FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Thursday, 2nd July, 2026
Time of Commencement: 7.00 pm

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Present:	Councillor Paul Wood (Chair)		
Councillors:	Walton Harrison	Holland Lefroy	Machin SainReiners
Apologies:	Councillor(s) S Tagg		
Officers:	Craig Turner Georgina Evans-Stadward	Service Director - Finance / S151 Officer Service Director - Strategy, People and Performance	

1. **APOLOGIES**

Apologies were received as listed above.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF A PREVIOUS MEETING**

Resolved: That the minutes of the meeting held on 26th March 2026 be agreed as a true and accurate record.

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4. **FINANCIAL AND PERFORMANCE REVIEW REPORT - FOURTH QUARTER 2025/26**

The Service Director for Finance / S151 Officer and the Service Director for Strategy, People and Performance introduced the Financial and Corporate Performance review reports for the fourth quarter of 2025-26.

On Walleys Quarry

Cllr Whieldon pointed out a typing error on page 3 of the report – “dour” instead “odour”.

Cllr Holland commented on the outrageous ways the site had been run and the Environment Agency failed to regulate it properly over a long number of years, welcoming the report and the work undertaken by the Council.

On staff sickness absences

Cllr Walton enquired about the effects of staff absenteeism on the team and cost implications when contractors were to take over their work.

The Service Director for Strategy, People and Performance responded that lots of progress had been made over the past few years and the Council was now on a positive trend in reducing the number of days lost with an absence management process followed consistently across the organisation. Long term absences were bringing the figures up for musculoskeletal conditions and mental health issues for which employees could now get support within the Council's premises. Contractors were not routinely brought in to backfill absentee colleagues however when called upon agency costs were indeed incurred.

On the Performance report overall

Cllr Whieldon said that the KPI indicators suggested that the Council should be held up as an exemplar for other authorities.

On the Pension Fund

Cllr Lefroy commented on the County Council pension fund currently in surplus and asked if any major fluctuations between surplus and deficits had been recorded in the previous years given the impacts on Council finances.

The Service Director for Finance / S151 Officer said that the Pension Fund was in surplus at the previous tri-annual review but was in deficit prior to that. A massive downturn in the economy would be required for the Fund to go back to a deficit position and the 2026-27 pensions contributions had been reduced to take into account the savings.

Cllr Lefroy said that experiences from the 90's showed that these things could rapidly change with, for example, a crash in the stock market, and asked if the three years reduction plan was flexible in the event such situation happened.

The Service Director for Finance / S151 Officer advised that the strategy in place did not allow the reductions to exceed 1% per year and remained discretionary for the Council.

The Chair referred to the £52.838m surplus at the tri-annual review which indicated that the funds exceeded liabilities. He asked if the surplus was structural – driven by long term growth and prudent assumptions or cyclical, benefiting from temporary market gains. If it was the latter, was the Council prepared to reverse course if necessary at the next valuation and also, how was the surplus being used.

The Service Director for Finance / S151 Officer stated that the surplus had enabled the Council to have reduced contributions and produced a £744,000 per year saving. The surplus, reflects both future assumptions and its current performance. The Council's Actuary performed 555 different scenarios when calculating the surplus and had still arrived at a surplus position which would remain as is for the next three years prior to the next re-evaluation taking place.

The Chair, referring to financial stability, asked if the Council was financially sustainable over the next three years.

The Service Director for Finance / S151 Officer confirmed that that was the case. The accounts were audited each year by external auditors KPMG to ensure that the Council's finances and accounts presented a true and fair view. The Council's financial sustainability was also reviewed as was the provision of value for money services. A positive response had been received from KPMG on all of their strands of work for 2024/25. The audit of the accounts for 2025/26, which were published this week, would commence shortly.

The Service Director for Finance / S151 Officer stated that, in his view, the real key indicator of the Council's financial sustainability was in the Medium Term Financial Strategy (MTFS). The Council was required to set a balanced budget each year and the MTFS highlighted financial pressures that would occur over the next few years such as inflation, pay awards and government funding. The MTFS, approved in February, gave a fairly balanced position over the next three years and a balanced position for the current year. The MTFS was refreshed continually and at the September meeting of this Committee it would be refreshed to include revised assumptions around inflation and pay awards and would include items that the new Administration were highlighting as priorities and potential savings.

The Chair asked what the biggest risks were to the Council's financial position.

