

POLICY AND RESOURCES COMMITTEE

6th February 2024

Present: Councillor James Stanley in the Chair

Councillors Agar, Ali, Allcott, Bisset (Vice-Chair), Cockeram, Denham (Vice-Chair), Gregson, Hodgson, Jagger, Lewing, Norfolk and Round

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
Sian Stroud, Corporate Director – Planning and Governance**

81 Appointment of Substitutes

Councillor Ali for Councillor Riaz, Councillor Jagger for Councillor Allcott.

82 Declarations of Interest

The following declarations of interest were made:

Councillor Cockeram – Fees and Charges 2024/25 (Minute 89) – As an allotment holder

Councillor Round – Future High Street Fund Programme - Workstream Updates (Minute 92), Town Investment Plan, Community Skills Project (Minute 94) and 8 Angel Street, Worcester – Sale of Freehold (Minute 101) – As a family member is a former Council employee

Councillor Jagger - Future High Street Fund Programme - Workstream Updates (Minute 92) – Councillor Jagger stated that she was involved in the initial stages of the Scala/Corn Exchange project but had not been involved since

Councillor Lewing - Future High Street Fund Programme - Workstream Updates (Minute 92) – As Chair of Planning Committee. Councillor Lewing left the room for consideration of this item.

Councillor Agar - Future High Street Fund Programme - Workstream Updates (Minute 92) – As Vice-Chair of Planning Committee (Councillor Agar left the room for consideration of this item) and Fees and Charges 2024/25 (Minute 89) – As a member of the Joint Museums Committee and as a member of Worcester Rotary Club, which is actively involved with the Sons of Rest Building

Councillor Ali - Fees and Charges 2024/25 (Minute 89) – As a licensed taxi driver.

The Monitoring Officer advised that membership of the Planning Committee did not constitute a pecuniary interest in relation to the Future High Street Fund item and Councillors who are members of that Committee were not prevented from speaking and voting. It was a matter for those individual Councillors to decide whether to leave the room for the item.

83 Public Representations

Francis Lankester spoke on the desirability of the Council planning for and instituting a history and heritage trail to meet the requirements of the Tourism Strategy.

Karen O'Callaghan spoke about the proposed rises in allotment fees, which she believed were unfair, and asked why administration charges are so high to run the allotments.

The Chair thanked both speakers and advised them that Officers will provide a written response.

84 Minutes

In response to a question about progress with the grant of a lease for Tudor House, the Corporate Director – Planning and Governance advised Members that a briefing note will be circulated to Group Leaders once external legal advice has been received.

RESOLVED: That the minutes of the meeting held on 19th December 2023 be approved as a correct record and signed by the Chair.

85 Minutes of Income Management Sub-Committee

RESOLVED: That the Committee note the minutes of the meeting held on 24th January 2024.

86 Quarter 3 Performance Report for 2023/24

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.

RESOLVED: That the Committee note the Council's quarter 3 performance for 2023/24.

87 Quarter 3 Financial Monitoring Report 2023/24

The Committee considered a report on the financial monitoring details including budget variances and performance indicators for the 3rd quarter ended 31st December 2023. The Head of Finance presented the report and highlighted the main points, including the proposed budget write-offs. He responded to questions from Committee Members.

RESOLVED: That the Committee agree to:

- 1. note the financial monitoring details including budget variances and performance indicators for the 3rd quarter ended 31st December 2023; and**
- 2. approve the write-offs of Council Tax and Business Rates for the quarter.**

88 Annual Survey Results 2023

The Committee considered a report on the results of the Annual Survey 2023. 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.

In response to a question about Accessible Worcester, Members were advised that a year-end report on the Council's Equality, Diversity and Inclusion Strategy will be presented to the March meeting of the Committee and will include reference to Accessible Worcester.

RESOLVED: That the Committee agree to note the results of the Annual Survey 2023.

