

Public Document Pack



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 25TH FEBRUARY 2026

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

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

AGENDA

WELCOME

1. **To receive apologies for absence**

2. **Declarations of Interest**

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

3. **To confirm the accuracy of the minutes of the meeting of the Council held on 3rd December 2025 (Pages 7 - 36)**

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

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

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

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

7. **Urgent Decisions**

8. **Recommendations from the Cabinet from the meeting on 7th January and 18th February 2026**

To consider the outstanding recommendations from the meeting of the Cabinet held on 7th January 2026 that have not yet been determined. Also to consider recommendations arising from the Cabinet meeting on 18th February 2026.

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

(i) Pay Policy (Pages 37 - 48)

(ii) Bromsgrove Council Plan - Progress Update December (Pages 49 - 70)

(iii) Medium Term Financial Plan Stage 2 Budget Report 2026/2027 to 2028/2029 (including Capital Strategy, Investment Strategy and Treasury Management Strategy) (To Follow)

The Medium-Term Financial Plan Stage 2 Budget Report 2026/2027 to 2028/2029 (including Capital Strategy, Investment Strategy and Treasury Management Strategy) report and associated appendices will be published in a supplementary papers pack to this agenda following consideration at the Cabinet meeting on 18th February 2026.

Please note that an appendix to this report contains exempt information that may need to be considered in exempt session.

(iv) Particulate Matter (Pages 71 - 96)

10. **To note the minutes of the meetings of the Cabinet held on 18th February 2026**

This agenda has been published prior to the Cabinet meeting on 18th February 2026; therefore the minutes of the Cabinet meeting will be published in a supplementary papers pack to this agenda.

11. **Recommendations from the Audit, Standards and Governance Committee held on 17th February 2026**

This agenda has been published prior to the Audit, Standards and Governance Committee meeting on 17th February 2026; therefore any recommendations made by the Audit, Standards and Governance Committee meeting will be published in a supplementary papers pack to this agenda.

- (i) Capital Strategy 2026/27 Including Treasury Management Strategy
(Pages 97 - 138)

12. **Questions on Notice** (Pages 139 - 140)

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

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

13. **Motions on Notice** (To Follow)

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

14. **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**

15. **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>
15a	3

- (i) Medium Term Financial Plan Stage 2 Budget Report 2026/2027 to 2028/2029 (including Capital Strategy, Investment Strategy and Treasury Management Strategy) (To Follow)

The Medium-Term Financial Plan Stage 2 Budget Report 2026/2027 to 2028/2029 (including Capital Strategy, Investment Strategy and Treasury Management Strategy) report and associated appendices will be published in a supplementary papers pack to this agenda following consideration at the Cabinet meeting on 18th February 2026.

Please note that an appendix to this report contains exempt information that may need to be considered in exempt session.

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

17th February 2026

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

**Parkside, Market Street, Bromsgrove, B61 8DA
Tel: (01527) 64252 Ext: 3031
Email: joanne.gresham@bromsgroveandredditch.gov.uk**

GUIDANCE ON FACE-TO-FACE MEETINGS

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

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

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 and for any such items the live stream will be suspended and that part of the meeting will not be recorded.



INFORMATION FOR THE PUBLIC

Access to Information

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

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

You can access the following documents:

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

at www.bromsgrove.gov.uk

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 3RD DECEMBER 2025, AT 6.00 P.M.

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

Officers: Mr J. Leach, Mr. G. Revans, Mrs. C. Felton, Mrs. R. Bamford, D Goodall and Mrs J. Gresham

66\25

TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J. Elledge. It was noted that Councillors D. Forsythe, J. Stanley and H. Warren-Clarke would be in attendance for the meeting, however, they would be arriving late.

67\25

DECLARATIONS OF INTEREST

Councillor R. Hunter declared an other registerable interest in respect of Minute Item No. 75/25 concerning the first Question on Notice for consideration at the meeting in respect of Nailer's Yard in that he was employed by HS2.

Councillor C. Hotham declared a pecuniary interest in respect of Minute Item No. 76/25 concerning the second Motion on Notice for consideration at the meeting in respect of Houses of Multiple Occupancy (HMOs) in that he was the owner of an HMO. Councillor Hotham left the room for consideration of this item and took no part in the debate nor the vote thereon.

68\25

TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRMAN AND/OR HEAD OF PAID SERVICE

The Chairman took the opportunity to wish Members, Officers and residents a merry Christmas and a happy new year.

This was echoed by the Head of Paid Service who wished all in attendance Seasons Greetings.

69\25

TO RECEIVE ANY ANNOUNCEMENTS FROM THE LEADER

The Leader announced that there had been a change of membership to the Cabinet and an update to the portfolios as detailed below:

- Councillor K. May - Cabinet Member for Strategic Partnerships, Economic Development and Enabling
- Councillor S. Baxter - Cabinet Member for Local Government Reorganisation and Climate Change
- Councillor S. T. Nock - Cabinet Member for Finance
- Councillor K. Taylor - Cabinet Member for Planning, WRS and Strategic Housing
- Councillor S. Webb - Cabinet Member for Health and Wellbeing, Leisure and Culture
- Councillor P. Whittaker - Cabinet Member for Environmental Services and Community Safety

The Leader took the opportunity to welcome Councillor S. T. Nock to the Cabinet and thanked Councillor B. McEldowney for his work whilst a member of the Cabinet. Councillor May also wished Members Season's Greetings.

70\25

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

There were no comments, questions or petitions from the public for consideration on this occasion.

71\25

URGENT DECISIONS

The Chairman confirmed that no urgent decisions had been taken since the previous meeting of Council.

72\25

TO RECEIVE AND CONSIDER A REPORT FROM THE PORTFOLIO HOLDER FOR PLANNING AND REGULATORY SERVICES

The Cabinet Member for Planning, Worcestershire Regulatory Services (WRS) and Strategic Housing presented the report for Members' consideration.

Information was provided on Development Management, and it was noted that the operational scope of the development management services was wide. It maintained a range of environmental and historical information, provided informal and pre-application guidance, as well as undertaking the day-to-day statutory process of determining planning applications and appeals in accordance with the Development Plan. As a measure of work coming into the Planning department, it was reported that eight hundred and sixty-two planning applications had been received in 2024 and to date in 2025 eight hundred and thirty-three planning applications had been received.

In terms of major applications, the Council determined roughly four or five applications each quarter, this number had been consistent over the last few years. In addition, approximately twenty-seven pre-application requests were submitted each quarter. It was noted that these figures were rising when compared to 2024 and 2025. Performance for speed consistently exceeded central Government targets with over ninety-two per cent of major applications and eighty-seven per cent of minor applications being determined within an agreed time scale. Quality measures remained below the ten per cent figure for both major and minor applications.

Members were informed that the Development Management team undertook a restructure of its administrative roles which were implemented in 2025. This had resulted in the successful recruitment of two Senior Planning Officers.

The Development Management team took part in a design coding workshop with Strategic Planning colleagues. This related to the Government drive to see improved design in new developments.

Efforts had been made to assist all Planning Officers to achieve chartership status and it was noted that the Royal Town Planning Institute attended sessions at Parkside to provide support and guidance for Officers.

The Planning Team continued to work with Wyre Forest District Council to support the discharge of biodiversity net gain function on applications.

Members were thanked for their patience and for the substantial time they had given in respect of Strategic Planning over what had been a challenging year. Consultation on the draft Development Strategy had dominated the work for the Strategic Planning Department. Preparing a Local Plan was one of the most significant roles that the department

undertook and Councillor Taylor thanked the Officers who had done an excellent job, particularly when going out to consult with residents. It was noted that there were still uncertainties surrounding this process, but it was clear that the Government expected Councils to bring forward a Local Plan as quickly as possible.

The Local Plan process was set firmly within legislative framework, and this process would continue in line with that and Local Government Reorganisation (LGR). Work was being undertaken as part of the review alongside the Planning Advisory Service (PAS).

Enforcement was also included within this portfolio and Planning Enforcement was part of this, along with several other areas of enforcement. The enforcement procedure was slow due to the quasi-judicial nature of the process. The Development Team provided Members with a regular update on enforcement matters including those that had been resolved and any further cases that had been received.

Following the presentation of the report, Members queried several areas. This included:

- What areas were not included in the report – it was felt that there was little detail included in the report in respect of the Local Plan Development, including speculative planning applications, and enforcement matters. Members suggested that the public should have received a more complete overview of what had happened in this space over the previous months, including the challenges faced in the progression of a Local Plan, WRS and enforcement matters in order to reassure residents. In response, it was noted that there was confidence in the Officers who carried out these roles in a challenging environment. Members were urged to engage in the pre-application process in terms of speculative planning applications. Members were reminded that there must be an Officer present in discussions with any developer and such discussions were confidential at the pre-application stage. WRS were investigating several areas at present which included the unauthorised sale of alcohol and tobacco and had listened to residents in these matters and acted appropriately. This was welcomed by Members and WRS Officers were thanked for their hard work in this area particularly in Bromsgrove Town Centre High Street.

Members also raised the risks involved in the preparation of the Local Plan and the timetable attached to the Plan. It was noted

that the submission of the draft Plan was made to Government in June 2025 which had included the preferred sites for development of nine-thousand dwellings. This had provided developers with an opportunity to submit speculative planning applications. The Local Plan was due to be examined by Government in December 2026. If it was not received at this time the Council would be subject to the new planning regulations and there was the potential in the development of the Plan process being restarted. Members raised that the Council's approach to the development of Green Belt land was problematic and the new legislation in respect of biodiversity net gain had increased Officers workload. This might result in applications not being addressed in a timely manner. All these areas were of concern and posed a risk to the Council for the future. It was noted that a response in respect of risk in terms of the Local Plan would be provided following the meeting.

- Five-year land supply – Members stated that there was not a five-year land supply in the District and with the current Government plans for growth this would cause significant issues with land supply and impact on the land within the District due to the changes of definition in respect of Green and Grey Belt.
- 'Informal' Local Plan Consultation – Members queried the term and asked for clarification on this matter. The Assistant Director for Planning and Leisure Services explained at the start of the Local Plan process, the public consultation stage was called 'informal' even though it was part of the whole Local Plan process. Members were aware that Planning Officers had to consider Regulation eighteen to Regulation nineteen when the Plan became more formalised and submitted to the Secretary of State. This was a very important part of the process and was the first step in the process of the Development Strategy in ascertaining how development should be allocated to certain places. It was the Council's first chance to consult with the public about where exactly the nine-thousand dwellings should be located. Officers were currently going through a detailed process of reading each representation and responding accordingly. This would be reported back to Members. So, whilst technically it was an 'informal' consultation in planning terminology it was a very important step for the Council to have achieved and for our residents to have taken part in.
- Agent's Forum – Further information was requested by Members in order to provide transparency for members of the public. It was noted that these sessions were arranged in order to meet with local agents to understand their views on the process, any

upcoming changes to that process and areas of improvement. The sessions were mostly attended by local architects based in the District and surrounding areas. The input was valuable in order to understand whether any changes needed to be made to Council processes.

- Monitoring of mosquitos – Members welcomed the monitoring of mosquitoes by WRS and noted that this would provide valuable insight into what could potentially be a dangerous issue in the future.

At the end of the discussion the process of the Local Plan was questioned robustly by Members. It was felt that it had put residents and Members in a position of uncertainty and stress. However, it was reiterated that the Local Plan development had been undertaken in line with the legislation and that consultation was carried out with Members and residents. Officers continued to look through responses to better understand the residents thoughts and concerns.

73\25

RECOMMENDATIONS FROM THE CABINET

Council considered the outstanding recommendations arising from the meeting of Cabinet held on 19th November 2025.

Medium Term Financial Plan Budget Update and Consultation Report

The Cabinet Member for Finance presented the Stage One update of Bromsgrove District Council's Medium Term Financial Plan (MTFP) for 2026/27 to 2028/29, alongside the proposed budget consultation.

This report was presented to the Finance and Budget Working Group on 17th November 2025 and subsequently at a Cabinet meeting on 19th November 2025.

The report detailed the financial landscape including any significant challenges and the strategy to ensure financial stability for the District.

As in previous years, the budget-setting process was split into two stages:

- Stage One: This was based on known data up to December 2025 and was presented at this Council meeting.

- Stage Two: Was to be finalised in January 2026 and approved in February 2026, following the Local Government Finance Settlement.

Members were informed that the Stage One budget report presented to Cabinet had highlighted a challenging financial position for the upcoming years. The forecast included an approved MTFP position as agreed at full Council in February 2025. At this time, the Council had a projected deficit of just under £1million pounds for the fiscal year 2026- 27 and a projected deficit of just under £400,000 for the fiscal year 2027-28.

There were five key factors which influenced these deficit projections. The first being inflationary pressures. It was reported that the Council had experienced increased costs due to inflation. In June 2024, the rate of inflation in the UK was 2 per cent. This peaked at 3.8 per cent in July, August, and September 2025. Whilst there was a welcome fall to 3.6 percent in October, the rate was stubbornly high and above the government target.

The second factor was pay awards. A high proportion of the Council's costs were salaries and on costs such as pensions and National Insurance contributions. Nationally agreed pay awards had not been fully funded by the Government.

The third impact was a reduction in grant funding. Anticipated reductions in grant funding continued to contribute to the budget gap. The provisional impact of the Fairer Funding Review was still ongoing.

Finally, Local Government Reorganisation (LGR) would inevitably impact on budgets going forward. The move towards unitary authorities in Worcestershire would significantly alter the local government finance landscape in 2026-27. Consequently, the Council needed to be mindful that the Reserves formed part of this proposal, and any use would need to be factored into the budget setting process.

It was reported that the Council had developed a new budget timetable and would take a strategic approach over the coming months. Financial reporting was now all up to date. However, the accounts were still to be audited.

The Council was adapting its operations to be more sustainable in response to economic and environmental conditions.

One of the key components of the budget process was public consultation which started on 20th November 2025 and would run through to 2nd January 2026. The consultation would provide feedback to Officers and Members which could be fed into the second stage of the budget setting process. The consultation asked residents to provide their views on the Council's key priorities, including economic development, environmental environment, housing, and infrastructure. The consultation was available primarily online with paper copies available at libraries and at customer service centres within the District. It was noted that a focus group session was planned for December 2025 to encourage further engagement with residents.

In terms of the Capital programme there had been an increase in costs due to inflation and rising interest rates. An updated Capital Program would be provided within the final budget report in February 2026.

It was requested that Members worked together over the coming months to ensure financial sustainability for the Council.

Following the presentation of the report Members requested further information on several areas contained within the report as follows:

- Did the current deficit of approximately £1 million for the financial year 2026-27 include the forecast overspend for the year? – It was reported that the information within the report were the best estimates of the information at the present time within the budget setting process. The Council needed to be cautious throughout the process however it was unlikely that there would be a deficit of £1 million once the process had been undertaken thoroughly and the budget presented in February 2026.
- Play Investment Strategy – Given that there was only £160,000 allocated to this Strategy in 2025-26 and £159,000 allocated in 2026-27, which were the only years that the Council could guarantee investment as a result of LGR, would it be possible to revisit these amounts and look to implement the Strategy with greater funds allocated? It was stated that there was a shared ambition across Members of the Council that the Play Investment Strategy be implemented. It was stated that Members were welcome to attend meetings of the Finance and Budget Working Group meetings in order to look at any areas of change in spending within the Strategy. Members also requested clarification whether there would be the opportunity to upgrade Upland Grove to make it accessible for all residents? A response to this specific query would be provided following the meeting.

Agenda Item 3

Council
3rd December 2025

- The implementation of a reduction in Council Tax for terminally ill residents – A policy was to be brought forward that would look into this specific matter for consideration by Members in due course.
- The former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) funding – Members queried whether the monies held in trust by Birmingham City Council on behalf of the former GBSLEP should be considered a risk for the Council? - It was reported that there had been a recent Programme Board meeting where this matter had been discussed. It was anticipated that Birmingham City Council would consider the release of the funding at a meeting on 20th January 2026.
- Use of Reserves – was there a policy on how the Council offset any deficit with Reserves and what was the trigger point for this? Members were reminded that these matters could be a potential area of discussion at a future FBWG meeting.

The recommendation was proposed by Councillor S. T. Nock and seconded by Councillor K. May.

RECOMMENDED that

The Consultation on the Budget 2026/27 be noted.

Homelessness Prevention Grant and Domestic Abuse Grant

The Cabinet Member for Health and Wellbeing, Leisure and Culture presented the Homelessness Prevention Grant and Domestic Abuse Grant report for Members' consideration. In doing so, it was explained that the report related to the Government's plans to award a consolidated homelessness and rough sleeper grant and a domestic abuse grant. The Government had proposed to make changes to how the grant was awarded and had indicated that a proportion of the grant would be transferred to the revenue support grant from 2026 to 27.

The report sought Members' approval to award the Ministry of Housing, Communities and Local Government (MCHLG) homelessness prevention grant, including rough sleeping prevention and recovery grant and domestic abuse new burdens grant in addition to the Council's own homelessness grant to specific schemes recommended by the Development and Enabling manager. In addition, it was noted that it was proposed that authority be delegated to the Assistant Director of Community and Housing Services in consultation with the Portfolio Holder for Strategic Housing to allocate any underspend grant during

Agenda Item 3

Council
3rd December 2025

2026-27 on schemes to prevent homelessness and assist those who become homeless.

Members were informed that the report had been considered by the Overview and Scrutiny Board prior to its consideration at the Cabinet meeting 19th November 2025.

Councillor Webb thanked the Officers for their hard work with service providers to help prevent homelessness within the District.

Members expressed that this was a positive report about a service that worked extremely well particularly during times of severe weather. Members queried the role of the part-time empty Homes Officer. It was explained that this role had not yet been recruited to however when information became available this would be provided.

It was queried how those people who were on the borders of the District were allocated housing if they found themselves homeless. It was noted that the Council had a duty to home rough sleepers and homeless within Bromsgrove where possible and for those in a domestic abuse situation. However, temporary accommodation was sometimes situated outside of the District.

Members requested further information on veterans that found themselves homeless. It was reported that veterans did appear as a high priority in terms of the housing list. It was agreed that any further information would be provided following the meeting.

The term 'static accommodation' was queried by Members. It was noted that this was a term for temporary accommodation and did not refer to static caravan accommodation.

The recommendations were proposed by Councillor S. Webb and seconded by Councillor K. Taylor.

RESOLVED that

- 1) Subject to the final decision by central Government, that the proposed element of the Revenue Support Grant 2026/27 attributed to Temporary Accommodation be ring fenced to the Homelessness Prevention and Rough Sleeping Grant.

Agenda Item 3

Council
3rd December 2025

Homelessness Grant Allocation	2026/27 £ (up to £495,917)
The Council is committed to maintain the spend below to meet its statutory duties under homelessness legislation	
BDHT Housing Agency Agreement Top Up Staffing Costs	52,475
Static Temporary Accommodation for an additional 4 units of accommodation	30,688
Worcestershire Strategic Housing Partnership Co-ordinator – contribution towards county-wide development and delivery of housing initiatives in partnership with other agencies	10,500
Severe Emergency Weather Provision	18,347
St Basils Foyer – provides stable accommodation/support for young people - 14 units – fully occupied during last financial year	50,203
St Basils Crash pad – provides emergency temporary accommodation for 16 and 17 year olds	19,711
Bromsgrove Home Choice CBL and Homelessness Module	14,600
Sub Total	£196,524
The services support the delivery of the Council's Homelessness Service.	
St Basils Young Persons Pathway Worker – support to prevent homelessness for under 25's and Crash Pad to provide a unit of emergency accommodation for young people.	41,116
NewStarts - Provide Furniture and Volunteering Opportunities for Ex-Offenders – supports tenancy sustainment and provides future employment opportunities/reduces risk of reoffending	10,000
GreenSquare Accord Housing Related Support – helping ex-offenders remain housed/seek employment	31,172
Maggs Rough Sleeper outreach and prevention service targeting rough sleepers and those at risk of rough sleeping.	35,607
North Worcestershire Basement Project - Support for young people at risk of homelessness	30,000

Agenda Item 3

Council
3rd December 2025

BDHT - Sunrise Project intensive support	46,886
Mental Health Link Worker (part funded)	21,554
CAB – Debt Advice for Home Owners and Private Renters	27,611
CAB – Affordability Assessments	6,021
Housing First/Housing Led Service	29,563
Part time Empty Homes Officer	7,680
Spend to Save Top Up	5,683
County Rough Sleeper Coordinator	5,500
Rough Sleeper Access to Accommodation Fund and NFNO/NSNO	1,000
Sub Total	299,393
Total committed expenditure	£495,917
Underspend	£0

Quarter Two 2025/26 Finance and Performance Monitoring Report (including Financial Savings and Half Yearly Treasury Management Report)

This report provided a comprehensive overview of the Council's financial position, capital programme, savings delivery, and performance against strategic priorities to the end of September 2025. It was reported that the report had been considered at the Finance and Budget Working Group meeting on 17th November 2025 prior to its consideration at the Cabinet meeting on 19th November 2025.

