

Open

Cabinet

Agenda

**6 pm
Tuesday, 21st February 2012
The Earl Baldwin Suite
Duke House
Clensmore Street
Kidderminster**



Wyre Forest District Council



Cabinet

The Cabinet Members and their responsibilities:-

Councillor J-P Campion	Leader of the Council
Councillor M J Hart	Deputy Leader, Environmental Services
Councillor N J Desmond	Resources and Transformation
Councillor T L Onslow	Community Well-Being
Councillor J Phillips	Place-Shaping

Scrutiny of Decisions of the Cabinet

The Council has one Scrutiny Committee that has power to investigate policy issues and question members of the Cabinet who have special responsibility for a particular area of the Council's activities. The Cabinet also considers recommendations from this Committee.

In accordance with Section 10 of the Council's Constitution, Overview and Scrutiny Procedure Rules, and Standing Order 2.4 of Section 7, any item on this agenda may be scrutinised by the Scrutiny Committee if it is "called in" by the Chairman or Vice-Chairman of the Overview & Scrutiny Committee and any other three non-Cabinet members.

The deadline for "calling in" Cabinet decisions is Friday 2nd March 2012.

Councillors wishing to "call in" a decision on this agenda should contact Sue Saunders, Committee/Scrutiny Officer, Civic Centre, Stourport-on-Severn. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

Urgent Key Decisions

If the Cabinet needs to take an urgent key decision, the consent of the Scrutiny Committee Chairman must be obtained. If the Scrutiny Committee Chairman is unable to act the Chairman of the Council or in his/her absence the Vice-Chairman of the Council, must give consent. Such decisions will not be the subject to the call in procedure.

Declarations of Interest - Guidance Note

Code of Conduct

Members are reminded that under the Code of Conduct it is the responsibility of individual Members to declare any personal or personal and prejudicial interest in any item on this agenda. A Member who declares a personal interest may take part in the meeting and vote, unless the interest is also prejudicial. If the interest is prejudicial, as defined in the Code, the Member must leave the room. However, Members with a prejudicial interest can still participate if a prescribed exception applies or a dispensation has been granted.

Section 106 of the Local Government Finance Act 1992

If any Member is two months or more in arrears with a Council Tax payment, they may not vote on any matter which might affect the calculation of the Council Tax, any limitation of it, its administration or related penalties or enforcement.

For further information: -

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Sue Saunders, Committee/Scrutiny Officer, Civic Centre, Stourport-on-Severn. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

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Wyre Forest District Council

Cabinet

Tuesday, 21st February 2012

The Earl Baldwin Suite, Duke House, Clensmore Street, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Declarations of Interest In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any personal or personal and prejudicial interests in the following agenda items. Members should indicate the action they will be taking when the item is considered. Members are also invited to make any declaration in relation to Section 106 of the Local Government Finance Act 1992. (See guidance note on cover.)	
3.	Minutes To confirm as a correct record the Minutes of the meeting held on the 31st January 2012.	6
4.	CALL INS a verbal update will be given on any decisions which have been “called in” since the last meeting of the Cabinet.	
5.	Items Requiring Urgent Attention To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
6.	Public Participation In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 9 am on Friday 10 th February 2012. (See front cover for contact details).	
7.	Leader of the Council	
7.1	Leader's Announcements	

8. Securing the Economic Prosperity of the District		
8.1	South Kidderminster Enterprise Park, Local Development Order Consultation Document To consider a report from the Director of Planning & Regulatory Services which seeks approval for consultation on a Local Development Order for the South Kidderminster Enterprise Park area and to consider the recommendations from the Overview & Scrutiny Committee on 9 th February 2012.	11

9. Improving Community Well-Being		
9.1	Green Street Conservation Area Designation, Character Appraisal and Management Plan To consider a report from the Director of Planning & Regulatory Services which recommends to Council proposals to designate a new Conservation Area in Green Street, Kidderminster and to consider the recommendations from the Overview & Scrutiny Committee on 9 th February 2012. <i>Please note that appendices 3 & 4 have been circulated electronically and a public inspection copy is available on request.</i>	33

10. Delivering Together, With Less		
10.1	Financial Strategy 2012-2015 To consider a report from the Director of Resources and for Cabinet to formulate recommendations to Council. Also to consider the recommendations from the Overview & Scrutiny Committee on 9 th February 2012.	43
10.2	Budget Monitoring Third Quarter 2011/12 To consider a report from the Director of Resources that outlines the monitoring of the Revenue Budget and Capital Programme in accordance with the Local Government Act 2003. <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>	79
10.3	Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Policy and Strategy Statement for the period 1st April 2012 to 31st March 2013 To consider a report from the Director of Resources which recommends to Council the approval of the restated Prudential Indicators and Limits for the financial years 2012/13 to 2014/15, the updated Treasury Management and Investment Policy and Strategy Statements for the period 1 st April 2012 to 31 st March 2013, the Minimum Revenue Provision (MRP) Statement that sets out the Council's policy on MRP and the Authorised Limit Prudential Indicator. Also, to consider the recommendations from the Overview & Scrutiny Committee on 9 th February 2012.	84

11.	<i>Recommendations from Committees</i>	
11.1	Overview & Scrutiny Committee 8th & 9th February 2012	
	a. Future Arrangements for the Management of Sports and Leisure Centres (To follow)	-
	b. Review of the Grants to Voluntary Bodies	121
	c. Public Sector Equality Duty Objectives	124
	d. Wyre Forest District Local Development Framework (LDF): Revised Project Plan (Local Development Scheme)	125

12.	To consider any other business, details of which have been communicated to the Director of Legal and Corporate Services before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
13.	Exclusion of the Press and Public To consider passing the following resolution: “That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.	

Part 2

Not open to the Press and Public

14.	<i>Delivering Together, With Less</i>	
14.1	National Non-Domestic Rates Write Off Of Amounts Outstanding	
	To consider a report from the Director of Resources which asks for a sum of money to be written off.	126
15.	To consider any other business, details of which have been communicated to the Director of Legal and Corporate Services before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	

WYRE FOREST DISTRICT COUNCIL

CABINET

CIVIC HALL, NEW STREET, STOURPORT-ON-SEVERN

31ST JANUARY 2012 (6.00 PM)

Present:

Councillors: J-P Campion, N J Desmond, T L Onslow and J Phillips.

Observers:

Councillors: G W Ballinger, H E Dyke, I Hardiman, C D Nicholls, F M Oborski, J W Parish, M A Salter, J A Shaw, D Sheppard and N J Thomas.

CAB.82 Apologies for Absence

Apologies for absence were received from Councillor M J Hart.

CAB.83 Declarations of Interest

Councillor N J Desmond declared a prejudicial interest in agenda item no. 10.1 as he was a former board member of the Oldington & Foley Park Network.

CAB.84 Minutes

Decision: The minutes of the Cabinet meeting held on 20th December 2011 be confirmed as a correct record and signed by the Chairman.

CAB.85 Call Ins

No decisions had been called in since the last Cabinet meeting.

CAB.86 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.87 Leader's Announcements

There were no Leader's announcements.

CAB.88 Wyre Forest District Local Development Framework Potential sites for Gypsies, travellers and Travelling Showpeople Consultation responses.

A report was considered from the Director of Planning and Regulatory Services which apprised Members on the level and detail of consultation response received to the recent consultation on potential gypsy, traveller and travelling showpeople sites. This included the identification of alternative sites and to agree sites for inclusion in the Site Allocations and Policies Development Plan Document (DPD) and to consider the recommendations from the Overview & Scrutiny Committee on 30th January 2012.

Agenda Item No. 3

The Cabinet Member for Place-Shaping led Members through the report and reported that the Local Development Framework Review Panel, at their meeting on 16th January 2012, had recommended to the Overview & Scrutiny Committee that four sites had been identified as potential sites for gypsies and travellers, these being land opposite the Gatehouse, Sandy Lane Industrial Estate, Stourport, 1A Broach Road, Sandy Lane, Stourport, 28-29 Sandy Lane, Stourport and Hoobrook Trading Estate, Kidderminster. However, these sites were subject to confirmation of their availability. It had also been recommended by the Panel that sites at Land off Wilden Lane, Stourport, Ex Yieldingtree Packing Site, Nr Churchill and Clows Top garage site be put forward as potential sites for Travelling Showpeople and again, this was subject to their availability.

At the Overview & Scrutiny Committee meeting on 30th January 2012 the recommendations had been considered and after much debate, amended recommendations had been made to Cabinet. The site at Hoobrook Trading Estate, Kidderminster had been confirmed as not available and together with the sites at Land off Wilden Lane, Stourport, Ex Yieldingtree Packing Site, Nr Churchill and Clows Top Garage Site these were to be disregarded from any future considerations.

The Cabinet Member for Place-Shaping thanked the community for attending the public meetings that had been held. He also recognised that there was a diverse range of views regarding the location of the sites and in some areas the strength of feeling had run high.

The Leader of the Council reported that the consultation had been challenging and stated it was important for the Council to have a policy to protect the district and the local community. Moreover, it was never going to be easy and further work through assessments would be required. It was important that the communities that lived in the Sandy Lane, Stourport vicinity lived in peace but in terms of tolerance it was correct to say that it was not extended too far. He believed that this area should not be allowed to have any more capacity once the policy was adopted and it was recognised that not everyone was going to be content with the outcome.

Further debate ensued on the views expressed by some groups within communities and the levels of tolerance that had been articulated. It was recognised that the meetings had been well organised and well attended.

A Member perceived that the whole process had not been handled well and pointed out that only Wychavon District Council had more sites and this was due to fruit pickers in the area. Moreover, the other local authorities should play their part and that 12 out of the 15 sites had never been feasible from the start of the consultation.

The Member referenced the Planning Committee in November 2011, and the recommendation for refusal that had been overturned for an application at Sandy Lane, Stourport which had been given temporary permission but that decision was now to be amended by the recommendation at the Cabinet meeting for it to be a permanent site. He felt it was unfair to the families and young people that currently lived in Sandy Lane and there would be no play provision for young children. He also asked for clarification on the actual support for voting on this site at the LDF Review Panel meeting on 16th January 2012.

Agenda Item No. 3

The Leader of the Council replied that he found the comments offensive and ultimately, it would be a matter for Council. It was a democratic process that the Council needed to follow. He stated that Members of the Planning Committee had received adequate planning training which enabled them to make decisions on applications and it was not for Cabinet Members to comment on that process. Following repeated interruptions, the Member was then asked to be quiet.

The Chairman of the LDF Review Panel informed Members that no Members had been pressurised into making a decision. She reiterated that the proposal for potential gypsy and travellers sites had been subject to availability. The Chairman of the Overview & Scrutiny Committee reported that if a recorded vote had been asked for, it would have been carried out.

Decision:

- 1. The sites at Stourport Rd (Bewdley), Sion Hill (Kidderminster), Lea Castle (Cookley) and Manor Farm (Stourport-on-Severn) be disregarded from any further considerations.**
- 2. The sites at Nunn's Corner Stourport-on-Severn and The Gables Yard, Stourport-on-Severn be carried forward for allocation in the Site Allocations and Policies Development Plan Document.**
- 3. The Statement of Consultation set out in Appendix 1 of the report to the Overview and Scrutiny Committee be noted and agreed for publication**

CAB.89 Future Arrangements for the Management of Sports and Leisure Centres

A report was considered from the Director of Community and Partnership Services on the future arrangements for the management of the sports and leisure centres.

The Cabinet Member for Community Well-Being led Members through the report. She reported that there was a misconception that leisure centres made money; as reported in the budget book, it cost the council £1m per annum to fund the facilities. Members were informed that several options had been considered and these were referred to in the Cabinet report. A review panel had also been established to enable scrutiny of the available options and from this a public consultation had been conducted. The conclusion had been the best possible option for the district would be a new build leisure centre and The Glades in Kidderminster be closed.

However, following the meeting of the Budget Review Panel on 26th January 2012, a request was made for an additional Overview & Scrutiny Committee to be held to enable further consideration and for Members to fully understand the financial implications of the proposal by Cabinet. It had been agreed that this would be held on 8th February 2012 and therefore, a revised recommendation was made that the report would be re-presented to the Cabinet meeting on 21st February 2012 when a decision would be made.

Agenda Item No. 3

A Member had concerns that not all 42 Members would be able to have an input into the meeting on the 8th February in what was felt an important item for the Council and that the final decision would be made by the Cabinet. The Leader of the Council responded that the Council had adopted The Local Government and Public in Health 2007 Act which was implemented in 2011 and this gave the Executive powers to make decisions.

All Members were encouraged to attend committees that they were not a member of as they could still have an input to the discussions. He felt that it was unfair to say that not all Members could get involved as there was ample opportunity.

In response to a Member question, the Leader of the Council responded that the project had not been rushed through; the matter had been discussed for the last 18 months and had been rescheduled to be discussed and placed on the Forward Plan for re-consideration in January 2012. In addition to another comment, he replied that at Council in 2011, the Eastern Gateway Project had been given the go ahead and there were plans for the site.

A Member reiterated that when the review panel had been set up, it had been known that there was a 2-year lead up to the end of the contract with DC Leisure. It was also pointed out that during the course of the review panel there had been no mention that the Eastern Gateway Project would go ahead.

She continued to state that the cost of a refurbishment could be greater than a new build and upon reflection the build of the Glades had not been as good as it should have been. She also asked that Cabinet defer the decision at Council in February 2012 to enable further debate.

It was perceived that if only 2% of the public had responded to the consultation then perhaps the rest of the public were content. It was felt that this figure was not in any way different to any other public response to a consultation. The 2% represented approximately 500 responses.

The Chairman of the Overview & Scrutiny Committee stated that all Members were welcome to attend the meeting on 8th February to enable them to give their views. All Members would also receive (electronically) all documentation that was presented to the Review Panel.

The Cabinet Member for Community Well-Being informed Members that it was the recommendations from the review panel that had suggested a public consultation be carried out. She also stated that if a new build was the preferred option this could possibly be located in Kidderminster. In addition, she pointed out that the majority of the people that had responded to the consultation had wanted to retain the facilities and it was not the case that the majority wanted a new leisure centre.

Decision:

In line with the recommendation from the Overview and Scrutiny Committee of 2nd June 2011 on the broad principles for future arrangements for sport and leisure centre provision including “refurbishment of the Glades is not considered to be an option”; and consistent with the Council's emerging planning policy for the Eastern Gateway as set out in the Kidderminster Central Area Action Plan Development Plan Document which was approved by full Council for consultation on 18th May 2011:

1. The Cabinet **DECIDED** that the site of The Glades Leisure Centre would not form an appropriate location for future leisure provision for the district. This decision includes, if necessary, vacating the site in order to allow its development by any purchaser prior to the building of a new leisure centre.
2. Except as decided above, the Cabinet **NOTES** the recommendations set out in paragraphs 2.1 to 2.7 of the report to Cabinet, pending the advice of the Overview and Scrutiny Committee, and will take final decisions on these matters at its meeting on 21st February 2012.

Councillor N J Desmond left the meeting at this point.

CAB.90 Write Off of Sundry Debtor Amounts Outstanding

A report was considered from the Director of Resources which asked Cabinet to write off a sum of money.

Decision: The total of £12,723.80 relating to outstanding Sundry Debt for Oldington and Foley Park Community Network be written off.

Councillor N J Desmond returned to the meeting at this point.

CAB.91 Pay Policy Statement

A report was considered from the Director of Legal and Corporate Services which asked Cabinet to recommend to Council to adopt a pay policy statement.

Decision:

Recommended to Council:

1. The pay policy statement in the appendix to the Cabinet be adopted for the financial year 2012-13 and each subsequent financial year (until it is amended by Council).
2. The delegations to the Appointments and Appeals Committee be amended in line with the pay policy statement.
3. The policy statement on the exercise of the Council's powers under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 be approved.

The meeting closed at 7.08 pm.

WYRE FOREST DISTRICT COUNCIL**CABINET**
21ST FEBRUARY 2012**South Kidderminster Enterprise Park, Local Development Order
Consultation Document**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Economic Success Shared by All
CORPORATE PLAN PRIORITY:	Securing the economic prosperity of the district
CABINET MEMBER:	Councillor J Phillips
DIRECTOR:	Director of Planning and Regulatory Services
CONTACT OFFICER:	Jonathan Elmer – Ext 2552 Jonathan.Elmer@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Draft Consultation Document

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet Member approval for consultation on a Local Development Order for the South Kidderminster Enterprise Park area. A Local Development Order (LDO) is an Order created by a Local Planning Authority, through which permitted development rights, i.e. development that does not require planning permission, additional to those granted nationally by Government, are granted to certain types of development within a particular area. In this particular instance, a Local Development Order is proposed for the South Kidderminster Enterprise Park, which would help to provide a less restrictive planning regime for businesses within, and locating to, the corridor and to act as a stimulus for an area that has been recognised and prioritised for economic development.

2. RECOMMENDATION**2.1 The Cabinet is asked to DECIDE that:**

- The draft Local Development Order, attached at Appendix 1, is used as the basis for public consultation
- Delegated authority be given to The Director of Planning and Regulatory Services to approve the final format of the consultation papers.

