

POLICY AND RESOURCES COMMITTEE

13th December 2022

Present: Councillor Marjory Bisset in the Chair

Councillors Agar, Denham (Vice-Chair),
Gregson, Mrs L. Hodgson, Lawrance,
Mackay, Mitchell, Riaz, Roberts, Stafford,
Stanley (Vice-Chair) and Stephen

Officers: Mark Baldwin, Head of Finance
David Blake, Managing Director
Shane Flynn, Corporate Director – Finance
and Resources
David Sutton, Deputy Director – Policy and
Strategy

66 Appointment of Substitutes

Councillor Lawrance for Councillor Allcott, Councillor Roberts for Councillor Bayliss.

67 Declarations of Interest

The following declarations of interest were made:

Councillor Mrs Lucy Hodgson - Future High Street Fund - Performance Arts Venue (Minute 72) – As a Board Member of Worcester Live and Draft Medium Term Financial Plan 2023-2028 and Draft Budget & Council Tax 2023/24 (Minute 73) – As a Member of Warndon Parish Council

Councillor Riaz – Cinderella Ground, Worcester - Underlease (Minute 76) – As a Governor of King’s School, Worcester and a Member of Worcestershire Cricket Board. Councillor Riaz left the room for consideration of this item.

68 Public Representations

None.

69 Minutes

RESOLVED: That the minutes of the meeting held on 15th November 2022 be approved as a correct record and signed by the Chair.

70 Minutes of Income Management Sub-Committee

RESOLVED: That the minutes of the meeting held on 9th November 2022 be received.

71 Single Person and Childless Couples Recommissioning

The Committee considered a report on revisiting a previous recommendation and issuing a correction. The Corporate Director – Finance and Resources presented the report and explained that recommissioning the Single Person and Childless Couples Homeless Prevention Support Service was approved by Communities

Committee on 2nd November 2022. The report was subsequently referred to this Committee to approve the Council's allocation of the funding due to the total contract value of £301,500 per annum. The report recommended that the Council's contribution, being £65,646 per annum for the first two years of the contract, be funded from the Homeless Prevention Grant.

The recommendation should have been to fund the Council's contribution for the first three years of the contract. All commissioners had confirmed funding for the initial term of 3 years. It was considered that a contract period of less than an initial term of 3 years would impact on commissioning Councils' ability to establish a sound model of service delivery, and will therefore impact on the viability of the contract. The contract, as is common practice, will include a break clause in the event of insufficient funding being available.

Committee Members agreed that the Council's contribution should be for the first three years of the contract, for the reasons set out in the report.

RESOLVED: That the Committee agree to amend the decision 15th November 2022, as set out in minute 63, as follows:

That the Committee agree to fund Worcester City Council's contribution, being £65,646 per annum for the first three years of the contract, from the Homeless Prevention Grant, and to receive subsequent reports to identify future funding for the rest of the contract term.

72 Future High Street Fund - Performance Arts Venue

The Committee considered a report on progress with the recommendations approved at the meeting on 6th September 2022. The Managing Director presented the report, the main points being as follows:

- All the decisions still stand, except that the planning application has been revised to ensure cost savings can be achieved without compromising the delivery of the main 500 seat auditorium. This means removing the studio theatre from the first phase of development of the Performance Arts Venue. It is anticipated that the studio theatre will form a later phase of development on receipt of additional funding. The resultant preferred design and engineering options have been developed for RIBA Stage 3 and are recommended for approval.
- Whilst this revision will result in some construction cost savings, the budget to deliver the new Performance Arts Venue had nevertheless increased substantially. A Project Adjustment Request has been submitted to DLUHC. If approved, this will transfer approximately £6m to the Performance Arts Venue development. It is currently estimated that there is a remaining gap of approximately £500,000, and additional sources of funding to subsidise the development continue to be explored.
- The acquisition of the long leasehold interest in 6 Angel Place is still under consideration as a result of the increased cost pressures and will only proceed if cost effective and viable in the overall scheme development.

- The Council's expression of interest to The Arts Council's Cultural Development Fund to subsidise the development of the studio theatre in the Corn Exchange was unsuccessful. The Council is currently preparing an application for Heritage Lottery Funding to support the restoration of the Corn Exchange building.
- The Worcester Theatres Board is developing a clear vision which includes the retention of the Swan Theatre as a venue for community theatre and outreach.
- The final business case for the new Performance Arts Venue will be presented to this Committee in Spring 2023.

The Managing Director responded to questions from Committee Members. In the ensuing discussion, it was explained that the overall cost pressure is significant and the decision on the application to Government to reallocate uncommitted FHSF grant will be a key factor. All significant legal implications and potential contractual commitments will be subject to a further Committee decision.

