

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE CABINET**

**WEDNESDAY 12TH JULY 2023, AT 6.00 P.M.**

PRESENT: Councillors K.J. May (Leader), S. J. Baxter, S. R. Colella,  
C.A. Hotham, C. B. Taylor and S. A. Webb

Observers: Councillor P. M. McDonald and Councillor S.T. Nock

Officers: Mrs. S. Hanley, Mr P. Carpenter, Ms M. Howell,  
Mr O. Paparega, Mr. M. Bough and Mrs J. Gresham

10/23 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor P. Whittaker.

11/23 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

12/23 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING  
OF THE CABINET HELD ON 21ST JUNE 2023**

The minutes from the Cabinet meeting that took place on 21<sup>st</sup> June were submitted for Members' consideration.

**RESOLVED** that the minutes from the Cabinet meeting held on 21<sup>st</sup> June be approved as a true and accurate record.

13/23 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY  
BOARD HELD ON 6TH JUNE 2023**

The Chairman of the Overview and Scrutiny Board provided Members with a verbal update in respect of the previous Board meeting.

In doing so, it was highlighted that there had been a presentation provided by the Centre for Governance and Scrutiny (CfGS) regarding the Governance Systems Task Group, which had been established as a result of a Motion considered at the Annual Council meeting held on 24<sup>th</sup> May 2023. The presentation included information on the options for potential models of future governance and timelines for implementation.

Members were informed that the dates of the first meeting for the Task Group had been agreed and the first meeting was due to take place on 21<sup>st</sup> July 2023. The Chairman of the Board explained that the Group would look at the implications of implementing a new governance system within the Council and whether a move to a Committee system or hybrid version would result in a good governance system that would deliver for Members and residents in the future. Costs and capacity within the Council would be considered carefully as part of the review and the final report would be considered at an extraordinary meeting of the Council in September 2023. It was noted that the date for this meeting was still to be determined.

Members asked several questions during consideration of this item. These were as follows:

- Involvement of the Local Government Association (LGA) in the Governance Systems Task Group – it was confirmed that the LGA had requested that the CfGS provide support for the review and informed Members that Ms C. Buckley, a Senior Governance Consultant from CfGS, had presented at the Board meeting. It was confirmed that this support would be available throughout the investigation, and it was planned that Ms. Buckley would be in attendance for some if not all of the meetings.
- Culture within the Council – It was noted that a change in governance structures would not necessarily cease any underlying tensions experienced at the Council and that it was important to recognise that work needed to be undertaken in order to improve this area. Members stated that historically there had been issues in this area and this had been one of the catalysts for looking at potential changes. It was noted that any new governance structure would need to work locally and be agreed by all parties.
- Implementation of a new governance system – Some Members felt that due to the scale of the change, it was important to start the process of implementing a new governance system that ran parallel to the review. This could include looking at resourcing and the impact on the Medium Term Financial Plan (MTFP). Members felt that this would be pre-emptive and could not be initiated until the recommendations had been made by the Task Group undertaking the review. Cabinet was informed that the process of the review once it had been completed would be that the report be considered at the Overview and Scrutiny Board, then at Cabinet, then by Full Council before the recommendations be

considered at future meetings of the Constitution Review Working Group (CRWG). It was anticipated that the implementation of any changes would take at least six months and that the CRWG had already looked at some areas of the Council's Constitution which may require changes in the future.

Members queried whether the six weeks' timeline for such a large review would be adequate. However, the Chairman of the Overview and Scrutiny Board explained that it was important Members kept focussed during the meetings and adhered to the Terms of Reference. Although Cabinet Members recognised that they were not able to be involved in the Task Group, they requested whether it would be possible to review the Terms of Reference of the Group. Councillor McDonald confirmed that this would be possible.

The Leader thanked the Board, Members of the Task Group and Officers for undertaking this investigation.

**RESOLVED** that the minutes from the Overview and Scrutiny Board meeting held on 6<sup>th</sup> June be noted.

14/23

**BROMSGROVE 2040 VISION**

The Head of North Worcestershire Economic Development and Regeneration (NWEDR) presented the report in respect of the Bromsgrove 2040 Vision. In doing so the following was highlighted for Members' attention:

- This was a Town Development Strategy in order to strengthen vitality within the Town.
- Five major unused or underused sites had been identified to attract people to the Town Centre.
- The strategy sought to identify how people moved in and out of the Town Centre, including the use of the railway station. Members were informed that a review of planned public realm interventions would be undertaken to improve connections across the town centre, with the intention to create an improved sense of continuity and cohesion.
- It was hoped that the strategy would encourage different uses of the Town Centre, other than retail, to increase vibrancy and footfall.