89 Fees and Charges 2024/25

The Committee considered a report on the review of Fees and Charges for 2024/25. The Head of Finance presented the report and explained that the proposals had been reviewed by the Income Management Sub-Committee at its meeting on 24th January 2024. The proposals were agreed by the Sub-Committee for recommendation to Full Council for approval, subject to one amendment regarding concessions for allotments, as follows:

Fees and Charges in respect of Allotments - The wording "ii. Or Advance 25% concession given to tenants if they fulfil one of the following criteria:" be amended to "ii. Or Advance 33% concession given to tenants if they fulfil one of the following criteria:"

The Sub-Committee also agreed to request Officers to review the criteria for the Advance concession and report back to a future meeting.

The Head of Finance added that the reference in the report to Trade Waste fees being still under review was incorrect and should be deleted.

In the ensuing discussion, the following main points were raised:

- In response to a question about High Hedge Complaints Fee Concessions, the Head of Finance advised that this is referenced in two separate sections of the report, and Officers will ensure the figure is consistent when the report is presented to Council.
- Reference was made to fees for renting rooms at the Gheluvelt Park Sons of Rest Building and the view was expressed that £30 for a small space is deterring bookings. Members were advised that both this issue and hirings at

Cripplegate Park Sons of Rest can be reviewed by Officers and a report presented to Income Management Sub-Committee.

- Charges under the Energy Efficiency Regulations are most probably set nationally. Officers will check this point and confirm.
- Commercial charges for hiring city centre spaces was highlighted as this has gone down. Officers will provide a written response to this query.

Upon being put to the vote, the Committee agreed to recommend the Council to approve the proposed Fees and Charges, as amended by the Income Management Sub-Committee.

RESOLVED: That the Committee agree to recommend the report of the review of Fees and Charges for 2024/25 from the Income Management Sub-Committee to Full Council for approval on 20th February 2024.

90 Draft Budget 2024/25 and Draft Medium-Term Financial Plan 2024/25 to 2028/29 - Consultation With Policy Committees

The Committee considered a report on proposed amendments from the policy committees to the draft budget for the Council for the financial year 2024/25 and Medium-Term Financial Plan 2024/25 to 2028/29. The Corporate Director – Finance and Resources presented the report and explained that the proposed amendments were as follows:

Committee Proposal	Requested Allocation £	Proposed Source	Total £
Environment			
Gull mitigation	4,700	Risk reserve	
Ash die-back	65,000	Risk Reserve	69,700
Communities			
Youth play provision	10,000	Risk Reserve	10,000
Policy & Resources			
Member Ward community support funds	35,000	Risk Reserve	35,000
Total			114,700

Accepting all of the above proposals would reduce the balance on the reserves fund to £1,334,379.

The Corporate Director responded to questions from Committee Members.

Councillor Murray spoke on this item with the consent of the Chair and she encouraged the Committee to support the proposal to allocate £65,000 to procure specialist services to explore options for addressing the problem of ash die-back.

Committee Members expressed support for the proposed amendments.

RESOLVED: That the Committee agree the proposed amendments to the draft budget for the Council for the financial year 2024/25 and Medium-Term Financial Plan 2024/25 to 2028/29, as set out above, and recommend to Council that the items be included.

91 Proposed Budget 2024/25 and Medium-Term Financial Plan 2024/25 - 2028/29

The Committee considered a report on the proposed Budget and Council Tax for 2024/25 and the proposed Medium Term Financial Plan (MTFP) for the next five year period 2024/25 – 2028/29. 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 in December 2023, and the report explained the rationale for these revisions.

The overall impact of these changes and the provisional Local Government Finance Settlement, which was published on 18 December 2023, together with all other relevant matters, was to produce an expected budget deficit of £0.452m, to be funded by a transfer from reserves. Proposals from the policy committees with ongoing revenue impact would need to be included in the figures to be presented to Council at its meeting of 20 February 2024.

The draft MTFP as presented suggested that further efficiencies and/or income growth will be needed to achieve a balanced budget in future years.

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.

Upon being put to the vote, a majority of Committee Members expressed support for the budget proposals, as recommended.

