

POLICY AND RESOURCES COMMITTEE

7th February 2023

Present: Councillor Marjory Bisset in the Chair

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

Officers: Mark Baldwin, Head of Finance
David Blake, Managing Director
Shane Flynn, Corporate Director – Finance
and Resources
Lloyd Griffiths, Corporate Director –
Operations, Homes and Communities
Kevin Moore, Head of Property and Asset
Management

80 Appointment of Substitutes

Councillor Lamb for Councillor Denham.

81 Declarations of Interest

The following declarations of interest were made in respect of the Proposed Budget 2023/24 And Medium Term Financial Plan 2023/24 (Minute 86):

Councillor Mrs Lucy Hodgson – As a member of Warndon Parish Council and a member of the Joint Museums Committee

Councillors Agar - As a member of the Joint Museums Committee

Councillor Riaz – As Chair of Perryfields Community Association

Councillor Mackay - Insofar as the item concerns the delivery of library services, as a County Councillor.

82 Public Representations

None.

83 Minutes

RESOLVED: That the minutes of the meeting held on 13th December 2022 be approved as a correct record and signed by the Chair.

84 Minutes of Personnel and General Purposes Sub-Committee

RESOLVED: That the minutes of the meeting held on 14th December 2022 be received.

85 **Draft Budget 2023/24 and Draft Medium Term Financial Plan 2023-2028 - Consultation With Policy Committees**

The Committee considered a report on feedback from the Policy Committees on the draft budget including proposed amendments to the draft budget for 2023/24 and Medium Term Financial Plan 2023-2028. The Corporate Director – Finance and Resources presented the report and explained that the proposed amendments were as follows:

Committee Proposal	Requested Allocation £000	Potential alternative Source	Total £000
Environment			
Environmental Sustainably Strategy enabling budget	150.0		
Gull control activities	35.3		185.3
Health & Wellbeing			
Member Ward Funds	35.0	From Environmental Sustainability Strategy enabling fund	35.0
Total			220.3

The report explained how the proposals identified above could be funded.

The Corporate Director responded to questions from Committee Members.

In the ensuing discussion, Committee Members spoke in favour of maintaining the Members' grants scheme. The Corporate Director explained that it is not yet know how much will be left in this year's budget for Members' Ward Funds, so it would not be appropriate to budget to use the balance as a funding source for 2023/24. The Chair of Environment Committee spoke in favour of maintaining the Environmental Sustainability Strategy enabling budget in full.

The Corporate Director – Finance and Resources advised that this proposal would therefore have to be funded from Reserves. The Committee agreed to proceed on this basis.

RESOLVED: That the Committee agree the proposed amendments to the draft budget for the Council for the financial year 2023/24 and Medium-Term Financial Plan 2023/24 to 2027/28 as set out above and recommend to the Council that these items be included.

86 **Proposed Budget 2023/24 And Medium Term Financial Plan 2023/24 - 2027/28**

The Committee considered a report on the proposed Budget and Council Tax for 2023/24 and the proposed Medium Term Financial Plan for the next five year period 2023/24 – 2027/28.

The Corporate Director – Finance and Resources presented the report and highlighted the main points, including the Capital Programme, Council Tax, Treasury Management Strategy and Pay Policy. He explained that there had been a number of revisions to the Forecast Net Budget presented to the Committee on 13th December 2022, and the report explained the rationale for this.

In summary, a budget deficit of £1.706m was now anticipated. It was proposed to fund this by a transfer from earmarked reserves which will result in a balanced budget for 2023/24. The draft budget will be amended to include the proposals brought forward by the Policy Committees and agreed under the previous agenda item, and will form part of the recommendations to Full Council.

Officers responded to questions from Committee Members on various aspects of the Budget. Members then proceeded to debate the budget and a range of views were expressed, notably in relation to car parking charges, which were proposed to increase by an average 9%. The report set out the rationale for this.

It was noted that whilst opportunities for cost reductions will help reduce the pressure on the budget, a deficit from 2024/25 is forecast as cost increases will continue to exceed income increases.