Committee Members expressed support for proceeding as set out in the report in relation to the planning application, funding and business case.

RESOLVED: That the Committee agree to:

- 1. approve the submission of a revised planning application for the new Performance Arts Venue, as set out in this report;**
- 2. note the current funding position and approves the continued exploration of additional funding routes, both private and public; and**
- 3. note that the business case for the new Performance Arts Venue will be brought to Committee for consideration before the final terms of any construction contracts or funding package can be confirmed and that at this stage, the business case assumes the ongoing use of the Swan Theatre as a community-focused venue.**

73 Draft Medium Term Financial Plan 2023-2028 and Draft Budget & Council Tax 2023/24

The Committee considered a report on the proposed Medium Term Financial Plan (MTFP) 2023-2028, draft Capital Programme and Capital Financing 2023-2028, summary Draft Budget 2023/24 and proposed Council Tax Base. The Corporate Director – Finance and Resources presented the report and highlighted the main points.

In summary, the MTFP, as presented, will provide a balanced budget for 2023/24, but only through the repurposing of existing reserves and if all assumptions regarding increased income and reduced costs are achieved. For subsequent years, the Council will face a potential budget deficit which will need to be addressed through further, as yet unidentified, income and efficiency improvements.

The Corporate Director advised that, since the publication of the report, the Government had issued its provisional local government finance settlement, which indicated that all councils will see at least a 3% increase in core spending power for 2023/24.

There was a correction to Appendix 4 (Review of Earmarked Reserves): it was clarified that the total amount of earmarked reserves available from the City Development Fund is £128,000.

The MTFP and the Draft Budget & Council Tax will be updated following the budget consultation and update process in January and February, prior to Full Council consideration and approval in February 2023.

All political groups and/or individual Members were invited to submit any budget proposals that they wish Officers to explore as quickly as possible. The Corporate Director advised that there are no additional reserves available to free up and the funding source for any proposals must be clearly set out.

The Corporate Director responded to questions and comments from Committee Members on detailed aspects of the report. Members thanked Officers for the work which has been undertaken to date to provide a balanced budget for 2023/24.

RESOLVED: That the Committee:

- 1. agree to refer the Draft Medium Term Financial Plan 2023-2028, and the proposed Draft Budget & Council Tax for 2023/24, including the financial management priorities and key assumptions for the short term and medium-term planning horizon, to Members for consideration at the committee meetings in January 2023 and feed back to the Policy and Resources Committee on 7 February 2023;**
- 2. approve, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012, that the Council Tax Base calculation for the year 2023/24 will be 32,954.0 for Worcester City Council, including 3,976.6 for Warndon Parish Council and 2,179.3 for St Peter's Parish Council (as detailed in Appendix 3);**
- 3. note that the proposals will be updated for any agreed changes following budget consultation with Members, and for any significant changes following the publication of the Local Government Finance Settlement. Formal adoption of the MTFP and the Budget & Council Tax 2023/24, will be recommended to Full Council for approval on 21 February 2023; and**
- 4. agree to invite all political groups and/or individual Members to notify the Corporate Director of Finance and Resources no later than 31 December 2022 of any other budget proposals that they wish officers to explore and request the Corporate Director to include such proposals in the reports for consideration by Members at the January meetings of the relevant policy committees.**

74 Use of Managing Director's Urgency Powers

The Committee received a report on the use of urgency powers. The Corporate Director – Finance and Resources presented the report and summarised the decisions, which were:

Continued Participation in Worcestershire Business Rates Pool for 2023/24

The report set out the rationale for the decision. The proposal was discussed at the Leaders/CLT Group meeting on 5 September. Urgency powers were used to enable a formal commitment and to delegate responsibility to Officers to finalise the agreement in discussion with other participating councils.

Discretionary Financial Support for Ukrainian Refugees

Worcestershire Leaders Board on 16 November 2022 had agreed a 'One Worcestershire' approach to 'top up' payments beyond the Government's £350 pcm 'thank you' payment to host households. Further proposals were recommended by Worcester City Council and it was resolved to proceed with the agreed approach, with the additions, as outlined in the report. As this consensus was developed in advance of the timeline for publication of Committee papers, it was determined to use Managing Director's urgency powers, subject to agreement with the Chair and Vice-Chair of Communities Committee, to achieve agreement and report to the next Policy & Resources Committee. The agreed split in funding of 70:30 (70% to the districts) will be maintained.