RESOLVED: That the Committee agree to:

- 1. endorse the proposed Budget and Council Tax for 2024/25 and the proposed Medium Term Financial Plan for the next five year period 2024/25 – 2028/29, and recommends them to Full Council on 20 February 2024 including the following resolutions:**
 - a. That the Budget Requirement for Worcester City Council (excluding Parish Precepts) 2024/25 be set at £12.681m;**
 - b. That the Council Tax Requirement for Worcester City Council (excluding Parish Precepts) 2024/25 be set at £7.032m; and**
 - c. That the Band D Council Tax for Worcester City Council (excluding Parish Precepts) be set at £213.08;**
- 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 2024/25 will be 33,002.0 for Worcester City Council, including 3,977.2 for Warndon Parish Council and 2,178.9 for St Peter’s Parish Council;**

3. **approve the Treasury Management Strategy at Appendix 4 including the MRP policy statement and the prudential indicators set out in the Strategy;**
4. **approve the transfer of £0.452m from the risk reserve as detailed elsewhere in the report, to the 2024/25 revenue budget to achieve a balanced budget; and**
5. **agree the proposals brought forward by the policy committees during January 2024 and the Income Management Sub-Committee of 24 January 2024 and to include any changes approved in the recommendations to Full Council.**

There was an adjournment following consideration of this item.

92 Future High Street Fund Programme - Workstream Updates

The Committee considered a report on progress to date on the four remaining strands of the Future High Street Fund (FHSF) project. The Managing Director presented the report and explained that the Committee's approval was now being sought to progress to next stages as appropriate.

The main aspects covered in the report were in summary as follows:

Scala and Corn Exchange

The designs have been updated and the preferred configuration provides 3 smaller spaces with the connected Corn Exchange providing food and beverage, full kitchen and an additional performance area. The existing public lavatories are excluded from the new proposals.

On completion of the planning application submission and RIBA Stage 3 drawings, it was proposed that the design team be commissioned to progress to RIBA Stage 4 (technical design). When the design and cost assessment work is complete, and subject to the outcome of the planning application, a Committee decision will be required to let the construction contract.

The Council now has the opportunity to sign a pre-construction service agreement (PCSA) with Speller Metcalfe to undertake specified services and works to the buildings in advance of the full construction package. A further report will be presented to the Committee to seek approval for the appointment of Speller Metcalfe as main works contractor.

The formation of a "Creative Consortium" was explained to the Committee at the meeting in November 2023. The proposed operating model has been developed through engagement with the Consortium and a Memorandum of Understanding has been agreed. This piece of work does not constitute capital spend and must be met from the Council's revenues. The proposed enabling budget is £80,000 and it was proposed that this be drawn from Council's Masterplan.

Public Realm

The programme of works is currently expected to be completed June 2024. The cost for the final phase is currently being prepared and therefore still to be agreed

with the County Council contractors. Any cost deficit or underspend that impacts on the overall programme budget will be referred to this Committee.

Property Enhancement Scheme

A total of 14 grants have been awarded with a further award pending, prior to the scheme closing in the summer of 2024.

Angel Place

In light of the new planning application, the Council is looking to advance work undertaken on Angel Place and develop a proposal that supports the new arts venue and develops key design principles.

8 Angel Street

Following the Committee's decision in October 2023 to approve the marketing of 8 Angel Street, 4 offers were received for the freehold. A summary of the offers was set out in the confidential Appendix to the report along with a recommendation to accept the preferred offer.

In conclusion, the Committee were recommended to consider the following:

- To progress to RIBA Stage 4 design work for the Scala and Corn Exchange.
- To continue to engage with the Creative Consortium on the basis of an extended Memorandum of Understanding in the development of a preferred operating model for the arts centre and agreement of preferred operators.
- To accept the preferred offer for 8 Angel Place.

Officers responded to questions and comments from Committee Members. In the ensuing discussion, the following main points were made:

- In response to a question about the operational model for Arts Centre, the Managing Director advised that the business plan will be brought to Members before the construction contract is let.
- Work is still to be done on the developing a proposed governance model and some expert advice will be sought. More information can be shared via the Major Programmes Member Reference Group as this piece of work progresses.
- The proposed business plan will be published in June or July, but drafts can be shared with Members before then.
- A design scheme for Angel Place will be brought to Members in due course.