3. BACKGROUND**Enterprise Zone Bid**

- 3.1 As Members will be aware Wyre Forest District Council, through their involvement with the Worcestershire Local Enterprise Partnership (LEP), 2011 bid for Enterprise Zone status to be given to the South Kidderminster Enterprise Park area. Unfortunately, the LEP were unsuccessful with the bid and Enterprise Zone status was not afforded to the South Kidderminster Area. However, since this time the

District Council has been investigating the potential to implement some of the benefits that would have come with the allocation of Enterprise Zone status, despite the area not having this formal recognition. A Local Development Order (LDO) is one of the mechanisms the Government are promoting to help aid economic growth throughout the country, and are a pre-requisite of the identified Enterprise Zones. The ability to implement a LDO is not, however, restricted to Enterprise Zones and therefore the District Council is able to bring forward an Order to tie in with the ambitions for the District in relation to business growth and regeneration.

What is a Local Development Order?

- 3.2 As mentioned at the beginning of the report, a Local Development Order is a mechanism by which a Local Authority can grant permission for certain types of development without the express need for planning permission.
- 3.3 A Local Development Order grants planning permission for the type of development specified in the Order and, by doing so, removes the need for a planning application to be made by the developer.
- 3.4 Local Development Orders are very flexible in that they can:
 - a. Apply to a specific site, sites, or wider geographical area;
 - b. Grant planning permission for a certain type or types of development, and;
 - c. Grant planning permission outright or subject to conditions.
- 3.5 Local Development Orders can offer significant benefits:
 - a. In exempting certain development from the need to apply for specific planning permission, those wishing to pursue such developments can proceed without the time and cost implications of having to submit a planning application;
 - b. They provide certainty to developers by defining what development is acceptable and can be undertaken without the need for specific planning permission;
 - c. They allow local authorities to shape their local areas by encouraging certain types of development in appropriate areas.
- 3.6 The implementation of a less restrictive planning regime, targeted to business development, is considered to have the potential to provide a stimulus for growth within this strategically important employment corridor. Furthermore, by reducing the need for individual planning applications, LDO's are flexible and consistent with local determination and the shift to remove unnecessary bureaucracy for business and incentivise development that meets locally specific policy objectives.
- 3.7 Initial consultation on the potential to implement a Local Development Order within the South Kidderminster Enterprise Park area has been undertaken with Members, stakeholders and businesses during the ReWyre Autumn conference (Nov 2011), held at West Midlands Safari and Leisure Park. Attendees from the conference were supportive of the idea and were keen to see how it could help improve employment prospects within the District.
- 3.8 The District Council and its partners are committed to delivering an ambitious programme of initiatives to secure the regeneration of the District including the

preparation of planning and regeneration strategies as well as being the host authority for the newly formed North Worcestershire Economic Development and Regeneration Team. It is proposed that the implementation of a Local Development Order will act as another mechanism that will help to meet the aims and ambitions for regeneration within the District, whilst providing a catalyst for growth within a strategic employment corridor.

- 3.9 The Council is also considering whether any other financial incentives could be offered within the Enterprise Park Area to stimulate new business development, such as business rate relief. These initiatives will be developed in parallel with the LDO proposal.
- 3.10 It should be noted that the Local Development Order would not prevent development taking place that is not specifically covered by the Order. A planning application for such development would need to be made in the normal way and existing permitted development rights within the area would remain unchanged.

4. KEY ISSUES

- 4.1 The detail of the proposed Local Development Order is included within Appendix 1 of this report. However, some of the key elements of the Order are as follows:
- 4.2 Through the Order planning permission would be granted for B1 (light industrial/offices), B2 (general industrial) and B8 (warehousing & distribution) uses on the existing Brownfield sites within the area.
- 4.3 The Order also suggests allowing greater flexibility for existing businesses within the area to make changes to their current premises without the need for planning permission. Development that would become permitted would be as follows:
- Recladding of building exteriors;
 - Installation of solar panels and other renewable energy systems such as biomass and combined heat and power boilers.
 - Sub-division of existing units (for B1b and c, B2 and B8 use)
 - Extensions up to 10 square metres, subject to extensions not being closer to any highway than the existing building
 - Car parking - subject to permeable surfaces being used
- 4.4 Alterations to permitted Change of Use between the B use classes are also provided for within the LDO. This is to allow further flexibility for existing premises to diversify their operations without the need for planning permission.
- 4.5 In order to safeguard the environment of the area a number of restrictions and conditions are proposed to be included within the Order. A full list of the proposed conditions is included within the draft Order at Appendix 1.
- 4.6 There are potential drawbacks to the implementation of an Order and these must also be understood. Through the implementation of the Order the Council would not receive the relevant planning fee currently associated with development of this type within the South Kidderminster area. In 2010, 18 planning applications were received which equated to £32,000 of fee income and £44,000 in 2011.

Furthermore, no Section 106 contributions would be forthcoming from any of the developments permitted through the Order.

- 4.7 A balance must therefore be struck between the potential loss in income for the Council and the benefits that the Order would bring in terms of improving the prospects for new business development within the South Kidderminster area as well as providing an environment for existing businesses to make improvements to their assets. Furthermore, the proposal would be directly in line with the current Governments ambitions for economic growth.

Process for making an LDO

- 4.8 The procedure for production and adoption of LDOs is governed by Part 6, Paragraph 34 of *The Town and Country Planning (Development Management Procedure) (England) Order 2010* (DMPO 2010). Paragraph 34 stipulates that where a local planning authority proposes to make an LDO they shall first prepare a draft of the Order and a statement of their reasons for making the Order. The Statement of Reasons must contain a description of the development which the LDO would permit, and a plan/statement identifying the land to which the order relates. The document attached at Appendix 1 is the consultation draft that contains the Statement of Reasons and a site plan of the South Kidderminster area.
- 4.9 The Council is required to consult on the proposals with those persons whose interests they consider affected by the Order and with anybody who they would have been required to consult for an application for planning permission for the development in question. The consultation must be for a period of not less than 28 days.
- 4.10 Following the close of the consultation period the Council must take account of all representations received and consider what modifications should be made to the draft LDO or whether the LDO should be adopted. Once the Council has complied with the publication and consultation requirements, a copy of the final LDO and Statement of Reasons, including any modifications to either as a result of consultation, must be sent to the Secretary of State who has a 21 day call-in period. Once this period has elapsed or such period extended by the Secretary of State has elapsed the Council may formally adopt the LDO.
- 4.11 The LDO is time limited and it is suggested that it be for a period of three years.
- 4.12 The indicative timetable for the implementation of the Order is therefore as follows:
- 21st February 2012 – Cabinet Meeting to discuss the proposed consultation on the LDO
 - If approved at Cabinet, public consultation on the Order will start for no less than 28 days (Proposed timetable - 27/02/12 to 26/03/12)
 - Following the close of consultation, officers consider representations and report any amendments to the LDO to Cabinet to get approval for submission to Secretary of State
 - Submit to Secretary of State end of June
 - Assuming no further intervention from Secretary of State within 21 days, Adopt LDO August 2012

Next Steps

- 4.13 Subject to Cabinet's approval, it is proposed that the Local Development Order attached at Appendix 1 is used as the basis for public consultation during February and March. The results of the consultation and any suggested changes will then be used to re-draft the Order before it is submitted to the Secretary of State later this year.

5. FINANCIAL IMPLICATIONS

- 5.1 The implementation of a Local Development Order would mean that the Council would forego the associated planning fees for the development permitted by virtue of the Order. This could be in the order of £35,000 . Furthermore, any development provided through the Order would be and £44,000 in 2011 exempt from Section 106 contributions. There is therefore a financial implication to the Council for implementing the Order.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The procedure for production and adoption of a Local Development Order is governed by Part 6, Paragraph 34 of *The Town and Country Planning (Development Management Procedure) (England) Order 2010* (DMPO 2010).

7. EQUALITY IMPACT ASSESSMENT

- 7.1 An equality impact screening test has been carried out, which shows that the proposals will not have any negative impact on equality.

8. RISK MANAGEMENT

- 8.1 The use of conditions and restrictions to ensure development is appropriate would help to minimise any risks that might arise through the implementation of the Order.

9. CONCLUSION

- 9.1 The Cabinet is asked to agree that the draft Local Development Order for South Kidderminster Enterprise Area, as attached at Appendix 1, is used as the basis for public consultation in line with the regulations set out for preparing Local Development Orders.

10. CONSULTEES

- 10.1 Head of Economic Development and Regeneration North Worcestershire.
10.2 Development Control Manager, Wyre Forest District Council.

11. BACKGROUND PAPERS

- 11.1 None.



South Kidderminster Enterprise Park

Local Development Order – Consultation Draft

Introduction

The Government's policy towards economic growth, for example through Enterprise Zones, supports a genuinely simplified approach to planning. One of the mechanisms that can help to bring about this approach is through the introduction of Local Development Orders.

Local Development Orders (LDO) allow development to be undertaken without the need for planning permission to be obtained, providing that the development is in accordance with established criteria and conditions (Appendix 1).

As part of the drive to encourage and stimulate business growth within the District it is proposed to adopt a Local Development Order for the South Kidderminster Enterprise Park. This Order is therefore designed to simplify the planning process to provide an incentive to businesses to locate within the District and thus provide a boost to the local economy.

The introduction of a LDO within this location is to help to provide the conditions to stimulate economic development within the area through reducing costs and providing certainty for potential developers and businesses.

Simplifying Planning - What is a Local Development Order (LDO)?

A Local Development Order grants planning permission for the type of development specified in the Order and, by doing so, removes the need for a planning application to be made by the developer.

Local Development Orders are very flexible in that they can:

- a. Apply to a specific site, sites, or wider geographical area;
- b. Grant planning permission for a certain type or types of development, and;
- c. Grant planning permission outright or subject to conditions.

Local Development Orders can offer significant benefits:

- a. In exempting certain development from the need to apply for specific planning permission, those wishing to pursue such developments can proceed without the time and cost implications of having to submit a planning application;
- b. They provide certainty to developers by defining up front what development is acceptable and can be undertaken without the need for specific planning permission;
- c. They allow local authorities to shape their local areas by encouraging certain types of development in appropriate areas.

Making a Local Development Order

A flowchart setting out the key stages of making a Local Development Order is attached at Appendix 2.

Relevant Legislation

Primary legislation

LDO provisions are contained in sections 61A-D of and Schedule 4A to the *Town and Country Planning Act 1990*, as amended (<http://www.legislation.gov.uk/ukpga/1990/8/contents>). The primary legislative provisions related to LDOs were introduced by the *Planning and Compulsory Purchase Act 2004* (<http://www.legislation.gov.uk/ukpga/2004/5/contents>), and commenced in 2006.

These primary powers were amended by the commencement of section 188 of the *Planning Act 2008* (<http://www.legislation.gov.uk/ukpga/2008/29/section/188>) in June 2009. The effect of this amendment was to remove the requirement that LDOs must implement local plan policies.

Secondary legislation

More detailed legal provisions on LDOs are contained in Article 34 of and Schedule 7 to the *Town and Country Planning (Development Management Procedure) (England) Order 2010* (the 'DMPO', <http://www.legislation.gov.uk/uksi/2010/2184/contents/made>). The DMPO came into force in October 2010 as a consolidation of the *Town and Country Planning (General Development Procedure) Order 1995* and instruments which have amended that Order.

Statement of Reasons

What will this mean for Wyre Forest and for the South Kidderminster Enterprise Park?

The South Kidderminster Enterprise Park area is a key employment focus for Wyre Forest District. The area is formed of two key corridors of primarily business premises. The area is identified within the Council's Adopted Core Strategy as being a key business and regeneration area, and this is further supported by the work on the Council's Site Allocations and Policies Development Plan Document as well as forming a key part of the Council's regeneration work in terms of the ReWyre initiative. The proposed LDO for this area will provide a further incentive that will enable the ambitions for economic growth to be realised. A map of the proposed LDO area is attached at Appendix 3.

Potential Benefits from the Implementation of an LDO

The implementation of a Local Development Order would enable a simplified planning regime to be introduced, allowing new development to come forward quicker, whilst providing added benefits to existing businesses through providing greater flexibility for development of their existing assets.

The provision of a LDO within this location could provide an important stimulus for economic development in an area that has seen rapid decline and restructuring over the past 30 years. It is envisaged that the LDO will assist in helping to achieve the following positive outcomes for the area:

- Tackle unemployment in the second most deprived ward in Worcestershire and in the top 10% most deprived nationally. The Oldington & Foley Park ward has high levels of worklessness with 12% of the population seeking work (December 2011)
- Bring cleared/redundant employment sites back in to economic use
- Enable greater flexibility for existing businesses to expand and alter their premises to meet changing market requirements

Existing Planning Provisions

Support for the retention and enhancement of existing businesses as well as the development of new businesses within the Enterprise Park area is already provided for within the Adopted Core Strategy 2010. Although the LDO does not have to implement local planning policies, in this instance there is a clear synergy between the aims, ambitions and policies of the adopted statutory development plan and the proposals that are included within the draft LDO.

It should be noted that the Local Development Order would not prevent development taking place that is not specifically covered by the Order. A planning application for such development would need to be made in the normal way and existing permitted development rights within the area would remain unchanged.

Identified Constraints

- **HSE Zones** – There are a number of zones that surround potentially hazardous installations located within the South Kidderminster Enterprise Park area. These zones have been identified by the Health and Safety

Executive as areas where new development would need to be closely managed. Given the potential restrictions placed on development within these areas, applicants must satisfy themselves that any development is appropriate. A guide to the restrictions is included within the LDO at Table 2 and the boundaries of the zones are also included in Appendix 4.

- **Contamination** – Given the ex-industrial nature of most of the area contamination issues could arise. Conditions are attached to this order to ensure that contamination is investigated prior to any development starting.
- **Conservation Area** – The Staffordshire and Worcestershire Canal Conservation Area is located within the proposed LDO boundary. Therefore, safeguards need to be put in place to ensure that development does not have a detrimental impact on the Conservation value of this corridor.
- **Environmental Conservation** – The Council have already undertaken a Habitats Regulations Assessment Screening Report for the Site Allocations and Policies Preferred Options DPD. The results of this Screening Report, which were agreed by Natural England, were that the suite of documents would not result in likely significant effects upon a Natura 2000 site. Given that the LDO follows the aims of the Site Allocations and Policies DPD for this area of the District it is considered that the same conclusions could be drawn from the implementation of the LDO.

Pre-Development Requirements

The LDO would not remove the need to comply with other legislation controls such as building regulation approval or environmental protection legislation. Appropriate safeguards are also provided to protect the character of the adjacent Canal Conservation Area and the amenity of residential properties immediately adjacent to, or proposed to be built within, the South Kidderminster Area. These conditions are provided later on in the Order (Appendix 1).

It is the responsibility of developers to ensure that all other statutory requirements beyond the scope of the planning system are adhered to. Failure to comply with any statutory requirements may result in appropriate enforcement action being taken by the Council and/or other agencies.

Proposed Local Development Order for South Kidderminster Enterprise Park

Within the South Kidderminster Enterprise Park area, as identified in Appendix 3, planning permission is granted on cleared brownfield sites for the following uses:

- B1a (offices)
- B1b (Research and Development)
- B1c (Light Industry)
- B2 (General Industrial) and;
- B8 (Storage and Distribution)
- Car/Vehicle Hire Business and the selling and displaying of motor vehicles
- Access to development

Furthermore, for existing premises that fall under use classes B1, B2, B8, within the area planning permission for the following development is granted:

- recladding of building exteriors;
- installation of solar panels and other renewable energy systems such as biomass and combined heat and power boilers.
- sub-division of existing units (for B1b and c, B2 and B8 use)
- Extensions up to 10 metres, subject to extensions not being closer to any highway than the existing building
- Car parking - subject to permeable surfaces being used

Change of use is also permitted as follows:

- B1 – to B2 or B8, where no more than 1,000sqm
- B2 – to B1 or B8 where no more than 1,000sqm
- B8 – to B1 or B2 where no more than 1,000sqm

Demolition, in conjunction with any redevelopment of existing premises within the identified use classes, is also permitted.

Any proposed development would need to be in line with the restrictions and conditions identified within this Order.

The draft Local Development Order is therefore split into two main component parts:

- Provisions relating to cleared Brownfield sites within the Boundary
- Provisions for existing business premises within the Boundary (including change of use)

In addition, changes to Permitted Development rights currently being proposed by Government, to allow the change of employment to residential uses without planning permission, will be removed within the boundary of the LDO - if these changes are made statute. This is to ensure that the business and employment focus for development within this area is retained.

1. Cleared Brownfield sites within the Boundary

Within the boundary of the South Kidderminster Enterprise Park (set out in Appendix 3) the following forms of development on 'cleared brownfield sites' will be permitted without the need for planning permission:

- B1a (offices)
- B1b (Research and Development)
- B1c (Light Industry)
- B2 (General Industrial) and;
- B8 (Storage and Distribution)
- Car/Vehicle Hire Business and the selling and displaying of motor vehicles

This will allow for development relating to business use to come forward without the need for planning permission and enable sites to be developed to meet commercial needs.