During consideration of report the following areas were highlighted:

- As of the end of Quarter 2, the Council was forecasting a £336,000 revenue overspend for the full financial year. This was primarily driven by the following:
 - Increased costs in Waste Management, due to the aging fleet and agency staffing.
 - Additional costs in Finance, including agency cover and VAT consultancy.
 - Shortfalls in parking income and increased costs in Lifeline Services.

It was reported that these pressures had been partially offset by:

- Vacancy management savings.
- Increased income in waste services.
- Underspends in Corporate Financing.

Agenda Item 3

Council
3rd December 2025

- In terms of savings delivery, at the time of the meeting, £894,000 of £1.213 million savings target had been delivered. Leaving a further £319,000 to be achieved. Work was ongoing to meet this target by year-end.
- The Capital expenditure stood at £4.872 million against a revised budget of £21.876 million, which included £14.891 million of carry forwards from 2024-25.
- Key projects included:
 - Windsor Street: Phase one remediation was complete and awaiting Environment Agency feedback on PFAS levels prior to the commencement of phase two.
 - Nailers' Yard: Construction was progressing well, with a revised completion date of 6th May 2026. A further £500,000 had been committed to this scheme.
- Reserves and Treasury – there was currently earmarked Reserves of £11.266 million. There had been no new borrowing undertaken. There was £7 million held in short-term investments and Treasury performance and prudential indicators were compliant and stable.
- Ward Budgets – At the time of the meeting eighteen Members had allocated a total of £15,968.80 of available funding. It was noted that £46,031.20 remained unallocated and must be spent by 31st March 2026. It was confirmed that any unallocated funds would not be carried forward into the next financial year.
- Collection Fund Performance
 - Council Tax collection was slightly below target at 56.58% for Quarter Two.
 - Business Rates collection was strong at 56.82 per cent, which exceeded the national average.
- Benefits Processing – on average new claims were processed in sixteen days. Any changes to claims were processed in nine days. This was well within the Department for work and Pensions expectations.
- Procurement Pipeline – There were ten contracts that exceeded the £200,000 key decision threshold on the pipeline. Five contracts had been procured by Redditch Borough Council on behalf of Bromsgrove District Council.
- Strategic and Operational Implications - Financial monitoring was fully aligned with the Council's strategic purposes. Managers continued to work closely with Finance to mitigate risks and ensure delivery of priorities.

Following the presentation of the report Members raised several areas, as follows:

Agenda Item 3

Council
3rd December 2025

- Vacancy management savings – was this a risk in terms of providing quality of services if these vacancies were not managed effectively. It was agreed that this was an area that would continue to be monitored.
- Clarification provided on the £9,000 underspend car parks – it was agreed that this would be provided to Members following the meeting.
- Windsor Street Site – whether the level of groundwater at this site was acceptable and if not, would remediation works be necessary and what would the costs be for these works – it was reported that the level of PFAS was still being monitored on this site by the Environment Agency. Any remediation works would be covered within current monies allocated to the project. Members were concerned that due to the possible areas raised that the site might not be ready for completion by the deadline of May 2026. It was noted that the Planning process could still commence alongside any continued monitoring whilst any areas of snagging could be completed if necessary.
- Dog Kennelling – There were costs of £45,000 for the kennelling of dogs within the procurement pipeline appendix. It was noted that Bromsgrove was the host Authority for Worcestershire Regulatory Services (WRS) who required kennelling services. However, it was confirmed that this amount would be split across all partner authorities.
- Details of the overspend in car parking – it was noted that a briefing paper would be provided in due course on car parking matters.

The recommendations were proposed by Councillor S. T. Nock and seconded by Councillor K. May.

RESOLVED that

- 1) That the Balance Sheet Monitoring Position for Quarter Two be noted – which is the Treasury Monitoring Report and required to be reported to Council.
- 2) The Council's Treasury performance for Q2 of the financial year 25/26 be noted.
- 3) The position in relation to the Council's Prudential indicators be noted.

74\25

TO NOTE THE MINUTES OF THE MEETINGS OF THE CABINET HELD ON 19TH NOVEMBER 2025

Members queried a recommendation in respect of the Windsor Street report considered at the meeting held on 19th November 2025.

- 1) The Assistant Director for Regeneration and Property and the Assistant Director for Legal, Democratic and Procurement Services be given delegated authority to explore this option further and to report back to Cabinet on the outcomes at a later date.

Members requested clarification as to whether the report in respect of Windsor Street would also go to the Overview and Scrutiny Board prior to its consideration at Cabinet. It was confirmed that this was the case.

The minutes of the Cabinet meeting held on 19th November 2025 were noted.

75\25

QUESTIONS ON NOTICE

The Chairman explained that five Questions on Notice had been submitted for this meeting.

Question submitted by Councillor C. Hotham

“The Market Hall (Nailers Yard) development appears to be turning into Bromsgrove’s HS2. A vanity project with a huge overspend. Originally, the cost was expected to be £10,399,000. In March 2025 this had risen to £13,474,000. In August 2025 we are told it will now cost around £15,742,000. This is a £5,343,000 funded by the council taxpayers of Bromsgrove. What actions is the Cabinet Member responsible taking to control this 51% cost increase?”

The Cabinet Member for Strategic Partnerships, Economic Development and Enabling provided a detailed response for Members’ consideration.

In doing so, Members were reminded that Levelling Up Funding was allocated to areas to ‘level them up’ and the purpose of this funding was to create jobs and drive growth in areas to give people pride in the places where they lived.

Bromsgrove District Council had £17.694 million of funding committed to the Levelling Up Programme with the understanding that a further

Agenda Item 3

Council
3rd December 2025

£2.425 Million was to be made available via Birmingham City Council as Bromsgrove's allocation of funding from Greater Birmingham & Solihull Local Enterprise Partnership. The total funding in relation to the Levelling Up Programme was £20,118,612 once the anticipated LEP funding was confirmed. The LEP funding was approved by the Enterprise Zone Partnership Board in November 2025 and would be progressing to Birmingham City Council's Cabinet for consideration on 20th January 2026.

The cost for the Nailer's Yard project was estimated in 2021 to be £10,399,000 and was now £15,004,552. This was a 44.29 per cent increase due to inflationary cost increases, the cost of underground obstructions and additional necessary work associated with the culvert that ran through the site.

The additional £4,605,552 had been funded by additional grant funding secured by the Council, an underspend on the public realm project, the LEP funds and a small increase of £165,000 in terms of the Council's contribution plus a £335,000 contingency should that be required. The Council committed to contributing 10 per cent towards the Levelling Up Programme. It was confirmed that based on the latest figures the Council's contribution was confirmed to be just under 10 per cent.

The cost increase to the Bromsgrove council taxpayer was therefore £165,000 not £5,343,000 as suggested.

The Council had already delivered public realm projects in the High Street under budget; a clean site would be delivered at Windsor Street for housing development which was within budget and a new community hub and commercial building at Nailer's Yard would be open by summer 2026.

It should also be noted that the Nailer's Yard site would produce an ongoing revenue stream for the Council once completed through rental income that could offset the Council's contribution of up to £2.1m.

Over £1 million of additional funding linked to delivering the package of important regeneration schemes for the people of Bromsgrove had been achieved.

In terms of governance of Levelling Up projects, the programme was closely monitored by the Levelling Up Fund Board and quarterly Overview and Scrutiny Board meetings.

On a recent visit to the town centre, officials from Ministry of Housing, Communities and Local Government (MHCLG), the main funding body for the programme, had been very impressed with delivery to date and the advanced progress made in comparison to other areas of the country.

A supplementary question was asked by Councillor C. Hotham. It was stated that the risks of inflationary costs of the Nailer's Yard project had been highlighted previously. Therefore, what action was being taken to control the costs of the project for the residents of Bromsgrove?

The Leader responded that the projects were monitored very closely by the MHCLG. In addition, the costs that were being suggested by Councillor Hotham had Value Added Tax (VAT) included. However, the Council could claim back VAT.

Question submitted by Councillor J. Clarke

"The national advocacy charity Disabled Motoring UK has highlighted the serious impact that misuse of disabled bays is having on disabled people who face additional daily challenges in accessing local amenities. What action is this Council taking to enforce Blue Badge parking and prevent the misuse of disabled bays?"

The Cabinet Member for Strategic Partnerships, Economic Development and Enabling provided a response and stated that the Council's Civil Enforcement Officers, when patrolling both the highways and car parks, always ensured that a valid Blue Badge was displayed correctly in the appropriate vehicle when parked in a disabled bay. If this was not the case, then a Penalty Charge Notice would always be issued.

A supplementary question was asked by Councillor J. Clarke in respect of how private car parks were able to monitor the use of disabled parking spaces as often Blue Badge Holders were not always able to find a disabled parking space. Members were informed that there were not many private car parks within the District where this private enforcement would be applicable.

Question submitted by Councillor S. Robinson

"As part of local efforts to tackle climate change, we welcome this Council's ongoing commitment to delivering a Bromsgrove Zero Carbon District Heat Network, working in partnership with other organisations in the community. In light of imminent local government reorganisation,

what are the next steps this Council needs to take to ensure this project is seen through to fruition?"

The Cabinet Member for Local Government Reorganisation and Climate Change responded to the questions and in doing so explained that the District Heat Network project remained a cornerstone of the Council's Climate Emergency commitments and would deliver significant environmental, economic, and social benefits for Bromsgrove.

It was explained that this was one of a number of key climate change activities for the Council, which included:

- the development across services and with Members the new five-year Climate Change Strategy, including an interactive Cabinet Advisory Group (CAG) meeting held on 23rd October 2025. The final report was due to be considered by Cabinet in February 2026.
- The set up for delivery of the Warm Homes Local Grant in Bromsgrove to support households in fuel poverty and help with the reduction in household carbon emissions.
- Awarding 'Act On Energy' the contract for the energy advice service available to Bromsgrove residents. Data on this was provided in our quarterly performance reports, with 382 households supported in the first six months of this year.
- Supporting communications activity around days like clean air day, national recycling week, World nature conservation day, cycle to work and active travel international repair day, plastic free July, and fuel poverty awareness day with Act on Energy.

The Council was adopting a concession route for delivering the District Heat Network. This meant that a private sector partner, selected through a competitive procurement process, would be responsible for the construction, ownership, and operation of the network. The Council would retain strategic oversight to ensure the project aligned with its objectives.

Officers were currently finalising procurement specifications and contractual documents. The Council was seeking a strong and experienced partner organisation to collaborate with and would be focused on experience, financial stability, and sustainability commitments.

The Council was awarded a total of £247,500, held in Reserves, through a government grant and funding from Bromsgrove School and

Worcestershire NHS Trust to complete the detailed project design phase and full business case. This work would explore alternative Phase One locations and prepare for procurement. In addition, Officers would continue to pursue external funding opportunities, including the Green Heat Network Fund.

The scheme was a complex multi-agency project and the Council wanted to ensure that a governance framework be established that secured continuity through any future structural changes. This included maintaining strategic oversight of the concession route, ensuring the project aligned with the Council's objectives and any new authority's priorities.

Councillor S. Robinson asked a supplementary question requesting an indication of any timelines for the progression of the project. Cabinet Member for Local Government Reorganisation and Climate Change responded that the project was expected to progress through procurement and design phases in 2026, with construction commencing at the completion of the design phase. The design phase and business case was to be completed before the shadow authority was in place as part of the Local Government Reorganisation (LGR) process.

Question submitted by Councillor D. Nicholl

“We note with concern the reduction in membership numbers at Bromsgrove Sport and Leisure Centre. What actions is this Council taking to support the ongoing success of this vital community facility and to protect much needed future income streams for the Council?”

The Cabinet Member for Strategic Partnerships, Economic Development and Enabling replied to the question and in doing so reported that there were currently 2414 fitness members registered to use Bromsgrove Sport and Leisure Centre. It was noted that membership levels had been higher and the Council and Everyone Active who managed the centre were discussing plans to make sure the offer provided at the centre was the best it could be. Members were informed that it was important to note that the centre had a very strong post Covid-19 pandemic recovery with an increase of 18 per cent in memberships in 2022 compared to a national trend of 6 per cent and in 2023 this was still double the national trend at four per cent. The decline in numbers since 2024 was from a very strong position. In Quarter Two the attrition rate of members at the centre was lower than the regional trend (Bromsgrove Sport and Leisure Centre 5.21 per cent and regionally 5.71 per cent) and the length of stay was also five months more than the regional average.

It was also noted that once members joined, they stayed, so there was a big push for new members.

The centre was also offering a more holistic offer through a new You+ membership to meet the wider needs of their existing and new members. There had been two new facilities open in the town since 2020, so there was certainly a positive trend in the number of residents engaging in gym-based health and wellbeing activities.

The Council was supporting the financial sustainability of the centre to safeguard the income to the Council through a number of schemes including the successful Sport England grant received this year to install Solar PV to the centre, this reduced the consumption in Quarter Two by over 17,000 kWh compared to 2024. This followed on from the financial support given to assist the centre following the Covid-19 pandemic and the energy crisis.

The Council and health partners were also supporting the centre to work with residents to engage them in activity with over 150 residents supported into regular activity through the Physical Activity Voucher Scheme. Also 345 young people attended the centre over the summer for the Holiday Activity and Food Programme.

Councillor D. Nicholl asked a supplementary question regarding the parking at BSLC and whether there had been any further progression of the potential for gym members to purchase an annual parking permit to park at the centre.

The Cabinet Member for Strategic Partnerships, Economic Development and Enabling responded that discussions were currently underway on parking matters.

Question submitted by Councillor J. Robinson

In October this Council passed a Motion to ensure all new and refurbished playgrounds are inclusive by design. What actions are being taken to make this vision a reality?

The Cabinet Member for Health and Wellbeing, Leisure and Culture responded to the question. In doing so, it was clarified that the wording of the resolution in respect of the Motion considered at the Council meeting on 8th October 2025 was as follows:

“This Council resolves to ask Cabinet if they can undertake to always consider from the outset, inclusivity as part of the planning and design process of new and refurbished playgrounds.”

In terms of investment for play provision within the District, it was noted that since the end of 2024 the Council had an up to date Play Audit and Implementation Plan. Amongst other things this documentation provided an audit of all eighty-five play areas in the District and set out a rationale for which of the forty play areas managed by the District Council should be improved or enhanced and in what order. The costs of all improvements and enhancements had been identified and funding of £2 million had been made available.

In terms of the standards of new play provision secured it was pointed out that the procurement process required that the play area provider to engage with residents and provide Accessible Play Space, i.e. a space which was barrier free, allowed users access to move around the space and offered participation opportunities for a range of differing abilities. It should be noted that not every child of every ability would be able to use everything within an accessible play space.

Since, the adoption of the Play Audit and Implementation Strategy there had been new play areas provided at Charford and Foxglove Way and a public engagement event had been held at Upland Grove.

In addition to using the Council’s own finances for play improvements, use had also been made of Section 106 monies and UK Shared Prosperity Fund (UKSPF) monies.

In addition to the work stream that had already been put in place, Leisure Officers were engaged in the preparation of a policy approach about equipped play areas and children with disabilities. Amongst other things, the intended policy document would set out an approach to having more Inclusive Play spaces so that there could be more opportunities for disabled children and non-disabled children to enjoy high levels of participation opportunities equally rich in play value across the District. This ensured that a structured, strategic approach to this important matter was in place and would include those play areas managed by Parish Councils and third-sector organisations.

It was anticipated that the Play Policy Statement would be ready for Members to consider at Cabinet in February 2026.

In terms of funding for more inclusive Play Spaces, some of the monies originally identified for the implementation for the play audit and investment plan on Bromsgrove District managed play areas over a ten-year period could be used.

Councillor J. Robinson asked a supplementary question in relation to the cost to produce the Inclusive Play Policy. The Cabinet Member for Finance responded that having only recently been appointed to Finance Portfolio he would provide a response to Members following the meeting.

76\25

MOTIONS ON NOTICE

The Chairman advised Members that two Motions on Notice had been submitted for consideration at this meeting.

Council considered the following Motion on Notice that was submitted by Councillor S. Ammar:

Christmas Light Switch on

“Timely and effective planning is essential for the success of community events that support our local economy. Council expresses concern about the planning process for this year's Bromsgrove Christmas light switch on event, where insufficient notice meant some hospitality businesses missed out on vital opportunities to generate additional income.

Council calls on the Cabinet to ensure that officers set a definitive cut-off date of 30 April 2026 to announce the Christmas lights switch-on date for 2026. This timeline is critical for aligning with hospitality businesses' needs and ensuring they can prepare adequately for the Christmas season.

A proactive approach will enable all our restaurants, cafes, pubs, and shops to participate fully, thus creating a vibrant festive atmosphere while giving local businesses a much-needed boost.”

In presenting the Motion, Councillor Ammar thanked those who had taken part in the Christmas Light Switch on in Bromsgrove High Street, in particular the schools and Members who attended. It had been a successful event however there were some concerns in respect of the planning of the event which had given rise to the Motion presented to Council.

The Motion was proposed by Councillor S. Ammar and seconded by Councillor J. Robinson.

The Leader of the Council provided information on the timeline for the Christmas Light Switch on and explained that this event always took place on the penultimate Saturday in November and that the Rubery Christmas Light Switch on always took place on the last Saturday in November. Therefore, the date for the event in 2026 was 21st November.

The Leader took the opportunity to thank all those involved for making this year's event a great success, despite the rain during the day.

The details for the light switch on were later than usual this year because of the need to differently manage this very popular event so that there could be a countdown for the light switch on without residents congregating in one place.

Members were assured that dates for the event for 2026 would be shared with businesses in the new year via the business mailing list. The Bromsgrove Centres Manager and Communications team were currently planning a broader communications piece for the new Bromsgrove Town Centre Strategic Framework. This would include a request for businesses to provide updated information to ensure they were informed about high street activities.

The intention was to send this out before Christmas and the mailing list would be monitored and reviewed by Centres Manager.

In the run-up to Christmas events, the Events Team sent display material to those businesses operating near their locations of the light switch. Currently feedback was invited on the recent light switch on event through a recent press release which all Members received from the Communications Team and encouraged to respond to.

The clarification on the date was welcomed; however, it was raised that there had been concerns raised by businesses on the High Street and efforts made to try to better understand any issues. It was stated that this event had not been as well attended as in previous years and that there had been problems with hearing the countdown to the light switch on.

In summing up, it was noted that there had been issues in terms of communications for this event. However, the residents would be pleased to have clarification on the new date for this and future years events.

RESOLVED that the date for the timing of the annual Christmas Light Switch on events provided by the Leader be noted.

[As detailed at Minute Number 67/25 – Declarations of Interest - Councillor C. Hotham left the meeting prior to the consideration of this item and took no part in the vote thereon].

Council considered the following Motion on Notice that was submitted by Councillor J. Clarke:

Additional Licensing of Houses of Multiple Occupancy (HMOs)

"This Council calls on officers to explore the introduction of a local additional licensing scheme for HMOs in Bromsgrove, using powers under the Housing Act 2004. This would help ensure HMOs in Bromsgrove that are not subject to mandatory licensing are still well managed and meet all fundamental basic standards of accommodation."

In presenting the Motion, Councillor Clarke expressed that the current licensing system for HMOs occupation did not go far enough to protect residents or ensured that all HMOs met basic standards. At present only larger HMOs, with five or more occupants required a license. This resulted in a significant number of smaller properties outside the scope of regulation. Even though these properties could have just as much impact on the quality of life for people in the community,

It was felt that the scale of the issue was growing. Bromsgrove had 21 licensed HMOs and 33 unlicensed properties. It was suggested that the figure could be much higher than this.

The HMOs operated without any formal checks on safety, overcrowding or management standards. This was a growing problem particularly since June 2022 as the number of licensed HMOs in Bromsgrove had more than doubled in that period.

