

## **POLICY AND RESOURCES COMMITTEE**

**19th December 2023**

**Present:** Councillor James Stanley in the Chair

**Councillors Agar, Altaf, Bisset (Vice-Chair), Cross, Denham (Vice-Chair), Gregson, Hodgson, Lawrance, Lewing, Norfolk, Riaz and Round**

**Officers:** Mark Baldwin, Head of Finance  
Shane Flynn, Corporate Director – Finance and Resources  
Lloyd Griffiths, Corporate Director – Operations, Homes and Communities  
Kevin Moore, Head of Property and Asset Management  
Duncan Rudge, Head of Planning  
Sian Stroud, Corporate Director – Planning and Governance  
David Sutton, Deputy Director – Policy and Strategy

**Apologies:** David Blake, Managing Director

### **68 Appointment of Substitutes**

Councillor Lawrance for Councillor Allcott, Councillor Cross for Councillor Cockeram.

### **69 Declarations of Interest**

The following declarations of interest were made:

Councillor Denham - Worcester City Council (Shrub Hill Quarter Shared Use Link) (Pheasant Street to Cromwell Street, Worcester) Compulsory Purchase Order 2024 (Minute 75) – As the local County Councillor

Councillor Riaz - Worcester City Council (Shrub Hill Quarter Shared Use Link) (Pheasant Street to Cromwell Street, Worcester) Compulsory Purchase Order 2024 (Minute 75) – As a Ward Member

Councillor Norfolk - Worcester City Council (Shrub Hill Quarter Shared Use Link) (Pheasant Street to Cromwell Street, Worcester) Compulsory Purchase Order 2024 (Minute 75) – As a member of the Shrub Hill Quarter Steering Committee

Councillor Hodgson - Draft Medium Term Financial Plan 2024-2029 and Draft Budget & Council Tax 2024/25 (Minute 73) – As a member of Warndon Parish Council

Councillor Gregson - Review of Small Grants Arrangements (Minute 79) – as a trustee of the Elgar Festival.

**70 Public Representations**

None.

**71 Minutes**

**RESOLVED: That the minutes of the meeting held on 21<sup>st</sup> November 2023 be approved as a correct record and signed by the Chair.**

**72 Minutes of Income Management Sub-Committee**

**RESOLVED: That the minutes of the meeting held on 15<sup>th</sup> November 2023 be received.**

**73 Draft Medium Term Financial Plan 2024-2029 and Draft Budget & Council Tax 2024/25**

The Committee considered a report on the Draft Medium Term Financial Plan (MTFP) 2024-2029, and the proposed Draft Budget and Council Tax for 2024/25. The Corporate Director – Finance and Resources presented the report and highlighted the main points.

In summary, the MTFP, as presented, would provide for a balanced budget for 2024/25 after drawing £0.378m from the Risk Reserve. Thereafter a budget deficit remained for 2025/26 at £1.267m, increasing to £2.432m in 2028/29.

The Capital Programme was for £31.468m over the five-year period from 2024/25 to 2028/29. This included £9.187m in respect of the Future High Streets Fund and £10.470m for the Towns Fund.

An average increase of 6.0% for Fees and Charges for 2024/25 had been assumed, in line with cost increases.

The MTFP assumed a 2.99% increase in Council Tax for 2024/25 and 2.99% for the years thereafter.

The Corporate Director and other Officers responded to questions and comments from Committee Members. It was noted that the draft budget proposals will be considered by each of the policy committees in January 2024 and feedback will be reported to this Committee at the meeting on 6<sup>th</sup> February 2024.

**RESOLVED: That the Committee agree to:**

- 1. refer the Draft Medium Term Financial Plan 2024-2029, and the proposed Draft Budget & Council Tax for 2024/25, 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 2024 and feed back to the Policy and Resources Committee on 6 February 2024;**

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 2024/25 will be 33,002.0 for Worcester City Council, including 3,977.2 for Warndon Parish Council and 2,179.9 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 and Council Tax 2024/25, will be recommended to Full Council for approval on 20 February 2024; and**
4. **invite all political groups and/or individual Members to notify the Corporate Director of Finance and Resources no later than 31 December 2023 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 Community Infrastructure Levy Draft Charging Schedule**

The Committee considered a report on the adoption of an updated Community Infrastructure Levy (CIL) Charging Schedule, which sets out levy rates to be paid per square metre for new development in the South Worcestershire Development Plan Review (SWDPR) area. The Corporate Director – Planning and Governance introduced the report and the Head of Planning explained the main points. In summary, the purpose of this report was to seek approval of the CIL Draft Charging Schedule with its supporting documents for the purposes of public consultation. The proposed new charging schedule was attached to the report.