RESOLVED: That the Committee agree to:

- 1. endorse the proposed Budget and Council Tax for 2023/24 and the proposed Medium Term Financial Plan for the next five year period 2023/24 – 2027/28, and recommend them to Full Council on 21 February 2023 including the following resolutions:**
 - a. That the Budget Requirement for Worcester City Council (excluding Parish Precepts) 2023/24 be set at £13.557m;**
 - b. That the Council Tax Requirement for Worcester City Council (excluding Parish Precepts) 2023/24 be set at £6.820m; and**
 - c. That the Band D Council Tax for Worcester City Council (excluding Parish Precepts) be set at £206.89;**
- 2. confirm, 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;**
- 3. approve the Treasury Management Strategy at Appendix 5 including the MRP policy statement and the prudential indicators set out in the Strategy;**
- 4. approve the release of reserves, as detailed in section 7 of the report, and the transfer of £1.135m from other reserves as detailed elsewhere in the report, to the 2023/24 revenue budget to achieve a balanced budget;**

5. include the proposals brought forward by the Policy Committees during January 2023 in the recommendations to Full Council.

87 Fees and Charges 2023/24

The Committee considered a report on the proposed schedule of Fees and Charges for 2023/24. The Head of Finance presented the report and explained that the proposals had been reviewed by the Income Management Sub-Committee on 1st February 2023 and were recommended for approval. The Sub-Committee had also considered associated reports on a Fee and Charge Exemption for Hackney Carriage and Private Hire Electric Vehicles for the period 2023/24 – 2025/26, draft Car Park Fees and Charges 2023/24 and Draft Freedom Leisure Fees & Charges 2023/24.

The Communities Committee had agreed the proposed Freedom Leisure Fees & Charges 2023/24 with the exception of the proposed Swim School Increases and Over 75 Annual Swim Pass fee, which the Committee recommended should be frozen.

Owing to commercial sensitivity the proposed Fees and Charges for Trade Waste, Building Control and some Licensing charges were classed as exempt items and were considered in the exempt part of the meeting.

The Sub-Committee agreed to recommend approval of the proposed fees and charges as set out in the report.

RESOLVED: That the Committee agree to recommend the Fees and Charges for 2023/24 to Full Council on 21st February 2023 for approval.

88 Referral Report from Communities Committee - Management of Freedom Leisure Contract 2023/24

The Committee considered a referral report from Communities Committee. The Corporate Director – Operations, Homes and Communities presented the report and explained that, at its meeting on 25th January 2023, the Communities Committee had considered a report on the Management of the Freedom Leisure Contract for 2023/24. The report set out a range of proposals associated with operating the contract during 2023/24. These were appended to the report.

The report highlighted that an operating deficit of around £315,000 is forecast in 2023/24.

The Communities Committee had approved £40,000 in annual cost reduction measures for implementation as of 1st April 2023 and had recommended this Committee to consider two recommendations which involved a capital allocation or increased expenditure in excess of £50,000.

During 2022 Freedom Leisure had commissioned a study into energy conservation proposals for each of the 3 Worcester sites. Further discussions were required before these schemes are progressed to full and detailed business cases, but it was considered prudent for the Council to invest in these capital improvements.

These measures were unlikely to deliver any savings during 2023/24. The Communities Committee had agreed to provide Freedom Leisure with financial support up to £315,000 in 2023/24 via an open book arrangement, so that the provision of leisure is safeguarded.

Committee Members proceeded to debate the recommendations from Communities Committee. Officers responded to questions. It was concluded that the recommendations should be supported.

RESOLVED: That the Committee agree to:

- 1. approve a capital allocation of £550,000 to undertake energy efficiency works as specified within the attached report, and included at Appendix 2;**
- 2. note that a further report setting out a full and detailed business case for the capital investment will be presented back to Communities Committee in June 2023; and**
- 3. approve up to £315,000 in financial support for 2023/24 to Freedom Leisure, which has been built into the draft budget for 2023/24.**

89 Quarter 3 Financial Monitoring Report 2022/23

The Committee reviewed the financial monitoring details including budget variances and performance indicators for the 3rd quarter ended 31st December 2022. The Head of Finance presented the report and highlighted the main points. He responded to questions from Committee Members.

In the ensuing discussion, a question was asked about take-up of BEIS Insulation Grants and how they are accessed. Officers will reply to this query in writing.