Following consideration of the report, Members felt that the wording of the recommendation was appropriate and that to 'endorse' this vision 'in principle' reflected that the strategy was one part of a bigger picture.

Some Members raised that historically there had been issues experienced within connectivity from the railway station and that there was not adequate parking within the Town Centre. It was suggested that if the car parks identified within the report were to be used for other activities as suggested this would further impact on the availability of car parking spaces. It was confirmed that work would be undertaken in order to look at schemes, such as the bus request scheme already in place within the Town. It was important that these kind of schemes were increased in order to provide better connectivity.

There was a brief discussion regarding the future of the Stourbridge Road carpark however due to the ongoing Planning Application on this site it was not appropriate to comment on this further during this meeting.

Members were informed that this was an aspirational high level document with regards to the future of the Town Centre and that work would continue to secure future funding, including from the now disbanded Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in order to build on the vision in the future.

At this point in the meeting, a typographical error was identified within the report, regarding the possibility of accessing funding from the GBSLEP. Members noted that within the report it stated that there was £78m worth of funding available, however it was confirmed that this should state as follows:

‘The Council must also assess how it will access over £1.5m of funding available through the now disbanded GBSLEP and possibly a further **£7.8m** of funding.’

Members were keen to understand whether the responses to the public consultation on the Market Hall site had been geographically spread across the whole of the District. Officers explained that there had been a variety of responses to the consultation and that the stakeholder and resident events had been very well attended. However, the detail of the number of responses from each Ward within the District was not available.

Cabinet felt it was important to keep residents engaged in this process and it was important to demonstrate successful projects when they were completed. In response to this Members queried the timescale of the vision, stating that it spanned across a long period of time. Some Members felt that it would not be ideal to identify a site for

redevelopment which would then be unused until later in the timeline of the vision. In addition to this it was raised that detail on whether the sites highlighted within the report had been identified for long, medium or short term development. Once again, it was reiterated that the vision was high level strategy, with the catalyst for the vision being the receipt of the £14.6 Levelling Up Funding and redevelopment of the Market Hall site.

**RESOLVED** that the Bromsgrove 2040 Strategy be endorsed in principle and that officers bring forward proposals for key development sites.

15/23

### **WORCESTERSHIRE HOUSING STRATEGY 2040**

The Cabinet Member for Health and Wellbeing and Strategic Housing presented the Worcestershire Housing Strategy 2040 for Members' consideration. The strategy set out a 20-year vision for the County and the significant decisions it would play in decisions for housing in the future.

Cabinet was informed that the strategy would be delivered through four priority areas. These were as follows:

- Economic Growth and Jobs
- Quality and Standards
- Health and Wellbeing
- Net Zero Carbon and Climate Change

The Cabinet Member for Health and Wellbeing and Strategic Housing thanked Mr. K. Dicks, Chief Executive Officer of Bromsgrove District Council, in his role as Chair of the Worcestershire Housing Strategy Board and for his hard work in producing such an important strategy for the future.

Following presentation of the report, Members expressed that this Housing Strategy was very much required and welcomed its implementation.

Some Members felt that there had been a missed opportunity in that there seemed to be no linkage to the Bromsgrove Strategic Transport Plan contained within the strategy. Members were informed that this was a County-wide document rather than specific to Bromsgrove and therefore that kind of detail was not included. It was further explained that there would be an opportunity to look further into a more specific areas of Housing and Transport within the District during the preparation

of the Council's Local Plan. In addition to this it was noted that the impact of the Covid-19 pandemic within the strategy had not been mentioned in a significant way.

Members queried whether the strategy covered both Social and Private Sector Housing. Officers confirmed that this was the case. Some Members raised queries in respect of the cost of retro fitting rental properties for elderly residents and those living in more rural areas of the District. It was confirmed that these issues would be more of a focus within the Bromsgrove District Plan and not in the Worcestershire wide strategy. Officers also stated that Central Government funding was available for retrofitting properties e.g. PUGS 2.

Further discussions regarding the Bromsgrove District Plan included the importance of bringing Members and residents along the journey when it was being pulled together later in the year.

The Burcot Lane Development was discussed, and Members commented on the high quality specification of the project. Some Members queried whether this would be the standard of any future Housing projects. It was reported that it was hoped that future projects would be of an equally high specification.

