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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 11TH SEPTEMBER 2024

AT 6.00 P.M.

COMMITTEE ROOM 2 - PARKSIDE

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

AGENDA

1. **To receive apologies for absence**
2. **Declarations of Interest**

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. **To confirm the accuracy of the minutes of the meeting of the Cabinet held on 24th July 2024 (Pages 7 - 18)**
4. **Impact of Heatwaves Task Group (Pages 19 - 42)**
5. **Financial Recovery Programme Report (Pages 43 - 62)**
6. **Initial Budget Setting Report (Pages 63 - 70)**
7. **Q1 Revenue and Performance Monitoring 2024/2025 (Pages 71 - 122)**

8. **Treasury Management Outturn Report (Pages 123 - 138)**
9. **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.**
10. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

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

<u>Item No.</u>	<u>Paragraph(s)</u>
11	3
12	3

11. **Minutes of the meeting of the Overview and Scrutiny Board held on 11th July and 23rd July 2024 (Pages 139 - 164)**

To receive and note the minutes from the Overview and Scrutiny Board meetings held on 11th July and 23rd July 2024. Please note there are no outstanding recommendations from these meetings to be considered by Cabinet.

The Overview and Scrutiny Board are due to pre-scrutinise the Levelling Up Report – Approval of a Contractor (Item 12) at its meeting on 10th September 2024. If there are any recommendations made by the Board at this meeting they will be published in a Supplementary Papers pack to this agenda and tabled at the meeting.

12. **Levelling Up Report - Approval of Contractor** (Report to Follow)

Sue Hanley
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

3rd September 2024

If you have any queries on this Agenda please contact
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Notes:

Although this is a public meeting, there are circumstances when Council
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confidential information. For agenda items that are exempt, the public
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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:

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- 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.

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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:

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- 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

**OVERVIEW & SCRUTINY
BOARD**

**IMPACT OF HEATWAVES
SHORT SHARP REVIEW**

FINAL REPORT

JULY 2024



Bromsgrove
District Council
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MEMBERSHIP OF THE TASK GROUP



Councillor Mick Marshall
Chairman of the Task Group



Councillor Sam Ammar



Councillor Rachael Bailes



Councillor Bakul Kumar



Councillor Bernard McEldowney
(Membership from March – May 2024)



Councillor Josh Robinson

Supporting Officer Details

Jess Bayley-Hill – Principal Democratic Services Officer
Jo Gresham – Senior Democratic Services Officer
Mat Sliwinski – Democratic Services Officer

FOREWORD FROM THE CHAIRMAN

The climate crisis is not happening in the distant future in far-away places. It is happening right here and now. During the summer of 2022, the UK Health Security Agency reported 3,271 excess deaths in England and Wales across five distinct heat-periods. Increased mortality was especially pronounced for people with dementia or Alzheimer's and for those suffering with respiratory and circulatory conditions.

More frequent and intense heat events are made much more likely by climate change. Within a few more years we will probably have named summer heatwaves, as we do for winter storms, and we will all become much more familiar with the lethal combination of high temperatures and high humidity. The situation is fast-changing and as leaders in our community we need to be fast-moving too in our response.

As a council, we can continue to show leadership by playing our part in reducing carbon emissions that contribute directly to climate change and by influencing others to follow our example. But we also need to take a lead in recognising and adapting to the climate changes that are already here and will worsen in the future.

Because of the fast-changing nature of the climate emergency and our public response, we are recommending that an annual report each Spring should be presented to the Board on the impact of heatwaves, lessons learned and progress in emergency preparation, planning and responses.

During the course of our Review, we were reassured by the detail and thoroughness with which Officers explained current emergency planning arrangements and the improvements already being progressed. We particularly welcomed the Worcestershire Prepared initiative. This new organisation for improving coordination and information-sharing across the County was set up during the timescale of our Review so we were able to hear first-hand about progress from the Officer involved. The Council's partners Applied Resilience are carrying out an audit of potential locations for emergency rest centres and this will now include a focus on cool hubs as result of the interest and urgency shown in our Review.

I'd like to thank all the Members who volunteered their time to join the Review, the Council officers for their support and especially the three external witnesses – Nick Moon and Robin Church of Applied Resilience and Nathan Hazlehurst from Worcestershire Public Health. Thanks to their clear and patient explanations, we as Members are now much better informed about planning for future extreme temperature events. That will provide a platform for us to be

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more engaged in future responses as local leaders and hopefully to help avoid preventable loss of life.

Councillor Mick Marshall
Chairman of the Impact of Heatwaves Task Group

SUMMARY OF RECOMMENDATIONS

After consideration of the evidence available and interviewing witnesses the Task Group have proposed the following recommendation (supporting evidence can be found under the relevant chapters within the main body of this report).

1. Chapter 3 – Outcomes

Recommendation 1
That an annual report be provided to the Overview and Scrutiny Board to update any areas of change in respect of the Impact of Heatwaves on the community and any changes in the response to these events.
Financial Implications for recommendations: There are no direct financial implications in relation to this recommendation.
Legal Implications for recommendations: There are no direct legal implications in relation to this recommendation.
Resource Implications: Officer time in preparing the report.

Background Information

Councillor Mick Marshall submitted a Notice of Motion at the Full Council meeting held on 24th January 2024. The Motion requested that the Cabinet be asked to undertake a review of how to take immediate action to educate and equip residents for impending heatwaves made more likely by climate change. This is to include awareness campaigns, distributing guidelines and establishing cooling centres to ensure the community's safety and well-being during future extreme temperature events.

Following consideration of the Motion at this meeting it was agreed by all Members that this matter be referred to the Overview and Scrutiny Board and that the Board decide whether a review be undertaken on this matter.

A report was considered at the Overview and Scrutiny Board meeting held on 12th February 2024 and was presented by Councillor Marshall. During consideration of this item, it was outlined that the review would be a short, sharp review consisting of a small group of Members to ascertain the impact and response to heatwave events in Bromsgrove.

At the March meeting of the Board, the membership of the Task Group was confirmed. It was noted that the Terms of Reference would be discussed at the first meeting of the Task Group and reported back to the Board at its meeting on 22nd April 2024.

Councillor Marshall was appointed as the Chairman of the review at the first meeting of the Task Group on 26th March 2024. This appointment was ratified at the Board meeting on 22nd April 2024 along with the Board's agreement of the Terms of Reference.

Chapter 1

Understanding the Context of Heatwave Events and Emergency Responses

At the beginning of its investigation to better understand the response to heatwave events and the context in which emergency responses were undertaken, the Task Group interviewed Nick Moon - CEO of Applied Resilience, Nathan Hazelhurst – Emergency Planning and Business Continuity Manager, Public Health and Robin Church - Applied Resilience.

During consideration of the evidence, Officers provided Members with a detailed presentation regarding responses to these kinds of events at a local and national level. It was explained that the Civil Contingencies Act 2004 established the statutory requirements in respect of Emergency Preparedness for those at a local level.

Along with assessing the risk of emergencies occurring in the District and utilising these assessments to inform contingency plans, statutory requirements included the following areas:

Statutory Requirements	Action
Emergency Plans	Put in place emergency plans to reduce, control or mitigate the effects of an emergency.
Warn and Inform	Put in place arrangements to make information available to the public about civil protection matters and to warn, inform and advise the public in the event of an emergency
Share Information	Share information with other responders to enhance co-ordination.
Co-operate	Co-operate with other responders to enhance co-ordination and efficiency
Implement Business Continuity	Put in place Business Continuity Management Arrangements
Champion Business Continuity	(Local Authorities) – Provide business continuity advice to businesses and voluntary organisations about business continuity.

Officers explained that organisations were divided into two categories for responding to an emergency. However, all organisations had a statutory duty to cooperate with one another and any other key stakeholders. The Category One organisations included the following:

- Police
- Ambulance services

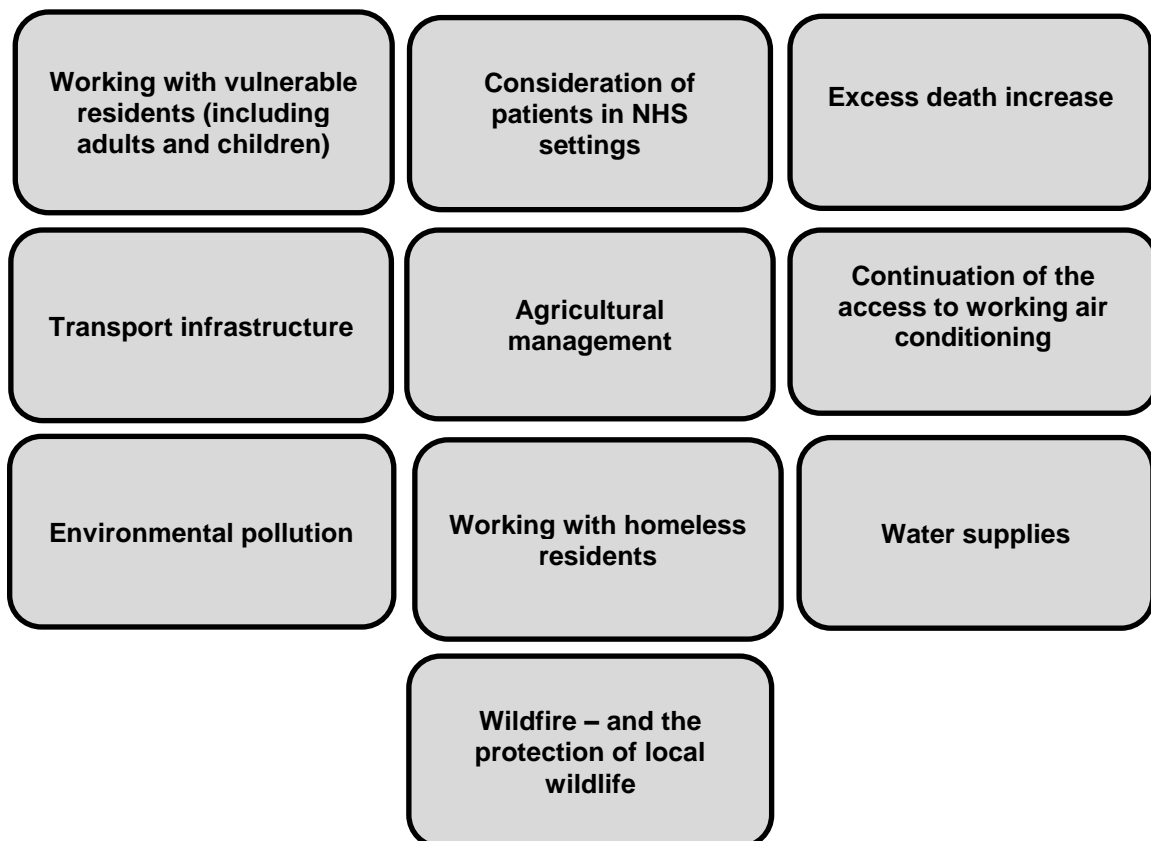
- Local Councils
- County Councils
- Fire Authorities
- NHS bodies.

Category Two organisations were as follows:

- Health and Safety Executive
- Transport Companies
- Utilities

Both of the categories above, came together to form Local Resilience Forums (LRFs) based on police force areas. These LRFs met at an executive level on a six-monthly basis. In addition to these meetings, there were a number of sub-groups that met more regularly in order to plan for emergency events such as adverse weather and heatwaves.

Specific Areas of Response to Heatwaves



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During consideration of the evidence at this meeting it was explained that there were several levels of heatwaves, and each level informed the type of response.

Level	Response
Green	Planning stage and to ensure that were a heatwave event to happen the mitigations would be in place in order to alleviate the risk, such as air conditioning units in good working order.
Yellow	A more nationally driven status usually predicted by weather. At this level there would start to be a response.
Amber	This triggered an enhanced response and was dependent on temperature levels and length of time of the temperatures experienced.
Red	Required an emergency response.

It was noted that there were three levels of response by LRFs; Gold, Silver and Bronze. Gold was a more strategic level and Bronze was a more operational level. Most plans were actioned initially at the Silver level by the Tactical Coordinating Group (TCG) and Duty Officers (DIRO).

In terms of preparedness, Members were informed that most response plans were already broadly written. These responses were risk and impact based and communication messaging was made through different channels, such as social media, outreach and out of hours responses.

Included in the responses was mobilization of volunteers and emergency services, initiating rest centres to provide places for residents who needed support. If there were any loss to utilities as a result of a heatwave, vulnerable residents would be contacted to ensure they were coping with the heatwave event. This was an area that Officers felt Members could provide enhanced support. It was explained that most utility providers held information on those who had registered themselves as vulnerable, this enabled them being contacted in extreme weather events such as heatwaves and cold weather. If Members informed residents of this service, it would ensure that more vulnerable residents could be contacted in events such as these. Members felt that this was a positive area in which they could contribute to help vulnerable residents within their communities and wards. This area was investigated further, as detailed later in this report.

As part of the detailed presentation, it was explained that a red heatwave event had a very specific and robust response including, to follow all local emergency response plans and feed into local (and, where appropriate, national) coordination and response. Furthermore, increased evidence-based advice would be provided to health and social care workers, working in community care homes and

hospitals and to the wider workforce. Media alerts regarding keeping cool and other safety measures, such as open water safety messaging would be increased. Support was provided to organisations to reduce unnecessary travel and to mobilise community and voluntary support. If there were any public events due to take place during a heatwave, these would be reviewed, and appropriate measures taken to ensure the safety of participants, following consultation with all parties.

Following the presentation and as part of the interview of Officers, Members were keen to better understand the response mechanisms in place and questioned some areas in more detail. These areas were as follows:

Declaration of a major incident

It was reported that there were command levels in place. Senior officers would declare a major incident, and this would need to be flagged up with central government and if necessary, the army could be mobilised.

In the case of a Level 4 national heat emergency, the response would be coordinated nationally through the Civil Contingencies Committee handling national emergencies – i.e. Cabinet Office Briefing Rooms A (COBRA) and UK Health Agency. The County Council would then follow public health messaging guidelines from the Government. In case of a Level 3, the County Council would take a lead on regional messaging but would still be expected to utilise the Government's support material.

In terms of the UK Emergency Alerts, it was explained that the County and local authorities could request the use of this facility from the Chief Constable of West Mercia Police following the request being signed off by an appropriate Government Minister.

Worcestershire Prepared

Whilst considering the evidence provided by Officers, it was reported that there was a new County wide initiative being proposed, Worcestershire Prepared. This proposed initiative would provide advice and support in events such as flooding and heatwaves in the future. This was a more proactive approach to these kinds of events which Members welcomed and at its second meeting Officers provided the Task Group with a detailed presentation, which included the following information:

Key Objectives

Provide a partnership where coordinated community resilience messaging can be created.

Coordinate and support town/parish councils in creating community level plans.

Create and develop public focused resources to aid in community resilience.

Coordinate community engagement activities regarding emergency preparedness, response and recovery.

Provide a conduit to sense-check community facing communications.

Partner Organisations and Structure of Meetings

It was proposed that the membership of Worcestershire Prepared would include:

- Worcestershire County Council
- 6 District Councils
- Worcestershire County Association of Local Councils (WCALC)
- NHS Integrated Care Boards or other suitable Health representatives
- Environment Agency
- Hereford and Worcester Fire and Rescue Service
- West Mercia Police
- Voluntary Sector partners

Worcestershire Prepared was a proposed initiative at the current time of the meeting, however this was due to be formally considered at a Worcestershire County Emergency Planning Group meeting on 30th April 2024. If agreed the first meeting of Worcestershire Prepared would take place in May 2024.

It was envisaged that it would be established predominantly as an officer forum that would meet three times per year and report to the wider West Mercia LRF.

It was hoped that there would be a mechanism for elected member engagement as part of this structure.

Lessons Learnt

Emergency planning evolves as lessons are learnt from emergency events and technology improved. One example reported to Members was that following the heatwave event in 2022, the North Worcestershire Emergency Planning (Wyre Forest, Bromsgrove, Redditch) undertook a debrief of their response to the event. The main lessons identified was providing the right messaging at the right time to residents. It was reported that one of the main issues was people using disposable barbecues during the heatwave event thus creating a fire and health hazard. This could be an area of improved communication-during any future events.

During the final meeting of the Task Group, Members had requested further evidence in respect of Demonstration of Local Resilience Forum (LRF) response to a Heatwave Event. This would provide a final opportunity for the Group to understand the approach to a specific response from the LRF in the County.

During this presentation, information was provided in respect of Heat Health alerts and groups of residents that could potentially be at risk during such an event. This, once again, highlighted the robust approach to a response for those residents who were considered vulnerable or had specific needs in terms of working environments. The information also considered the types of health issues that could be experienced during a heatwave event, therefore enabling the response to be targeted to specific areas of need with the appropriate course of action such as dehydration prevention, keeping your home cool, application of sunscreen and swimming safety. Further evidence was provided in respect of the levels of response determined by the length of the heatwave and the impact of the heatwave on residents.

Chapter 2

Engagement with the Local Communities

As part of the investigation there was significant evidence provided to Members regarding what services and support was available to residents in heatwave events.

Vulnerable people

As highlighted earlier in this report, during extreme weather events vulnerable residents were contacted by phone, to check on their welfare. As often these residents were older and did not use social media, other communications such as leaflet drops were undertaken in order to provide information when there was the potential for an emergency event to take place. It was also reported that in terms of a list of vulnerable people, there was a database of vulnerable residents across the County who were known to the County Council's Adult Social Care Department. Along with these were already existing and trusted networks, such as faith networks and 'Meals on Wheels' who were also used to disseminate advice.

Members were keen to understand whether there would be the potential for the Council to supply electric fans to vulnerable residents. Although this was considered, it was agreed that there would be significant issues in the practicality of this approach and the costs involved.

Working with Local Communities

Part of the role of Emergency Planning was to encourage and promote business continuity in the event of an emergency, although difficult to promote as businesses were reluctant to invest in business continuity plans. It was felt that much like promoting awareness of the vulnerable residents' schemes, Members could promote and raise awareness of the need for business continuity plans.

Another area that was highlighted in terms of community engagement was that Worcestershire County Council Emergency Planning and North Worcestershire Emergency Planning were linking with partner organisations across the wider Birmingham and West Midlands region including Birmingham City Council, West Midlands Resilience Forum and voluntary organisations such as the National Trust. The County Council also disseminated messages to trusted community groups such as Parkrun.

Rest Centres and Cool Hubs

It was explained that Rest Centres were identified as spaces that provided a place for residents during an emergency event, such as flooding or fire. Cool Hubs were a venue that could provide support during a heatwave event.

The Chairman provided an update on behalf of Applied Resilience on the progress in relation to the Community Centres. It was noted that Applied Resilience was carrying out an audit across Bromsgrove, Redditch and Wyre Forest on locations for community centres for numerous uses. This included using them as an emergency rest centre, survivor reception centres, community resilience hubs and cool hubs. It was explained that this was a large piece of work but it was hoped that it would result in additional capacity and resilience capability across the three areas.

It was clarified that libraries were not currently designated as cool hubs / warm hub locations. It was noted that while there was currently a list of 'warm space' locations in Bromsgrove, there was no such list for cool hub spaces.

Communications and Engagement Strategy

Worcestershire County Council had already prepared some of the communication designed for use in a Summer preparedness campaign. The campaign covered themes such as water safety, exposure to sun and wildfires. The messaging was to be disseminated through print and broadcast media and a full range of social media. There would also be messaging provided at key events.

In relation to the Summer preparedness campaign, Members were keen that appropriate messaging related to heatwaves should be released earlier in the year, ideally starting in early May each year. It was reported that for this year the County was aiming to release Summer preparedness/heatwaves messaging in early June, however, in future years the aim would be to start the campaign from May.

Members raised the need for targeted messaging on social media in order to obtain the best results. Officers explained that in general, the approach was to utilise trusted networks where messaging could be disseminated to specific demographics. It was added that the County Council's Director of Public Health had been working on interactive public health messaging, including through videos and infographics, in both printed and digital formats.

Chapter 3

Outcomes

As detailed earlier in this report, the final meeting of the Task Group provided an opportunity for Members to discuss any recommendations they felt necessary following consideration of the evidence. It also offered a chance for them to discuss the robustness and whether the evidence presented had satisfied all of the necessary areas within the Terms of Reference.

On the whole, Members were very pleased with the evidence provided. It had demonstrated that there was a robust response to heatwave events and the establishment of the Worcestershire Prepared initiative was another layer of response that would enable residents to access appropriate support and services during times of a heatwave.

Officers had indicated that it was a complex picture due to the multi-agency response, however, plans were in place to fulfil the statutory responsibility and work effectively with partners when the need arose. Priority areas were identified such as working with vulnerable people along with appropriate messaging when necessary and that a more proactive approach would be taken in the future with the establishment of Worcestershire Prepared.

Members expressed some disappointment that the messaging and communications had not commenced for this year, and this was something that should be looked at for future years. As a result, the recommendation from the Task group was that the Overview and Scrutiny Board in future be provided with an annual report in order to ascertain whether the messaging for Summer preparedness had been implemented earlier. Going forwards the Overview and Scrutiny Board needs to understand any other updates or changes had been implemented in this area in the future.

In terms of the work around Cool Hubs, it was confirmed that this was being looked at as part of the planned audit of the Rest Centres. Officers explained that this audit had been bought forward as a result of this Task Group investigation, which pleased Members, who thanked Officers for providing such a speedy response in this area.

It was explained in order to establish and eventually help grow the numbers of Cool Hubs, a checklist had been created with questions that had been designed to ascertain whether a venue might be suitable for use as a Cool Hub in the future. It was suggested that this would certainly be an area where Members could provide support and disseminate the checklist to their networks. Members

welcomed this and were happy to support and suggested that this might be an area Parish Councils could help with.

Following all discussions in respect of the evidence, Members made the following recommendation to the Overview and Scrutiny Board:

Recommendation 1
That an annual report be provided to the Overview and Scrutiny Board to update any areas of change in respect of the Impact of Heatwaves on the community and any changes in the response to these events.
Financial Implications for recommendations: There are no direct financial implications in relation to this recommendation.
Legal Implications for recommendations: There are no direct legal implications in relation to this recommendation.
Resource Implications: Officer time in preparing the report.

