting of the Finance and Budget Working Group held on 19th July 2024. The group had agreed recommendations which had subsequently been considered at a meeting of the Overview and Scrutiny Board held on 23rd July 2024. One of the group's recommendations, which had raised concerns about information not being included in the report in respect of Levelling Up, had subsequently been rejected by the Overview and Scrutiny Board on the basis that the report had been drafted before information on that subject had emerged and it was therefore recognised that this recommendation was not appropriate to take forward.

In respect of the other proposals from the Finance and Budget Working Group, which had been published in a second supplementary pack for the consideration of Cabinet, Members were advised that the group had felt that report authors were not being realistic about the dates on which they were programming reports for future consideration by Cabinet. This lack of clarity on dates had been raised in respect of finance reports specifically at the meeting of the Finance and Budget Working Group but it was noted that this was a wider issue at the Council. Cabinet was advised that the consequence of this situation was that it weakened Members' confidence in the democratic process and decision making at the Council.

Members discussed this recommendation and in so doing noted that at the meeting of the Overview and Scrutiny Board held on 23rd July, reference had been made to the potential for items to be recorded on the Cabinet Work Programme, which gave notice of forthcoming items, as due for consideration "not before" a particular date. Use of this functionality could help to provide some flexibility, although the Leader also noted that Cabinet Members should be monitoring progress with all items within their remit on the work programme with a view to ensure that reports remained on track for consideration in a timely manner.

Cabinet was also invited to consider two other recommendations made by the Finance and Budget Working Group in respect of this report, which related to planning policy, specifically in terms of affordable housing, which had been recorded in the following manner:

- 1) "The Council seek maximum threshold of developer contribution (as set out below) in respect of the rate / proportion of affordable housing delivered for housing developments taking place in the District;

The thresholds, as per the Council's Local Plan, are:

- Up to 40% affordable housing (or a higher % if proposed [by a developer]) on greenfield sites or any site accommodating 200 or more dwellings.
 - Up to 30% affordable housing (or a higher % if proposed [by a developer]) on brownfield sites accommodating less than 200 dwellings.
- 2) The 40 % thresholds referred to above should be extended to any site accommodating below 100 dwellings, to narrow the ever-increasing gap between Market Houses and Affordable.”

In presenting these recommendations, Councillor McDonald commented that there was a significant gap in terms of the availability of affordable housing in the District and he expressed concerns that this gap appeared to be widening. Cabinet was informed that the current average cost of a property in Bromsgrove District was circa £349,000 and people on average earnings would struggle to get a mortgage to pay for a house of this value. Consequently, Councillor McDonald commented that people born, raised and working in the District would feel unable to remain living in the area and there was a risk that Bromsgrove District would become a commuter location.

To address this, at present, the Council could require 40 per cent of a housing development to be affordable once more than 101 properties were due to be developed at a site that was subject to a planning application. The recommendations were designed to enable this requirement to be implemented for developments consisting of fewer than 100 houses, preferably as low as 11 houses or more.

Cabinet subsequently discussed the recommendations in relation to planning policy. Members recognised some of the difficulties that local residents were experiencing in terms of affording to buy properties in the District. Concerns were raised about the data in respect of the numbers of residents aged 30 – 39 who could afford to buy properties in the District, as this generation were likely to be raising young families and without them the number of children and young people living in the District were likely to decline.

Concerns were also raised by Members regarding the approach of some developers to the Council's rules in respect of affordable housing provision for large developments. Historic cases were cited where Members noted that the developers had managed to reduce the requirements for affordable house numbers as part of their application due to affordability and other considerations and it was suggested that this could have a detrimental impact in the local community. However, it was also noted that on brownfield sites, a rigid insistence on compliance with these rules could impact on the viability of development at those sites and potentially deter developers from submitting applications.

Members commented that these matters would be more appropriate for consideration at a meeting of the Strategic Planning Steering Group

(SPSG). The role of the SPSG was to review the content of the Council's Local Plan and meetings of the group had been taking place in recent months. In this context, it was proposed that those recommendations should be noted by Cabinet and referred on to the SPSG for further consideration.

Consideration was also given to the content of the Quarter 4 Performance Monitoring Report and in doing so Members commented on the potential for the layout of the reports to be amended to align with each Portfolio. Members also noted that this was the last time that Cabinet would receive the report in this form as, following approval of the Bromsgrove Council Plan 2024 – 2027, the content would be updated to focus on the new Council priorities and Key Performance Indicators (KPIs).

RESOLVED that

- 1) subject to updating the Cabinet Work Programme to schedule items for consideration "not before" particular dates, to ensure that when deadlines are provided in Council reports, these are realistic and are being adhered to; and
- 2) the Finance and Budget Working Group's recommendations in respect of planning policy and affordable housing, as detailed in the preamble above, be NOTED and referred to the Strategic Planning Steering Group for consideration.

16/24

CABINET APPOINTMENTS TO OUTSIDE BODIES

The Principal Democratic Services Officer presented a report detailing proposed Cabinet appointments to outside bodies.

