

# Public Document Pack



## **BROMSGROVE DISTRICT COUNCIL**

### **MEETING OF THE CABINET**

**WEDNESDAY 10TH SEPTEMBER 2025**

**AT 6.00 P.M.**

**PARKSIDE SUITE - PARKSIDE**

**MEMBERS:** Councillors K.J. May (Leader), S. J. Baxter (Deputy Leader),  
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 23rd July 2025 (Pages 7 - 16)**

4. **Minutes of the meeting of the Overview and Scrutiny Board held on 22nd July 2025 (Pages 17 - 26)**

(a) To receive and note the public minutes

(b) To consider any recommendations contained within the public minutes

A recommendation was made by the Overview and Scrutiny Board at its meeting held on 22<sup>nd</sup> July 2025 in respect of Bromsgrove Town Centre Recycling Bins.

Cabinet is asked to note that the recommendation was informed by a report considered by the Board on 22<sup>nd</sup> July 2025 which has been published in Background Papers to this agenda pack.

5. **Adoption of Fixed Penalty Charge for breach of Community Protection Notice** (Pages 27 - 32)
6. **Quarter 1 2025/26 Finance and Performance Monitoring Report** (Pages 33 - 66)
7. **Medium Term Financial Plan Scene Setting Report 2026/2027** (Pages 67 - 74)
8. **To consider any urgent business, details of which have been notified to the Assistant Director of Legal, Democratic and Procurement 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**
9. **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>
10	3
11	3

10. **Expansion of Commercial Waste Collection Service** (Pages 75 - 88)

11. **Minutes of the meeting of the Overview and Scrutiny Board held on 22nd July 2025 (Pages 89 - 94)**

J. Leach  
Chief Executive

Parkside  
Market Street  
BROMSGROVE  
Worcestershire  
B61 8DA

2nd September 2025

**If you have any queries on this Agenda please contact  
Jo Gresham**

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### **GUIDANCE ON FACE-TO-FACE MEETINGS**

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

#### **Notes:**

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



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- Meeting Minutes
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## **BROMSGROVE DISTRICT COUNCIL**

### **MEETING OF THE CABINET**

**WEDNESDAY 23RD JULY 2025, AT 6.00 P.M.**

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

Observers: Councillor P. M. McDonald - Chairman of the Overview  
and Scrutiny Board

Councillor S.T. Nock - Vice-Chairman of the Overview and  
Scrutiny Board

Officers: Mr J. Leach, Mr B. Watson, Ms R. Egan, Mr M. Cox,  
Mrs L. Berry, Mrs. R. Green, Mr. C. Poole, Ms. C. Hornblow and  
Mrs J. Gresham.

24/25 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor K. Taylor.

25/25 **DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

26/25 **REVOCATION OF THE BROMSGROVE ROAD AND LICKEY END AIR  
QUALITY MANAGEMENT AREA**

The Technical Services Manager from Worcestershire Regulatory  
Services (WRS) presented the report for Members' consideration.

During the presentation of the report, it was noted that the Air Quality  
Management Areas (AQMA) at Lickey End and Redditch Road,  
Bromsgrove had been declared as AQMA for some time.

Following an update of national policy in respect of revocation of AQMA  
by the Department of Environment, Food and Rural Affairs (DEFRA) it  
had been deemed necessary to revoke AQMA which had not seen  
Nitrogen Dioxide (NO<sup>2</sup>) exceedances for over five consecutive years.  
Officers explained that there had been no exceedance of NO<sup>2</sup> at both of  
these sites for some time. With the last exceedance for Lickey End in  
2014 and for Redditch Road, Bromsgrove in 2016.

Should these two AQMAs be revoked this would result in only one remaining AQMA within the District, at Worcester Road. This site was subject to an Air Quality Action Plan and continued monitoring would take place at this site. It was noted that monitoring would also continue to take place at other sites across the District.

Cabinet was informed that a Behaviour Change Officer at WRS was working within the District to educate and influence behaviour changes with residents across the area. This included schools and other organisations in order to educate young people in the importance of air quality for the future with a view for them to influence their parents' behaviour.

Following the presentation of the report, concerns were raised by Members regarding the Lickey End AQMA and the revocation of this site. Of particular concern was the potential decrease in air quality following the closure of School Lane due to infrastructure changes and subsequent diversions now being in place. It was noted that there was significant congestion at this location which might increase NO<sup>2</sup> emissions in the future. Officers explained that congestion would not necessarily result in increased emissions that were an issue to air quality and that this site would still be subject to monitoring going forward.

It was suggested that a potential site for monitoring along the A38 where there had been recent changes to the road layout, resulting in the homes being closer to the road, which could mean a potential increase in poor air quality. Monitoring around this location would provide surety for the residents that this location was still a safe place in terms of air quality.

Some Members expressed that the revocation of these two AQMAs was positive for the District in that air quality was improving. It was reiterated that these sites would continue to be monitored closely to see if there were any future exceedances and to carry out any necessary work should this be the case. Officers reported that real time monitoring data for specific locations could be accessed on the WRS website.

There were also concerns raised in terms of the impact with current road closures within Bromsgrove by Worcestershire County Council (WCC). It was reported that these closures had not only greatly impacted on congestion, but they had also impacted on businesses located within the Town Centre.

The Chief Executive Officer proposed that a letter be written on behalf of the Council to WCC to express the concerns raised at this meeting in



respect of congestion and the impact the road closures had had on the Town Centre.

**RECOMMENDED** that the Lickey End, Bromsgrove Air Quality Management Area (AQMA) and the Redditch Road, Bromsgrove, AQMA be revoked.

27/25

## **BROMSGROVE TOWN CENTRE STRATEGIC FRAMEWORK**

The Bromsgrove Centres Manager presented the Bromsgrove Town Centre Strategic Framework report for the consideration of Cabinet.

The Bromsgrove Town Centre Framework had been designed as a guiding document to anchor several Bromsgrove Town Centre strategies approved in recent years such as Bromsgrove Centres' Strategy, the Strategic Car Parking Review and Bromsgrove 2040 Vision.

Several engagement sessions had taken place for stakeholders to inform the development of the Framework. A dedicated Cabinet Advisory Group (CAG) meeting had also taken place for Cabinet in order to engage with all elected Members within the Council to understand their perspectives.

Contained within the Framework was a comprehensive delivery structure overseen by a Town Centre Steering Group (TCSG) to monitor milestones, evaluate resource implications and budgets, in addition to the formation of the Business Improvement District (BID) for the Town Centre.

Members welcomed the Framework and noted the inclusive process taken to develop the Framework document. During the discussion, timelines for the establishment of the TCSG and BID for the Town Centre were queried by Members. Officers confirmed the TCSG would be in place by the end of 2025. A feasibility study for the BID for the Town Centre would take place immediately with a view to it being in place as soon as possible.

During consideration of this item, the Chairman of the Overview and Scrutiny Board was invited to address the Cabinet on behalf of the Board. Members were advised that this report had been pre-scrutinised at a meeting of the Board held on 22<sup>nd</sup> July 2025. The Board had been pleased with the proposed Framework and had felt that it was a positive step forward for the Town Centre. It was confirmed that no

recommendations had been made by the Board as a result of the pre-scrutiny of the report.

The Assistant Director Regeneration & Property Services explained that the Communications team would be contacted to ensure that some communications were provided to residents and that the Framework would be placed on the Bromsgrove District Council's website.

**RESOLVED** that

The Bromsgrove Town Centre Strategic Framework be approved.

28/25

## **FINANCIAL OUTTURN REPORT AND Q4 PERFORMANCE MONITORING REPORT 2024/2025**

The Leader invited the Chairman of the Overview and Scrutiny Board, to present to the discussions in respect of the pre-scrutiny of the Financial Outturn Report and Quarter Four Performance Monitoring Report 2024/2025, which had taken place at a Finance and Budget Working Group meeting on 17<sup>th</sup> July 2025 and at the Board meeting held on 22<sup>nd</sup> 2025.

In doing so, Members were informed that during consideration of the report, Members of the Working Group had agreed that more detailed narrative was required in these reports going forward in order for Members and the public to better understand the content. Specific areas where further detail was needed was in the variances across service areas, information on the reasons for these variances and mitigations in place to ensure these were managed effectively. In addition, further information regarding the recharges made across both Bromsgrove District and Redditch Borough Councils during any financial year would also be helpful to better understand the financial position of the Council. This pre-scrutiny had resulted in a recommendation being made by the Board as follows:

**RECOMMENDED** to Cabinet that

Future Quarterly Financial Outturn and Performance reports provide:

- i. a detailed narrative in terms of variance for each specific service area
- ii. for each area of high variance provide detail of the action(s) being taken to address the issue and the officer(s) responsible

iii. information on recharge amounts.

The Cabinet Member for Finance welcomed the recommendation from the Board and felt that this was necessary in order for Members to 'drill down' into future information presented. It was noted that Cabinet Members would be required to take ownership and have a clear understanding of the spending across their specific portfolios in the future.

The Deputy Chief Executive informed the Cabinet that in the future there would be a need to present not only the 'approved' budget in these reports but also the 'working' budget which would provide a more accurate picture of any variances, carry forwards and burdens experienced within the financial year. These changes had been discussed with the Assistant Director Finance and Customer Services who understood that this would provide extra detail. It was further noted that the changes to these reports would be an iterative process, and that feedback was welcomed when considering these reports in the future, in order to ensure that useful and transparent data was provided to Members.

In terms of the performance monitoring data, significant improvements had been made. This data, however, would be provided in a separate report going forward. Although it was confirmed that both financial and performance monitoring reports would be considered within the same committee cycle, in order to provide a clear picture and highlight the links between what the Council was spending and what it was doing.

The Policy Manager presented the performance monitoring data contained within the report. The way in which performance data was monitored and presented had evolved which had resulted in data that was easier to interpret. This was an ongoing process and would continue to be developed.

Cabinet was informed that there were still gaps within some areas of the data and that Officers were working with managers to ensure these gaps were filled. The Power BI dashboard continued to be developed to ensure that real time data could be tracked by Members and, if appropriate for some performance measures, by members of the public on the Bromsgrove District Council website. In addition to this it was reported that a RAG (Red, Amber, Green) rating model would continue to be used to monitor and investigate areas where performance was unsatisfactory. Any areas that were not 'green rated' would be investigated further by Officers.

There was a query in respect of the Members Ward Budget Funds and whether there was the possibility to carry forward funds to future years. Although it was stated that in some exceptional cases this might be possible this was a fund that was set up to be accessed within a specific financial year and any leftover monies would go back into the General Fund at the end of the relevant financial year.

Although reminders had been sent out to Members regarding the Members Ward Budget Funds throughout the year, financial reporting on the Members Ward Budget Funds including the levels of funding spent by Members so far within the year, would be included in future reports as it would be helpful to ensure that all Members were aware of any spent and remaining funding.

The criteria for allocation of Members' Ward funding was robust and if any projects had been rejected throughout the year, it was likely due to not meeting the criteria, such as a request being made for funding to an individual rather than to an organisation.

Members thanked Officers for their work on this report and were pleased with the dynamic approach being taken for future reports.

**RESOLVED** that

- 1) the 2024/25 outturn position in relation to revenue budgets was a revenue underspend of £129k and that this excluded the Balance Sheet Monitoring for the Treasury Monitoring Report as this was to be taken as a separate report.
- 2) the 2024/25 outturn position in relation to Capital expenditure was £9.53m against a total an approved programme of £7.07m.
- 3) to note the Members Ward Budget allocation position at the year ending 31 March 2025 was approved allocations at £55,812.
- 4) to note the outturn position in respect of the General Fund Reserves which was £14.299m on the 31 March 2025.
- 5) to note the outturn position in respect of Earmarked Reserves.
- 6) there was an updated procurements position set out in Appendix D, with any new items over £200k to be included on the forward plan.

- 7) the Quarter 4 Performance data for the period January to March 2025 be noted; and
- 8) future Quarterly Financial Outturn and Performance reports provided:
  - i. a detailed narrative in terms of variance for each specific service area
  - ii. for each area of high variance provide detail of the action(s) being taken to address the issue and the officer(s) responsible
  - iii. information on recharge amounts.

29/25

## **TREASURY MANAGEMENT OUTTURN REPORT 2024/2025**

The Deputy Chief Executive presented the Treasury Management Outturn Report 2024/2025 for Members' consideration. This was a highly technical report and provided narrative including information from the Council's Treasury Management advisors, Arlingclose.

It was reported that the Authority was debt free and had not breached any prudential indicators throughout the year.

Members were reassured that the Council was in a strong position and had made considered and suitable investments as part of its Treasury Management Strategy.