Upon being put to the vote, a majority of Committee Members expressed support for the recommendations set out in the report.

RESOLVED: That the Committee agree to:

- 1. approve the commission of technical design works (RIBA Stage 4) for the new arts centre;**

2. **approve the Council signing a Pre-construction Service Agreement (PCSA) with the preferred contractor up to a maximum budget of £100,000 for enabling works to be undertaken in advance of any decision to award the full construction contract for the Scala & Corn Exchange;**
3. **note ongoing discussions to develop a preferred operating model for the arts centre and approves an extension of the Memorandum of Understanding with the consortium partners to 31 August 2024, and agree to transfer £80,000 from the Masterplan reserve to form an enabling budget for this work; and**
4. **note the outcome of the marketing exercise for the disposal of 8 Angel Street and agrees to accept the preferred offer identified in the confidential appendix to this report.**

93 Savings Plan - St Martins Gate Multi Storey Car Park - LED Lighting Retrofit

The Committee considered a report on a proposal to replace the lighting on the top 3 floors of St. Martin's Gate car park with new LED fittings, which will be motion sensor activated. The Head of Property Services presented the report and explained that this will significantly reduce electricity consumption and will also reduce ongoing maintenance, as the existing fittings have been prone to failure.

On the basis of competitive quotations received, the cost of this project would be £55,000 including a contingency. The simple payback excluding the cost of borrowing was therefore 4 years 6 months.

Committee Members expressed support for the proposal.

RESOLVED: That the Committee agree to:

1. **approve the business case for replacement LED lighting with motion sensors for St Martins Gate Car Park; and**
2. **recommend to Council that the Capital Programme is adjusted to include £55k funding for this project.**

94 Town Investment Plan, Community Skills Project

The Committee considered a report on Community Skills and Enterprise Project and proposed amendments to the scope of the construction works in the original business plan. The Corporate Director – Finance and Resources presented the report and explained that the construction works design had now reached the detailed pre-works stage (RIBA stage 4). Two significant amendments were proposed to ensure that the project remains within budget whilst also delivering the intended outcomes as described within the business case. The proposed amendments were in respect of Ronkswood and Horizon, where small extensions to provide additional space were originally proposed.

An alternative approach had been developed, focusing on enhancing the existing facilities rather than building extensions, without significantly reducing the increase in capacity originally planned. The proposals supported delivery of the business case within budget, whilst achieving and exceeding the original objectives.

The scope of works had been presented to and supported by the Worcester Town Deal Board at its meeting on 11 January 2024.

Officers responded to questions and comments from Committee Members. In the ensuing discussion, the following main points were raised:

- Some Members asked who will be contracted to provide the training? It was explained that Worcester Community Trust (WCT) is able to attract funding for delivery and then identifies potential training partners. The Council is in the process of renewing its over-arching agreement with WCT, and they will be responsible for ensuring that all contractual obligations are met.
- Officers will check and clarify what consultation has taken place to date about the work to the community centres within those Wards and the training activities to be provided at those venues. A written response can be provided.
- Reference was made to the report which was presented to the January meeting of the Place and Economic Development Committee regarding the UKSPF allocation for People and Skills priorities, as this provides more information on the procurement of delivery partners.
- Several questions were raised about how the training will be delivered at St. Peters Village Hall and the potential transfer of the asset away from the Village Hall Association to the Parish Council. The Managing Director stated that a written response can be provided.

In conclusion, it was emphasised that this report focusses on the capital element and a progress report can be given at the next meeting on the community skills project as a whole, taking into account the points raised in the debate.

Upon being put to the vote, a majority of Committee Members expressed support for the recommendations set out in the report.