Councillor Clarke reported that he had received complaints regarding several matters in respect of HMOs including overcrowding, antisocial behaviour (ASB) and parking pressures.

The problems seemed to be more common as the number of HMOs increased in the District. The Housing Act 2004 gave Councils the power to introduce additional licensing schemes. It was noted that other Councils had introduced more powers around the country. These schemes had resulted in raising safety standards and improved overcrowding. There had also been improvements seen in terms of rogue landlords and housing quality. In addition, the schemes gave Councils the tools to deal with poor management before problems increased.

It was clarified that the schemes were not introduced to penalise landlords but created a level play playing field and ensuring that every HMO, regardless of size, was well managed and met fundamental safety and quality standards.

The Motion was proposed by Councillor J. Clarke and seconded by Councillor R. Hunter.

The Cabinet Member for Health and Wellbeing, Leisure and Culture responded to the Motion and reiterated that the Housing Act 2004 gave powers for Local Authorities to introduce a local additional licensing scheme for Houses of Multiple Occupation (HMOs). The introduction of an additional licensing scheme was discretionary and only permitted when there was a legitimate and proportionate reason. This placed a responsibility on the Local Authority to make a clear, evidence-based reason for introducing additional licensing, and any conditions imposed must be reasonable and not excessive.

To meet this test, the Council would need to demonstrate that: -

- There was a real and valid reason for additional licensing (e.g. significant management failings, persistent ASB)
- The proposed conditions were necessary and not disproportionate.

To apply any such condition, the law required the Council to evidence that a significant proportion of HMOs were poorly managed and caused problems for tenants or the wider community e.g. large waste accumulation or repeated ASB complaints.

To progress discretionary licensing schemes a strong evidence base and business case was required. This required detailed work over a period of time and the likely employment of a consultancy firm to assist. The trigger for such work would link to the Council receiving complaints.

At present, no key evidence had been presented that non licensable HMO's were creating problems for the occupiers or causing ASB for neighbours, as the Council only received a limited number of concerns or complaints.

If this situation should change in the District, Officers could further explore the Scheme. In the meantime, should Members and/or residents have concerns regarding the management of an HMO they should report it to the Private Sector Housing Team. This team met with local Police officers on a regular basis and work was carried out across multi partner organisations.

Members queried whether the extra licensing would increase costs for the Council particularly in an area that the Council was not required to increase powers. It was noted that the Renter's Rights Act was due to be introduced in 2026. This Act would introduce a national database for landlords which would enable easier identification of private rental properties including HMOs and would support more proactive inspection of these properties. It would also enable the Council to ascertain whether additional licensing was necessary.

Members were concerned if landlords for HMOs were acting unreasonably and causing problems for tenants, however, was this applicable to HMOs within the District. If not, then the Council was not obliged to implement new powers particularly at a cost to the Council. It was reiterated that any new powers that were introduced would need to be based on evidence provided that there were issues that needed to be addressed more robustly.

The Chairman of the Overview and Scrutiny Board stated that when the Renters Rights Act 2026 report was due to be considered it would be pre-scrutinised by the Board prior to any consideration by Cabinet and / or Council.

It was raised that the wording in the Motion was to 'explore the introduction of a local additional licensing scheme for HMOs in Bromsgrove'. There was no suggestion that powers be implemented, but that evidence be explored only. As there had been concerns raised by residents it would seem proportional to explore these matters further in a non-prejudicial way. In terms of extra costs for the Council if these powers were introduced, there had been evidence across other Councils that this kind of additional licensing could be an addition revenue stream. There had been some significant issues with HMOs across the country,

and it seemed worthwhile to explore any areas of improvement further. Although there was a suggestion that this could be explored through a report by Officers, it was reiterated that looking at the Renters Rights Act at the Overview and Scrutiny Board when it had been passed was a more appropriate way to understand the new rights and the best way forward for the Council.

It was suggested that the number of complaints might not be as high as they could be due to residents being unsure of how to raise concerns with the local Council appropriately and that the evidence could be there just not being recorded through Council channels.

Some Members felt that this might be a premature Motion and that there needed to be several formal complaints made to the Council by exploring this any further to avoid any presumption that these powers needed to be introduced. Otherwise, this could result in searching for evidence that was not there and appearing to be acting in a punitive way as a Council. It was stated that the research could be carried out in a variety of ways in order to truly understand the nature of the complaint that had been raised with Members.

Therefore, an amendment to the Motion was proposed as follows:

“The Council calls on officers **and the Overview and Scrutiny Board** to explore the introduction of a local additional licensing scheme for HMOs in Bromsgrove, using powers under the Housing Act 2004. This would help ensure HMOs in Bromsgrove that are not subject to mandatory licensing are still well managed and meet all fundamental basic standards of accommodation.”

This amendment was accepted by Councillor Clarke and therefore the debate continued with this amendment as the substantive Motion.

Members continued to debate this matter and noted that the Private Sector Housing team had enforcement powers and enforcement could be taken where appropriate. There had been an example of successful enforcement in the recent weeks as a direct result of reporting through the appropriate channels as detailed earlier in the meeting.

A further amendment to the Motion was proposed as follows:

“The Council calls on officers and the Overview and Scrutiny Board to explore the **possibility** of the introduction of a local additional licensing scheme for HMOs in Bromsgrove, using powers under the Housing Act

2004. This would help ensure HMOs in Bromsgrove that are not subject to mandatory licensing are still well managed and meet all fundamental basic standards of accommodation.”

This amendment was accepted by Councillor Clarke as the proposer the original Motion.

In summing up, it was noted that this Motion would move forward the exploration of the current situation of HMOs in better understanding any issues in respect of this matter. Alongside the scrutiny of the Renters’ Rights Act at the Overview and Scrutiny Board the Council could have a clearer picture of unlicensed properties including HMOs within the District including numbers within the property and the state of the housing provided.

RESOLVED that

“The Council calls on officers and the Overview and Scrutiny Board to explore the *possibility* of the introduction of a local additional licensing scheme for HMOs in Bromsgrove, using powers under the Housing Act 2004. This would help ensure HMOs in Bromsgrove that are not subject to mandatory licensing are still well managed and meet all fundamental basic standards of accommodation.”

77\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

It was noted that there was one item of Urgent Business for Members consideration at this meeting in respect of a review of the Political Balance.

The purpose of the item of business was to provide Members with an opportunity to consider the political balance figures following a change to the membership of political groups at the Council since the last full Council meeting.

It was confirmed that this item was being considered as Urgent Business with the agreement of the Chairman of the Council as there was a requirement for the Council to consider the political balance figures as

Agenda Item 3

Council
3rd December 2025

soon as was practicable after a change occurred to the membership of political groups.

In this instance, a change to the Council's political balance occurred after the main agenda for this meeting had been published and therefore the item could only be brought forward as Urgent Business.

It was noted that discussions had been held with group leaders about the figures and that the final figures had been tabled for Members' consideration this evening. These proposed changes were for the remainder of the 2025-26 municipal year

Members were invited to consider two proposals on page three of the supplementary pay papers pack. These were for the remainder of the 2025 - 2026 municipal year until the next annual meeting of the Council or until the next review of political representation under Section 15 of the Local Government and Housing Act 1989 whichever was earlier.

The recommendations were proposed by Councillor K. May and seconded by Councillor P. Whittaker.

RESOLVED that

- 1) for the remainder of the 2025/26 Municipal Year, the Committees set out in the table in the appendix to the minutes be appointed and that the representation of the different political groups on the Council on those Committees be as set out in that table until the next Annual Meeting of the Council, or until the next review of political representation under Section 15 of the Local Government and Housing Act 1989, whichever is the earlier.
- 2) Members be appointed to the Committees and as substitute members in accordance with nominations to be made by Group Leaders.

The meeting closed at 8.35 p.m.

Chairman

This page is intentionally left blank

PAY POLICY STATEMENT 2026/27

Relevant Portfolio Holder		Councillor Karen May
Portfolio Holder Consulted		
Relevant Assistant Director		Hannah Corredor, Assistant Director of Transformation and Corporate Services
Report Author Becky Talbot	Job Title: Human Resources and Organisational Development Manager Contact email: becky.talbot@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 ext:3385	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Council Priority		Sustainability
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

COUNCIL is asked to RESOLVE that

- 1) the Pay Policy 2026/27 be approved.**
- 2) The budget setting process will confirm the councils commitment to paying the higher level “real living wage” for the coming financial year.**

2. BACKGROUND

- 2.1 The Localism Act 2011 requires English local authorities to produce a Pay Policy Statement (‘the statement’). The Act requires the statement to be approved by Full Council and to be adopted by 31st March each year for the subsequent financial year.

The proposed Pay Policy Statement 2026/27 for the Council is included at Appendix 1.

The Statement must set out policies relating to-

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

The provisions within the Localism Act 2011 bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.

3. OPERATIONAL ISSUES

- 3.1 The Pay Policy Statement is in place to ensure that employees receive the appropriate remuneration during the financial year.

4. FINANCIAL IMPLICATIONS

- 4.1 All financial implications will be addressed as part of the budget setting process and posts are fully budgeted for.

5. LEGAL IMPLICATIONS

- 5.1 The Localism Act 2011 requires English local authorities to produce a Pay Policy Statement. The Act requires the statement to be approved by Full Council and to be adopted by 31st March each year for the subsequent financial year.

6. OTHER - IMPLICATIONS

6.1 Local Government Reorganisation

There are no specific implications for local government reorganisation.

6.2 Climate Change Implications

There are no specific climate change implications.

6.3 Equalities and Diversity Implications

There are no implications in relation to this report.

7. RISK MANAGEMENT

- 7.1 There is a risk that if Members do not approve the Pay Policy Statement, then the Council will not be compliant with legal requirements.

8. APPENDICES and BACKGROUND PAPERS

- 8.1 Appendix A – Pay Policy 2026/27

APPENDIX 1

BROMSGROVE DISTRICT COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2026/27 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency about the Council’s approach to setting the pay of its employees by identifying.
 - a. the methods by which salaries of all employees are determined.
 - b. the detail and level of remuneration of its most senior staff, i.e. chief officers’, as defined by the relevant legislation.
 - c. The Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council.
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

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

Pay Structure

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

Agenda Item 9a

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

7. The schedule below reflects the current year's pay structure agreed with the unions, as the national bargaining process for the current year has not yet concluded, the pay structure will be updated during the year to reflect the nationally agreed position once the national bargaining process is concluded and the new pay settlement is confirmed for April 2026 onwards.

8. As part of the national bargaining process referred to above, the council's lowest pay level will always meet the national minimum living wage levels, which are uplifted annually. Our national pay bargaining outcome, if increased, is usually applied in October and backdated to the beginning of the financial year. To ensure our lowest pay level (NB currently there are no employees below grade 2) always meets the minimum living wage, an adjustment would be made at the beginning of the financial year to ensure the council remains compliant with its minimum living wage undertaking.

9. In addition to the living wage commitment within the pay policy, annually as part of its budget setting process the council will confirm its continued commitment to the higher rated "Real Living Wage".

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	2	2	24,413	24,413
2	2	5	24,796	25,583
3	5	9	25,583	27,254
4	9	14	27,254	29,540
5	14	19	29,540	32,061
6	19	24	32,061	35,412
7	25	30	36,363	40,777
8	30	34	40,777	45,091
9	34	37	45,091	48,226
10	37 Page 40	40	48,226	51,356

Agenda Item 9a

11	40	43	51,356	54,495
Manager Hay	Hay Evaluated	38%	57,180	59,490
Manager Hay Grade 1	Hay evaluated	43%	66,163	68,772
Manager Hay Grade 2	Hay evaluated	45%	68,772	71,510
Assistant Director 1	Hay evaluated	51%	78,510	81,203
Assistant Director 2	Hay evaluated	61%	92,956	96,665
Director of WRS	Hay evaluated	68%	103,842	107,566
Executive Director	Hay evaluated	74%	114,282	118,694
Director of Finance S151	Hay evaluated	74%	114,282	118,694
Chief Executive	Hay evaluated	100%	150,472	154,572

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

Senior Management Remuneration

15. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2026 (assuming no inflationary increase for these posts).
16. Bromsgrove District Council (BDC) is managed by a senior management team who manage shared services across both BDC and RBC.

Agenda Item 9a

Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

a) Chief Executive

Employed by RBC and shared with BDC.

John Leach is in post with a current salary of £154,572.

b) Deputy Chief Executive

Employed by BDC and shared with RBC.

This post is currently vacant.

c) Executive Director

Employed by RBC and shared with BDC.

d) WRS Director

Employed by BDC. This is a shared post across 6 District authorities.

e) Assistant Directors

Employed by RBC and shared with BDC

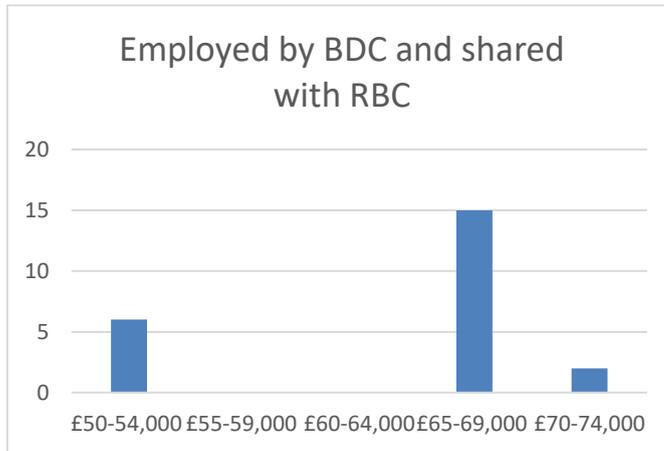
4 x Assistant Director 2

Employed by BDC and shared with RBC

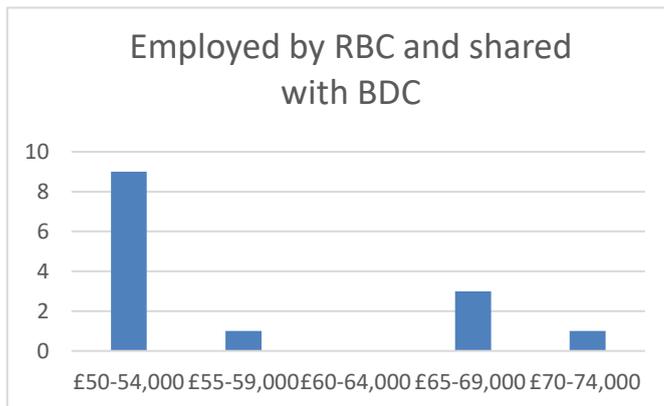
3 x Assistant Director 2

Employees below Assistant Directors with a salary above £50,000 based on FTE

Employed by BDC and shared with RBC



Employed by RBC and shared with BDC



Agenda Item 9a

Title	% of Chief executive salary	Pay range (minimum) £	Pay range (maximum) £	Incremental points	Cost to Bromsgrove District Council £
Chief Executive	100%	150,472	154,572	3	50%
Deputy Chief Executive & S151	80%	121,059	125,712	3	50%
Executive Director Environment and Communities	74%	114,282	118,694	3	35%
Director Worcestershire Regulatory Services	68%	103,842	107,566	3	<i>This is a shared post across 6 district Authorities. Bromsgrove equates to 14.45%</i>
Assistant Director Finance and Customer Services	61%	92,956	96,665	3	50%
Assistant Director Planning and Leisure Services	61%	92,956	96,665	3	50%
Assistant Director Transformation and Corporate Services	61%	92,956	96,665	3	50%
Assistant Director Legal, Democratic & Election Services	61%	92,956	96,665	3	50%
Assistant Director Environmental and Housing Property Services	61%	92,956	96,665	3	35%
Assistant Director Community and Housing Services	61%	92,956	96,665	3	35%
Assistant Director Regeneration & Property Services	61%	92,956	96,665	3	50%

Recruitment of Chief Officers

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

Performance-Related Pay and Bonuses – Chief Officers

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

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

20. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
 - a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle.
 - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
 - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service and having completed 40 years' service.
 - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
 - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;

- f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
- g. market forces supplements in addition to basic salary where identified and paid separately;
- h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
- i. attendance allowances.

Payments on Termination

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

Publication

- 24. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full-time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:
 - a. Salary, fees or allowances paid to or receivable by the person in the current and previous year.
 - b. Any bonuses so paid or receivable by the person in the current and previous year.
 - c. Any sums payable by way of expenses allowance that are chargeable to UK income tax.
 - d. Any compensation for loss of employment and any other payments connected with termination.
 - e. Any benefits received that do not fall within the above.

Lowest Paid Employees

- 25. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2026 this is £24,413 per annum.

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

Accountability and Decision Making

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

Bromsgrove Council Plan update

Relevant Portfolio Holder		Councillor Karen May
Portfolio Holder Consulted		Yes
Relevant Assistant Director		Hannah Corredor
Report Author	Job Title: Policy Manager Contact: Rebecca Green email: r.green@bromsgroveandredditch.gov.uk Contact Tel: 01527 881616	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		All
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Cabinet **RECOMMEND** that:-

1) **The Council Plan report and update table be noted.**

2. BACKGROUND

2.1 The development of the new Council Plan began with sessions supported by the Local Government Association (LGA) in 2023. The priority areas identified in these sessions were built upon in two workshops in Spring 2024, which brought together the Cabinet and Corporate Management Team to consolidate the learning and direction identified with the LGA, in combination with relevant data, into a new vision for the district, distinct priorities and key objectives for the next four years. These have been articulated in the plan as the overarching vision, which focuses on the quality of life of local communities, and four new priorities:

- Economic Development
- Housing
- Environment
- Infrastructure (this priority underpins the ones above)

2.2 The Council Plan 2024-2027 went to Cabinet in July 2024. This report summarises progress from August 2024 up to December 2025, highlighting areas of work that have contributed to delivering the priority objectives, projects and vision of the Council Plan.

ECONOMIC DEVELOPMENT

- 2.3 Economic development is central to delivering the Council Plan, with a strong focus on supporting businesses, creating opportunities for individuals, and strengthening communities.
- 2.4 The economically active population in the District is 83.9%, higher than both the West Midlands and Great Britain figures, with the economically inactive figure at 16.1%, considerably lower than the regional and national figures*. There is a higher number of people in the district who have a level 4 qualification: 63%, versus 42.9% for the West Midlands and 47.2% for Great Britain**. Gross weekly pay is also higher in the district at £843.20*** The district is well positioned to take advantage of regional economic and employment opportunities.

*ONS data, Oct 24-Sep 25

**ONS data, Jan 24-Dec 24

***ONS annual survey of hours & earnings 2025

UK Shared Prosperity Funding (UKSPF)

- 2.5 Through the UKSPF, numerous grants have been awarded during the period, including Skills Boost Grants and match-funded Business Grants. The UKSPF has also provided funding for Enterprising Worcestershire, Careers Worcestershire, different employability schemes (including targeted support for NEET young people) and the Growth Hub.

Supporting businesses

- 2.6 Support for growing businesses has been provided through the Elevate programme. Elevate has two strands – one for all businesses and Elevate Manufacturing which supports the manufacturing sector. The programmes support businesses that have been trading for more than 3 years to develop growth plans to scale-up their business.

Innovation & Technology

- 2.7 The new Innovation Lighthouse programme aims to drive growth, competitiveness, and resilience in the local manufacturing sector. Participants received bespoke, one-to-one support from the renowned Warwick Manufacturing Group to develop new products or processes. They are also able to apply for a match-funded grant to deliver their project.

-
- 2.8 Betaden, who has been supported by the Council, is a tech accelerator providing support to new and established businesses to develop new products and services and to commercialise their ideas.

Town & District Centres

- 2.9 Bromsgrove Town Centre has continued to develop, with the market being recognised nationally and hosting events such as the Christmas Lights. Work is progressing around a Town Centre Framework, which will support the development of a potential Business Improvement District. Action has also been taken through the courts to close shops that were selling illegal tobacco and vape items.
- 2.10 Work continues to be delivered in line with the Bromsgrove Centres Strategy (2023–2026), with ongoing officer support provided across all district centres as issues or challenges arise. This flexible, needs-led approach ensures that businesses, community partners and parish councils receive timely guidance, practical assistance and specialist expertise. Recent work includes supporting centre-based projects and public-realm improvements—such as the Rubery installation—and facilitating local enhancements like exploring the introduction of InPost lockers in Alvechurch. Officers also continue to contribute to planning, delivery and troubleshooting for events and activities across the district, including major seasonal events such as the annual Christmas Lights programme, helping to sustain vibrant, welcoming centres for residents, visitors and businesses.
- 2.11 There has been a focus on improving parking, with several of our car parks receiving national Park Mark status, EV charging points being installed and an annual Free Parking Day at Christmas time.