### **RECOMMENDED** that

- 1) the Council's Treasury performance for the financial year 2024/25.
- 2) the position in relation to the Council's Prudential indicators.

30/25

## **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 17TH JUNE 2025**

Members considered the contents of the minutes of the Overview and Scrutiny Board meeting held on 17<sup>th</sup> June 2025. It was noted that there were no outstanding recommendations contained within the minutes.

The Chairman of the Board took the opportunity to explain to Cabinet that at the Board meeting held on 22<sup>nd</sup> July 2025, there had been a recommendation made in respect of Bin Recycling facilities on Bromsgrove High Street and the potential for them to be replaced. It was noted that this recommendation would be considered by Cabinet at its next meeting in September.

It was also reported that there had been discussions at the Finance and Budget Working Group during consideration of the Financial Outturn and Quarter Four Performance Monitoring 2024/25 report, in that there was a variance as the result of an underspend in salary costs for the Assistant Director Business Transformation, Organisational Development and Digital Services position. Some Members had been unaware that this position was currently vacant and that the previous Officer no longer worked for the Authority. Members were informed that the recruitment process would start shortly for this role. It was suggested that the organisation chart be updated to reflect this and that Members be kept informed of any staff that ceased to work for the Council.

The Chief Executive also reported that there were some up to date organisation charts and contact details available and undertook to circulate them to Members following the meeting.

**RESOLVED** that the minutes of the Overview and Scrutiny Board meeting held on 17<sup>th</sup> June 2025 be noted.

31/25

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

There was no Urgent Business on this occasion.

32/25

**TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 18TH JUNE 2025**

The minutes of the Cabinet meeting held on 18<sup>th</sup> June 2025 were submitted for Members' consideration.

**RESOLVED** that the minutes of the Cabinet meeting held on 18<sup>th</sup> June 2025 be approved and signed as a true and accurate record.

# Agenda Item 3

Cabinet  
23rd July 2025

The meeting closed at 6.52 p.m.

Chairman

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## **BROMSGROVE DISTRICT COUNCIL**

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

**22ND JULY 2025, AT 6.00 P.M.**

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

Observers: Councillor K. May (Leader of the Council), Councillor S. Baxter (Deputy Leader of the Council)

Officers: Mr B. Watson, Mr. G. Revans, Mrs. R. Egan, Ms. L. Berry, Mr. D. Henderson, Ms. R. McElliott, Ms. M. Worsfold, and Mr. M. Sliwinski

17/25

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

Apologies for absence were received from Councillor S. Robinson with Councillor J. Robinson in attendance as her named substitute.

18/25

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

There were no declarations of interest nor of party whip.

During consideration of this agenda item, a point of order was raised by a Member of the Committee. On the advice of officers, it was decided that the meeting be adjourned to seek advice of the Deputy Monitoring Officer in relation to this matter.

The meeting was adjourned between 6.06pm and 6.36pm. During this time, the Members concerned received advice on the matter from the Deputy Monitoring Officer.

Following the end of the adjournment, it was announced that the matter raised was not within the remit of Overview and Scrutiny Board and would be addressed through the correct process.

[Councillors R. Hunter and J. Robinson left the meeting following the end of the adjournment]

19/25

#### **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 17TH JUNE 2025**

The minutes of the Overview and Scrutiny Board meeting held on 17<sup>th</sup> June 2025 were considered.

**RESOLVED** that the minutes of the Overview and Scrutiny Board meeting held on 17<sup>th</sup> June 2025 be agreed as a true and correct record.

20/25

## **BROMSGROVE TOWN CENTRE STRATEGIC FRAMEWORK - PRE-SCRUTINY**

A strategic framework for Bromsgrove Town Centre was presented to Members which had been developed in collaboration with the portfolio holder and shaped through two stakeholder workshops. The framework aimed to consolidate various existing policies and plans into a unified vision for the town centre's future. It was designed to be inclusive and community-owned, rather than solely a Council initiative, to ensure resilience and relevance post Local Government Re-organisation (LGR).

The framework was grounded in placemaking principles and intended to guide regeneration activity, partnership engagement and investment priorities. It incorporated elements from the Bromsgrove Town 2040 Vision, Local Plan and regeneration projects funded through the Levelling-Up project.

Key strategic aims included the following:

- Transforming public spaces and connectivity
- Celebrating Bromsgrove's unique identity
- Enhancing town centre links and visitor access
- Building a safe and inclusive community
- Cultivating a thriving local business ecosystem
- Creating vibrancy to attract more visitors

The vision had been previously considered by Stakeholders and Members during various group activities to ensure all the aims and objectives were included.

An action plan encompassing the key strategic aims was to be developed under the oversight of a newly formed Town Centre Steering Group, comprising various stakeholders. This group would define Key Performance Indicators (KPIs), milestones, resource implications and explore the feasibility of establishing a Business Improvement District (BID). Progress would be monitored through an annual "State of the Town" health check which would link in with planning policies and quarterly reports would be provided as and where necessary.

During the meeting, Members raised several points which included the following:

- What health checks would be considered and how they would be graded? It was advised that the health checks would be assessed as part of the Council's planning policy framework

which would include baselines for footfall, vacancy rates, business support, rental values and other indicators. The Board were also encouraged to provide other health checks which they felt were important, for consideration.

- The importance of monitoring space usage in the town centre was highlighted.
- Clarity of the diversity of stakeholders involved in consultations was requested. In response Members were informed that representatives within different sectors across the town centre were considered during workshop sessions.
- Clarification on the enhanced town centre links and visitor access approval was requested. A timeline was proposed to establish the steering group by the end of Quarter 4 to draft an action plan. Members were also advised that existing work with Worcestershire County Council (WCC) on local cycling and walking improvements and public realm enhancements were underway.
- Concerns were expressed regarding aligning the strategy with the future LGR and that learning from other models should be a consideration. Officers suggested that the priority was to establish the Town Centre Steering Group, however, it was noted that leaving a legacy for the local people to be proud of was a key priority.
- Suggestions were made to produce a promotional video to communicate the vision to the public.
- The need to include town centre living within the strategy was emphasised to attract people of all ages, with proposals to encourage residential development above shops and within key sites. Members were advised that part of the action plan would include forwarding development plans within key site areas.
- It was suggested that the Town Centre Steering Group should consider having a Member included to provide relevant expertise and report back findings to the Board.
- The BID process was clarified which included the requirement for a successful ballot among fifty percent of the rateable value of businesses within a defined area. This bid would determine the chargeable business rates to local businesses and the revenue generated for the Council.

There were no recommendations raised during the meeting for Cabinet based on the content of the report.

**RESOLVED** that the Bromsgrove Town Centre Strategic Framework report be noted.

21/25

## **LOCAL HERITAGE ACTION LIST - QUARTERLY UPDATE**

An update was provided on the Local Heritage Action List to the Board.

Following the adoption of the first tranche earlier in the year the following were noted:

- Property owners had been notified.
- The website had been updated.
- Development Management colleagues had been briefed on the local list and its implications for planning applications.
- A draft list for Wythall had been completed, with consultation planned post-Local Plan consultation completion.
- Work on Lickey and Blackwell and Bromsgrove continued but progress had slowed due to staff absences and departures. Engagement with Bromsgrove Society was ongoing.
- Public outreach efforts included a talk at Lickey End. Nomination forms would also be made available as part of the engagement process.

Concerns were raised regarding communication with stakeholders in Lickey and Blackwell. A Member noted a lack of engagement, despite previous contributions and requested to be included in correspondence. The Principal Conservation Officer reported that there had been email discussions with the Parish Council and nominations had been forwarded to the Conservation Team, however, it was agreed to provide the Councillor with the relevant communications directly.

Questions were also raised about the timeline for reviewing other areas such as Rubery. It was confirmed that all areas would be addressed alphabetically, although staffing constraints made it difficult to provide a definitive timeline.

**RESOLVED** that the Local Heritage Action List Quarterly Update be noted.

22/25

## **BROMSGROVE TOWN CENTRE RECYCLING BINS**

The report on recycling and waste collection arrangements in Bromsgrove Town Centre was presented. The Environmental Services Manager noted that the report had been drafted to address a request from the Overview and Scrutiny Board raised in February 2025 for a review of the implications of no longer recycling waste on Bromsgrove High Street.

The Environmental Services Manager highlighted that the Place Teams audit of the town centre recycling bins had shown poor levels of adherence to the use of each bin, with the contents of recycling bins

showing that only one fifth of the entire waste collected in those bins was recyclable when sorting by hand was undertaken.

The difficulty in sorting recyclable material from these bins was exacerbated by the fact that many fast-food outlets provided food in card packaging and when people dispose of such waste, for example pizza boxes, in the recycling bins the high levels of grease on the packaging are tainting the whole bin. Items tainted with grease could not be recycled. Paper or card items contaminated with glass, whether dust particles or larger pieces also could not be recycled. The Council was not recycling any waste from Bromsgrove High Street bins at the moment because of the cross-contamination of waste.

Following the report, Members discussed how the investment in new recycling bins could address the problem of recycling rates and on Bromsgrove High Street. It was suggested that instead of using generic recycling bins separate receptacles for glass, metal, plastic, and general waste were needed, thereby separating waste at the point of disposal and, in combination with targeted signage and public awareness campaigns, optimise recycling within the Town Centre.

The Environmental Services Manager estimated that the cost of replacing the current bins on Bromsgrove High Street with the bins that have separate receptacles for glass could be circa £5,000. It was noted that to ensure effectiveness in increasing recycling rates, this investment would need to be combined with appropriate positioning of the bins within the Town Centre and continuing work on promoting correct recycling procedures

Use of smart bin technology could also be explored as smart bins tracked fill levels and allowed for optimisation of collection routes. It was noted that such bins were already in use, for example by Worcester City Council.

It was clarified that this report concerned recycling bins that were intended to be installed on the high street for public use only. All businesses had to follow regulations for commercial waste disposal and were not allowed to dispose of waste in public bins. A Member expressed a concern that commercial businesses could be depositing waste in public bins on Rubery High Street. The Officer agreed to contact Worcestershire Regulatory Services (WRS) regarding this matter to identify if enforcement action was necessary.

A question was raised about provision of bins in other high streets across the District, such as Alvechurch, Barnt Green, and Rubery. It was responded that this report concerned the provision of recycling bins within Bromsgrove Town Centre which was a priority but following this the Officers would do an assessment and compile a full list of recycling bins required across the district centres with the view to provide a joint budget bid for these bins. It was commented that procuring the bins in

bulk across a number of district centres would provide economies of scale, subject to an available budget being identified and approved.

It was agreed by the Board that at this meeting, a recommendation be put forward to Cabinet asking that Officers proceed with preparing a budget bid with the view of investing in new (recycling) bins for installation in Bromsgrove Town Centre.

**RECOMMENDED** that the Officers proceed with preparing a budget bid to Cabinet to invest in new (recycling) bins for installation in Bromsgrove Town Centre.

23/25

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

The Chairman of the Finance and Budget Working Group, Councillor P. McDonald, updated the Board on the recent meeting which took place on Thursday 17<sup>th</sup> July 2025.

The Chairman reported that the Quarter 4 Financial Outturn and Performance Monitoring Report was discussed, and Members of the Working Group had agreed that more detailed narrative was required in these reports going forward in order for Members and the public to better understand the content. Specific areas where further detail was felt to be needed was in respect of variances across service areas, information on the reasons for these variances and mitigations in place to ensure these were managed effectively. In addition, further information regarding the recharges made across both Bromsgrove District and Redditch Borough Councils during any financial year would also assist in better understanding the Council's financial position.

The Overview and Scrutiny Board discussed the points raised by Finance and Budget Working Group and a recommendation was put forward to the effect that a detailed narrative in terms of variance for each service area, together with detail on the action(s) being taken to address the variance/issue and the officer(s) responsible, be included in future iterations of quarterly finance and performance reports. In addition, the recommendation asked that information on recharge amounts be included in future reports. The Board agreed to making this recommendation to Cabinet.

Members also requested that the organisational chart be updated with up-to-date information in respect of officers' posts and contact details. This was agreed as an action to be completed by officers.

With respect to membership of the Finance and Budget Working Group, it was acknowledged that interest in joining the Working Group had been expressed by Councillors S. Ammar and C. Hotham to date. The Board felt that a follow up communication was required to members of the Overview and Scrutiny 'pool' (i.e. all elected members who were not represented on Cabinet) to ascertain if there were any further

expressions of interest. It was commented that this would ensure all elected members had time to consider on whether they wished to sit on the Working Group. In this case, it was agreed that consideration of further appointments to fill vacant positions on the Working Group be deferred to the next meeting of Overview and Scrutiny Board.