Areas to Note

During the investigation there were several areas to note. These were as follows:

Training

At present, Emergency Planning training was organised by Democratic Services and delivered by Applied Resilience on an annual basis.

Members will continue to receive detailed Emergency Planning training as part of their training programme. It was noted that this had been arranged earlier in the year and was planned to take place again later in 2024.

Vulnerable Residents

It was requested by Officers that Members could help raise awareness of vulnerable resident schemes operated by utility companies by talking to those residents who fit within this criteria.

Business Continuity Plans

It was requested by Officers that Members could help raise awareness of business continuity plans for local businesses and the importance of having them in place.

NOTICE OF MOTION

MOTION – COUNCIL

NOTICE OF MOTION

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

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

OVERVIEW & SCRUTINY BOARD – Short Sharp Review of the Impact of Heatwaves

Terms of Reference as at March 2024

The Short Sharp review of the Impact of Heatwaves has been set up by the Overview & Scrutiny Board to carry out scrutiny of the Impact of Heatwaves.

1. The Task Group be made up of 6 Members with a quorum of 3. The Task Group will meet throughout the next three months at intervals to be decided by the Group.
2. The Task Group will be a standing item on the agenda of the Overview & Scrutiny Board and either a verbal or written report will be provided at each of the Board's meetings by the Chairman of the Task Group.
3. The Task Group is able to make recommendations to the Overview & Scrutiny Board who will then put forward its recommendations for consideration by Cabinet or directly to Cabinet/Council.
4. The Task Group is expected to complete the investigation, which is a short, sharp review within three months and provide its findings and recommendations to the Overview and Scrutiny Board in a written report at that time.

Aims and Objectives of the Task Group

The Short Sharp Review of the Impact of Heatwaves Task Group will cover the following areas:

1. Explore lessons learned by the Council and partner agencies from the heat events in Summer 2022.
2. Assess the level of co-ordination between agencies and their roles in emergency planning and response, including the Council's role in these responses.
3. Assess best practice guidance available in respect of this matter. This should include considering the governance guidance paper on hot weather and health from May 2023 and a report from the National Audit Office on Governmental Resilience in Extreme Weather from December 2023.

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4. Explore potential ways in which to increase education of and information to the public about actions they could take in response to heat events and services available.
5. Explore opportunities to expand community and business resilience. This could include investigating the potential roles of cool hubs and other ways to keep people cool, awareness campaigns, community action groups and resilience measures.

WITNESSES

The Task Group considered evidence from the following sources before making its recommendations:

Internal Witnesses:

Guy Revans

Judith Willis

External Witnesses:

Nick Moon - CEO of Applied Resilience,

Nathan Hazelhurst – Emergency Planning and Business Continuity Manager,
Public Health

Robin Church - Applied Resilience

Legal, Equalities and Democratic Services

Bromsgrove District Council, Parkside Offices, Market Street

Bromsgrove, Worcestershire B61 8DA

Email: scrutiny@bromsgrove.gov.uk

BROMSGROVE DISTRICT COUNCIL

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Financial Recovery Plan

Relevant Portfolio Holder		Councillor Steve Colella, Cabinet Member for Finance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Head of Finance & Customer Services email:debra.goodall@bromsgroveandredditch.gov.uk Contact Tel: 0152764252	
Wards Affected		N/A
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		All
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. **SUMMARY**

The purpose of this report is to set out the processes the Council has been following to rectify a deterioration in its financial position and processes due to the impact of the implementation of a new financial system in February 2021 during the C-19 pandemic period. This follows on from a report presented on the 14th September 2022 and also the discussions over the S24 Statutory Recommendations that took place in Audit, Standards & Governance Committee, Cabinet and Council in November and December 2022 and 2023.

2. **RECOMMENDATIONS**

Cabinet is asked to RESOLVE 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.

3. **KEY ISSUES**

Financial Position

- 3.1 The Council implemented a new financial system in February 2021. The existing financial system was at the end of its useful life and would not deliver process improvements required to move the Council forward. This implementation has not been

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smooth and has led to a deterioration of the Councils financial position. This has included:

- Non completion of the 2020/21, and 2021/22 Accounts.
- Non delivery of monitoring information during the 2021/22 financial year.
- Non delivery of Government financial returns.
- Incomplete take-up of the new system by both Finance and Service Users.
- Loss of key financial staff.

- 3.2 A finance recovery programme was put in place from April 2022 to start to rectify the situation. This was reported through to Cabinet in September 2022.
- 3.3 These issues build on comments from the External Auditors relating to 2019/20 accounts, which were only approved in the fall of 2021 and the subsequent issuing of the S24 Recommendation on the 31st October 2022 due to non-delivery of the 2020/21 Statement of Accounts. Comments on the 2019/20 accounts highlighted issues on working papers were highlighted as a significant issue.
- 3.4 The Interim 2021/22 and 2022/23 Auditors Annual Report was received and reviewed by the Audit, Standards and Governance Committee on the 27th November and Council on the 6th December. The report still contains the S24 Recommendation relating to the non-delivery of the 2020/21 Statement of Accounts but is now extended to the two subsequent years where are also now due. The Recommendation from Audit Standards and Governance Committee to Council is that::
- the Section 24 Statutory Recommendation be accepted, and that Council review the recommendation, endorse the actions included in the management responses which form the rectification process required as per legislation and,
 - Audit, Standards and Governance Committee members are updated on key deliverables, where deemed applicable by the Chair, the Cabinet Member for Finance and Enabling and the 151 Officer between Committee meetings and that appropriate governance arrangements are put in place to resolve the Councils position.
- 3.5 Reflecting the differences between the 2020/21 Interim report and the 2021/22 & 2022/23 Interim Report:
- The Section 24 Recommendation around the delivery of the 2020/21 accounts is still in place and has been extended to the subsequent accounting periods now outstanding.
 - Of the six Key Recommendations in the 2020/21 report, only one serious weakness remains in relation to opening balances linked to the budget which will be resolved with the delivery of the Accounts, the remainder of those significant weaknesses have been resolved or linked to Improvement Recommendations (of which there are 10 in the report).
 - There is one new Key Recommendation linked to Organisational Capability and Capacity. The Council is mitigating this in the main through the rollout of the Workforce Strategy.

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- Of the 13 2020/21 Improvement Recommendations, 9 have been fully or partially addressed and 4 are yet to be addressed. Again, ongoing improvements are linked to the 10 new Improvement Recommendations set out in the External Auditors report.
- 3.6 The External Auditors have noted the significant progress the Council has made in all areas apart from the delivery of the Accounts. As such the existing S24 Statutory Recommendation remains outstanding in relation to the 2020/21 Accounts and they have concluded that it is appropriate for them to use their powers to make written recommendations under section 24 of the Act, with the key reason being the non-delivery of the 2020/21 and subsequent Statutory Accounts.
- 3.7 The Council continue to move forward with the rectification processes and in particular:
- A Peer Challenge did take place in early March, which was a joint review with Redditch, and another report on this agenda sets out actions plans, including a “finance action plan”, to meet the Peer Challenge’s recommendations. The follow up Peer Review sessions are taking place in December.
 - The root and branch review on how the Council arrived at the Section 24 recommendations carried out by the Task Group of Audit, Standards and Governance Committee in February and the recommendations were approved..
 - That Audit, Standards and Governance Committee continues as a standing agenda item to review progress against the Audit recommendations, and national and local deadlines.

Rectification Process

- 3.8 The Reports presented to Council in December set out the Management Action Plans in place to rectify the issues set out in the S24 Recommendations and the draft 2020/21 External Audit Report. These are also set out in the Peer Review report Appendix G. This report now concentrated on movement since those formal responses.
- 3.9 Movement since the last finance recovery report in January 2024 has included:
- All Revenue Outturn and Capital Outturn Reports (apart from 2021/22) have been provided to the Department of Housing, Communities and Local Government (HCLG).
 - The 2020/21 Accounts have been submitted and have passed through public inspection. It is still not clear when these accounts will be Audited.
 - The Outturn Report for 2023/24 was provided to Cabinet in July.
 - Quarters 3 and 4 Finance and Performance Reports for 2023/24 have been presented to Cabinet.
 - The Quarter 1 2024/5 Finance and Performance Report is on the same Agenda as this report for reviewing by Cabinet.
 - Since Q2 2023/4, all financial monitoring has been undertaken on TechOne.
 - Monthly Accounts Payable Training continues.
 - Debra Goodall started as the Head of Finance and Customer Services on the 8th April.

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- We appointed 4 staff from the interviews in January – all have now started. We have interviewed for 5 further posts in the summer to bring the team almost up to establishment and reduce the reliance on Agency.
- The Financial Compliance Report, setting out movement in the financial recovery plan, has been reviewed by Audit, Standards and Governance Committee in July, September and November 2023. Audit Governance and Standards Committee continues to meet 6 times a year until all the issues have been rectified, where it will then return to its quarterly cycle

3.10 In terms of closure work, the following actions have taken place/been agreed with our External Auditors:

- Closure 2020/21
 - Following agreement of opening balance positions the 2020/21 Accounts were opened to Public Inspection following the May Audit, Standards and Governance Committee.
 - Sign Off of 20/21 Accounts – to be confirmed with the External Auditors.
- Closure 2021/22
 - Updated Outturn position – still to be provided following the full closure of these accounts.
 - Draft Accounts planned to be presented to the September Audit, Standards and Governance Committee (without any 2020/21 Audit Adjustments).
 - Audit of Accounts following Audit of 2020/21 Accounts.
 - Sign off of the Accounts – to be confirmed with External Auditors.
- Closure 2022/23
 - Draft Provisional Outturn Report – Cabinet Report delivered on in September 2023. This will be updated following the draft closure of the accounts.
 - Draft Accounts planned to be presented to the September Audit, Standards and Governance Committee (without any 2020/21, 2021/22 Audit Adjustments).
 - Audit of Accounts following Audit of 2020/21 and 2021/22 Accounts.
- Closure 2023/24
 - Draft provisional Outturn Report presented to Cabinet in July
 - RO/CO Return have been provided to Government.
 - Draft Accounts planned to be presented to the November Audit, Standards and Governance Committee (without any 2020/21, 2021/22, 2022/23 Audit Adjustments).
 - Audit of Accounts dependent on changes to legislation given that the Councils External Auditors now change to being Bishop Fleming.
- Value for Money Opinions for 2021/22 and 2022/23. External Auditors delivered their joint Value for Money Opinions in November 2023:
 - S24 Recommendation still in place and extended for 2021/2 and 2022/3 Accounts.
 - 5 of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.

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- 9 of 13 2020/21 Improvement Recommendations either fully or Partially Delivered
- One new Key Recommendation – linked to Workforce Strategy
- Ten updated Improvement Recommendations
- Value For Money Data 2023/24
 - This has been provided to Bishop Flemming in March 2024. Awaiting feedback on timings for reports from the new Government.

3.10 A recovery programme highlighted in the previous report around replacing staff, due to Market shortages is now not such a significant issue given the recent successful recruitment drives.

3.11 Following the General Election in July 2024, the New Minister of State for Housing, Communities and Local Government Jim McMahon OBE MP wrote to Councils on the 30th July. In this letter the minister notes that the significant and unacceptable backlog of unaudited accounts, which will likely rise again to around 1,000 later this year. This situation undermines trust and transparency in the way taxpayers’ money is being spent and auditors cannot focus on up-to-date accounts, where assurance is most valuable.

3.12 To tackle the backlog, The Minister intends to lay secondary legislation when parliamentary time allows to provide for an initial backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates: 2015/16 through to 2019/20 must be signed off by the 30th December 2024.

Financial Year	Backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

3.13 Subject to parliamentary approval, for financial years 2024/25 to 2027/28, the date by which local bodies should publish ‘draft’ (unaudited) accounts will change from 31 May to 30 June following the financial year to which they relate. This will give those preparing accounts more time to ensure they are high-quality accounts. A new suite of guidance is planned by the NAO and Financial Reporting Council (FRC) on these measures, and we continue to work with other organisations to consider what guidance would be most constructive and helpful for local bodies.

3.14 The Minister expects that there will be full assurance, with “clean” opinions for many bodies by the first backstop date of 13 December 2024. However, due to the time constraints, auditors are likely to issue ‘disclaimed’ audit opinions (no assurance) on many accounts – early indications are that this could be several hundred in this first phase which may, in the short term, cause additional concern. I recognise that aspects of

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these proposals are uncomfortable. Without this action by the Government, audits would continue to be delayed and the system will move even further away from timely assurance.

3.15 We are on the 23a version on TechOne and expect to upgrade to 24b in the Autumn.

This upgrade has given access to more functionality. However, Redditch and Bromsgrove are still the only Council's on Cash Receipting, when the weekly updates come in they have to do additional checks to ensure the functionality is working as expected.

3.16 Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. This is also set out in calendar format within Appendix A with completed returns shown in green and outstanding or not yet due returns in red. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group:

Form	Code	Description	Proposed Dispatch	Deadline	Proposed Publication	Position
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2023-24	15-Dec-23	19-Jan-24	15-Feb-24	Delivered 26/1/24
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2024-25	15-Dec-23	31-Jan-24	21-Feb-24	Delivered 9/2/24 (Civica issue)
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2023-24	15-Dec-23	12-Jan-24	14-Feb-24	Delivered 15/2/24 (Civica issue)
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2023-24	15-Dec-23	08-Jan-24	15-Feb-24	Delivered 17/1/24
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2023-24 data and forecast end year local authority revenue expenditure update.	15-Dec-23	26-Jan-24	07-Mar-24	Delivered 19/2/24
Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2024-25 and Council tax levels for 2024-25 set by parishes.	02/02/2024 (tbc)	11-Mar-24	21-Mar-24	Delivered 26/2/24
of which: Parish council tax	-	-	-	11-Mar-24	08-May-24	Delivered 26/2/24
Revenue Account Budget	RA	Local authority revenue expenditure and	16-Feb-24	05-Apr-24	20-Jun-24	Draft completed.

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		financing for 2024-25 Budget				8/4/24
Capital Estimates Return	CER	Capital forecast for 2024-25	23-Feb-24	22-Mar-24	13-Jun-24	Delivered 22/3/24
Non-Domestic Rates Outturn-unaudited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- provisional data	28-Mar-24	30-Apr-24	10-Jul-24	Draft delivered to Pool 14/4
Non-Domestic Rates Outturn-audited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- final data	n/a	30-Sep-24	15-Nov-24	
Quarterly Borrowing & Lending - Q4	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2023-24	22-Mar-24	05-Apr-24	13-Jun-24	Delivered 5/4/24
Capital payments & receipts Q4 and provisional outturn	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2023-24. Expanded collection, used as provisional outturn.	22-Mar-24	19-Apr-24	13-Jun-24	Delivered 29/4/24
Council Tax & NDR Collection - Q4	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2023-24 and Q4 2023-24	12-Apr-24	03-May-24	19-Jun-24	Needed
Capital Outturn Return	COR	Final capital outturn figures for 2023-24	26-Apr-24	26-Jul-24	10-Oct-24	Delivered 29/7/24
Revenue Outturn suite - provisional	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (provisional)	26-Apr-24	28-Jun-24	29-Aug-24	Delivered 15/8/24
Revenue Outturn suite - certified	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (final)	n/a	11-Oct-24	12-Dec-24	
Exit payments	-	Local authority exit payments 2023-24	03-May-24	07-Jun-24	18-Jul-24	Delivered 05/06/2024
Quarterly Borrowing & Lending - Q1	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2024-25	24-Jun-24	05-Jul-24	08-Aug-24	Delivered 05/07/24
Quarterly Revenue Update - Q1	QRU1	Q1 2024-25 data and forecast end year local authority revenue expenditure update	28-Jun-24	02-Aug-24	12-Sep-24	Delivered 02/08/24

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Capital Payments & Receipts - Q1	CPR1	Cumulative capital expenditure and receipts for Q1 2024-25	21-Jun-24	19-Jul-24	08-Aug-24	Delivered 19/7/24
Council Tax & NDR Collection - Q1	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2024-25	21-Jun-24	12-Jul-24	14-Aug-24	Delivered 01/07/24
Local Government Pension Funds	SF3	Collect information on income and expenditure on local government pension schemes for 2023-24	05-Jul-24	13-Sep-24	23-Oct-24	
Council Tax Base/ Supplementary	CTB	Information about the 2024 council tax base for each billing authority.	20-Sep-24	11-Oct-24	06-Nov-24	
Quarterly Borrowing & Lending - Q2	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2024-25	23-Sep-24	04-Oct-24	14-Nov-24	
Quarterly Revenue Update - Q2	QRU2	Quarter 1 & 2 2024-25 data and forecast end year local authority revenue expenditure update	20-Sep-24	25-Oct-24	05-Dec-24	
Capital Payments & Receipts - Q2	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2024-25	20-Sep-24	20-Oct-24	14-Nov-24	
Council Tax & NDR Collection - Q2	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2024-25	20-Sep-24	04-Oct-24	20-Nov-24	
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2024-25	13-Dec-24	17-Jan-25	13-Feb-25	
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2025-26	13-Dec-24	31-Jan-25	19-Feb-25	
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2024-25 data and forecast end year local authority revenue expenditure update.	13-Dec-24	24-Jan-25	06-Mar-25	
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2024-25	13-Dec-24	06-Jan-25	13-Feb-25	
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2024-25	13-Dec-24	10-Jan-25	12-Feb-25	

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Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2025-26. Council tax levels for 2025-26 set by parishes	Early Feb 2025	12-Mar-25	20-Mar-25	
of which: Parish council tax	-	-	Early Feb 2025	12-Mar-25	07-May-25	
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2025-26 Budget	14-Feb-25	04-Apr-25	19-Jun-25	
Capital Estimates Return	CER	Capital forecast for 2025-26	21-Feb-25	21-Mar-25	12-Jun-25	
Monthly Borrowing & Lending	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	5 working days before 1st working day of the month	Day 5 of each month	for quarter months only, see QB1, QB2, QB3, QB4 dates	Delivered to date
Local Government Finance Statistics	LGFS33	Annual compilation of finance data collected from local authorities covering out-turn data for 2022-23	N/A	N/A	Spring 2024	

In wider sets of deliverables (outside the 2024/5 DLUHC Listing) we have the following returns that have been delivered:

- **Budget**
 - Delivered by 11th March in preceding financial year – **2024/5 Budget and MTFP delivered Feb 2024**
 - Council Tax Base – Yearly – **2024/25 delivered on January 2024**
 - Council Tax Resolution – **Yearly 2024/5 delivered on February 2024**
 - Council Tax Billing – Yearly – **Bills distributed in March 2024**
- **Policies**
 - Treasury and Asset Management Strategies
 - **2024/5 Strategy Approved Feb 2024**
 - Half Yearly Report **delivered in Q3 Monitoring Report March 24**
 - Draft Outturn Report **delivered in September 23**
 - Council Tax Support Scheme – **24/5 Approved January 2024.**
 - Minimum Revenue Provision – yearly – **Approved as part of the 2024/5 MTFP.**
 - Financial Monitoring – **delivered quarterly to Cabinet – Q1 in October, Q2 in November 2023. Q3 In March 2024, Q4 in July.**
 - Risk Management – **Delivered quarterly to Audit Committee**
 - Savings Report – **Delivered quarterly to Audit Committee**
 - Financial Controls (still in development)
 - Clearance of suspense accounts – See the chart at the end of this Report for progress.

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- Bank Reconciliation - *linked to above point although a separate stream assessing/clearing 2023/4 and prior year items.*
- Over £500 spending.
 - *Updated to February 2024.*

3.17 The key returns that have still not been delivered are the Revenue Outturn forms for 2021/22 and the VAT returns. Linked to these are the Whole of Government Returns

3.18 There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Reports 2020/21 through to 2022/23. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

3.19 Training:

- Closure Training took place in March with 83 attending.
- Mandatory Budget Manager Training (including the use of TechOne) took place in September 2023 – upskilling budget managers with the tools to input their forecasts directly onto TechOne.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.

3.20 Treasury Management

- The Half Yearly 2023/4 Treasury Management Report was presented to Executive on the 18th March.
- The 2024/5 Strategies were approved by Council in February.

3.21 Audit VFM Report Requirements

- More Budget Consultation.
- Wider savings monitoring will be undertaken by this Committee quarterly.
- Capital and its deliverability will be reviewed as part of the Budget Tranche 2.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service will be externally assessed in early 2024.
- The Council will seek an independent Audit Committee member and ensure the Committee remains apolitical in nature.
- The whistleblowing policy will be updated before the end of the financial year.
- Procurement and contract rules will be updated by the end of the financial year (to reflect changes to legislation happening in April 2024).
- Performance Indicators will be reviewed and updated following Strategic Priority setting sessions.

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The Council is still to run sessions to assess its “risk appetite”.

3.22 Errors:

- Non delivery of GPC Card Data (monthly basis) – still to be started.
- Miscoding on TechOne per month – by Service Area – work is ongoing to clear the mis-codings on a monthly basis in conjunction with work going on to reconcile previous years.

3.23 Process Updates

- Finance time to respond to queries:
 - Finance – to be measured.
 - Payments and Insurance – to be measured.
 - Income – to be measured.
- Procurement
 - The new ‘No Compliance No Order’ process has been live since April 2023.
 - The number of contracts in place is growing regularly. We hope that eventually we get to the place where the number of orders coming to procurement for approval as contracts are not in place are minimal.
 - Council in July approved an increase of the Key Decision Level from £50k to £200k. Finance and Performance Monitoring Reports now set out:
 - All contracts requiring renewal over the next year that are over the present £200k threshold and these are placed on the forward plan.
 - All contracts requiring renewal over the next year that are between £50k and £200k for reference.
 - All contracts that are being procured by Bromsgrove over this period that relate to Redditch Services.

3.20

Work is ongoing on the clearance of the Cash Receipting suspense accounts. The Council now has processes in place for the different types of error that have taken place since the implementation of the TechOne system. Corrections will be actioned by journal although conversations are taking place with TechOne to ensure as much as possible can be automated. As reported earlier in this report, this will ensure the delivery of accounts from 2021/2 to 2023/4 to the timescales set out. One of the processes is the clearance of Treasury transactions which by their nature are a manual process but of significant size.