The Draft Charging Schedule had been agreed by Wychavon District Council and would be considered by Malvern Hills District Council on 30<sup>th</sup> January 2024. Subject to all three Councils agreeing to take this forward to consultation, the consultation period was expected to start shortly after 30<sup>th</sup> January 2024. The outcome of the consultation would be reported to a meeting of full Council, with a request for delegated authority to make any necessary updates arising from the consultation prior to publication.

Committee Members expressed support for the Draft Charging Schedule, as proposed.

#### **RESOLVED: That the Committee agree to:**

1. **approve the Community Infrastructure Levy Draft Charging Schedule, as set out in Appendix 1, for a six-week consultation under Regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended) (CIL Regulations); and**

2. **authorise the Corporate Director – Planning and Governance, in consultation with the Chair and Vice-Chair of Place and Economic Development Committee to make any necessary minor amendments to the Community Infrastructure Levy Draft Charging Schedule material prior to publication.**

**75 Worcester City Council (Shrub Hill Quarter Shared Use Link) (Pheasant Street to Cromwell Street, Worcester) Compulsory Purchase Order 2024**

The Committee considered a report on a proposal to acquire land to facilitate the creation of a shared use link to create direct access from Shrub Hill Station to St Martin's Quarter. The Head of Property Services presented the report and explained that the link was an important part of enabling the first phase of the regeneration of Shrub Hill.

Committee Members acknowledged that the construction of a new shared use route for pedestrians and cyclists is an important feature of the Shrub Hill project and expressed support for the proposal for a Compulsory Purchase Order.

**RESOLVED: That the Committee agree to:**

1. **make the Worcester City Council (Shrub Hill Quarter Shared Use Link) (Pheasant Street to Cromwell Street, Worcester) Compulsory Purchase Order 2024 ("the Order") under Section 226 (1) (a) of the Town and Country Planning Act 1990 and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of (i) all interests in land (which are not already owned by Worcester City Council and or Worcestershire County Council) and (ii) new rights within the areas shown coloured pink and edged red and coloured and edged blue on the plan to be displayed at the meeting and appended to this report at Appendix A (the "Order Plan") for the purposes of delivering a new shared use route between Pheasant Street to Cromwell Street with the intention that such route will be adopted by the County Council following the construction of such as highway maintainable at the public expense;**
2. **note that the Order plan drawing no 081\_ARDG\_WSH\_LP shows areas edged red and coloured pink where the intention is for the acquisition of all interests in land other than those of the Worcester City Council and or the County Council, and areas coloured blue where the intention is for acquisition of new rights in land only;**
3. **authorise the Corporate Director - Planning and Governance and the Corporate Director - Finance and Resources to:**
  - (i) **take all necessary steps as soon as is reasonably practical to secure the making, confirmation and implementation of the Order including land referencing, serving any requisitions for information, preparing all necessary documentation (including the Order, the Order Plan and the Statement of Reasons), submission of the Order to the Secretary of State for confirmation the publication and service of all notices and the preparation and presentation of the Council's case at any Public Inquiry;**

- (ii) **acquire all interests in land (shown edged red and shaded pink on the Order Plan) and new rights within the areas shown blue on the Order Plan either by agreement or compulsorily including prior to the making of the Order;**
- (iii) **deal with objections to the Order including approving agreements with landowners setting out the terms for the withdrawal of objections to the Order, including where appropriate seeking exclusion of land or new rights from the Order;**
- (iv) **make minor or technical amendments to the boundaries of the Order Plan if necessary;**
- (v) **confirm the Order if granted the power to do so by the Secretary of State;**
- (vi) **exercise the compulsory purchase powers authorised by the Order by way of General Vesting Declaration[s] and/or notice to treat/notice of entry; and**
- (vii) **if the CPO is confirmed to settle the compensation payable in acquiring any of the interests referred to within the Order.**