The Service Director for Finance / S151 Officer stated that in terms of the Revenue Budget, it would be costs associated with Local Government Reorganisation as those were not known at this time. There was £400,000 set aside at the moment and it was hoped that that would be sufficient up to March, 2027. Other risks included loss of income, bad debts, inflation, increasing interest rates on borrowing and staff sickness levels. There was a reserve of £2.225m which was entirely risk based.

Councillor Whieldon stated that, although things could be budgeted for things, there were always changes and demands that could come along and offset them.

Councillor Walton asked how much had already been spent on Local Government Reorganisation.

The Service Director for Finance / S151 Officer stated that aside from the business case (£170,000) it had been quite minimal to date with the £400,000 grant pretty much intact. There had been an apprentice in one section to help support data collection and review around performance and a slight increase in hours within the Human Resources team.

<u>On Jubilee 2 membership</u>

Cllr Machin asked if the Jubilee 2 membership rates and incomes had started to recover as expected following the reopening of the pool.

The Service Director for Finance / S151 Officer confirmed that was the case, adding the memberships had been frozen and not cancelled during the works. Now that the pool was operational again the income was almost back to normal and only marginally down.

<u>On Planning Income</u>

Cllr Machin stated that the planning application income had been higher than expected last year and asked if that was mainly down to a few large developments or a general increase in planning activity.

The Service Director for Finance / S151 Officer stated that there had been a few major applications. Planning income was quite cyclical and last year had been a good year. The budget was set on an average over the past six years.

On Waste Services

Councillor Harrison referred to the forecasted £270,000 overspend and that the recycling rates had missed their targets due to seasonal garden waste topics. He asked if there were any specific actions that could be taken to reduce costs and pull back the overspend.

The Service Director for Finance / S151 Officer stated that as a frontline service, if a staff member was to call in sick they would need to be replaced with agency staff. A lot of work had gone into sickness levels with better absence management in that service and agency spend was reducing. Waste did have some money set aside from a government grant that could help to cover the shortfalls. The grant was to be used to improve the service and re-examine routes. It was anticipated that the forecast overspend should come down this year.

On J2 Roof Repairs

Councillor Walton state that he had seen a figure of £326,000 for the repair and asked if that was part of a latent defect fund and who would be paying for the repairs.

The Service Director for Finance / S151 Officer stated that the Council had paid. The roof was now outside of its warranty period and the building itself differed from others with humidity from the water would bring on rust and rot a lot quicker than other buildings.

Councillor Walton stated that he had seen that the materials used for the building had been sub-standard and was therefore classed as a defect. They would then have gone into a latent defect period. He stated that an expected life cycle for a roof would be more than 15 years – which was the age of this building. Was there a legal route that could be followed.

The Service Director for Finance / S151 Officer stated that prior to the works being undertaken, every option was pursued in terms of recovering money from the contractors but, following legal advice the bill fell onto the Council to fund.

Councillor Lefroy wondered if there were any lessons to be learned from building contracts which were currently ongoing or taking place in the future in terms of longtail liabilities. Had any work been done to assess them.

The Service Director for Finance / S151 Officer stated that J2 was a bit isolated given the use of the building. Other contracts did not have many problems but the information would be there when looking into future building contracts.

Councillor Lefroy stated that the lessons needed to be incorporated into institutional memory.

Councillor Whieldon stated that when comparing J2 it should be compared to other swimming pool buildings rather than other buildings. In addition to water there were chemicals and chlorine to take into consideration.

Councillor Machin stated that there used to be a sauna and steam room in there but they were removed due to the issues that they were causing.

On Car Parking

Councillor Harrison stated that car parking had become increasingly more expensive in the town. He asked if there was any evidence that those increases were discouraging people from coming into the town and would the regeneration that was currently underway help to recover footfall.

The Service Director for Finance / S151 Officer stated that all hourly rates were frozen as part of the budget setting for 2026/27. Parking income was continuing to recover, with the figures for the first quarter of this year being better than the same period last year. The regeneration project would bring in excess of 300 new properties in and around the town centre whose occupants would bring a real boost to the town centre economy.

On Budget Management

The Chair asked if there were any services that were currently at risk of overspending.

The Service Director for Finance / S151 Officer stated that there was some risk within every budget, as had been mentioned previously, such as sickness or agency workers. Budget setting was done rigorously, by looking at what had been spent previously in services and different cost centres. There were Finance Procedure Rules that budget holders had to follow. Very little overspending of budgets took place but the main area in the last couple of years had been the under recovery on the income side but a lot of work had been done with the MTFS to align the income budgets much more with the levels of income being received.

On Capital and Assets

The Chair asked if the Council's capital projects were on time and on budget.