4. **Legal Implications**

4.1 No Legal implications have been identified.

5. **Strategic Purpose Implications**

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Relevant Strategic Purpose

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

Climate Change Implications

- 5.2 The green thread runs through the Council plan. Every report has potential financial implications and these in term can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. **Other Implications**

Customer / Equalities and Diversity Implications

- 6.1 None as a direct result of this report.

Operational Implications

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

7. **RISK MANAGEMENT**

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

8. **APPENDENCES**

Appendix A – Calendar of financial returns

AUTHOR OF REPORT

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APPENDIX A

SEPTEMBER 2024						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13 Local Government Pension Funds (SF3)	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30 Non-Domestic Rates Outturn - Audited	1	2	3	4	5	6

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APPENDIX A

OCTOBER 2024						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
30	1	2	3	4 Quarterly Borrowing & Lending Q2 (QB2) Council Tax and NDR Collection Q2	5	6
7	8	9	10	11 Revenue Outturn Suite – provisional (RO) Council Tax Base Supplementary	12	13
14	15	16	17	18	19	20 Capital Payments and Receipts Q2 (CPR2)
21	22	23	24	25 Quarterly Revenue Update Q2 (QRU2)	26	27
28	29	30	31	1	2	3

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APPENDIX A

NOVEMBER 2024						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

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APPENDIX A

DECEMBER 2024						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

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APPENDIX A

JANUARY 2025						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
30	31	1	2	3	4	5
6 Quarterly Borrowing and Lending Q3 (QB3)	7	8	9	10 Council Tax and NDR Collection – Q3 (QRC3)	11	12
13	14	15	16	17 Capital Payments and Receipts Q2 (CPR3)	18	19
20	21	22	23	24 Quarterly Revenue Update – Q3 and 4 (QRU3)	25	26
27	28	29	30	31 Non-Domestic Rates Forecast (NDR1)	1	2

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APPENDIX A

FEBRUARY 2025						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2

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MARCH 2025						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
24	25	26	27	28	1	2
3	4	5	6	7	8	9
10	11	12 Council Tax Requirement / Parish Council Tax (CTR1/2/3/4)	13	14	15	16
17	18	19	20	21 Capital Estimates Return (CER)	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

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APPENDIX A

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Initial Budget Setting

Relevant Portfolio Holder		Councillor Steve Colella, Cabinet Member for Finance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Head of Finance & Customer Services email:debra.goodall@bromsgroveandredditch.gov.uk Contact Tel: 0152764252	
Wards Affected		N/A
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		All
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. **SUMMARY**

The purpose of this report is to set out the processes the Council will follow for the 2025/26 to 2027/29 Medium Term Financial Plan process

2. **RECOMMENDATIONS**

Cabinet are asked to Resolve that:

- The 2 Phase Budget Process is again followed for the 2025/26 to 2027/28 Medium Term Financial Plan:

3. **KEY ISSUES**

Financial Position

3.1 The next Budget to be set will be the 2025/6 to 2027/8 Medium Terms Financial Process (MTFP). The Council, as with previous years will follow a 2 Phase process.

This initial Report will set out, in revenue terms

- 1) The National Impacts of the Chancellors Statement on the 29th July.
- 2) The 2 Phase timetable for both Councils.
- 3) The approved Starting Points for 2025-26 Budget.
- 4) Present risks and issues that will need to be addressed in the budget.

National Impacts of the Chancellors Statement on the 29th July

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- 3.2 The new Chancellor's Initial Statement was made on the 29th July. This set out that:
- the results of an audit of public spending undertaken by HM Treasury, immediate action to find savings in response, and long-term reforms to restore public spending control and improve public services
 - the date of the next Budget as Wednesday 30 October 2024 and formally commissioned an OBR forecast for this date
 - the launch of the next Spending Review which will settle 25-26 budgets alongside the Budget and conclude the multi-year Spending Review in spring 2025
 - acceptance of the recommendations of the independent Pay Review Bodies for public sector workers' pay
 - the publication of next steps and draft legislation on priority tax commitments ahead of full announcement and costing at the Budget
- 3.3 Of direct impact to the Local Government Sector will be:
- acceptance of the recommendations of the independent Pay Review Bodies for public sector workers' pay.
 - VAT on Private School Fees & Removing the Charitable Rates Relief for Private Schools.
 - Changes to Planning Numbers and planning legislation.
- 3.5 Labour has pledged not to put up income tax or National Insurance rates, but confirmed that they will have to increase some taxes in the Budget.
- 3.6 Here are the changes announced so far and the potential tax changes that could be confirmed in the Autumn Budget later this year.

Winter Fuel Payment to be means-tested

- 3.7 The universal [Winter Fuel Payment](#) is worth up to £300 and currently paid to anyone receiving the state pension to help with heating bills. The Chancellor has said the support will be limited to those who receive [pension credit](#) or other means-tested benefits this winter.

Adult social care cap shelved

- 3.8 A plan by the previous Conservative government to cap how much people have to pay for adult social care from October 2025 will be shelved.

Public sector pay rises

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3.9 Public sector workers are set to receive the following increases to their pay:

- NHS workers and teachers: 5.5%
- Armed forces personnel: 6%
- Prison service workers: 5%
- Police: 4.75%

Presently there is not a figure for local Government.

3.10 Other potential areas that the Chancellor could look to make announcements about later this year include:

Capital gains tax hike

3.11 CGT is charged on the profits you make from selling an asset, such as a second property or valuable possession. The Government is considering increasing CGT rates to match those of income tax. The highest CGT rate is 28%, compared to the top income tax rate of 45%.

Closing inheritance tax loopholes

3.12 IHT is a 40% tax charged on anything over £325,000 in your estate. However, the most recent HMRC statistics show less than 4% of estates actually paid it in 2020–21. The Government may therefore be tempted to make changes to IHT, with the Resolution Foundation suggesting she could decide to end some of the [generous reliefs](#) which mean people can legitimately reduce the bill for family members and friends.

Pension tax relief

3.13 A two-stage pensions review has already been launched by the Chancellor and she could announce changes to the rules on pension tax relief too. Currently, savers that contribute to their pension pot get tax relief on any money put in. It's effectively a refund and is linked to the rate at which you pay income tax. So basic-rate taxpayers get 20% back, while higher and additional-rate taxpayers are entitled to 40% and 45% respectively.

Council tax reform

3.14 Another area rumoured to be in line for a shake-up is council tax. There is speculation that the government will overhaul the [current 'band' system](#) and replace it with a flat 0.5% tax based on the value of a home.

3.15 If that were to happen, it would mean some houses might see council tax bills fall, while others would rise. For example, current Nationwide Price Index data shows residents in London, where the average home costs £525,248, could theoretically end up paying

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much more (£2,626) than someone living in the same type of property in the North of England, where an average £158,467 home could mean a £792 annual council tax bill.

Crackdown on spiralling insurance costs

- 3.16 The government pledged to tackle the problem of soaring car insurance premiums in its election manifesto and more details could be included in the Autumn Budget.

Fuel duty rise

- 3.17 The Government could raise the rate of fuel duty – a tax charged per unit of fuel purchased which is included in the price paid for petrol, diesel and other fuels used in vehicles or for heating. The rate has been frozen since 2011 and was cut temporarily by 5p in 2022. That reduction was extended in the Spring Budget 2024.

Proposed 2 Phase Budget Timetable

- 3.18 The following is the proposed budget timetable for 2025/6:

7th August – Initial Budget Setting Report to CMT

28th August – Initial Budget Setting Report approved by CWG

11th September – Initial Budget Setting Report approved at Cabinet

29th October – Chancellors Announcement

30th October – Phase 1 Budget and Fees and Charges to CMT

6th November - Phase 1 Budget and Fees & Charges approved at CWG

20th November – Phase 1 Budget and Fees & Charges approved for Consultation by Cabinet

11th December – Phase 1 Budget and Fees & Charges Consultation Responses/Updates at CWG

18th December – Estimated Provisional Local Government Settlement Date

7th January - Phase 1 Budget and Fees & Charges approved by Cabinet

8th January – Phase 2 Budget approved by CMT

15th January – Phase 2 Budget approved by CWG

22nd January – Phase 1 Budget and Fees & Charges Approved by Council

12th February – Phase 2 Budget approved by Cabinet

19th February – Phase 2 budget and Council Tax Resolution approved by Council

Approved Starting Point for 2025/6 Budget

- 3.19 The Bromsgrove position is on the following page, the base assumptions are:

- 1) Pay Award from 25/6 is 2%.
- 2) Fees and Charges increase by 2%.

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- 3) Council Tax – Figures assume the full 1.99% allowable increase over all years of the 3-year MTFP.. For prudence, it is assumed that increases of 150, 200 and 150 over the three-year period.
- 4) Business Rates Increases – business rates assume no growth in the base.
- 5) New Homes Bonus/Government Grants – It is assumed that levels would be the same as previous year.

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

Present Risks and issues that will need to be addressed in the budget

3.20 The following are risks that will need to be considered in the formulation of this year's budget:

- The actual 24/5 pay award and if it is funded?

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- Can Fees and Charges move up by more than 2%?
- Is 2% right for pay inflation?
- What is the right assumption for changes in pension costs from 2026/7 as at the moment this has contributed £1m?
- How will increases in planning numbers increase Council Tax numbers in the MTFP time period?
- Are 24/5 savings being delivered?

4. Legal Implications

4.1 No Legal implications have been identified.

5. Strategic Purpose Implications

Relevant Strategic Purpose

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

Climate Change Implications

5.2 The green thread runs through the Council plan. Every report has potential financial implications and these in term can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications

Customer / Equalities and Diversity Implications

6.1 None as a direct result of this report.

Operational Implications

6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends are resolved in the following years budget.

7. RISK MANAGEMENT

7.1 The financial monitoring is included in the corporate risk register for the authority

8. APPENDENCES

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None

AUTHOR OF REPORT

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Q1 Financial Outturn Report 2024/25

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 Business Improvement Manager H.Mole@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. **RECOMMENDATIONS**

The Cabinet is asked to **RESOLVE** that:

- 1) The current Revenue overspend position of £103k and actions the Council are taking to mitigate this position is noted.
- 2) The current Capital spending of £1.92m against a budget of £7.07m is noted.
- 3) That the balance sheet monitoring position is noted, including the Treasury position.
- 4) There is an updated procurements position set out in the appendix, with any new items over £200k to be included on the forward plan.
- 5) The Q1 Performance data for the Period April to June 2024 be noted.
- 6) That the proposed process for the approval of the new “National Forest” bid be noted.

2. **BACKGROUND**

2.1 The purpose of this report is to set out the Council’s draft Revenue and Capital Outturn position for the first quarter of the financial year April 2024 – June 2024 and associated performance data. This report presents:

- The Council’s forecast outturn revenue monitoring position for 2024/25 based on data to the end of Quarter 1.
- The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee.

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- The updated procurement pipeline of Council projects to be delivered over the next 12 months in order to properly plan for the delivery of these projects.
- The organisations performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the council is delivering its services to customers.

3. DETAILED PERFORMANCE

Financial Performance

- 3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 1, the projected revenue outturn position for the 2024/25 financial year and explains key variances against budget.
- 3.2 The £12.5m full year revenue budget included in the table below is the budget that was approved by Council in April 2024.

Service Description	2024-25 Approved Budget	2024-25 Approved Q1 Budget	Q1 Adjusted Spend	Q1 Budget Variance	Full Year Forecast	Full Year Budget Variance
Business Transformation and Organisational Development	1,792,618	437,654	343,594	-94,060	1,764,057	-28,562
Community and Housing GF Services	1,159,987	289,997	-362,771	-652,768	984,081	-175,906
Corporate Services	994,465	248,616	288,260	39,643	1,009,778	15,313
Environmental Services	3,798,721	949,680	3,012,375	2,062,695	4,335,978	537,257
Financial and Customer Services	1,441,300	360,325	-1,145,170	-1,505,495	1,840,240	398,941
Legal, Democratic and Property Services	1,563,913	390,978	532,843	141,865	1,501,999	-61,913
Planning, Regeneration and Leisure Services	1,365,472	341,368	962,131	620,763	1,529,625	164,153
Regulatory Client	397,337	99,334	136,997	37,663	585,527	188,190
Starting Well	0	0	156,618	156,618	20,138	20,138
Grand Total	12,513,813	3,117,953	3,924,879	806,926	13,571,425	1,057,612
Corporate Financing	-	-	-	-	-	-
	12,513,813	3,117,953	-4,262,479	-1,096,526	13,468,689	-954,876
Grand Total	12,513,813	3,117,953	-4,262,479	-1,096,526	13,468,689	-954,876
TOTALS	0	0	-337,601	-289,600	102,736	102,736

Budget Variances

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- 3.3 The draft position is set out in the above table. As this is expenditure at Q1 it is important to note that, at this stage in the financial year there are a number of instances where annual expenditure or accruals may distort the profiling as reflected in the Q1 actual. The above profiles have assumed support services and grant are adjusted to budgetary levels and accruals are netted out of the figures.
- 3.4 In addition to this, it is also important to note that the Council is yet to close its accounts for the 2020/21, 2021/22 and 2022/23 financial years. This could therefore result in adjustments to the actual expenditure/income and forecast outturn positions as reported in the table above. Further updates will be provided to Members throughout the financial year (this work is being led by the Audit Standards and Governance Committee).
- 3.5 Overall, the Council is currently forecasting a full year revenue overspend of £103k at Quarter 1. This is mainly due to the additional fleet costs described below and also the pay award yet to be ratified. This position will continue to be reviewed particularly given the impact of the increasing costs linked to inflation and further updates will be provided to Councillors throughout 2024/25. This includes service projections as follows:

Business Transformation £29k underspend – due to vacant posts

Community and Housing GF Services £178k underspend – due to vacant posts and increased income.

Corporate Services £15k overspend – additional fees and charges income

Environmental Services £537k overspend – forecasted additional expenditure on salaries, fuel and vehicle hire The overspend, particularly on vehicle hire, has been mitigated by ordering a number of new vehicles, however the lead times are long.

Financial and Customer Services £399k overspend – increased forecast expenditure on agency fees due to vacancies

Legal, Democratic and Property Services £62k underspend – increased property rental income with lower maintenance fees

Planning, Regeneration and Leisure Services £164k overspend – salary savings offset by reduced fees & charges income, professional fees and agency staff

Regulatory Client £188k overspend – additional spending due to transfer of Envirocrime and Planning Enforcement from NWEDR

Starting Well £20k overspend – additional salaries

- 3.6 The above overspends (£1.058m) are offset by additional income (£955k) in Corporate Financing from additional grant income together with increased investment interest receivable and lower interest payable.

3.7 Cash Management

Borrowing

- As of the 30th June 2024, there was £6.5m short-term borrowings. The Council has no long-term borrowings.

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Investments

- On 30th June 2024 there were no short-term investments held.

Capital Monitoring

- 3.8 A capital programme of £7.1m was approved in the Budget for 2024/25 in April 2024. 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 A** 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 2024/25 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 2023/24 MTFS Report) to be carried forward into 2024/25. The table also splits amounts by funding source, Council or third party.

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

- 3.10 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2024/25:
- 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.
 - With Market Hall, the Council are in the process of value engineering the overall costs down in liaison with the approved contractor Kiers. It is expected that a report will also go to Cabinet in September that approves the final budget for the works. In the meantime, as this process is being run archaeological surveys are being undertaken at the site. The Council do have a 6-month extension until the 30th September 2025 to “spend” government funding on this project. After this point it will become the Council’s responsibility for the payment.
 - The Windsor Street demolition tender has been awarded to City Demolition and they are now on site starting the demolition process.

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- Public Realm work is under way and expected to be completed before the end of the calendar year.

It is expected when we have the final report, that there will be an overspend position on the overall projects of circa £1m. To mitigate this position the Council are in liaison with the former GBSLEP. The Council can claim up to £2.45m although this will require the final costs as a complete application process needs to be followed.

- UK Shared Prosperity Schemes totalling £2.8m (although it should be noted that these grants funded schemes are a mix of capital and revenue) need to be completely spend by the end of the 2024/5 financial year.

- 3.11 The outturn spend is £1.915m against a capital budget totalling £7.069m and is detailed in Appendix A. It should be noted that as per the budget decision carry forwards of £7.166m will be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24.

Earmarked Reserves

- 3.12 The position as reported to Council in April 2024 as per the 2024/25 – 2026/27 Medium Term Financial Plan (MTFP) is shown in **Appendix B**. 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 30th June 2024 the Council holds £6.379m of Earmarked Reserves.

Additional Requirements

- 3.13 A report was due to come to Cabinet this month to ask for approval for the Council to be the Lead Authority on an application, in liaison with the National Trust, to be awarded a new National Forest. This was originally centred on the “8 Hills” region to the North of the Borough but now is wider including wider parts of the district, parts of South Birmingham and Sandwell. If successful, the winning bid will be awarded £9m to undertake this process. The deadline for applications, of which there are 4 nationally, was the 15th September but this has now moved to the 27th October. Given updated Governance requirements will not be available to bidders until early September, and the fact the next Cabinet Meeting is not until November there is the likelihood that this decision will need to be undertaken by the Emergency Decision process in mid-October.

Balance Sheet Monitoring Position

- 3.14 There has been the request from Audit Committee that the Council include Balance Sheet Monitoring as part of this report.

Part of this balance sheet reporting is the Q1 Treasury Report which is attached as **Appendix C**. This report sets out the Council's debt and borrowing position for Q1 2024/5. Included in this is how the Council is using its working capital as well as measurement of the Council's Prudential Indicators. It should be noted that one indicator is not compliant. This was a short-term loan between Redditch and Bromsgrove undertaken at year end which was repaid at the start of quarter 2 2024/5

Future reports will look to include further information on aged debt, outstanding creditors and cashflow.

Procurement Pipeline

- 3.14 The Procurement pipeline is shown in **Appendix D**. The Council's Procurement Pipeline includes details of contracts expected to be reprocured and new procurement projects expected to be undertaken in the future. Those happening in the next 12 months will need to be within the next 12 Months and over £200k will need to be put on the forward Plan. The pipeline will be refreshed quarterly.
- There are 14 contracts between the old threshold of £50k and the new threshold of £200k.
 - There are 9 contracts that are over the key decision threshold of £200k
 - There are 9 contracts procured by Bromsgrove on behalf of Redditch.

Performance

- 3.15 The first section of this report shows the organisations performance against the strategic priorities outlined in the Council Plan Addendum. Additional comments and updates have been provided for the success measures to explain progress/activity. The final section of the report includes some operational measures to demonstrate how the council is delivering its services to customers. This is Quarter 1 of a new financial year, and as this year moves forward these indicators will link to business plans and the requirements of the new Council Plan which was approved at Cabinet and Council in July.
- 3.16 The process of performance reporting will develop iteratively; however, this document is a snapshot in time and very much a temperature check of the organisation, the layout comprises:
- Strategic Priorities – success measures
 - Operational Measures – by service area
 - Financial Data (separate report on this occasion)
 - Corporate Projects (by exception)
- These measures are the same as what was reported in the 2023/4 financial year and are shown in **Appendix E**.
- 3.17 New performance indicators required by the Council Plan approved in July are set out in **Appendix F**. These will be incorporated into the next Performance Report.

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.

8. APPENDENCES

Appendix A – Capital Outturn

Appendix B – Reserves Position

Appendix C – Treasury Management Position

Appendix D – Procurement Pipeline

Appendix E – Performance Indicators

Appendix F – Performance Indicators linked to the New Corporate Plan.

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AUTHOR OF REPORT

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Appendix A - Capital Outturn

Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	24/25 Spend £
Large Schemes								
Levelling Up Fund Fund								
- Government Funded		14,492,401		Planning, Regeneration & Leisure Services	428,395	7,134,965		
Market Hall (LUF)	22/23			Planning, Regeneration & Leisure				1,289,751
Ef - Fire Station	22/23			Planning, Regeneration & Leisure				
- Council Funded		1,610,266			15,592	789,541		
UK Shared Prosperity Fund		2,825,702						
- Remainder (to be allocated)				Planning, Regeneration & Leisure Services	73,987	607,001	1,784,215	104,741
Schemes Agreed to Continue								
Burcot Lane	2019/20	10,275,000		Financial & Customer Services	927,642	-927,642	0	42,255
Funding for DFGs	2020/21	750,000		Community & Housing GF Services	842,776	70,224	913,000	185,332
Home Repairs Assistance	2018/19	50,000		Community & Housing GF Services	-19,690	69,690	50,000	
Energy Efficiency Installation	2018/19	110,000	2	Community & Housing GF Services	0	0	110,000	
New Finance Enterprise system	2019/20	455,000		Financial & Customer Services	0	0	20,000	
Fleet Replacemnet new line	New				865,561	-424,561		22,707
							3,090,000	
Replacement Parking machines and Upkeep of Sites	2020/21	120,000		Environmental Services	212,270	-116,270	125,000	10,348
Wheelee Bin Purchase	2018/19	ongoing		Environmental Services	188,195	-133,195	60,000	61,190

Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	24/25 Spend £
Footpaths		ongoing		Environmental Services	75,408	-408	75,000	75,482
Buildings		ongoing		Legal and Property		100,000	100,000	21,860
Greener Homes	2020/21	180,000	1	Community & Housing GF Services	197,505	-197,505	0	6,125
New Digital Service	2020/21	57,400	1	Community & Housing GF Services	0	33,668	0	19,053
Bus Shelters	2020/21	18,000		Environmental Services	0	0	18,000	19,180
Cisco Network Update	22/23		3	Business transformation & Organisational Development	0	11,574	0	
Server Replacement Est(Exact known Q2 2022)	22/23		4	Business transformation & Organisational Development	93,201	-91,201	177,500	
Laptop Refresh	22/23		4	Business transformation & Organisational Development	11,542	13,458	150,000	18,352
Install Solar panel and Upgrade lighting	22/23	150,000	1	Legal, Democratic and property services	24,707	-24,707	0	
Sanders Park	22/23			Planning, Regeneration & Leisure Services	33,027	-33,027	0	8,550
Fleet Replacement Costs					0	9,400	0	
Wheely Bin Increases					0	85,000	0	
Wild Flower Machinery					0	62,000	0	
Initial Play Audit Requirements					0	87,000	364,000	
Movement of ICT Cyber Capital Works Forward					0	50,000	-50,000	
New ongoing Cyber security budget						0	25,000	

Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	24/25 Spend £
Play Area, POS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	22/23	37,956	1	Planning, Regeneration & Leisure Services	8,842	-8,842	37,956	30,000
Total		32,730,005			3,978,960	7,166,163	7,069,671	1,914,925

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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	(917)	4,983	744	(234)	5,493		(8)	5,485		(7)	5,478
General Fund Earmarked Reserves:													
Building Control Partnerships	82			82			82			82			82
Community Services	271		(125)	146		(125)	21			21			21
Economic Regeneration	398	50		448			448			448			448
Election Services	51			51			51			51			51
Environmental Services	49			49			49			49			49
Financial Services	3,195	638		3,833			3,833			3,833			3,833
Housing Schemes	346			346			346			346			346
ICT/Systems	197			197			197			197			197
Leisure/Community Safety	330			330			330			330			330
Local Neighbourhood Partnerships	16			16			16			16			16
Other	0			0			0			0			0
Planning & Regeneration	133			133			133			133			133
Regulatory Services (Partner Share)	46			46			46			46			46
Utilities Reserve	1,053		(351)	702		(702)	0			0			0
Regeneration Reserve					150		150			150			150
Ward Budget Initiative						156	156		(78)	78		(78)	0
Covid-19 (Collection Fund)	1,547		(1,547)	0			0			0			0
Total General Fund	7,714	688	(2,023)	6,379	150	(671)	5,858	0	(78)	5,780	0	(78)	5,702

Appendix C - Treasury Management Position

SUMMARY

The purpose of this report is to set out a quarterly update on the Council's Capital and Treasury Management Strategies, including all prudential indicators.