**RECOMMENDED** that future Quarterly Financial Outturn and Performance reports provide:

- i. a detailed narrative in terms of variance for each specific service area
- ii. for each area of high variance provide detail on the action(s) being taken to address the issue and the officer(s) responsible
- iii. information on recharge amounts.

24/25

## **TASK GROUP UPDATES**

An update on the Housing Task Group was provided by its Chairman, Councillor H. Warren-Clarke. Councillor Warren-Clarke explained that bulk of the work had been completed, and the Task Group had one meeting left to formalise its recommendations. This meeting had had to be postponed on a couple of occasions, but it was expected that the Task Group would finalise and present its findings in the Autumn.

**RESOLVED** that Housing Task Group update be noted as per preamble above.

25/25

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

The Worcestershire Health Overview and Scrutiny Committee (HOSC) representative, Councillor B. Kumar, reported that the meeting scheduled for 9<sup>th</sup> July 2025 had been cancelled and re-scheduled to 30<sup>th</sup> July 2025. Therefore, there was no update to provide at this meeting.

**RESOLVED** that the Worcestershire Health Overview and Scrutiny Committee (HOSC) update be noted.

26/25

## **CABINET WORK PROGRAMME**

The Cabinet Work Programme was presented for Members' consideration. Members requested that the following items from this work programme be added to the Overview and Scrutiny programme:

- Expansion of Commercial Waste Collection Service (due for consideration at the 9<sup>th</sup> September Overview and Scrutiny meeting)
- Expansion of Septic Tank and Emptying Service (due for consideration at the 9<sup>th</sup> September Overview and Scrutiny meeting)

- Homelessness Prevention Grant and Domestic Abuse Grant (due for consideration at the 18<sup>th</sup> November Overview and Scrutiny meeting).

**RESOLVED** that the Cabinet Work Programme items set out above be added to the Overview and Scrutiny Work Programme.

27/25

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

The Overview and Scrutiny Work Programme was presented for Members' consideration. The items selected from the Cabinet Work Programme, at previous agenda item, were added to the Overview and Scrutiny Work Programme.

**RESOLVED** that the Overview and Scrutiny Work Programme be updated as per preamble above.

28/25

## **OVERVIEW AND SCRUTINY ACTION SHEET**

The Overview and Scrutiny Action Sheet was considered by the Board.

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

29/25

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

There was no urgent business for consideration.

30/25

**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
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15	3
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31/25

## **LEVELLING UP FUND PROGRAMME - QUARTERLY UPDATE**



The Regeneration Project Manager presented the Levelling Up Fund Programme projects update as follows:

- Windsor Street site: Ground water monitoring would continue to take place until mid-August 2025 with the results due to be submitted to the Environment Agency (EA). In the event ground water monitoring on site identified unacceptable levels of PFAS/PFOS (per and polyfluorinated alkyl substances), six-month of remediation would be undertaken, which would be due to conclude in January 2026.
- In general, the Windsor Street project remained on track to be completed by January 2026, meaning the site would be cleaned for redevelopment. The project was also within budget at present.
- Future use options paper for the Windsor Street site would be presented to Overview and Scrutiny in September 2025 and Cabinet in November 2025, asking Members to agree on how the site would be delivered for housing.
- Nailers Yard site: As reported at previous update to Overview and Scrutiny, there was a six-week delay to the project, incurred due to unforeseen ground obstructions.
- SCP Transport Planning had been tasked with undertaking the travel plan and welcome pack for the site, which was a planning condition that must be discharged prior to occupation.
- Members were advised that the wording of one of the planning conditions might need to be amended following the cancellation of Modeshift STARS subscription by Worcestershire County Council (WCC). Officers were awaiting information about the proposed change to how travel plans will be assessed.
- GJS Dillon were appointed to market the commercial building in December 2024, and would advertise the space and handle lettings on behalf of the Council.
- It was noted there had been early interest in the office and the food and beverage units at Nailers Yard.
- The project team was preparing to submit a full business case to Birmingham City Council (BCC) for access to the funds which the Council had deposited within the defunct Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) as part of the business rates pool arrangements. This fund totalled £2.425 million, and would be spent on Nailers Yard project once received. It was confirmed that the funds would not be received until 2026/27 financial year.

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- The original budget for the Levelling Up programme was £16.103 million, made up of Levelling Up Fund (Government grant) and £1.6 million of funds from the Council, to be spent on the three projects (Nailers Yard, Windsor Street, Public Realm).
- Some additional funding of £1.08 million had been awarded and secured to Levelling Up projects in Bromsgrove since the original budget. In addition, it was planned to utilise the GBSLEP funding (not yet secured) of £2.425 million to the Levelling Up Programme.
- The final cost of the Levelling Up Programme was currently estimated at £18.65 million.

**RESOLVED** that the update on the progress of the Levelling Up Fund projects be noted.

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

The meeting closed at 7.56 p.m.

Chairman

### Cabinet 2025

10<sup>th</sup> September

#### Adoption of Fixed Penalty Charge for breach of Community Protection Notice

Relevant Portfolio Holder	Councillor Kit Taylor Councillor Peter Whittaker
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Simon Wilkes, Head of Worcestershire Regulatory Services
Report Author	Job Title: Toni Ainscough, Principal Officer (Environmental Enforcement) Contact email: <a href="mailto:toni.ainscough@worcestershire.gov.uk">toni.ainscough@worcestershire.gov.uk</a> Contact Tel: 01562 738035
Wards Affected	ALL
Ward Councillor(s) consulted	N/A
Relevant Council Priority	Housing & Environment
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

#### 1. RECOMMENDATIONS

The Cabinet RECOMMEND that:-

- 1) That the Council adopt a Fixed Penalty Notice Charge of £100 for failure to comply with a Community Protection Notice.

#### 2. BACKGROUND

- 2.1 In June 2024 responsibility for enforcement of Planning Enforcement, Fly-tipping, littering, duty of care of waste offences and dog fouling was passed to Worcestershire Regulatory Services. One of the tools for dealing with some of these issues is service of a Community Protection Notice (CPN) under Part 4 of the Anti-social Behaviour, Crime and Policing Act 2014 which came into effect in England and Wales on 20 October 2014.
- 2.2 Whilst WRS have a remit to undertake enforcement of Planning Enforcement related matters, Fly-tipping, littering, duty of care of waste offences and dog fouling, CPNs can be used for a wider range of anti-social behaviours by the Police or other Council departments.
- 2.3 CPNs are intended to stop a person or business continuing with conduct which unacceptably affects victims and the community. They

can only be served where there are reasonable grounds to believe the offender's conduct is having a detrimental effect on the quality of life of those in the locality, and it is unreasonable and the behaviour is of a persistent or continuing nature. Before one can be served, the offender must be given a writing warning (Community Protection Warning) stating that a CPN will be issued unless their conduct ceases to have the detrimental effect.

### **3. OPERATIONAL ISSUES**

- 3.1 Failure to comply with a CPN is a summary offence under Section 48. The offence is punishable on conviction in the case of an individual by a fine not exceeding level 4 on the standard scale (currently £2,500) or in the case of a body/business an unlimited fine.
- 3.2 However, in accordance with the Council's enforcement policy, there are alternatives to prosecution which should also be considered for use where appropriate. Simple Cautions for example could also be considered and may be appropriate in the case of a first or a merely technical breach of a CPN. Section 52 of the act provides that an authorised person may issue a Fixed Penalty Notice (FPN) as an alternative to prosecution for breach of a CPN. Payment of the FPN within 14 days from the date of issue has the effect of discharging any liability to convict for the offence but allows for action to be taken for subsequent offences.
- 3.3 A fixed penalty cannot be for more than £100.
- 3.4 There is currently no charge adopted by the Council for any FPN served in the event of failure to comply with a CPN.
- 3.5 Adoption of a charge would allow FPNs to be considered as an alternative method of discharging any liability alongside simple Cautions and prosecution.
- 3.6 Any charge level adopted would apply to all FPNs served following a breach of a CPN served by the Council regardless of the department undertaking the enforcement action. Any charge would be reviewed in line with the usual fees and charges setting process the Council undertakes annually.
- 3.7 This report is being brought forward at this point as Community Protection Warnings and Notices have been served or are currently being prepared for service by WRS on behalf of the Council and there is the strong likelihood that we will benefit from the ability to offer fixed

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penalty notices prior to the annual fees and charges paper in February 2026.

- 3.8 There is no recommended change to the reporting mechanisms for reporting on activity associated with CPNs or FPNs through this report. For all Council areas CPN and FPN numbers are reported through the North Worcestershire Community Safety Partnership Scrutiny reports. Any served for waste related issues are also reported to Defra and for subject areas for which such may be served by WRS matters are reported to the WRS Joint Board in accordance with the shared service governance arrangements.
- 3.9 FPN are one of several tools that may be used where a CPN has been breached. For significant breaches it may be appropriate to seek a prosecution or move to seizure of equipment if applicable, rather than offer a FPN. Similarly should a FPN not be paid, or breaches continue following payment of a FPN, enforcement action can still be taken if appropriate.

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

- 4.1 None. Any penalties are payable to the Council and would be collected in line with those from other forms of FPN served by Worcestershire Regulatory Services (WRS).
- 4.2 Any FPN charges should be approved and published by the local authority.

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

- 5.1 The addition of an FPN option for offences under the Anti-social Behaviour, Crime and Policing Act 2014 is in line with the Council's and WRS' enforcement policy. WRS have robust procedures in place to ensure CPNs and FPNs are only used where appropriate and the evidential test has been met.

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

##### **Local Government Reorganisation**

- 6.1 None.

##### **Relevant Council Priority**

- 6.2 CPNs are used to enforce action against a variety of anti-social behaviours which would otherwise have an impact on the community,

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including the ability of residents to feel safe in their homes. CPNs can be used for waste related matters which are a priority for the Council and their ability to maintain a clean environment. They meet the Council's specific corporate commitment to '*keep Bromsgrove safe and contribute to improved quality of life and well-being. A key objective in the plan is "increased environmental enforcement"*'.

### **Climate Change Implications**

6.3 None.

### **Equalities and Diversity Implications**

6.4 None.

## **7. RISK MANAGEMENT**

7.1 None.

## **8. BACKGROUND PAPERS**

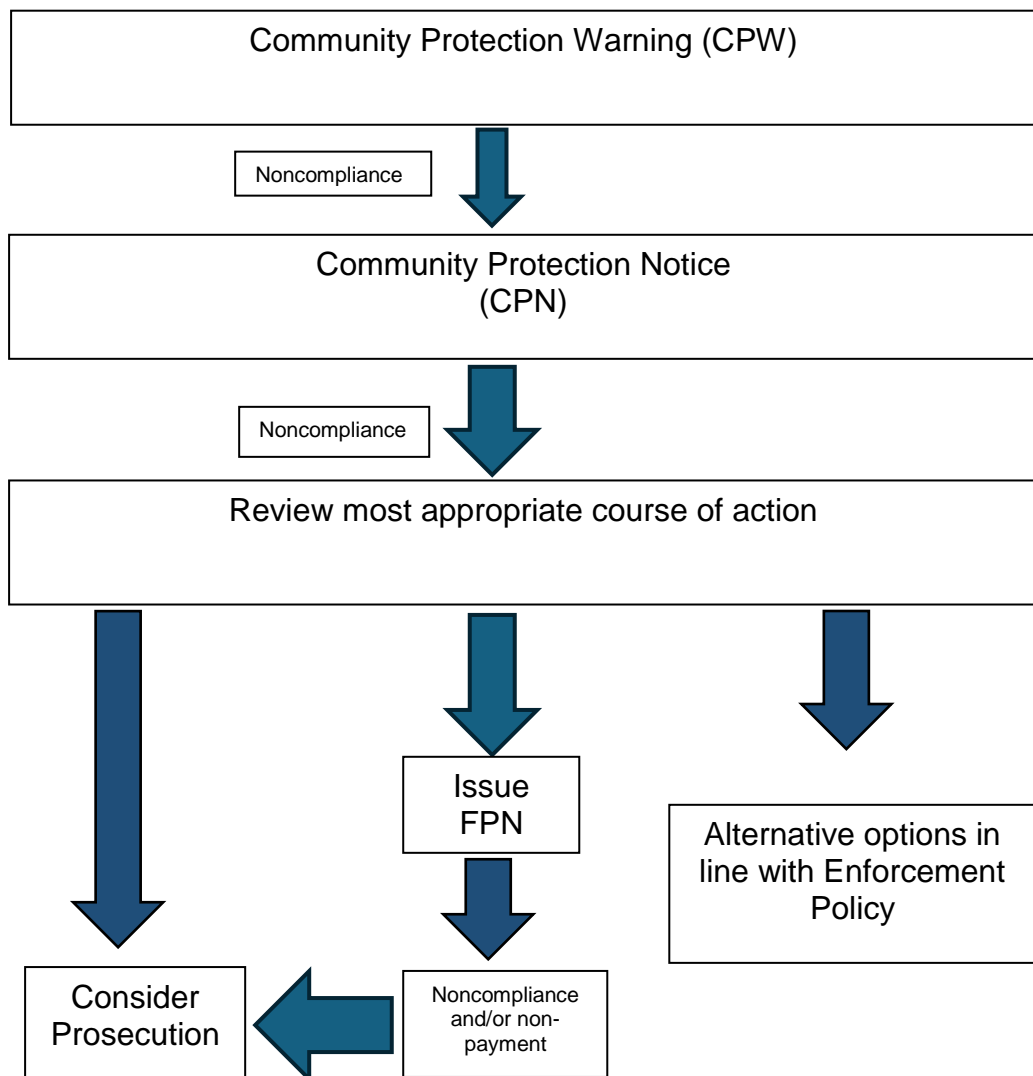
8.1 Appendix 1: Indicative legal process flow