Key development projects

- 2.12 Key projects have also progressed. At the Windsor Street site, Phase 1 remediation is now complete. The project team are agreeing the programme for phase 2 remediation that will commence in Spring 2026 and take approximately twelve months to complete. The preferred option to develop the site was agreed by Cabinet in November 2025 which was to deliver residential in partnership with a Registered Social Landlord. Legal advice is being sought in relation to the preferred option, and a report will be brought back to Cabinet in 2026.
- 2.13 The Market Hall site, which following community input is now known as Nailers Yard, continues to progress, with the construction ongoing and a completion date of 4th May 2026. There is significant interest in

terms of potential lettings for the new commercial space. A full business case was submitted to Birmingham City Council for funding from the former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in September 2025. Birmingham City Council's Cabinet approved the business case in January 2026 for the funding of £2.425m, to be paid in financial year 2026/27.

HOUSING

- 2.14 The Council Plan sets out our aspiration to create thriving and inclusive communities where everyone has access to safe, healthy, affordable, and environmentally responsible housing options.

Homelessness support

- 2.15 Bromsgrove District Council, in partnership with BDHT, has carried out research into the supply and demand for temporary accommodation and accommodation to meet the needs of those approaching as homeless. The resulting strategy and action recommended additional static temporary accommodation units be made available for homeless households. The Council has also joined with some of the other districts in Worcestershire to develop a shared Homelessness Strategy for 2026-2031 in line with the Government's National Plan to End Homelessness.
- 2.16 The Council has also looked at a range of options to support an increase in the supply of accommodation. The Council has made a grant available from low-cost housing receipts for BDHT to purchase additional units of temporary accommodation and permanent social rented housing to support the homelessness service to move households more quickly out of temporary accommodation into permanent accommodation. In addition, the Council is also developing an Empty Homes Strategy to work with homeowners or landlords of empty properties to bring them back into use.
- 2.17 The establishment of the Worcestershire Domestic Abuse Partnership Board and the provision of safe accommodation have led to more consistent standards of support across the county. Housing teams, alongside commissioned domestic abuse providers, now play a critical role in early identification, prevention, and sustaining safe accommodation for survivors.

Affordable housing

- 2.18 The median house price to disposable household income affordability ratio for Bromsgrove was 9.7*, one of the highest in the West Midlands.

*ONS data 2024

- 2.19 The Council has recently consulted on the Affordable Housing Allocations Policy in conjunction with procuring a new more up to date homelessness, housing register and allocations system. The changes proposed will ensure that those with a local connection are given greater priority, whilst still recognising those households who do not need to meet local connection criteria such as armed forces personnel, care leaver and those fleeing Domestic Abuse.

Private rented sector

- 2.20 Support for the private rented sector continues to develop, with the Council hosting a Private Sector Landlord Forum, a chance to share best practice, get practical advice, and build stronger links between landlords and the Council. The Council has also been working with Citizens Advice to develop a debt advice service to Private Tenants and homeowners. This new service will ensure that where rent arrears and mortgage arrears are putting a home at risk, that households will be able to access support and advice to prevent this from happening. The team are the Worcestershire lead for the Renters Bill Act 2025, ensuring consistency for renters and landlords across the county.

Spadesbourne Homes

- 2.21 61 units were delivered on the site of the former Bromsgrove Council House by the District Council, incorporating green technology such as air source heat pumps, under floor heating, and solar panels (where feasible), with the properties achieving high EPC ratings. Spadesbourne Homes, the Council's wholly owned company, took over responsibility for 37 private rented sector units on the site. All properties were let to people with a local connection to Bromsgrove District and have been very positively received by the tenants and the wider community.

ENVIRONMENT

- 2.22 The Council Plan committed to safeguarding the natural environment, addressing issues such as biodiversity and climate change mitigation and supporting recycling and reducing waste reduction.

Environmental enforcement

- 2.23 Increased environmental enforcement has helped to protect the beautiful environment of the district and minimise pollution. Since WRS took over the enviro-crime functions on behalf of Bromsgrove District and Redditch Borough Councils, WRS Officers have served 11 Community Protection Notices, 47 Fixed Penalty Notices and 1 section 215 (T&CPA) notice. We have 18 Enforcement files with PACE interviews arranged and have four files with legal to consider prosecution. The team remain committed to educating businesses and the public on how to dispose of waste properly, reducing fly-tipping and serving more FPNs where necessary.

Delivering the Environment Act

- 2.24 The Council Plan also set out our dedication to the delivery of the Environment Act and how we can work to reduce waste and increase recycling. We are compliant with dry recycling requirements of Simpler Recycling across Domestic and Commercial Waste Services. The Commercial Food Waste service has been implemented and with the recent approval to expand the service, additional clients will be secured. Residential food waste collection is due to be implemented in 2026, with capital funding from central government. Following work with WFDC and RBC to undertake market engagement with the private sector, the Domestic Food Waste Tender closed in December 2025. Vehicle orders have been placed, although in light of changes to how ongoing revenue funding from central govt has been provided, a financial pressure has been identified, and we are now exploring options regarding how we deliver this new service. This may require us to operate an in-house service which will require assessment of lease arrangements for additional land and a potential phased approach to commence the service at the earliest possible time beyond April 2026, in line with available funding.

Waste management systems

- 2.25 We remain committed to improving our waste management systems; an essential bin-swap programme has been delivered, bringing the Council in line with national standards. In 2025, Bromsgrove District Council introduced HVO (Hydrotreated Vegetable Oil) as a renewable diesel alternative across its fleet and machinery; approximately 30% of fuel usage for the fleet has been swapped to HVO, reducing the carbon impact of operating services. This is further enhanced through the refuse fleet replacement programme that will run through to January 2026 for 15 new more environmentally friendly and efficient vehicles, with old trucks being sold for parts and scrap, with proceeds going back to the public purse.

Biodiversity

- 2.26 Biodiversity has also been a key workstream, with the Biodiversity First Duty report being developed, which sets out continued engagement with the Worcestershire Local Nature Recovery Strategy, monitoring and implementing Biodiversity Net Gain (BNG) through planning, enhancing biodiversity on Council-owned land and promoting citizen science and community engagement.

2.6 **INFRASTRUCTURE**

- 2.27 The infrastructure priority underpins all the other priorities, as they can only be delivered with the right infrastructure in place.

The Local Plan

- 2.28 The Local Plan is how communities can guide where and how future homes, businesses, and infrastructure will be developed. As part of the Local Plan process, a consultation on the Draft Development Strategy was undertaken for 16 weeks, from 30th June to 20th October, based on the requirements of the Statement of Community involvement, which identifies who is to be consulted and how that consultation should be delivered. Social media posts generated 785 engagements with the links. 20 individual consultation events were delivered across the district to allow all residents to access an event near them; every settlement with growth proposed had at least 1 event, including centrally accessible events in Bromsgrove Town and edge of conurbation events. Approximately 8000 responses were received via the various methods of engagement offered. these responses are now being processed by planning officers.

Air quality

- 2.29 Work on air quality within the district continues to be important; Clean Air Day is marked each June and the Behavioural Change officer and colleagues have visited schools in Bromsgrove to promote behavioural change. They have also visited several businesses and community groups in Hanover Street and Redditch Road to raise awareness of air quality, promote the real time air quality monitoring portal and behavioural change generally. The Bromsgrove District Council's Air Quality Annual Status Report was produced and submitted to Defra, reviewing the air quality monitoring data and status for 2024. This led to the revocation of air quality management areas in Redditch Road,

Bromsgrove and Lickey End, Bromsgrove due to improving results from air quality monitoring.

VISION

2.30 'We aspire to create a welcoming environment that prioritises quality of life, where residents and businesses feel a deep sense of belonging and connection'

2.31 Delivering for the community was also central to the Council Plan. The vision places quality of life for residents at the centre of how services are delivered, where communities and their safety and wellbeing are integral to all the priorities.

Bromsgrove Partnership and Collaborative

2.32 The importance of working in partnership is recognised in the Council Plan as we cannot meet the needs of our residents by working in isolation. One way we do this effectively is through the Bromsgrove Partnership (also our District Collaborative) which brings together representatives from partner agencies including NHS, Police, Fire, County and Parish Councils, a range of voluntary and community sector organisations and more.

2.33 The Board, Community Wellbeing, Better Environment and Ageing Well Partnership Groups continue to meet, and a regular Partnership bulletin is produced, all to help ensure local provision is as joined up as possible and any partnership opportunities to support our communities are recognised. Through the Ageing Well Group, the Older People's Forum in Bromsgrove has been restarted due to support from the Primary Care Network, District Council and other partners. The Ageing Well Group, and the Board, also recognised the needs of older people in relation to the 'digital switchover', so working together with partners, the District Council has supported local events to raise awareness.

2.34 The Cost-of-Living Partnership Group also continues to create a unified approach to alleviating the impact of the cost of living with the aim of improving the wellbeing of residents and communities. Following on from the production of cost-of-living leaflets and dedicated Council webpages, in response to consultation surveys, which showed residents were unsure where to go for support, discreet business cards of useful contacts were produced. Partners and District Councillors helped to distribute at events and locations in the community such as GP surgeries, libraries, shops, and community facilities like the Pod and Family Hub.

- 2.35 Working with the County Council, the District Council has received an allocation of Household Support Fund (HSF) since it started, including the current phase 7, which runs up to end of March 2026. The District Council has distributed a proportion to local foodbanks and white goods schemes, as well as to BDHT's hardship scheme, with the majority of funds being used by the District Council to deliver a cash voucher scheme. The close working relationship with Citizens Advice Bromsgrove and Redditch and other voluntary and community sector organisations made this possible, as they were able to reach a number of households in need, many of whom would not have necessarily reached out to the Council.
- 2.36 The Knowledge Bank is a community services directory covering Bromsgrove and Redditch and it was redesigned at the end of 2024 to make it more inviting and user friendly. It's available publicly for all to use and is a searchable tool to help connect people to relevant support and activities. The Council, working closely with partners, in particular BARN (Bromsgrove and Redditch Network – who work with and support our voluntary and community groups) help us to update and maintain the content of the Knowledge Bank.

Community Safety

- 2.37 The Community Safety Team continue to deliver the Respect Programme, a therapeutic mentoring scheme which provides weekly support and guidance sessions to young people at risk of becoming victims and/or perpetrators of crime. A 'Right Path Project' using Serious Violence Duty funding allocated to Worcestershire, and working with South Worcestershire, has been commissioned by NWCSF. This delivers intensive 1:1 mentoring to support and guide young people who are at greater risk of criminalisation through use of violence, including those not accessing education and those at risk of permanent exclusion. The Right Path project was hugely successful in 2024/25 to the point of being oversubscribed. An Older and Vulnerable Persons Project has also been developed, with a Nominated Neighbour scheme in Alvechurch progressing well.

CCTV

- 2.38 In Bromsgrove District during the last 12 months the CCTV team have continued to support the safety of our communities, logging 348 CCTV incidents, completing 234 footage reviews and producing 81 videos for evidence. A new camera was also added in Bromsgrove, at the bus station, following a successful "Hot Spot" Funding Application through West Mercia Police.

Lifeline

- 2.39 NEW Lifeline has been accredited to the Technology Enabled Care industry best practice Quality Standards Framework, which was achieved through rigorous external audit and no areas of improvement were identified. They continue to support a six week free service, enabling residents of Bromsgrove to try the Lifeline service. Over the last 12 months we have had approximately 70 people using the free service at any one time. During 2025 the team installed 225 equipment packages in within Bromsgrove. NEW Lifeline are also delivering continuity of service where a person becomes Care Act eligible and/or their support/care needs become more. The team have supported 89 residents of Bromsgrove through this Social Care funded partnership.

Family Hubs

- 2.40 Family Hubs continue to work in attend or lead local events aimed at families and are positive examples of partnership working not only with other professionals and community groups but with families – using an asset based approach and co-production to understand the types of support and activities children, young people and families are asking for and what they are able to do themselves. For example, challenge dad was coproduced with father’s voice and involvement. The events have enabled us to reach new people, gain voice and highlight volunteers.

Social Prescribing

- 2.41 Key activities undertaken by the Social Prescribing service have included continuing to promote the service and achieve positive outcomes with patients through their “What Matters to Me” plans. 956 referrals were received by the Social Prescribing service and 194 Bromsgrove residents were supported to access the Warmth on Prescription scheme.

Arts & events

- 2.42 Arts and events continue to be important to our residents and communities, and the council have supported numerous activities from the Christmas Lights in Bromsgrove and Rubery, to summer activity programmes. The ReNEW project was successful in obtaining over half a million pounds in Place Partnership funding from Arts Council England, which will support residents across Bromsgrove and Redditch to share their stories to creatively shape the future of both areas.

Bromsgrove Small Grants Scheme

- 2.43 The Council has continued to support our residents, communities and VCS through the small grants scheme, which supported 12 local organisations in 2025, including the Alvechurch Community Larder, Fairfield Village Community Association and the Bromsgrove Youth and Community Hub.

Bromsgrove Urban & Rural Transport

- 2.44 The 'BURT' bus helps residents of Bromsgrove District who are unable to make essential journeys by other transport, whether this is because of mobility or disability issues, or because suitable services are not available. The service is operated by Bromsgrove and Redditch Network, with support from the Council. It currently has approximately 567 registered users and undertook roughly 4425 journeys in 2024-25.

ORGANISATIONAL PRIORITIES

Financial Stability

- 2.45 A primary organisational priority is financial stability and sustainability, because it underpins our ability to deliver the things that matter most to our community. We have focussed on maintaining strong financial grip and improving transparency, effective contract management, proactively managing our assets and applying rigour in securing value for money. Whilst finances have been challenging over recent years, the organisation has responded well in managing our limited resources effectively. As a result, the council has been well placed to weather the financial storms affecting all the public sector. We have focussed on making even better use of existing resources, embedding business improvement, and exploring alternative methods of delivery and continue to operate sound financial judgement in all our endeavours.

Sustainability

- 2.46 Ensuring that a green thread runs through all the services we design and deliver is essential as we adapt to address the implications of climate change. Changes to the fleet have been a key activity to reducing our carbon impact. A new Climate Change Strategy has been developed during 2025, aiming for adoption in 2026. We are also expanding the use of digital technologies where appropriate, including innovative use of AI, enabling more automation of services, freeing up capacity to deliver against the priorities of our communities and enabling greater digital access to our services.

Partnerships

- 2.47 We continue to work closely with our partners in the public sector, such as Redditch Borough Council, Worcestershire County Council, West Mercia Police, and the NHS and parish councils. The Local Government Reorganisation consultation undertaken in 2025 involved the district level councils in Worcestershire working closely together to understand the implications of LGR for our residents and communities.
- 2.48 As detailed above, we collaborate with the voluntary and community sector across the district, with the Bromsgrove Partnership and Collaborative bringing together different organisations from the public, private, voluntary and community sectors to work together to support the residents and communities of Bromsgrove District.

Culture- the 4 Ps

- 2.49 Through working closely with employees across the organisation, we identified the '4Ps' as a way of defining organisational culture and the aspirations of everyone who works for Bromsgrove District Council:
- Purpose
 - People
 - Pride
 - Performance
- 2.50 Activities and initiatives have been undertaken to engage and support staff, including an internally delivered staff survey, staff wellbeing events at both Parkside and the Depot and enhanced inductions for new staff which include an opportunity to meet the Chief executive and the Corporate Leadership Team. Employee Assistance and Benefits programmes are also in place to support employees across the Council.

Local Government Reorganisation

- 2.51 Major changes are planned to councils across Worcestershire as part of the biggest shake-up of local government in more than 50 years, with the Government requiring 21 areas of England to restructure their system of local government before 2029, including Bromsgrove District Council. Through local government reorganisation, the Government is looking to replace Bromsgrove District, Malvern Hills District, Redditch Borough, Worcester City, Worcestershire County, Wychavon District and Wyre Forest District Councils with fewer councils.

- 2.52 Bromsgrove District Council voted to submit an ambitious proposal to transform local government in Worcestershire to the Government: 'Transforming Worcestershire: Local government that works for people, powered by place and built for the future - The North and South Local Government Reorganisation Proposal for Worcestershire'. To reach that point, the council carried out public engagement during summer 2025 for residents to have their say on their preferred option, called 'Shape Worcestershire: Reorganising your local councils together'.
- 2.53 The attached table at Appendix 1 summarises the progress to date against the key objectives and projects described in the Council Plan.

3. OPERATIONAL ISSUES

- 3.1 The Council Plan is essential to provide the strategic direction for service delivery. Operationally, the content of the Council Plan has informed and will continue to the service business planning process; this helps to ensure that services deliver against the priorities and objectives identified. From 2026 onwards, updates against the Council Plan will be captured using a PowerBI dashboard, linking information from service business plans, quarterly performance and project highlight reports into a single coherent summary of our progress to date.

4. FINANCIAL IMPLICATIONS

- 4.1 As the key strategic document for the Council, the plan steers the financial element of service business plans and helps to determine the Medium-Term Financial Plan.
- 4.2 In order to continue deliver against the priorities and objectives included in the plan there will need to be appropriate resources allocated.

5. LEGAL IMPLICATIONS

- 5.1 There are no legal implications arising directly from this report.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 The Council Plan articulates the priorities for Bromsgrove District Council; this report gives an update of progress against each priority area of work.

Climate Change Implications

- 6.2 A green thread runs through the Council plan, climate change and carbon reduction being key issues within the plan.

Equalities and Diversity Implications

- 6.3 There are no equality and diversity implications arising directly from this report; however, specific projects and activities identified in the Council Plan may need individual Equality Impact Assessments to meet the requirements of the Equality Act.