2. RECOMMENDATIONS

Cabinet are asked to:

- **Note the Council's Treasury performance for Q1 of the financial year 24/25.**
- **Note 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 quarterly report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly revenue report.

External Context

3.3 **Economic background:** UK headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March to 2.0% in May, in line with the Bank of England's target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with stubbornly services price inflation at 5.7% in May, helped contribute to the BoE maintaining Bank Rate at 5.25% during the period, a level unchanged since August 2023.

3.4 Data released during the period showed that showed the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% (upwardly revised from the initial estimate of 0.6%) in the first quarter of the calendar year. Monthly GDP data showed zero growth in April following an expansion of 0.4% in the previous month.

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- 3.5 Labour market data continued to provide mixed messages for policymakers, exacerbated by issues the Office for National Statistics is having compiling the labour force survey. In the three months between February and April 2024, unemployment was up, employment fell, while the decline in vacancies slowed and wage growth remained elevated. Unemployment rose to 4.4% (3mth/year) while average regular earnings (excluding bonuses) was 6.0% and total earnings (including bonuses) was 5.9%. Adjusting for inflation, real regular pay rose by 2.3% and total pay by 2.2%. Given how keenly the 'second-round' impact of inflation on wages is watched by the BoE, policymakers will likely want to see more downward movement before cutting interest rates.
- 3.6 Having started the financial year at 5.25%, the Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at this level throughout the quarter. In line with expectations, at its June meeting, the Committee voted by a majority of 7-2 in favour of maintaining the status quo. The two dissenters preferred an immediate 0.25% reduction in Bank Rate to 5.0%. This continued dovish tilt by the Committee increased financial market expectations that the first cut in Bank Rate will likely be in August.
- 3.7 Earlier in May, in addition to an identical MPC rate decision and voting pattern, the Bank published the latest version of its Monetary Policy Report (MPR). Within the Report, the Committee noted that it expected four-quarter GDP growth to increase over the forecast period, reflecting the declining negative effects of past Bank Rate increases and the predicted downward path of interest rates which should provide support to economic activity. The trajectory of inflation was broadly similar to that in the previous MPR, albeit slightly lower towards the end of the forecast horizon due to the Committee's revised assessment of falling external inflationary pressures from past import price increases. This meant the Committee expected headline inflation to hit the 2% target two quarters sooner than in the February MPR. As was highlighted earlier, inflation data published in June showed that CPI inflation fell to the 2% target in May.
- 3.8 Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will most likely be cut later in Q2 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and wage growth are still on the firmer side, the MPC could well delay before delivering the first rate cut.
- 3.9 The US Federal Reserve also maintained interest rates over the period, holding the Fed Funds Rate at 5.25%-5.50% for the seventh consecutive month in June, as was expected. US policymakers have maintained a relatively dovish stance throughout the period but have steadily reduced their predictions around the pace and timing of rate cuts in the face of higher inflation and firmer economic growth. At the meeting, economic projections pointed to one rate cut in calendar 2024 and four in 2025.

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- 3.10 The European Central Bank cut rates in June, reducing its main refinancing rate from 4.50% to 4.25%. Inflation in the region fell to 2.5% in May, having increased in the previous month, but since February has been fairly sticky at between 2.4% and 2.6%. Economic growth in the region has picked up but remains weak, and with inflation above the ECB's target this continues put pressure on policymakers on how to balance these factors when setting monetary policy.
- 3.11 **Financial markets:** Sentiment in financial markets showed signs of improvement over the quarter, but bond yields remained volatile. Early in the period yields climbed steadily, but mixed signals from economic data and investors' constant reassessment of when rate cuts might come caused a couple of fairly pronounced but short-lived dips in yields. Towards the end of the quarter yields rose once again and were generally higher than at the start of the period.
- 3.12 Over the quarter, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.18% having reached 4.41% in May. While the 20-year gilt started at 4.40%, hit 4.82% in May, before ending the period at 4.61%. The Sterling Overnight Rate (SONIA) averaged 5.20% over the quarter to 30th June.
- 3.13 **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.
- 3.14 During the quarter, Fitch revised its outlook on Transport for London (TfL) to stable from negative while S&P upgraded its long-term rating for TfL to AA- from A+, in line with its rating of the UK sovereign.
- 3.15 Fitch also upgraded the long-term ratings for the main four Australian banks – Australia & New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac.
- 3.16 Having placed Warrington Borough Council on review for a downgrade in March, Moody's subsequently withdrew its ratings for the council in June.
- 3.17 Credit default swap prices started and ended the quarter at broadly similar levels in the UK as they did for the European, Singaporean and Australian lenders on Arlingclose's counterparty list, while Canadian banks generally trended modestly downwards.
- 3.18 Financial 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.

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Local Context

3.19 On 31st March 2024, the Authority had net borrowing of £6.5m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24	31.3.25
	Actual	Forecast
	£m	£m
General Fund CFR	32.65	33.77
Total CFR	32.65	33.77
Less: *Other debt liabilities <i>(if any)</i>	0	0
Borrowing CFR	32.65	33.77
Less: External borrowing**	-7.5	-10.20
Internal borrowing	25.15	23.57
Less: Usable reserves	-11.96	-11.72
Less: Working capital	-3.1	-3.1
Net borrowing	10.09	8.75

* 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

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- 3.20 The treasury management position at 30th June and the change over the quarter is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	30.6.24 Balance £m	30.6.24 Rate %
Long-term borrowing				
Short-term borrowing	7.5	-1.0	6.5	5.19
Total borrowing	7.5	-1.0	6.5	
Short-term investments				
Cash and cash equivalents	0.0	0.0	0.0	
Total investments	0.0	0.0	0.0	
Net borrowing	7.5	0.0	7.5	

Borrowing Strategy and Activity

- 3.21 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.
- 3.22 Policy interest rates have risen substantially since 2021 although they have largely plateaued over the last year. Over the last quarter gilt yields have risen slightly overall, having had a number of peaks and troughs. There has been downward pressure from lower inflation figures, but also upward pressure from unexpectantly positive economic data. Data from the US continues to impact global markets including UK gilt yields.
- 3.23 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the quarter and 4.96% percent at the end. The lowest available 10-year maturity rate during the quarter was 4.80% and the highest was 5.18%. Rates for 20-year maturity loans ranged from 5.24% to 5.57% during the quarter, and 50-year maturity loans from 5.06% to 5.40%.

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- 3.24 Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during the month, as expected shorter-term rates reverted to a more normal range and were generally around 5.25% through the quarter.
- 3.25 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.
- 3.26 **Loans Portfolio:** At 30th June the Authority held £6.5m of loans, a decrease of £1m to 31st March 2024, as part of its strategy for funding previous and current years’ capital programmes. Outstanding loans on 30th June 2024 are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	30.6.24 Balance £m
Public Works Loan Board			
Banks (LOBO)			
Banks (fixed term)			
Local authorities (long-term)			
Local authorities (short-term)	7.5	1.0	6.5
Total borrowing	7.5	1.0	6.5

Treasury Investment Activity

- 3.27 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.

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3.28 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 £4.5 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.6.24 Balance £m	31.6.24 Income Return %	31.6.24 Weighted Average Maturity days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government	0.0	0.0	0.0	0.0	0.0
Local authorities and other govt entities					
Corporate bonds and loans					
Money Market Funds					
Total investments	0.0	0.0	0.0	0.0	0.0

3.29 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.

3.30 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.

- 3.31 Bank Rate remained at 5.25% through the quarter with short term interest rates largely being around this level. The rates on DMADF deposits have been constant at 5.19%.

Non-Treasury Investments

- 3.32 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).
- 3.33 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

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

Table 5: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Total borrowing	6.5	0.0	6.5			
PFI and Finance leases	0.0	0.0	0.0			
Total debt	6.5	0.0	6.5			
Total treasury investments	0.0	0.0	0.0			
				n/a	n/a	n/a

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MRP Regulations

- 3.35 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.
- 3.36 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

- 3.37 The Director of Resources and Section 151 officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Maximum	30.6.24 Actual	2024/25 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£4m each	£6.5m	£4m	No
UK Central Government	Unlimited	£6.0m	Unlimited	Yes
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			

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- 3.38 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

	Q1 2024/25 Maximum	30.6.24 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied? Yes/No
Borrowing	6.5m	6.5m	55,000	60,000	Yes
PFI and Finance Leases	Nil	Nil	1,000	1,000	Yes
Total debt	6.5m	6.5m	56,000	61,000	

- 3.39 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

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

Liability Benchmark

- 3.41 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

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	31.3.24	31.3.25	31.3.26	31.3.27
	Actual	Forecast	Forecast	Forecast
Loans CFR	32.645	33.772	34.543	35.401
Less: Balance sheet resources	-15.55	-14.823	-14.241	-14.16
Net loans requirement	17.59	18.949	20.302	21.241
Plus: Liquidity allowance	0.2	0.2	0.2	0.2
Liability benchmark	17.79	19.149	20.502	21.441
Existing borrowing	7.5	10.20	12.54	14.84

3.42 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £14.8m, minimum revenue provision on new capital expenditure based on a 40-year asset life and income, expenditure and reserves all increasing by inflation of 2.0% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing. Presently borrowing has been delivered through the use of internal resources and the Council has no long-term borrowing.

Maturity Structure of Borrowing

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

	Upper Limit	Lower Limit	30.6.24 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

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- 3.44 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.

Long-term Treasury Management Investments

- 3.45 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:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£0.5m	£0.5m	£0.5m	£0.5m
Actual principal invested beyond year end	Nil	Nil	Nil	Nil
Complied?	Yes	Yes	Yes	Yes

- 3.46 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:

- 3.47 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.

	2024/25 Target	30.6.24 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

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Liquidity:

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

	30.6.24 Actual	2024/25 Target	Complied?
Total cash available within 3 months	Nil	Nil	Yes
Total sum borrowed in past 3 months without prior notice	Nil	Nil	Yes

Interest Rate Exposures:

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

Interest rate risk indicator	2024/25 Target	30.6.24 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

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

	<u>01/04/24</u>	<u>30/06/24</u>
Bank Rate	5.25%	5.25%
1-year PWLB certainty rate, maturity loans	5.39%	5.37%
5-year PWLB certainty rate, maturity loans	4.72%	4.89%
10-year PWLB certainty rate, maturity loans	4.80%	4.96%
20-year PWLB certainty rate, maturity loans	5.24%	5.37%
50-year PWLB certainty rate, maturity loans	5.07%	5.18%

3.51 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.

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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 2024/25 – February 2024 which contains this year's Capital Strategy, Treasury Management Strategy and MRP Policy.

AUTHOR OF REPORT

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

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Appendix D - Procurement Pipeline

Between £50k and £200k

Council	Contract Title	Contract Description	Department	Contract Commencement Date
£50,000 to £200,000				
Bromsgrove	Cloud Storage	Acronis Cloud Storage via HTE Framework	ICT	06/06/2025
Bromsgrove	VMware License & Support	Virtual Server VMware License & Support	ICT	14/01/2025
Bromsgrove	Street Naming and Numbering	Street Naming and Numbering system VIA CCS RM1557 (StatMap)	ICT	31/05/2025
Bromsgrove	IDOX Software	BDC-Call-off contract to support and maintenance for Idox Uniform and DMS solution	WRS	01.03.2029
Bromsgrove	GIS System	Corporate GIS System	ICT	01/12/2024
Bromsgrove	Web Filter	Cisco Web Security XaaS Subscription via CCS	ICT	06/06/2026
Bromsgrove	Web security subscription (Ironport)	Cloud-based web security service subscription	ICT	06/07/2026
Bromsgrove	Telephone Maintenance	Maintenance and Support of Mitel Phone system	ICT	15/09/2024
Bromsgrove	Automation/Robotics	UiPath Licenses via HTE ComIT 2 (Complete IT Solutions) Framework	ICT	26/08/2025
Bromsgrove	out of hours dog warden services	framework agreement to provide out of hours dog warden services for Worcestershire Regulatory	WRS	01.01.2025
Bromsgrove	Laptop Refresh	Replacement of Laptops to Support latest security patches and Windows 11	ICT	01/08/2024
Bromsgrove	Server Replacement	Replacement of Key Infrastructure devices to ensure Security and Support	ICT	01/09/2024
Bromsgrove	Idox Support & Maintenance	Support and Maintenance of the Idox Uniform Application	ICT	20/09/2027
Bromsgrove	Public Health Funerals	The provision of a service for burials at public	WRS	Sep-24

Over £200k

Council	Contract Title	Contract Description	Department	Contract Commencement Date
Over £200,000				
Bromsgrove	Data Access Services	Data Access Services WAN supply	ICT	01/09/2026
Bromsgrove	Air Quality Analysers	Provision of Air Quality Analysers and data	WRS	asap
Bromsgrove	Pest Control	Framework Agreement for provision of pest control services	WRS	24/10/2024
Bromsgrove	Management and maintenance of data centre infrastructure	Management and maintenance of data centre infrastructure	ICT	TBC
Bromsgrove	Planning/GIS/Gazetteer	Supply of Idox Uniform via CCS RM3821 Lot 2b	ICT	19/09/2027
Bromsgrove	Microsoft Licenses	Licenses to use Microsoft Office	ICT	01/07/2025
Bromsgrove	PROVIDE Kennelling of Dogs	FRAMEWORK AGREEMENT TO PROVIDE Kenneling of Dogs FOR WORCESTERSHIRE REGULATORY SERVICES.	WRS	30.04.2025
Bromsgrove	Community Transport	Provdion of community transport in the Bromsgrove	Community Services	01/05/2025
Bromsgrove	Fleet Replacement	Fleet Replacement	Environmental Services	

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Redditch Relating to Bromsgrove

Council	Contract Title	Contract Description	Department	Contract Commencement Date
£50,000 to £200,000				
Joint	Energy Advice	Provision of Energy Advice and Energy Efficiency Schemes in Bromsgrove District and Redditch Borough	Housing Strategy	TBC
Redditch	New Cemetary	Design & Planning Fees	Environmental Services	
Redditch	Vehicle Hire	Vehicle Hire and Car Share RBC Via CCS RM6013	Environmental - Fleet	TBC
Redditch	Payment Processing	Online payment processing solutions	Finance	TBC
Redditch	Fire Compartmentation Corporate Buildings	Survey and retification of fire compartmentation	Property Services	24-Aug
Redditch	Server Replacement	Replacement of Key Infrastructure devices to ensure Security and Support	ICT	01-Sep
Council	Contract Title	Contract Description	Department	Contract Commencement Date
Over £200,000				
Joint	Corporate Building Electrical contract	Reactive , EICR and Project Electrical installation	Property Services	01/03/2025
Redditch	Fleet Replacement	Fleet Replacement	Environmental Services	
Redditch	Plumbing Supplies	Plumbing & Heating Supplies for RBC via PFH Lot 1a	Environmental - Stores	TBC

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Appendix E BROMSGROVE Strategic & Operational Performance Measures

Quarter 1, 2024/25

1. Introduction

We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

By assessing performance and utilising benchmarking where appropriate, we can identify areas of improvement, make informed decisions, allocate resources efficiently, and ultimately enhance service delivery to meet the evolving needs of our constituents, therefore how we measure performance is essential.

The Council Plan 2024-27 has been adopted, which identifies priorities and key projects, and contains a suite of measures to assess delivery of against these, which be the foundation for performance reporting going forward. These measures and the associated data collection requirements are currently under development will be included in the Q2 2024/25 report where possible.

2. Strategic Priorities and Performance Measures

The performance measures shown in the next section are structured around the previous priorities; the report will be restructured around the newly adopted Council Plan for the Q2 report.

2.1. Economic Development and Regeneration

2.1.1 Supporting Businesses to Start and Grow

Performance measure:

- Take-up of start-up business grants and creativity grants programme (up to 1 period lag)

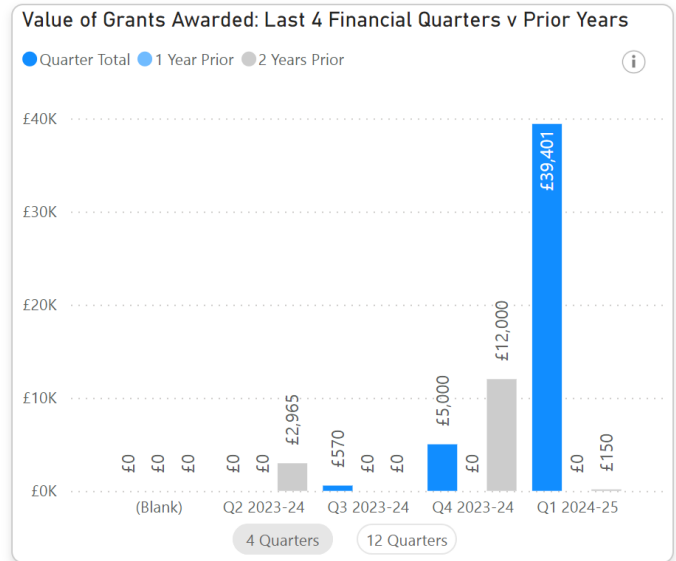
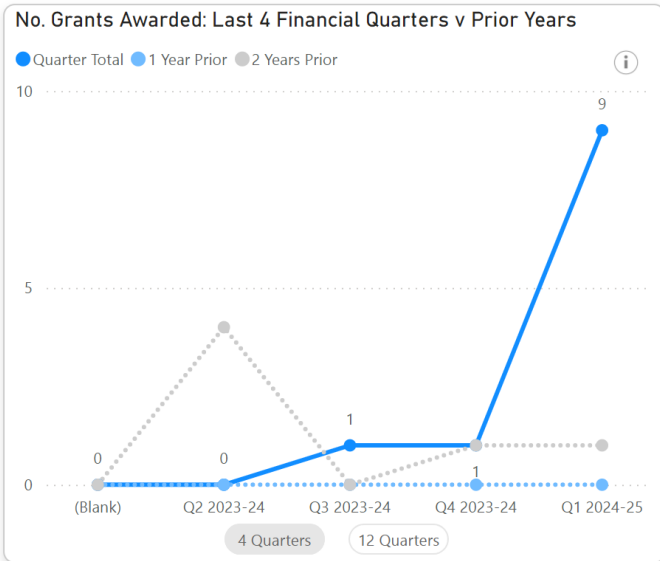
Start-up Grants

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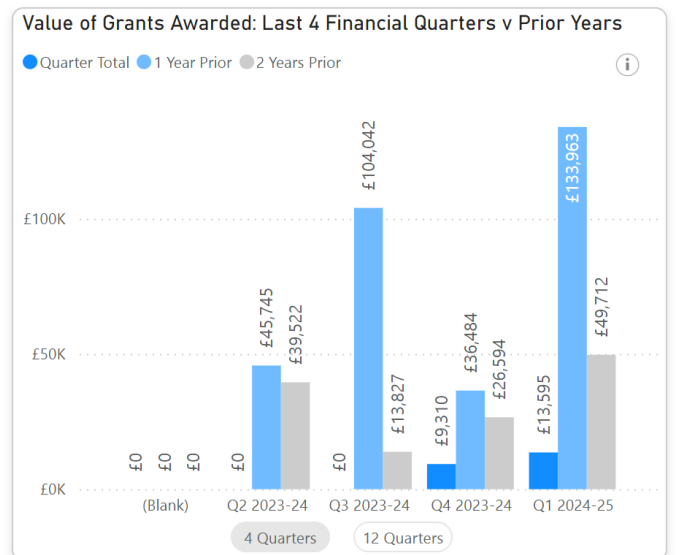
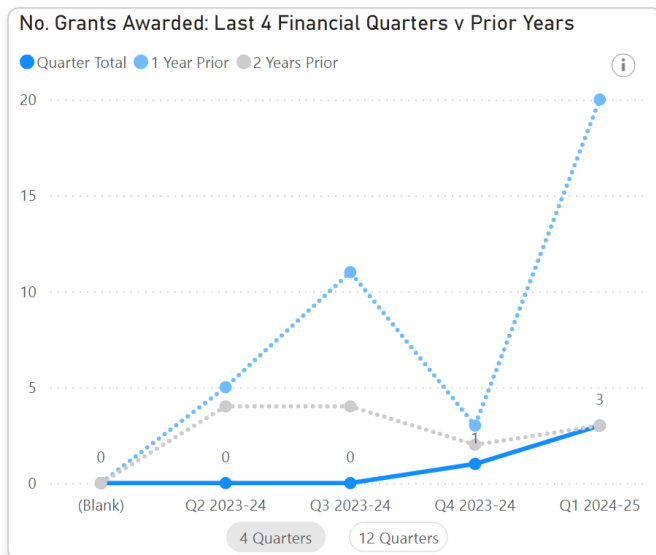
11th September 2024



Update

9 grants were awarded this quarter: 8 from the Enterprising Worcestershire Programme and 1 Centre Enhancements Grant. The recipient businesses include retailers, financial services, professional services, hospitality, manufacturing and software development. All of the businesses supported are in their first 3 years of trading.