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Appendix 1 - Indicative legal process flow



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**9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Kit Taylor PFH WRS Peter Whittaker PFH Env Serv	Consulted 11/08/2025
Lead Director / Assistant Director	Simon Wilkes	Consulted 01/08/25
Financial Services	Debra Goodall	Consulted 01/08/25
Legal Services	Nicola Cummings, Principal Solicitor - Governance	06/08/25
Policy Team (if equalities implications apply)	Rebecca Green	Consulted 01/08/25
	Bev Houghton, Community Safety Manager	12/08/25
Climate Change Team (if climate change implications apply)	Matt Eccles	Consulted 01/08/25



## BROMSGROVE DISTRICT COUNCIL

Cabinet

10<sup>th</sup> September 2025

### Q1 Finance and Performance Report 2025/26

Relevant Portfolio Holder	Councillor Baxter – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Deputy Chief Executive and Chief Finance Officer <a href="mailto:debra.goodall@bromsgroveandredditch.gov.uk">debra.goodall@bromsgroveandredditch.gov.uk</a>
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision / Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

### SUMMARY

Regular budget monitoring, reporting forms the basis of good governance and best practice in budget management. Councillors and committees should be able to rely on the information provided to assist in sound decision making around budgets and spending plans for the Council.

### 1. RECOMMENDATIONS

The Cabinet is asked to **RESOLVE** that the following are noted:

- 1) The current Revenue position of £0.173 million unfavourable variance.
- 2) The current Capital spending of £3.326 million against a revised budget of £21.876 million as set out in Appendix A.
- 3) The current savings delivery is £0.398 million against an annual target of £1.733 million for 2025/26. This is included in the above Revenue position
- 4) The Earmarked Reserves balances of £11.266 million as set out in Appendix B.
- 5) The Ward Budget allocation position to date is 6 approved allocations at £5,450, leaving a balance of £56,550 to be allocated before year end as set out in Appendix C.
- 6) There is an updated procurements position set out in appendix D, with any new items over £200,000 to be included on the forward plan.
- 7) The position on Council Tax and Business Rates.

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- 8) The position on benefits processing.
- 9) The Performance data for the period April to June 2025 (Quarter 1) shown at Appendix F.

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

- 10) That the Balance Sheet Monitoring Position for Q1 is noted – which is the Treasury Monitoring Report and required to be reported to Council.

## 2. EXECUTIVE SUMMARY

- 2.1 This Quarter 1 Financial and Performance Monitoring Report provides a comprehensive overview of Bromsgrove District Council's finance and performance for the period April to June 2025. It outlines the Council's revenue and capital positions, savings delivery, procurement pipeline, and progress on key strategic projects.
- 2.2 As of the end of Q1, the Council is forecasting a **£0.173 million revenue overspend** for the full financial year. This is primarily driven by cost pressures in Community and Housing Services, Environmental Services, Regeneration and Property and Finance and Customer Services, partially offset by significant underspends in Corporate Services and Corporate Financing.
- 2.3 The Council has delivered **£0.398 million of its £0.913 million savings target**, with further work ongoing to meet the full-year goal. Capital expenditure to date stands at **£3.326 million** against a revised budget of **£21.876 million** proposed to support ongoing commitments. This budget includes £4.524m of carry forwards from 2024/25.
- 2.4 Key capital projects include the **Levelling Up-funded Windsor Street and Nailers Yard schemes**. The Windsor Street scheme is nearing completion of phase one remediation works, and discussions are being held with the Environment Agency regarding any required remediation works under phase two. The Nailers' Yard scheme is progressing. A detailed survey of the culvert has uncovered that there is more work required to deliver the scheme to its full potential and this has led to a projected increase in the culvert element to £1,660,476.71 against a budgeted sum of £220,256; this is due to a clearer picture of the requirement now that the initial works on the culvert have commenced. This was always highlighted as a major project risk because the culvert works were only designed to RIBA stage 3. This has pushed the project over-budget by £165,000 and a supplement estimate has been agreed as an '**Urgent Decision**' for £500,000 which includes contingency. The urgent decision was required to avoid having the contractor on site at a cost to the project but not work being carried out on site.
- 2.5 The Council's **collection rates** for Council Tax and Business Rates remain strong, with Q1 performance close to or exceeding national averages. Benefits processing times are

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within expected parameters, despite increased complexity in cases retained by the Council.

- 2.6 The report also includes updates on **ward budget allocations, earmarked reserves, and treasury management performance**, with no new borrowing undertaken and **£3.5 million in short-term investments** held at quarter-end.
- 2.7 The Council continues to monitor its financial position closely, with regular engagement between service managers and finance officers to address emerging risks and ensure delivery of strategic priorities.

### **3. BACKGROUND**

- 3.1 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 – June 2025) and associated performance data. This report presents:
- The Council's forecast yearly outturn revenue monitoring position for 2025/26 based on data to the end of Quarter 1 including delivery of the savings targets and fees and charges income as set out in the MTFP.
  - The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee including the Treasury Management Report.
  - The spending as of Q1 of Ward Budget Funds.
  - The updated procurement pipeline of Council projects to be delivered over the next 12 months in order to properly resource plan for the delivery of these projects.
  - The Council's 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 is the subject of separate report elsewhere on the agenda.

### **4. DETAILED PERFORMANCE**

#### **Financial Performance**

- 4.1 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 full 2025/26 financial year and explains key variances against budget.

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- 4.2 The £15.3m full year revenue budget included in the table below is the budget that was approved by Council in February 2025.

Service Description	2025-26 Approved Budget	2025-26 Revised Budget	2025-26 Revised Q1 Budget	Q1 Adjusted Spend	Full Year Projected Forecast	Full Year Projected Variance
Business Transformation and Organisational Development	2,197,136	2,133,071	485,219	488,459	2,164,067	30,996
Community and Housing GF Services	1,471,273	1,455,819	372,622	244,895	1,673,042	217,223
Corporate Services	817,413	1,139,602	464,017	265,339	1,037,867	-616,735
Environmental Services	4,266,050	4,266,050	-690,867	-1,005,517	4,442,020	175,970
Financial and Customer Services	2,387,557	2,347,370	658,990	802,208	2,540,366	192,996
Legal, Democratic and Elections Services	1,178,898	1,158,315	260,244	309,282	1,196,476	78,161
Planning and Leisure Services	1,248,863	1,199,381	262,734	256,085	1,291,561	92,180
Regeneration & Property	1,101,406	968,988	154,866	165,538	1,099,063	191,076
Regulatory Client	646,139	646,139	161,535	182,091	688,898	42,759
Starting Well	0	0	0	0	0	0
<b>Grand Total</b>	<b>15,314,735</b>	<b>15,314,735</b>	<b>2,129,360</b>	<b>1,708,380</b>	<b>16,133,360</b>	<b>404,626</b>
Service Description	2025-26 Approved Budget	2025-26 Revised Budget	2025-26 Revised Q1 Budget	Q1 Adjusted Spend	Full Year Projected Forecast	Full Year Projected Variance
Corporate Financing	-15,314,735	-15,314,735	-3,828,684	-933,027	-15,546,000	-231,265
<b>Grand Total</b>	<b>-15,314,735</b>	<b>-15,314,735</b>	<b>-3,828,684</b>	<b>-933,027</b>	<b>-15,546,000</b>	<b>-231,265</b>
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>-1,699,324</b>	<b>775,353</b>	<b>587,360</b>	<b>173,361</b>

*Table 1 – Approved and working budget by service area*

### *Budget Variances*

- 4.3 The draft position is set out in the above table.
- 4.4 Overall, the Council is currently forecasting a full year revenue overspend of £0.173m at Quarter 1 as explained in the Executive Summary. 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 2025/26. This includes service projections as follows:

### **Business Transformation £0.031m overspend**

- 4.4.1 Business Transformation & Organisational Development are forecasting an overspend of £0.031m for Apprenticeship Levy due to increased planned training requirements across the Council.

#### **Community and Housing GF Services £0.217m overspend**

- 4.4.2 Community & Housing Services are forecasting a £0.217m overspend due to £0.101m increased charges from BT and additional equipment in Lifeline Services, £0.142m in additional Bed & Breakfast costs in line with national trends offset by £0.026m other net variations.

#### **Corporate Services £0.617m underspend**

- 4.4.3 Corporate Services is forecasting a £0.617m underspend due to £0.640m on vacancy management and savings efficiency targets offset by £0.023m additional Postage costs.

#### **Environmental Services £0.176m overspend**

- 4.4.4 Environmental Services are forecasting a £0.176m overspend due to £0.041m on Tiger Cat purchase for Cemeteries, £0.100m on Agency Costs in the Vehicle Workshop due to continuing pressures on the team and £0.035m due to other net variations.

#### **Financial and Customer Services £0.193m overspend**

- 4.4.5 Finance & Customer Services are forecasting an overspend of £0.193m due to £0.028m on VAT support from Lavat Consulting on the VAT returns to HMRC, £0.050m to Bruton Knowles for Insurance Property valuations for the Statement of Accounts, £0.012m on General Grants and £0.103m on Agency staff due to cover for vacancies within the Finance Team.

#### **Legal, Democratic and Elections Services £0.078m overspend**

- 4.4.6 Legal, Democratic and Property Services are forecasting a £0.078m overspend due to £0.030m unbudgeted Landlord costs on the Artrix, £0.040m Ward Budget was included in Democratic Services in error which now changes recharges to Redditch Council and £0.008m other net variations.

#### **Planning and Leisure Services £0.092m overspend**

- 4.4.7 Planning and Leisure Services are forecasting a £0.092m overspend due to £0.019m additional staffing costs as a result of increased costs of agency staff, £0.075m underachieved income in Development Control and £0.030m on Consultancy fees for the Play Areas Review offset by £0.032m on small various underspends.

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### Regeneration & Property £0.191m overspend

- 4.4.8 Regeneration & Property are forecasting a £0.191m overspend due to £0.220m shortfall in Parking Income as a result of the introduction of the 2-hour free parking, £0.021m on utility costs and overtime in Public Conveniences and other net variances of £0.008m. This has been offset by a reduction in establishment costs due to a number of posts being funded from the use of additional UK Shared Prosperity Fund Administration Grant income of £0.038m and savings within Property Services of £0.020m due to lower than anticipated staff costs.

### Regulatory Client £0.043m overspend

- 4.4.9 Regulatory Client are forecasting a £0.043m overspend due to £0.039m underachieved income in Taxi Licensing as a result of lower than anticipated licencing volumes. This is a re-occurring year on year pattern. There have also been other net variations of £0.004m.

### Corporate Financing £0.231m underspend

- 4.4.10 Corporate Financing is showing additional income of £0.231m due to £0.170m Grant Income, £0.150m Investment Interest Income, £0.036m savings on Interest Payable offset by £0.125m in underachieved Fees & Charges Income.

### **Savings Targets**

- 4.4.11 The Council had £1.733m of savings targets in 2025/26. The Council has delivered 0.398m of these savings in Q1. These are shown in the table below:

	<b>2025/26 £m</b>	<b>Adjusted 2025/26 £m</b>	<b>Total 2025/26 £m</b>	<b>Savings YTD</b>	
Service Reviews	(0.405)	0.405	0		Consolidated corporately
Finance Vacancies	(0.100)	0.100	0		Consolidated corporately
Environmental Service Partnerships	(0.050)	0.050	0		Consolidated corporately
Move to all out elections	(0.170)		(0.170)	0	Unlikely to be met
Town Hall	(0.400)		(0.400)	0	Work ongoing
<b>2023/24 Items</b>	<b>(1.125)</b>	<b>0.555</b>	<b>(0.570)</b>	<b>0</b>	
In year corporate target		(0.913)	(0.913)	(0.398)	£0.343m from vacancy management and £0.55 from efficiencies.