**RECOMMENDED** that

- 1) The Worcestershire Housing Strategy 2021 – 2040 be adopted.
- 2) Officers be asked to develop a District Level Action Plan with consideration given to the proposals in this Strategy.

16/23

### **CABINET APPOINTMENTS TO OUTSIDE BODIES**

The Cabinet Member for Finance and Enabling presented the Cabinet Appointments to Outside Bodies reports. In doing so, it was explained that it was a straightforward report and that the appointments and nominations for this municipal year had been awarded to the equivalent Cabinet Member who had held the role in the previous municipal year.

Two changes of note were that Councillor K. May had been appointed as substitute Member for the Worcestershire Local Enterprise Partnership and Worcestershire Local Transport Body for the forthcoming year. This role had previously been undertaken by Councillor H. Dyke from Wyre Forest.

**RESOLVED** that Cabinet nominates Members to outside bodies as detailed in Appendix 1 to the minutes.

17/23

### **CORPORATE PEER CHALLENGE ACTION PLAN**

The Deputy Chief Executive presented the report in respect of the Corporate Peer Challenge Action Plan and took the opportunity to thank all Members and Officers involved in the process. The following was also highlighted for Members' attention:

- The LGA carried out a Corporate Peer Challenge (CPC) as a result of a recommendation at the Full Council meeting held on 7<sup>th</sup> December 2022. The CPC had been undertaken in March 2023 and was considered a good opportunity to make any necessary improvements, following the issuing of the Section 24 Notice by the Council's auditors in October 2022. It was noted that this was not an inspection and any recommendations provided as a result of the CPC were given in the capacity as a critical friend to the Council.
- Although the CPC was initiated as a result of the recommendation agreed at the Council meeting held in December 2022, a separate Task Group had also been established to carry out a root and branch investigation, looking into the issuing of the Section 24 Notice. Therefore, the CPC had focussed specifically on the Corporate Governance within the Council.
- Five high-level themes were adopted for all LGA CPCs, and these provided the initial framework. The themes were as follows:
  - Local priorities and Outcomes.
  - Organisational and Place Leadership.
  - Governance and Culture.
  - Financial Planning and Management.
  - Capacity for Improvement.
- The composition of the CPC team comprised of colleagues from other District Councils and Advisors from the LGA.
- There had been 55 meetings across both Bromsgrove District and Redditch Borough Councils during the four day review and both Members and Officers had been involved in the meetings. At the end of the initial on-site activity there was a feedback session which took place on 10<sup>th</sup> March 2023 where Members of the Executive (Redditch), Cabinet (Bromsgrove), Group Leaders,

Corporate Management Team were invited to attend and presented with the findings of the CPC.

- There were six recommendations as a result of the CPC, and the Corporate Management Team (CMT) had provided a response in the form of a Council Action Plan for each Recommendation. Members were asked to look particularly at Recommendation 2 - The organisation should consider a governance review to improve decision-making and Recommendation 6 - Use engagement, shared values, and improved processes to create a positive democratic culture. These were considered significant in light of the current review being undertaken looking at the future governance model for the Council. The remaining recommendations were highlighted as follows:
  - Recommendation 1 - The Council needed to review its strategic priorities and realign resources accordingly.
  - Recommendation 3 – Embed the 2022-2026 Workforce Strategy and develop an action plan which needed to be implemented at pace.
  - Recommendation 4 – Agile working principles and policies needed to be implemented consistently.
  - Recommendation 5 - Ensure the Section 24 Notice and Interim Annual Audit Report recommendations were fully implemented.

Following the presentation of the report, the Leader invited the Chairman of the Overview and Scrutiny Board to comment on the report, having considered it at the Board meeting held on 6<sup>th</sup> June 2023. It was raised that some comments had been made during the Board's consideration of the report which included the slippages experienced within the Capital Programme and the lack of capacity at a Senior Officer level.

Some Members noted that Bromsgrove District Council was in a different position since the report was published as a result of the Local Elections held in May 2023 and that much of the requirements included had already been met.

One area that was still to be addressed was the role of Cross Party Champions and it was agreed that this would be considered at the next Group Leaders Meeting.

**RESOLVED** that



1) the Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback report which took place in March 2023 be noted.

2) the Council's response and supporting action plans be endorsed.

18/23

### **APPROVALS TO SPEND REPORT**

The Interim Director of Finance presented the Approval to Spend report which set out the key implications of the new Procurement Bill, which needed to be enacted by 1st April 2024. It was reported that the Bill would ensure greater transparency to how Councils across the Country undertook their business.