Cabinet was reminded that this report followed consideration of other outside body appointments at the Annual Council meeting held in May 2024. The Cabinet appointments to outside bodies were generally made in an ex officio capacity, meaning that the relevant Cabinet Member, including the Leader and / or Deputy Leader, needed to be appointed to specific positions on outside bodies on behalf of the Council. An updated list of outside bodies, including proposed nominations to outside bodies where the position was held jointly with Redditch Borough and Wyre Forest District Councils, had been circulated in supplementary papers prior to the meeting.

RESOLVED that the nominations to outside bodies, as detailed in Appendix 1 to the minutes, be approved.

17/24

COST OF LIVING PROPOSAL -UPDATE

The Head of Community and Housing Services presented an update report on the subject of Cost of Living Proposals.

This report followed a previous report on this subject that had been considered by Members earlier in the year. Cabinet was informed that during consideration of the previous report, Members had requested that outreach work be delivered across the District as part of the arrangements for use of the available funding. The latest update report provided details in respect of that outreach work. Members were asked to note that, subject to Council approval, the funding for the CAB would be subject to requirements that would be detailed in a funding agreement, which would include clear measures in respect of outcomes.

Following the presentation of the report, Members raised a number of points during the debate:

- The breakdown of funding provided by the Council to the CAB, the Basement Project and NewStarts and the arrangements by which referrals would be made to the CAB outreach worker.
- The differences between the roles of the CAB outreach worker and the Voluntary Sector Money Advisor. Members were advised that the CAB outreach worker would enhance existing services provided by the CAB whilst the Voluntary Sector Money Advisor would have a more specialist housing role.
- The Council Department in which the Voluntary Sector Money Advisor would be employed. Cabinet was informed that the Officer would be based in the Council's Financial Inclusion Team (FIT).
- The extent to which there was a risk that the two post holders might duplicate each other's work. Officers clarified that they would have distinct roles and that they would need to comply with the Financial Conduct Authority's (FCA's) rules for working with clients.
- The extent to which the CAB outreach worker post was likely to become a permanent position. Members were advised that the funding available was time limited. However, the VCS were aiming to submit a lottery bid for funding for this position, which could help to extend the timeframes in which the post was in place.
- The stage that had been reached with the lottery bid. Officers clarified that work had already commenced within the VCS in terms of preparing the paperwork for submission.
- The potential support that could be provided for the lottery bid arising from monitoring the CAB outreach worker's output.
- The resource implications to the Council arising from monitoring the work of the CAB outreach worker. Officers clarified that the CAB would be required to undertake this monitoring, so the resource implications for the Council were minimal.
- The cohort of residents who were most likely to seek advice from the CAB, according to the available data. Members commented that this was most likely for people earning wages valued at between £49,000 and £53,000 per annum.

RECOMMENDED that

- 1) from the remaining £150,000 contained within earmarked reserves to support cost of living initiatives, £38,000 is allocated to a Voluntary Sector Money Adviser;
- 2) the £62,000 allocation to Citizen's Advice be amended to fund an Outreach Development Worker through to March 2026.

(During consideration of this item, Councillor S. Webb declared a pecuniary interest due to her appointment to the Citizens Advice Bureau (CAB) as an outside body on behalf of the Council. She therefore left the room and took no part in the debate nor vote thereon.

Councillor E. Gray declared a pecuniary interest in relation to her appointment to the Citizens Advice Bureau (CAB) as an outside body on behalf of the Council. She left the meeting prior to consideration of this item and therefore took no part in the debate nor did she observe the vote thereon.)

18/24

COMBINED FINANCIAL OUTTURN AND QUARTER 4 FINANCIAL MONITORING REPORT (INCLUDING UPDATE ON THE FLEET)

The Head of Finance and Customer Services presented the Combined Financial Outturn and Quarter 4 Financial Monitoring Report (Including Update on the Fleet) for Cabinet's consideration.

During the presentation of the report, the following matters were highlighted for Members' consideration:

- The report highlighted a projected overspend of £453,000 by the end of the 2023/24 financial year. This was a higher level of overspend than had been anticipated in the third quarter.
- The main reason for this increase in projected overspend related to costs arising from maintenance of the Council's vehicle fleet.
- The Council had spent £4 million of the authority's £11.1 million capital budget, primarily on the Levelling Up projects.
- Earmarked reserves, as detailed in the report, were considered to be at a reasonable level.
- The Council still needed to submit accounts for the 2021/22 and 2022/23 financial years. Once these had been audited, it was possible that the financial figures projected for the 2023/24 financial year would change.
- The original approach of the Council to updating the fleet had been to maintain the existing vehicle fleet and replace second-hand parts. However, this approach had become increasingly expensive for the Council and therefore Officers were now proposing to replace the Council's vehicle fleet in batches over the following three-year period, starting with 10 vehicles replaced in the first year.