Growth Grants



Update

Grants awarded this quarter were from the Bromsgrove Centres Enhancement grant programme and the Elevate Worcestershire programme. Businesses supported include a retailer, personal services and commercial flooring supplier.

3.1.2 Regenerating our Town and Local Centres

Performance Measure:

Former Market Hall Project

Update

- There has been a delay to the start onsite due to a Value Engineering Exercise. Start onsite is now forecast for October 2024.

Performance measure:

Windsor Street Project

- Contractor has taken possession of the site; works are due to start 12th August 2024.

3.1.3 Improved Integrated Transport (Bromsgrove)

Performance measure:

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

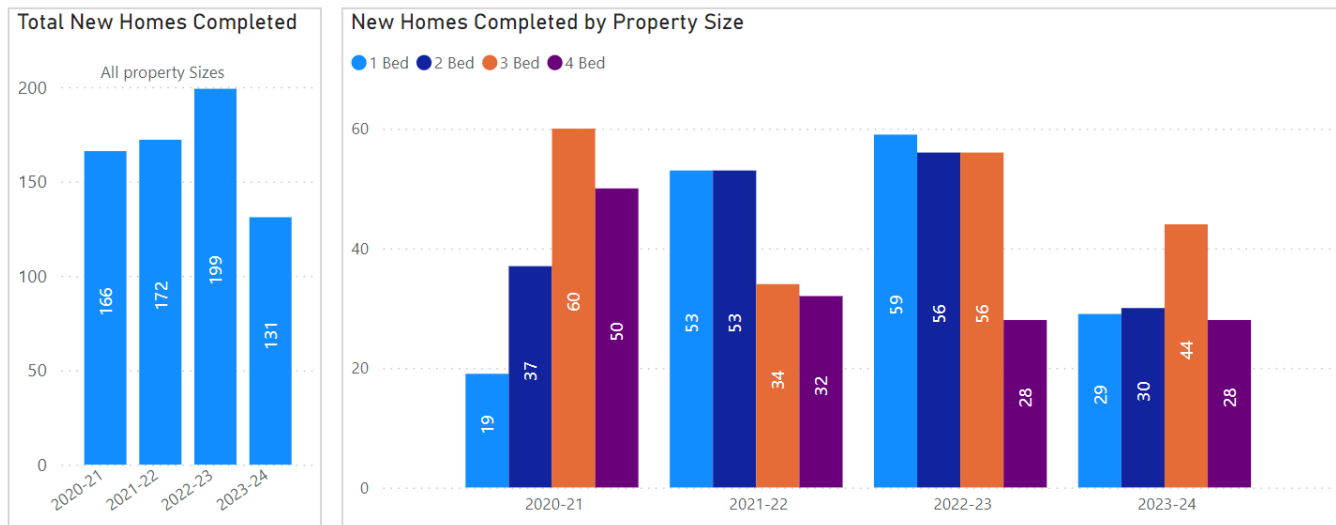
Update: Officers are working with Worcestershire County Council to establish a full pipeline of sustainable schemes. To better inform the list of schemes funding has been secured by WCC for a Local Cycling and Walking infrastructure Plan (LCWIP), the inception meeting has now taken place and work is ongoing.

Actions: Will be liaising with WCC appointed consultants. Work is progressing with draft reporting to be discussed as soon as possible.

3.2 Housing Growth

Performance measure:

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

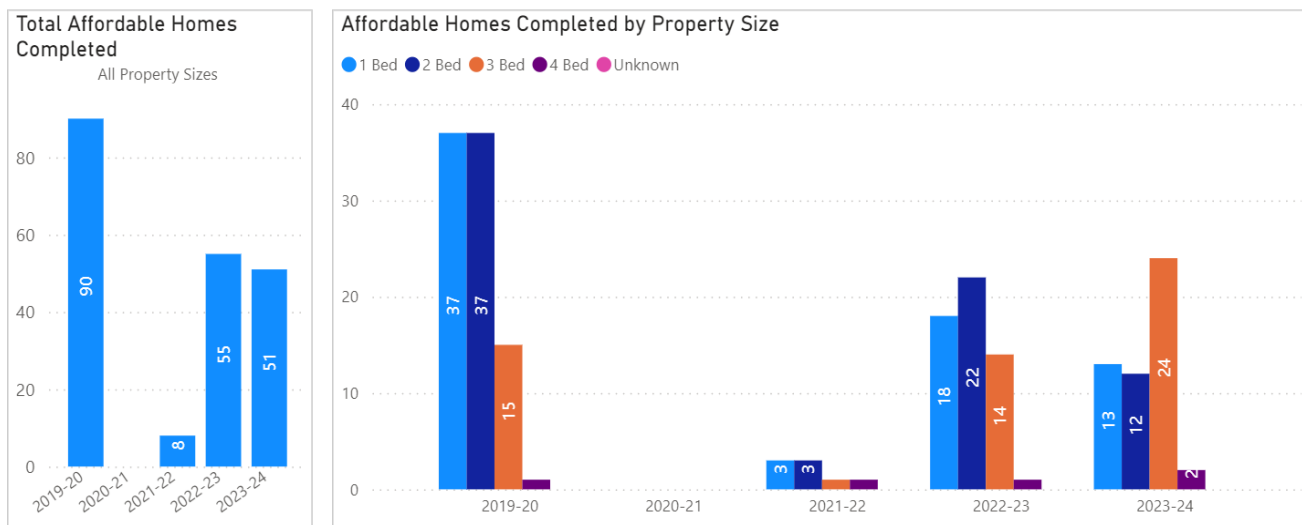


The final data for the 2023/24 is:

- Total Homes Built (including affordable) -131 (net)
- Total affordable homes built - 51 (net)

Performance measure:

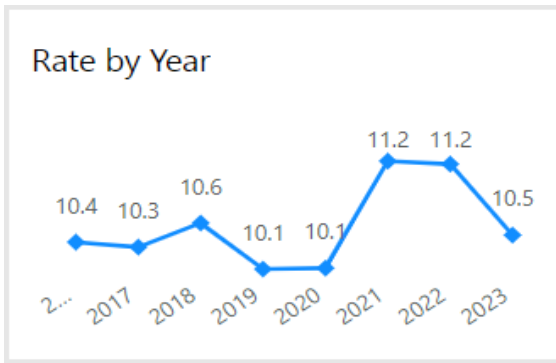
- Affordable Homes Completed (annual measure)



There are 601 affordable housing commitments as of 1 April 2024, reflecting the number of strategic sites which have gained consent but not started construction or just started construction. A small but not insignificant number of these commitments are from the redevelopment of former garage sites across the District which have yet to be started.

Performance measure:

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

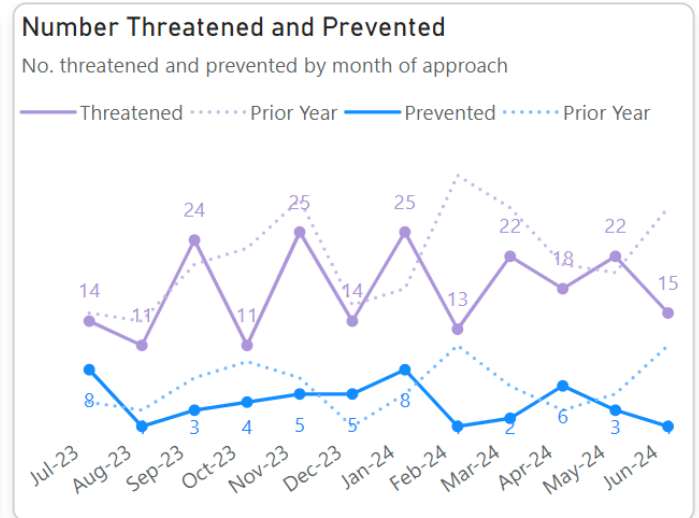
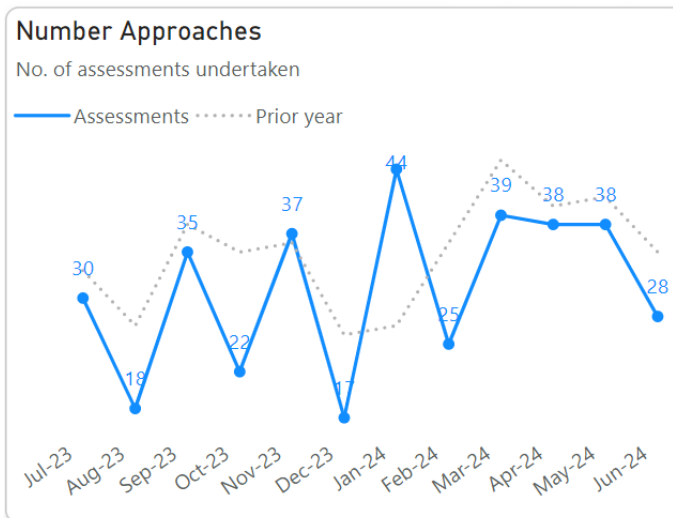


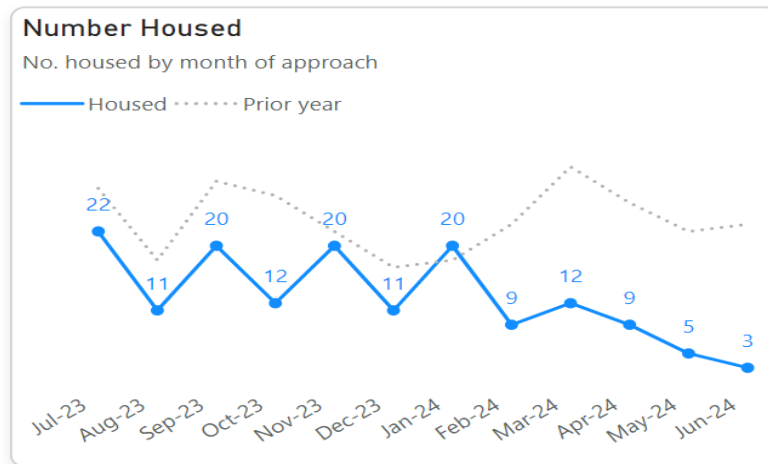
	Rate
Bromsgrove	10.46
Worcestershire	8.63
England	8.26

Update: The affordability ratio relates to workplace-based income which uses the median earnings of those employed in Bromsgrove District, which rose from £29,285 to £32,993, a 12.66% increase. The median house price in the district rose from £327,000 to £345,000, a 5.5% increase. Bromsgrove District has the second highest in the West Midlands, despite the small drop in the ratio.

Performance measure:

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





Update: There has been a slight decrease in the number of approaches but a slight decrease in the percentage of those presenting as threatened with homelessness.

The ability to prevent homelessness and obtain housing in the PRS still remains an area that is impacting on homelessness and the length of time applicants remain in temporary accommodation. The majority of applicants housed is into social housing.

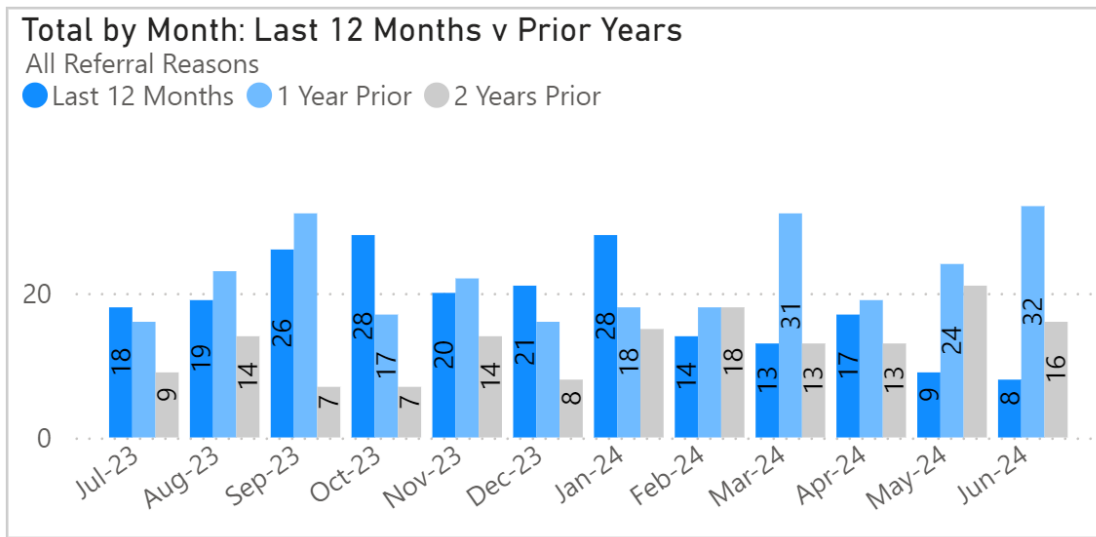
3.3. Work and Financial Independence

Performance measure

- Number of Financial Independence Team client contacts. This measure records the number of FI Team cases opened.

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

- 'Under occupancy charge' (45)
- 'Rent advance/deposit' (37)
- 'Debt' (29)
- 'Other' (16)
- 'Loss of employment' (12)



For Q1, 2024/25, the top 3 referral reasons were:

- 'Under occupancy charge' (8)
- 'Rent advance/deposit' (5)
- 'Debt' (4)

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

3.4. Improved Health and Wellbeing

Performance measure

- Deliver improved outcomes from the actions in the Leisure Strategy

Update

The health outcomes programme in line with Leisure and Culture strategy recommendations is ongoing. The service is currently focusing on key priorities and to build and develop its resources within the team. This will start to take more shape continue through 2024/25 and increase our delivery outcomes.

Recommendation	Update
Develop an environmental management strategy for parks and environmental services.	Project lead identified to progress strategy. Working towards April 2025 completion.
Develop a volunteer plan and a clear approach to working with Friends groups tied to its aspirations for Green Flag Award across its priority parks.	Green flag award successful for Sanders Park for 2024, working on recommendations for 2025 submission and scheduled awards over the next 4 years.

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Develop a rolling programme of applications to the Green Flag Award.	Working on annual applications for awards for Sanders Park, Lickey End Park, King Georges Recreation Ground and St Chads Park.
Engage more regularly with potential partners at a county wide level.	Officers working with partners to maximise potential of offers within parks and open spaces.
Develop a better understanding of the biodiversity value of the district's green assets.	Biodiversity plan established, focus and priorities, developing a Biodiversity Network with Planning, County Council and 3 rd Sector. Commencement 2024/25.
Develop a clear marketing plan for green spaces that includes new web pages, social media, and targeted work with key audiences.	Work started on website development and modernisation. Social media use improved to promote, biodiversity, events, and mental health in respect of Parks and Green Spaces.
Carry out a feasibility study to establish a roadmap for the self-management of allotment sites across the district.	Action plan implemented: new tenancy agreements with legal, service level agreements for new formed associations, website information, management of day-to-day issues, bills

Performance measure

- Number of Community Builders in post.

Update: Two community builders remain in post:

- Sidemoor
- Rubery

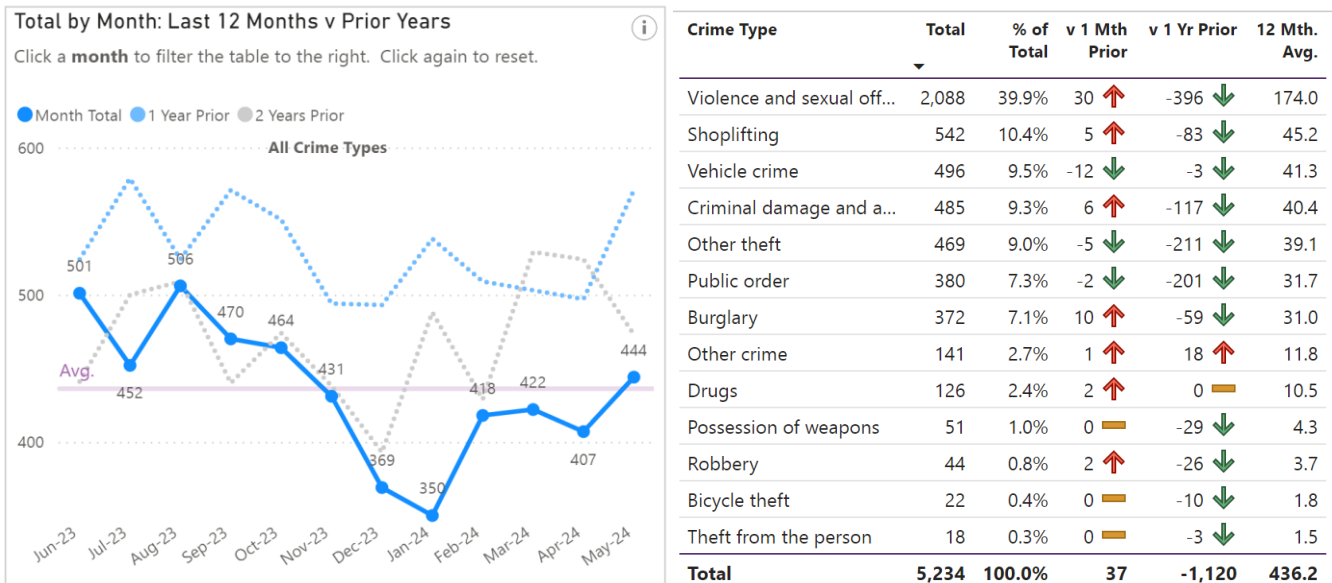
The Bromsgrove and Redditch Shared Learning Network continues to meet, supported by Public Health at Worcestershire County Council. The community builders are working in partnership not only with local residents but organisations and community groups, with the aims of connecting people, supporting wellbeing, understanding community assets and enabling community influence on public sector decisions.

Community Builders are on fixed term contracts, but funding has been confirmed to extend the posts until end of March 2025, although the funding is less. Reduced funding has led to New Starts supporting the roles financially; as a result, work has expanded into other local areas. The longer-term aim remains for the voluntary sector services to source other funding by evidencing impact through community stories and Ripple Effect Mapping.

3.5. Community Safety and Anti-Social Behaviour

Performance measure

- Levels of crime. (Data extracted from 'data.police.uk' below – there is a lag in data reporting)



Update: At the time of report creation, the Police.UK website included data up to and including May 2024, as shown in the chart above. Due to the Partnership Analyst being unwell, the previously quarterly analysis (one quarter in arrears) is not available; a detailed commentary covering Q1 2024-25 will be included in the Q2 performance report.

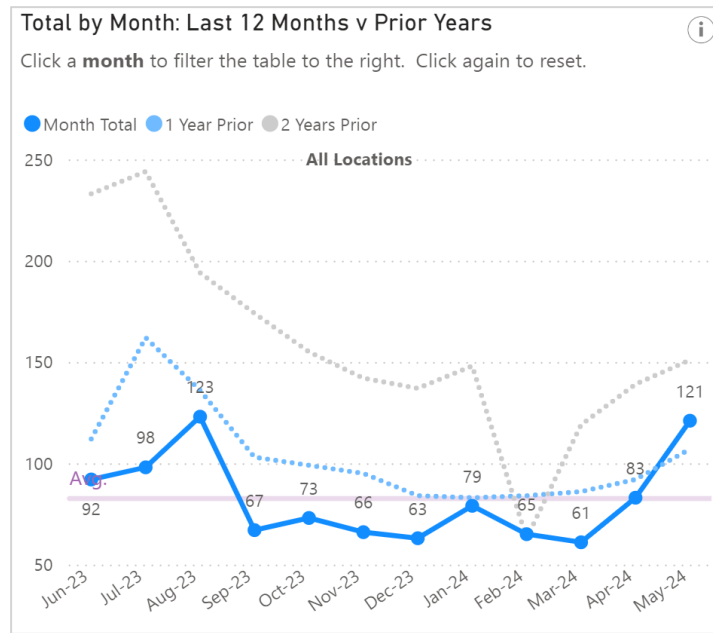
Performance measure

- ASB** (Data extracted from 'data.police.uk' below – there is a lag in data reporting)

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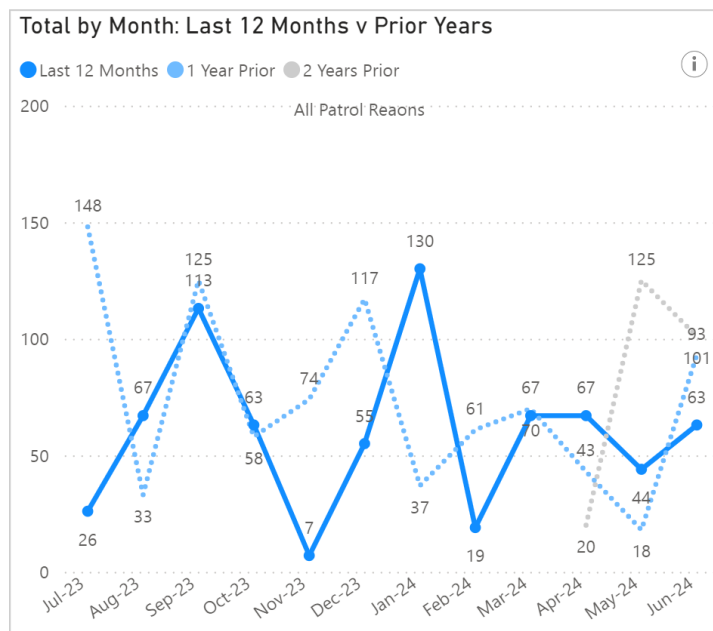
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Update: As with the crime data above, analysis will be provided in the Q2 report.

Performance measure

- Number of young people engaged through Detached/Outreach youth work.