2. Provisions for existing business premises within the boundary

Within the boundary of the South Kidderminster Enterprise Park, as identified within Appendix 3, the following forms of development of existing business premises (B1, B2, B8 and car vehicle hire businesses/displaying and selling of motor vehicles) will be permitted without the need for planning permission:

- recladding of building exteriors;
- installation of solar panels and other renewable energy systems such as biomass and combined heat and power boilers.
- sub-division of existing units (for B1b and c, B2 and B8 use)
- Extensions up to 10 metres, subject to extensions not being closer to any highway than the existing building
- Car parking - subject to permeable surfaces being used

3. Change of Use

The order also provides for the potential change of use between employment use classes as follows:

- B1 – to B2 or B8, where no more than 1,000sqm
- B2 – to B1 or B8 where no more than 1,000sqm
- B8 – to B1 or B2 where no more than 1,000sqm

These elements of the Order provide for greater flexibility for existing business to develop their current premises.

Table 1: Restrictions

Restriction	Reason
Any development that is considered to require an Environmental Impact Assessment as set out by the regulations	<p>Development that requires an Environmental Impact Assessment (EIA) would need to be assessed through a planning application.</p> <p>The scope of development proposed through the LDO is based on a broad spectrum of speculative industrial development. It is very difficult for the Council to screen and assess the scope/quantum of development coming forward without receiving definite proposals and plans in advance.</p> <p>Therefore if an EIA development is proposed it would not be suitable to be brought through the LDO route. A planning application would need to be submitted. For more information see Condition 1 in Appendix 1</p>
Any development where the planning application would normally be determined by the Secretary of State or a body other than the Local Planning Authority	The District Council can only consider allowing development through the LDO in area where it has responsibility, for example development related to waste operations
Proposals for development that fall within other use classes of the use classes order	<p>The LDO identifies the use classes that are considered to be appropriate within this area. No other use classes will be considered through the Order as being suitable without planning permission. Furthermore, development falling into any of the following categories is not permitted through this order:</p> <ul style="list-style-type: none"> • Storage of hazardous substances • Retail linked trade operations • Rail freight proposals
No Development is permitted within the Green Belt that falls within the LDO Boundary	To ensure that the Order is in line with the national and local policy in relation to development within the Green Belt
Development that would prejudice the delivery of the Hoo Brook Link Road	The delivery of the Hoo Brook Link Road is a key strategic transport priority for the District, as identified in the Adopted Core Strategy and therefore development that would affect the delivery of the link road is not permitted through this Order.

Conditions

The development permitted by this Order is also conditional upon the following strategic criteria being met;

- Development must be situated over 50m away from any residential boundary (For B2 development (including Change of Use) it must be situated over 200m away from any residential boundary)
- Development must not be within 50m of the Staffordshire and Worcestershire Canal Conservation Area
- Buildings must be under 15m in height, inclusive of all development such as flue gas stacks and micro wind turbines

There are also a number of other conditions that are attached as part of the LDO to ensure that development is appropriate, which are included in Appendix 1 as well as a constraints map that is attached at Appendix 4.

Justification for the Order

The Government is committed to boosting local growth and creating jobs to support the economic recovery of the country. It has embarked on a radical reform programme to support this, and has established enterprise zones to support and encourage private sector growth. Although the South Kidderminster Enterprise Park was unsuccessful in its bid for Enterprise Zone status it is considered that the implementation of an LDO could bring about some of the benefits that EZ status would have brought.

Proposed Timetable for implementation of the Order:

- 21st February 2012 – Cabinet Meeting to discuss putting the LDO out for consultation
- Public consultation starts 27/02/12 and runs until 26/03/12
- Consider representations and report any amendments to the LDO to the June Cabinet to gain approval for submission to Secretary of State
- Submit to Secretary of State end of June
- Assuming no further intervention from Secretary of State within 21 days, Adopt LDO August 2012

Lifetime of the Order

It is intended that the LDO will be active for a period of 3 years after the date of its adoption. The Council are aiming for the LDO to come into force in August 2012. Prior to the end of the initial 3 year period, the Council would have the following options:

- Renew the LDO under the same terms / conditions as previously;
- Renew the LDO but modify its terms and conditions; or
- Delete the LDO and return to the standard planning application process

Development which has started under the provision of the LDO prior to its expiry will be allowed to complete in the event that the LDO is revoked or revised. The Council does have the ability to revoke the LDO at any time, should it lead to undesirable and unforeseen consequences.

Developments that have taken place under the LDO will be allowed to continue to operate in the event that the LDO is revoked or revised. However, no new development will be allowed under the terms of the LDO following its expiry without planning permission.

The conditions attached to this LDO will continue to apply to any development permitted during its lifetime.

Policies that the Order will help to implement

National

PPS4: Planning for Sustainable Economic Growth

Emerging National Planning Policy Framework which has a “pro-growth” emphasis.

Local (Adopted Policy)

Wyre Forest Core Strategy (Adopted December 2010)

DS01: Development Locations

DS02: Kidderminster Regeneration Area
CP08: A Diverse Local Economy
CP09: Retail and Commercial Development

Local (Emerging Policy)

Site Allocations and Policies Preferred Options Document (May 2011)

Policy 9: Employment Land Allocations

Policy 18: Renewable Energy

Policy 31: Stourport Road Employment Corridor (SREC)

Policy 32: Former British Sugar Site

Policy 34: Former Romwire Site

Policy 35: Worcester Road Employment Corridor

Monitoring the LDO

LDO monitoring needs to be appropriate to the ambition and circumstances of the development.

Conditions on the LDO will require that the developer notifies the local planning authority when undertaking development permitted by the LDO to ensure that an accurate record of development is maintained.

The LDO will be monitored regularly by the District Council to ensure that it is fit for purpose and that any suggested modifications are recorded to inform review before the end of the initial 3 year period.

A draft monitoring framework is included at Appendix 5.

Appendix 1 - Conditions

No	Condition	Reason
1	<p>EIA Development The permissions granted by this Order shall not apply if:</p> <ul style="list-style-type: none"> An application for planning permission for the proposed development would be a Schedule 1 application within the meaning of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011. An application for the development would fall within the descriptions of Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011, <u>unless</u> the Local Planning Authority has, following the submission of a request for screening opinion, determined in accordance with the criteria within Schedule 3 of the same Regulations, that the development is unlikely to have significant effects on the environment by virtue of factors such as its nature, size or location and is therefore not EIA development. <p>Developers should therefore satisfy themselves that development would not fall within any of the above categories prior to work commencing.</p>	To ensure any new development is not an EIA development
2	<p>Health and Safety Executive Development will need to be in line with the Health and Safety Executives advice on planning for developments near hazardous installations (PADHI). Please refer to Table 2 for further information.</p>	To ensure development meet Health and Safety criteria
3	<p>Traffic Generation Any development proposed that is greater than the following thresholds would require a Transport Assessment (TA):</p> <p>B1 – Gross Floor Area greater than 2,500sqm B2 – Gross Floor Area greater than 4,000sqm B8 – Gross Floor Area greater than 5,000sqm</p> <p>Should development be higher than these thresholds then a TA will need to be submitted and agreed with Worcestershire County Council.</p>	To ensure that development does not have a detrimental impact on the adjoining Highway network
4	<p>Highways Access to the highway network will require the issue of a license under Section 184 and 278 of the Highways Act, 1980.</p>	To ensure development meets highways standards
5	<p>Parking Car and cycle parking must be provided to meet the parking standards of the Worcestershire County Council Highways Design Guide (Appendix A)</p>	To ensure development meets current parking standards
6	<p>Surface Water and Drainage New developments should incorporate Sustainable Urban Drainage methods</p>	To ensure adequate drainage is provided
7	<p>Outside Storage Outside storage space is restricted to 10% of the total area of the site and should not be more than 4 metres in height. Any development above these thresholds</p>	To protect the visual amenity of the area

	would require planning permission.	
8	<p>Noise All buildings developed under the provisions of the Order shall be designed and constructed to provide a level of sound insulation from external noise sources at a level of no less than 45db(A) (the ambient noise level) and the development shall be completed and maintained in the approved manner.</p>	To protect the amenity of current and potential new occupiers/residents of the area
9	<p>Contamination No development approved under the provisions of this Order shall take place until a site investigation to confirm the extent and nature of any ground contamination has been carried out.</p> <p>Commencement of development shall not begin until the results of the site investigation have been submitted to with the Local Planning Authority (Worcestershire Regulatory Services) and the Environment Agency with details of any mitigation measures to ensure any contamination is dealt with appropriately, and this is agreed by the relevant authorities.</p>	To ensure that risks from land contamination are minimised.
10	<p>Development Notification 14 days before development starts the Local Planning Authority will need to be notified of the proposal so that a record of development provided through the LDO can be kept.</p>	To ensure that an accurate record of development is maintained.

The responsibility for interpreting the requirements of the LDO and ensuring that development is compliant with the above conditions falls on the developer.

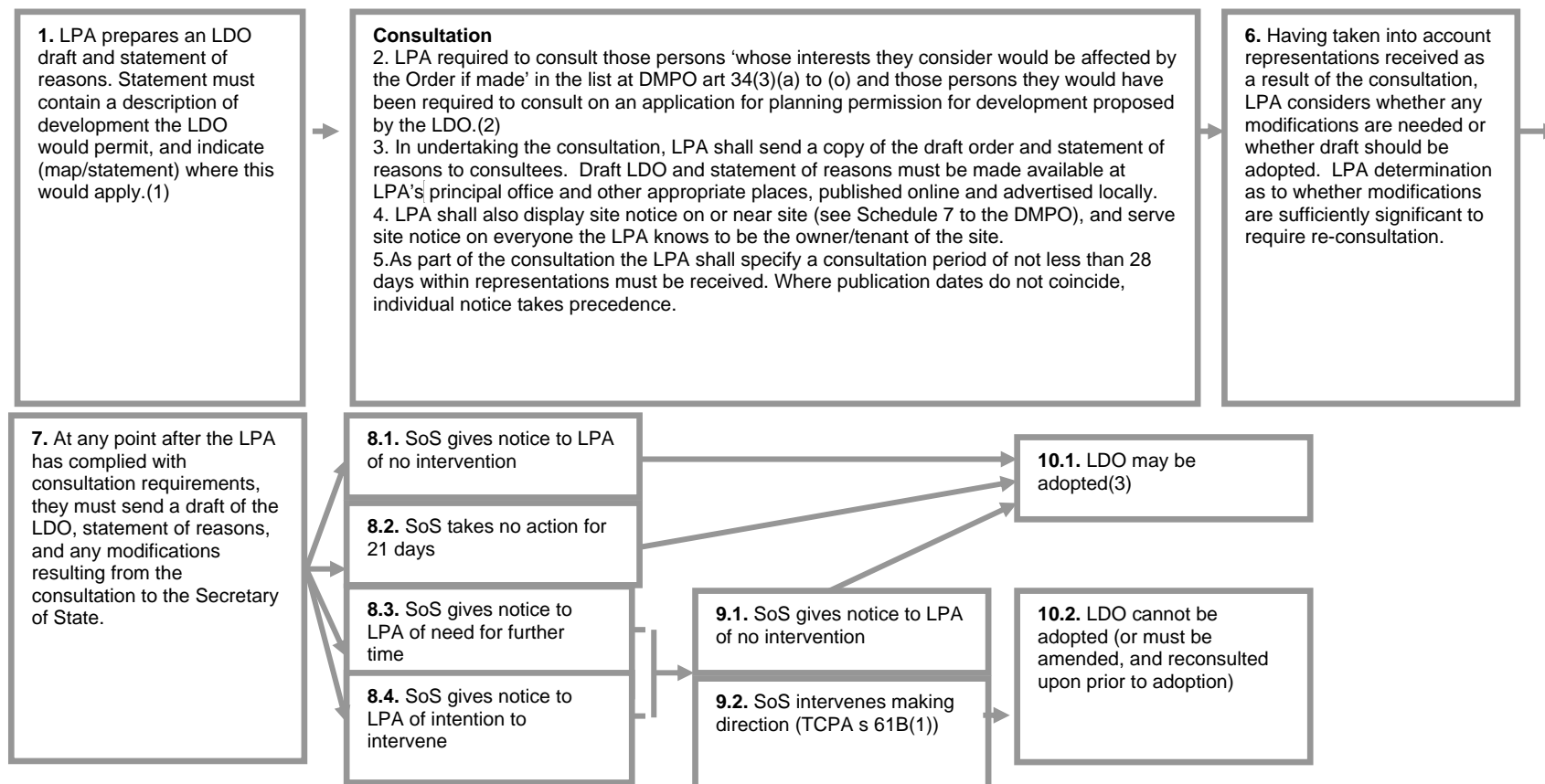
Table 2: Health and Safety Executive Advice

There are a number of areas within the Local Development Order boundary where there are buffer zones around potentially hazardous workplaces. Development near to these installations is controlled in order to minimise any potential risk. The Health and Safety Executive provide 'Planning Advice for developments near Hazardous Installations' (PADHI) This advice is split into the inner, middle and outer zones that exist, and gives advice for development that may fall within the different zone areas. Developers should therefore satisfy themselves that their proposals are in line with the recommendations of the HSE. For workplaces, which are the focus of this Order, the following guidance is given.

Development Type	Examples	Development detail and size	Justification	Sensitivity Level	Development in Inner Zone	Development in Middle Zone	Development in Outer Zone
Workplaces	Offices, factories, warehouses, haulage depots, builders yards	Workplaces at the major hazard site itself	Risks to workers, and others, at the workplace of the major hazard company are under control of that company	1	Don't Advise Against development	Don't Advise Against development	Don't Advise Against development
		Workplaces (predominantly non-retail) providing for less than 100 occupants in each building and less than 3 occupied storeys	Places where the occupants will be fit and healthy, and could be organised easily for emergency action. Members of the public will not be present or will be present in very small numbers and for a short time	1	Don't Advise Against development	Don't Advise Against development	Don't Advise Against development
		Workplaces (predominantly non-retail) providing for 100 or more occupants in any building or 3 or more occupied storeys in height	Substantial increase in numbers at risk with no direct benefit from exposure to risk	2	Advise Against Development	Don't Advise Against development	Don't Advise Against development
	Sheltered workshops. Remploy	Workplaces specifically for people with disabilities	Those at risk may be especially vulnerable to injury from hazardous events and/or they may not be able to be organised easily for emergency action.	3	Advise Against Development	Advise Against Development	Don't Advise Against development

Therefore, developers will need to be aware of the areas that they are proposing to develop in and ensure that the thresholds meet the criteria set out by the Health and Safety Executive (The areas designated by the HSE are included on the constraints map attached at Appendix 4). Any development that would fall in the '*Advise Against Development*' category is not be permitted by the Order.

Appendix 2 – Making a Local Development Order – Legal Process Flowchart (DCLG Guidance, Version 3: November 2011)

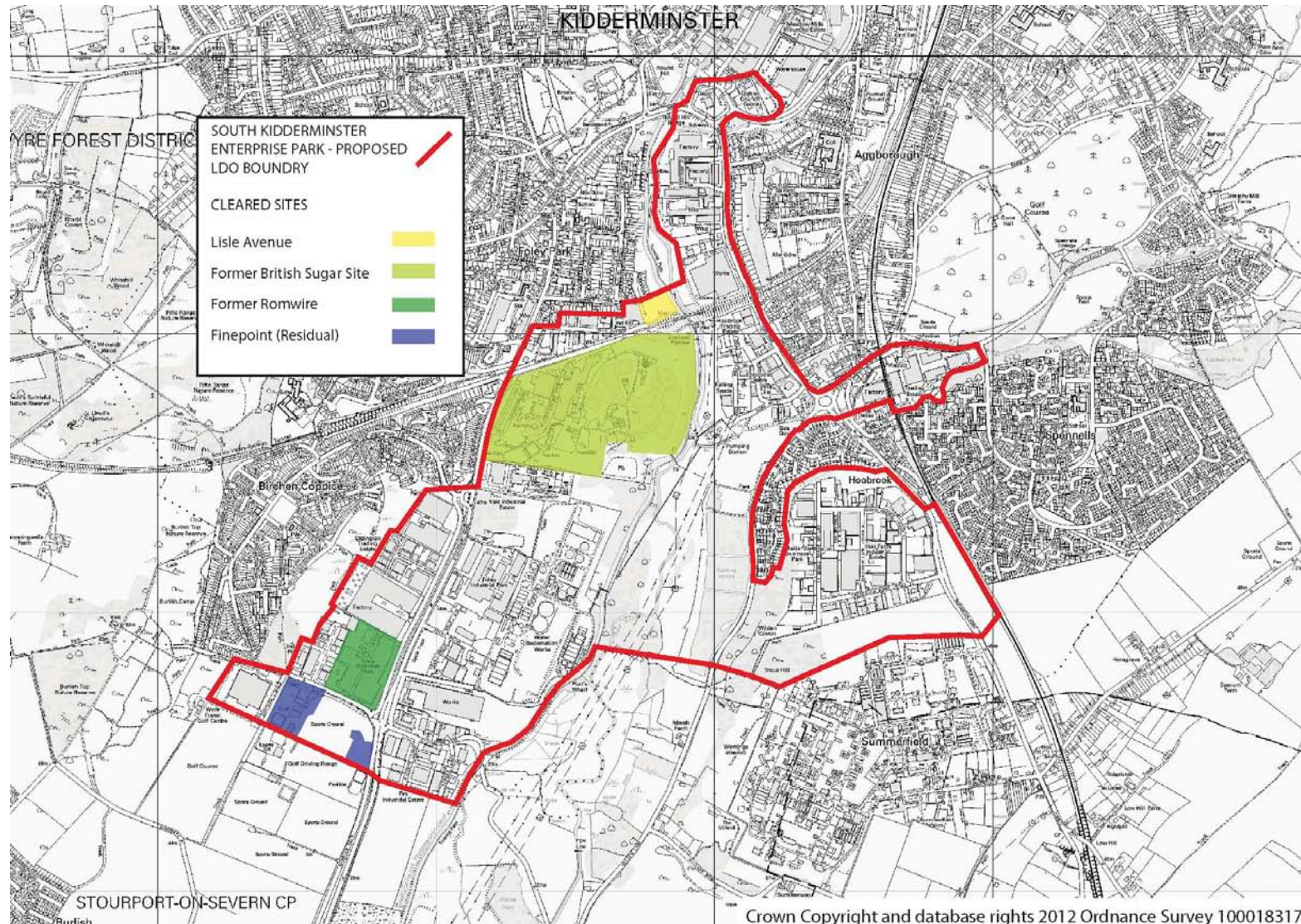


(1) Paragraph (13) of article 34 of the *Town and Country Planning (Development Management Procedure) (England) Order 2010*, the 'DMPO', specifies that an LDO cannot permit development affecting a listed building or development in Schedule 1 to the *Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999*, the 'EIA Regulations'. An LDO may permit development in Schedule 2 to the EIA regulations, provided the correct Environmental Impact Assessment procedures are followed.