7. RISK MANAGEMENT

- 7.1 Publishing a Council Plan makes the strategic direction of the Council clear to employees and Members and as such supports the management of risks identified around robust decision making and the accuracy/effectiveness of performance data.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1- Council Plan progress update

Cabinet
2026

18th February

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Karen May	22/01/2026
Lead Director / Assistant Director	John Leach, Chief Executive	21/01/2026
Financial Services	Debra Goodall, Assistant Director	21/01/2026
Legal Services	Claire Felton, Assistant Director	10/02/2026
Policy Team (if equalities implications apply)	Rebecca Green, Policy Manager	Report author
Climate Change Team (if climate change implications apply)	Matthew Eccles, Climate Change Manager	20/01/2026

This page is intentionally left blank

Priority	Key Objective/Project	December 2025 update	RAG rating
Economic Development	Objective: Supporting our businesses	UKSPF funded activities: <ul style="list-style-type: none"> ○ Business Grants: 2 grants were paid in Q2 25/26, with a further 6 approved for Bromsgrove. ○ Enterprising Worcestershire: In Bromsgrove in Q2 25/26, 3 business accessed advisor support (4 to date) 	
	Objective: Upskilling the workforce	UKSPF funded activities: <ul style="list-style-type: none"> ○ Careers Worcestershire: In Bromsgrove in Q2 25/26, 55 people have been supported to gain employment (93 to date), with 13 getting a job (16 to date). ○ Employability support in Family Hubs: In Bromsgrove in Q2 25/26, 13 volunteering opportunities (21 to date), 5 people gaining a qualification (6 to date) and 5 people have been supported to gain employment (8 to date). ○ Employability skills programme: Grants have been made available for organisation to support NEET young people to re-engage. The support will be geographically based and focussed on the areas of highest need. 1 grant has been awarded to one organisation with 1 other application in progress. Delivery began October 2025. ○ Skills Boost: In Bromsgrove in Q2 25/26, 36 grants have been paid (42 to date), with a further 53 approved (70 to date). An additional £15k has been allocated to this programme to meet high demand. 	
	Objective: Enabling growth & Innovation	UKSPF has supported a Business Innovation and Productivity Programme. Warwick Manufacturing Group have been appointed to deliver the programme. Delivery will begin in Q3 25/26 and will support 4 businesses across the district.	
	Objective: Supporting entrepreneurship & job creation	<ul style="list-style-type: none"> ○ UKSPF funding has supported the Growth Hub, with 43 businesses in Bromsgrove supported during Q2 25/26, a total of 57 for the year to date. ○ Enterprising Worcestershire: In Bromsgrove in Q2 25/26, 6 entrepreneurs attended pre-start workshops (14 to date) 	

<p>Economic</p> <p>Development</p>	<p>Objective: Vibrant town & district centres</p>	<p>Activity is focusing on the new Town Centre Strategic Framework; a Town Centre Steering Group is to be formed, which will develop an action plan and start the process of developing a Business Improvement District.</p>	
	<p>Project: Regeneration Sites- delivery of projects within the £14.5m Levelling Up Fund including Windsor Street and the Market Hall site</p>	<p>Windsor Street: At the Windsor Street site, Phase 1 remediation is now complete. The project team are agreeing the programme for phase 2 remediation that will commence in Spring 2026 and take approximately twelve months to complete. The preferred option to develop the site was agreed by Cabinet in November 2025 which was to deliver residential in partnership with a Registered Social Landlord. Legal advice is being sought in relation to the preferred option, and a report will be brought back to Cabinet in 2026.</p> <p>Market Hall Site (Nailers Yard): The Market Hall site, which following community input is now known as Nailers Yard, continues to progress, with the construction ongoing and a completion date of 4th May 2026. There is significant interest in terms of potential lettings for the new commercial space. A full business case was submitted to Birmingham City Council (BCC) for GBSLEP funding in September 2025. Birmingham City Council's Cabinet approved the business case in January 2026 for the funding of £2.425m, to be paid in financial year 2026/27.</p>	
	<p>Project: Centres Strategy - Implementation of yearly Centres Strategy action plan across the 8 centres within the district</p>	<p>The Centres Strategy will be reviewed in 6 months. The current Centres Strategy action plan is still live with the majority of the actions relating to the town centre. There is a focus on a new Town Centre Strategic Framework; a Town centre Steering Group is to be formed, which will develop an action plan and start the process of developing a Business Improvement District.</p>	

Priority	Key Objective/Project	December 2025 update	RAG rating
Housing	Objective: Affordable & balanced housing	<ul style="list-style-type: none"> ○ New social housing at Burcot Lane fully let by BDHT ○ 100% of Spadesbourne Homes tenants at Burcot Lane site meeting the local connection criteria 	
	Objective: Energy efficient homes	<ul style="list-style-type: none"> ○ 382 residents have been supported with energy advise through our SLA with Act on Energy ○ Funding secured for the delivery of Warm Homes Local Grant to support households in fuel poverty and reduction in household carbon emissions. ○ Private Sector Housing Officers provide advice to landlords during inspections. ○ BDHT delivering a programme of energy efficient improvements to its stock 	
	Objective: Innovative housing provision	Redevelopment of the Windsor Street site to be for residential with the preferred option to work in partnership with a Registered Social Landlord	
	Project: Former Dolphin Centre car park- continue to explore different options for housing provision on the Town Centre site	A report will be considered by Overview & Scrutiny Board in February regarding the possible future use of all car park sites in Bromsgrove Town Centre. This will include consideration as to whether the Dolphin Centre Car Park/School Road should be retained for parking or could be redeveloped.	
	Project: New Local Plan- identification of the number of new housing that should be provided and where	A consultation on the Draft Development Strategy was undertaken for 16 weeks, from 30 th June to 20 th October, based on the requirements of the Statement of Community involvement, which identifies who is to be consulted and how that consultation should be delivered. Social media posts generated 785 engagements with the links. 20 individual consultation events were delivered across the district to allow all residents to access an event near them; every settlement with growth proposed had at least 1 event, including centrally accessible events in Bromsgrove Town and edge of conurbation events. Approximately 8000 responses were received via the various methods of engagement offered. these responses are now being processed by planning officers.	

Priority	Key Objective/Project	December 2025 update	RAG rating
Environment	Objective: Increased environmental enforcement	The partnership with WRS undertaking enforcement has seen a large number of investigations commenced which have led to increasing numbers of enforcement actions which are reported as part of the quarterly performance report.	
	Objective: Implementing the Environment Act 2021 (waste)	Commercial Food Waste service has been implemented and with the recent approval to expand the service additional clients will be secured. We are compliant with dry recycling requirements of Simpler Recycling across Domestic & Commercial Waste Services. The Domestic Food Waste Tender is scheduled to see bids returned by 8th December 2025. Vehicle orders are being placed as well as assessing lease arrangements and a potential phased approach to commence the service at the earliest possible time beyond April 2026.	
	Objective: Carbon reduction	The development across services and with members the new 5-year Climate Change Strategy and action plan. This included an interactive Cabinet Advisory Group held on 23 October. The final report is coming to Cabinet in March 2026.	
	Project: Low carbon fleet fuel options- continue with the fleet conversion and the electrification of smaller vehicles	Approximately 30% of fuel usage for the fleet has been swapped to HVO, reducing the carbon impact of operating services. This is further enhanced through the refuse fleet replacement programme that will run from December to January for 15 new more environmentally friendly and efficient vehicles.	
	Project: Bromsgrove District Heat Network- work with partners to develop, design and build the network, reducing carbon emissions	Following Cabinet approval of a revised approach, the project is now entering a reassessment phase. Work is underway to define the scope for commissioning an external consultant to undertake an options and viability review of the scheme, including potential alternative start locations and delivery models.	

Priority	Key Objective/Project	December 2025 update	RAG rating
Infrastructure	Objective: Delivering the new Local Plan	The consultation on the draft Development Strategy was undertaken for 16 weeks, from 30 th June to 20 th October, generating over 7000 responses which are being assessed and a new timeline for the Local Plan is being developed.	
	Objective: Parks & open spaces	A rolling programme for attaining Green Flag status has been developed. Of the 4 parks identified, Sanders Park and Lickey End LNR have already received Green Flag Awards, with St Chads Park looking to be successful in 2026.	
	Objective: Active travel	The authority continues to support Worcestershire County Council with its aim of improving local walking, wheeling and cycling routes across the county, including through the quarterly Active Travel Stakeholder Group.	
	Project: Behaviour Change (air quality) - Utilising real time information, a programme of encouraging community groups to lead on reducing polluting behaviour, which has active travel as a key component	On the back of previous community engagement our Behavioural Change officer and colleagues have visited two schools in Bromsgrove to promote behavioural change during the quarter and have also visited a number of businesses and community groups in Hanover Street and Redditch Road to raise awareness of air quality, promote the real time air quality monitoring portal and behavioural change generally.	
	Project: We will also continue to work in partnership on transport and environmental projects locally, regionally and nationally	Ongoing engagement with WCC. The LCWIP plan is being developed, to be published in 2026 by WCC. Development of LTP5 is currently on hold awaiting new guidance.	

This page is intentionally left blank

Cabinet
2026

18th February

Particulate Monitoring – Update Report

Relevant Portfolio Holder	Councillor Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Simon Wilkes, Director - Worcestershire Regulatory Services
Report Author	Chris Poole Job Title: Specialist Lead Officer (Air Quality), WRS Contact email: chris.poole@worcsregservices.gov.uk Contact Tel: 01562 738069
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	Infrastructure & 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 is asked to RECOMMEND that:-

- 1) Additional funding of £105,234.04 be added to the revenue budget for 2026/27;**

And the Cabinet is asked to RESOLVE to NOTE that

- 2) subject to agreement of recommendation 1 above, the recommendations arising from the particulate matter report considered by Cabinet on 7th January 2026 will be presented for Council's consideration alongside this recommendation in February 2026.**

2. **BACKGROUND**

- 2.1 Worcestershire Regulatory Services (WRS) were asked by Council to prepare an options paper for additional Particulate Matter Monitoring within Bromsgrove District Council (BDC) area.
- 2.2 A report was presented to Cabinet on 7th January 2026 outlining the background to air quality and particulate matter in the District. The report presented at that time provided a rationale for enhanced particulate matter and specifically source apportionment research to establish levels and sources of pollution.

2.3 A number of additional monitoring options were presented and Cabinet recommended Option E as set out in that report be considered at Full Council, subject to and with the requirement for, a further report being brought to Cabinet with greater clarity on costs for the recommended Option (E). This report provides clarity on final costs.

2.4 Option E was Option C and Option D combined. For reference a summary of these options is provided below:

2.5 Low-cost sensors – extension [Option C]. This option would extend life of existing sensors for a further defined period, e.g. 1 – 3 years beyond expiration of current service and maintenance contract due December 2026. Option C addition allows for relocation of the existing units if required.

- Costs: £20,363.04 (3 units for 3 years, service and subscription)
- including costs for relocation (£3,915)
- Timeline for delivery: January 2027 to provide continuous monitoring
- Data: PM₁, PM_{2.5}, PM₁₀, NO, NO₂ Monitoring Total only.

2.6 Source apportionment study with UoB – mobile supersite [Option D]. This option would utilise state of the art air quality monitoring equipment at a fixed location for one month in summer and one in winter providing a comprehensive set of PM observations. Data analysis and written report provided by experienced academic researcher.

- Costs: £124,871
- Timeline for delivery: approximately 18 months
- Data: Chemical analyses and source apportionment of PM

- Costs: £124,871

2.7 The final costs of **Option E** therefore are £145,234.04

3 OPERATIONAL ISSUES

3.1 There are no anticipated operational issues, as the majority of the research will be completed by the University of Birmingham in relation to the supersite. Any work associated with the low cost sensors will be completed as part of the team's business as usual.

4 FINANCIAL IMPLICATIONS

- 4.1 The costs of the recommended Option E outlined within the report above are (One-off) £145,234.04.
- 4.2 It is proposed that expenditure would in year 2026/27.
- 4.3 There is currently no assigned budget available for this project. Any agreement to the proposal would need to be considered alongside other competing bids for funding from reserves.
- 4.4 Following request from WRS on behalf of the council, the Director of Public Health is committed to contributing £40,000 towards this project should approval by the Council be given. Thus the recommendation in 1 above is the cost of the project minus the contribution from the Director of Public Health.

5 LEGAL IMPLICATIONS

- 5.1 Part IV of the Environment Act 1995, the Local Air Quality Management process (LAQM) and subsequent Policy Guidance (LAQM.PG22) and Technical Guidance (LAQM.TG22) documents set out the duty of local authorities to review and assess local air quality within their areas against a set of health-based objectives and work to improving poor air quality identified. Local Authorities in England are expected to report on nitrogen dioxide (NO₂), PM₁₀ and sulphur dioxide (SO₂) as standard within their Annual Status Reports. Under the Environment Act 2021, the UK government have set 2 legally-binding long-term targets to reduce concentrations of fine particulate matter, PM_{2.5}. Whilst the responsibility for meeting the PM_{2.5} targets sits with national government; local authorities have a role to play in delivering reductions in PM_{2.5}. and are also required to report on actions taken within their ASR. The proposal supports the council's obligations to assess local air quality within its boundaries in accordance with LAQM regulations.
- 5.2 Poor air quality in general can affect peoples' health, playing a role in many chronic conditions such as cancer, asthma, heart disease and neurological changes linked to dementia. Air pollution is estimated to contribute to between 26,000 to 38,000 deaths per year in England (Chief Medical Officer's Report, 2022). Particulate Matter is considered to be the most important air pollutant in terms of health impacts. PM can have short-term health impacts over a single day when concentrations are elevated. Long-term exposure to PM increases mortality and morbidity from cardiovascular and respiratory diseases and can cause cancer. Effects are amplified in vulnerable groups including young children, the elderly, and those suffering from breathing problems like asthma. It is also causally linked to dementia

and decline in cognitive function. There is growing evidence for associations with adverse birth outcomes and diabetes. The World Health Organization (WHO) advises there is no safe exposure level to PM.

6 OTHER - IMPLICATIONS**6.1 Local Government Reorganisation**

6.2 No impacts on LGR because it is anticipated the proposed schemes will be implemented before 1st May 2028.

6.3 Climate Change Implications

6.4 No impacts on climate change.

6.5 Equalities and Diversity Implications

6.6 No equality implications have been identified.

7 RISK MANAGEMENT

7.1 Risk from not taking proposed action is limiting understanding of PM_{2.5} within the district's boundaries. Risks from implementing proposed action is that additional monitoring may identify an exceedance of an objective that is a national issue and the local authority is limited in powers to resolve.

8 APPENDICES and BACKGROUND PAPERS

Appendix 1. Cabinet Report 7th January 2026 with full information on the project.

Cabinet
2026

18th February

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Kit Taylor.	Advised by email 30.01.2026
Lead Director / Assistant Director	Simon Wilkes	28.01.2026
Financial Services	Debra Goodall	06.02.2026
Legal Services	Nicola Cummings	28.01.2026
Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Team (if climate change implications apply)	N/A	N/A

This page is intentionally left blank

Cabinet
2026

7th January

Particulate Monitoring

Relevant Portfolio Holder	Councillor Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Simon Wilkes, Director - Worcestershire Regulatory Services
Report Author	Chris Poole Job Title: Specialist Lead Officer (Air Quality), WRS Contact email: chris.poole@worcsregservices.gov.uk Contact Tel: 01562 738069
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	Infrastructure & 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:-

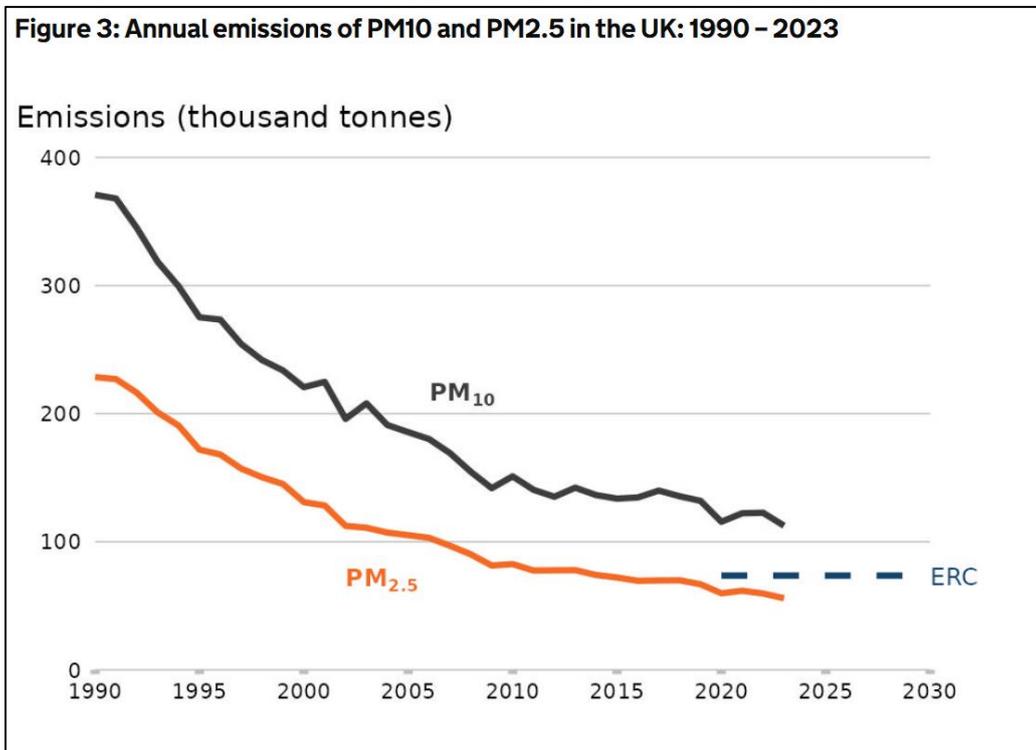
- 1.1 additional monitoring of Particulate Matter (air pollution) be delivered as set out in Option E below (3.5); and**
- 1.2 A further report be brought back to Cabinet once final costs have been identified.**

2. BACKGROUND

- 2.1 Worcestershire Regulatory Services (WRS) have been asked by Council to prepare an options paper for additional Particulate Matter Monitoring within Bromsgrove District Council (BDC) area.
- 2.2 **Particulate Matter (PM)**
- 2.3 Poor air quality is the largest environmental risk to public health in the UK. The mortality burden of air pollution in England is estimated to be between 26,000 and 38,000 a year, but in addition many people suffer avoidable chronic ill health as a result of it.
- 2.4 Particulate Matter (PM) is considered to be the most important air pollutant in terms of health impacts. Long-term exposure to PM increases mortality and morbidity from cardiovascular and respiratory

diseases and can cause cancer. Effects are amplified in vulnerable groups including young children, the elderly, and those suffering from breathing problems like asthma. It is also causally linked to dementia and decline in cognitive function. There is growing evidence for associations with adverse birth outcomes and diabetes.

- 2.5 PM is not a single air pollutant; the composition of particles is in practice very complex, comprising variable amounts of organic and inorganic chemicals derived from direct emissions or from atmospheric processing.
- 2.6 PM is classified according to aerodynamic size in microns (one-thousandth of a millimetre):
- coarse particles, PM₁₀ (particles that are between 10 and 2.5 microns (µm) in diameter)
 - fine particles, PM_{2.5} (particles that are less than 2.5 µm in diameter)
- 2.7 Both PM and the gases that can form it are capable of being transported over large distances, so impacts may occur far from the original source.
- 2.8 Around **15% of UK PM** comes from naturally occurring sources, up to a **third** from other European countries and around **half from UK human-made sources** (Clean Air Strategy, 2019)
- 2.9 Appendix 1 demonstrates the various primary sources of PM in the UK (NAEI, 2025). NB this does not include secondary sources as a result of chemical mixing in the atmosphere.

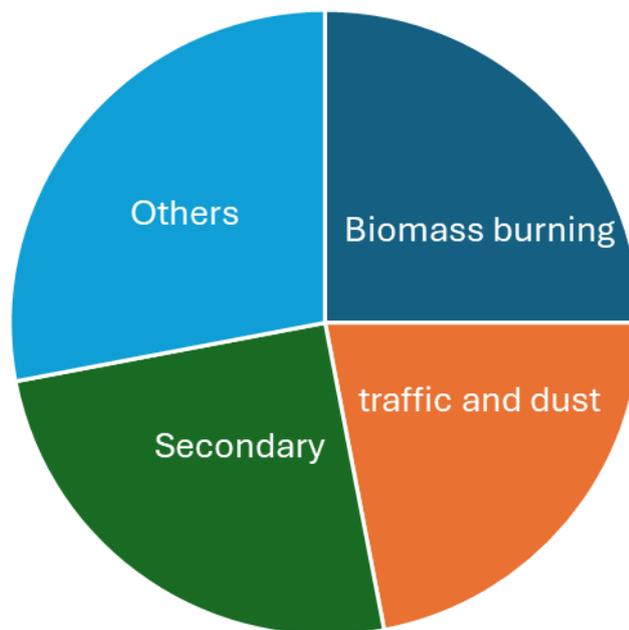


[Emissions of air pollutants in the UK – Particulate matter \(PM10 and PM2.5\) - GOV.UK](#)

- 2.10 Reduction in burning of coal and improved emission standards for transport and industrial processes were major drivers for significant decreases of PM in the UK between 1990 and the early 2000's. Since the late 2000s annual emissions of PM have continued to fall at a reduced rate.
- 2.11 Considerable decreases in emissions from some sources (e.g. road transport and energy industries) have been partly offset by increases in emissions from other activities, such as wood burning in domestic settings and the burning of biomass-based fuels in industry.
- 2.12 Emissions from road transport are expected to continue to decline with electrification of the vehicle fleet eliminating exhaust emissions which contribute 4% PM_{2.5} and 2% PM₁₀ of primary emissions (NAEI, 2025).
- 2.13 PM impacts from road sources are dominated by Non-Exhaust Emissions (Brake, Tyre and Road wear) 17% PM_{2.5} and 16% PM₁₀. Brake wear (40%PM_{2.5}) is the largest source of NEE with 40% becoming airborne, tyre wear (70%PM_{2.5}) is second largest but only 1-5% becomes airborne.