## **76 Safe and Legal Routes Cap Consultation**

The Committee received an information report on the Council's response to a Home Office consultation on a cap on safe and legal routes to the United Kingdom for the calendar year 2025. The Managing Director presented the report and explained that he had consulted with both Joint Leaders of the Council and the Chair and Vice-Chair of Communities Committee on a proposed county-wide response. The Worcestershire Leaders Board on 30<sup>th</sup> November 2023 had considered 4 options which had been drafted by Officers. The following (Option 4) was agreed:

1. A single response would be submitted by Worcestershire County Council on behalf of all 7 councils.
2. A commitment would be made to accommodate a maximum of 35 individuals, with no more than 2 properties to be procured within any one district.
3. No properties to be procured from the social rented sector.
4. The submission to set out the partnerships expectation that all costs associated with delivering against the commitment, should be fully funded.

As the consultation closed on 15<sup>th</sup> December 2023, the Managing Director's had used Urgency Powers, in consultation with the Joint Leaders of the Council, to agree the response.

**RESOLVED: That the Committee agree to note the contents of the report, and in particular the use of the Managing Director's Urgency Powers, in consultation with the Joint Leaders of the Council, to agree a countywide response to the consultation.**

## 77 Electric Cremators - Funding Application

The Committee considered a report on potential grant funding for refurbishment of the Crematorium and replacement of the cremators. The Deputy Director – Policy and Strategy presented the report and explained that an allocation of £250k to progress this work has been made in the Council’s capital programme. The Government, working through its external agency, Salix, had opened Phase 3c of the Public Sector Decarbonisation Scheme, which offered grant funding to bridge the affordability gap between the installation of conventional technology and more costly low-carbon solutions. Officers had submitted a grant application to cover eligible works for the installation of electric cremators with modern abatement plant, a heat exchanger to heat the building, and necessary facilitation works.

It was unclear exactly when a decision on the grant offer would be made, although it would be no later than 31<sup>st</sup> March 2024. Should such an offer be made, the conditions required that the Council formally accepts within 10 working days. Therefore, a delegated decision to proceed, subject to the conditions being acceptable and not ultimately fettering future decisions, was requested.

The proposal was to accept a grant of £1.55m, should this be awarded. Acceptance of the grant would commit the Council to provide match funding of £1.43m by March 2026, plus £600k in unrecoverable VAT, should the decision to proceed be approved.

Officers responded to questions and comments from Committee Members.

**RESOLVED: That, subject to receipt of a grant offer as detailed within this report, and subject to assessment of any grant conditions, the Committee agree to delegate authority to accept a grant from the Public Sector Decarbonisation Fund to the Corporate Director - Operations, Homes and Communities, in consultation with the Corporate Director - Finance and Resources and the Chair and Vice Chairs of this Committee.**

## 78 Tudor House: Surrender and Re-grant of Lease

The Committee received an information report on a decision to use delegated powers to grant a lease of Tudor House on revised terms to trustees of Worcester Municipal Charities CIO.

The Corporate Director – Finance and Resources presented the report and explained that the Council’s Cabinet had approved a 125-year lease in 2008, on condition that the property be retained as a facility for public use. Since then, the tenants had established a successful business model, the property was in good repair and the museum well-established.

Earlier this year, Council officers were approached by the tenant with a request to terminate the lease and transfer the property freehold to the Trust. The proposal was not supported on the grounds that it would cancel the Council’s ability to specify the future use of the premises.

An extension of the existing lease to a period of 999 years was proposed as an alternative, which captured both the Trust’s desire to secure long-term title to the

asset and the Council's aims of retaining it for the current use. Whilst the granting of a lease longer than 125 years was a highly-unusual approach, in this case Officers recognised the value of retaining the existing leaseholder.

The Trust had further proposed that the Council's grant of planning permission and/or listed building consent is deemed to be the landlord's consent, and no licence is required in respect of internal and external repairs, alterations and new build. This was not accepted by Officers as the Council, as landlord, must retain the right to approve any alterations which may materially affect the condition or future use of the property. However, it was agreed that legal costs incurred in the preparation of the new lease and any future licences to alter would be borne by each party, rather than by the tenant, as at present.