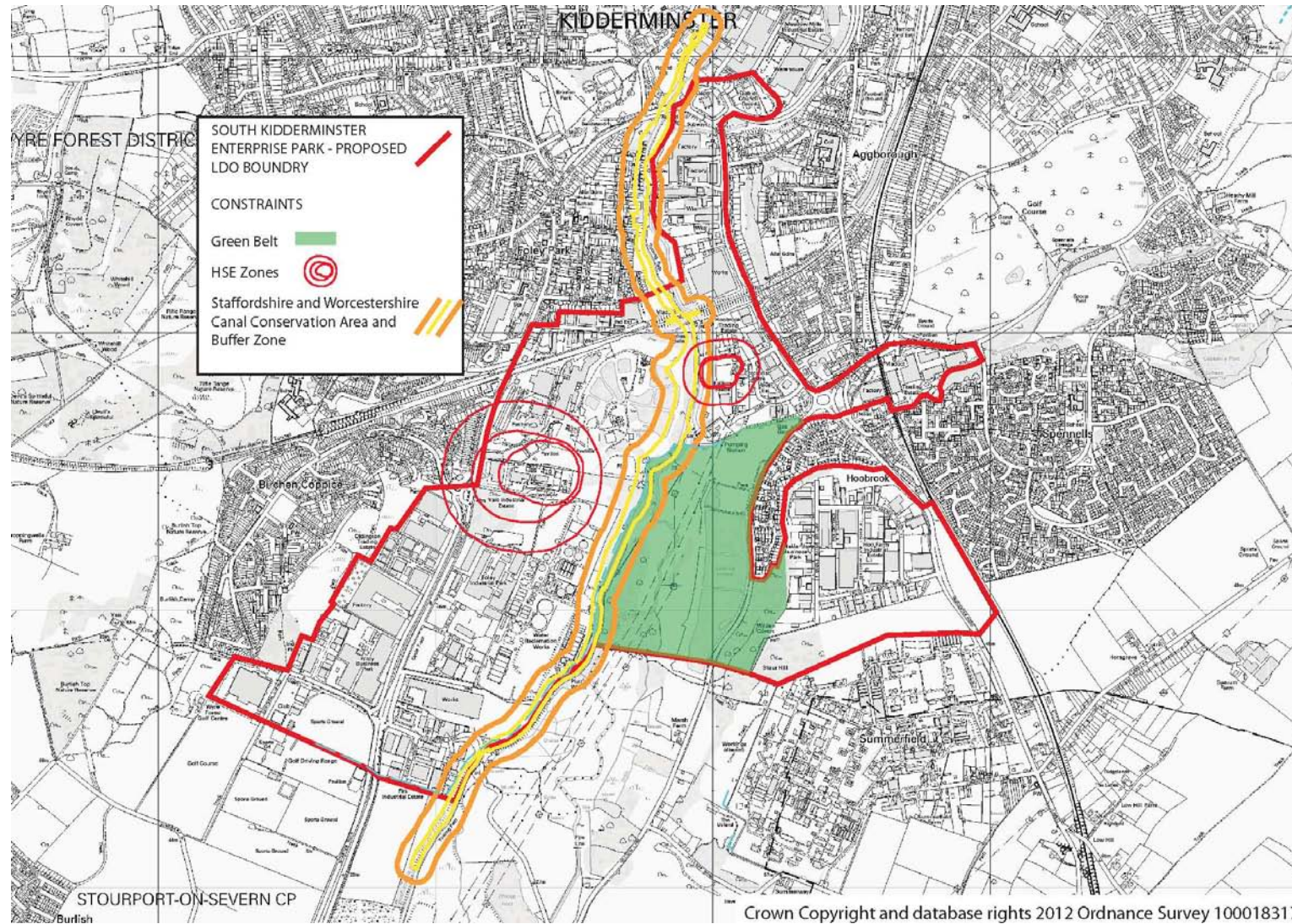
(2) See the DMPO, Part 6, article 34(3) and (4).

(3) A Local Planning Authority may revoke a Local Development Order at any time (See section 61A of the *Town and Country Planning Act 1990* as amended, the 'TCPA'). If a revision to a Local Development Order is proposed, re-consultation is required. The Secretary of State may mandate the revision of an LDO by the Local Planning Authority at any point before or after its adoption (see paragraph 2(2)(a) of Schedule 4A to the TCPA. When an LDO is revoked or modified, compensation may be claimed by someone who suffers loss from their subsequent planning application being refused (see section 107 and 108 of the TCPA). Compensation may not be payable on the expiry of a time limit on the duration for which an LDO is 'active' (given that the LDO would not ultimately be revoked).

Appendix 3 – Proposed Local Development Order Boundary



Appendix 4 – Constraints Mapping



Appendix 5 – Draft Monitoring Framework

Indicator	Review Trigger	Further Action if required
Annual number of businesses locating to South Kidderminster Enterprise Park	Identify suitable trigger points	Possible review of the LDO to allow more/different economic generating uses other than those already identified.
Annual number of extensions to existing premises within South Kidderminster Enterprise Park	Identify suitable trigger points	Possible review of the LDO to allow greater flexibility/scale for extensions to existing businesses
Annual number of submissions that are considered to be Environmental Impact Assessment type development	Identify suitable trigger points	Possible review of LDO after an EIA is undertaken and an Environmental Statement considered based on submission trends.

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WYRE FOREST DISTRICT COUNCIL

**CABINET
21ST FEBRUARY 2012**

**Recommendation from Overview and Scrutiny Committee
9th February 2012**

**South Kidderminster Enterprise Park, Local Development Order –
Consultation Document**

The proposed consultation draft Local Development Order Document which is planned to be implemented within the South Kidderminster Enterprise Park area which would help to provide a less restrictive planning regime for businesses within, and locating to, the corridor and to act as a stimulus for an area that has been recognised and prioritised for economic development.

Recommend to Cabinet:

- 1. That the Local Development Order Consultation document, as attached at Appendix 1 to the report to the Overview and Scrutiny Committee on 9th February 2012 is approved for consultation purposes.**
- 2. If adopted, Members are kept informed of developments carried out under the order by way of the weekly planning list.**

WYRE FOREST DISTRICT COUNCIL

CABINET
21ST FEBRUARY 2012

**Green Street Conservation Area Designation, Character Appraisal
and Management Plan**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	A Better Environment
CORPORATE PLAN PRIORITY:	Improving Community Well-Being
CABINET MEMBER:	Councillor J Phillips
DIRECTOR:	Director of Planning and Regulatory Services
CONTACT OFFICER:	Peter Bassett – Ext 2536 Peter.bassett@wyreforestdc.gov.uk
APPENDICES:	<p>Appendix 1: Map of Green Street Conservation Area</p> <p>Appendix 2: Summary of Representations and Director of Planning & Regulatory Services Responses and Recommendations</p> <p>Appendix 3: Green Street Conservation Area: Volume 1: Appraisal and Management Plan: February 2012</p> <p>Appendix 4: Green Street Conservation Area: Volume 2: Maps and Photographs: February 2012</p> <p><i>Please note that appendices 3 & 4 have been circulated electronically.</i></p>

1. PURPOSE OF REPORT

- 1.1 The purpose of this paper is to advise Members of the responses to the public consultation undertaken on proposals to designate Green Street as a Conservation Area and to propose designation of that Conservation Area.

2. RECOMMENDATION

The Cabinet is asked to **RECOMMEND** to Council:

- 2.1 The designation under Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990, of a new Conservation Area at Green Street in Kidderminster as shown on the attached plan (Appendix 1).
- 2.2 That the Director of Planning and Regulatory Services be given delegated powers to determine the final format and presentation of the Character Appraisal and Management Plan.

- 2.3 That the owners/occupiers of the buildings and structures it is proposed to include on the Kidderminster Local List be notified of the Council's intention.**

3. BACKGROUND

- 3.1 The *Planning (Listed Buildings and Conservation Areas) Act 1990 (Section 69)* places a duty upon every local planning authority, from time to time, to determine which parts of their area are areas of special architectural or historic interest the character of which it is desirable to preserve or enhance; and to designate those areas as Conservation Areas.
- 3.2 The Green Street area represents one of the last historic industrial areas of Kidderminster and has considerable heritage townscape value. There are three listed carpet manufactories and a number of prominent landmark buildings including Grade II* listed Caldwell Hall, Castle Mills, Elgar House and the Pumping Station.
- 3.3 In October 2011, the Cabinet agreed that consultation be undertaken on the proposal to designate a Green Street Conservation Area and that consultation also be undertaken on the Draft Conservation Character Appraisal and Management Plan. A public consultation was undertaken between 3rd November and 15th December 2011. An explanatory leaflet and covering letter were sent to the occupants of all buildings within or immediately adjacent to the proposed Conservation Area; civic and historical societies; English Heritage; Environment Agency; British Waterways; Historic Environment Planning Advisor; Worcestershire County Council and local ward councillors. A small exhibition was also displayed at the Kidderminster Hub. The draft character appraisal and management plan was available to view at Kidderminster Library and the Kidderminster and Stourport-on-Severn Hubs and details of the consultation were also on the Council's website. There was also a press release in the Kidderminster Shuttle at the start of the consultation.

4. KEY ISSUES

Response to the Consultation

- 4.1 A total of seven responses were received either by letter or email. These were all very supportive of the designation. A summary of each representation, together with the Director of Planning & Regulatory Services responses and recommendations are set out in the attached schedule (Appendix 2). A meeting was also held with English Heritage to discuss the representations received. In response to these representations it is recommended that minor amendments be made to the boundary. The draft Conservation Area Character Appraisal also suggested a number of additions to the Kidderminster Local List. As a result of the consultation, it is recommended that, in addition to the proposed Local Listings in the original consultation, a further two additional structures are considered for the Local List and that the areas of two other proposed local listings are extended.
- 4.2 The first proposed addition to the Kidderminster Local List is the former Castle Motor Company in Green Street. This company was founded in 1907 by the Goodwin brothers and is famous for designing the "Castle Three", a 3-wheeler car of which only 350 were made. The firm ceased trading in 1922. On the curved wall opposite the Council Depot the original painted sign can still be seen on the brickwork – CASTLE MOTOR WORKS – LAUGHTON GOODWIN – TEL 355 – ALWAYS AT YOUR SERVICE.

- 4.3 The second suggested addition to the Kidderminster Local List is the remaining wall of the Long Meadow Mill which is largely obscured by the perimeter fencing to B&Q. However, the blue brick wall with its white top and feature arches is still clearly visible from the northern corner of their car park. This wall is clearly seen in the 1890 photograph shown at the front of the Character Appraisal and Management Plan. Although this wall lies outside of the Conservation Area, it is important to preserve this feature and give it protection in case the Long Meadow Mills complex comes up for redevelopment at a future date.
- 4.4 At the former Brinton's Works on Castle Road (now part of Tesco), the boundary of the proposed Locally Listed building has been extended to include the two-storey offices adjacent to the canal and the double-height wall adjacent to the River Stour. Although the wall is newly-constructed, it is physically connected to the retained façade and helps to screen the lorry loading area to the rear.
- 4.5 The final amendment to the proposed local list, as a result of the consultation, is to extend the area of designation of the Castle Mills complex to include the building currently occupied by Kidderminster Carpets and also the wall running along the back of pavement on New Road, curving into Tram Street. This building is topped with modern metal-cladding, which the Management Plan has identified as a negative contributor to the proposed Conservation Area. Internal inspection, however, reveals that the original gables are intact and still visible on top of the wall. The roof associated with these gables, comprises north lights which are characteristic of older industrial buildings in the neighbourhood, and thus there are several historic elements here which are worthy of protection.
- 4.6 A number of respondents suggested that the Conservation Area should be extended northwards to include the northern end of New Road. Whilst it is recognised that the northern part of New Road has considerable historic interest, in that it represents one of the earliest planned expansions of the town centre, this small-scale residential and commercial development is quite different in character to the proposed conservation area. Officers believe that if this area is to be incorporated into a conservation area, it would be better considered along with the eastern end of Worcester Street, Oxford Street and Marlborough Street at some point in the future.

5. FINANCIAL IMPLICATIONS

- 5.1 The costs associated with the designation of the new Conservation Area will be met from existing budgets.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Upon designation, the council must place a notice in the London Gazette and at least one local newspaper and must inform the Secretary of State and (in England) English Heritage of the designation. In England and Wales they must also register the designation as a land charge (essentially, a restriction or prohibition placed on an area of land). However, there is no formal duty to notify current owners or occupiers individually.
- 6.2 The Conservation Area Appraisal has been drawn up in accordance with the guidance produced by English Heritage: *Understanding Place: Conservation Area Designation, Appraisal and Management*, 2011.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 There are considered to be no equality impacts emerging from this proposal.

8. RISK MANAGEMENT

- 8.1 Although a number of buildings within the proposed Conservation Area are statutorily or Locally Listed, there are a number of other buildings and spaces which may be suitable for redevelopment in the future. Designation will ensure that any future development proposals must take into consideration the preservation and enhancement of the Conservation Area. This would reduce the risk of potentially inappropriate developments taking place and the loss of or harm to the setting of heritage assets.

9. CONCLUSION

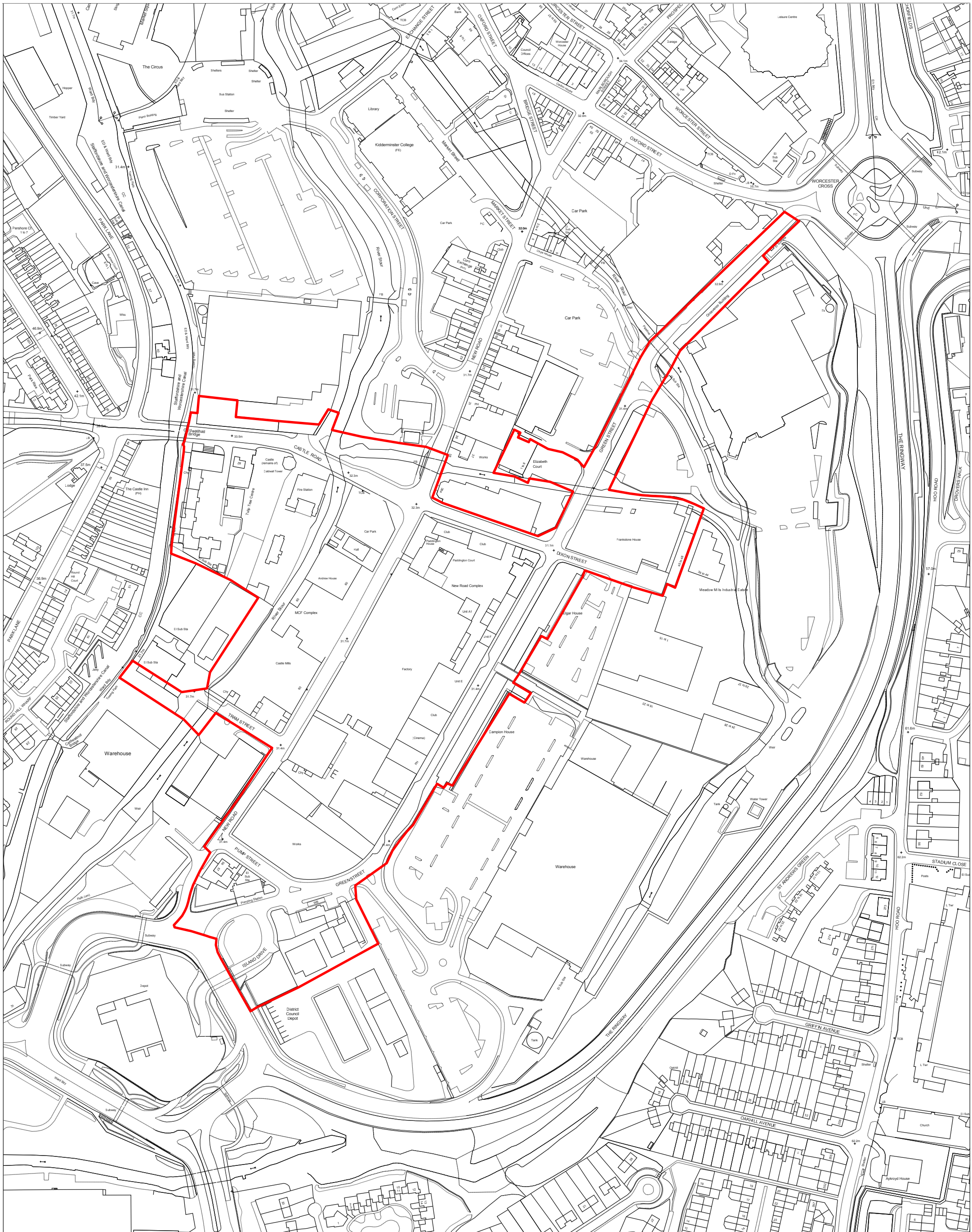
- 9.1 The consultation on the proposed Green Street Conservation Area, the Character Appraisal and Management Plan has established a general level of support and has not identified any significant opposition. Therefore, Cabinet is asked to recommend to Council that these documents be adopted.

10. CONSULTEES

- 10.1 Director of Legal and Corporate Services.
Head of Economic Development & Regeneration - North Worcestershire.

11. BACKGROUND PAPERS

- 11.1 English Heritage: *Understanding Place: Conservation Area Designation, Appraisal and Management*, 2011.



Summary of representations, Director of Planning & Regulatory Services responses and recommendations

Name	Summary of representation	Director of Planning & Regulatory Services Response	Director of Planning & Regulatory Services Recommendation
Melvyn Thompson	<p>Totally supports proposed conservation area designation, character appraisal and management plan.</p> <p>Supports proposed addition of Frank Stones and Former Brinton's Works to Local List.</p> <p>Suggests that former Castle Road Motors wall and perimeter wall of former Bland's Long Meadow Mill should also be considered for Local List.</p> <p>Suggests that boundary of Conservation Area is extended at Tram Street to include site of former canal basin which was used to bring in coal for boilers.</p> <p>Suggests that conservation area could have included Worcester Cross Factory.</p> <p>Page 10 – Long Meadow Mills was built by Henry and John Jecks Dixon.</p>	<p>Support for conservation area and proposed additions to Kidderminster Local List is welcomed.</p> <p>Agree that these two structures are worthy of inclusion on the Kidderminster Local List.</p> <p>Agree that proposed conservation area boundary should include site of former canal basin.</p> <p>Disagree with suggestion to extend conservation area northwards to include Worcester Cross.</p> <p>Agree that text should be amended.</p>	<p>Add former Castle Road Motors wall and Long Meadow Mill perimeter wall to Kidderminster Local List and notify owners/occupiers</p> <p>Amend boundary to include site of former canal basin.</p> <p>The northern part of New Road together with Oxford Street, Marlborough Street, Prospect Hill and Worcester Street will be considered as a potential conservation area at a future date.</p> <p>Amend text on page 10 at para 4.3.2 as follows:- <i>In 1854 Long Meadow Mills was opened for Henry and John Jecks Dixon.</i></p>
Steve Braggington	<p>Supports proposed boundary and additions to Local List.</p> <p>Supports management plan re buildings at risk (section 9).</p> <p>Any infill development should be of brick to complement existing buildings.</p> <p>Need to protect remaining historic mills.</p>	<p>Support for conservation area boundary, proposed additions to local list and management plan are welcomed.</p> <p>Would not wish to see brick used exclusively as this could stifle creative design etc.</p>	

Agenda Item No. 9.1
Appendix 2

Nigel Gilbert	<p>Consider report to be an excellent document. Preservation of area will encourage visitors to carpet museum to look around area.</p> <p>Appreciate reference to New Road brickworks. Would be nice to make building in brick a feature of the conservation area.</p> <p>Suggest that inclusion of northern part of New Road would strengthen Conservation Area rather than detract from it.</p> <p>Para. 4.3.1 – suggest that extra information is added re early development of area and reference to my book ‘History of Kidderminster’ is added to document.</p>	<p>Support is noted.</p> <p>Would not wish to see brick used exclusively as this could stifle creative design etc.</p> <p>Disagree with suggestion to extend conservation area northwards.</p> <p>Agree that this information could be usefully added to the document.</p>	<p>The northern part of New Road together with Oxford Street, Marlborough Street, Prospect Hill and Worcester Street will be considered as a potential conservation area at a future date.</p> <p>Amend para. 4.3.1 2nd bullet point as follows:-</p> <p><i>‘this followed on from the purchase of land in 1824 by Blankley Perrins Willis which led to the creation of the commercial area around Oxford Street</i></p> <p>Add to references “A History of Kidderminster” by Nigel Gilbert 2004</p>
Charles Talbot	Kidderminster Carpet Museum Trust is fully supportive of this proposal.	Support is welcomed.	
Nick Hughes	<p>Support proposals.</p> <p>Consider that Northern part of New Road should be considered as potential Conservation Area in the future.</p>	<p>Support is welcomed.</p> <p>Disagree with suggestion to extend conservation area northwards.</p>	<p>The northern part of New Road together with Oxford Street, Marlborough Street, Prospect Hill and Worcester Street will be considered as a potential conservation area at a future date.</p>
English Heritage	Very much welcome proposal but concerned that document is too detailed. Suggest that summary of special interest (para. 3.1-3.5) could be made more prominent.	Support is welcomed. Agree that document can be shortened.	Remove detailed records at Appendix B & C.
David Bulmer	<p>Suggest series of amendments to boundary.</p> <ol style="list-style-type: none"> 1. south-west corner adjoining Worcester Road traffic island – amend to include small landscaped area at entrance to New Road. 2. house at southern end of New Road – amend to include pavement and grass verge 	<ol style="list-style-type: none"> 1. agree 2. agree 	<ol style="list-style-type: none"> 1. Amend boundary to include small landscaped area at entrance to New Road. 2. Amend boundary to include pavement and grass verge

Agenda Item No. 9.1
Appendix 2

	<p>3. western embankment to River Stour north of Tram Street – amend to include embankment adjoining sub-station</p> <p>4. offices at western end of former Brinton’s building on Castle Road – amend boundary to include offices at western end of retained façade (also need to amend proposed local listing and corresponding map)</p> <p>5. double height wall at eastern end of former Brinton’s building – amend boundary and local listing to include this wall which although new is sympathetic to original façade and helps screen servicing yard from adjoining walkway</p> <p>6. watercourse, embankment trees and grassed area northern side of Castle Road – extend boundary to include this area</p> <p>7. United Carpets and Wood Floors – suggest boundary of conservation area is amended to follow the plot in which this former mill building sits</p> <p>8. industrial building to rear of Phoenix Fireplaces, New Road – suggest this building is included within boundary</p> <p>9. Shipleys building – recommend that boundary is extended to include this building and its plot, with a proviso expressing the desirability of redevelopment or remodelling. Site includes watercourse which is historic feature within area</p> <p>10. Brick wall and building on New Road (Kidderminster Carpets) – management plan identifies this building as a negative feature. However, there are elements of this building which are worth conserving and enhancing. The old brick wall running back of pavement is topped with modern metal cladding. However, on the inside the original pointed gables are intact and still visible on top of the wall. I recommend that the Management Plan expresses the desirability of removing the metal cladding along the top of the wall to expose the pointed gables and rebuilding the end gable walls in a more sympathetic style.</p>	<p>3. agree</p> <p>4. agree</p> <p>5. agree</p> <p>6. agree</p> <p>7. agree</p> <p>8. disagree</p> <p>9. disagree</p> <p>10. agree in part</p>	<p>adjacent 56/57 New Road.</p> <p>3. Amend boundary to include River Stour embankment adjoining sub-station on Tram Street.</p> <p>4. Amend boundary to include 2-storey offices and include as part of proposed locally listed building.</p> <p>5. Amend boundary and proposed locally listed building to include this double-height wall.</p> <p>6. Amend boundary to include area to rear of petrol filling station.</p> <p>7. Amend boundary to follow plot of Elizabeth Court.</p> <p>8. No change.</p> <p>9. No change.</p> <p>10. Include wall and building as part of proposed local listing for Castle Mills complex. Look to suggest replacement to roof if and when works are required to building.</p>
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Agenda Item No. 9.1
Appendix 2

	<p>11. New Road, Worcester Street, Oxford Street etc. – urge the Council to consider wider conservation of other areas and buildings in the vicinity, either by extending the boundary of this Conservation Area northwards or by a separate designation. Area contains number of small mid and late nineteenth century buildings which are contemporary with carpet manufacturing premises.</p> <p>12. Description at para. 4.4.1 omits any reference to roof structures of weaving sheds having north lights, which is a key feature of their design. Recommend that penultimate sentence is amended to read: ‘...extensive areas of glass (north lights) to the former weaving sheds and dye houses.’</p>	<p>11. Disagree with suggestion to extend conservation area northwards.</p> <p>12. Agree that text should be amended.</p>	<p>11. The northern part of New Road together with Oxford Street, Marlborough Street, Prospect Hill and Worcester Street will be considered as a potential conservation area at a future date.</p> <p>12. Amend penultimate sentence of para. 4.4.1 to read: ‘...<i>extensive areas of glass (north lights) to the former weaving sheds and dye houses.</i>’</p>
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WYRE FOREST DISTRICT COUNCIL

**CABINET
21ST FEBRUARY 2012**

**Recommendation from Overview and Scrutiny Committee
9th February 2012**

Green Street Conservation Area Designation, Character Appraisal and Management Plan

The Committee considered a report from the Conservation Officer on the public consultation undertaken on proposals to designate Green Street as a Conservation Area.

Recommend to Cabinet:

- 1. The designation of a new Conservation Area at Green Street as shown on the plan attached to the report to the Overview and Scrutiny Committee on 9th February 2012.**
- 2. The owners/occupiers of the buildings and structures it is proposed to include on the Kidderminster Local List be notified of the Council's intention.**
- 3. The Character Appraisal and Management Plan be adopted.**
- 4. The background and history of the buildings and points of interest within the area collated as part of the report be made available for display in the Carpet Museum and local library.**

WYRE FOREST DISTRICT COUNCIL

CABINET 21st FEBRUARY, 2012

Proposed Decision: Agenda Item 10.1 (a)

FINANCIAL STRATEGY 2012/15

The Cabinet, having re-considered the Financial Strategy 2012/15 as recommended on 20th December 2011, the results of the consultation exercise and recommendations of the Overview and Scrutiny Committee (this is a separate item on this agenda 10.1 (b)), ***RECOMMENDS TO COUNCIL*** :-

1. **CAPITAL PROGRAMME 2010/11 ONWARDS** (pages 74-84)
 - 1.1 ***APPROVES*** the updated Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as presented to the Cabinet on 20th December 2011 and further amended to incorporate the Cabinet Proposals identified in Appendix 2 along with the updated Prudential Indicators presented in the separate report on this agenda.
 - 1.2 ***DELEGATED*** authority continues to be given to the Director of Resources in consultation with the Cabinet Member for Resources, to fund appropriate elements of the Capital Programme by means of Prudential Borrowing.
 - 1.3 ***DELEGATES*** authority to the Director of Resources, in consultation with the Chief Executive and the Cabinet, to determine the most financially prudent funding method for Capital Projects (Capital Receipts or Direct Revenue Funding) at the end of each Financial Year.
2. **FEES AND CHARGES** (pages 32-70)
 - 2.1 ***RECOMMENDS*** fees and charges as detailed in the Financial Strategy as presented to Cabinet on 20th December 2011, along with the amendments attached in Appendix 1.
3. **THREE YEAR BUDGET AND POLICY FRAMEWORK 2012/15** (pages 1-73)
 - 3.1 The contents of the Reports of the Director of Resources on the Three Year Budget and Policy Framework 2012-2015 (pages 1-73 incorporating the Base Budget Variations (pages 21-22) be ***ENDORSED*** and in doing so ***APPROVE*** the Revised Revenue and Capital Budgets for 2011/12.
 - 3.2 ***APPROVES*** that any Final Account savings arising from 2011/2015 over and above the target allowed for in the Council's Finance Strategy, together with surplus Earmarked Reserves, be allocated for the one-off costs of the new Head Quarters project.

- 3.3 The following General Fund Revenue Budget be **RECOMMENDED** including **CABINET PROPOSALS** (**Appendix 2**) and **FEES AND CHARGES** (see Financial Strategy pages 32-70) and related amendments (**Appendix 1**):

	Revised 2011/12 £	2012/2013 £	2013/2014 £	2014/2015 £
Net Expenditure on Services (per Appendix 1 on Page 12 of the Financial Strategy Book) (*)	14,241,610	12,780,950	12,805,090	13,096,700
Add/(Less) Cabinet Proposals - (Appendix 2)	-	274,250	2,400	(87,080)
Net Expenditure	14,241,610	13,055,200	12,807,490	13,009,620
Contribution to/(from) Reserves	(716,560)	(322,400)	(329,870)	(656,840)
Net Budget Requirement	13,525,050	12,732,800	12,477,620	12,352,780
Less Business Rate Grant, Government Grant and Collection Fund Surplus (*)	6,294,330	5,615,730	5,294,640	4,990,370
Area Based Grant	293,270	109,270	0	0
Council Tax Income	<u>£6,937,450</u>	<u>£7,007,800</u>	<u>£7,182,980</u>	<u>£7,362,410</u>
Wyre Forest District Council Tax Level assuming no change in 2011/12 then a 2.5% increase 2012/13 onwards.	<u>£197.62</u>	<u>£197.62</u>	<u>£202.56</u>	<u>£207.62</u>

(*) Now confirmed that the Council Tax Freeze Grant is included within Formula Grant for 2012/13 and beyond

Government Grant Analysis*	2011/12	2012/13	Increase (decrease)	
	£	£	£	%
Revenue Support Grant	1,474,240	105,820	(1,368,420)	(92.8)
Business Rates	4,769,440	5,458,910	689,470	14.4
Collection Fund Surplus	50,650	51,000	350	0.0
Overall Totals	6,294,330	5,615,730	(678,600)	(10.8)

- 3.4 Reserves available as part of the Three Year Financial Strategy:

Reserves Statement	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Reserves as at 1 April	2,698	1,981	1,659	1,329
Contribution to/(from) Reserves	(717)	(322)	(330)	(657)
Reserves as at 31 March	1,981	1,659	1,329	672

4 COUNCIL TAX

- 4.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £197.62 for 2012/13 (£197.62 2011/12) no increase on Council Tax for 2012/13.
- 4.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2013/2014 of £202.56 and £207.62 in 2014/2015 an increase of 2.5% per annum over 2012/2013.