RESOLVED: That the Committee agree to:

- 1. approve the revised scope of works as detailed within this report and delegates authority to the Corporate Director – Finance and Resources to procure the construction contracts to deliver the capital works within the terms of the Town Fund Grant; and**
- 2. delegate authority to enter into any necessary leases and agreements to support delivery of the proposed training programmes to the Corporate Director – Finance and Resources and Corporate Director – Operations, Homes and Communities, in consultation with the Chair and Vice Chairs of this Committee.**

95 Council Tax - Second Homes Premium

The Committee considered a report on new discretionary powers that allow billing authorities to introduce a council tax premium of up to 100% in respect of dwellings occupied periodically, which are generally called 'second homes.' The Corporate Director – Finance and Resources presented the report and explained that the Levelling-Up and Regeneration Act 2023 introduced these new powers. For a premium to apply to second homes, a billing authority had to make its first determination at least one year before the beginning of the financial year to which the premium relates. Therefore, the earliest date at which a premium could take effect would be 1 April 2025.

The potential additional income in Council Tax, based on 2023/24 data, was £702,400, which would be shared between the precepting authorities.

There is provision to consider individual requests for exemptions.

Committee Members expressed support for the proposal.

RESOLVED: That the Committee agree:

- 1. to recommend to Full Council that from 1 April 2025 properties classed as second homes be charged a Council Tax premium equivalent to 100% of the Council Tax; and**
- 2. that the Corporate Director - Finance and Resources be authorised to agree individual exemptions based on government guidance.**

96 Appointment of Head of Worcestershire Internal Audit Shared Service (WIASS)

The Committee considered a report on appointment to the post of Head of Worcestershire Internal Audit Shared Service and the Council's Chief Internal Auditor. The Corporate Director – Finance and Resources presented the report and explained that, under the Council's Constitution, appointments of Heads of Service are the responsibility of the Head of Paid Service, subject to agreement by Members of the Personnel and General Purposes Sub-Committee. The previous postholder resigned in August 2023 and an interim management arrangement was established. A recruitment process was commenced and the interview panel, which was chaired by the Chair of this Committee, unanimously agreed that Chris Green was the most suitable candidate.

In order to facilitate an offer of employment, the proposed appointment was agreed with all Group Leaders on 3 November 2023, pending a report to the Personnel and General Purposes Sub-Committee in December. However, that meeting was cancelled and therefore, to enable the appointment to be agreed on a timely basis within the candidate's three-month notice period, the report was being presented to this Committee in lieu of the next Sub-Committee meeting.

RESOLVED: That the Committee approve the appointment of Chris Green ICAS to the post of Head of WIASS and as the Council's Chief Internal Auditor.

97 Appointments to Outside Bodies

The Committee considered a report on nominations made by the Green Group Leader to vacant positions on two bodies. The nominations were Councillor Pingree (to Hallow United Charities) and Councillor Collier (to the Hopmarket Charity). There were no other nominations.

RESOLVED: That the Committee agree the following appointments:

**Hallow United Charities - Councillor Pingree – to 30 June 2025
Hopmarket Charity - Councillor Collier - to May 2024.**

98 Any Other Business

None.

99 Items Involving the Disclosure of Exempt Information

The subsequent items all related to matters which had been considered and agreed earlier in the meeting. In the circumstances the Chair advised the Committee that it was not necessary to pass the appropriate resolution to exclude the press and public and the items were for noting only.

100 Fees and Charges 2024/25

This report related to the proposed fees and charges for Building Control and some Licensing charges, which are classed as exempt items as they are commercially sensitive. The report and recommendations had been considered under item 89.

(Exempt – not for publication because the items contain information relating to the financial or business affairs of any particular person including the authority holding that information - Paragraph 3)

101 8 Angel Street, Worcester - Sale of Freehold

This report was a confidential appendix which supported the public report on the agenda (item 92) and contained details the offers received for the property and the recommendation to accept an offer submitted.

(Exempt – not for publication because the items contain information relating to the financial or business affairs of any particular person including the authority holding that information - Paragraph 3)

102 Appointment of Head of Worcestershire Internal Audit Shared Service (WIASS)

This report was a confidential Appendix to item 96, setting out the relevant experience of the preferred candidate.

(Exempt – not for publication because the items contain information relating to an individual – Paragraph 1)

Duration of the meeting: 7.00p.m. – 9.51p.m.

Chair at the meeting on
19th March 2024