- 2.14 Electrification will see brake emissions fall, albeit to a lesser degree than exhaust emissions, while tyre emission are expected to rise.
- 2.15 The upcoming Euro 7 regulations, starting in late 2026, will introduce limits on brake wear emissions, with tyre wear limits following in 2028.
- 2.16 **Local PM Monitoring and Data**
- 2.17 Following a successful bid to Defra's Air Quality Grant Scheme 2022-23, 26 low-cost Air Quality sensors were installed across Worcestershire for a period of 3 years between January and May 2024.
- 2.18 The sensors measure a range of pollutants including PM in real time and monitoring data is accessible via a public portal on [WRS website](#).
- 2.19 Sensor locations have been chosen to maximise data capture within locations proximal to vulnerable communities, opportunities to encourage behavioural change and/or from a range of sources of air pollution including transport, solid fuel burning, industry and agriculture.
- 2.20 Three of the twenty-six sensors were installed in the Bromsgrove District, located at:
- Hanover Street, Bromsgrove
 - Gunner Lane, Rubery
 - Station Road, Hagley
- 2.21 Appendix 2 provides a graphical representation of PM data recorded by a selection of the sensors in 2024. The sensor data demonstrate similar peak profiles recorded across the County at all locations irrespective of proximity to strategic road or other local sources. This indicates that regional sources of PM from beyond the county borders are significant.
- 2.22 Appendix 3 provides a summary of averages of the data measured in Bromsgrove and across the county in the context of national air quality objectives and WHO guidelines. Summary:
- UK Annual Mean PM₁₀ objective: 40µg/m³
 - Bromsgrove average: 10.86µg/m³
 - WHO Air Quality Guidelines PM₁₀ Annual Mean is 15 µg/m³
 - UK Annual Mean PM_{2.5} 2040 target: 10µg/m³
 - UK Annual Mean PM_{2.5} 2028 target: 12µg/m³
 - Bromsgrove average: 6.99µg/m³
 - WHO Air Quality Guidelines PM_{2.5} Annual Mean is 5 µg/m³

- 2.23 No specific sources of PM or exceedances of national objectives have been identified in Worcestershire from 2024 sensor data requiring detailed assessment for Local Air Quality Management (LAQM) purposes at this time.
- 2.24 It should be noted that low-cost sensors, as well as other standard continuous monitors used in LAQM work, only measure total PM (mass) concentration and do not provide any chemical characterisation which is required to determine sources of PM.
- 2.25 **Source Apportionment of PM_{2.5} opportunity**
- 2.26 A summary of a source apportionment of a PM_{2.5} study undertaken by University of Birmingham (UoB) is provided in Appendix 4. This chemical characterisation includes primary and secondary sources of PM_{2.5} pollution.



Contribution of different air pollution sources to PM_{2.5} in Birmingham. Produced from data by Srivastava et al., 2015. This figure shows that biomass burning contributed to a quarter of the PM_{2.5} mass, becoming the most important primary emitted PM_{2.5}.

- 2.27 The study utilised the [Birmingham Air Quality Supersite \(BAQS\)](#), monitoring equipment at another site in Birmingham and sophisticated lab analysis and expertise at the University to undertake the study.
- 2.28 The study has highlighted the increase of domestic wood burning and biomass burning as sources of PM over the last few decades.

- 2.29 UoB have recently embarked upon monitoring in Worcestershire to ascertain air quality upwind of Birmingham. A fixed supersite replicating the BAQS facility located at a Malvern Hills location for a period of 12 to 24 months from November 2025. This will be supported by a mobile supersite, mounted either within a van or temporary fixed sites each season over one year. This will provide invaluable insight into PM air pollution in Worcestershire culminating in a published paper in 2 - 3 years' time.
- 2.30 WRS have approached UoB to assist in the design and implementation of a local source apportionment study of PM in Worcestershire. The study will provide a characterisation of the sources of PM, similar to the UoB study outlined above, utilising the specialist monitoring equipment and expertise available from UoB at this time.
- 2.31 This is an exciting and unique opportunity unavailable to any other local authorities outside of Worcestershire now or at any other time.
- 2.32 We may anticipate higher levels of biomass and domestic wood burning, secondary aerosols driven by proximal agricultural sources and biogenic aerosols due to the more rural nature of Worcestershire, and regions upwind of the county, and a lower proportion of traffic related emissions than observed in the Birmingham study.

3. Additional Monitoring Options

- 3.1 **Low-cost sensors – increased units [Option A].** This option would include purchase and installation of between 1 and 5 additional low-cost sensors in locations to be determined by BDC.
- Costs: c.£11k (1 unit) to £44.5k (5 units)
 - Timeline for delivery: 9 – 12 months following Council approval
 - Data: PM₁, PM_{2.5}, PM₁₀, NO, NO₂ Monitoring Total only
- 3.2 **Low-cost sensors – extension [Option B].** Current contract for 3 sensors expires in December 2026. This option would extend life of existing sensors for a further defined period, e.g. 1 – 3 years.
- Costs: c.£ 16.5k (3 units for 3 years, service and subscription) + 10% contingency for 2026 increase
 - Timeline for delivery: January 2027 to provide continuous monitoring
 - Data: PM₁, PM_{2.5}, PM₁₀, NO, NO₂ Monitoring Total only.

-
- 3.3 **Low-cost sensors – extension and relocation [Option C].** As option B. but with additional costs and implementation time for relocation of units to new locations.
- Costs: c.£ 16.5k (3 units for 3 years, service and subscription) + £3k - £4k (relocate 1 – 3 units) + 10% contingency for 2026 increase
 - Timeline for delivery: 6 – 9 months following expiry of existing contract or Council approval,
 - Data: PM₁, PM_{2.5}, PM₁₀, NO, NO₂ Monitoring Total only.
- 3.4 **Source apportionment study with UoB – mobile supersite [Option D].** This option would utilise state of the art air quality monitoring equipment at a fixed location for one month in summer and one in winter providing a comprehensive set of PM observations. Data analysis and written report provided by experienced academic researcher.
- Costs (rough): c.£ 115,000 + 10% contingency
 - Timeline for delivery: approximately 18 months
 - Data: Chemical analyses and source apportionment of PM
- 3.5 **Combination [Option E].** Option B (or C) and D combined.
- Costs: depending on final solutions
 - Timeline for delivery: 6 – 9 months following expiry of existing contract or Council approval for option b (or c) aspect, timeline for option d approximately 18 months.
 - Data: Continued automatic monitoring of a range of pollutants for a further period of 3 years and chemical analyses providing source apportionment assessment of PM
- 3.6 NB all timelines are indicative with consideration for required BDC procurement requirements: source suppliers and quotes, bid process, awarding contracts, and obtaining permissions from Worcestershire County Council for streetlight mounting, structural assessments of streetlights, civil engineering works and licenses as required, installation and power connections, availability of academic researcher and equipment, plus WRS officer time for project.
- 3.7 **Discussion of options**
- 3.8 Option A) provides least benefit in respect of PM data obtained of all the options and is the most expensive of the low-cost sensor options. From the data gathered in 2024, as seen in Appendix 2, and noted in section 2.22 above, similar profiles in PM data are recorded at all

locations across the County indicating regional sources of PM from beyond the county borders are significant. At this time, it is anticipated additional monitors will follow the same profile as recorded PM at existing locations and therefore provide minimal value in additional measured data. NB both options A and B will require implementation to increase the current network beyond 2026.

- 3.9 Option B) is the most beneficial of the low-cost sensor options from perspective of PM data obtained and the least expensive. This option provides data collection at existing locations for a longer period of time enabling continued assessment of concentrations in fixed locations and tracking of reductions or increases in ambient PM over time. Additionally, two of the current sensors are located near schools enabling opportunities to undertake behavioural change activities and the third is located in the one remaining Air Quality Management Area within the Bromsgrove district. Discounted service costs are anticipated through renewal and extension of the existing contract. Please note costings above could increase in 2026.
- 3.10 Option C) is considered to be the next best cost-effective sensor solution as it utilises existing units and it is anticipated will also benefit from discounted service costs through renewal of the contract. However, some additional costs would occur to relocate any of the units and there could be a period of no data collection between ending of current contract and actual installation at new location. Secondly, relocation of any units would end continued assessment capabilities as described in Option B) above. The benefits are the opportunity to obtain data at a new location, identified source and/or sensitive receptor.
- 3.11 Option D) provides a unique opportunity not available to any other local authority at any other time to gain insight into sources of PM in Worcestershire. This has greatest benefits in enhancing understanding of pollutant sources and utilising the data gathered and academic expertise available to inform future local, and potentially regional or national, strategies to address PM and other pollution. The mobile air quality supersite will be located at a single urban background location (such as a school) during two seasons (this could be extended to four seasons but doubles researcher staff costs). A constant power supply is required for the supersite and site needs to be secure. Locating at a school also provides an educational opportunity. Considering the EV range of the mobile supersite which is based at UoB campus, Bromsgrove district is an ideal location in the county for such a study.
- 3.12 Option E) provides ultimate benefit of combination of option B, maintaining current sensors and extending monitoring life for a further

period of time, and option D) providing unique insight into PM profile in Worcestershire utilising state of the art air quality monitoring equipment and supported by academic expertise.

- 3.13 **WRS recommendation is Option E comprising a combination of Option B and D.**
- 3.14 **Low-cost sensors – extension [Option B].** This option would extend life of existing sensors for a further defined period, e.g. 1 – 3 years beyond expiration of current service and maintenance contract due December 2026.
- Costs: c.£ 16.5k (3 units for 3 years, service and subscription) + 10% contingency for 2026 price increases
 - Timeline for delivery: January 2027 to provide continuous monitoring
 - Data: PM₁, PM_{2.5}, PM₁₀, NO, NO₂ Monitoring Total only.
- 3.15 **Source apportionment study with UoB – mobile supersite [Option D].** This option would utilise state of the art air quality monitoring equipment at a fixed location for one month in summer and one in winter providing a comprehensive set of PM observations. Data analysis and written report provided by experienced academic researcher.
- Costs (rough): c.£ 115,000 + 10% contingency
 - Timeline for delivery: approximately 18 months
 - Data: Chemical analyses and source apportionment of PM

4. OPERATIONAL ISSUES

- 4.1 Please outline the reasons for the recommendations or resolutions listed in your report. Outlined above
- 4.2 Please discuss any operational implications with your Assistant Director. No further operational issues identified
- 4.3 Please refer to any system upgrades in this section, including for new IT software. No IT systems implications anticipated, will be provided by 3rd parties and incorporated into existing MyAir software (low cost sensors portal) depending on preferred option.

5. FINANCIAL IMPLICATIONS

- 5.1 The table below shows the estimated costs by each of the options outlined within this report:

	One-off
Option A	£11 – 44.4k
Option B	£16.5 - 18.1k
Option C	£16.5 - 23k
Option D	£115 - 126.5k
Option E	£131.5 – 149.5k

- 5.2 With any option, it is proposed that expenditure would in year 2026/27.
- 5.3 There is currently no assigned budget available for this project. Any agreement to the proposal would need to be considered alongside other competing bids for funding from reserves.

6. LEGAL IMPLICATIONS

- 6.1 Part IV of the Environment Act 1995, the Local Air Quality Management process (LAQM) and subsequent Policy Guidance (LAQM.PG22) and Technical Guidance (LAQM.TG22) documents set out the duty of local authorities to review and assess local air quality within their areas against a set of health-based objectives and work to improving poor air quality identified. Local Authorities in England are expected to report on nitrogen dioxide (NO₂), PM₁₀ and sulphur dioxide (SO₂) as standard within their Annual Status Reports. Under the Environment Act 2021, the UK government have set 2 legally-binding long-term targets to reduce concentrations of fine particulate matter, PM_{2.5}. Whilst the responsibility for meeting the PM_{2.5} targets sits with national government; local authorities have a role to play in delivering reductions in PM_{2.5}. and are also required to report on actions taken within their ASR. The proposal supports the council’s obligations to assess local air quality within its boundaries in accordance with LAQM regulations.
- 6.2 Poor air quality in general can affect peoples’ health, playing a role in many chronic conditions such as cancer, asthma, heart disease and neurological changes linked to dementia. Air pollution is estimated to contribute to between 26,000 to 38,000 deaths per year in England (Chief Medical Officer’s Report, 2022). Particulate Matter is considered to be the most important air pollutant in terms of health impacts. PM can have short-term health impacts over a single day when concentrations are elevated. Long-term exposure to PM increases mortality and morbidity from cardiovascular and respiratory diseases and can cause cancer. Effects are amplified in vulnerable groups including young children, the elderly, and those suffering from

breathing problems like asthma. It is also causally linked to dementia and decline in cognitive function. There is growing evidence for associations with adverse birth outcomes and diabetes. The World Health Organization (WHO) advises there is no safe exposure level to PM.

7. OTHER - IMPLICATIONS**7.1 Local Government Reorganisation**

7.2 No impacts on LGR because it is anticipated the proposed schemes will be implemented before 1st May 2028.

7.3 Climate Change Implications

7.4 No impacts on climate change.

7.5 Equalities and Diversity Implications

7.6 No equality and diversification implications.

8. RISK MANAGEMENT

8.1 Risk from not taking proposed action is limiting understanding of PM_{2.5} within the district's boundaries. Risks from implementing proposed action is that additional monitoring may identify an exceedance of an objective that is a national issue and the local authority is limited in powers to resolve.

9. APPENDICES and BACKGROUND PAPERS

Appendix 1. PM sources (National Atmospheric Emissions Inventory)

Appendix 2. Low-cost sensor PM graphs 2024

Appendix 3. Low-cost sensor PM averages & National AQ Objectives

Appendix 4. WM-Air PM_{2.5} sources briefing note

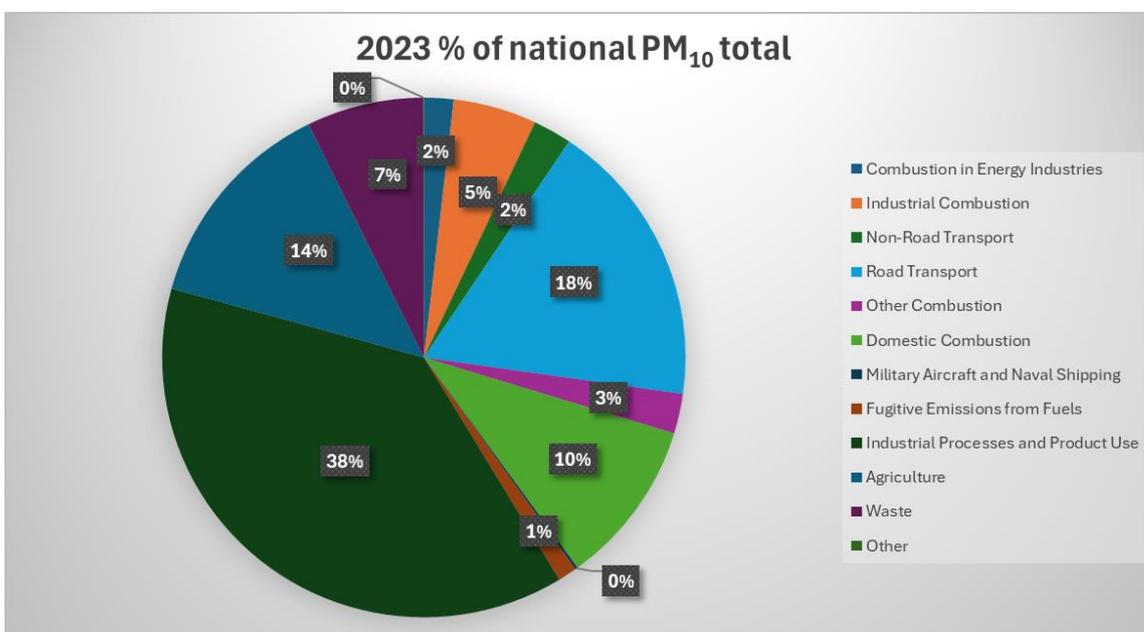
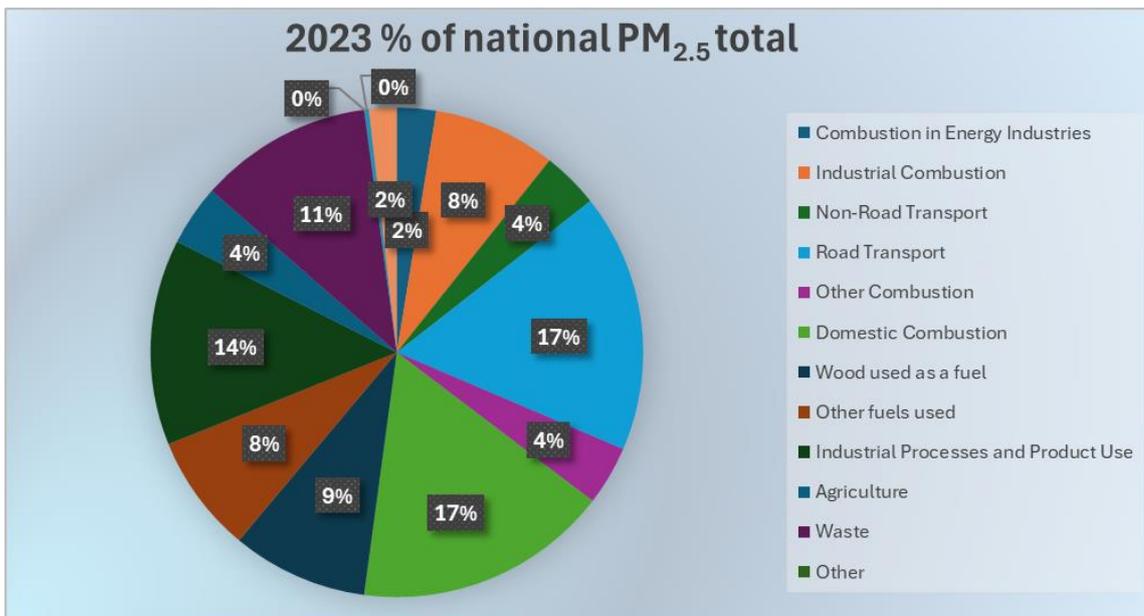
Cabinet
2026

7th January

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Kit Taylor.	Advised by email 09.12.2025
Lead Director / Assistant Director	Simon Wilkes	10.12.2025
Financial Services	Debra Goodall	09.12.2025
Legal Services	Nicola Cummings	11.12.2025
Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Team (if climate change implications apply)	N/A	N/A

Appendix 1: National Atmospheric Emissions Inventory – Primary UK Sources of PM, 2023



No single activity dominating:

- Domestic combustion = 20 % PM_{2.5} & 10 % PM₁₀
- Non-exhaust emissions (NEE) from road transport (road wear, brake wear, tyre wear) = 17% PM_{2.5} & 16% PM₁₀
- Exhaust emissions = 4% PM_{2.5} & 2% PM₁₀
- Industrial processes = 16% PM_{2.5} & 38% PM₁₀
- Industrial combustion (manufacturing and construction sites) = 10% PM_{2.5} & 5 % PM₁₀
- Emissions from construction activity (mostly roads and non-residential buildings) = 22% PM₁₀ & 4% PM_{2.5}
- Quarrying activity = 7% PM₁₀ and 1 % PM_{2.5}

This page is intentionally left blank

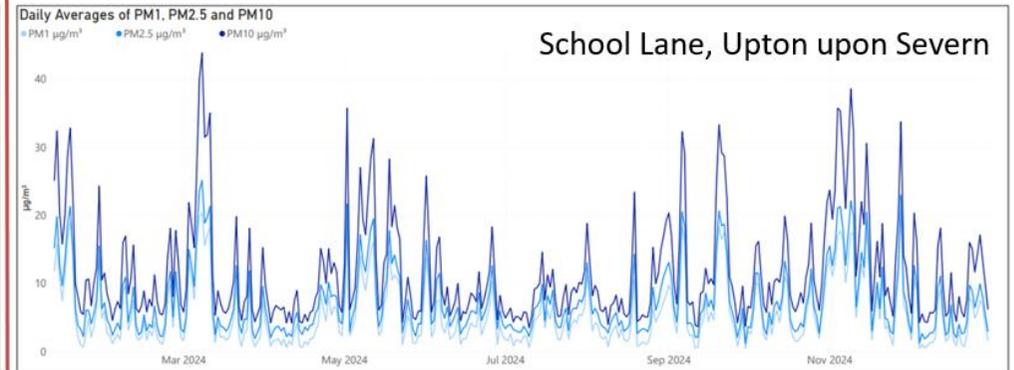
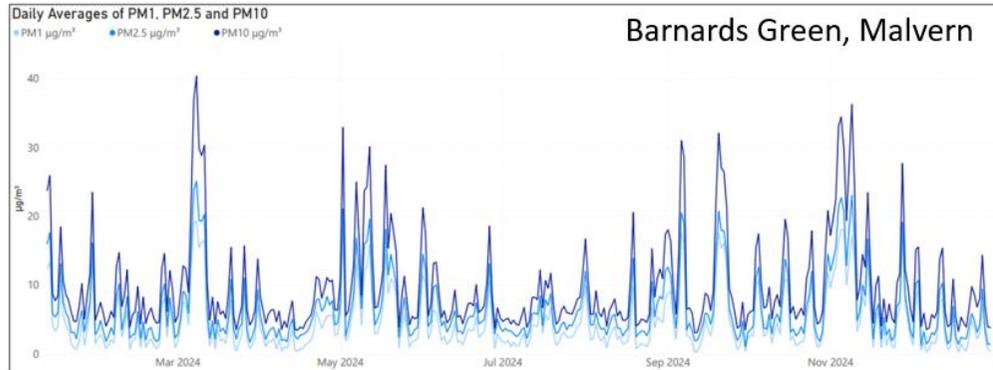
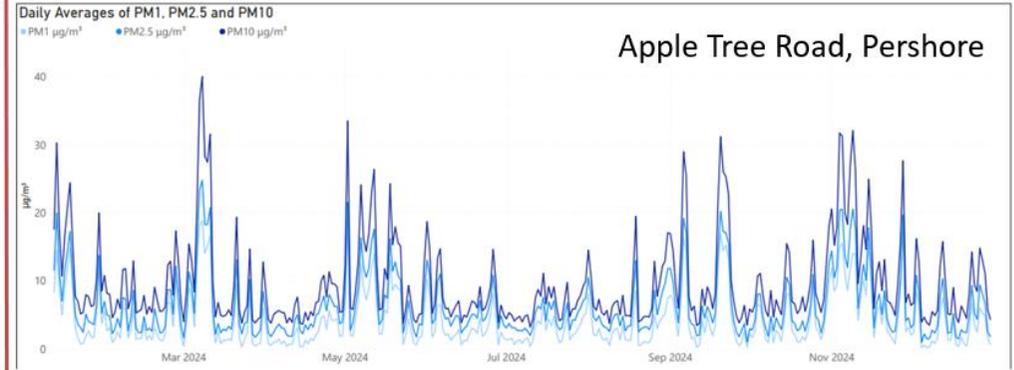
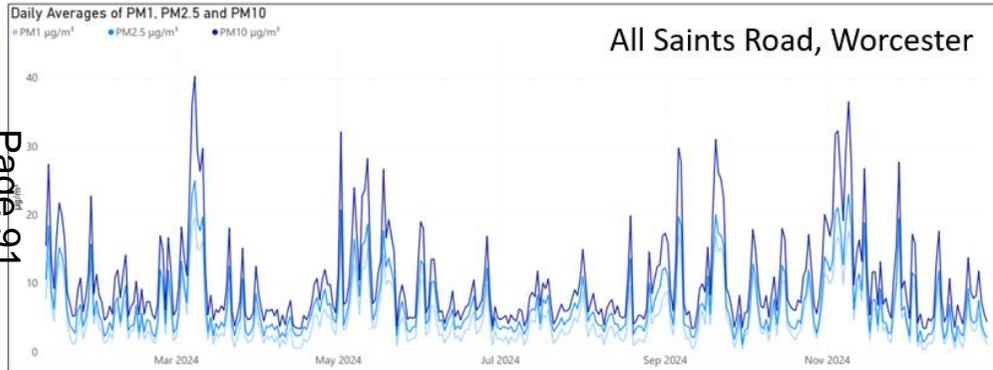
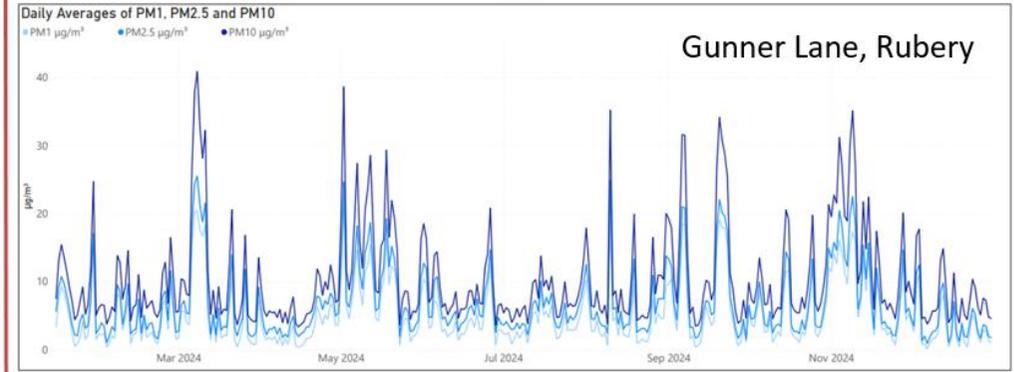
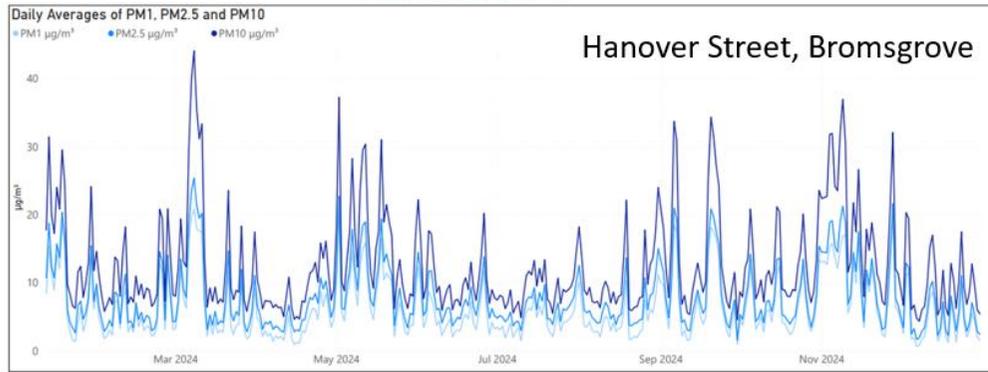
Appendix 2: Low-Cost Sensor PM Graphical Data, Worcestershire 2024

Strategic Roads

N

Non-Strategic Roads

S



This page is intentionally left blank

Appendix 3: PM Data, 2024 and National Air Quality Objectives

Low-cost sensors PM ₁₀ µg/m ³ 2024	
Worcestershire High	12.69
Worcestershire Low	8.53
Worcestershire Average	10.47
Bromsgrove High (Hanover Street)	12.69
Bromsgrove Low (Hagley)	9.41
Bromsgrove Average	10.86
Defra Background Maps (BDC) Average	12.31
Low-cost sensors PM _{2.5} µg/m ³ 2024	
Worcestershire High	7.96
Worcestershire Low	5.42
Worcestershire Average	6.90
Bromsgrove High (Hanover Street)	7.96
Bromsgrove Low (Hagley)	6.23
Bromsgrove Average	6.99
Defra Background Maps (BDC) Average	6.57

Also Worcester Road, Wychbold PM₁₀ analyser 15.2 µg/m³ in 2024

6.1 Local Air Quality Management Framework

The [Air Quality \(England\) Regulations 2000 \(2002 as amended\)](#)

These pollutant limits apply locally under the Air Quality Management framework.

Pollutant	Objective	Averaging Period
Fine and coarse particulate matter - PM10	50 µg/m ³ not to be exceeded more than 35 times/ year	24-hour mean
Fine and coarse particulate matter - PM10	40 µg/m ³	Annual mean

WHO Air Quality Guidelines PM₁₀ Annual Mean is 15 µg/m³

6.2 Environment Act PM2.5

[The Environmental Targets \(Fine Particulate Matter\) \(England\) Regulations 2023](#)

Pollutant and metric	Target	Target year
PM2.5 annual mean concentration	Interim target: 12 µg/m ³	2028
PM2.5 annual mean concentration	Legally binding target: 10 µg/m ³	2040
PM2.5 population exposure	Interim target: 22% reduction in exposure compared to 2018	2028
PM2.5 population exposure	Legally binding target: 35% reduction in exposure compared to 2018	2040

WHO Air Quality guidelines PM_{2.5} Annual Mean is 5 µg/m³

This page is intentionally left blank

Sources of fine particles (PM_{2.5}) in the West Midlands

A report from the WM-Air project team

Contact: <https://wm-air.org.uk>; @WMAir_UoB; wmair@contacts.bham.ac.uk

Microscopic airborne particles (PM_{2.5}) are the air pollutants with the greatest impact upon health in the West Midlands, responsible for up to 2070 early deaths each year. PM_{2.5} concentrations are 2-3 times higher than World Health Organisation guideline levels. Identifying the sources of PM_{2.5} is key to designing effective policies for cleaner air. Through the application of state-of-the-science methods, the major sources of PM_{2.5} in the West Midlands have been identified as: biomass burning (25%), secondary inorganic aerosol (25%), primary traffic related emissions (22%), secondary biogenic aerosol (10%), industrial activity (9%) and sea salt (9%). Reducing emissions from biomass (wood) burning and road traffic exhaust, should be policy priorities for local, regional and national government to reduce the health impacts of air pollution.

Air quality in the West Midlands

Air quality is the largest environmental threat to human health in the UK¹ with the burden of long-term exposure to air pollution equivalent to 29,000 – 43,000 early deaths a year². In the West Midlands the ambient pollutants of greatest concern are nitrogen oxides (NO_x) and fine particulate matter (PM_{2.5}; particles with a diameter of 2.5 µm or below). Of these pollutants, PM_{2.5} has the greatest impact on health with up to 2,070 early deaths attributable to long term PM_{2.5} exposure³ each year in the region.

Following the Environment Act, 2021, an annual average PM_{2.5} target level for England of 10 µg m⁻³ was set, to be achieved by 2040, with an interim target of 12 µg m⁻³ to be achieved by January 2028. The World Health Organisation issues non-binding guideline levels of air pollutants for the protection of human health with a guideline level for PM_{2.5} of 5 µg m⁻³.

Unlike NO_x which is primarily emitted by road traffic, PM_{2.5} has a broad range of both primary (particles emitted directly into the atmosphere) and secondary

(particles formed in the atmosphere) sources of natural and human origin. PM_{2.5} also has a long atmospheric lifetime, meaning that local concentrations are impacted both by local emission sources and a regional background. The impact of this background on PM_{2.5} concentrations is dependent on the prevailing weather conditions and pollution sources in the surrounding region. Understanding the contribution of both primary and secondary sources to total PM_{2.5} concentrations is necessary when designing policy interventions to control concentrations of PM_{2.5}.

Sources of PM_{2.5} in the West Midlands

In order to identify the factors contributing to PM_{2.5} concentrations in the West Midlands region, filter samples were collected from January 2021 to February 2022 at two urban background sites: Birmingham Air Quality Supersite (BAQS) and the AURN sampling site at Birmingham Ladywood (LW)⁴.

Filters were analysed for Organic Carbon (OC), Elemental Carbon (EC), Ions, Metals and Organic compounds. These species were then used to

¹ Public Health England: Health matters: air pollution. Guidance. London: PHE, 2018.

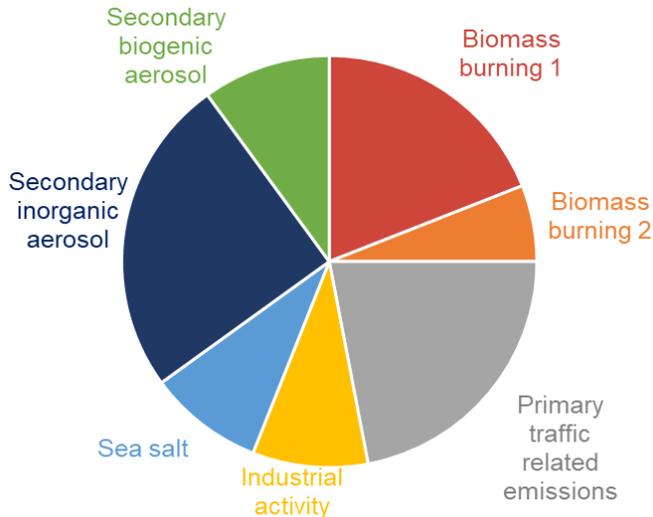
² Mitsakou C., et al.: Updated mortality burden estimates attributable to air pollution. Chemical Hazards and Poisons Report, 28, 2022

³ Hall J., et al.: Regional impact assessment of air quality improvement: The air quality lifecourse assessment tool (AQ-LAT) for the West Midlands combined authority (WMCA) area. Environ Pollut., 356, 2024

⁴ Srivastava D., et al.: Comparative receptor modelling for the sources of fine particulate matter (PM_{2.5}) at urban sites in the UK. Atmos. Environ., 343, 2025

identify the factors contributing to total PM_{2.5} concentrations using positive matrix factorisation, an extensively used receptor modelling approach. For a full method description see Srivastava et al., 2025⁴.

Seven factors were identified: two Biomass burning factors, primary traffic related emissions, industrial activity, sea salt, secondary inorganic aerosol and secondary biogenic aerosol.



Biomass burning

The first biomass burning factor, Biomass burning 1, accounted for 19% of PM_{2.5}. This factor followed the profile expected of wood burning for heating with concentrations higher in the winter than in the summer. The contribution of this source to total PM_{2.5} mass was higher at BAQS than at LW which is consistent with the older houses present in Selly Oak and Edgbaston being more likely to have chimneys and fireplaces than the more modern estates around the Ladywood site.

A second biomass burning factor, Biomass burning 2, did not show a seasonal pattern and the contribution of this factor to total PM_{2.5} mass was similar at both sites. This suggests that this source could be linked to other activities such as garden waste burning, barbecues or commercial biomass combustion. This factor accounted for 6% of annual average PM_{2.5} mass across the two sites.

Primary traffic related emissions

Primary traffic related emissions are made up of tyre and brake abrasion as well as resuspension of road dust and particles emitted from the exhaust (many of the gases emitted from vehicle exhausts react in the atmosphere to form secondary inorganic aerosol). This factor made up 22% of PM_{2.5} mass annually.

Industrial activity

Industrial activity, characterised by sulfate (SO₄²⁻) and metal ions made up 9% of total PM_{2.5} annual average mass concentration.

Sea salt

Sea salt is emitted from the sea as salt spray and from road de-icing salt and is observed throughout the UK. This factor accounted for 9% of total PM_{2.5} mass which is consistent with other sites in the central UK.

Secondary inorganic aerosol

Secondary inorganic aerosol is dominated by nitrate (NO₃⁻), sulphate (SO₄²⁻) and ammonium (NH₄⁺) ions. These species are formed in the atmosphere from the emission of gaseous pollutants from traffic, industrial and agricultural sources. This factor accounted for 25% of PM_{2.5} mass across the 2 sites.

Secondary biogenic aerosol

Biogenic volatile organic compounds are emitted from plants; many of these are familiar, for example, pine scent and the smell of cut grass. In polluted environments these compounds can be oxidised to form particulates. This factor contributed to 10% of PM_{2.5} mass concentration at both sites.

Table 1. Sources of PM_{2.5} averaged across the Birmingham Air Quality Supersite (BAQS) and the Ladywood AURN sampling (LW) in 2021/2022.

Identified Sources	Contribution to PM mass (%)	Concentration (µg m ⁻³)
Biomass burning 1	19	1.5
Biomass burning 2	6	0.5
Primary traffic related emissions	22	1.7
Industrial activity	9	0.7
Sea salt	9	0.7
Secondary inorganic aerosol	25	1.9
Secondary biogenic aerosol	10	0.7

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

Capital Strategy 2026/27 Including Treasury Management Strategy

Relevant Portfolio Holder		Councillor Simon Nock – Finance Portfolio Holder
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Assistant Director Finance & Customer Services Contact email: Debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee is asked to RECOMMEND TO COUNCIL that:

- i) the Capital Strategy be approved as an appropriate overarching strategy for the Council;**
- ii) the Treasury Management Strategy for 2026/27 and the associated Minimum Revenue Provision (MRP) policy be approved; and**
- iii) the Investment Strategy be approved.**

2. BACKGROUND

- 2.1 The report for 2026/27 combines an overview of how capital expenditure, capital financing, treasury and other investment activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The strategies set limits and indicators that embody the risk management approach that the Council believes to be prudent. The strategies are set against the mid-term financial strategy, the context of the UK economy and projected interest rates.
- 2.2 The Council are required to set a balanced operating budget. The role of the treasury function is to manage cash flow within the authority so that the demands of expenditure can be met. The policies included in this report set out the criteria in which the Council can manage its Treasury management function.
- 2.3 The CIPFA Code of Practice for Treasury Management in Public services (the CIPFA TM Code) and the Prudential Code require local

authorities to set the Treasury Management Strategy Statement (TMSS) and Prudential Indicators each financial year. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance. In addition, the Council has to receive a report on treasury management, and this is reported on a quarterly basis which is included within the Quarterly Monitoring Report.

2.4 CIPFA has defined Treasury Management as:

“the management of the organisation’s investments, cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.5 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council’s approved Treasury Management Practices and include:

- Liquidity Risk (Adequate cash resources)
- Market or Interest Rate Risk (Fluctuations in the value of investments)
- Inflation Risks (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risks (Impact of debt maturing in future years)
- Legal & Regulatory Risk (Compliance with statutory and regulatory requirements)

2.6 The guidance requires investment strategies to comment on the use of treasury management consultants and on the investment of money borrowed in advance of spending needs.

2.7 In formulating the Treasury Management Strategy and the setting of the Prudential Indicators, the Council adopts the Treasury Management Framework and Policy recommended by CIPFA.

2.8 The Council has closed its 2020/21, 2021/22, 2022/23 Accounts and the 2023/24 and 2024/25 accounts are currently being audited by the Council’s auditor, Ernst & Young with the expectation these will be signed off in line with the Governments “backstop requirements”. However, like many other Councils, “Disclaimer Opinions” have been received for 2020/21 through to 2022/23 as per the “backstop requirements” and are expected to be issued for 2023/24 and 2024/25 and the implications of these opinions are still not clear. The Strategies will be updated, if required, once the Accounts have been closed and approved.

3. LEGAL IMPLICATIONS

- 3.1 This is a statutory report under the Local Government Act 2003.

4. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 4.1 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 our Strategic Purposes.

Climate Change Implications

- 4.2 The green thread runs through the Council Plan. This includes the Capital and Treasury Management Strategies.

5. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 5.1 There are no direct equalities implications arising as a result of this report.

Operational Implications

- 5.2 None as a direct result of this report, service requirements which form the Capital Programme are the base data for this report.

6. RISK MANAGEMENT

- 6.1 Failure to manage the Treasury Management function effectively to ensure the delivery of maximum return within a secure environment. Controls in place to mitigate these risks are as follows:

- Regular monitoring of the status of the organisations we invest with
- Daily monitoring by internal officers of banking arrangements and cash flow implications.

7. APPENDICES and BACKGROUND PAPERS

Appendix A – Capital Strategy 2026/27

Appendix B – Treasury Management Strategy 2026/27

Appendix C – Minimum Revenue Provision Statement 2026/27

Appendix D – Investment Strategy 2026/27

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Nock	
Lead Director / Assistant Director	Debra Goodall	
Financial Services	Debra Goodall	
Legal Services	Claire Felton	
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

APPENDIX A - BDC Capital Strategy Report 2026/27

Introduction

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

Capital Expenditure and Financing

- 1.3 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 1.4 In 2026/27, the Authority is planning capital expenditure of £7.7m as summarised below:

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

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget	2028/29 budget
General Fund services	3.4	4.2	4.7	2.3	2.1
Regeneration	0.5	1.9	3.0	0.2	0.2
TOTAL	3.9	6.1	7.7	2.5	2.3

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

- 1.5 Following a change in the Prudential Code, the Authority no longer incurs capital expenditure on investments.
- 1.6 **Governance:** Service managers bid annually in January to include projects in the Authority's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

the project is fully externally financed). The Audit Standards and Governance Committee and then the Cabinet appraises all bids based on a comparison of strategic priorities against financing costs and makes recommendations to Council. The final capital programme is then presented to Cabinet in February and to Council in February each year.

- For full details of the Authority’s capital programme, including the project appraisals undertaken, see Tranche 2 of the 2026/27 Medium Term Financial Plan.