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					Expected to be met in full.
Directorate savings		(0.250)	(0.250)	In progress	Expected to be met
<b>2025/26 Items</b>	<b>0</b>	<b>(1.163)</b>	<b>(1.163)</b>	<b>(0.398)</b>	
<b>Total Savings</b>	<b>(1.125)</b>	<b>(0.608)</b>	<b>(1.733)</b>	<b>(0.398)</b>	

### 4.5 Cash Management

#### Borrowing

- As of the 30<sup>th</sup> June 2025, there were no short-term borrowings. The Council has no long-term borrowings.

#### Investments

- On 30<sup>th</sup> June 2025 there were £3.5m short-term investments held.

### Capital Monitoring

4.6 A capital programme of £17.352m was approved in the Budget for 2025/26 in February 2025. This has been fully reviewed as part of the MTFP using actual data as at the end of December 2024. The table below and detail in **Appendix A** set out the Capital Programme schemes that are approved for the MTFP time horizon. Additional grants of £4.524m have also been received in year revising the total capital budget for 2025/26 to £21.876m.

4.7 Many of these schemes are already in partial delivery in the 2025/26 financial year. By approving this list, the Council also agreed sums not spent in 2024/25 (and 2023/24 by default if schemes originated earlier than 2024/25 as sums have been carried forward through to the 2024/25 MTFS Report) to be carried forward into 2025/26. The table also splits amounts by funding source, Council or third party.

Year	Total Programme	Revised Total	Council Funded	Grant Funded
2024/5	6,376,987	21,267,936	10,996,671	10,271,265
Carry Fwd	14,890,949			
2025/6	17,351,727		8,017,369	9,334,358
2026/7	3,222,841		2,422,841	800,000
2027/8	2,469,459		1,669,459	800,000
2028/9	2,310,531		1,510,531	800,000
2029/30	2,373,749		1,573,749	800,000

4.8 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2024/25:

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- The two Levelling Up schemes – Windsor Street (formerly project titled as ‘Old Fire Station’) and Nailers’ Yard (formerly known as ‘Market Hall’) which are funded via £14.5m of Government Funding, and the Council is funding £1.6m of works. A contribution of £2,425,000 has also been requested from the monies held in trust by Birmingham City Council on behalf of the former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)
- For the Nailers’ Yard Scheme:
  - Construction is progressing on site. The steel structures for both buildings are now complete with the precast lift shaft and stairs installed on the commercial building. The next stage will see the installation of rooflight steelwork and complete purlins to the Pavilion building and the reinforcement and concrete to all floors and fire boxing of steelwork which commenced in late June. There is a six-week delay to the programme due to unforeseen ground conditions. The costs for this delay are covered by project contingency and provisional sums so there is no increase to the budget.
  - Arcadis have been appointed as employer’s agent and Quantity Surveyor for RIBA Stage 5 of the project.
  - GJS Dillon have been appointed to develop the marketing strategy for the commercial building and will manage letting enquiries. They have received significant interest from potential tenants.
- For the Windsor Street Scheme
  - Brownfield Solutions are continuing to undertake ground water monitoring on site. There are six wells in total, with monthly testing taking place. The results have been submitted to the Environment Agency. They will advise the Council if the presence of PFAS/PFOS chemicals (per and polyfluorinated alkyl substances) across the site within the soils and groundwater are at an acceptable level and the site can be redeveloped. If they are not, a further six-month remediation strategy will be undertaken through to January 2026.
  - The access road has been reinstated for the property to the north of the site and the Wendron Centre. No issues have been reported to date by either party.
  - The project is continuing to progress in line with timescales and remains to be on track to be delivered by January 2026. This is due to time saved during phase 2 of the project. By early 2026, the Council will have a clean site that is ready to be redeveloped.
  - Thomas Lister were commissioned appointed to support with the development appraisal that will inform the options paper.
- Public Realm work is now fully completed and the underspend is approximately £925,000

The Council can claim up to £2.425m from the monies held in trust by Birmingham City Council (BCC) on behalf of the former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and an application has now been submitted to BCC. Birmingham City Council have informed all Councils wanting to access



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money from GBSLEP fund in 2025/26 that funds will not be available until the 2026/2027 financial year. Therefore, BDC may have to use short-term borrowing until the funding is available.

- UK Shared Prosperity Schemes totalling £917,878 (although it should be noted that these grants funded schemes are a mix of capital - £300,000 and revenue - £617,878) need to be completely spend by the end of the 2024/5 financial year.

- 4.9 The outturn spend is £3.326m against the revised capital budget totals £21.876m and is detailed in **Appendix A**. It should be noted that as per the budget decision carry forwards of £14.891m will be rolled forward from 2024/25 into 2025/26 to take account of slippage from 2024/25.

### Earmarked Reserves

- 4.10 The updated position, taking account of the now submitted draft accounts for 2024/25, are set out in **Appendix B**. As part of the MTFP all reserves were thoroughly reviewed for their requirement and additional reserves set up as per that report. At the 30 June 2025, based on the present MTFP that was approved by Council on the 19<sup>th</sup> February, the Council holds £11.266 million of General Fund Reserves.

### Ward Budgets

- 4.11 This report is the quarterly report to show what has been spent to date on Ward budgets. Each Ward Member has £2,000 to spend on Ward Initiatives subject to the rules of the Scheme which were approved by Council. As of the 30<sup>th</sup> June there have been applications from 6 Members approved totalling £5,450. There are still 25 Members who have not allocated any funding and overall, £56,550 is still to be allocated. This year's funding allocations must be spent by the 31<sup>st</sup> March. Full detail is set out in **Appendix C**.

### Balance Sheet Monitoring Position

- 4.12 There has been the request from Audit Committee that the Council include Balance Sheet Monitoring as part of this report.
- 4.13 This initial balance sheet reporting is set out as the Q1 Treasury Report which is attached as **Appendix D**. This report sets out the Councils debt and borrowing position for Q1 2025/26. Included in this is how the Council is using its working capital as well as measurement of the Councils Prudential Indicators, this appendix will need to be noted and approved that Council note the position.

### Procurement Pipeline

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4.14 The Procurement pipeline is shown in **Appendix E**. 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 and over £0.200m will need to be put on the Forward Plan. The pipeline is refreshed quarterly.

- There are 10 contracts that are over the key decision threshold of £0.200m
- There are 4 contracts procured by Redditch Borough Council on behalf of Bromsgrove District Council.

### **Collection Fund**

4.15 The Council acts as collecting authority for itself, other major preceptors and the parishes for Council Tax. The Council also collects business rates on behalf of central government, the County Council and for itself. The Council's own precept accounts for about 11% of monies collected from Council tax and about 40% of business rates collected after paying government levies, additional tariff to central government and 10% across to Worcestershire County Council.

4.16 The Council aims to collect 98.5% of Council receipts (national average is 95.8%) which equates to a total sum of £87.560 million. Performance against this target for this financial year is shown in the table below:

	Target %age (cumulative)	Actual %age (cumulative)	Amount collected (cumulative) £ millions
Quarter 1	28.89	28.80	25.605
Quarter 2			
Quarter 3			
Quarter 4	98.5		

4.17 Due to the use of ten monthly collections the percentage for each quarter is not a simple 25%. Government reforms are proposing enforcing a move to monthly collections (in twelfths).

4.18 The Council aims to collect 98.0% of business rate receipts (national average is 95.8%) which equates to a total sum of £31.399 million. Performance against this target for this financial year is shown in the table below:

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	Target %age (cumulative)	Actual %age (cumulative)	Amount collected (cumulative) £ millions
Quarter 1	25.84	28.34	9.082
Quarter 2			
Quarter 3			
Quarter 4	98.0		

### **Benefits**

4.19 Benefit claim statistics are summarised in the table below:

<b>New claims</b>			
Average processing time	20 days	Number processed this quarter	95
<b>Changes to claims</b>			
Average processing time	10 days	Number processed this quarter	1215

4.20 Recent changes to benefits has meant that many of the simpler claims have been transferred to DWP, leaving the more complex cases with local authorities – this has impacted on average processing time. DWP expect new claims to be processed within a 30-day timeframe.

### **Performance**

4.21 Corporate Performance Indicators are included as Appendix F to this report.

## **5. Financial Implications**

5.1 These are contained in the main body of the report.

## **6. Legal Implications**

6.1 No Legal implications have been identified.

## **7. Strategic Purpose Implications**

### **Relevant Strategic Purpose**

7.1 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.

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### **Climate Change Implications**

- 7.2 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.

### **8. Other Implications**

#### **Customer / Equalities and Diversity Implications**

- 8.1 None as a direct result of this report.

### **Operational Implications**

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

### **9. RISK MANAGEMENT**

- 9.1 Items identified in the Finance and Performance monitoring is included in a number of the Corporate Risks. These are listed below. The mitigations to these risks are set out in the Risk Report, of which the Quarter 1 Report is reported to Audit, Governance and Standards Committee in July:

COR 10 - Decisions made to address financial pressures and implement new projects.

- COR16 – Management of Contracts.
- COR17 – Resolution of the Approved Budget Position.
- COR19 – Adequate Workforce Planning.
- COR20 – Financial Position Rectification.
- COR22 - Delivery of Levelling Up and UK SPF Initiatives
- COR23 – Cost of Living Crisis
- COR25 – The new Environment Bill

### **10. APPENDENCES**

Appendix A – Capital Outturn  
Appendix B – Reserves Position  
Appendix C – Ward Budget Position  
Appendix D – Treasury Management Position  
Appendix E – Procurement Pipeline

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### Appendix A - Capital Outturn

Capital Project	Description	2025/26 Total (Original)	2025/26 Total (Incl C/F's)	25/26 Spend
		£	£	£
	<b>Large Schemes</b>			
	<b>Levelling Up Fund</b>			
200072	- Market Hall	9,228,000	11,555,322	2,790,609
200073	- Ex-Fire Station/Windsor Street	0	-54,247	105,165
	<b>UK Shared Prosperity Fund</b>			
200086	(UKSPF Funding BDC 2024/2025)	918,000	938,000	
200082	CCTV Digital Upgrade (UKSPF)	0	33,668	
200083	Centres Public Realm Improvement Programme (UKSPF)			18,833
	<b>Other Schemes</b>			
200008	Funding for DFGs	1,285,847	1,442,899	234,930
200009	Home Repairs Assistance	50,000	215,602	
200010	Energy Efficiency Installation	0	212,190	
200019	Fleet Replacemnet new line	1,265,000	3,173,318	17,880
200022	Replacement Parking Machines	100,000	94,134	5,000
200030	Wheelie Bin Purchase	120,000	-48,671	48,229
200033	Bus Shelters	18,000	34,345	
200045	Greener Homes	0	-6,125	
200069	Cisco Network Update	34,877	34,877	
200070	Server Replacement	18,500	188,049	67,038

Capital Project	Description	2025/26 Total (Original)	2025/26 Total (Incl C/F's)	25/26 Spend
		£	£	£
200071	Laptop Refresh	5,000	36,249	10,600
200075	Sanders Park	0	-103,763	24,727
200102	Fleet Replacement cost	15,000	24,400	
200103	Wheely Bin Increases		85,000	
200076	Play Area, POS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	0	30,582	
200079	Footpaths	75,000	32,020	
200104	Buildings	100,000	262,426	2,945
200105	Initial Play Audit Requirements	0	451,000	
	Updated Play Audit Requirements (Dec 24)	166,242	166,242	
200106	New ongoing Cyber security budget	25,000	50,000	
200107	Artrix - Landlord Obligations	20,000	22,414	
	Wild Flower Machinery	0	62,000	
	Food Waste Collection - fund for Vechicles and containers	902,511	902,511	
	Replacement Wheeled Bins	2,200,000	2,200,000	
	Parkside - Requirement for a firewall	9,750	9,750	
	Laptops for new Starters	25,000	25,000	
	Salary Capitalisation	750,000	750,000	
200016	New Finance Enterprise system	20,000	40,000	
		<b>17,351,727</b>	<b>21,876,441</b>	<b>3,325,957</b>

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### Appendix B - Earmarked Reserves