Once the report had been presented, Members discussed a number of points in detail:

- The previous approach to updating the existing vehicle fleet that had been adopted by the Council and the fact that the authority had now ceased to take this approach due to the cost implications.
- The implications, in terms of Council insurance, arising from the Council's approach to managing the vehicle fleet. Members noted that insurance costs had increased for Council vehicles and this had financial implications for the authority.
- The potential for the Council to share vehicles in the fleet with Redditch Borough Council. Officers clarified that the Councils would adopt a shared approach to procurement of new vehicles, but each authority would own their own vehicles. There were also reported to be synergies, in terms of delivery of services in partnership with Redditch Borough Council to ensure that these were delivered in the most cost effective manner possible.
- The Finance and Budget Working Group's recent discussions in respect of the update on the vehicle fleet and the questions that had been raised by Members about the reasons for delaying making a decision on replacement of the fleet until this point.
- The types of fuel that could be used by vehicles in the fleet and the higher financial costs associated with some energy efficient sources of fuel, such as hydrogenated oil.
- The difficulties that had been encountered by the Council under the previous policy of maintaining the existing fleet, particularly as there was no budget available to hire other vehicles when a vehicle was unavailable due to maintenance work. This had impacted on the financial costs of the project.
- The competition nationally for staff with suitable skills and qualifications to drive waste vehicles.
- The non-compliance with procurement rules that had been listed for the Council's previous approach to maintaining the existing vehicle fleet in the commentary within the report on legal implications. Officers were asked to provide clarification after the meeting about the potential implications of this non-compliance for the authority.
- The figures that had been recorded for Bereavement Services and the extent to which these reflected an increase in costs. Officers undertook to provide further information outside the meeting regarding the financial implications to the Council in respect of Bereavement Services costs.
- The reasons for the large underspend on ICT purchases and what this entailed. Officers clarified that this related to provision of replacement ICT kit to staff and Members rather than to obtaining updated ICT software.
- The £152,000 savings that had been recorded for staffing in Community Housing and what this entailed. Members were advised that this related to savings arising from staff vacancies.
- The extent to which the savings recorded for Community Housing could be incorporated as permanent savings into the Council's budget. It was suggested that these savings were likely to be

temporary and related to staff vacancies at the time. There had subsequently been a service review, however, Members were advised that additional information would be requested and circulated for Members' consideration after the meeting.

- The financial costs associated with ending the shared service arrangements with Wyre Forest District Council for the former North Worcestershire Economic Regeneration and Development (NWeDR) service. Officers clarified that the NWeDR service had ceased to exist at the end of June 2024 and a new service had been established which would have a new Assistant Director funded by ongoing Council budgets.
- The underspend that had been recorded for the Public Realm works in Bromsgrove and what this entailed. The Leader clarified that the Public Realm works formed part of the Levelling Up Project. The Council had contracted Worcestershire County Council to deliver these public realm works and there was an underspend in relation to these works which had been recorded in the report.

In concluding their discussions in respect of this matter, Members were asked to note that it was likely an urgent decision would be required in respect of the additional funding that would be recommended for the Council's vehicle fleet. This would ensure that action could be taken as soon as necessary, rather than having to wait until the next Council meeting took place in October. It was noted that this would be helpful as there was a six-month waiting list for new waste fleet vehicles nationally and the Council would be competing with other authorities to procure new vehicles.

RESOLVED to NOTE:

- 1) That the 2023/24 provisional outturn position in relation to revenue budgets is a projected revenue overspend of £453,000 after applying £351,000 from the Utilities Reserve as approved at Quarter 1.
- 2) That the 2023/24 provisional outturn position in relation to capital expenditure is £4.0 million against a total of an approved programme of £11.1 million.
- 3) The provisional outturn position in respect of the General Fund Reserves.
- 4) The provisional outturn position in respect of Earmarked Reserves.
- 5) That at the time of writing, the Council is yet to formally close its accounts for the 2020/21, 2021/22 and 2022/23 financial years. This could therefore result in adjustments to actual income and expenditure in those years and could have a consequential impact on the 2023/24 accounts.

RESOLVED that (subject to Council approving the overall funding)

- 6) The revised Fleet Replacement Programme be approved.

RECOMMENDED that:

- 7) The reprofiling of the Capital Fleet Replacement budget, relating to the Domestic Waste Collection Service, be approved.

19/24

MINUTES OF THE CABINET MEETING HELD ON 17TH JULY 2024

The Chairman explained that the minutes of the Cabinet meeting held on 17th July 2024 had been published in a supplementary pack for consideration at the end of the meeting and notice had been provided that the Cabinet might have needed to go into exempt session to consider the content of the minutes. This was because the agenda for the Cabinet meeting held on 24th July had had to be published prior to the date of the Cabinet meeting held on 17th July and the latter meeting could have gone into exempt session. However, in the event, the Cabinet meeting held on 17th July 2024 had stayed in public session throughout and there were therefore no exempt minutes for consideration on this occasion.

RESOLVED that the minutes of the meeting of the Cabinet held on Wednesday 17th July 2024 be approved as a true and correct record and signed by the Chairman.

The meeting closed at 7.25 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

11TH SEPTEMBER 2024, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Leader), S. R. Colella, B. McEldowney,
K. Taylor, S. A. Webb and P. J. Whittaker

Observers: Councillor M. Marshall and Councillor S.T. Nock

Officers: Mrs S. Hanley, Mr P. Carpenter and Mrs J. Bayley-Hill

20/24 **TO RECEIVE APOLOGIES FOR ABSENCE**

An apology for absence was received on behalf of Councillor S. Baxter.