RESOLVED: That the Committee agree to:

- 1. note the report; and**
- 2. approve the write-offs of Council Tax and Business Rates for the quarter.**

90 Quarter 3 Performance Report for 2022/23

The Committee considered a report on the Quarter 3 performance for the Policy and Resources Committee. The Corporate Director – Finance and Resources presented the report and Officers responded the Members on detailed aspects of the report.

In the ensuing discussion, a request was made for future reports to contain some information in the commentary to explain what steps are proposed to get Red rated PIs back to Green. Officers agreed to take this point forward.

The Corporate Director stated that a report can be submitted to a future meeting on the transition to a new system for processing Revenues and Benefits and Council Tax Support claims.

RESOLVED: That the Committee note the Council's Quarter 3 performance for 2022/23.

There was an adjournment following consideration of this item.

91 Annual Survey 2022 Results

The Committee considered a report on the results of the Annual Survey 2022. The Corporate Director – Finance and Resources presented the report and highlighted the key trends. Officers responded to questions from Committee Members on detailed aspects of the report.

RESOLVED: That the Committee agree to note the results of the Annual Survey 2022.

92 Procurement of a New Premises Cleaning Contract

The Committee considered a report on a proposal for a new contract for Council-wide premises cleaning. The Head of Property and Asset Management presented the report and explained cleaning of the Council's main premises was currently provided by a mix of in-house and contracted resources. There was no corporate cleaning contract and this was unsatisfactory from a contractual, procurement and performance management point of view.

The preferred option was to procure a new cleaning contract for Council premises. The report set out the rationale for this proposal, under which Council employees would TUPE transfer to a new contractor. The annual cost of contracted out cleaning under this option was estimated to be £120,000-£130,000. Soft market testing suggested that bringing the service entirely in-house would have greater revenue implications.

Officers responded to questions from Committee Members. In the ensuing discussion, a request was made to include cleansing of public toilets as an option in the tender specification. Secondly, it was suggested that staff who TUPE transfer should be able to remain where they are working currently where possible, as they will have knowledge of their sites. Officers agreed to take on board both of these points.

Committee Members concluded that the proposal should be supported.

RESOLVED: That the Committee agree:

- 1. to undertake a procurement process for a new contract for Council-wide premises cleaning in the terms set out in this report; and**
- 2. to delegate authority to the Corporate Director - Finance and Resources and Corporate Director - Planning and Governance to award the contract on acceptable terms consistent with this report and to implement any consequential staff changes.**

93 Sale of Land at King Street Car Park

The Committee considered report on an approach from the owners of Benedictos Restaurant to buy a small area of land (approximately 104 square metres) at the car park adjoining the restaurant in order to build a 2-storey extension.

The Committee considered the implications, particularly in the context of loss of car parking spaces and balancing the extent to which the Council can be compensated for loss of income against the promotion of a private investment in the economy of the city centre.

The report recommended that the Committee agree to the sale, subject to provisionally agreed terms, which were summarised and set out more fully in the exempt part of the agenda.

Committee Members concluded that, on balance, it was acceptable to proceed with the sale on the terms outlined.

RESOLVED: That the Committee agree to the sale of 104 square metres of land comprising part of the King Street Car Park to facilitate a 2 storey extension of Benedictos Restaurant, subject to the grant of planning consent, on the terms provisionally agreed as set out in the accompanying report in Part 2 of the agenda.

94 Any Other Business

None.

95 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 items of business on the grounds that they involve the likely disclosure of information as defined in Schedule 12A of the said Act.

96 Sale of Land at King Street Car Park

The Committee noted the terms provisionally agreed for the sale of this land.

97 Referral Report from Communities Committee - Management of Freedom Leisure Contract 2023/24 (Exempt Appendices)

The Committee noted the findings of the Leisure Contract Options Appraisal undertaken by Sports & Leisure Consultancy and the outcome of the shadow bid.

98 Fees and Charges 2023/24 (Exempt Items)

The Committee considered the proposed Fees and Charges for Trade Waste, Building Control and some Licensing charges, which were classed as exempt owing to commercial sensitivity.

99 Review of Car Park Payment Machine Arrangements

The Committee reviewed the arrangements and considered next steps. It was agreed to approve the direct award of a contract to a new supplier.

Duration of the meeting: 7.00p.m. – 10.41p.m.

Chair at the meeting on
21st March 2023