		Transfers In	Transfers Out		Transfers In	Transfers Out	
	Balance as at 31 March 2023 £000	2023/24 £000	2023/24 £000	Balance as at 31 March 2024 £000	2024/25 £000	2024/25 £000	Balance as at 31 March 2025 £000
<b>General Fund:</b>							
Building Control Other	7	0	0	7	0	0	7
Building Control Partnerships	82	0	0	82	0	0	82
Commercialism	0	0	0	0	0	0	0
Community Services	321	0	(125)	196	0	0	196
Economic Regeneration	1,348	50	0	1,398	0	0	1,398
Election Services	85	0	0	85	0	0	85
Environmental Services	27	0	0	27	0	0	27
Financial Services	4,705	430	(500)	4,635	89	0	4,724
Housing Schemes	864	0	0	864	0	0	864
ICT/Systems	197	0	0	197	0	0	197
Leisure/Community Safety	115	0	0	115	0	0	115
Local Neighbourhood Partnerships	16	0	0	16	0	0	16
Other	67	0	0	67	14	0	81
Planning & Regeneration	463	0	0	463	136	0	599
Regulatory Services (Partner Share)	85	0	0	85	1	0	86
Shared Services (Severance Costs)	311	0	0	311	0	0	311
Covid-19 (General Covid Grant)	766	0	0	766	0	0	766
Covid-19 (Collection Fund)	1,604	0	0	1,604	0	0	1,604
Shopmobility Donations	0	0	0	0	0	0	0
Council Tax Hardship Fund	79	0	0	79	0	0	79
Artrix Holding Trust	17	0	0	17	12	0	29
<b>Total General Fund</b>	<b>11,159</b>	<b>480</b>	<b>(625)</b>	<b>11,014</b>	<b>252</b>	<b>0</b>	<b>11,266</b>

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### **Appendix C - Ward Budget Spending Q1 - Funds Allocated to 31 July**

#### Councillor Ward Fund Balances – 25/26

<b>Activity</b>	<b>Spend</b>	<b>Balance £2,000</b>
Cllr Alan Bailes	0	2,000.00
Cllr Ruth Lambert	0	2,000.00
Cllr Sam Ammar	1,300.00	700.00
Cllr Ester Gray	0	2,000.00
Cllr Peter McDonald	400.00	1,600.00
Cllr Harrison Rone-Clarke	0	2,000.00
Cllr Anita Dale	0	2,000.00
Cllr Webb	2,000.00	0
Cllr Hunter	0	2,000.00
Cllr Rachel Bailes	0	2,000.00
Cllr Sue Baxter	0	2,000.00
Cllr J Clarke	0	2,000.00
Cllr Stephen Colella	0	2,000.00
Cllr J Elledge	0	2,000.00
Cllr Derek Forsythe	0	2,000.00
Cllr D Hopkins	0	2,000.00
Cllr Charlie Hotham	0	2,000.00
Cllr Helen Jones	0	2,000.00
Cllr B Kumar	0	2,000.00
Cllr M Marshall	1,000.00	1,000.00
Cllr Karen May	0	2,000.00
Cllr Bernard McEldowney	500.00	1,500.00

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Activity	Spend	Balance £2,000
Cllr D Nicholl	250.00	1,750.00
Cllr Simon Nock	0	2,000.00
Cllr S Peters	0	2,000.00
Cllr J Robinson	0	2,000.00
Cllr S Robinson	0	2,000.00
Cllr J Stanley	0	2,000.00
Cllr Kit Taylor	0	2,000.00
Cllr Peter Whittaker	0	2,000.00
Cllr S Evans	0	2,000.00
<b>Overall Totals</b>	<b>5,450</b>	<b>56,550</b>



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**Appendix D - Q1 Treasury Management Position**

**1. 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 25/26.**
- **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:** The quarter started to significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.
- 3.4 President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.
- 3.5 UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when

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CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.

- 3.6 Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.
- 3.7 Labour market data appeared to show a softening in employment conditions as weaker earnings growth was reported for the period February to April 2025, in what would no doubt be welcome news to Bank of England (BoE) policymakers. Regular earnings (excluding bonuses) was 5.2% 3mth/yoy while total earnings was 5.3%. Both the employment and unemployment rates increased, while the economic inactivity rate and number of vacancies fell.
- 3.8 Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt by the Committee is expected to continue and financial market expectations are that the next cut will be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR).
- 3.9 The May version of the MPR highlighted the BoE's view that disinflation in domestic inflation and wage pressures were generally continuing and that a small margin of excess supply had opened in the UK economy, which would help inflation to fall to the Bank's 2% over the medium term. While near-term GDP growth was predicted to be higher than previously forecast in the second quarter of calendar 2025, growth in the same period the following year was trimmed back, partly due to ongoing global trade developments.
- 3.10 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.
- 3.11 Despite the uncertainty around US trade policy and repeated calls for action from the US President, the US Federal Reserve held interest rates steady the period, maintaining the Fed Funds Rate at 4.25%-4.50%. The decision in June was the fourth consecutive month where no changes were made to the main interest rate and came despite forecasts from

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Fed policymakers that compared to a few months ago they now expected lower growth, higher unemployment and higher inflation.

- 3.12 The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, and representing the eighth cut in just over a year. ECB noted heightened uncertainty in the near-term from trade and that stronger economic growth in the first quarter of the calendar may weaken. Inflation in the region rose to 2.0% in June, up from an eight-month low of 1.9% in the previous month but in line with the ECB's target. Inflation is expected to stay broadly around the 2% target over the next year or so.
- 3.13 **Financial markets:** After the sharp declines seen early in the quarter, sentiment in financial markets showed signs of improvement during the period, but bond and equity markets remained volatile. Early in the period bond yields fell, but then uncertainty from the impact of US trade policy caused bonds to sell-off but from the middle of May onwards, yields have steadily declined, but volatility continues. Equity markets sold off sharply in April but have seen gained back most of the previous declines, with investors seemingly remaining bullish in the face of ongoing uncertainty.
- 3.14 Over the quarter, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.49% having hit 4.82% early in April and falling to 4.45% by the end of the same month. While the 20-year gilt started at 5.18%, fell to 5.02% a few days later before jumping to 5.31% within a week, and then ending the period at 5.16%. The Sterling Overnight Rate (SONIA) averaged 4.31% over the quarter to 30<sup>th</sup> June.
- 3.15 **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 3.16 During the quarter, Fitch upgraded NatWest Group and related entities to AA- from A+ due to the generally stronger business profile. Fitch also placed Clydesdale Bank's long-term A- rating on Rating Watch Positive
- 3.17 Moody's downgraded the long-term rating on the United States sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.
- 3.18 Credit default swap prices on UK banks spiked in early April following the US trade tariff announcements but have since generally trended downwards and ended the quarter at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.
- 3.19 European banks' CDS prices followed a fairly similar pattern, albeit some German banks are modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated

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compared to earlier in 2025 and in 2024, while Singaporean and Australian lenders CDS rose initially in April but have since trended downwards, albeit are modestly higher than in previous recent periods.

- 3.20 Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
- 3.21 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.

### Local Context

- 3.22 On 31<sup>st</sup> March 2025, the Authority had £16.89m net borrowing 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

	<b>31.3.25</b>	<b>31.3.26</b>
	<b>Actual</b>	<b>Forecast</b>
	<b>£m</b>	<b>£m</b>
General Fund CFR	31.26	33.94
<b>Total CFR</b>	<b>31.26</b>	<b>33.94</b>
Less: External borrowing**	0	-10.00
<b>Internal borrowing</b>	<b>31.26</b>	<b>23.94</b>
<b>Less: Usable reserves</b>	<b>-11.27</b>	<b>-11.72</b>
Less: Working capital	-3.10	-3.10
<b>Net borrowing</b>	<b>16.89</b>	<b>9.12</b>

\* 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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- 3.23 The treasury management position at 30<sup>th</sup> June and the change over the quarter is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.25 Balance £m	Movement £m	30.6.25 Balance £m	30.6.25 Rate %
Long-term borrowing				
Short-term borrowing	0	0	0	
<b>Total borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Short-term investments				
Cash and cash equivalents	4.2	-0.7	3.5	
<b>Total investments</b>	<b>4.2</b>	<b>-0.7</b>	<b>3.5</b>	
<b>Net investments</b>	<b>4.2</b>	<b>-0.7</b>	<b>3.5</b>	

### Borrowing Strategy and Activity

- 3.24 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.
- 3.25 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.
- 3.26 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.27% at the end. The lowest available 10-year maturity rate was 5.17% and the highest was 5.56%. Rates for 20-year maturity loans ranged from 5.71% to 6.16% during the period, and 50-year maturity loans from 5.46% to 5.97%. The cost of short-term

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borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.

- 3.27 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.
- 3.28 **Loans Portfolio:** At 30<sup>th</sup> June the Authority held no loans, with no movement from 31<sup>st</sup> March 2025 as per table 3 below, as part of its strategy for funding previous and current years' capital programmes.

Table 3: Borrowing Position

	31.3.25 Balance £m	Net Movement £m	30.6.25 Balance £m
Public Works Loan Board			
Banks (LOBO)			
Banks (fixed term)			
Local authorities (long-term)			
Local authorities (short-term)	0	0	0
<b>Total borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Treasury Investment Activity

- 3.29 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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- 3.30 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 £13.2 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.25 Balance £m	Net Movement £m	31.6.25 Balance £m	31.6.25 Income Return %	31.6.25 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	4.2	-0.7	3.5	3.2%	29
<b>Total investments</b>	<b>4.2</b>	<b>-0.7</b>	<b>3.5</b>		

- 3.31 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.
- 3.32 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

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services.

- 3.33 Bank Rate remained at 4.25% through the quarter with short term interest rates largely being around this level. The rates on DMADF deposits have been constant at 4.21%.

### **Non-Treasury Investments**

- 3.34 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).
- 3.35 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**

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

Table 5: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Total borrowing	0.0	0.0	0.0			
PFI and Finance leases	0.0	0.0	0.0			
Total debt	0.0	0.0	0.0			
Total treasury investments	3.5	0.0	3.5			
				n/a	n/a	n/a

### **MRP Regulations**

- 3.37 On 10<sup>th</sup> April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the



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2025/26 financial year, although there is a requirement that for capital loans given on or after 7<sup>th</sup> 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.

- 3.38 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**

- 3.39 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

	2025/26 Maximum	30.6.25 Actual	2025/26 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	3.5m		Yes
Foreign countries	£5m per country			
Real Estate Investment Trusts	£2.5m in total			

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- 3.40 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 2025/26 Maximum	30.6.25 Actual	2025/26 Operational Boundary	2025/26 Authorised Limit	Complied? Yes/No
Borrowing	0m	0m	55,000	60,000	Yes
PFI and Finance Leases	Nil	Nil	1,000	1,000	Yes
<b>Total debt</b>	<b>0m</b>	<b>0m</b>	<b>56,000</b>	<b>61,000</b>	

- 3.41 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**

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

#### **Liability Benchmark**

- 3.43 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

	31.3.25 Actual	31.3.26 Forecast	31.3.27 Forecast	31.3.28 Forecast
Loans CFR	31.26	34.54	36.26	38.12
Less: Usable Reserves	-11.27	-11.14	-10.42	-9.86
Less: Working Capital	-3.10	-3.10	-3.10	-3.10
<b>Net loans requirement</b>	<b>16.89</b>	<b>20.30</b>	<b>22.74</b>	<b>25.16</b>

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Plus: Liquidity allowance	0.20	0.20	0.20	0.20
Liability benchmark	17.09	20.50	22.94	25.36
Existing borrowing	0	6.20	11.10	12.95

- 3.44 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £12.95m, 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

- 3.45 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	30.6.25 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

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5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

- 3.46 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

- 3.47 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:

	2025/26	2026/27	2027/28	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

- 3.48 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:

- 3.49 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.

	2025/26 Target	30.6.25 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

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Liquidity:

- 3.50 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.

	30.6.25 Actual	2025/26 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:

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

Interest rate risk indicator	2025/26 Target	30.6.25 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

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

	<u>01/04/25</u>	<u>30/06/25</u>
Bank Rate	4.50%	4.25%
1-year PWLB certainty rate, maturity loans	4.82%	4.50%
5-year PWLB certainty rate, maturity loans	4.94%	4.70%
10-year PWLB certainty rate, maturity loans	5.38%	5.27%
20-year PWLB certainty rate, maturity loans	5.88%	5.88%
50-year PWLB certainty rate, maturity loans	5.63%	5.71%

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

#### **4. IMPLICATIONS**

##### **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 2025/26 – February 2025 which contains this year's Capital Strategy, Treasury Management Strategy and MRP Policy.