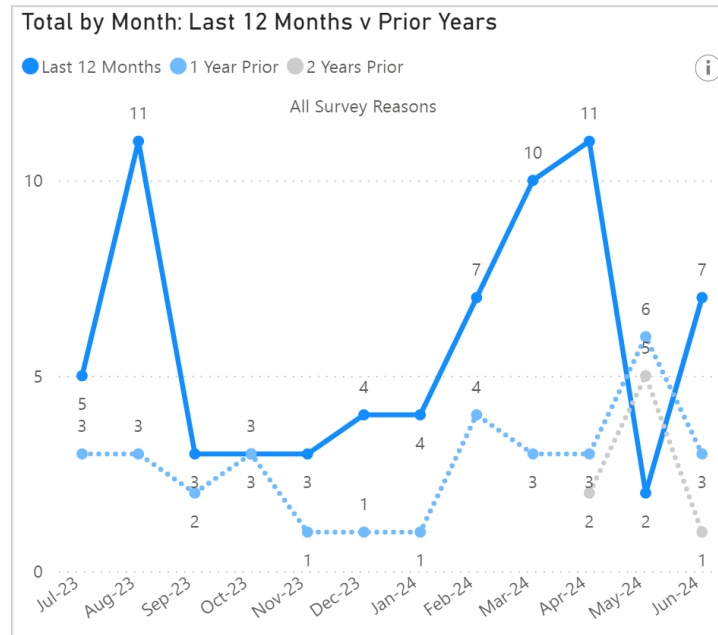


Update: Routine youth outreach patrols were carried out each month in Bromsgrove Central, Sanders Park, Sidemoor and Charford. Moving into the spring there was a greater number of young people out in the community; youth workers had meaningful conversations about vaping, energy drinks and making saver choices, as well as their thoughts on crime and ASB, their thoughts about the local area and town and concerns about youth employment. Where the young people were already known to the workers, deeper conversations could be had. Teams were able to engage with young people to divert them into

open access sessions that are delivered across the district and promoted local clubs and activities. They were encouraged to engage with the local Volunteer IT Yourself program which could support them with gaining qualifications and future job opportunities. The young people were always pleased to engage with the youth team.

Performance measure

- Number of crime risk surveys carried out



Update: During April, DA Sanctuary recommendations were provided for properties in Charford, Stoke Prior, Sidemoor, Stoke Prior and Bromsgrove Central. Home security recommendations were also provided to vulnerable residents and various security measures installed.

In May, crime prevention surveys were conducted in Hagley and Charford. Requests for surveys related to Sanctuary recommendations for survivors of DA, reports of ASB and neighbour disputes, alongside a report about the safety of livestock on a local farm.

In June, crime prevention surveys were conducted in Alvechurch, Sanders Park, Sidemoor and Hagley West. Requests for surveys related to Sanctuary recommendations for survivors of DA, reports of ASB and neighbour disputes.

3.6 SLM Leisure (Everyone Active)

Update: For SLM Leisure there is a lag in the data; as a result, Q4 data and comments can be found below; Q1 information will be available for the Q2 2024/25 report.

The number of visits were slightly down on this time last year. The gym membership base has remained stable with only a slight change. Swimming lessons numbers have dropped which is why the overall numbers have dropped compared to last year. The expected recovery on swimming has not been as expected, primarily down to the closure at the start of the year. This will not be the only reason and we do

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acknowledge that company-wide swimming lesson growth is behind where we would like it to be. It is difficult to judge the consequences of a closure until you get to the end of the financial year and although our swimming programme is healthy, we do not believe it is where it should be.

We still believe that the cost-of-living crisis is influencing peoples' outgoings and leisure to some is still a luxury they cannot afford. Casual users are more discerning in what they spend and where they spend it.

Category	Quarter Total	Same Q 23/24	Difference
Total no. of visits (including EA cards and non-card holders)	109566	114271	-4,705
EA Cards added in this period	1862	1738	124
Total EA Cards to date	73202	67043	6,159
No. of Gym members	2838	2859	-21
Swimming Lessons – children enrolled on scheme	1357	1572	-215
Swim Lesson Occupancy	83%	85%	-2%
RIDDOR Reportable Events	0	0	0

3.7. Green Thread

Performance Measure:

- Have an agreed and funded plan and capital replacement programme for the Council's fleet subject to any budget constraints.

Update: The current Capital Replacement Programme has been approved for 2024/25, but it has been identified that amendments are needed to maintain service provision. The existing capital replacement plan is currently being reviewed for BDC across all services to address this, and ensure services have the right assets to deliver on our duties across the district. Amendments to domestic waste service were approved in Q1 and additional changes to the programme will be submitted for consideration during Q2 of the 2024/25 financial year where required.

Performance Measure:

- Reduce carbon emissions arising from the councils' vehicles

Update: Funding has been built into the Medium-Term Financial Plan to support a partial transition for all Diesel vehicles and equipment operated from the Depot to be run on HVO (Hydrogenated Vegetable Oil) from 2024/25, with an approved increase to fuel budgets to reflect an expected 30% HVO/70% Diesel across the Environmental Services fleet. Due to the increased cost of HVO in comparison with Diesel, officers will review the affordability of increasing this further as a phased transition beyond 2024/25 in order to further reduce our carbon emissions. This will be presented for consideration as part of the budget process for future years.

Performance measure

- Households supported by the Council’s energy advice service

Period	Households	Period	Households
Q1 2023/24	138	Q1 2024/25	216
Q2 2023/24	145		
Q3 2023/24	202		
Q4 2023/24	162		

Update: The energy advice service is provided by Act on Energy on behalf of the council; in the first quarter of 2024/25 a total of 216 households received a range of energy advice, and guidance. The vast majority of people then access the Household Support Fund (40%) or Bromsgrove Shared Prosperity Funding (31.4%). The rise in calls can still be related to cost of living, potentially people who have been trying to cope with price rises up until now.

3.8. Financial Stability

Council resources will continue to be constrained. We will continue to work on ensuring our people, assets and financial resources are focused on the priorities and activities that most effectively deliver wellbeing and progress for our population.

Performance measure (included as an earlier section of this Report)

- Financial performance – actuals consistent with budget (overspend mitigated)
- Levelling Up Fund Project delivered within budget.

3.9. Organisational Sustainability

The Council will work to maximise the use of digital infrastructures, including cloud technologies, to enhance its support for customers. Ensuring the Councils infrastructure can securely process the increased demand placed on it by the expanding use of Internet of Things devices will be key to its digital success.

Performance measure

- Number of corporate measures accessible through the dashboard.

Update: The organisation continues to move from the legacy dashboard to a new Power BI dashboard. Power BI is an interactive data visualisation software product with a primary focus on business intelligence. We have recently undertaken a review of all the data currently held on the two dashboards and are working on a programme for moving all relevant measures over to PBI, in line with the priorities and measures identified in the new Council Plan. There are currently 43 measures and associated measures available on PBI (including complaints and accidents), but this will increase over the next few quarters as wider reviews of data and performance continue.

Performance measure

- % of staff able to work in an agile way (annual measure – first reported Q3, 2023/24)

Update: The current overall percentage of staff able to work in an agile way is 56%. This measure is aligned with the ongoing agile project.

3.10. High Quality Services

Council people are key to its success. We need to recruit, retain, and motivate the right employees, with the right knowledge, skills, and attitude to deliver excellent services and customer care.

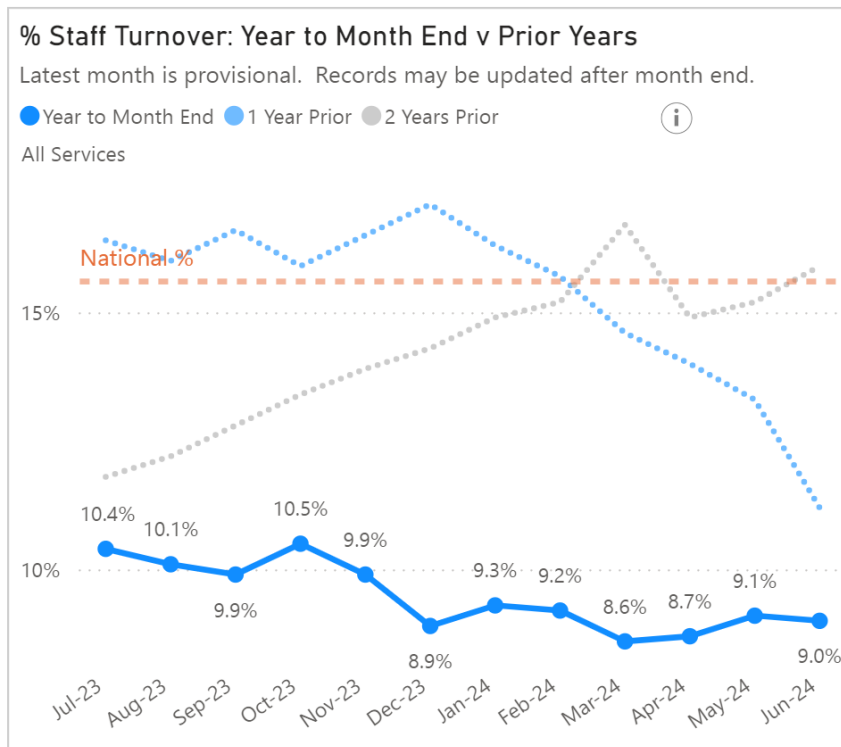
Performance measure

- **Staff turnover rates in relation to national rates**

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Update: Since July 2023, it can be seen there has been a downward trend, showing an improvement in turnover rates, with the authority remaining under the national average. The exit interview process continues which we are continuing to monitor and promote.

Performance measure

- Customer satisfaction with service delivery, measured through the Community Survey.

The percentage of respondents who say they are satisfied with service delivery is:

Year	Satisfied
2021	47.4%
2022	38.6%
2023	35.5%

Update

This is an annual measure. Data is extracted from the annual community survey. 2021 was the first year the public were asked about their level of satisfaction with the way the council delivers its services. National satisfaction with LA's, according to the Local Government Chronicle is currently at 40%.

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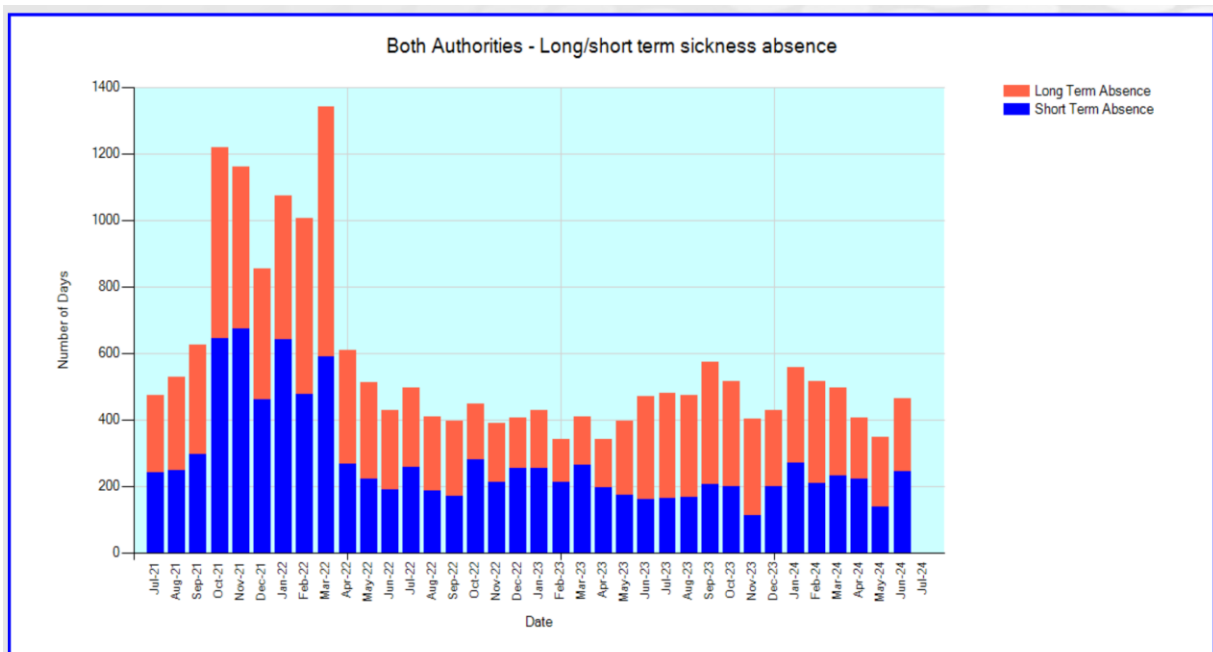
The 2023 survey was carried out in October/November 2023; the satisfaction rate has dropped slightly. The reason for this is unclear but corporately there is a new quarterly approach to corporate surveys to try to increase the response rate and get a better and broader understanding of the customer experience.

4. Operational Measures

4.1 Business Transformation, Organisational Development & Digital Services

Performance measure

- Sickness absence



Update: We are continuing to undertake the fundamental review of the data, in order to be able to utilise the increased functionality of PowerBI, which will enhance both the overview and more in-depth analysis for this measure and in turn enable actions from the understanding gained. System issues continue to hinder the speed of progress; however, it is part of the workplan for PBI development. We continue to work with service managers around sickness absence on a monthly basis based on the data.

4.2 Environmental Services

Domestic Waste Collection

Performance Measure

- Percentage of Household Waste sent for re-use, recycling & composting.

Update: This is a National Indicator measuring the percentage of household waste arisings which have been sent by the Authority for reuse, recycling, and composting, and is used in the national league tables

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ranking Local Authority performance. In 2022/23 Bromsgrove was ranked 176th. 2023/24 saw a noticeable drop in recycling performance during the latter part of Qtr 3 and Qtr 4 as a result of increased residual waste, and lower than average garden waste material. Recycling performance has improved over Q1.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19/20	48.67	45.17	46.72	48.41	54.12	50.03	46.64	41.77	32.63	39.05	34.74	45.16
20/21	29.19	55.98	55.73	59.33	51.32	48.46	44.04	48.03	48.60	42.55	42.03	43.26
21/22	44.40	49.24	59.99	57.58	49.75	48.45	36.71	50.72	50.87	39.59	33.89	42.89
22/23	46.69	55.59	57.51	55.97	45.18	46.41	49.69	50.63	46.41	33.70	37.34	43.16
23/24	50.74	57.40	54.66	48.13	47.01	48.01	51.06	46.29	37.54	28.15	33.31	43.86
24/25	53.12	60.42	54.39									

Performance Measure

- Residual Waste per household (kg)

Update: This measures non-recyclable waste thrown away per household and shows a continued reduction per household in 2024/25 when compared with the previous two years, with an average weight of 442kg per household in 2023/24, down from 455kg in 22/23. This is likely reflecting the gradual return to work for some residents who were working from home, as well as the increasing cost of living pressure on households. Waste Composition Analysis was carried out across the district to sample waste during 2022 and identify what is being thrown away in our residual waste to support discussions on the future of our services, and any communication/education campaigns we may need to implement to support further recycling. In the samples taken, up to 18% of the residual waste put out for collection could have been collected as recycling, and up to 35% of the residual waste was food waste (45% of that was still in its packaging unused). This information is being considered as part of the ongoing Task and Finish project to consider options for how we collect our residents waste in the future.

Residual Waste per Household (Kg)

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
19/20	40.70	47.92	48.80	38.18	38.07	39.47	42.75	48.99	39.38	46.96	38.77	38.89
20/21	51.01	46.30	40.02	39.05	36.92	46.96	46.74	41.06	40.23	40.36	37.78	50.06
21/22	50.01	38.81	39.35	38.16	40.89	45.06	41.50	39.36	35.86	39.86	35.58	49.26
22/23	42.43	37.22	37.28	31.36	41.03	42.83	34.20	39.64	32.76	41.78	32.59	42.08
23/24	32.75	35.28	34.05	34.15	45.88	36.42	34.48	36.52	32.32	45.00	38.38	37.01
24/25	35.51	35.13	34.04									

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Actions: In partnership, Bromsgrove and Redditch (with support from the Waste Partnership Strategy Officer) are continuing to explore how existing resources could be used differently to support more proactive engagement and education with residents, particularly to reduce contamination levels.

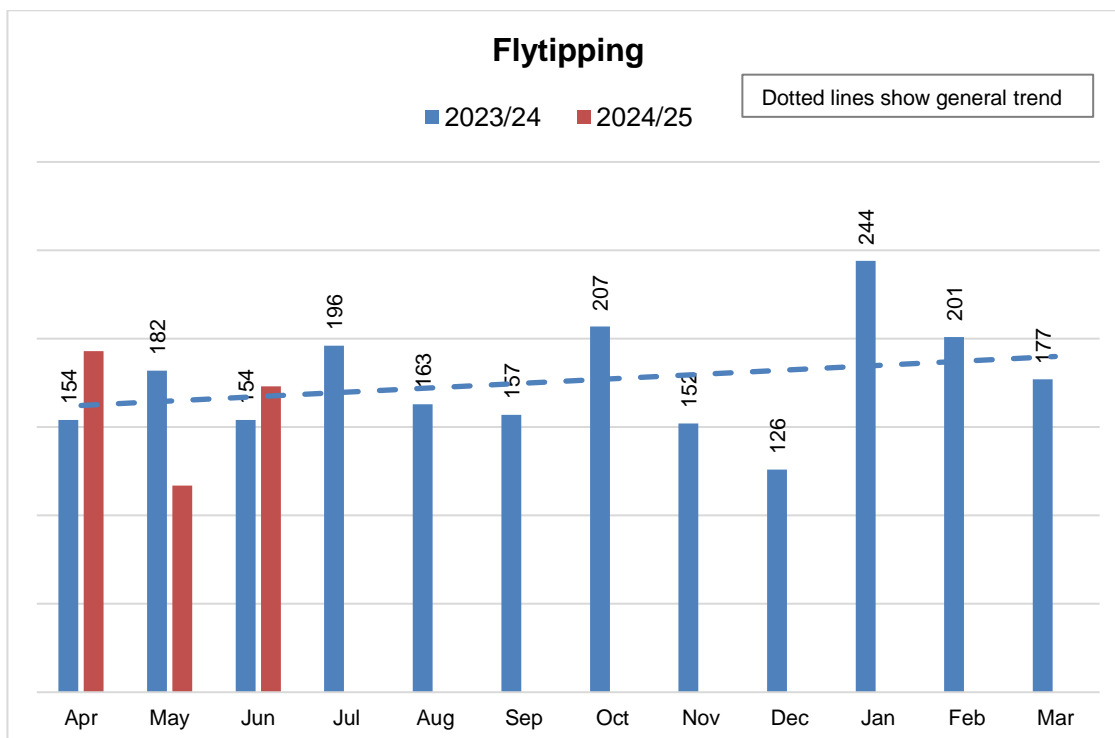
Work is also on-going to consider the future of waste collection services alongside new legislative requirements that will see the introduction of a weekly food waste collection from April 2026 and potential changes to how we manage both residual waste and dry recycling. Resources remain available via the WCC website to support households in using our services and reducing waste:

<https://www.worcestershire.gov.uk/lets-waste-less> .

Performance Measure

- Fly Tipping

This overview reflects the number of fly tips identified across the District requiring resources to remove and indicates the scale of the problem and any trends resulting from enforcement and education actions. The detailed data is used to identify patterns of behaviour and geographic locations that can be targeted with signage and cameras to identify those responsible and deter behaviour or support further enforcement action against those who continue to illegally dump their waste.



Actions:

TBC

4.3 Finance and Customer Services (inc Revenues & Benefits)

Performance measure

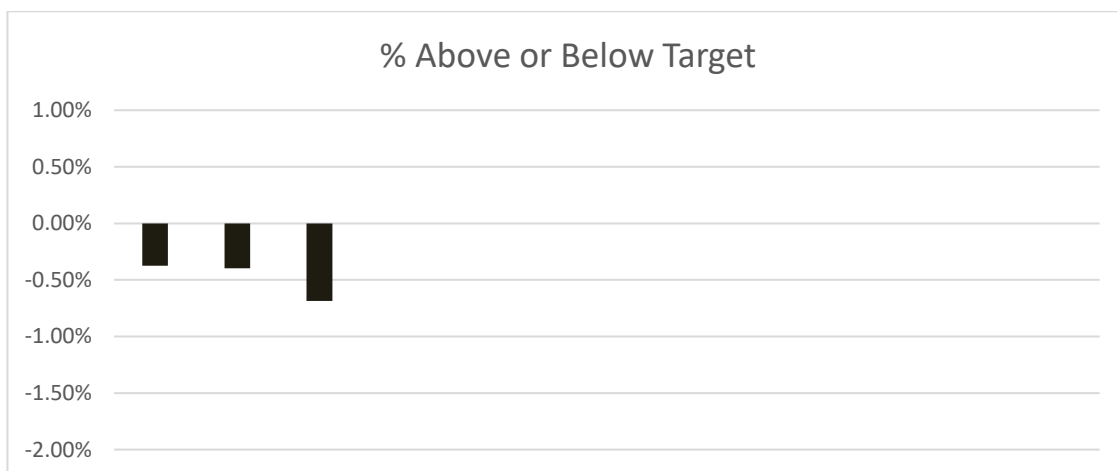
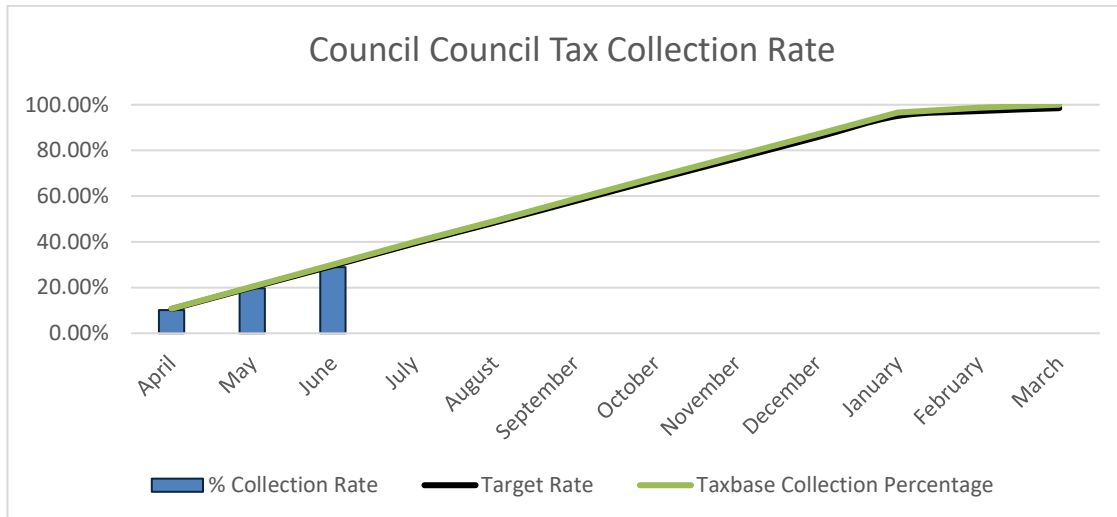
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- Council Tax Collection Rate

The collection rate percentage has been very close to the target rate this quarter, each month it has been under 1% below.