21/24 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

22/24 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 24TH JULY 2024**

The minutes of the meeting of the Cabinet held on Wednesday 24th July 2024 were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on Wednesday 24th July 2024 be approved as a true and correct record.

23/24 **IMPACT OF HEATWAVES TASK GROUP**

The Chairman of the Impact of Heatwaves Task Group, Councillor M. Marshall, presented the group's final report for Members' consideration.

Cabinet was informed that the Task Group had been established by the Overview and Scrutiny Board following referral of a Motion on Notice on this subject from Council. The review had been launched in a context in which the UK had been experiencing increasingly intense heatwaves, particularly in 2022, which had had a negative impact on the health and wellbeing of many people. A number of key lessons had been learned from the heatwave experienced in 2022 and the Council and partner organisations could learn from these. Locally, key lessons included the

need to improve communications and a requirement to improve co-ordination between relevant agencies.

Bromsgrove District Council, as a first-tier responder, had a number of responsibilities in this space. There were several contexts in which Council services could be impacted by heatwaves, from environmental protection to supporting people at risk of homelessness. There was a traffic light system in the region in place to trigger warnings about heatwaves.

The Task Group had been informed about the work of Worcestershire Prepared and Applied Resilience in relation to preparing for and handling the impact of heatwaves. Worcestershire Prepared consisted of a range of partner organisations working together to engage with local communities and to sense check that local measures were working. Applied Resilience, meanwhile, was in the process of undertaking an audit of potential rest centres that could be used in the county.

A key finding of the Task Group had been that, whilst people were aware of climate change and how this had impacted on weather patterns in the UK, there appeared to be less familiarity with some of the risks to people arising from hotter weather. For example, there were some people who were not aware of the risks associated with having barbecues during heatwaves.

At the end of the review, the Task Group had proposed that there should be an annual report to the Overview and Scrutiny Board updating Members on areas of change in relation to heatwaves, the impact of this on the local community and action being taken to address this. The Overview and Scrutiny Board had approved this recommendation in July. As the Board could determine items for consideration on the Overview and Scrutiny Work Programme, the Cabinet was being asked to note the content of the Task Group's final report.

In concluding his presentation, Councillor Marshall thanked the other members of the Impact of Heatwaves Task Group for their hard work. The Officers who had contributed to the review were also thanked for their support, with particular thanks extended to the Senior Democratic Services Officer, who had written the report detailing the group's findings.

Members welcomed the report from the Impact of Heatwaves Task Group and thanked the group for their hard work. Questions were raised about the timing of the annual update to the Overview and Scrutiny

Board. Councillor Marshall confirmed that the aim would be to provide an annual update in the spring. This would provide time to learn lessons from the previous summer in preparation for the heatwaves that might occur in the forthcoming summer that year.

RESOLVED that the Impact of Heatwaves Task Group's final report be noted.

24/24

FINANCIAL RECOVERY PROGRAMME REPORT

The Deputy Chief Executive and Section 151 Officer presented the Financial Recovery Programme report for Cabinet's consideration.

Members were reminded that the purpose of the report was to provide an update on progress addressing the issues that had been the subject of Section 24 recommendations issued by the external auditors, Grant Thornton, in relation to the Council in 2022. There had been six recommendations included in the Section 24 Notice. The Council had completely addressed five of these recommendations. The sixth recommendation had related to auditing the Council's submitted accounts and this was partially resolved.

Since the Section 24 Notice had been issued to the Council, a lot of progress had been made. This included:

- Submission of the Council's 2020/21 accounts.
- Completion of the 2021/22 accounts for submission.
- Presentation of the financial outturn report for 2023/24 to Cabinet.
- Presentation to Cabinet of Finance and Performance Monitoring Reports for Quarters 1 – 4 of the 2023/24 financial year.
- Presentation to Cabinet of the Finance and Performance Monitoring Report for Quarter 1 of the 2024/25 financial year, included in the Cabinet agenda for this meeting.
- Continuation of the delivery of monthly accounts training for budget managers.
- Recruitment of staff into key roles in the Financial Services team. This had included the recruitment of new staff since the start of 2024.
- The presentation of a Financial Compliance report for the consideration of the Audit, Standards and Governance Committee at every meeting.

The Minister of State for Local Government and English Devolution had recently announced the Government's expectations in terms of the

deadlines for submission of local government accounts. As part of this process, local authority accounts for 2023/24 would need to be submitted for audit by the end of February 2025. However, there remained over 1,000 sets of accounts for Councils across England that had not yet been audited, representing roughly three sets of accounts per authority. External auditors were struggling to complete audits of accounts in a timely fashion and unless this issue was addressed, Councils would struggle to meet this deadline.