Wyre Forest District Council



Service	Environmental Maintenance	Service Manager	Steve Brant
Directorate & Director	Resources - David Buckland	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES FOR INCOME

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31/03/2012	FROM 1/04/2012	FROM 1/04/2012
	£	£	£
Fleet Management		*	**
MOT			
Class 4	36.00		36.00
Class 5	53.50		53.50
Class 7	53.50		53.50
WFDC Taxi	10.00		10.00
INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31/03/2012	FROM 1/04/2012	FROM 1/04/2012
	£	£	£
Domestic Waste Collections		π	ππ
Charges for the Supply of a Replacement Wheelie Bin			
Replacement bins - delivered	37.00		39.00
Replacement bins - collected	28.00		29.50
Garden Waste Bins - Contribution to cost of bin	20.50		20.50
Garden Waste Collection Service - Annual Fee	31.00		32.50

NOTES:

* Charge before VAT (if applicable) at the prevailing rate
 ** Charge inclusive of VAT (if applicable) i.e. total fee payable at the prevailing VAT rate
 Commercial judgement is delegated to the Director of Service

WYRE FOREST DISTRICT COUNCIL

INCOME SERVICE OPTIONS 2012/2013 at 5%

PLANNING & REGULATORY SERVICES

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES			
			2012/13 £	2013/14 £	2014/15 £	2015/16 £
R185	<u>Car Parks</u> Increase charges by 5% in line with Council Policy (increase starts 1/10/11)	C R S	- 35,050 CR	- 70,100 CR	- 70,100 CR	- 70,100 CR
R185	<u>Parking Restriction Charges *</u> Increase charges by 5% in line with Council Policy	C R S	180 CR	180 CR	180 CR	180 CR
R200	<u>Event Support - Cleansing *</u> Increase charges by 5% in line with Council Policy	C R S	10 CR	10 CR	10 CR	10 CR
R200	<u>Private Water Supplies *</u> Increase charges by 5% in line with Council Policy	C R S	40 CR	40 CR	40 CR	40 CR
R631	<u>Street Naming and Numbering *</u> Increase charges by 5% in line with Council Policy	C R S	130 CR	130 CR	130 CR	130 CR
R605	<u>Development Control</u> To maintain Planning Application fees at statutory levels (last increased 26/02/2010).	C R S	tba	tba	tba	tba
R605	<u>Development Control - Planning Advice</u> To increase the charge for Planning Enquiries by 5%	C R S	10 CR	10 CR	10 CR	10 CR
R605	<u>Development Control - Permitted Developments</u> To increase fees to be in line with charges made by other District Councils within the County - approx 5%	C R S	100 CR	100 CR	100 CR	100 CR
R605	<u>Development Control - Pre-application advice</u> To increase fees to be in line with charges made by other District Councils within the County - approx 5%	C R S	350 CR	350 CR	350 CR	350 CR
R625	<u>Building Control</u> To Implement charges as set by Worcestershire Regulatory Services	C R S	-	-	-	-
R625	<u>Building Control - Enquiries</u> To Implement charges as set by Worcestershire Building Control Shared Service	C R S	-	-	-	-
R625	<u>Building Control - Sale of Documents</u> To Implement charges as set by Worcestershire Building Control Shared Service	C R S	20 CR	20 CR	20 CR	20 CR
R630	<u>Planning, Health & Environment Administration</u> To increase the charge for the sale of documents by 5% in line with Council Policy.	C R S	50 CR	50 CR	50 CR	50 CR
R637	<u>Environmental Health - Pest Control</u> To increase charges by 5% in line with Council Policy.	C R S	690 CR	690 CR	690 CR	690 CR
R637	<u>Environmental Health - Pollution Control</u> To maintain LAPPC charges at statutory level (revised annually).	C R S	tba	tba	tba	tba
R637	<u>Environmental Health - Pollution Control</u> To maintain water sampling fees at statutory levels. To increase other charges by 5% in line with Council Policy.	C R S	20 CR	20 CR	20 CR	20 CR

WYRE FOREST DISTRICT COUNCIL

INCOME SERVICE OPTIONS 2012/2013 at 5%

PLANNING & REGULATORY SERVICES

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES			
			2012/13 £	2013/14 £	2014/15 £	2015/16 £
R638	<u>Licensing Activities - Hackney Carriages</u> To increase fees by 5% in line with Council Policy.	C R S	3,390 CR	2,930 CR	2,930 CR	3,390 CR
R638	<u>Licensing Activities - General Licensing</u> To increase charges by 5% in line with Council Policy.	C R S	1,020 CR	1,020 CR	1,020 CR	1,020 CR
R638	<u>Licensing Activities - Gambling Act 2005</u> To increase premises licence fees by 5% in line with Council Policy.	C R S	270 CR	270 CR	270 CR	270 CR
R638	<u>Licensing Activities - Gambling Act 2005</u> To charge permit fees as determined by Government.	C R S	tba	tba	tba	tba
R638	<u>Licensing Activities - Licencing Act 2003</u> To maintain Liquor Licensing fees at statutory levels	C R S	tba	tba	tba	tba
	TOTALS	C R S	- 41,330 CR -	- 75,920 CR -	- 75,920 CR -	- 76,380 CR -



Wyre Forest District Council



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
HACKNEY CARRIAGE/PRIVATE HIRE FEES			
Hackney Carriage/Private Hire Drivers Licence (valid for 2 years)	268.00		281.00
Drivers' Knowledge Test	49.00		51.50
Drivers Badge	23.00		24.00
Hackney Carriage Vehicle	377.00		396.00
Private Hire Vehicle	377.00		396.00
Private Hire Operators	420.00		441.00
Vehicle Decals - Replacements	17.00		18.00
Vehicle Retest Fee (if re-tested within 48 hours of failure)	28.00	29.50	
Vehicle Retest Fee (if re-tested after 48 hours of failure)	54.00	56.50	
Change of Business (Sell Car and Transfer Plate)	317.00		100.00
Exemption Notice (Executive Vehicles)	26.00		27.50
Internal (Executive Vehicles) Car Plate	19.00		20.00
External Car Plate	45.00		47.00
CRB check	56.00		59.00

NOTES:

VAT will be included at the prevailing rate if applicable



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
LICENSING AND REGISTRATION			
Acupuncture, Tattooing, Electrolysis, Ear Piercing, Skin Piercing & Semi-Permanent Skin			
Colouring -			
Certificate of Registration: (a) Person	135.00		142.00
(b) Premise	195.00		205.00
(c) Persons & Premises	329.00		345.00
Animal Boarding Establishments* Initial	277.00		291.00
Renewal	183.00		192.00
Dangerous Wild Animals* Initial	277.00		291.00
Renewal	183.00		192.00
Dog Breeding Establishments* Initial	277.00		291.00
Renewal	183.00		192.00
Registration of Motor Salvage Operators	91.00		95.50
Copy of Register Entry, Motor Salvage Operators Register	4.00	4.00	
Pet Animals Act* Initial	277.00		291.00
Renewal	183.00		192.00
Public Realm and Streetscene (Control of Street Furniture)	262.00		275.00
Riding Establishments* Initial	277.00		291.00
Renewal	183.00		192.00
Sex Establishments Initial	4,094.00		4299.00
Renewal	1,572.00		1650.00
Transfer	284.00		298.00
Zoo Licences* Initial	1,338.00		1405.00
	(plus Inspector's expenses)		(plus Inspector's expenses)
Renewal	1,202.00		1262.00
	(plus Inspector's expenses)		(plus Inspector's expenses)

NOTES:

VAT will be included at the prevailing rate if applicable
* Plus Vet fees where applicable



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
FOOD, HEALTH AND SAFETY AND POLLUTION CONTROL			
FOOD, HEALTH AND SAFETY			
Issue of Food Surrender Certificates	54.00	57.00	
Release of Officers Statements	251.00	264.00	
Release of Documents	89.00	93.50	
POLLUTION CONTROL			
WATER SAMPLING CHARGES			
The Regulations allow local authorities to charge a fee, subject to prescribed maximum levels to enable reasonable costs of services (lab fees etc) to be recovered.			
Proposed Fees and Charges			
Risk Assessment	40.00 per hour (up to £500 Max)	40.00 per hour (up to £500 Max)	
Investigation (each investigation)	40.00 per hour (up to £100 Max)	40.00 per hour (up to £100 Max)	
Granting an Authorisation	100.00 Max	100.00 Max	
Sampling (each visit)	100.00 Max	100.00 Max	
Analysing a sample			
- taken under regulation 10 (small supplies)	25.00 Max	25.00 Max	
- taken during check monitoring	100.00 Max	100.00 Max	
- taken during audit monitoring	500.00 Max	500.00 Max	

NOTES:

VAT will be included at the prevailing rate if applicable



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
STREET TRADING			
STREET TRADING			
Single Unit up to 12 x 12 (max 5m length) Food - Initial	1,658.00		1,740.00
- Renewal	1,575.00		1,654.00
Single Unit up to 12 x 12 (max 5m length) Non-Food - Initial	1,385.00		1,455.00
- Renewal	1,245.00		1,308.00
For every additional 12 x 12 or part thereof or length more than 5m	682.00		716.00
Mobile Traders	649.00		682.00

NOTES:

VAT will be included at the prevailing rate if applicable



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Premises License Fees 2011/12			
Existing Casinos - New Application	N/A	N/A	
Annual Fee	N/A	N/A	
Application to vary	N/A	N/A	
Application to Transfer	N/A	N/A	
Application for re-instatement	N/A	N/A	
Application for Provisional Statement	N/A	N/A	
Licence Application (Provisional Statement holders)	N/A	N/A	
Copy Licence	N/A	N/A	
Notification of change	N/A	N/A	
New Small Casino - New Application	N/A	N/A	
Annual Fee	N/A	N/A	
Application to vary	N/A	N/A	
Application to Transfer	N/A	N/A	
Application for re-instatement	N/A	N/A	
Application for Provisional Statement	N/A	N/A	
Licence Application (Provisional Statement holders)	N/A	N/A	
Copy Licence	N/A	N/A	
Notification of change	N/A	N/A	
New Large Casino - New Application	N/A	N/A	
Annual Fee	N/A	N/A	
Application to vary	N/A	N/A	
Application to Transfer	N/A	N/A	
Application for re-instatement	N/A	N/A	
Application for Provisional Statement	N/A	N/A	
Licence Application (Provisional Statement holders)	N/A	N/A	
Copy Licence	N/A	N/A	
Notification of change	N/A	N/A	
Regional Casino - New Application	N/A	N/A	
Annual Fee	N/A	N/A	
Application to vary	N/A	N/A	
Application to Transfer	N/A	N/A	
Application for re-instatement	N/A	N/A	
Application for Provisional Statement	N/A	N/A	
Licence Application (Provisional Statement holders)	N/A	N/A	
Copy Licence	N/A	N/A	
Notification of change	N/A	N/A	
Bingo Club - New Application	1,989.00	2,088.00	
Annual Fee	569.00	598.00	
Application to vary	995.00	1,045.00	
Application to Transfer	682.00	716.00	
Application for re-instatement	682.00	716.00	
Application for Provisional Statement	1,989.00	2,088.00	
Licence Application (Provisional Statement holders)	682.00	716.00	
Copy Licence	29.00	31.00	
Notification of change	57.00	60.00	
Betting Premises - New Application (excluding Tracks) Annual Fee	1,707.00	1,792.00	
Application to vary	341.00	358.00	
Application to Transfer	852.00	895.00	
Application for re-instatement	682.00	716.00	
Application for Provisional Statement	682.00	716.00	
Licence Application (Provisional Statement holders)	1,707.00	1,792.00	
Copy Licence	682.00	716.00	
Notification of change	29.00	31.00	
	57.00	60.00	



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Premises License Fees 2011/12			
Tracks - New Application	1,422.00	1,493.00	
Annual Fee	569.00	598.00	
Application to vary	710.00	746.00	
Application to Transfer	540.00	567.00	
Application for re-instatement	540.00	567.00	
Application for Provisional Statement	1,422.00	1,493.00	
Licence Application (Provisional Statement holders)	540.00	567.00	
Copy Licence	29.00	31.00	
Notification of change	57.00	60.00	
Family Entertainment Centres - New Application	1,137.00	1,194.00	
Annual Fee	426.00	447.00	
Application to vary	569.00	598.00	
Application to Transfer	540.00	567.00	
Application for re-instatement	540.00	567.00	
Application for Provisional Statement	1,137.00	1,194.00	
Licence Application (Provisional Statement holders)	540.00	567.00	
Copy Licence	29.00	31.00	
Notification of change	57.00	60.00	
Adult Gaming Centres - New Application	1,137.00	1,194.00	
Annual Fee	569.00	598.00	
Application to vary	569.00	598.00	
Application to Transfer	540.00	567.00	
Application for re-instatement	540.00	567.00	
Application for Provisional Statement	1,137.00	1,194.00	
Licence Application (Provisional Statement holders)	540.00	567.00	
Copy Licence	29.00	31.00	
Notification of change	57.00	60.00	
Temporary Use Notices - New Application	289.00	304.00	
Annual Fee	N/A	N/A	

NOTES:

VAT will be included at the prevailing rate if applicable



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31/03/2012	FROM 1/04/2012	FROM 1/04/2012
Permits	£	£	£
		Charges before VAT	Charges inclusive of VAT
Fee Type			
FEC Gaming Machine - Grant	300.00	300.00	
FEC Gaming Machine - Renewal	300.00	300.00	
FEC Gaming Machine - Existing Operator Grant	100.00	100.00	
FEC Gaming Machine - Annual Fee	N/A	N/A	
Prize Gaming - Grant	300.00	300.00	
Prize Gaming - Renewal	300.00	300.00	
Prize Gaming - Existing Operator Grant	100.00	100.00	
Prize Gaming - Annual Fee	N/A	N/A	
Licensed Premises Gaming Machine Permit - Grant	150.00	150.00	
Licensed Premises Gaming Machine Permit - Renewal	N/A	N/A	
Licensed Premises Gaming Machine Permit - Existing Operator Grant	100.00	100.00	
Licensed Premises Gaming Machine Permit - Annual Fee	50.00	50.00	
Club Gaming Permit - Grant *	100.00	100.00	
Club Gaming Permit - Renewal *	100.00	100.00	
Club Gaming Permit - Existing Operator Grant	100.00	100.00	
Club Gaming Permit - Annual Fee	50.00	50.00	
Club Machine Permits - Grant *	100.00	100.00	
Club Machine Permits - Renewal *	100.00	100.00	
Club Machine Permits - Existing Operator Grant	100.00	100.00	
Club Machine Permits - Annual Fee	50.00	50.00	
Small Lottery Registration - Grant	40.00	40.00	
Small Lottery Registration - Renewal	20.00	20.00	
Small Lottery Registration - Existing Operator Grant	N/A	N/A	
Small Lottery Registration - Annual fee	N/A	N/A	
Miscellaneous Fees			
FEC Permits - Change of name	25.00	25.00	
FEC Permits - Copy of permit	15.00	15.00	
FEC Permits - Variation	N/A	N/A	
FEC Permits - Transfer	N/A	N/A	
FEC Permits - Notification	N/A	N/A	
Prize Gaming Permits - Change of name	25.00	25.00	
Prize Gaming Permits - Copy of permit	15.00	15.00	
Prize Gaming Permits - Variation	N/A	N/A	
Prize Gaming Permits - Transfer	N/A	N/A	
Prize Gaming Permits - Notification	N/A	N/A	
Licensed premises Gaming machine Permits - Change of name	25.00	25.00	
Licensed premises Gaming machine Permits - Copy of permit	15.00	15.00	
Licensed premises Gaming machine Permits - Variation	100.00	100.00	
Licensed premises Gaming machine Permits - Transfer	25.00	25.00	
Licensed premises Gaming machine Permits - Notification	N/A	N/A	



Service	Environmental Health	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Permits			
Licensed Premises Automatic Notification Process - Change of name	N/A	N/A	
Licensed Premises Automatic Notification Process - Copy of permit	N/A	N/A	
Licensed Premises Automatic Notification Process - Variation	N/A	N/A	
Licensed Premises Automatic Notification Process - Transfer	N/A	N/A	
Licensed Premises Automatic Notification Process - Notification	50.00	50.00	
Gaming Club Permits - Change of name	100.00	100.00	
Gaming Club Permits - Copy of permit	15.00	15.00	
Gaming Club Permits - Variation	100.00	100.00	
Gaming Club Permits - Transfer	N/A	N/A	
Gaming Club Permits - Notification	N/A	N/A	
Gaming Machine Permits - Change of name	100.00	100.00	
Gaming Machine Permits - Copy of permit	15.00	15.00	
Gaming Machine Permits - Variation	100.00	100.00	
Gaming Machine Permits - Transfer	N/A	N/A	
Gaming Machine Permits - Notification	N/A	N/A	

NOTES:

VAT will be included at the prevailing rate if applicable
 * Fee will be £200 if premises does not sell alcohol



Service		Service Manager	John Baggott
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Planning Advice Building Control Advice (Pre 01/01/2012)			
Reply to general individual queries, Planning or Building Control for up to 6 questions (after that the full Local Land Charge Search fee will be charged)	19.00 per Question		20.00 per Question
If any query requires a site visit to be made (e.g. compliance with conditions)	50.50		53.00
Charges for Copy Documents			
Monthly Decision List	81.50		86.00
Weekly Planning Application List	136.50		143.00
Decision Notices	14.50		15.00
Decision Notices Additional Copies	0.75		0.80
A4 - For each copy	0.75		0.80
A3 - For each copy	0.95		1.00
A2 - For each copy	2.40		2.50
A1 - For each copy	3.00		3.10
A0 - For each copy	4.00		4.20
Note			
Copies, where appropriate, are available free up to a cumulative single transaction value of £10 for individuals (the discretion of Director of Service to be applied in cases of multiple separate transactions) and charged at full cost to representatives of professional and/or commercial companies.			

NOTES:

VAT will be included at the prevailing rate if applicable



Service	Planning	Service Manager	John Baggott
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Permitted Developments and pre application advice			
Permitted Development enquiries			
Proposed development type			
Householder	25.00		27.00
Other	50.00		54.00
Pre-Application advice			
Householder	40.00		43.00
Cost of each additional meeting	20.00		21.00
1 - 4 dwellings	250.00		268.00
Cost of each additional meeting	100.00		107.00
Residential Development (see note 1)			
5 - 9 dwellings (site <1ha) (gross floor area <1,000m2)	500.00		537.00
Cost of each additional meeting	100.00		107.00
10 - 49 dwellings (site 1-1.25ha) (gross floor area 1,000 - 2,499m2)	1,000.00		1,072.00
Cost of each additional meeting	500.00		536.00
50 -199 dwellings (site 1.26-2ha) (gross floor area 2,500 - 9,999m2)	2,000.00		2,145.00
Cost of each additional meeting	750.00		793.00
200+ dwellings (site 2+ha) (gross floor area +10,000m2)	3,000.00		3,217.00
Cost of each additional meeting	1,000.00		1,072.00
Non Residential/Commercial Development (see note 1)			
Gross floor area up to 500m2 (site up to 0.5ha)			268.00
Cost of each additional meeting			107.00
Gross floor area 501m2 - 999m2 (site 0.5 -1ha)			536.00
Cost of each additional meeting			107.00
Gross floor area 1,000 - 2,499m2 (site 1.-1.25ha)			1,072.00
Cost of each additional meeting			536.00
Gross floor area 2,500 - 9,999m2 (site 1.26-2ha)			2,145.00
Cost of each additional meeting			793.00
Gross floor area +10,000m2 (site +2ha)			3,217.00
Cost of each additional meeting			1,072.00
Other Categories			
Advertisements			54.00
Cost of each additional meeting			27.00
Change of Use			161.00
Cost of each additional meeting			81.00
Telecommunications			161.00
Cost of each additional meeting			81.00
Glasshouses/Poly Tunnels			214.00
Cost of each additional meeting			107.00
Others (see note 2)	100.00		107.00
Cost of each additional meeting	50.00		54.00
Historic Environmental and Tree related enquiries			
Separate Listed Building and Conservation Area Advice (Up to 3 Separate Matters)	30.00		33.00
(More than 3 Separate Matters)			66.00
Cost of each additional meeting	15.00		16.00
Separate Tree related Advice - number of trees not exceeding 10	30.00		33.00
Cost of each additional meeting	15.00		16.00
Separate Tree related Advice - number of trees over 10 but not exceeding 30	60.00		66.00
Cost of each additional meeting	15.00		16.00
Exemptions			
As set out in Guidance Note (e.g. Parish Councils, etc)			

NOTES:

* Charge before VAT (if applicable) at the prevailing rate
 ** Charge inclusive of VAT (if applicable) ie. total fee payable at the prevailing VAT rate

Note 1 - If only principle to be discussed

Note 2 - Includes other development proposals such as variation or removal of conditions-proposed changes of use, car parks and certificates of lawfulness.



Wyre Forest District Council



Service	Building Control	Service Manager	John Baggott
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Building Control			
STANDARD CHARGES FOR THE CREATION OR CONVERSION TO NEW HOUSING			
1 Property - Application Charge	628.00		620.00
Regularisation Charge	655.00		780.00
Additional Charge *	123.00		110.00
2 Properties - Application Charge	868.00		855.00
Regularisation Charge	904.00		1,070.00
Additional Charge *	246.00		215.00
3 Properties - Application Charge	1,113.00		1,085.00
Regularisation Charge	1,160.00		1,355.00
Additional Charge *	369.00		320.00
4 Properties - Application Charge	1,307.00		1,310.00
Regularisation Charge	1,362.00		1,860.00
Additional Charge *	492.00		425.00
5 Properties - Application Charge	1,491.00		1,505.00
Regularisation Charge	1,555.00		1,885.00
Additional Charge *	615.00		530.00
Charges for more than 5 dwellings, please telephone 01562 732526 or 01562 732525			
DOMESTIC EXTENSIONS TO A SINGLE BUILDING			
Extension where floor area is less than 10m ² or conversion of attached garage into habitable room:			
Application Charge	307.00		340.00
Regularisation Charge	320.00		425.00
Additional Charge *	123.00		110.00
Extension where floor area is between 10m ² and 40m ² :			
Application Charge	460.00		495.00
Regularisation Charge	480.00		620.00
Additional Charge *	123.00		110.00
Extension where floor area is between 40m ² and 60m ² :			
Application Charge	613.00		660.00
Regularisation Charge	640.00		825.00
Additional Charge *	123.00		110.00
Extension where floor area is between 60m ² and 200m ² :			
Application Charge	792.00		835.00
Regularisation Charge	825.00		1,040.00
Additional Charge *	123.00		110.00
Loft Conversions - Application Charge	460.00		470.00
Regularisation Charge	480.00		590.00
Additional Charge *	123.00		110.00
Erection or extension of a non-exempt single storey car-port or garage not exceeding 100m ²			
Application Charge	307.00		340.00
Regularisation Charge	320.00		425.00
Additional Charge *	123.00		110.00
Window Replacement - Application Charge	133.00		180.00
Regularisation Charge	139.00		225.00
Additional Charge *	58 N/A		N/A



Service	Building Control	Service Manager	John Baggott
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Building Control			
Electrical Work - Application Charge	205.00		235.00
Regularisation Charge	215.00		290.00
Additional Charge *	N/A		N/A
Other domestic alterations costing less than £3,000 which are separate from but are to be undertaken at the same time as the main project			
Application Charge	57.00		60.00
Regularisation Charge	60.00		85.00
Additional Charge *	62.00		55.00
ALL OTHER WORK - ALTERATIONS			
Estimated cost of work £0.00 to £5,000			
Application Charge	220.00		240.00
Regularisation Charge	230.00		300.00
Estimated cost of work £5,001 to £15,000			
Application Charge	338.00		340.00
Regularisation Charge	352.00		465.00
Estimated cost of work £15,001 to £25,000			
Application Charge	450.00		455.00
Regularisation Charge	470.00		570.00
Estimated cost of work £25,001 to £35,000			
Application Charge	552.00		560.00
Regularisation Charge	575.00		700.00
Estimated cost of work £35,001 to £50,000			
Application Charge	710.00		720.00
Regularisation Charge	740.00		895.00
For office or shop fit outs, installation or a mezzanine floor and all other work where the estimated cost exceeds £50,000, the customer should contact the North Worcestershire Building Control office for a competitive quote			
Supplementary Charges			
Archived plans			
Re-open archived file and issue completion certificate			65.00
Site Visit relating to archived case - per site visit			65.00
Withdrawn Applications			
Process request - Admin Charge			40.00
Building Notice - No inspection having taken place			refund fee less admin charge
Building Notice - Inspections having taken place			refund fee less admin charge less £65 per visit
Full Plans - not checked, no inspections			refund fee less admin charge
Full Plans - checked, no inspections			refund inspection fee less admin charge
Full Plans - checked, with site inspections			refund inspection fee less admin charge, less £65 per site inspection
Redirected Inspection fees/issue copy documents			
Re invoice to new address			40.00
Re issue previously issued completion certificate or approval/acceptance document			£11.00 plus £0.11 per sheet
Optional Consultancy Services			£80.00 per hour



Service	Building Control	Service Manager	John Baggott
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Building Control	TO 31/03/2012 £	FROM 1/04/2012 £ Charges before VAT	FROM 1/04/2012 £ Charges inclusive of VAT

NOTES:

VAT will be included at the prevailing rate if applicable

* The additional charge is payable on deposit if the electrician is not specified on the application form, or the person / company specified is not a Part P registered electrician

These charges have been set of the following basis:

1. That the building work does not consist of, or include innovative or high risk construction techniques and / or the duration of the building work from commencement to completion does not exceed 12 months.
2. That the design and building work is undertaken by a person or company that is competent to carry out the relevant design and building work. If they are not, the building control service may impose supplementary charges.



Service	Planning	Service Manager	
Directorate & Director	Planning and Regulatory Services - Mike Parker	Cabinet Member	

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2012 £	Proposed Charge FROM 1/04/2012 £ Charges before VAT	Proposed Charge FROM 1/04/2012 £ Charges inclusive of VAT
Private Water Supplies			
Risk Assessment - rate per hour	40.00		40.00
up to a maximum of	500.00		500.00
Investigating - rate per hour	40.00		40.00
up to a maximum of	500.00		500.00
Granting an authorisation - Maximum charge	100.00		100.00
Analysing samples			
Regio small supplies - maximum	25.00		25.00
During check monitoring - maximum	100.00		100.00
Taken during audit monitoring - maximum	500.00		500.00
Approx 12 supplies may require investigation and full audit			
Approx 60 supplies may require risk assessment and investigation.			

NOTES:

VAT will be included at the prevailing rate if applicable

WYRE FOREST DISTRICT COUNCIL

CABINET PROPOSALS 2012/2013 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT							
R705	<u>Regeneration of Economic Development</u> Establishment of a generic fund to support economic investment and regeneration initiatives to deliver the Corporate Plan priority 'To Secure The Economic Prosperity of the District' through ReWyre led initiatives. To include consideration of Enterprise Units from the Capital Funding.	C R S	800,000 234,800 -	- 169,600 -	- 169,600 -	- 169,600 -	- 169,600 -
R705	<u>Regeneration of Economic Development</u> Match Funding to support the work of the Worcestershire and Greater Birmingham & Solihull Local Enterprise Partnership and the West Midlands' Councils European Service.	C R S	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -
DELIVERING TOGETHER, WITH LESS							
R505	<u>Reduction in Council Members</u> Reduction in Council Members in line with the Boundary Commission review.	C R S	- - -	- - -	- - -	- 50,000 CR -	- 60,000 CR -
	<u>Community Transfer of Assets and Services</u> High level target for savings to be achieved through a series of strategic initiatives to transfer assets and services to local community groups and parish councils.	C R S	- 10,000 CR -	- 30,000 CR -	- 50,000 CR -	- 50,000 CR -	- 50,000 CR -
R335	<u>Systems Thinking</u> Savings from the introduction from Systems Thinking methodology across the Council.	C R S	- 100,000 CR 4 CR	- 250,000 CR 10 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR
R335	<u>Grant Aid to Parish Council's</u> Support provided for Parish Councils at the level of 10% of the parish/town precept.	C R S	- 40,000 -	- - -	- - -	- - -	- - -
IMPROVING COMMUNITY WELL-BEING							
R080	<u>Sports and Leisure Centres</u>						
R085	New leisure centre to meet the future needs of the District including a swimming pool, fitness suite and 5 aside football provision.	C	1,494,000	130,000	8,511,000	-	-
R140		R S	- - -	50,000 - -	300,000 - -	38,000 CR - -	38,000 CR - -
R160	<u>Paddling Pools</u> To undertake a strategic review of the current facilities and consider options in relation to splash parks.	C R S	300,000 26,000 -	- 26,000 -	- 26,000 -	- 26,000 -	- 26,000 -
R705	<u>Carbon Management Plan</u> Participation in the Carbon Trust Public Sector Carbon Management initiative in 2011 with the aim of producing a 5 year Carbon Management Plan for 2012 onwards.	C R S	111,520 26,450 -	154,250 21,800 -	8,640 47,680 CR -	21,950 73,520 CR -	1,010 74,860 CR -
R720	<u>Reinstate Community Leadership Fund</u> Reinstate a fund of £1,000 per Member for 2012/13.	C R S	- 42,000 -	- - -	- - -	- - -	- - -
R800	<u>Local Authority Mortgage Scheme (LAMS)</u> Introduction of Local Authority Mortgage Scheme in line with recent report considered by Cabinet, exact detail to be determined. Costs of Borrowing to be funded by Commercial deposit rate plus premium rate received (early indications are that potential defaults should also be covered by premium rate)	C R S	1,000,000 - -	- - -	- - -	- - -	- - -
	TOTALS	C R S	3,705,520 274,250 4.00 CR	284,250 2,400 10.00 CR	8,519,640 87,080 CR 20.00 CR	21,950 500,920 CR 20.00 CR	1,010 512,260 CR 20.00 CR

KEY - Changes in Resources

- C Capital
- R Revenue
- S Staffing - Stated in FTEs

WYRE FOREST DISTRICT COUNCIL**CABINET**
21ST FEBRUARY 2012**Results of Budget Consultation**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME	Economic Success Shared by All
CORPORATE PLAN PRIORITY:	Delivering Together, With Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland, Ext. 2100 david.buckland@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - Budget Consultation Results Appendix 2 - Labour Group Alternative Budget Proposals Appendix 3 - The Independent Community and Health Concern Party Alternative Budget Proposals Appendix 4 - Liberal and Independent Party Alternative Budget Proposals

1. PURPOSE OF REPORT

- 1.1 To consider the results of the budget consultation exercise launched following the presentation of the Financial Strategy 2012/2015 to Cabinet on 20th December 2011.

2. RECOMMENDATION

The CABINET is asked NOTE:

- 2.1 The results of the budget consultation exercise as detailed within this report.**

3. BACKGROUND

- 3.1 Following the approval of the Financial Strategy 2012/15 on 20th December 2011 there has been extensive consultation on the proposals. The purpose of this report is to feed back to the Cabinet the results of the consultation ahead of the final recommendations to Council. The four main groups which have been consulted are:

- Council Tax payers, Staff and Trade Unions;
- Other Members of Council;

- 3.2 This report will summarise the responses from each of the groups detailed shown above.

3.3 Council Taxpayers, Staff and Unions

- 3.3.1 In October 2010, the Council undertook a major consultation exercise in relation to the budget priorities for the Council. This exercise involved a questionnaire which was sent to 2,000 properties within the District. The Council received back valuable information from over 500 properties on the ranking of Council services. This was a 25% increase on the previous survey.
- 3.3.2 The information from the consultation exercise informed the prioritisation of the Cabinet Proposals last year and still remain a valid source of information to base decisions.
- 3.3.3 In addition however the Council has invited comment on the proposals presented to the Cabinet in December. In total 251 responses have been made to the specific questions and attached at Appendix A is an analysis of the detailed questions asked.
- 3.3.4 In response to the main questions however, these can be summarised as follows:

Do you agree that the Council should accept the Government grant next year and freeze Council Tax?

Strongly Agree/Agree :	74%
Strongly Disagree/Disagree :	18%

Should the Council provide additional resources to help stimulate the local economy?

Strongly Agree/Agree :	53%
Strongly Disagree/Disagree :	25%

Should the Council seek to reduce the number of Councillors?

Strongly Agree/Agree :	88%
Strongly Disagree/Disagree :	5%

Should the Council use System Thinking Techniques to improve efficiency?

Strongly Agree/Agree :	72%
Strongly Disagree/Disagree :	15%

Should the Council invest £300,000 in providing Splash Park Facilities?

Strongly Agree/Agree :	32%
Strongly Disagree/Disagree :	48%

- 3.3.5 It is not possible to distinguish the number of staff that responded, however, 251 is a significantly improved result upon the number of responses made last year.

3.4 Other Members of the Council

- 3.4.1 Following the meeting of Cabinet the Budget Review Panel have met on three occasions to consider the budget in greater detail. On each occasion there was debate on specific proposals and further information provided to assist in the decision making process.

3.4.2 At the meeting of the Budget Review Panel on 26 January 2012, alternative proposals to the Cabinet's were presented from the following groups:

- The Labour Party (Appendix 1);
- The Independent Community and Health Concern Party (Appendix 2);
- The Liberal and Independent Party (Appendix 3).

3.4.3 On all of the Appendices 2-4, those proposals which differ from the original Cabinet proposals are shaded. In addition wherever the proposals would result in additional expenditure for the Council the source of the relevant financing is shown. All of the proposed budgets were discussed by the Overview and Scrutiny Committee on 9th February who made the following recommendation:

Having considered the Cabinet proposals, and amendments from the Independent Community & Health Concern, Labour and Liberal & Independent Groups, the Overview and Scrutiny Committee is satisfied that the proposals are all clear, achievable and financially sound.

4. KEY ISSUES

4.1 In making the final recommendations to Council on the Financial Strategy 2012/2015 the Cabinet has considered the results of the budget consultation exercise.

5. FINANCIAL IMPLICATIONS

5.1 There are no direct Financial Implications.

6. LEGAL AND POLICY IMPLICATIONS

6.1 None.

7. EQUALITY IMPACT NEEDS ASSESSMENT

7.1 An Equality Impact Assessment screening has been undertaken and it is considered that there are no discernable impacts on the six equality strands.

8. RISK MANAGEMENT

8.1 It is good practice to determine the views of Council tax payers in making determinations on budgets.

9. CONCLUSION/FURTHER CONSIDERATIONS

9.1 The Council continues to engage with the public, staff, other Members and various stakeholders in setting the direction of the Council. In these times of financial austerity difficult choices will be required on selective reductions in costs in line with the Council's stated aims and objectives.

10. CONSULTEES

- 10.1 Leader of the Council.
- 10.2 Cabinet Member for Resources.
- 10.3 Corporate Management Team.

Wyre Forest District Council Budget Consultation Results 2012 In total 251 respondents accessed the campaign

Question 1

This year Wyre Forest District Council is proposing to freeze its proportion of the Council Tax bill, by taking advantage of the Government grant available. This does however create difficulties because the grant is only for one year and will therefore permanently reduce Council Tax income. What is your opinion on the plan to freeze Council Tax?

This single response question was answered by 241 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	109	45.23
Support	70	29.05
Neither support or oppose	20	8.30
Oppose	30	12.45
Strongly oppose	12	4.98

Question 2

The council plans to increase its share of the council Tax bill by 2.5 per cent in subsequent years. Which option do you prefer?

This single response question was answered by 234 respondents

Response	Number of Respondents	Percentage of Respondents
Higher than 2.5 per cent and have more or improved / retained services	37	15.81
Around 2.5 per cent as proposed	135	57.69
Lower than 2.5 per cent and have fewer services	62	26.50

Question 3

The cabinet is planning to establish a generic fund to support economic investment and regeneration initiatives to deliver the Corporate Plan priority 'To Secure the Economic Prosperity of the District' through ReWyre led initiatives. The fund is intended to act as a lever to attract further inward investment. The proposals include allocating £1 million in year one and a further £100,000 a year for the following three years. The money would come from secured borrowing. What is your opinion on establishing the fund to support economic investment and regeneration?

This single response question was answered by 231 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	52	22.51
Support	71	30.74
Neither support or oppose	49	21.21
Oppose	36	15.58
Strongly oppose	23	9.96

Question 4

What is your opinion on the Cabinet's proposal to support the work of the Worcestershire and Great Birmingham and Solihull Local Enterprise Partnerships and the West Midlands' Councils European Service? The proposal is to offer match funding of £15,000. Do you?

This single response question was answered by 228 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	29	12.72
Support	84	36.84
Neither support or oppose	61	26.75
Oppose	30	13.16
Strongly oppose	24	10.53

Question 5

What is your opinion on the proposal to reduce the number of Councillors? The Boundary Commission recommends a reduction of 12 Councillors, which would result in savings from allowances and equipment. If agreed in 2012, the savings would start to be made in 2015. Do you?