Performance measure

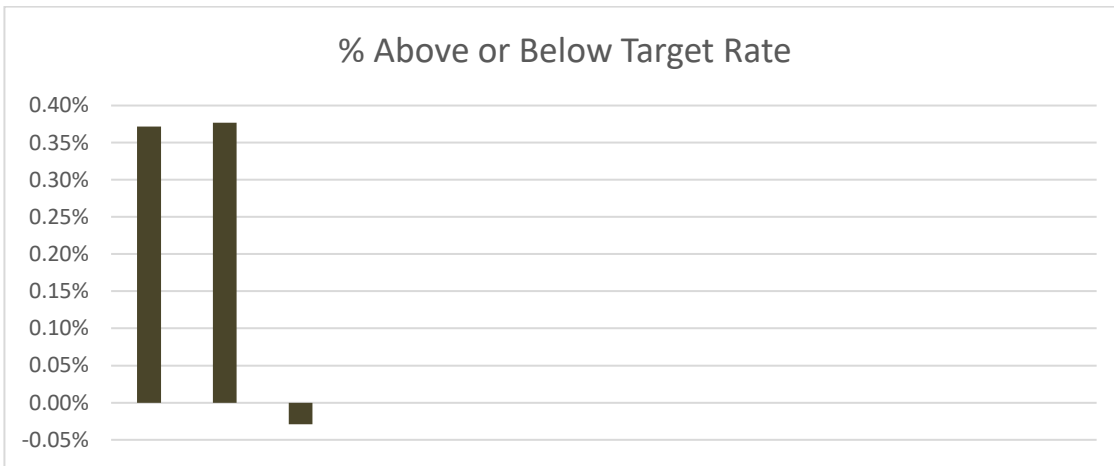
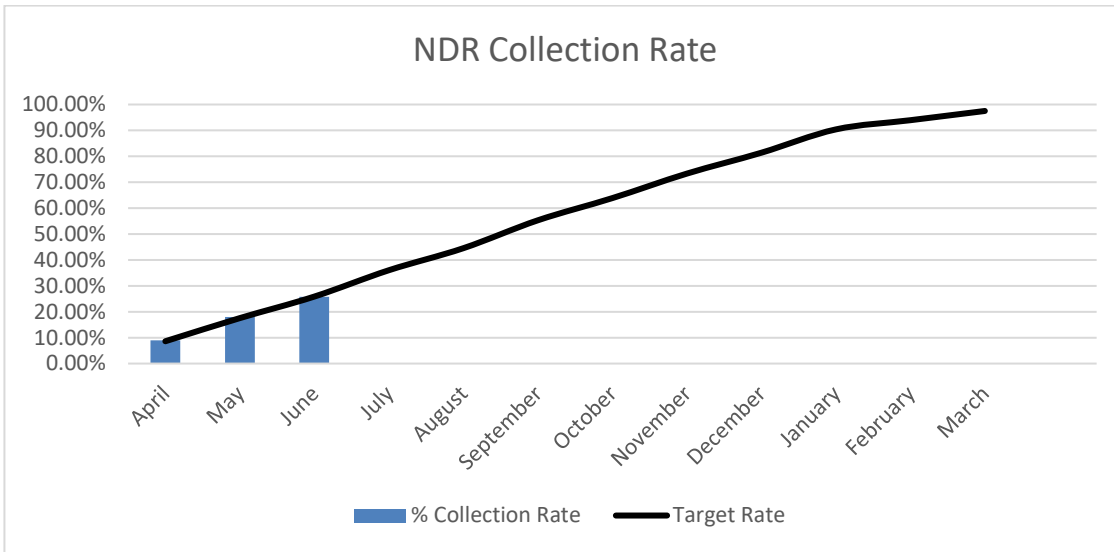
- NDR Collection Rate

The collection rate percentage has been consistent with target rate this quarter.

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Performance measure

- Online Customer Interactions

This report is not able to be produced, however, the Data PA reporting tool is now functional, so going forward, this will enable more streamlined and effective data reporting in future performance reports.

Customer Services

Performance measure

- Revenues Calls (shared service)

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Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Apr 2024	3537	0.69	04:19	5.91	07:57
May 2024	2984	0.36	04:06	6.55	07:50
Jun 2024	2316	0.07	02:33	7.10	08:19

Update

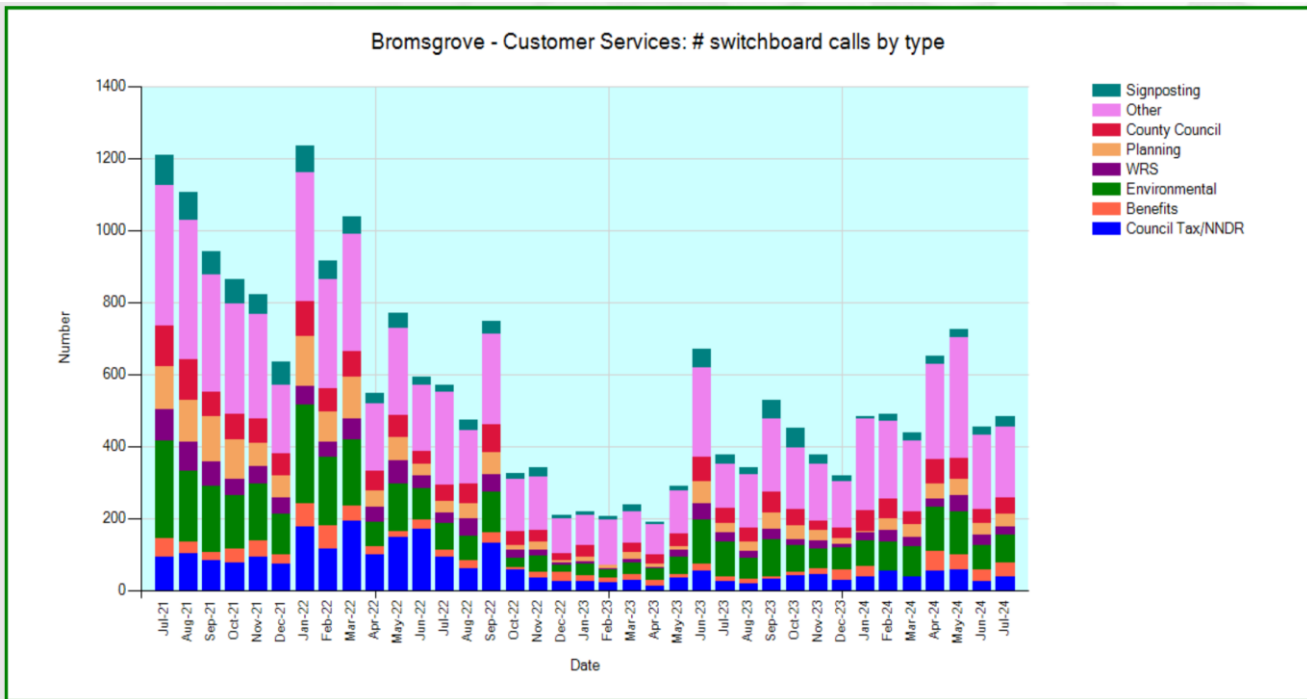
The service met expectations with regards to answering calls during the quarter with an average queue fewer than 1 person and an average call answering time between 4-6 minutes. April-June is a busy time for calls as residents receive their annual council tax bills and request payment arrangements/clarifications.

Performance measure

- Customer Service calls (Switchboard)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Apr 2024	932	0.01	00:39	1.88	00:55
May 2024	1005	0.02	00:38	1.98	01:09
Jun 2024	948	0.02	00:40	1.97	01:00

Switchboard - The service met expectations with regards to answering calls during the quarter. 2 FTE officers that provide switchboard service across both Bromsgrove and Redditch Switchboard.

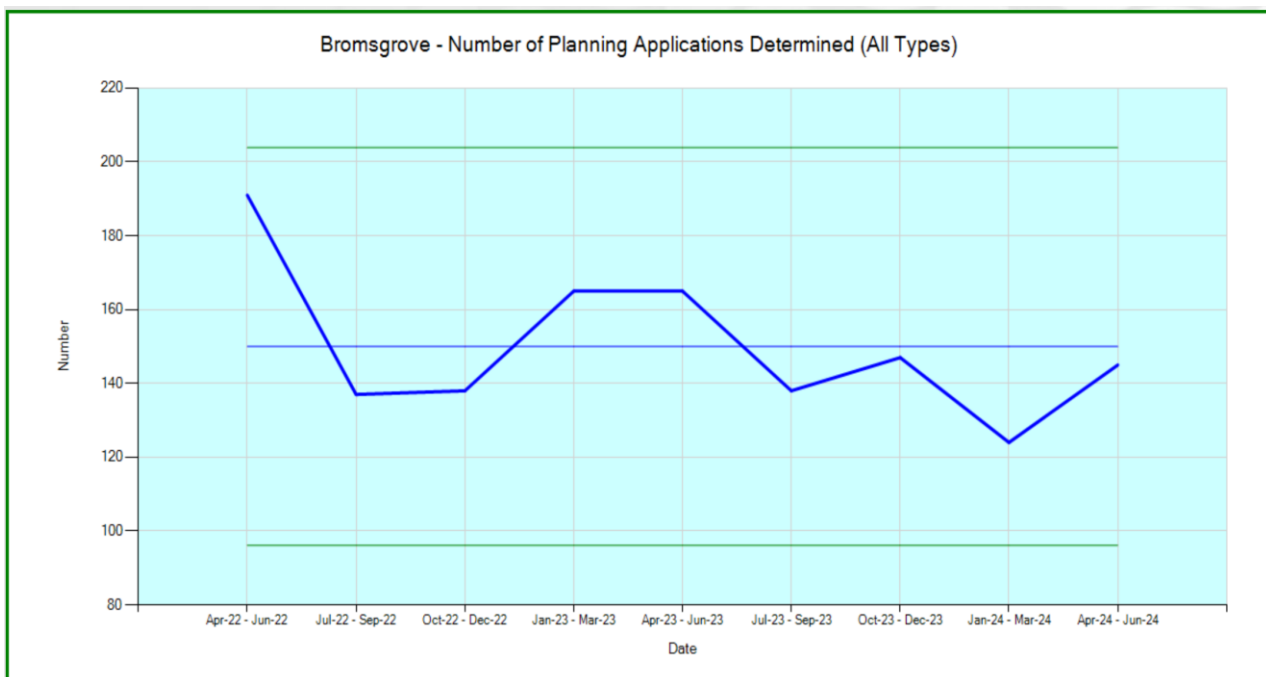


4.4 Planning, Regeneration and Leisure Services

The Leisure and Cultural Strategy has been formally endorsed. Its recommendations have been prioritised for delivery and delivery has commenced.

Performance measure

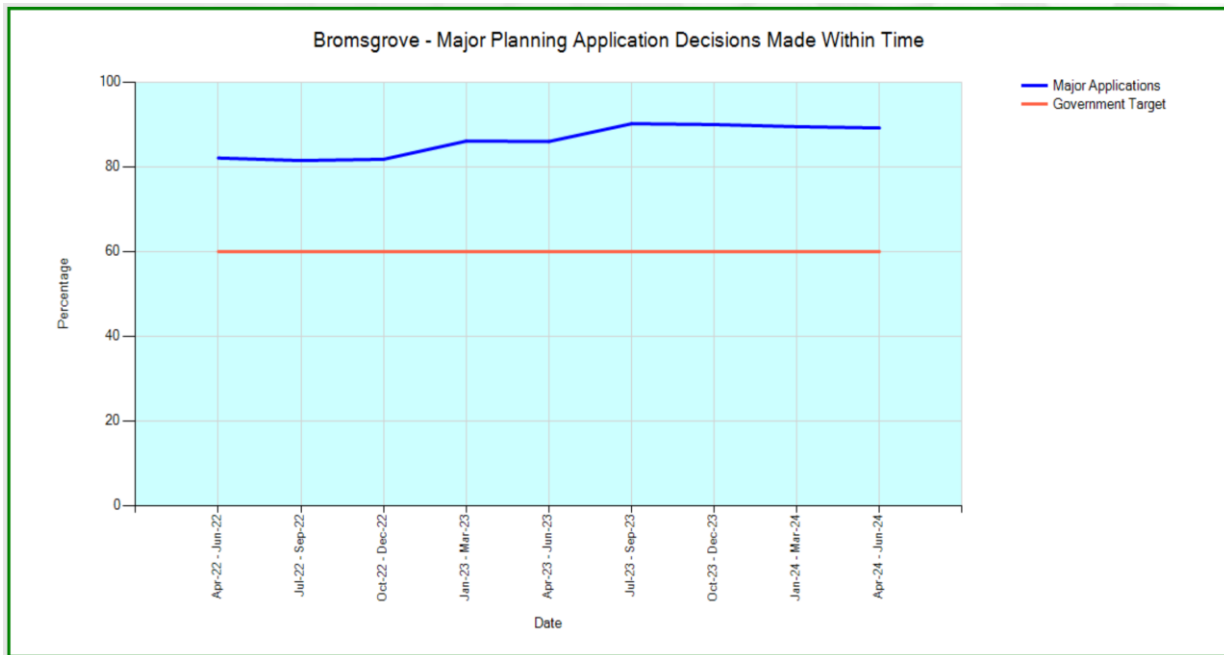
- Total number of planning applications determined in quarter (all types)



Update: Determination rates remain below average.

Performance measure

- Speed of decision making for 'major applications' (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on major applications is 60%)



Update: The assessment of 2 year rolling period for speed is 89.2%. This remains well in excess of government targets which is 60%.

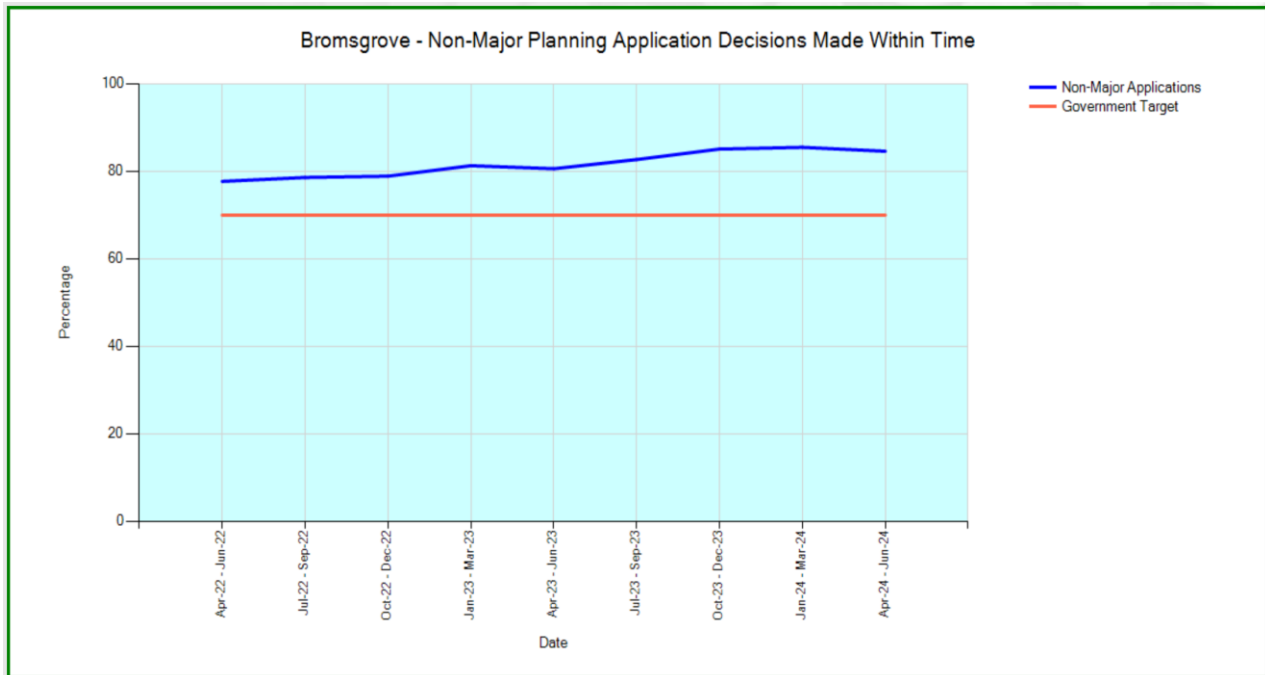
Performance measure

- Speed of decision making for 'non-major applications' (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on non-major applications is 70%)

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Update: The 2-year rolling period for speed is 84.6% remains well in excess of government requirements which is 70%

Performance measure

- Quality of Major Planning Decisions

The threshold for designation for the relevant assessment period of 24 months is 10% or more of an authority's decisions on applications for major development made during the assessment period, including those arising from a 'deemed refusal', being overturned at appeal.

Period of Assessment	Result	Gov.uk last updated
April 2020 – March 2022	18.5%	June 2023
July 2020 – June 2022	20%	October 2023
Oct 2020 – Sept 2022	10.7%	Also, October 2023
Jan 2021 – Dec 2022	9.1%	March 2024
April 21 – March 23	5.7%	Also, March 2024
July 21 – June 23	4.8%	June 2024

Source; Live tables on planning application statistics Gov.uk. Table 152a. [Live tables on planning application statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/live-tables-on-planning-application-statistics)

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Update: The threat of designation exists when more that 10% of decisions are overturned at Appeal. The Councils quality of decision making against this measure has been steadily improving and now sits at 4.8%.

Performance measure

- Quality of Non-Major Planning Decisions

The threshold for designation for the relevant assessment period of 24 months is 10% or more of an authority's decisions on applications for non-major development made during the assessment period, including those arising from a 'deemed refusal', being overturned at appeal.

Period of Assessment	Result	Gov.uk last updated
April 2020 – March 2022	1.4%	June 2023
July 2020 – June 2022	1.4%	October 2023
Oct 2020 – Sept 2022	1.5%	Also, October 2023
Jan 2021 – Dec 2022	1.8%	March 2024
April 21 – March 23	1.8%	Also, March 2024
July 21 – June 23	2.1%	June 2024

Source; Live tables on planning application statistics Gov.uk. Table 154. [Live tables on planning application statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk/live-tables-on-planning-application-statistics)

Update: The threat of designation exists when more that 10% of decisions are overturned at Appeal. The Councils quality of decision making against this measure remains fairly static and sits comfortably below at 2.1%.

Appendix F - New Corporate Plan Measures

Measure	Owner	Comments
Monitor the number of jobs created by supported businesses		Quarterly
Business births, deaths & survival rates		Annual
Earnings (by residence & place of work)		Annual
Track the delivery of the Centres Strategy action plan		Quarterly
Community and business engagement		Annual survey
Tracking affordability index - house prices, rental costs		Quarterly
Monitor Housing supply		Annual
Number of private, affordable, and social houses delivered each year		Annual
Number in temporary accommodation		Quarterly
Number of homeless preventions		Quarterly
Number of empty homes		Quarterly
Grant funding for energy improvements of Private Housing		Quarterly
Number of enforcement cases, planning and environment (number opened, number closed, number open for investigation)		Quarterly
Time taken to remove Fly-tipping		Quarterly
Track delivery of the actions in the Environment Act 2021 project		Quarterly
Reduction in the amount of waste generated by households		Quarterly
Percentage of household waste recycled or composted		Quarterly
Track the delivery of the Carbon Reduction Strategy action plan		Annual
Energy efficiency improvements in municipal buildings, facilities, and public infrastructure		Biannual
Increase Community Engagement and Awareness around the environment		Quarterly & Quarters 2 & 4 Corporate Surveys
Report on the stages of the new Local Plan development & adoption		Biannual
Monitor the rate of planning approvals and appeals in alignment with the agreed policies and proposals (domestic & business)		Quarterly Inc By Type
Track investment in infrastructure projects identified in the local plan (including section 106 monies spent)		Annual
Track the delivery of the Parks and Open Spaces Strategy action plan		Quarterly
To Achieve the Green Flag Award for the following parks: Sanders Park, Lickey End LNR, St Chads Park, Rubery and King George Vth Park over the next 10 years		Annual
Engagement with WCC on the implementation of the Local Cycling & Walking Infrastructure Plan (LCWIP) and the development of the Local Transport Plan 5		Biannual

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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 RESOLVED to 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

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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

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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.

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- 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.

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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.

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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.

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- 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.

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- 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

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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

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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			

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- 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.

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	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.

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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.

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	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.

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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

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

11TH JULY 2024, AT 5.00 P.M.

PRESENT: Councillors P. M. McDonald (Chairman), S. T. Nock (Vice-Chairman), A. Bailes, R. Bailes, A. M. Dale, E. M. S. Gray, B. Kumar, S. A. Robinson and H. D. N. Rone-Clarke

Observers:

Councillor K. J. May – Leader of the Council

Councillor S. J. Baxter – Deputy Leader of the Council (on Microsoft Teams)

Councillor C. A. Hotham

Councillor M. Marshall

Officers: Mrs. S. Hanley, Mr P. Carpenter, Mr. S. Carroll (on Microsoft Teams), Mrs. R. Green, Mrs. J. Bayley-Hill and Mr. M. Sliwinski

12/24

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors R. J. Hunter and J. D. Stanley.

13/24

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

There were no declarations of interest nor of whipping arrangements.

14/24

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 items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of scheme 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below and that it is in the public interest to do so:-

Item No Paragraph

4 3

15/24

LEVELLING UP UPDATE ON WINDSOR STREET CONTRACT AND

MARKET HALL DEVELOPMENT - PRE-SCRUTINY

An update was provided on the Levelling Up Projects at Windsor Street, at Market Hall site, and the Public Realm works.

It was reported that challenges had been experienced with delivery of the three Levelling Up projects in Bromsgrove with a number of external factors having influenced the expected delivery timescales and costs of these projects. It was reported that at present the combined projects overspend was projected at £1.769 million. It was expected that the cost and value engineering would result in this overspend figure reducing to circa £1 million.

In order for the projects to proceed the Council would need to look to finance this gap and it was explained that this could be achieved either through debt financing or by making an application for the funding available through the now defunct Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), which currently held £2.45 million of funds yet to be devolved to the Council through the winding up process. The funds available from the former GBSLEP could only be accessed once it was clear what level of finance the Council required to cover the overspend.

An outline of the progress with the tender process for the Windsor Street project was provided. It was stated that MDA were appointed as project managers for the demolition and clearance of the Windsor Street site. The Planning Application submitted by the Council for the demolition of existing buildings and associated site remediation, removal of existing redundant services and utilities had been approved on 4th June 2024. MDA had undertaken a tender process for the demolition works and following this City Demolition were appointed. It was expected that demolition of the site commences in August 2024 and be completed before the end of the calendar year.

It was noted that issues were being experienced with a spike in vandalism at the Windsor Street which required the Police, the security company and minor works team to attend site daily. This was resulting in call out and boarding costs of circa £400 a day to keep the site safe (prevent vandalism and breaking into the site). It was clarified that dealing with security of the site would become the responsibility of the demolition contractors once the site demolition had started.

Members were advised that the Council had applied for Brownfields Clearance Funding for the Windsor Street site project to support with the additional costs anticipated as a result of interventions requested from the Environment Agency (EA). The outcome of this bid would be known at the end of summer.

For Public Realm part of Levelling Up projects, it was reported that Worcestershire County Council were responsible for the design and delivery given their statutory responsibilities. It was noted that

Memorandum of Understanding (MOU) was in place between Bromsgrove District and Worcestershire County Councils to ensure both parties were fully sighted on detail of the projects, the funding conditionality and timescales in respect of payments for the project.

For Market Hall site project, it was noted that the Council appointed Kier in April 2024 to deliver the Pre-Construction Service Agreement (PCSA) and submit a cost plan for the Council to review before entering into the main works contract.

It was noted that for Market Hall project the use of steel instead of concrete was now recommended by Kier due to lower cost and availability in the supply chain. A 10-week extension to the PCSA was being recommended in the report submitted before Members to enable Value Engineering (VE) to be undertaken, with Kier due to submit their forecast final cost account by the end of August 2024 and completed design to be available in September 2024. If changes proposed required an additional planning application, consultation would need to continue in parallel with the planning process with local traders and the Ward Councillor for the area.

The recommendations as printed in the report were endorsed by the Board.

RECOMMENDED that:

- 1) The Cabinet approve the appointment of City Demolition for the demolition of existing buildings and associated site remediation, removal of existing redundant services and utilities; and
- 2) The Cabinet approve a 10 week extension in the Market Hall Pre Construction Service Agreement (PCSA) in order to fully validate costs.

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

16/24

BROMSGROVE DISTRICT COUNCIL PLAN - PRE-SCRUTINY

The Policy Manager presented the proposed Council Plan, providing overview of each of the sections. 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 held 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 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, there were a number of points raised by Members:

- Members commended the Council Plan and noted that it reflected the whole of the District. Some Members suggested that the 'Monitoring, Review & Reporting' section should include performance data against key measures covered in the Plan. It was responded that performance data on the measures covered in the Council Plan was provided regularly through Quarterly Finance and Performance Monitoring Reports that were presented to Cabinet and scrutinised by Finance and Budget Working Group (sub-committee of Overview and Scrutiny Board). The finance and performance monitoring were combined within a single report and the next step was to improve the format of the monitoring reports to make them more accessible to residents.
- Number of registered births in Bromsgrove – It was explained that data for the number of births in Bromsgrove was taken by registered home address at the time of birth (on UK birth certificate). Therefore, people born in a hospital outside Bromsgrove who had Bromsgrove as registered address were classed as Bromsgrove residents for the purposes of population data.
- It was highlighted that increasing the employment rate in Bromsgrove required good transport links to be provided between the outlying areas of the District and key population centres such as Bromsgrove Town, Birmingham and Worcester. It was commented by Members that some areas such as Alvechurch had managed to obtain extra bus services, however, bus routes were designed by Worcestershire County Council (WCC) and West Midlands Combined Authority (WMCA) within West Midlands and the Council needed to work with these bodies on matters concerning bus services.

- Concerns were raised about the fulfilment of the Local Plan's affordable housing contributions in some house building projects in the District. Longbridge site was cited where it was reported that the affordable housing contribution could be reduced from 40 to 30 per cent because the houses were built in stages due to cost.
- The issues of hidden and unidentified pockets of deprivation in the District was discussed. It was noted that the English indices of deprivation and other national deprivation data did not always reveal hidden poverty, sometimes among residents in areas classed as more affluent. An issue of fuel poverty among residents who lived in larger properties and could no longer afford to heat their homes was highlighted by a Member.
- A Member asked regarding the infrastructure requirement as part of the new Local Plan for the District. It was noted that this would be detailed within the Local Plan as a separate document from this Council Plan and that the new Local Plan would be produced for the period from 2031 which was outside the timescale for this Council Plan.

The recommendation as printed in the report was endorsed.

RECOMMENDED that The Council Plan attached at Appendix 1 be approved.

17/24

CABINET WORK PROGRAMME

The Cabinet Work Programme was presented for Members' consideration.

During the discussion, it was requested that a Cabinet report due to appear on the Cabinet Work Programme concerning disabled facilities grant - recommissioning of the Independent Living Service be added to the Overview and Scrutiny Work Programme. This was agreed by the Board.

RESOLVED that, subject to the preamble above, the Cabinet Work Programme be noted.

18/24

OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME

Members discussed the possibility of setting up a Task Group to investigate the issue of Housing. It was noted that a report on Affordable Housing would be presented to the next meeting, which would include answers to Members' questions, including on definitions of the term affordable housing. It was noted that the Board would need to agree the terms of reference for the task group prior to it commencing. It was also noted that a Housing Needs Study document for the District was

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available, which could help Members with assisting whether a task group investigation was required and, if so, which areas to investigate.

RESOLVED that the Overview and Scrutiny Work Programme be updated as per the pre-amble above.

The meeting closed at 7.34 p.m.

Chairman

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

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

TUESDAY 23RD JULY 2024, AT 6.00 P.M.

PRESENT: Councillors P. M. McDonald (Chairman), S. T. Nock (Vice-Chairman), A. M. Dale, E. M. S. Gray, B. Kumar, S. A. Robinson and H. D. N. Rone-Clarke

Observers:

Councillor K. J. May - Leader and Cabinet Member for Strategic Partnerships and Enabling

Councillor S. R. Colella - Cabinet Member for Finance

Councillor S. A. Webb - Cabinet Member for Health and Wellbeing and Strategic Housing

Councillor M. Marshall

Officers: Mr. G. Revans, Mr. M. Bough, Ms. M. Worsfold, Mrs J. Gresham, Mr. M. Sliwinski and Mrs S. Woodfield

19/24

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were submitted on behalf of Councillor A. Bailes, Councillor R. Bailes and Councillor R.J. Hunter. Councillor C.A. Hotham was in attendance as named substitute for Councillor A. Bailes and Councillor S.M. Evans as named substitute for Councillor R.J. Hunter.

20/24

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

There were no declarations of interest nor of whipping arrangements.

21/24

TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 25TH JUNE 2024

The minutes of the Overview and Scrutiny Board meeting held on 25th June 2024 were considered.

RESOLVED that the minutes of the Overview and Scrutiny Board meeting held on 25th June 2024 be agreed as a true and correct record.

22/24

UPDATE ON LOCAL HERITAGE LIST FOR BROMSGROVE DISTRICT

The Principal Conservation Officer presented the update for the Local Heritage List for Bromsgrove District. Since the last update presented to the Overview and Scrutiny Board on 22nd April 2024, progress had been made on the Bromsgrove Local Heritage list. Draft lists for the parishes of Alvechurch, Belbroughton and Fairfield, Beoley and Dodford with Grafton were published and a six-week consultation process carried out.

Overall, Officers were pleased with the residents' response to the consultation events in those areas and with the feedback received. It was felt that with the additional descriptions of properties, residents had a better understanding of the process.

Following the presentation, Members thanked the Principal Conservation Officer for the detailed report and added that they were pleased to see progress being made.

Having reviewed the report, the following comments were made by Members:

- Why Parish Councils had not been involved in the consultation process? It was confirmed that the parish clerks had been consulted and had assisted in organising talks with residents. Officers had also been in recent communications with the parish clerks regarding nominations. It was agreed that a meeting be arranged to talk through the process with Councillor B. Kumar.
- Conservation Officer resource. It was confirmed that a recruitment process for a new Conservation Officer role was underway and interviews were imminent.

RESOLVED that the Update on Local Heritage List for Bromsgrove District be noted.

23/24

AFFORDABLE HOUSING BRIEFING

The Strategic Housing Services Manager addressed the Board. The briefing note had been prepared for the Overview & Scrutiny Board on the delivery of affordable housing in the District and covered the definition of affordable housing, number and size of the affordable housing delivered, housing register information and affordable housing need and future delivery.

Following the detailed report members thanked the Strategic Housing Services Manager. Having reviewed the report members made the following comments:

- Had provisions for independent living been considered for younger children and the disabled? Members were advised that Worcestershire County Council and Bromsgrove District Council both funded supported housing for young people through the Foyer scheme run by St Basils. It was also explained that the Council were working with registered providers to have homes adapted to enable people to remain in their homes.

A further point was raised concerning young people leaving care provision. Members had previously raised the potential of having care provision included at the new Burcot Lane site. The Strategic Housing Services Manager undertook to review the matter further.

During discussions the Portfolio Holder for Health and Wellbeing and Strategic Housing offered to organise a visit to St Basils if Members were interested.

The Chairman requested a further explanation of the Foyer scheme. Members were advised that the scheme was a twenty-four hour support service for young people, run through St Basils, and provided interim accommodation and support services for young people. Staff provided the skills necessary for young people to live independently, such as learning how to manage their own home and to provide aid with employment opportunities.

Members sought further details on the utilisation of Spadesbourne Homes to deliver private rented and affordable homes, helping to balance the housing market on Council owned land. It was advised Spadesbourne Homes was a Council owned housing company leasing privately rented properties.

Discussions continued with a query raised regarding residential development of 200 dwellings being liable for a minimum 40% Affordable Housing contribution. Members queried why that in the Local Plan it stated "up to". Members suggested it should read "minimum". It was explained that issues with site viability sometimes hindered this suggestion.

A point was also raised concerning Bromsgrove Council owning 30% equity in 109 Low-Cost Housing units. The owner could either purchase the 30% off the Council or sell on the open market at 100% of open market value and repay the Council the 30% share. Members queried why the Council did not maintain the 30% and sell the 70% at market value to be used for affordable housing provisions. Members also asked what the Council used the 30% equity for? It was explained a report went to Cabinet which set out the scheme and included in the report that a 30% equity be ring fenced for affordable housing. Members were also advised that within the Service Plan, provision would be sought to provide grants to registered providers.

Discussions continued concerning the number of social stock owned by different providers in the area. Members expressed their view that if a provider only owned a small amount of stock, that the level of support and service may be considerably less compared to Bromsgrove District Housing Trust (BDHT), who owned a considerably larger proportion of stock. The Chairman felt there was no substantial evidence of this suggestion. The Strategic Housing Services Manager added that the Housing Department had not received any complaints concerning this. Members were also reassured that all housing stock companies were monitored and regulated through the Regulator of Social Housing and the Housing Ombudsman. It was suggested that the Council contact providers in order to potentially discuss stock rationalisation.

Some Members felt that since reviewing the report fully, it did seem to suggest that the Council were not narrowing the gap for the provision of affordable housing, adding concerns that the average cost of a home in Bromsgrove was unaffordable. Members agreed affordable housing did need to be reviewed and was a substantial issue.

RESOLVED that the briefing on Affordable Housing be noted.

24/24

TOPIC PROPOSAL FOR TASK GROUP - HOUSING (REPORT TO FOLLOW)

Councillor Rone-Clarke presented the topic proposal for the Board's consideration. It was noted that the potential to establish Housing Task Group was discussed by Members at a meeting of the Overview and Scrutiny Board held on 11th July 2024.

Key objectives of the proposed task group review would be to scrutinise the following areas:

- Fleeceholding - Members “to address and influence” to assist residents.
- Section 106 monies to support infrastructure rules - Members located in town centres/urban areas could add significant value.
- To investigate “asset rich” but “revenue poor” residents and the support available locally to residents - This could involve the task group exploring potential gaps that could be addressed by the Council and partner organisations.

Councillor Rone-Clarke felt the task group would be a good opportunity for Members to gain knowledge from Officers and to view their perspectives on the key objectives. He pointed out that the task group proposal was not its final draft and welcomed Members’ thoughts.

Following the presentation of the topic proposal, Members agreed to establish the task group. The Chairman advised that Members were to consider their interest and to contact Democratic Services in the first instance.

RESOLVED that the Housing Task Group be established and that the terms of reference for the Task Group, as submitted, be approved.

25/24

IMPACT OF HEATWAVES TASK GROUP - FINAL REPORT

Councillor M. Marshall provided a detailed presentation of the Impact of Heatwaves Task Group and final report details.

The Short Sharp Review was commissioned by the Board on 12th February 2024 following a Motion submitted by Councillor Marshall to Council on 24th January 2024. The Motion was in respect of a review of immediate action be taken to educate and equip residents for impending heatwaves made more likely by climate change. The terms of reference were agreed on 22nd April 2024 with the final the report to be discussed with the Board in July 2024.

The context for the review was the aftermath of the more frequent and intense heatwaves being experienced internationally and in the UK. Several key lessons were learned nationally from that experience and

the review sought to establish how those lessons were being applied locally in the fulfillment of the Council's statutory duties as well as moral obligation to protect citizens.

As a first-tier responder, the District Council had statutory duties before, during and after civil emergencies. These duties included putting in place emergency plans, warning and informing the public about civil protection, sharing information and cooperating with other responders. They also included implementing business continuity plans and championing business continuity.

Two key lessons learnt nationally from the 2022 heatwaves were the need to firstly improve public information and awareness of the impact of heatwaves and secondly to improve cooperation and coordination between different agencies.

The Council's statutory duties were partly discharged through the West Mercia Local Resilience Forum which was part of a national network based on police force areas. They included representatives from Worcestershire County Council (WCC), District Councils, Police, Ambulance and Fire Services, NHS Bodies, The Health and Safety Executive, transport companies and utilities.

Wide-ranging areas of responsibility relating to heatwaves included working with vulnerable residents, especially older adults and children, caring for patients in NHS settings, protecting transport infrastructure, agricultural management, access to working air conditioning, environmental pollution, protecting homeless residents, maintaining water supplies and protecting the public against wildfires.

During the review the task group learnt in detail about the plans, protocols and command structures of the forum and the traffic light system used to trigger mobilization of any response. For heatwaves, these warnings trigger temperature thresholds which vary regionally but in the West Midlands a heatwave were defined as three consecutive days on which the daytime temperature exceeds 30 Degrees Celsius during the daytime and 15 Degrees Celsius at nighttime.

During the review, Worcestershire Prepared were established consisting of a range of partner organisations including WCC, District Councils, the NHS, Environment Agency, Police Fire and Rescue Services as well as voluntary partners. Worcestershire Prepared had a specific remit for engagement with local communities through a messaging service plus mobilising resources and perhaps most importantly providing a conduit

to sense check on whether these measures were adequate or working. During the review the task group members were repeatedly reminded that protecting the vulnerable from heatwaves was best achieved through utilities, social care and voluntary organisations.

Bridging the gap between national and regional measures and front-line action on the ground in the local communities were perhaps the area where local councillors could personally have the most impact. Encouraging local businesses to undertake their own risk assessments and develop their own business continuity plans was identified as a particular gap.

During the review the task group were supported extensively by the Council's partner organisation, Applied Resilience, which advised the Council on the discharge of its emergency planning responsibilities. Applied Resilience were currently undertaking an audit of potential rest centres across Bromsgrove, Redditch and Wyre Forest which might be required for a variety of civil emergencies but will now include the provision of cooling centres within its scope. The task group was also advised that WCC would be developing print and digital messaging each year to educate and advise residents about preparations for potential heat events.

Because of the fast-changing nature of the challenges and responses the task group's recommendation was that an annual update be provided to the Board each Spring to assess any further lessons learnt and gauge the Council's readiness for impending heat events. Rules could and should be set by Central Government but Members based locally were best-placed to enact them and to sound the alarm.

Following the presentation Members thanked Councillor Marshall for the suggestion of the task group and for the detailed report, adding that it was good to know procedures were in place.

Members discussed the essential requirement for specific cooling areas in the District. Councillor Marshall suggested Members could assist to identify possible cooling centres within their Wards. He also advised Members that Worcestershire Prepared were specifically designed as an initiative to bridge the gap, providing knowledge at a local level and to provide the specific rules and regulations set nationally and regionally.

On being put to the vote the Impact of Heatwaves Task Group report recommendation was agreed and would be submitted to Cabinet to note at their next meeting in September 2024.

RECOMMENDED that the contents and recommendation of the Impact of Heatwaves Task Group Final report be noted.

RESOLVED that an annual report be provided to the Overview and Scrutiny Board to update any areas of change in respect of the Impact of Heatwaves on the community and any changes in the response to these events be noted.

26/24

FINANCE AND BUDGET WORKING GROUP - UPDATE

The Chairman discussed the Finance and Budget Working Group meeting held on 19th July 2024, in particular with regards to Quarter 4 2023/24 Performance Monitoring Report presented at the meeting.

It was reported that four recommendations had been made during this meeting. The first being to reconsider the Council's Local Plan thresholds. Developers building up to 100 dwellings were to provide a maximum of up to 30% affordable houses in contrast to 200 dwellings developed, a maximum of up to 40% be built. The Chairman felt with this in mind, it was paramount to bridge the gap for affordable housing.

Members discussed the proposal, agreeing more affordable housing was needed locally. It was also discussed that the Council's priority should be to encourage residents to stay living within the District.

Discussions continued with some Members expressing concerns that the possible increase in affordable housing could encourage anti-social behaviour. Other members suggested issues with anti-social behaviour was more likely related to poor quality social housing, adding that mixed communities was a solution with residents possibly having a greater sense of a shared stake in their area and community.

The Chairman continued, advising lateness of reports was also discussed during the Finance and Budget Working Group. A further recommendation discussed was for Officers to ensure that when deadlines were provided in Council reports, these dates were realistic and should be adhered to. It was explained that lateness of reports was not providing members with confidence.

It was clarified that following discussion with Officers that the final recommendation in respect of the Market Hall site Levelling Up project had been withdrawn.

Following member discussions, the Executive Director confirmed that the Strategic Planning and Conservation Manager had advised there was scope within the Board to review these recommendations through the Strategic Planning Steering Group as part of the Local Plan review. Officers confirmed that the Housing Monitoring Report had been published on the Council's Website and could be circulated to Members for their consideration.

On being put to the vote the recommendations from the Finance and Budget Working Group, were agreed as recommendations to Cabinet.

RECOMMENDED that

- 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) that the 40 % thresholds referred to above be extended to any site accommodating below 100 dwellings, to narrow the ever-increasing gap between Market Houses and Affordable;
- 3) To ensure that when deadlines are provided in Council reports, these are realistic and are being adhered to be approved.

27/24

WORCESTERSHIRE HEALTH OVERVIEW AND SCRUTINY COMMITTEE - UPDATE

The Council's Representative on the Worcestershire Health Overview and Scrutiny Committee (HOSC), Councillor B. Kumar, updated the Board on the matters discussed at its recent meetings.

Two items considered on the agenda included Adult Mental Health Acute Inpatient and Rehabilitation redesign and strengthening the

patient and carer voice across Herefordshire and Worcestershire Health and Care NHS Trust Service Delivery and in decision making.

Members were informed that Mental Health care had been at crisis point and urgently needed reviewing. The Community Mental Health Transformation Programme had developed new ways of working for adults with acute mental health needs, in partnership across several providers including the Voluntary, Community and Social Enterprise (VCSE) Sector and Social Care. The new national guidance stated that two levels of Mental Health Rehabilitation should be available: Level 1 – Community Rehabilitation Units and Level 2 – Intensive Rehabilitation Support.

Some objectives for the programme were:

- Patients being treated in one area.
- To reduce agency staff.
- Develop induction training.
- Implement “Best Use of Resources” philosophy.
- Using best practice, improving quality.
- Looking at emotional needs.
- Strengthening patient and carer voice.

Following the update, Members thanked Councillor Kumar for the detailed report. Members expressed their deep concerns for mental health patients, having personally witnessed the issues patients encountered within the NHS. Members felt encouraged that steps were being put in place to improve the care provided.

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

28/24

CABINET WORK PROGRAMME

The Cabinet Work Programme was presented for Members’ consideration.

Following discussions members requested the following change to be made:

On page 51 “New National Forest Application” be amended to read “New National Trust Application”.

The Executive Director noted the matter would be discussed with relevant officers.

RESOLVED that the Cabinet Work Programme be updated as per the pre-amble above.

29/24

OVERVIEW AND SCRUTINY BOARD ACTION SHEET

The Overview and Scrutiny Board Action sheet was discussed by members.

RESOLVED that the Overview and Scrutiny Board Action sheet be noted.

30/24

OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME (REPORT TO FOLLOW)

The Board reviewed The Overview and Scrutiny Board Work Programme.

During consideration the following were discussed by Members:

Play Audit Review - It was queried why the review was being split into two, with dates being provided for September and November. It was explained that the final report would not be available until end of October/beginning of November.

North Worcestershire Community Safety Partnership. It was queried if a date had been provided. It was confirmed that a date had not yet been established.

Disabled Facilities Grant - Recommissioning of the Home Improvement Agency Promoting Independent Living Service – Members queried when a report would be made available to scrutinise. It was advised that a report be made available for Members imminently.

RESOLVED that the Overview and Scrutiny Work Programme be noted.

The meeting closed at 7.40 p.m.

Chairman

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