In this context, Officers suggested that the remaining Section 24 Notice recommendation, to have audited accounts, was no longer relevant. New external auditors, Bishop Fleming, were due to audit the Council's accounts in future and the Council would be formally raising this issue with the auditors once they were actively working with the authority. In the meantime, Members were asked to note that Grant Thornton had written to the Council to advise that they did not have the time to audit the Council's 2021/22 and 2022/23 accounts, which would have implications for the future, as Bishop Fleming was supposed to start in their external audit role by auditing the 2023/24 accounts.

The Audit, Standards and Governance Committee had an important role in relation to considering the Council's accounts prior to submission for audit. The next meeting of the Committee had been postponed from 19th September to 10th October 2024, due to a clash with the date of a by-election in Bromsgrove District. This would coincide with the deadline for submission of two sets of accounts by the authority and it was possible that consideration of both sets of accounts at the same meeting could cause confusion. In this context, it was noted that an extra meeting of the Committee or an Audit Task Group meeting might be required to help reduce the potential for confusion within two weeks of the Committee Meeting as there was still the requirement for both sets of accounts to have been reviewed by the Public by the 13th December 2024 which was a one month process.

The Finance and Budget Working Group had considered the report at a meeting held on 9th September 2024. During the meeting, Members had raised questions about the Council's Workforce Strategy, overall Council staffing numbers and vacancy levels at the authority. Members were asked to note that there were 40 agency staff posts at Bromsgrove District Council and 100 agency staff posts overall, although the latter figure included vacancies in the Redditch Housing Revenue Account (HRA), which did not apply to Bromsgrove. More work was being done to link these agency staff to a report on vacancies.

Following the presentation of the report, Members discussed a number of points in detail:

- The extent to which the Government was likely to impose penalties on any local authorities that did not submit accounts by the deadlines that had been set and whether this would be feasible in a context in which most Councils had outstanding sets of audited accounts.
- The reasons why there were so many outstanding sets of audited accounts across the country. Officers explained that there was a lack of capacity at a national level within the external audit sector, partly due to challenges with funding of the sector.
- The implications arising from the previous external auditors not completing audits of the Council's 2021/22 and 2022/23 accounts prior to the new external auditors commencing their role in support of the authority.
- The extent to which the new external auditors would need to complete audits of the 2021/22 and 2022/23 accounts in order to start an audit on the 2023/24 accounts.
- The potential for the Council to reclaim fees from the previous external auditors, which had had to be paid up front, for incomplete audits.
- The possibility that the new external auditors would need to be paid additional fees in order to cover the costs of extra work arising from the incomplete audits of the 2021/22 and 2022/23 accounts.
- The extent to which the previous external auditors were likely to have been unable to complete audits of accounts for other Councils resulting in a need to pay other authorities their fees back and the potential risk that the auditors would be unable to pay back funds to multiple authorities at the same time. Officers explained that as members of the Public Sector Audit Appointments (PSAA), the external auditors would have to abide by any rulings from that body on paying fees back to Councils.
- The figures associated with all of the unaudited accounts across the country. Overall, Officers suggested that across the whole of the sector, it was likely that approximately £500 – 600 billion worth of accounts had not yet been signed off and whilst there would be compliance in 99.99 per cent of cases, there were inevitably risks attached to such large figures that would have national implications for the Government.
- The work that had been completed already by the previous external auditors, including the Value for Money assessments which could be reviewed by the new auditors.

RESOLVED to note:

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

25/24

INITIAL BUDGET SETTING REPORT

The Deputy Chief Executive and Section 151 Officer presented the Initial Budget Setting Report for Members' consideration.

Cabinet was informed that in the Chancellor's statement on 29th July 2024, a number of points relating to the budget had been raised which had implications for local government finances:

- The budget would be announced on 30th October 2024.
- Local government would receive a one-year settlement for 2025/26. There was some uncertainty about when the one-year settlement for local government would be confirmed but Officers were hopeful that this would be at an earlier stage compared to 2023.
- The Government would be undertaking a spending review with a view to making three-year settlements for 2026/27 to 2028/29. The Council would need to make sure that it responded to any consultations on this subject in order to help influence the budget settlement process.
- The pay review for public sector workers was due to be fully funded by the Government. Explicit reference had not been made to local government in this announcement, but Councils were hopeful that local authority staff would be covered through this process.
- Charitable rate relief entitlement would be removed for private schools. Instead of paying 20 per cent of business rates, they would in future have to pay 100 per cent of business rates. The additional 20 per cent revenue would be paid on a 50:50 basis to the Government and the local authorities areas in which the school was situated. Members were asked to note that there were private schools located in Bromsgrove District so the Council would benefit financially from this measure.
- Changes would be made to Capital Gains Tax rules.

- Increases had been announced to fuel duties, which would result in increased costs associated with the Council's vehicle fleet.
- Pension tax relief was being reviewed, which could have negative financial implications for the Council.
- The Government was proposing to limit insurance increases, which could have a positive impact on the Council's budget.

The report proposed that, in line with practice in recent years, there should be a two-tranche process for budget setting at the Council in 2025. Every attempt would be made to ensure that any risks to the Council's finances were addressed in Tranche 1 of the budget to help with transparency and budget planning.