Cabinet was informed that included within the report were the following areas:

- Key parts of the new Bill
- Transparency arrangements already in place at the Council
- Council procurement governance requirements
- An analysis of present procurements and comparison of limits against local Councils
- The proposed way forward.

The Interim Director of Finance explained that the Bill would reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with international obligations. It was noted that the majority of Councils across the Country were currently not compliant in this regard.

In addition to this, it was noted that it would introduce a new regime based on value for money, competition and objective criteria in decision-making. Furthermore, it would result in a simpler and more flexible, commercial system that better met the Country's needs. And would more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they could compete for and win more public contracts.

Cabinet was informed that this was a large piece of work, however the Council had already begun to put measures in place which had resulted in the majority of the requirements under the new Bill already being met with only a few changes required for transparency purposes.

It was noted that the measures already in place included:

- No Compliance No Order which was implemented on the TechOne system on 1st April 2023. It was clarified that this would ensure that an order could not be raised unless linked to a contract or an identifiable procurement route.
- All new suppliers had to be approved by the procurement and payments teams.
- Monthly spending of over £500 was placed on the Councils Website.
- That the Council had an Electronic Purchasing Card (EPC) system for small expenditure.
- The contracts register was available to Officers, Members and the Public.
- The Procurement Team was available for monthly meetings with Heads of Service, which ensured they had visibility of what service departments were procuring to confirm contracts were set up to guarantee compliance to the 'No Compliance No Order' regime, as outlined above.
- Procurement training be provided to the teams on request.
- Monthly Accounts payable training delivered.
- A dedicated Procurement Teams page on the Bromsgrove District website.

The Interim Director of Finance reported that Part 6 of the Constitution set out the Scheme of Delegations, which, it was clarified set out what decisions could be delegated to Cabinet and individual Officers. The Council Constitution set out that from a financial basis a "Key Decision" was any item that had a combined financial spend (either as a single item or for the length of the contract) of £50,000. This, it was stated, included Revenue, Capital and S106 allocations.

Members were informed that Key Decisions needed to be on the Council's forward plan. Once this had happened Cabinet decisions were actioned via a Cabinet Report and decisions delegated to Officers actioned via an Officer Decision notice.

The Council's Procurement Pipeline, which was presently based on the Contracts Register, had been included in the report along with the initial "pipeline document". It was reported that the Procurement Pipeline provided a forward look of potential contracting opportunities and when existing contracts were due to expire. Officers clarified that the key task of the pipeline was to allow for proper planning of procurements to ensure the Council maximised its contracting opportunities.

It was clear from the data provided from the existing contracts register that the present £50k threshold for Key Decisions covered far too many projects as many contracts last for multiple years. In addition to this, the majority of Councils had traditionally set the key decision limit at the European Union Threshold level of £179k.

Further information on Key Decision limits in respect of other Councils in Worcestershire and the wider local area was provided as follows:

- Wyre Valley - £50k
- Worcester City – £164,176 in 2017, suggests not required in present structure.
- Birmingham – Capital £1m, Revenue £500k, Chief Officers £200k
- Solihull - £500k
- Wolverhampton - £250k

The national Contracts finder level was also reported as being set at £200k.

The Interim Director of Finance reported that this report was pre-scrutinised by the Finance and Budget Working Group on 7<sup>th</sup> July 2023.

The Cabinet Member for Finance and Enabling thanked the Interim Director of Finance for his detailed report and stated that it was a positive step in terms of transparency and would tighten the procurement process for the future.

Some Members queried whether this report would be considered at the Audit, Standards and Governance Committee and it was agreed that this could be arranged for the future.

The question of using a framework to procure a contract was queried, and concerns were raised that this could prevent the Council getting the best deal for services and goods procured. The Senior Solicitor clarified that this was not the case, and the use of a framework was a route to market that meant all suppliers had been evaluated by the framework provider, such as GCloud or ESPO and completed all necessary checks and balances prior to their services being procured by the Council.

The Leader invited the Chairman of the Overview and Scrutiny Board to comment on the report and he stated that it was disappointing that the Constitution of the Council had been breached by Officers. However, he

was satisfied that this was now being taken seriously and would be resolved.

Finally, the Cabinet Member for Finance and Enabling commented that although he agreed with the recommendations the use of the term 'rogue expenditure' could perhaps be modified for future reports as there was no evidence of impropriety in this area. He also thanked Mr. P. Carpenter and Ms. M. Howell for all their hard work in this area and for making progress to ensure that the Council's compliance was effective.

**RECOMMENDED** that

- 1) The Key Decision threshold be raised to £200k. The logic being that revenue expenditure using GCloud, contract lengths could be up to 4 years. As such this was the existing £50k limit expanded to the full term of revenue contracts. This new threshold would apply to all classes of delegated decision.
- 2) On a quarterly basis a report "the Approval to Spend report" be provided to Cabinet which set out from the Procurement Pipeline those procurements that should be taking place over the next year. This report would be refreshed every quarter and could be converted once approved by Cabinet into the ongoing forward plan.
- 3) That as part of this report an analysis of spending be made of the past 3 years to identify spends with suppliers over the £200k limit to ensure this spending is converted to properly contracted expenditure and rogue expenditure be dealt with.

19/23

**FINANCE RECOVERY PLAN - UPDATE**

The Interim Director of Finance presented the Finance Recovery Plan – Update for Members' consideration. The report set out the processes the Council had been following to rectify a deterioration in its financial position and processes due to the impact of the implementation of a new financial system in February 2021 during the Covid-19 pandemic period.

A Finance Recovery Programme was put in place from April 2022 to start to rectify the situation. This was reported at the Cabinet meeting that took place on 12<sup>th</sup> October 2022.

These issues built on comments from the External Auditors relating to 2019/20 accounts, which were only approved in the Autumn of 2021 and

the subsequent issuing of the Section 24 Recommendation on 31st October 2022 due to non-delivery of the 2020/21 Statement of Accounts. It was particularly noted at that time that significant issues within the working papers submitted to the External Auditors relating to the 2019/20 accounts had been highlighted.

Cabinet was informed that the Council continued to move forward with the rectification procedures and the following processes had already taken place or been implemented:

- As discussed earlier at this meeting, the CPC took place in March 2023 and was a joint review with Redditch Borough Council. The associated Action Plans included a Finance Action Plan which met the CPC's recommendations.
- The commissioning of a root and branch review by the Audit Task Group on how the Council arrived at the Section 24 Notice. The Task Group met a number of times in February and its findings were initially presented to Audit, Standards and Governance Committee on 9th March 2023. The outcome of this Task Group had been a number of recommendations which had been approved and implementation had commenced.
- The inclusion of a standing agenda item at each Audit, Standards and Governance Committee meeting which reviewed progress against these recommendations and national and local deadlines. Any exceptions or issues highlighted by Audit, Standards and Governance Committee would then be reported to Cabinet.

The Interim Director of Finance explained that the timeline for next steps was as follows:

1. Closure of the Accounts for 2020/21 - the agreement of treatment of take on balances would now take place in early July 2023 as a significant amount of testing was still required by the External Auditors.
2. Provision of Draft 2020/21 Accounts to External Audit – This would take place in July 2023. This, however, was dependent on confirmation from the External Auditors that they had approved the Council's take-on balances work, as highlighted above. Members were informed that the External Auditors were having issues in how they need to test the transactional data due to their "normal" models not working on our data.
3. The commencement of the 2020/21 External Audit – July to September 2023 – this, it was explained, was an estimated date.
4. Sign Off of 20/21 Accounts - November 2023

5. Closure of Accounts for 2021/22 –planned to be signed off by May 2024
6. Closure of Accounts for 2022/23 - planned to be signed off by November 2024

It should be noted that at the recent LGA Conference it was highlighted that over 500 Council Audits relating to 2021/22 and before were still to be completed by the Auditors. This remained a significant issue for the sector.

In terms of the key financial returns, Members were informed that within the previous week the Capital Outturn Reports for 2020/21 and 2021/22 had been submitted. However, the key returns that had still not been delivered were the Revenue Outturn forms for 2020/21 and 2021/22 and the VAT returns. Although, it was confirmed that the Government now allowed these returns to be completed based on estimates, the level of uncertainty due to the Cash Receipting issues previously experienced meant these could not be completed until the External Auditors had signed off the Council's take on balances and the Council had provided the draft accounts to External Audit.

It was also noted that during the weekend of 8<sup>th</sup> – 9<sup>th</sup> July 2023, the Council had moved to the latest version of the TechOne System (23A) which would give improved functionality. As a result of this new version, a series of updated finance training would be rolled out to Officers.

In terms of Procurement, the following was highlighted:

- The new 'No Compliance No Order' process had been live for one month. Although some issues had been experienced with TechOne it was hoped that these would be resolved with the upgrade on the system.
- Many departments were now proactively getting quotations for lower value works. Currently, the predominant issue was concerned with training which, it was reported, was being resolved.
- The number of contracts in place was growing regularly and the Council was confident that this process was having a positive effect. Eventually, it was hoped that the Council would find itself in a position where the number of orders being processed was minimal.
- A spreadsheet was being collated for requests with no contracts and discussed with teams going forward.

During consideration of this report, Members queried why there seemed to be so many delays in the auditing of accounts nationally. It was confirmed that there were capacity issues being experienced in this sector. Particularly as there was not as much money available in the public sector as the private sector.

The potential increase of Audit fees was raised, and it was confirmed that this was likely in the future, potentially from £70k to £110k. However, it was confirmed that there would be a possibility to challenge any increase in Audit fees as these had to be agreed by the Public Sector Audit Appointments (PSAA).

Members questioned what the outcome would be if the Statement of Accounts were not agreed by the External Auditors. It was reported that there could be a disclaimer provided on the accounts, however this was not ideal.

Reference was made in respect of Appendix 1, which contained the recommendations from the Audit Task Group. It was queried whether in future these could be presented in such a way that it would be easier to identify what recommendations had been implemented and those that were outstanding. Officers agreed to look in this for future reports.

**RESOLVED** that

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

### **TREASURY OUTTURN REPORT 22/23**

The Interim Director of Finance presented the report in respect of the Council's draft outturn position on the Council's Capital and Treasury Management Strategies including all prudential indicators for 2022/23. Members were informed that there was a requirement for progress to be reported to Cabinet and then to Council.

The 2021 Prudential Code included a requirement for Local Authorities to provide a Capital Strategy, a summary document approved by full Council which covered capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy was approved by full Council on 27th June 2022 and was compliant with the Chartered Institute of Public Finance and Accountancy (CIPFA) requirements.

Further information included in the report was a summary of the fluctuating economic position for the year from the Council's Treasury Advisors ArlingClose.

Cabinet was informed that on 31st March 2023, the Authority had net borrowing of £2.5m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes was measured by the Capital Financing Requirement (CFR), while usable reserves and working capital were the underlying resources available for investment.

It was further reported that the Council was now making returns in the region of 4% for the balances it was investing in the short term (working capital) and that the Council presently did not have any long term debt and that the Capital Programme had been financed using working balances.

The remainder of the paper set out how the Council was complying with its prudential indicators.

**RECOMMENDED** that the Treasury Outturn position for 2022/23 be noted.

21/23

**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 S100 A (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 of the said act, as amended.



Minute Item No. 22 – Establishment of a Housing Company

22/23

**ESTABLISHMENT OF A HOUSING COMPANY**

The Portfolio Holder for Health and Wellbeing and Strategic Housing presented the report and in doing so highlighted the following:

- The report followed a number of reports presented to Cabinet on the Burcot Lane Housing Development Scheme at the Council's former offices. It was agreed that the Council would undertake the development of 61 dwellings at the site with the sale of 6 units on the open market and the sale of 18 units of affordable housing to Bromsgrove District Housing Trust. It was proposed that the remaining 37 units be provided as private rented accommodation. The details in respect of the options of the management of the remaining properties had been included within the report.
- The overarching aim of the development was for the Council to assist in balancing the housing market by providing high quality private rented housing which would also result in the Council having a long-term capital asset. The private rented sector in Bromsgrove was only 10.7% with the West Midlands having 21.4%. This provided further evidence that this form of tenure which played an important role in the housing market is lacking in Bromsgrove.
- This development was an important step for the Council to work to not only to increase numbers of privately rented properties but also worked towards improving standards within the sector. The creation of a Housing Company provided the framework to meet this ambition of the Council and to provide services that were appropriate to the management of private rented stock.

**RESOLVED** that:

- 1) That the progress of the matter to date be noted and affirmed
  
- 2) That the 37 private rented units of the Burcot Lane development be long-leased from the Council to the housing company
  
- 3) To note that officers continue to work on provisions for the internal and external common areas of the 37 private rent properties and in respect of the wider Burcot Lane development. A managing agent would be required to undertake this role.

**RECOMMENDED** that

- 4) a housing company limited by shares wholly owned by the Council be established.
- 5) by way of a formal loan agreement between the Council and the housing company and in compliance with the requirements of subsidy control (formerly State aid) the Council provide the housing company initial operating capital to the sum of £50,000.

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

23/23

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

There was no urgent business on this occasion.

The meeting closed at 8.20 p.m.

Chairman