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### AUTHOR OF REPORT

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### Appendix E - Procurement Pipeline

<b>Title</b>	<b>Council</b>	<b>Contract Value</b>
Fleet Replacement	Bromsgrove	£2,846,000.00
Wheeled Bin Purchase, Delivery, and Collection for Recycling of existing wheeled bins.	Bromsgrove	£2,200,000.00
Refuse and Recycling products	Bromsgrove	£700,000.00
Replacement Parking Machines	Bromsgrove	£517,000.00
Microsoft Licenses	Bromsgrove	£483,000.00
PROVIDE Kennelling of Dogs	Bromsgrove	£450,000.00
Planning/ GIS/ Gazetteer	Bromsgrove	£400,000.00
Supply of HVO fuel	Bromsgrove	£300,000.00
Air Quality Analysers	Bromsgrove	£250,000.00
Data Access Services	Bromsgrove	£200,000.00
Domestic Food Waste Collection Contract	Joint	£23,000,000.00
Hybrid Mail Solution - sending letters	Joint	£2,500,000.00
Corporate Building Electrical contract	Joint	£2,500,000.00
Food Caddy Purchase & Delivery	Joint	£1,300,000.00
Public Space CCTV Maintenance	Joint	£400,000.00
Fire alarm, Extinguisher contract service contract	Joint	£380,000.00
Lifeline Call handling	Joint	£200,000.00



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### **Budget Setting proposal**

Relevant Portfolio Holder	Councillor Sue Baxter Portfolio Holder for Finance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Bob Watson. Deputy Chief Executive and Chief Finance Officer <a href="mailto:bob.watson@bromsgroveandredditch.gov.uk">bob.watson@bromsgroveandredditch.gov.uk</a> Contact telephone: 07990 840078
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 to set the annual budget for 2026/27 and for the Medium-Term Financial Plan (MTFP) up to financial year 2028/29.

Whereas this budget process will present some financial challenges, it is the intention of the administration that there will be no reduction in services to residents and businesses over the Medium-Term Plan period.

#### **2. RECOMMENDATIONS**

**Cabinet are asked to Resolve that:**

- That the budget process outlined in this report is followed for the 2026/27 annual budget and for the Medium-Term Financial Plan up to 2028/29.

#### **3. KEY ISSUES**

##### **Financial Position**

- 3.1 The next Budget to be set will be the 2026/7 to 2028/9 Medium Term Financial Plan (MTFP). In contrast to previous years, where the budget was presented to Council once before the financial settlement and then confirmed at full budget Council in February, it is proposed that whereas all committees and Cabinet are involved in the process with opportunity for scrutiny, review and challenge the final budget will only be presented to

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Council in February at the formal budget Council meeting – this will not reduce the amount of governance and review of the programme, which includes officer budget challenge sessions at different stages to add rigor to the process of building the budget. The previous two-stage process was introduced whilst the Council stabilised its accounts, this has now completed, and the revised timetable is more in keeping with recognised practice across the sector.

3.2 This report will set out, in revenue terms

- The budget setting timetable for this Council.
- Budget assumptions for the 2026-27 annual budget.
- Present risks, issues and concerns that will need to be addressed in the budget.
- The provisional impact of the Fairer Funding Review.

### **Proposed Budget Timetable**

3.3 The following is the proposed budget timetable for 2026/27:

#### **2025**

11 Aug	Budget Setting proposal to Senior Leadership Team (SLT)
1 Sep	Budget Setting proposal approved by CWG
10 Sep	Budget Setting proposal approved at Cabinet
During Oct	Check and Challenge meetings with Assistant Directors with Senior Leadership team
Late Oct	Chancellor's budget statement (date not yet announced)
27 Oct	Budget update including provisional budget and fees and charges to SLT
5 Nov	Budget update including provisional budget and fees and charges approved at CWG
w/c 5 Nov	'Star chamber' review of discretionary growth and service efficiencies (tbc)
17/18 Nov	Finance and Budget Working Group/Overview and Scrutiny review provisional budget and fees and charges
19 Nov	Provisional Budget and Fees & Charges approved for consultation by Cabinet

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- 8 Dec Provisional Budget and Fees & Charges Consultation Responses/Updates to SLT
- 10 Dec Provisional Budget and Fees & Charges Consultation Responses/Updates reviewed by CWG
- w/c 15 Dec Multi-year provisional Local Government Settlement expected

### **2026**

- 5 Jan Budget approved by SLT
- 5 Jan Budget review by Finance and Budget Working Group
- 6 Jan Budget review by Overview and Scrutiny Committee
- 14 Jan Final budget approved by CWG
- 6 Feb Final budget review by Finance and Budget Working Group
- w/c 2 Feb Local Government Finance Settlement confirmed (may be w/c 9 Feb)
- 10 Feb Final budget review by Overview and Scrutiny
- 11 Feb Budget approved by Cabinet
- 18 Feb Budget and Council Tax Resolution approved by Council

### **Budget assumptions for the 2026-27 annual budget**

- 3.4 The base assumptions to be used in developing the budget are:
- 3.4.1 Pay Award for next year will be budgeted at 2% in line with the HMT inflationary targets.
- 3.4.2 There will also be an additional 1% cost of living increment built in as contingency in the case of a higher than budgeted pay settlement.
- 3.4.3 Controllable Fees and Charges income will be uplifted by 2% - services will need to review and set their fees and Charges accordingly.
- 3.4.4 Council Tax – it is assumed that Council tax will be increased in line with Government assumptions on Core Spending Power (CSP) which will mean increases just below the referendum limit over all years of the MTFP. It is

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expected that the referendum limit for district councils will be at the greater of £5 cash terms or less than 3%.

- 3.4.5 Core Spending Power assessment by the government assumes that no councils will be worse off in real terms, but previously the contained assumption of a maximum allowable increase in Council Tax has been offset by reductions in formula grant, meaning that the spending power of the Council remained flat, even though there was an increase in Council Tax. It is assumed that this will be the situation going forward due to Fairer Funding reform and Local Government Reorganisation.
- 3.4.6 CSP will assume a 1% increase in tax base – this is what will be used for the budget setting until exact figures are known (normally before the provisional settlement).
- 3.4.7 Due to an impending business rates reset, it is prudent to assume no growth in the base funding for business rates.
- 3.4.8 The impact of the fairer funding (FF2.0) review (see para 3.7 below) is estimated at this stage to be a reduction in support grant and retained business rates of £1.2 million.
- 3.4.9 Unavoidable growth from legal contracts and new burden pressures will be included in the first iteration of the budget.
- 3.4.10 Where supplementary estimates during the current financial year (2025/26) have been agreed by Council, and where these have an impact on future base budgets, these will be captured and listed as unavoidable growth previously agreed and included in the base budgets.
- 3.4.11 Government Grants and New Homes Bonus – it is anticipated that these will either be abolished under FF2.0 or rolled into the funding-formula revenue support grant (RSG) and it is assumed that unless notified differently, these grants will not be separate items from next year onwards.
- 3.4.12 The Council will consider all options to mitigate the impact on services to residents of reduced funding during this budget cycle. This will include consideration of full recovery of income and increasing statutory fees and charges in line with the government permitted levels; efficiencies in services with no impact on service delivery (for example, where previous budgets have not been used on a regular basis) and permitted use of reserves to smooth the impact of funding reductions on the local tax account.

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#### **Present risks, issues and concerns that will need to be addressed in the budget.**

- 3.5 The following are risks that will need to be considered in the formulation of this year's budget:
- 3.5.1 The actual 2025/26 pay award was 3.2% which was 0.2% above the assumption built in at budget setting. This pressure will be contained within year but will be an additional budget uplift when setting the base for 2026/27.
  - 3.5.2 It is likely that any nationally agreed pay award for 2026/27 may be above the budget estimate of 2%. A contingency sum is included (see 3.4.2).
  - 3.5.3 Is the taxbase growth assumed as part of the CSP assessment correct? This will be clearer once the tax base calculation has been worked out.
  - 3.5.4 Have previous years' base budget efficiencies and savings been delivered? If not this is an immediate pressure on the budget.
  - 3.5.5 During the current financial year it is anticipated that there will be some budget adjustments as the finance team continues to load budgets into the correct place on the ledger. This work may have to carry on into the base budgets for 2026/27.
- 3.6 The following are opportunities that should be considered in the formulation of this year's budget:
- 3.6.1 Can Fees and Charges move up by more than 2%?
  - 3.6.2 Is there any opportunity around reducing secondary pension costs – dependent on the actuarial valuation?
  - 3.6.3 Will increases in planning numbers increase Council Tax Base numbers in the MTFP time period?

#### **The provisional impact of the Fairer Funding Review.**

- 3.7 The Government has announced the long-anticipated fairer funding review. The consultation deadline for Consultation responses was 15 August and this Council submitted a detailed response. It is expected that the outcome of the consultation and thus the eventual Fairer Funding 2.0 (FF2.0) will be in time for the provisional financial settlement in December, but it is likely to inform in some way the MHCLG response to the Autumn budget this year.

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- 3.8 In light of the government proposals being consulted on the Council has commissioned a review by LGFutures on the anticipated impact of the FF2.0. This estimates the impact for this Council to be about some £1.2 million reduction in government funding, primarily determined by the assessment of deprivation within the District. This equates to one-fifth of the previous government support to the Council, which will increase the Council's reliance on Council tax receipts, which is why the Council's Chief Finance Officer strongly recommends taking the maximum allowable increase in the Council Tax precept without triggering a referendum.
- 3.9 The government has hinted at a three-year phasing of the reduction, but this is neither confirmed as happening nor the format of any phasing.

#### **Council tax reform and business rates reset**

- 3.10 Also whilst considering the Fairer Funding the Government has indicated that it is considering reviewing how council tax is assessed and determined. There is potential that the government will overhaul the current system of Council tax bands with consideration of the valuation of dwellings.
- 3.11 The government has also indicated that the business rate baseline will be reset; essentially removing the benefit of any growth in business rates to the Council that has accrued since the previous reset. Therefore no business rate growth has been assumed in the next year's budget, nor for the remainder of the MTFP period.
- 3.12 At this point in time, there has been no indication of any transitional reliefs for any of the topics discussed above.

#### **4. Legal Implications**

- 4.1 The Council is required to set a balanced budget each year. Prudent use of reserves to smooth the impact on the local tax-payer is permitted.

#### **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.



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### **Climate Change Implications**

- 5.2 The green thread runs through the Council plan. Every report has potential financial implications and these in turn can have implications on climate change. These will be 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 Any reductions in services to residents as a result of the budget will have to be subject to their own equalities impact assessments.

#### **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. Services are responsible for the delivery of any savings and efficiencies mandated by the approved budget.

#### **Local Government Reorganisation**

- 6.3 It should be noted that if the proposed vesting day for Local Government Reorganisation (LGR) is 1 April 2028, then the profile for the last year will change; there will undoubtedly be legacy work, but this will be covered by any new authority. Therefore the forecast budget for 2028/29 should be considered as a 'continuity and contingency budget' in the case of any delay to the LGR programme.

### **7. RISK MANAGEMENT**

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

### **8. APPENDICES**

None

### **AUTHOR OF REPORT**

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**Cabinet**  
2025

10th September

### Expansion of Commercial Waste Collection Service

Relevant Portfolio Holder	Councillor Whittaker
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Simon Parry
Report Author	Job Title: Environmental Services Manager Contact email: matthew.austin@bromsgroveandredditch.gov.uk Contact Tel: 01527 548206
Wards Affected	N/A
Ward Councillor(s) consulted	No
Relevant Council Priority	Economic Development Environment Financial Stability
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

### 1. RECOMMENDATIONS

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

- 1) Capital Funding of £489,760 be added to the Capital Programme for 2026/27 to purchase two Refuse Collection Vehicles (RCV's)
- 2) The Council allocates Capital funding of £35,000 annually in the Medium-Term Financial Plan from the 2025/26 financial year to fund wheeled bins for Commercial Services.
- 3) The Council allocate £334,342 Revenue Funding in the Medium-Term Financial Plan to fund operational costs of providing the expanded service from 2025/26.

- 4) The Council allocate £100,000 Revenue Funding in the Medium-Term Financial Plan across 2025/26 and 2026/27 for interim vehicle hire.**

## **2. BACKGROUND**

- 2.1. The Council has operated a Commercial Waste Collection Service since 2015, which has grown significantly from 547 to 1,203 contracted customers.
- 2.2. From 31st March 2025, the Environment Act 2021 requires businesses with more than 10 employees to separate food waste. This will expand to micro-businesses (with fewer than 10 employees) by 2027. This statutory change will reshape the commercial waste landscape, driving demand for dedicated commercial food waste services.
- 2.3. If the Council cannot provide a compliant service, up to 80% of its current commercial customers may be forced to contract with alternative providers. This would place at risk up to £825,000 of annual income.
- 2.4. From April 2027, the exemption supporting micro businesses will end, and they will also be required to have food waste and the full range of recycling services in place.