Once the report had been presented, Members discussed the following points in detail:

- The changes to the charitable rate relief status of private schools and the implications of these changes for demand for state school places locally.
- The possible implications of the changes to the charitable rate relief status of private schools for pupils in receipt of bursaries.
- The numbers of pupils attending private schools locally, including the numbers of young people resident in the District.
- The timeframes for agreement of the pay award to staff. Officers advised that it was not known when the pay award would be announced and Members were asked to note that at least one Trade Union was consulting on strike action which would potentially impact on those timeframes.

RESOLVED that the 2 Phase Budget Process is again followed for the 2025/26 to 2027/28 Medium Term Financial Plan.

26/24

Q1 REVENUE AND PERFORMANCE MONITORING 2024/2025

The Deputy Chief Executive and Section 151 Officer presented the Revenue and Performance Monitoring Report for the first quarter of the 2024/25 financial year.

The report included a table detailing anticipated overspends by the end of the financial year based on figures available for the first quarter. Officers were anticipating an overspend of £102,000 by the end of the financial year. The main pressures on the budget were costs associated with upgrading the Council's vehicle fleet and the potential for the staff

pay award to be higher than the 4 per cent rate that had been included in the budget.

The Council had spent £1.9 million of the authority's Capital Programme, primarily on Levelling Up projects. Earmarked reserves were at a level of £10 million. The authority was not engaged in short-term borrowing.

Reference was made to one of the resolutions detailed in the report concerning proposals for a new national forest bid. A report on this subject had originally been due to be considered by Cabinet in September 2024. However, following the general election, the plans at a national level for the new national forest bid process had changed and therefore the report had had to be postponed. New guidance had been issued by the Government on this subject on 9th September 2024 and the implications were in the process of being reviewed. The Council had been planning to issue a bid in partnership with the National Trust and was receiving research assistance from Birmingham University, in terms of air quality monitoring, which it was hoped would have a positive impact on the likely success of the bid. Further consideration needed to be given to issues relating to liabilities, particularly as the Government's new plans involved the Forest Trust allocating funding to successful bidders. Bids needed to be submitted by 27th October 2024 and Members would be consulted prior to this point. As part of this process, the Overview and Scrutiny Board had asked to be kept informed and for scrutiny Members to receive an update on the subject.

There were a number of positive aspects within the budget that were reported for Members' consideration:

- Income had been agreed with and received from Bromsgrove District Housing Trust (BDHT) for the sale of a number of properties at the Burcot Lane site.
- A number of other properties at Burcot Lane had been sold privately, resulting in additional income for the Council.
- The Council was owed an estimated £4 million from VAT receipts from the Government from 2021/22 onwards. This was being followed up with the Council's VAT Advisors and HMRC.

In terms of performance data, there had been an increase in business grants and a slight decrease in reports of homelessness since the end of the previous financial year. Whilst there continued to be staff turnover, this was at half the national average level, which was positive. Council Tax collection rates were slightly under target, but Members were asked

to note that they were at a higher level than usual for this stage in the financial year.

Following presentation of the report, Members raised a number points during the debate:

- The number of Councils in the country that were considered to be debt free. Officers undertook to provide an answer in respect of this matter, based on CIPFA information, after the meeting.
- The national forest bid and the fact that this would entail both tree and hedgerow planting.
- The locations in which trees and hedgerows in a national forest in the District could be planted, given that the Council did not own much land. Clarification was provided that this project would involve working in partnership, including with the National Trust, and focused on the benefits arising to health and wellbeing.
- The potential limitations, in planning terms, of developing houses on land that had been designated as national forest.
- The location of the CCTV cameras that were being used by Birmingham University to monitor air quality in the District as part of the national forest project. Officers undertook to provide further information to Members on this subject after the meeting.
- The role of the Eight Hills Project in leading up to the work on the national forest bid.
- The benefits arising from the national forest bid to local companies, particularly in respect of carbon credits.
- The declining homelessness levels that had been reported for the first quarter of the financial year and whether Government changes to rules in respect of no fault evictions might impact on homelessness rates.
- The financial costs to the Council arising from homelessness cases. Officers clarified that BDHT provided accommodation in the District but there could be financial costs to the Council arising from any future increase in use of bed and breakfast accommodation.
- The timeliness of the reporting of finance and performance data to Cabinet and potential improvements that would be made to this as a consequence of changes to systems used by the Council.

RESOLVED that

- 1) The current Revenue overspend position of £103,000 and actions the Council are taking to mitigate this position be noted.
- 2) The current Capital spending of £1.92 million against a budget of £7.07 million be noted.

- 3) The balance sheet monitoring position be noted, including the Treasury position.
- 4) The updated procurements position set out in the appendix be noted, with any new items over £200,000 to be included on the forward plan.
- 5) The Quarter 1 Performance data for the Period April to June 2024 be noted.
- 6) The proposed process for the approval of the new "National Forest" bid be noted.

27/24

TREASURY MANAGEMENT OUTTURN REPORT

The Deputy Chief Executive and Section 151 Officer presented the Treasury Management Outturn Report 2023/24 for Cabinet's consideration.