The tenant also requested a right of pre-emption on the freehold should the freeholder of the day choose to dispose. Officers concluded that this should be granted, subject to the right not applying on any transfer of title under local government reorganisation or as a consequence of the statutory transfer of powers.

Other than the changes set out above, all other terms of the lease would be retained.

The Corporate Director highlighted that the leaseholder had invested an estimated £93,500 in the development of the property since 2008. Further investment is proposed by the Trust to repair the heating system and convert external buildings into education space.

In the ensuing discussion, a question was raised about the potential for the leaseholder to use the property as security for a loan, and whether this could put the Council in a vulnerable position. The Corporate Director – Planning and Governance advised that, in her view, landlord's consent to any variations or changes would be the most effective mechanism for dealing with this. She had been in discussion with external lawyers about the terms of the lease, as this is an unusual arrangement, and she was happy to share the advice from them with Members.

The Committee acknowledged the point raised and concluded that the advice from the external lawyers should be shared via the regular Corporate Leadership Team meeting with Group Leaders.

**RESOLVED: That the Committee agree to note the use of delegated powers to grant a lease of Tudor House on revised terms to trustees of Worcester Municipal Charities CIO.**

## **79 Review of Small Grants Arrangements**

The Committee considered a report on proposals for the allocation of One Worcester Communities Grants for the financial year 2024/25. The Corporate Director – Finance and Resources presented the report and explained that the Committee had previously agreed to reduce the Small Grants fund to £45,000, to be funded from the UK Shared Prosperity Fund (UKSPF). The methodology for awarding grants was agreed at the September meeting.

A total of 12 applications were received during the required time-frame. The grants were assessed by a panel incorporating the Corporate Director - Finance and Resources, the Head of Homes and Communities and the Lead Projects and Voluntary Sector Officer.

The applications which met the criteria sufficiently and were submitted for approval were as follows.

<b>Organisation</b>	<b>Project Name</b>	<b>Amount Applied For £</b>	<b>Amount Awarded £</b>
Dinesfest community Group	Dinesfest	2000	2000
Bike Worcester	Bike Maintenance programme	1706	1706
Artist Clubhouse	Lights Camera Paint	2000	2000
Worcester Play Council	Play in the city	2000	2000
Community Boosts CIC	Boosting the community sector.	2000	2000
Arboretum Residents Association	Go wild at the ARBO	240	240
<b>Total</b>		<b>9,946</b>	<b>9,946</b>

The Committee had previously agreed that, in the event that there were insufficient applications, the balance on the fund would be carried forward and added to the grant fund available in the following financial year. The total defrayed, subject to approval, was £9,946 and there was therefore up to £35,054 still available for distribution. However, the Corporate Director advised that the option to carry forward was not viable as there is no guarantee of future UKSPF grant at this stage, and it may not therefore be possible to vire funding between schemes to enable this.

Four options were therefore presented for consideration:

Option 1 - Adhere to the existing agreed approach and carry forward the £35,054 to 2025/26.

Option 2 - Undertake a further call for bids on the same basis as the current arrangements.

Option 3 - Add the remaining funding to the fund available for larger miscellaneous applications.

Option 4 - Defer reductions in existing grants. This would allow more time for the affected organisations to make adjustments to reducing grants in the future. Under this option, the remaining funding could be defrayed as per options two and three.

The Committee were asked to consider these four options and decide which approach to adopt. The option recommended by Officers was Option 4, as this would enable the Council to continue to support organisations previously



recognised as supporting the Council's objectives. The preferred option for the remaining funding was Option 3 ,as this would enable it to be targeted towards organisations that the Council wishes to support.

**RESOLVED: That the Committee approve:**

- 1. the allocation of One Worcester Communities Grants (small grants) for the financial year 2024/25; and**
- 2. Option 4 – to defer reductions in existing grants and Option 3 – the recommended option for defraying the remaining grant.**

**80 Any Other Business**

None.

**Duration of the meeting:** 7.00p.m. – 8.20p.m.

Chair at the meeting on  
6th February 2024