The Service Director for Finance / S151 Officer stated that they were. Last year the Council budgeted for just over £30m of capital expenditure and the spend was £8m below that. There was some delay around the Town Deals funding which had moved forward into this year.

In terms of the three major regeneration projects, they could be a little underspent. York Place was expected to be completed in December/January which was ahead of schedule. The work that Capital & Centric had done in partnership with the Council and it contractors had driven things along.

The Chair asked if there were any assets that were underused, of poor value or no longer aligned with the Council's priorities.

The Service Director for Finance / S151 Officer stated that the Council had an Asset Management Strategy which aimed to reduce operational expenditure of assets and increase commercial property income. The Council had180 properties ranging from crematorium to sports centres and commercial industrial units. Approximately £1m if income per year was generated and under the new Administration's instruction, the Council had recently undertaken an exercise to identify which commercial properties may not be performing as well as expected. The properties would be reviewed by the Capital Review Group where it would be determined to either to be kept as they were, invest in them or sell them.

<u>On Town Ranger</u>

Councillor Harrison had recently done a community clear up in Cross Heath and the Council's Town Ranger disposed of everything. A large amount of rubbish was cleared with the help of a gentleman who turned up with strimmers, hedge cutters and a leaf blower whereas the Town Ranger had very little equipment. Councillor Harrison asked if there was a reason why he was not provided with more equipment and if so, what could be done to correct it.

The Service Director for Finance / S151 Officer congratulated Councillor Harrison on the clean up. There was a Capital Programme and requests for funding came for plants, equipment and machinery. The Streetscene team were fairly well resourced in terms of equipment. If there were things that could be done differently or better equipment, the Service Director and the Business Manager for Streetscene to bring them forward to the Capital Programme Review Group.

Councillor Harrison asked if the Town Ranger was part of the Streetscene team and if not, could the two teams be brought together to see what resources that had between them and possibly sharing.

The Service Director for Strategy, People and Performance stated that it could be looked into but the teams were really well resources and it may just have been that the person was brought in to help with a 'litter' clean up and therefore would not require heavy machinery.

Councillor Harrison stated that the work had taken place on an unadopted path. The community wanted to tidy up the area but don't have the equipment and the Council were not responsible for that area so how could the Council help people to help themselves.

The Service Director for Finance / S151 Officer suggested that the MMF team and Streetscene team speak with Councillor Harrison to see how that could be achieved.

Councillor Sain-Reiners asked if it was a coordination issue with Streetscene. Councillor Harrison had touched on the issue of Streetscene and volunteers not coordinating together.

The Service Director for Strategy, People and Performance stated that, without knowing the detail of a situation, she could not really comment but Streetscene had their rounds to do and may not have had capacity.

Resolved: That the contents of the report and appendices be noted and that the Council's service and financial performance for this period continue to be monitored and challenged.

Watch the debate here

5. **WORK PROGRAMME**

Consideration was given to the Work Programme for the Committee. The Chair wished to add the following items:

- A review of Council Reserves, earmarked funds and risk exposure to ensure that the Council was financially resilient but not holding money unnecessarily when residents were under pressure.

- A review of procurement and contract management looking at whether major contracts were delivering value for money and whether performance monitoring was robust enough.

- A review of the costs associated with Net Zero, climate related spending and associated policies so that Members could clearly see what had been spent, what was committed and where savings could be made.

Councillor Holland stated that the Commercial Strategy would be considered at the September meeting and asked if it would be appropriate, within that report, to discuss how the Council was increasing or hoping to increase Bereavement Services income, including the introduction of the Pet Crematorium. If it was not appropriate, could a standalone report on Bereavement Services be considered by this Committee.

Councillor Lefroy asked if later in the year, there could be a review of costs of LGR. In addition to this, Councillor Whieldon stated that she would like to see where the risk management comparisons were and where the cost benefit analysis had come from for the last two years.

The Service Director for Finance / S151 Officer stated that Bereavement Services would be brought as part of the Commercial Strategy.

Regarding the Chair's proposals, each of those would be included as part of the budget setting process.

Councillor Holland requested a report on the Asset Management Strategy, given the changes that the new Administration would be bringing to it. The Service Director for Finance / S151 Officer stated that that should also come as part of the budget setting process.

Resolved: That the work Programme be noted and the additions be received.

Watch the debate here

6. **PUBLIC QUESTION TIME**

There were no public questions.

7. **URGENT BUSINESS**

There was no urgent business.

8. **DATE OF NEXT MEETING**

The next meeting would be held on 17th September, 2026.

Councillor Paul Wood

Chair

Meeting concluded at 7.58 pm