Members were advised that this was a really important report that was needed to provide assurance that appropriate controls were in place at the Council for investments and debt management and that prudential indicators would not be breached. Many of the Councils that had received Section 114 Notices in recent years had struggled in this context after the Government had previously granted local authorities the freedom to make investments. Some Councils had made excessive investments and had breached their indicators. Members were advised that paragraphs 3.4 to 3.19 of the report were all recommended for Members' consideration, as the information provided in those sections helped to clarify the context in terms of what had been happening in the sector.

In 2023/24, Bromsgrove District Council had breached one indicator, in terms of cash flow for the year end where the authority had been slightly below levels required. This had been addressed through borrowing from Redditch Borough Council and it was proposed that the two authorities should borrow from each other, where necessary, to help with treasury management moving forward.

Bromsgrove District Council was debt free by the date of the meeting of Cabinet and it was anticipated that this would remain the case for at least the following two years. A challenge to this position would be the costs associated with upgrading the Council's vehicle fleet. However, the Council was considered to be in a relatively good position, particularly compared to other local authorities in respect of cash flow.

Following the presentation of the report, Members discussed the financial costs to the Council arising from the need to upgrade the authority's vehicle fleet. Questions were raised about the potential to use capital receipts towards these costs, subject to changing to alternative sources of fuel. Officers agreed to investigate this option further. However, Members were asked to note that there would be a need to be cautious and to avoid doing anything outside Government limits. Should these limits be breached, this could result in the Council being unable to access the Public Works Loans Board (PWLB) in future, which would have negative implications for the Council as the PWLB offered far lower interest rates than other potential providers of loans.

RECOMMENDED that Council note

1. The Council's Treasury performance for the financial year 23/24.
2. The position in relation to the Council's Prudential indicators.

28/24

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 11TH JULY AND 23RD JULY 2024

The minutes of the meetings of the Overview and Scrutiny Board held on Thursday 11th July and Tuesday 23rd July 2024 were submitted. There were no outstanding recommendations from these meetings of the Board for Cabinet's consideration.

RESOLVED that the minutes of the meetings of the Overview and Scrutiny Board held on Thursday 11th July and Tuesday 23rd July 2024 be noted.

29/24

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 of business on the grounds that it involves 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:-

<u>Minute</u>	<u>Item</u>	<u>Paragraph</u>
<u>No</u>		
30/24		3

30/24

LEVELLING UP REPORT - APPROVAL OF CONTRACTOR (REPORT TO FOLLOW)

The Deputy Chief Executive and Section 151 Officer presented a report on the subject of Levelling Up and the appointment of a contractor for the project.

Cabinet was reminded that Bromsgrove had been awarded £14.5 million in Levelling Up funding. The majority of this funding would need to be spent by September 2025, although a portion would need to have been used by the end of March 2025. The update followed a report that had been considered by both the Overview and Scrutiny Board and Cabinet in July 2024, at which stage the demolition of the Windsor Street site had been about to commence.

Following the previous report, Kier Group Plc had been granted a further 10 weeks for their works to be delivered at the former Market Hall site.

The public realm works were being delivered by Worcestershire County Council on behalf of Bromsgrove District Council as part of the Levelling Up project. These public realm works connected the former Market Hall site to the Windsor Street site. Worcestershire County Council was on track to deliver these works by December 2025.

At the Windsor Street site, City Demolition had been awarded the contract as agreed and engaged to deliver works at the site. City Demolition had taken ownership of the site in late July 2024. Prior to that date, there had been issues with anti-social behaviour at this location and this had been an ongoing concern. However, by 9th September 2024, 70 per cent of the site had been demolished. Once the demolition process was completed, fencing would remain in place to help deter further anti-social behaviour.

By the date of the Cabinet meeting, the project was on track to be delivered, with Levelling Up funds due to be spent according to deadline. However, timescales were tight, with a leeway period of only three weeks available. There was a risk that if these deadlines were not met, the Council, as responsible body, would have to cover additional costs on top of the 10 per cent that had been required in the original bid.

During consideration of this item, the Leader highlighted that the report had been pre-scrutinised at a meeting of the Overview and Scrutiny Board held on Tuesday 10th September 2024. Whilst the Board had not made any recommendations on this subject, there had been extensive and robust discussions at the meeting regarding the content of the report. Cabinet thanked the Overview and Scrutiny Board for their contribution in respect of pre-scrutiny of this matter.

Once the report had been presented, Members discussed the following points:

- The stage that had been reached in the planning process for the former Market Hall site. Officers confirmed that this had already gone through the planning process.
- The arrangements for project management of the Levelling Up scheme and the extent to which these arrangements complied with the approach that had been suggested by the Audit, Standards and Governance Committee's Task Group in 2023. Cabinet was reassured that there would be a return to monthly meetings of the Levelling Up Programme Board in order to monitor progress with the project.
- The need for Members to be kept informed of any unexpected occurrences in respect of this project as and when these emerged.