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

Table 2: Capital financing in £ millions

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget	2028/29 budget
External sources	0.9	2.7	3.4	0.8	0.8
Own Resources	3.0	3.4	4.3	1.7	1.5
Debt	0.0	0.0	0.0	0.0	0.0
TOTAL	3.9	6.1	7.7	2.5	2.3

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

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

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget	2028/29 budget
Minimum revenue provision	0.8	1.2	1.2	1.3	1.4
Capital Receipts	0.9	0.0	0.0	0.0	0.0

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

1.9 The Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

by £7.7m during 2026/27. Based on the above figures for expenditure and financing, the Authority’s estimated CFR is as follows:

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

	31.3.2025 actual	31.3.2026 forecast	31.3.2027 budget	31.3.2028 budget	31.3.2029 budget
General Fund & Regeneration	31.2	37.3	45.0	47.5	49.8
TOTAL CFR	31.2	37.3	45.0	47.5	49.8

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

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

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

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

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

1.11 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt: The Authority is currently also permitted to spend capital receipts “flexibly” on service transformation projects until

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

2029/30 although nothing is presently planned. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £0m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget	2028/29 budget
Asset sales	0.9	0.0	0.0	0.0	0.0
Loans etc repaid	0.0	0.0	0.0	0.0	0.0

Treasury Management

- 1.12 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 1.13 Due to decisions taken in the past, the Authority currently has no external long term (over 1 year) borrowing and £14.5m treasury investments at an average rate of 4.9%.
- 1.14 **Borrowing strategy:** The Authority's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 1.15 The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 1.16 Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

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

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

	31.3.2025 actual	31.3.2026 forecast	31.3.2027 budget	31.3.2028 budget	31.3.2029 budget
General Fund (incl. PFI & leases)	3.9	6.1	7.7	2.5	2.3
Capital Financing Requirement	31.2	37.3	45.0	47.5	49.8

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

1.18 **Liability benchmark:** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £2m at each year-end. This benchmark is currently £5.69m and is not forecast to rise over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2025 actual	31.3.2026 forecast	31.3.2027 budget	31.3.2028 budget	31.3.2029 budget
Forecast Outstanding borrowing – GF	0.0	0.0	0.0	0.0	0.0
Liability benchmark	5.69	5.69	5.69	5.69	5.69

1.19 The table shows that the Authority expects to remain borrowed below its liability benchmark. This is because cash outflows to date have been below the assumptions made when the loans were borrowed.

1.20 **Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

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

	2025/26 limit £m	2026/27 limit £m	2027/28 limit £m	2028/29 limit £m
Authorised limit – borrowing	60	60	60	60
Authorised limit – PFI and leases	1	1	1	1
Authorised limit – total external debt	61	61	61	61

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

Operational boundary – borrowing	55	55	55	55
Operational boundary – PFI and leases	1	1	1	1
Operational boundary – total external debt	56	56	56	56

1.21 **Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

1.22 The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury management investments in £millions

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget	2028/29 budget
Near-term investments	4.2	4.5	4.5	4.5	4.5
Long-term investments	0	0	0	0	0
TOTAL	4.2	4.5	4.5	4.5	4.5

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

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

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

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

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

Investments for Service Purposes

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

- 1.26 **Risk management:** In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs. A limit of £2.5m is placed on total investments for service purposes to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.

- 1.27 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme. The relevant service director and the Director of Finance are responsible for ensuring that adequate due diligence is carried out before investment is made.

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

Liabilities

- 1.28 The Authority is committed to making future payments to cover its pension fund deficit (which is in surplus as per the 2022 Triennial revaluation and the backlog will be cleared in 2037). It has also set aside £0.975m for Business Rates appeals.

- 1.29 **Governance:** Decisions on incurring new discretionary liabilities are taken by Heads of Service in consultation with the Director of Finance.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

The risk of liabilities crystallising and requiring payment is monitored by the corporate finance team and reported biannually to Cabinet. New liabilities exceeding £0.5m are reported to full council for approval/notification as appropriate.

Revenue Budget Implications

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

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

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget	2028/29 budget
Financing costs (£m)	0.8	1.2	1.2	1.3	1.4
Proportion of net revenue stream	11.40%	11.50%	11.50%	11.50%	11.60%

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

Knowledge and Skills

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

ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

- Further details on staff training can be found in the HR Employee Development section of the website.

APPENDIX B - BDC Treasury Management Strategy Statement 2026/27

Introduction

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

External Context

Economic background:

- 2.4 The impact on the UK from the government's Autumn Budget will influence the Authority's treasury management strategy for 2026/27. Other influences will include lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and ongoing geopolitical issues.
- 2.5 The Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at 4.00% in November 2025, following a 0.25% cut in August. At the November meeting, five members, including the Governor's deciding vote, supported holding rates steady, while four favoured a further reduction to 3.75%.
- 2.6 The accompanying Monetary Policy Report projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- 2.7 CPI inflation was 3.8% in September 2025, unchanged from the previous two months and below the 4.0% expected. Core CPI eased to 3.5% from 3.6%, contrary to forecasts of a rise to 3.7%. The Bank of England's November Monetary Policy Report projects inflation to fall from this level - expected to mark the peak - to 3.2% by March 2026, before steadily returning to the 2% target by late 2026 or early 2027.
- 2.8 The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to September 2025, the unemployment rate increased to 5.0%, while the employment rate slipped to 75.0% and the inactivity rate held at 21.0%. Pay growth for the same period eased modestly, with total earnings (including bonuses) rising by 4.8% and regular pay up 4.6%. Going forward, the Bank predicts the unemployment rate will increase modestly to around 5.0% by around the end of 2025 before trending downwards at a gradual pace over the rest of the time horizon.
- 2.9 The US Federal Reserve also continued to cut rates, most recently reducing the target range for the Federal Funds Rate by 0.25% at its October 2025 meeting, to 3.75%-4.00%, in line with expectations. Financial markets anticipate a further 0.25% cut in December, although Chair Jerome Powell has cautioned that this is not guaranteed, signalling the Fed may pause before any additional easing. A factor influencing a potential pause is the ongoing government shutdown, which has delayed the publication of several important data releases used to inform monetary policy decisions.
- 2.10 The European Central Bank (ECB) kept its key interest rates unchanged in October for a third consecutive month, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB reiterated that future policy decisions will remain data-dependent, noting that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.
- 2.11 **Credit outlook:** Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly in October, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.
- 2.12 While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the authority's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

continuous review and will continue to reflect prevailing economic and credit conditions.

- 2.13 **Interest rate forecast (December 2025):** Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate through 2025 and 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications.
- 2.14 Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.
- 2.15 A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 2.16 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.8%, and that new long-term loans will be borrowed at an average rate of 4.4%.

Local Context

- 2.17 On 20th January 2026, the Authority had no borrowing and £5.5m of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Capital financing requirement	31.2	37.3	45	47.5	49.8
Less: External borrowing **	0	0	0	0	0
Internal borrowing	31.2	37.3	45	47.5	49.8
Less: Usable Reserves	-11.3	-11.2	-11.2	-10.0	-9.0
Less: Working Capital	-3.1	-3.1	-3.1	-3.1	-3.1
Treasury investments	-16.8	-23.0	-30.7	-34.4	-37.7

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

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- 2.18 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 2.19 The Authority has an increasing CFR due to the capital programme, but minimal investments but will be funding the programme through internal borrowing.
- 2.20 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2026/27.
- 2.21 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £0.2m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 2.22 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29
	Actual	Estimate	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m
Loans CFR	31.2	37.3	45	47.5	49.8
Less: Usable Reserves	-11.3	-11.2	-11.2	-10.0	-9.0
Less: Working Capital	-3.1	-3.1	-3.1	-3.1	-3.1
Net loans requirement	16.8	23.0	30.7	34.4	37.7
Plus: Liquidity allowance	0.2	0.2	0.2	0.2	0.2
Liability benchmark	17.0	23.2	30.9	34.6	37.9

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

Borrowing Strategy

- 2.24 The Authority currently holds £0 million of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £0m in 2026/27. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £60 million.
- 2.25 **Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 2.26 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates have fallen over the past year and are expected to fall a little further and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Authority's interest rate exposure within the limit set in the treasury management prudential indicators, see below.
- 2.27 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 2.28 The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 2.29 In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.
- 2.30 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- National Wealth Fund Ltd (formerly known as UK Infrastructure Bank Ltd)
- any institution approved for investments (see below)
- any other bank, building society or insurance company authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Local Government Pension Scheme)
- capital market bond investors

2.31 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

2.32 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

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

Treasury Investment Strategy

2.35 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £1 and £14.5 million, and similar levels are expected to be maintained in the forthcoming year.

2.36 **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

- 2.37 **Strategy:** As demonstrated by the liability benchmark above, the Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 2.38 The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 2.39 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 2.40 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 2.41 **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£3m 20 years	£3m 50 years	£3m 20 years	£1m 20 years
AA+	£3m 5 years	£3m 10 years	£3m 25 years	£3m 10 years	£1m 10 years

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

AA	£3m 4 years	£3m 5 years	£3m 15 years	£3m 5 years	£1m 10 years
AA-	£3m 3 years	£3m 4 years	£3m 10 years	£3m 4 years	£1m 10 years
A+	£3m 2 years	£3m 3 years	£3m 5 years	£3m 3 years	£1m 5 years
A	£3m 13 months	£3m 2 years	£3m 5 years	£3m 2 years	£1m 5 years
A-	£3m 6 months	£3m 13 months	£3m 5 years	£3m 13 months	£1m 5 years
None	£1.5m 6 months	n/a	£3m 25 years	£1m 5 years	£500k 5 years
Pooled funds and real estate investment trusts		£2.5m per fund or trust			

- 2.42 **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 2.43 For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
- 2.44 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years. The counterparty limit for loans to local authorities will be increased to an unlimited amount where (a) the government has announced that this authority will merge with the borrowing authority and (b) the loan is scheduled to be repaid after the expected date of the merger.
- 2.45 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments. A higher limit applies for investments fully secured on UK or other-government collateral.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- 2.46 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 2.47 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 2.48 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 2.49 **Strategic pooled funds:** Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 2.50 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 2.51 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 2.52 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2.0m per bank. The Bank of

England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

2.53 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority’s treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

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

2.54 **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

2.55 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

2.56 **Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £11.2 million on 31st March 2025 and £10 million on 31st March 2026. In order that no more than 42% of available reserves will be put at risk in the case of a single default, the

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

maximum that will be lent unsecured to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

2.57 Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £2m in operational bank accounts count against the relevant investment limits.

2.58 Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£5m per country
Registered providers and registered social landlords	£2.5m in total
Unsecured investments with building societies	£2.5m in total
Loans to unrated corporates	£1m in total
Money market funds	£20m in total
Real estate investment trusts	£2.5m in total

2.59 **Liquidity management:** The Authority uses detailed spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

2.60 The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

2.61 The Authority measures and manages its exposures to treasury management risks using the following indicators.

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

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

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

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

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

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

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

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

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

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

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

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

Price risk indicator	2025/26	2026/27	2027/28	No fixed date
Limit on principal invested beyond year end	£1.0m	£0.5m	£0m	£0m

- 2.69 Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

market funds and bank accounts with no fixed maturity date as these are considered short-term.

Related Matters

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

Financial Implications

- 2.76 The budget for investment income in 2026/27 is £100k based on an average investment portfolio of £4.5 million at an interest rate of 3.6%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.
- 2.77 Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

budget, e.g. from cheap short-term borrowing, then 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

Other Options Considered

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

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

Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2025

Underlying assumptions:

- The Budget signalled further fiscal (tax/spend) tightening across this parliament. Most tax changes take effect from 2028, while welfare and spending start from April 2026. Taken together, the timing of these announcements means the fiscal stance is likely to be slightly looser than expected for the next two years (with increased government spending), before tightening sharply from 2028 (with large tax rises).
- Despite the near-term looser fiscal stance, the new policies add little support for activity in 2026. Even before the Budget, economic data was pointing to a slower growth outlook. Meanwhile, disinflation has been evident and planned government actions on train fares and energy bills will also dampen inflation next year.
- The close vote in November to keep Bank Rate at 4% reflected pre-Budget uncertainty. With no major growth or inflation boosts in the Budget, a cut to 3.75% in December continues to look highly likely.
- Inflation fell to 3.6% in October. Business surveys point to weaker pricing power and household inflation expectations are easing, although they remain high. Wage growth is moderating amid rising unemployment and overall activity is flat. Confidence has been hit by the run-up to the Budget and a strong rebound seems improbable in the near term.
- Weak growth and softer inflation strengthen the case for dovish MPC members to push for further Bank Rate cuts, while undermining arguments of more hawkish members. There will still be questions over whether Government can deliver the fiscal tightening it set out, given a history of U-turns, and timing ahead of the next General Election. The December meeting will offer a clearer view of how divided the MPC really is.
- Risks to the growth and inflation outlook lie to the downside, which if crystallised may ultimately deliver lower Bank Rate than our central case.
- Lower inflation expectations and a tighter fiscal stance have helped bring down gilt yields, especially at the long end. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- Following the 2025 Budget, we continue to forecast a 0.25% Bank Rate cut in December to 3.75%.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will be eased to stimulate activity ahead of incoming fiscal tightening post-2028.
- Arlingclose now expects Bank Rate to be cut to 3.25% by Q2 2026, with risks weighted to the downside.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility and global uncertainty. These issues may not be resolved quickly, and we expect yields to remain higher than would normally be consistent with Bank Rate expectations.
- However, the lower path for Bank Rate maintains the downside risks to Arlingclose’s gilt yield forecasts.

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.90	3.65	3.50	3.40	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.92	3.90	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.48	4.40	4.35	4.30	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.30	4.30
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.13	4.90	4.85	4.80	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.80	4.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.73	4.50	4.50	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.50	4.50
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

Appendix B – Existing Investment & Debt Portfolio Position

	20/01/2026 Actual Portfolio £m	20/01/2026 Average Rate %
External borrowing:	0	0
Total external borrowing	0	0
Treasury investments:		
Banks, MMF & building societies (unsecured)	5.5	4.1
Government (incl. local authorities)	0.0	0
Total treasury investments	5.5	4.1
Net Investments	5.5	

**APPENDIX C – BDC Annual Minimum Revenue Provision
Statement 2026/27**

- 3.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in April 2024.
- 3.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 3.3 The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
- 3.4 MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Expenditure in Local Authorities*, 2021 edition.
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate of 4%, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
 - For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
 - Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

- For capital expenditure on loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.
- There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.
- Where the council makes a capital contribution or loan to another entity or where responsibility for a council asset with borrowing attached is transferred to a third party, then no MRP will be set aside if:
 - the payments are appropriately covered by assets
 - there are detailed plans demonstrating that all the expenditure will be recovered in an appropriately short time frame
- To ensure that this remains a prudent approach the Council will review the expenditure and income regularly to determine if the income or asset values have decreased to the point that MRP needs to be provided for. Should evidence emerge which suggests the expenditure will no longer be recovered, MRP will be provided for.
- Where the council uses internal borrowing and receipts of rental income are greater than the MRP calculated then as there are sufficient revenues to repay the capital cost, no MRP will be set aside.

3.5 **Capital loans**

- For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.
- For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.
- For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

3.6 Capital expenditure incurred during 2026/27 will not be subject to a MRP charge until 2027/28 or later.

3.7 Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2026, the budget for MRP has been set as follows:

	31.03.2026 Estimated CFR	2026/27 Estimated MRP
	£m	£m
Capital expenditure before 01.04.2008		
Supported capital expenditure after 31.03.2008		
Unsupported capital expenditure after 31.03.2008	37.3	1.18
Leases and Private Finance Initiative		
Transferred debt		
Loans to other bodies repaid in instalments		
Voluntary overpayment (or use of prior year overpayments)		
Total General Fund	37.3	1.18

3.8 **Capital receipts**

Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.

Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.

APPENDIX D - BDC Investment Strategy Report 2026/27**Introduction**

- 4.1 The Authority invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 4.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.
- 4.3 The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

Treasury Management Investments

- 4.4 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £1m and £15m during the 2026/27 financial year.
- 4.5 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE **17th FEB 2026**

4.6 **Further details:** Full details of the Authority’s policies and its plan for 2026/27 for treasury management investments are covered in a separate document, the treasury management strategy, which is part of these appendices.

Service Investments: Loans

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

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

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2025 actual			2026/27
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit £m
Subsidiaries	0	0	0	1.0
Local businesses	0	0	0	0.5
Local charities	0	0	0	0.5
Housing associations	0	0	0	1.0
TOTAL	0	0	0	3.0

4.9 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority’s statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

4.10 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by using specialist advice to understand the market and the potential future demands of the market and the customers in it. It will also use benchmarking data from the market to determine future potential risks which need to be planned for. External advice is only sought from credible sources e.g. acknowledged

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

experts in their fields and officers ensure that they fully understand any information given to them before decision or advice is taken.

Commercial Investments: Property

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

Table 2: Property held for investment purposes in £ millions

Property [type]	Actual	31.3.2025 actual		31.3.2026 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
N/A	0	0	0	0	0
TOTAL	0	0	0	0	0

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

4.13 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2025/26-year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

4.14 *Where value in accounts is below purchase cost:* The fair value of the Authority's investment property portfolio is no longer sufficient to provide security against loss, and the Authority is therefore taking mitigating actions to protect the capital invested.

4.15 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments by involving specialist advisors with expertise in the type of property being purchased, looking at historic data and speaking to other councils undertaking similar activities.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

- 4.16 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council ensures that properties purchased are in an active market where there is demonstrable demand to ensure that the authority does not purchase assets which it will not be able to sell on at a later date.

Loan Commitments and Financial Guarantees

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

Proportionality

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

Borrowing in Advance of Need

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

Capacity, Skills and Culture

- 4.20 **Elected members and statutory officers:** Member training will take place annually as part of the induction process. External advisors will provide reports to support investment decisions with officers ensuring

that they fully understand them and can relate them to the strategic objectives and risk profile of the Council.

- 4.21 **Commercial deals:** Significant work has been undertaken using external advisors and relevant training courses have been attended to ensure that officers are fully aware of the code and statutory requirements of a local authority which is investing.

KPMG have developed a modelling tool for the Council to use when assessing potential purchases as a precursor to engaging with external consultants to ensure that potential purchases are likely to make sense from the perspective of the authority before incurring advisor costs. However, following an internal review of the policy, it has been decided that the Council may wish to make purchases which do not make a financial return or may indeed make a loss in the short term. On these occasions a business case will be developed which specifies the non-financial benefits of the investment. These are likely to be regenerative schemes for the greater good of the area with an intended long-term impact. The regenerative and redevelopment benefits which will flow from the investment will be taken into account in the development of the business case, so if the net investment yield falls below 0.75% it can still proceed if these benefits are deemed to outweigh the lower than target yield.

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

Investment Indicators

- 4.23 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

4.24 **Total risk exposure:** The first indicator shows the Authority’s total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans.

Table 3: Total investment exposure in £millions

Total investment exposure	31.03.2025 Actual	31.03.2026 Forecast	31.03.2027 Forecast
Treasury management investments	4.2	5.2	5.9
Service investments: Loans	0	0	0
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS	4.2	5.2	5.9
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	0	0	0

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

Table 4: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2025 Actual	31.03.2026 Forecast	31.03.2027 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	0	0	0

4.26 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 5: Investment rate of return (net of all costs)

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS and GOVERNANCE COMMITTEE

17th FEB 2026

Investments net rate of return	2024/25 Actual	2025/26 Forecast	2026/27 Forecast
Treasury management investments	1.1	1.2	1.4
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
ALL INVESTMENTS	1.1	1.2	1.4

Member Questions

- 1. From Councillor S. Ammar**
Question for the Cabinet Member for Strategic Partnerships, Economic Development and Enabling

Will you commit to not requesting cancellation or postponement of district elections next year if the timetable for government plans for re-organisation slip?

- 2. From Councillor J. Clarke**
Question for the Cabinet Member Environmental Services and Community Safety

Can you give an update on the food waste collection service and whether all the other district/borough/city councils in Worcestershire will be collecting their food waste this year?

- 3. From Councillor R. Hunter**
Question for the Cabinet Member for Strategic Partnerships, Economic Development and Enabling

Are you concerned that communities in the town of Bromsgrove will be left with poorer services if Bromsgrove is the only town, apart from Redditch, in Worcestershire without a town council following reorganisation?

- 4. From Councillor D. Nicholl**
Question for the Cabinet Member for Strategic Partnerships, Economic Development and Enabling

Consultation on the draft local plan closed on October 20th, when can the public expect the results to be published?

- 5. From Councillor S. Robinson**
Question for the Cabinet Member for Strategic Partnerships, Economic Development and Enabling

What is this Council doing to ensure that there is enough provision sought from developers for High School provision in Bromsgrove?

- 6. From Councillor J. Robinson**
Question for the Cabinet Member for Strategic Partnerships, Economic Development and Enabling

How soon do you think Churchfields Car Park could be brought back into use to help meet our ambition to increase footfall in the town centre?

This page is intentionally left blank