Household Support Fund Allocations

On 30 September 2022, the Government announced that a new Household Support Fund (HSF) grant will be made available to County Councils and Unitary Authorities in England to support those most in need with the rising cost of living. Proposals had been developed through workshops between County and District Council leads and key local delivery partners. The City Council had been allocated £189,089. The Government anticipates that the funding will be spent or committed by 31st March 2023. A summary of the proposals allocation of funding was set out in the report:

Free School Meals - £25,000
 Discretionary Welfare Assistance Scheme - £50,000
 Worcester Foodbank - £50,000
 Spend to Save grants instead of loans - £30,000
 Multi-agency crisis fund - £25,000
 Administration of crisis fund - £5,000
 Marketing and promotion - £4,089
 Total - £189,089

To expedite this process and enable the funding to be defrayed in full within the required timetable, the Managing Director's urgency powers were used to proceed with allocating the funding as set out above, in agreement with the Chair and Vice-Chair of the Health & Wellbeing Committee. The outcomes will be reported to that Committee at a subsequent meeting.

Committee Members expressed support for the decisions taken.

RESOLVED: That the Committee agree to:

1. **note the use of urgency powers to agree to participate in the Worcestershire business Rates Pool for 2023/24 only;**
2. **delegate to the Corporate Director – Finance and Resources authority to finalise the arrangements for the pool in consultation with the Chair and the Vice-Chairs of the Policy and Resources Committee;**
3. **note the use of urgency powers to implement a scheme for additional financial support for Ukrainian refugees; and**
4. **note the use of urgency powers to allocate Household Support Grant funding for the period October 2022 to March 2023.**

75 Appointments to Outside Bodies

The Committee considered appointments to bodies to which Councillor Bayliss was appointed as Joint Leader. It was explained that, at the full Council meeting on 29th November 2022, Councillor Mitchell was appointed to succeed Councillor Bayliss as Joint Leader. The Committee were therefore recommended to consider appointing Councillor Mitchell to replace Councillor Bayliss on the bodies in question. All these appointments are to June 2023.

The Managing Director explained that, since the publication of the agenda, it had been established that an appointment to Worcestershire LEP was no longer required as it had been agreed to alternate district council representation between the three South Worcestershire local authorities. The role will now rest with Malvern Hills District Council.

RESOLVED: That the Committee agree to appointment Councillor Mitchell to the following outside bodies to June 2023:

- **Local Government Association General Assembly**
- **Worcestershire Leaders Board**
- **Town Deal Board.**

76 Cinderella Ground Worcester - Underlease

The Committee considered a report on a proposed under-lease of the Cinderella Sports Ground to Kings School Worcester Foundation. The Deputy Director – Policy and Strategy presented the report and explained that in 2015 the City Council took up an option with Arndale and entered into a 25 year lease for the ground, with the intention of renovating the site in conjunction with the Heart of Worcestershire College (HOW). Works had been completed, and the Cinderella Ground was now a high-quality facility which had been in use for cricket since late 2020.

A draft lease had been agreed with HOW alongside a supporting Community Use Agreement. However, since the inception of the project HOW's requirement for a site for football had changed following the renovation of pitches at Perdiswell.

During the summer of 2022, HOW and the Council were approached by The King's School, Worcester Foundation (KSW), and KSW and HOW had presented a proposal to the Council for KSW to take the under-lease for the Cinderella Ground.

Officers supported the proposal, which would secure the long-term viability of the facility as a sports ground. The draft heads of terms replicated those previously agreed by the Council with HOW. As part of the proposal, the site would support delivery of KSW's commitment to community outreach.

The Deputy Director responded to questions and comments from Committee Members. In the ensuing discussion, reference was made to ensuring that the facility can be used by women's teams and minority groups. It was explained that there is Council Officer representation on the Review Committee and Officers will take this issue forward through that forum.

Members concluded that the proposal should be supported and that Officers should proceed to complete the necessary arrangements to grant an under-lease, on the terms set out in the report.

RESOLVED: That the Committee agree to delegate to the Corporate Director – Finance and Resources, in consultation with the Chair and Vice-Chairs of this Committee, authority to enter into all necessary contracts and agreements to grant an under-lease to Kings School Worcester Foundation as detailed within this report.

77 Any Other Business

None.

78 Items Involving the Disclosure of Exempt Information

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of information as defined in Schedule 12A of the said Act.

79 Minutes of Income Management Sub-Committee (Exempt Items)

RESOLVED: That the minutes (exempt items) of the meeting held on 9th November 2022 be received.

Duration of the meeting: 7.00p.m. – 8.37p.m.

Chair at the meeting on
7th February 2023