In concluding their discussions regarding this item, Members considered the wording of the proposals detailed in the report. There was agreement that the wording should be altered to emphasise the need to minimise the overall costs arising from works on the former Market Hall site. In this context, the following alteration to the wording was proposed by the Leader:

*“The appointment of Kier Group plc for the delivery of the Market Hall works contract be approved *at a maximum as set out in this report and that officers work to minimise overall costs from this level.*”*

This alteration to the wording of the resolution was approved by Members.

RESOLVED that

- 1) Cabinet note the challenges and work undertaken to date detailed within this report.

Agenda Item 16

Cabinet
11th September 2024

- 2) The appointment of Kier Group plc for the delivery of the Market Hall works contract be approved at a maximum as set out in this report and that officers work to minimise overall costs from this level.

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

The meeting closed at 8.11 p.m.

Chairman

Bromsgrove District Council – 9th October 2024 Member Questions

**1. From Councillor R. Hunter
Question for the Leader of the Council**

“Ahead of the publication of the play audit, will you confirm that Council will continue to invest in maintaining all Council owned playgrounds where there is community support for keeping them, including pocket parks?”

**2. From Councillor D. Nicholl
Question for the Cabinet Member for Health and Wellbeing and Strategic Housing**

“On behalf of Council, will you write to the Herefordshire and Worcestershire Health and Care NHS Trust to ask what steps they are taking to ensure the reintroduction of parking charges at the Princess of Wales Hospital will not impact on the accessibility of NHS care?”

**3. From Councillor J. Robinson
Question for the Deputy Leader and Cabinet Member for Economic Development and Regeneration**

“When will the Council owned car park by All Saints Church Hall on Shenstone Close be refurbished in line with other Council owned car parks in the district?”

**4. From Councillor S. Robinson
Question for the Cabinet Member for Finance**

“We do not agree with the Government’s policy to levy Business Rates on private schools. However, now it looks almost certain to be implemented, will Council ringfence any money it receives in extra business rates as a result of this policy to support initiatives for young people?”

This page is intentionally left blank

NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor S. Nock:

“BDC recognises the importance of the Winter Fuel Allowances to all our elderly residents.

Introduction:

The Winter Fuel Allowance has historically been a vital lifeline for pensioners, helping them to cope with the increased costs of heating during the cold winter months. The recent reduction or removal of this allowance will leave many elderly members of our community vulnerable to the harsh effects of cold weather, exacerbating health issues and leading to an increased risk of illness and mortality.

Background:

- Impact of Cold Weather on the Elderly:** Cold weather significantly affects the health and wellbeing of elderly individuals. Studies have shown that exposure to cold temperatures can lead to serious health complications such as hypothermia, increased blood pressure, respiratory problems, and exacerbated chronic conditions like arthritis and cardiovascular diseases. Moreover, the elderly are often on fixed incomes, making it difficult to absorb the rising costs of energy.
- Importance of the Winter Fuel Allowance:** The Winter Fuel Allowance was designed to mitigate these risks by providing financial assistance specifically for heating costs during the winter months. It has been an essential support mechanism, allowing pensioners to maintain a safe and comfortable living environment.
- Consequences of the Removal/Reduction of the Allowance:** The reduction or removal of the Winter Fuel Allowance will force many elderly individuals to make difficult choices between heating their homes and meeting other essential needs such as food and medication. This will lead to increased cases of cold-related illnesses and a rise in excess winter deaths among the elderly population.

We call upon the Leader of the Council to write a joint letter, signed by all Group Leaders, to the Chancellor of the Exchequer requesting:

- **That the Government acknowledges the importance of the Winter Fuel Allowance in protecting the health and wellbeing of pensioners.**
- **That the Government reinstates the Winter Fuel Allowance to all pensioners as part of the budget statement.**
- **That the Government commits to maintaining this allowance to prevent future risk to the elderly population during winter months.**

NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor H. Rone-Clarke:

“Council notes

- that we must invest in green methods of transportation in order to achieve our targets to reduce carbon emissions.
- that active travel and public transport will be integral in achieving this goal.
- that electric vehicles (EVs) will play an important role in our transition to clean energy.

Therefore, council resolves to ask the Cabinet to explore ways in which EV chargers can be better integrated within our infrastructure, including options for on-street parking, allowing residents who do not have access to a driveway, to purchase an EV of their own.”

NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor J. Elledge.

“Motion:

I am sure we all appreciate how important it is to our physical and mental health to undertake a certain amount of daily exercise, and that in order to ensure a healthy Bromsgrove population we should be constantly reviewing how we as a Council can facilitate this for our residents.

Bromsgrove Sports and Leisure Centre is a fantastic facility which offers a huge range of activities, which many of our residents already use. In order to encourage more residents to get involved we would like Council to consider offering free parking to users of the Centre, allowing enough time for someone to get changed, participate in a session or class, and shower etc afterwards. This would also reduce the existing issue of current Centre users parking on neighbouring roads and potentially causing parking issues for local residents, as they are unable to take advantage of the current 30 mins free parking as would be mid swim or mid class when the 30 mins expires. There are several ways this could be managed, the details of which could be confirmed should the motion be passed.

We therefore put it to Council that we ask the Cabinet to consider offering 2 hours free parking on the Council car park adjacent to the Sports Centre as part of the budget setting process.”

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank