

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 15TH FEBRUARY 2023, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Leader), G. N. Denaro (Deputy Leader), P.L. Thomas, M. Thompson and S. A. Webb

Officers: Mr. K. Dicks, Mrs. S. Hanley, Mr P. Carpenter, Mrs. C. Felton (on Microsoft Teams), Ms M. Howell, Mr. M. Bough (on Microsoft Teams), Ms. A. Delahunty (on Microsoft Teams) and Mrs J. Gresham

68/22 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Councillor M. Sherrey.

69/22 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

70/22 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 18TH JANUARY 2023**

The minutes of the meeting of Cabinet held on 18th January were submitted.

RESOLVED that the minutes of the meeting held on 18th January 2023 be approved as a true and accurate record.

71/22 **OVERVIEW AND SCRUTINY BOARD**

There were no updates or recommendations from the Overview and Scrutiny Board on this occasion.

72/22 **HOMELESSNESS PREVENTION GRANT 2023/24**

The Housing Strategy and Enabling Manager presented the Homelessness Prevention Grant 2023/24 report for Members' consideration.

The Council had been awarded a Homelessness Prevention Grant 2023/24 by the Department of Levelling Up, Housing and Communities (DLUCH) totalling £165,612. It was highlighted that the DLUCH funding had been ringfenced in order to provide schemes to prevent homelessness and to enforce the Homelessness Reduction Act. The funding would also be used to reduce the numbers of families in temporary accommodation and eliminate the use of unsuitable Bed & Breakfast accommodation for families for longer than the statutory six week limit. In addition to the DLUCH funding, Members were advised that a budget of £112,000 had been allocated for the 2023/24 Homelessness Grant. Furthermore, as a result of an underspend in the previous year's funding allocation, additional funding of £40k was available. Therefore, the total grant available was £317,612. Members were reminded that the Council had a statutory duty under the Housing Act 1996 (as amended) to assist those who were threatened with homelessness or experiencing homelessness.

The report outlined a number of local schemes that Officers proposed should receive funding for 2023/24. These included schemes working with young people, the provision of new furniture for ex-offenders, volunteering opportunities and targeted debt intervention. It was reported that these schemes assisted the most vulnerable members of the community. The total proposed expenditure for the allocation of grant funding was £306,307. Officers explained that this was less than the total allocation of funding, however clarified that the underspend of £11,305 was to be held in reserve in order to cover any anticipated additional Bed & Breakfast costs for the coming year.

In terms of risk, Members were advised that should these proposals not be agreed it could result in increased Bed & Breakfast costs, increased rough sleeping and have a significant physical and mental health for those who were threatened with or experiencing homelessness.

Following the presentation of the report Members noted that this was an important report and highlighted the increased need for affordable housing within the District in order to prevent further homelessness and rough sleeping.

The Portfolio Holder for Strategic Housing and Health and Well Being thanked the Officers for their report and noted that their passion in carrying out work in respect of the prevention of homelessness was very much appreciated.

RESOLVED that the following initiatives receive allocation funding for 2023/24

Grant Allocation	2023/24 £ (up to)
Housing Agency Agreement Top Up	52,475
Young Persons Pathway Worker – support to prevent homelessness for under 25's	18,811
Worcestershire Strategic Housing Partnership Co-ordinator – contribution towards county-wide development and delivery of housing initiatives in partnership with other agencies	8,300
Single Person and Childless Couples Homelessness Prevention Service	18,347
St Basils Crash Pad – provide a unit of emergency accommodation to young homeless people	12,409
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	24,114
St Basils Foyer – provides stable accommodation/support for young people - 14 units – fully occupied during last financial year	30,000
CCP- outreach and prevention service targeting rough sleepers and those at risk of rough sleeping.	27,852
North Worcestershire Basement Project - Support for young people at risk of homelessness	26,666
Step Up – Private Tenancy Scheme	22,000
Sunrise Project intensive support (2 year project agreed 2021)	39,000
Citizens Advice – Targeted Debt Intervention	16,333
Total committed expenditure	306,307

2. That delegated authority be granted to the Head of Community and Housing Services following consultation with the Portfolio Holder for Strategic Housing and Health and Well Being to use any unallocated Grant during the year or make further adjustments as necessary to ensure full utilisation of the Grants for 2023/24 in support of existing or new schemes.

73/22

PAY POLICY STATEMENT 2023/24

The Interim Section 151 Officer presented the Pay Policy 2023/24 report and in doing so stated that the Council had a legal requirement to produce a Pay Policy statement each year under the Localism Act (2011). Officers confirmed that the Statement must be approved by Full Council by 31st March each year for the subsequent financial year. The Statement must set out the relationship between the highest and lowest paid staff at the Council and included within the report was the breakdown of remuneration of all Officers across the Council.

Cabinet was advised that the grading structure of employees at the Council was between 1-11 and included in these grades were a number of pay points. It was explained that there were two managerial grades, two Heads of Service grades, Executive Director, Deputy Chief Executive and Chief Executive. The Council did not apply bonuses or performance related pay to its Chief Officers and that progression through the incremental scale of a relevant grade was subject to satisfactory performance assessed on an annual basis. Information was provided to Members regarding the job allocation within the structure and it was stated that posts for Managers and above were evaluated by an external assessor. In respect of new appointments, it was noted that these would normally be made at the minimum of the relevant grade. Officers stated that the current lowest salary at the Council, as at 1st April 2022, was £20,441 Full Time Equivalent (FTE) and that the Council was committed to the Local Government Employers national pay bargaining framework.

RECOMMENDED that the Pay Policy be approved.

74/22

2023/24 BUDGET AND MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2025/26 (INCLUDING TREASURY MANAGEMENT STRATEGY AND CAPITAL PROGRAMME)

The Interim Section 151 Officer presented the Medium Term Financial Plan (MTFP) 2023/24 to 2025/26 (including the Treasury Management Strategy and the Capital Programme for the Cabinet's consideration.

During presentation of the report Members were asked to note the following:

- Tranche 1 of the budget was published on 17th October 2022 and agreed at Full Council on 7th December 2022. This report stated that £1.6m of savings had been required and that these savings had been made. However, due to the cost of living crisis and other additional pressures a £1.6m gap had been identified in 2023/24 and needed to be mitigated.
- An assumption had been made that the Council would agree a 1.99% increase for Council Tax for 2023/24. It was noted that the Council Tax Resolutions 2023/24 report was due to be considered at Full Council on 22nd February 2023.
- There was an additional pressure of £718k as a result of the 2022/23 £1,925 pay award increase.
- An assumption of general inflation increases of 10% had been made and that the 200% allocation for Utilities remained. However, this would now be allocated 100% to the base budget and 100% to earmarked reserves and drawn down as required. Any surplus would be returned to the General Fund.
- The Local Government settlement had been announced on 19th December 2022 totalling £1.198m. This, it was confirmed included New Homes Bonus funding (£127k), Services Grant (£68k), Funding Guarantee (£1.027m) and Reduction in Council Tax Base amounting to a £24k pressure. It was noted that unlike in previous years, the Local Government Settlement was only for 1 year. Therefore, for planning purposes an assumption had been made that the grant levels for financial years 2024/25 and 2025/26 would remain at £1m.
- Following receipt of the final Triennial Pension Fund Valuation from the actuaries additional savings of £356k had been made.
- In December 2022, the Corporate Management Team (CMT) had reviewed the earmarked reserves, which had remained unchanged for some time. As a result, a reduction in the base budget of £351k per annum for the next three years had been identified.
- A review of the base budget across Business Rates, Investment Income, and Investment payments had identified a net benefit of £1.255m. This was in part due to the significant increase of Section 31 grant funding allocated this year increasing from £1.126m to £3.120m. It was clarified that the net benefit figures were based on NNDR3 forms and would be allocated over the next three financial years. Officers reported that £855k of this

would be kept in reserves in the event that the Government made changes to the allocation of funding in future years.

- The replacement of the fleet was considered a significant pressure for the Council. Hydrogenated Vegetable Oil (HVO) was already being used in order to reduce carbon emissions, however the cost of HVO had increased and currently the fleet was using half HVO and half diesel in its vehicles.
- The Leisure contract was identified as a pressure and in light of Covid-19 the expected levels of payment had not been as anticipated.
- Further pressures were identified as funding for apprentices, additional staffing, Planning Enforcement costs and increased costs for Worcestershire Regulatory Services. The Interim Section 151 Officer explained that the use of apprentices in the future was important in order for the Council to 'grow their own' workforce.
- The recruitment of a Data Analyst role in order to help improve processes across the Council through use of automation and robotics.
- The impact on collection rates for Council Tax totalled £1.020m. The Council was responsible for £132k (13%) of this amount.
- In terms of the General Fund there was a £250k deficit in 2023/24, a £44k surplus in 204/25 and a £431k deficit in 2025/26. As a result, it was anticipated that the levels of the General Fund Reserve Levels at 31st March 2026 would be £5.58m.
- Rationalisation of the Council's asset estates needed to be considered. This was particularly important in light of the need to ensure all Council buildings had an Energy Performance Certificate (EPC) rating of at least E by 2026.
- The Capital Programme and the large schemes that were currently being undertaken by the Council. These included the Levelling Up Funding and UK Shared Prosperity schemes. It was noted that the Burcot Lane scheme would be completed by the mid-2023.

Following the presentation of the report, the Interim Section 151 Officer commented on the Robustness Statement included in the report. In doing so, he explained he was satisfied with the amount of Reserves and that the Council would be looking to make ongoing investments in the future. However, it was noted that the Council must manage several significant risks in the future.

These included:

- The outstanding closure of the 2021/22 accounts.
- The 2022/23 overspend position of £1.472m which needed to be managed down.
- The loss of key personnel.
- The time limited nature of the Levelling Up and UK Shared Prosperity Funding.
- Business Rates income
- The ongoing impact of inflation.

Cabinet was informed that the Council may take out some borrowing within the next few months. It was clarified that this had not happened in recent years and would probably be on a short term basis.

Members queried the replacement of the Council's fleet. It was reported that the details of the Green Paper had not yet been released however it was understood that it would be necessary for the Council to be carbon neutral by 2030. Therefore, the Council would be required to make a decision on the replacement fleet within the next two years as any implementation of new vehicles would need to commence at least two years prior to 2030.

Following consideration of the report the Leader requested an update regarding the progress of the external auditors. Officers reported that information in respect of balances had been sent to the auditors, however the Council needed to wait to receive Grant Thornton's view on these balances before providing the draft Statement of Accounts for 2021/22. At the time of the meeting these views had not yet been received. It was noted that the external auditors were currently still undertaking work with officers both in the office and remotely.

RECOMMENDED approval of

- 1) the tranche 2 growth proposals.
- 2) the additional funding to the Council as per the Local Government Settlement on the 19th December 2022, including the estimated levels for 2024/5 and 2025/6.
- 3) the tranche 2 savings proposals, including an Increase of Council Tax at 1.99%.

- 4) the Capital Programme 2023/4 to 2025/6 and associated projects where outstanding budgets will be allowed to be carried forward at the end of the 2022/23 financial year.
- 5) the levels of reserve being carried forward into future years.
- 6) the level of General Fund balances being used to balance budgets over the Medium-Term Financial Plan (MTFP) period.

RESOLVED that

- 7) The Chief Financial Officer (CFO) Opinion on Estimates and Reserve Levels – the Robustness Statement (Section 25 Statement) – be noted.

The meeting closed at 6.44 p.m.

Chairman