## **3. OPERATIONAL ISSUES**

- 3.1. Between 2021 and 2024, the Commercial Service delivered a surplus each year, but saw increased costs in 2023/24 as a result of wider fleet and maintenance issues that impacted on the resilience of the service and required increased use of hire vehicles.
- 3.2. In 2024/25, despite generating robust income, the service experienced an additional financial pressure and saw maintenance costs increase significantly, as the Council had to outsource repairs and maintenance that would normally be managed internally at a reduced cost as part of wider service arrangements across the Council's fleet.

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- 3.3. With the recent successful recruitment to vacant positions within the workshop, and delivery of a new Domestic Waste Fleet in late 2025, these expenses are expected to reduce considerably and see a return to the Council's previous financial performance levels.
- 3.4. However, the unexpected exit of Dudley Metropolitan Council from the commercial waste market in March 2025 has created an immediate opportunity as well as a pressure on the Council's service.
- 3.5. Businesses in this area are keen to work with a Local Authority, and actively sought our support as a nearby LA waste provider, as they have a strong social responsibility that gives us the potential to further increase our customer base in this area to maximise the efficiency of operating the service in a high-density area for businesses.
- 3.6. With over £135,000 of new enquiries. 50+ new customers signed by April 2025, this has left the existing service with little to no capacity to take on additional customers and requires full availability of staff and vehicles to operate each week, as there is no surplus to give resilience to the service.
- 3.7. Key issues include:
- 3.7.1. Vehicle pressure: Overreliance on pool vehicles and hire vehicles due to breakdowns or servicing delays.
  - 3.7.2. Staffing constraints: Limited resilience due to reliance on spare "pool" staff shared with Domestic Waste, and agency workers.
  - 3.7.3. Limited recycling capacity: Only one recycling RCV restricts expansion and efficiency gains.
  - 3.7.4. Food waste capacity limitations: The current vehicle capacity is limited, and insufficient to support all of the Council's existing customers if they were to request the service.

## **4. PROPOSALS**

- 4.1. By investing in additional vehicles and staff to support a dedicated food waste collection service and increase capacity on our existing residual

and recycling services, this will make the Commercial Services Team largely self-sufficient for staffing and vehicles, better able to manage staffing and vehicle shortages that can arise in day-to-day service, without the need for support from the Domestic Waste service or additional expensive agency staff or vehicle hire to maintain services.

- 4.2. Delivering a sustainable food waste collection service, and increasing capacity within our existing residual and recycling waste services, will support our customer base with a single contract for all their legally mandated waste needs; and safeguard current and future income.
- 4.3. By increasing capacity to support customers to recycle more, as well as benefitting the environment, we can also reduce the cost of disposal by approximately 50%, benefitting businesses and the Council alike as savings can be passed on.
- 4.4. Given the number of customers and size of the service, which will effectively double in staffing with this investment in the service, there is a need for more support in managing the service and communicating with both new and existing customers to continue providing a high-quality service.
- 4.5. Waste collection services are subject to strict environmental, health & safety, and waste disposal regulations, and require specific focus to manage these risks alongside the maintenance of a reliable, responsive service to customers.
- 4.6. With the increase in staff working across variable shifts each week to make best use of Council vehicles, there is an increased need to plan work, carry out training, performance monitoring, and support staff welfare in order to support the successful delivery of the service and manage issues that may impact on this such as sickness, performance, or disciplinary matters.
- 4.7. Service failures can quickly result in complaints or lost contracts, and compliance failures can result in significant penalties or even the loss of

our authority to operate a vehicle fleet, which would impact on all services.

4.8. Appointing a new Commercial Waste Coordinator will address these daily risks ensuring that services are delivered to schedule and any issues are identified quickly and acted upon, whilst the Commercial Services Manager develops new business opportunities and uses performance data to manage costs and maximise income whilst maintaining high standards of service.

4.9. New vehicles may take up to 12 months to arrive after ordering, and with minimal spare resource across our existing Commercial and Domestic Fleet, interim use of hire vehicles will support our existing services and allow for continued growth and new partnerships.

4.10. Expansion of services will require additional investment in wheeled bins for new customers, and whilst the cost of these is recouped as part of the first year of service, the additional capital funding will ensure that income and expenditure can be accurately monitored against each contract.

## **5. FINANCIAL IMPLICATIONS**

5.1. By 2027/28, the service is forecast to deliver a net surplus annually, with year-on-year growth driven by legislative compliance, customer retention, and operational efficiency. Any surplus is reinvested in service delivery.

## **6. FINANCIAL RISK**

6.1. The forecasting shown here is based on the expected growth of the service using the additional capacity provided by more staff and vehicles.

6.2. Calculations on expected income linked to our existing residual and recycling service have been based on the rate of growth achieved from previous expansion of the service, as well as a review of areas that have

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already made enquiries when their existing contracted arrangements with other providers finish in March 2026, so come with a high level of confidence.

6.3. Forecasting on Food Waste income has been calculated based on analysis of our customer base, and the proportion of those customers that are now required to make dedicated food waste arrangements.

6.4. Having carried out trials with a proportion of our customer base in 2024, we have a good understanding of the operational and disposal costs associated with operating a dedicated food waste collection service, and have forecast our costs and income based on a 25% take up of the food waste service by existing customers in 2025/26, which we have already achieved, but which relies on availability of a suitable vehicle from our existing combined Commercial and Domestic fleet and so remains a pressure on services to maintain, and so needs the additional resource to give security to our wider services.

6.5. During 2026/27 and 2027/28 we have forecast conservative estimates on a proportional increase in take up of the new service that the new resources will support us to actively promote and transition customers across to, but we hope to exceed this forecasting through our engagement with customers, and expected pressure from DEFRA on businesses to evidence their compliance with their responsibilities under the Environment Act 2021 and Simpler Recycling requirements.

6.6. This remains the highest area of risk around income generation in 2026/27 and 2027/28, but will be offset by a reduction in operating costs if new business is not secured as forecast.

6.7. This will also be offset by continued income generation on our existing and well-established residual and recycling service, which has sufficient surplus to cover these costs in 2026/27 and 2027/28 based on current pricings.

6.8. As our fees and charges are set on an annual basis, we also have the ability to adjust our pricing to ensure that external factors such as fuel



prices and changes to disposal costs are factored in to our income generation, and this will be closely monitored and reviewed as part of managing this in the coming years to ensure the Council is not subsidising the service either directly or indirectly through use of assets from the Domestic Waste service.

### **7. LEGAL IMPLICATIONS**

- 7.1. Under Section 45 of the Environmental Protection Act 1990, Local Authorities have a legal duty as the Waste Collection Authority to arrange for the collection of commercial waste from premises in its area if requested, for which a reasonable charge may be made. Surplus generated in this way is used to offset wider costs of providing services.
- 7.2. Under Section 57 of the Environment Act 2021, this duty is expanded to include all recyclable waste streams, including food waste.
- 7.3. The Local Government Act 2003, and the Local Government Power to Trade Order 2009 enables councils in England to trade in activities related to their ordinary functions on a commercial basis with a view to profit through a company.

### **8. OTHER – IMPLICATIONS**

#### **8.1. Local Government Reorganisation (LGR)**

- 8.1.1. The duty to collect Commercial Waste will remain unaffected by Local Government Reorganisation, and similar expansion is being undertaken by Worcester City Council, Wyre Forest District Council, and Malvern District Council, with expanded Commercial services planned for 2026/27 to support the additional requirements on local businesses.
- 8.1.2. Under LGR, Commercial Services will be merged, transforming five independent Commercial Waste teams into either one or two considerably larger teams, with a much larger customer base that will give opportunities for efficiencies related to the scale of the new

service(s), as well as increased resilience as a result of a larger workforce and dedicated fleet.

8.1.3. To continue expanding and generate a true income for the Council, the service will need to operate under an alternate model in order to support generating business as a profit-making exercise, as the service is currently pushing the limits of what it can do under the Local Government Act 2003 and the duty under the Environmental Protection Act 1990, which is focused on cost recovery related to services rather than income.

8.1.4. There are a number of potential trading vehicles to undertake commercial ventures<sup>1</sup> and offer wider protection to the Local Authority in the future, and the resources available to the new authority/authorities will have greater self-sufficiency than is possible in smaller teams as operated by the existing District and Borough Councils, supporting greater income generation and profits.

8.1.5. Bromsgrove's Commercial Service operates across a wider geographic area and has a larger customer base than the other Worcestershire LA's, which will support a more commercial evolution of the service to support public finances with a sustainable income, and a trading arm was under consideration alongside future expansion of the service prior to LGR to maximise this potential as part of the service becoming fully self-sufficient.

8.1.6. This investment in the Bromsgrove Commercial Service will deliver a return on investment for Bromsgrove District Council during 2026/27 and 2027/28, and will support the service to take a

- <sup>1</sup> Private Company Limited by Shares (CLS), Private Company Limited by Guarantee (CLG), Community Interest Company (CIC), Industrial & Provident Society (IPS) for Community Benefit (BenCom), Limited Liability Partnership (LLP), Shell/Hybrid Company

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leading role in the development of a new combined service under whichever model of Local Government we are operating under moving forwards.

#### **8.2. Relevant Council Priority**

8.2.1. The Council Plan sets out the following priorities relevant to this proposal:

- Economic Development
- Supporting businesses
- Environment
- Implementing the Environment Act 2021 (Waste)
- Financial Stability
- Income Generation

#### **8.3. Climate Change Implications**

8.3.1. Businesses now have a legal duty to separate their waste to ensure that waste is recycled where possible, and provision of this service locally will reduce the environmental impact of national waste collection organisations servicing local businesses.

8.3.2. As part of the Council's Climate Emergency Declaration, engaging with businesses about their waste can help influence how they manage this locally, giving assurance that recycling will be processed effectively. This is co-ordinated through disposal arrangements within Worcestershire, involving Worcestershire County Council as the local Waste Disposal Authority. The Council can also work in partnership with customers to consider how they can reduce their waste and support the environment as well as meet their legal responsibilities.

### **9. Equalities and Diversity Implications**

9.1. The Commercial Waste collection service is offered to businesses and commercial premises based on their needs, and requirements. As such

the Council does not discriminate against any existing or potential customers.

9.2. The addition of a Coordinator role to the Commercial Waste Team will give greater capacity to engage with customers and ensure that the Council is delivering services to the expected standard, and any requirements or issues linked to Equality and Diversity can be supported and taken into account where identified.

9.3. The Council offers a range of methods for communication to support customers in their dealings with the authority, including in-person, telephone and digital communication.

### **10. RISK MANAGEMENT**

10.1. Below are the risks that this proposal seeks to mitigate, and may arise if action is not taken:

10.2. Loss of Customers – The current service will not be able to support all our existing customers to meet their legal responsibilities regarding separation of food waste, increasing the likelihood of them moving to a different waste contractor.

- Private Waste Contractors are constantly communicating with our customers seeking additional business and offering introductory discounts to transfer to their services.
- Over the next two years this would threaten up to £450,000 of annual income linked to our largest customers, with further losses arising from smaller customers.

10.3. Increased cost to local businesses in managing waste – The current service is reliant on all vehicles and staff being available at all times, with no capacity to accommodate standard operational pressures due to staff sickness and vehicle breakdowns or scheduled maintenance, and is unable to rely on the Domestic Waste team to provide contingency support due to pressures from new housing in the District.

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- This is already increasing our operational costs by approximately £60,000 in 2025/26, which will need to be passed on to our customers from 2026/27 if this cannot be offset against further business expansion, reducing our viability on a reduced service in comparison with the private sector.
  - Third party waste contractors typically offer competitive rates to attract new business, but lock them into longer term contracts with significant price increases during subsequent years, whereas we provide a more flexible service and balance our prices annually to ensure that we are supporting businesses and sharing benefits arising from reduced costs that can be achieved by recycling more, and reducing the volume of residual waste which is the most costly way to dispose of waste.
- 10.4. Reputational Damage – Without investment to support the development of the service, the current service will not be able to meet our customers needs, and existing resource pressures increase the likelihood of missed collections for customers.

### **11. Appendices:**

Appendix 1 – Exempt Information

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**REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Cllr Peter Whittaker	2/9/2025
Lead Director / Assistant Director	Simon Parry	2/9/2025
Financial Services	Bev Docherty Senior Finance Business Partner	21/8/25
Legal Services	Nicola Cummings	18/08/25
Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Team (if climate change implications apply)	Matt Eccles	Circulated 7/8/25

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of the Local Government Act 1972.

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