This single response question was answered by 231 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	149	64.50
Support	55	23.81
Neither support or oppose	15	6.49
Oppose	5	2.16
Strongly oppose	7	3.03

Question 6

The Cabinet is looking to make considerable savings of up to £50,000 a year by transferring some assets and services to local community groups and parish councils. The areas which are being considered include leisure facilities, park services, countryside services and the Civic Centre. What is your opinion on the proposal to continue to transfer assets and services?

This single response question was answered by 231 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	49	21.21
Support	73	31.60
Neither support or oppose	29	12.55
Oppose	44	19.05
Strongly oppose	36	15.58

Question 7

What is your opinion on the Cabinet's proposal to introduce new working practices to enable the Council to provide the same services more efficiently? It is projected this would lead to saving of £500,000 per year by 2016 and lead to 20 redundancies

This single response question was answered by 228 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	78	34.21
Support	83	36.40
Neither support or oppose	30	13.16
Oppose	18	7.89
Strongly oppose	19	8.33

Question 8

Do you think the Council should continue to provide grant aid to Parish Councils to support the work they do and help them play their part in the Community Asset transfer proposals? The grant is a total of £40,000.

This single response question was answered by 228 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	34	14.91
Support	95	41.67
Neither support or oppose	45	19.74
Oppose	29	12.72
Strongly oppose	25	10.96

Question 9

The Cabinet is proposing replacing the paddling pools in the district with two "splash parks". £300,000 has been allocated to the plan. Do you?.

This single response question was answered by 227 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	25	11.01
Support	49	21.59
Neither support or oppose	45	19.82
Oppose	57	25.11
Strongly oppose	51	22.47

Question 10

The Cabinet is proposing the Council invests funding in the Carbon Trust's Management Plan. The Plan would be introduced in 2012 and deliver projects over the next 10 years to reduce the Council's carbon dioxide emissions by 30 per cent. It is anticipated that this would generate savings in the future. Do you?

This single response question was answered by 225 respondents

Response	Number of Respondents	Percentage of Respondents
Strongly support	43	19.11
Support	83	36.89
Neither support or oppose	50	22.22
Oppose	31	13.78
Strongly oppose	18	8.00

WYRE FOREST DISTRICT COUNCIL**LABOUR PARTY PROPOSALS 2012/2013 ONWARDS**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT							
R705	<u>Regeneration of Economic Development</u> Establishment of a fund to support economic investment and regeneration initiatives to deliver the identified priorities of Start-up Incubator Business Units from the Capital funding and a new post of Business and Marketing Manager* from the additional revenue proposed together with an annual working budget	C R R* S*	800,000 184,800 50,000 1	- 119,600 50,000 1	- 119,600 50,000 1	- 119,600 50,000 1	- 119,600 50,000 1
R705	<u>Regeneration of Economic Development</u> Match Funding to support the work of the Worcestershire and Greater Birmingham & Solihull Local Enterprise Partnership and the West Midlands' Councils European Service	C R S	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -
DELIVERING TOGETHER, WITH LESS							
R505	<u>Reduction in Council Members</u> Reduction in Council Members in line with the Boundary Commission review.	C R S	- - -	- - -	- - -	- 50,000 CR -	- 60,000 CR -
	<u>Community Transfer of Assets and Services</u> High level target for savings to be achieved through a series of strategic initiatives to transfer assets and services to local community groups and parish councils	C R S	- 10,000 CR -	- 30,000 CR -	- 50,000 CR -	- 50,000 CR -	- 50,000 CR -
R335	<u>Systems Thinking</u> Savings from the introduction from Systems Thinking methodology across the Council	C R S	- 100,000 CR 4 CR	- 250,000 CR 10 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR
	<u>Grant Aid to Parish Council's</u> Support provided for Parish Councils at the level of 10% of the parish/town precept.	C R S	- 40,000 -	- - -	- - -	- - -	- - -
R405	<u>Implement IRP Full Recommendations</u> Reduce Members Allowances in line with the recommendations from the Independent Remuneration Panel	C R S	- 49,500 CR -	- 49,500 CR -	- 49,500 CR -	- 49,500 CR -	- 49,500 CR -
IMPROVING COMMUNITY WELL-BEING							
R080 R085 R140	<u>Sports and Leisure Centres</u> Contract extension for Glades and Stourport agreed. Report on future leisure provision to be taken in January / February 2012.	C R S	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC
R160	<u>Paddling Pools</u> To undertake a strategic review of the current facilities and consider options in relation to splash parks.	C R S	300,000 26,000 -	- 26,000 -	- 26,000 -	- 26,000 -	- 26,000 -
R705	<u>Carbon Management Plan</u> Participation in the Carbon Trust Public Sector Carbon Management initiative in 2011 with the aim of producing a 5 year Carbon Management Plan for 2012 onwards	C R S	111,520 26,450 -	154,250 21,800 -	8,640 47,680 CR -	21,950 73,520 CR -	1,010 74,860 CR -
R680	<u>Affordable Housing Investment</u> Pump-priming for Housing regeneration investment for affordable housing - Council contributes £40k per dwelling, £70k per dwelling met from an RSL's own resources. Total 34 mixed tenure dwellings, 15 identified and schemes in place for 2012/13, further 19 to be identified	C R S	600,000 26,030 -	750,000 84,580 -	 117,100 -	- 117,100 -	- 117,100 -
R601	<u>New Homes Bonus</u> Credits as a consequence of social housing regeneration	C R S	 -	18,750 CR - -	42,500 CR - -	42,500 CR - -	42,500 CR - -

WYRE FOREST DISTRICT COUNCIL**LABOUR PARTY PROPOSALS 2012/2013 ONWARDS**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
R670 R685	<u>Housing Grants and Assistance/Access to Housing</u> To establish a Grants Capital Budget for minor modifications to bring homes up to a habitable standard to ensure at least 5 years rental with a cap of £13k per dwelling. Also, to create a new post of Empty Homes Officer (note it may be possible the work of this post attracts new grant funding to fund/part fund it but this has not been assumed)	C R S	50,000 35,700 1	50,000 40,510 1	50,000 45,340 1	50,000 50,190 1	50,000 54,530 1
R720	<u>Reinstate Community Leadership Fund</u> Reinstate a fund of £1,000 per Member to be spent on local initiatives which support the Council's own aims and objectives	C R S	- 42,000 -	- 42,000 -	- 42,000 -	- 30,000 -	- 30,000 -
	TOTALS	C R S	1,861,520 286,480 2.00 CR	954,250 51,240 8.00 CR	58,640 274,640 CR 18.00 CR	71,950 307,630 CR 18.00 CR	51,010 304,630 CR 18.00 CR

KEY - Changes in Resources

- C Capital
- R Revenue
- S Staffing - Stated in FTEs

Note in narrative of formal Alternative Budget motion that "The Council investigates the possibility of savings from the New HQ Furniture Fittings and Equipment (FFE) budget by consideration of reusing existing FFE wherever possible. Any savings in the Capital Programme generated, to be earmarked for Future Housing Enabling Service work."

WYRE FOREST DISTRICT COUNCIL

INDEPENDENT COMMUNITY AND HEALTH CONCERN PROPOSALS 2012/2013 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT							
R705	<u>Regeneration of Economic Development</u> Establishment of a generic fund to support economic investment (£500k) and regeneration initiatives to deliver the Corporate Plan priority 'To Secure The Economic Prosperity of the District' through ReWyre led initiatives; to include Starter Incubater Unit provision.To also include one-off Capital (£100k) and Revenue contributions to the Civic Centre redevelopment project to help regenerate Stourport-in Severn Town Centre To further earmark Capital funding (£200k) to regenerate the Sandy Lane Industrial Estate in Stourport-on Severn, in view of proposals for change in this area	C R S C R C	500,000 129,800 - 100,000 100,000 200,000	- 164,600 - - - -	- 164,600 - - - -	- 164,600 - - - -	- 164,600 - - - -
R705	<u>Regeneration of Economic Development</u> Match Funding to support the work of the Worcestershire and Greater Birmingham & Solihull Local Enterprise Partnership and the West Midlands' Councils European Service	C R S	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -
R185	<u>Car Parking - Stourport-on-Severn Town Centre</u>						
R187	To offer Vale Road Car Park for Asset Transfer	C	-	-	-	-	-
R189	to Stourport Town Council with a view to the	R	4,400	4,400	4,400	4,400	4,400
R190	provision of free car parking to aid economic prosperity	S	-	-	-	-	-
R185	<u>Car Parking - Bewdley Town Centre</u>						
R187	To review the parking arrangements in Bewdley	C	-	-	-	-	-
R189	in discussion with local members with the view of	R	TBC	TBC	TBC	TBC	TBC
R190	providing 2-3 hours free parking. The ongoing net cost met from the Regeneration funding*	S	-	-	-	-	-
R185	<u>Car Parking - Kidderminster Town Centre</u>						
R187	Make car parking on St Mary's and the Horsefair Car	C	-	-	-	-	-
R189	Parks free of charge for between 2 and 3 hours to aid	R	5,000	5,000	5,000	5,000	5,000
R190	economic prosperity ongoing net cost met from Regeneration funding*						
DELIVERING TOGETHER, WITH LESS							
R505	<u>Reduction in Council Members</u> Reduction in Council Members in line with the Boundary Commission review.	C R S	- - -	- - -	- - -	- 50,000 CR -	- 60,000 CR -
	<u>Community Transfer of Assets and Services</u> High level target for savings to be achieved through a series of strategic initiatives to transfer assets and services to local community groups and parish councils	C R S	- 10,000 CR -	- 30,000 CR -	- 50,000 CR -	- 50,000 CR -	- 50,000 CR -
R335	<u>Systems Thinking</u> Savings from the introduction from Systems Thinking methodology across the Council	C R S	- 100,000 CR 4 CR	- 250,000 CR 10 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR
	<u>Vehicles</u> To undertake a Scrutiny exercise in relation to the proposals for Vehicle renewals contained within the Base Capital Programme	C R S	TBC - -	TBC - -	TBC - -	TBC - -	TBC - -
R335	<u>Grant Aid to Parish Council's</u> Support provided for Parish Councils at the level of 15% of the parish/town precept.	C R S	- 58,000 -	- - -	- - -	- - -	- - -
R410	<u>Members Services</u> Provide Council Members with paper copies of Council Diaries	C R S	- 600 -	- 600 -	- 600 -	- 600 -	- 600 -
IMPROVING COMMUNITY WELL-BEING							
R080	<u>Sports and Leisure Centres</u>						
R085	Contract extension for Glades and Stourport agreed.	C	TBC	TBC	TBC	TBC	TBC
R140	Report on future leisure provision to be taken in January / February 2012.	R S	TBC TBC	TBC TBC	TBC TBC	TBC TBC	TBC TBC

WYRE FOREST DISTRICT COUNCIL

INDEPENDENT COMMUNITY AND HEALTH CONCERN PROPOSALS 2012/2013 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
R160	<u>Play Facilities</u> To undertake a strategic review of the current play facilities across the district and either improvement of or provision of new community/play facilities at appropriate locations across the district including Sandy Lane.	C	100,000	-	-	-	-
		R	8,700	8,700	8,700	8,700	8,700
		S	-	-	-	-	-
R705	<u>Carbon Management Plan</u> Participation in the Carbon Trust Public Sector Carbon Management initiative in 2011 with the aim of producing a 5 year Carbon Management Plan for 2012 onwards	C	111,520	154,250	8,640	21,950	1,010
		R	26,450	21,800	47,680 CR	73,520 CR	74,860 CR
		S	-	-	-	-	-
	TOTALS	C	1,011,520	154,250	8,640	21,950	1,010
		R	237,950	59,900 CR	399,380 CR	475,220 CR	486,560 CR
		S	4.00 CR	10.00 CR	20.00 CR	20.00 CR	20.00 CR

KEY - Changes in Resources

- C Capital
- R Revenue
- S Staffing - Stated in FTEs

WYRE FOREST DISTRICT COUNCIL

LIBERAL AND INDEPENDENT GROUP PROPOSALS 2012/2013 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT							
R705	<u>Regeneration of Economic Development</u> Establishment of a generic fund to support economic investment and regeneration initiatives to deliver the Corporate Plan priority 'To Secure The Economic Prosperity of the District' through ReWyre led initiatives.	C R S	800,000 234,800 -	- 169,600 -	- 169,600 -	- 169,600 -	- 169,600 -
R187 R189 R190	To include consideration of conversion of 1 or more of the Council offices to be vacated on the move to the New HQ into Serviced Business Starter Incubator Units from the Capital Funding and where possible, furnish such units with furniture etc left over from the move to the New HQ. Based on the success of the free Christmas parking initiative, to reconvene the Car Parking Panel to undertake a review of the Car Parking Charges regime to stimulate regeneration of the districts' economy and to complement the 'State of the Area Debate'	C R S	- TBC -	- TBC -	- TBC -	- TBC -	- TBC -
R705	<u>Regeneration of Economic Development</u> Match Funding to support the work of the Worcestershire and Greater Birmingham & Solihull Local Enterprise Partnership and the West Midlands' Councils European Service	C R S	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -	- 15,000 -
DELIVERING TOGETHER, WITH LESS							
R505	<u>Reduction in Council Members</u> Reduction in Council Members in line with the Boundary Commission review.	C R S	- - -	- - -	- - -	- 50,000 CR -	- 60,000 CR -
	<u>Community Transfer of Assets and Services</u> High level target for savings to be achieved through a series of strategic initiatives to transfer assets and services to local community groups and parish councils	C R S	- 10,000 CR -	- 30,000 CR -	- 50,000 CR -	- 50,000 CR -	- 50,000 CR -
R335	<u>Systems Thinking</u> Savings from the introduction from Systems Thinking methodology across the Council	C R S	- 100,000 CR 4 CR	- 250,000 CR 10 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR	- 500,000 CR 20 CR
R335	<u>Grant Aid to Parish Council's</u> Support provided for Parish Councils at the level of 10% of the parish/town precept.	C R S	- 40,000 -	- - -	- - -	- - -	- - -
IMPROVING COMMUNITY WELL-BEING							
R080 R085 R140	<u>Sports and Leisure Centres</u> Contract extension for Glades and Stourport agreed. Report on future leisure provision to be taken in January / February 2012.	C R S	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC
R160	<u>Paddling Pools</u> To undertake a strategic review of the current facilities and consider options in relation to splash parks.	C R S	300,000 26,000 -	- 26,000 -	- 26,000 -	- 26,000 -	- 26,000 -
R705	<u>Carbon Management Plan</u> Participation in the Carbon Trust Public Sector Carbon Management initiative in 2011 with the aim of producing a 5 year Carbon Management Plan for 2012 onwards	C R S	111,520 26,450 -	154,250 21,800 -	8,640 47,680 CR -	21,950 73,520 CR -	1,010 74,860 CR -
R720	<u>Reinstate Community Leadership Fund</u> Reinstate a fund of £1,000 per Member for 2012/13 initially; review of its effectiveness by December 2012, with a view to approving as a permanent Budget item subject to this review	C R S	- 42,000 -	- - -	- - -	- - -	- - -
R800	<u>Local Authority Mortgage Scheme (LAMS)</u> Introduction of Local Authority Mortgage Scheme in line with recent report considered by Cabinet, exact detail to be determined. Costs of Borrowing to be funded by Commercial deposit rate plus premium rate received (early indications are that potential defaults should also be covered by premium rate)	C R S	1,000,000 - -	- - -	- - -	- - -	- - -

WYRE FOREST DISTRICT COUNCIL

LIBERAL AND INDEPENDENT GROUP PROPOSALS 2012/2013 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES				
			2012/13 £	2013/14 £	2014/15 £	2015/16 £	After 31/03/2016 £
	TOTALS	C R	2,211,520 274,250	154,250 47,600 CR	8,640 387,080 CR	21,950 412,920 CR	1,010 414,260 CR
		S	4.00 CR	10.00 CR	20.00 CR	20.00 CR	20.00 CR

KEY - Changes in Resources

- C Capital
- R Revenue
- S Staffing - Stated in FTEs

WYRE FOREST DISTRICT COUNCIL**CABINET**
21ST FEBRUARY 2012**Report of the Director of Resources in respect of
Sections 25-28 Local Government Act 2003**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME	Economic Success Shared by All
CORPORATE PLAN PRIORITY:	Delivering Together, With Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland, Ext. 2100 david.buckland@wyreforestdc.gov.uk
APPENDICES:	None

1. PURPOSE OF REPORT

- 1.1 To consider the report of the Director of Resources in respect of statutory duties placed on Local Authority Chief Financial Officers in relation to budget setting and monitoring.

2. RECOMMENDATION

The CABINET is asked to RECOMMEND THAT COUNCIL NOTE:

- 2.1 The Director of Resources' opinion on the budget proposals, recommended by the Cabinet on 21st February 2012, as detailed in this report.**

3. BACKGROUND

- 3.1 Sections 25 to 28 of Local Government Act 2003 place statutory duties on Local Authorities on how they set and monitor budgets. The Act requires local authorities to ensure that the Budget estimates are robust, Reserves are adequate, and the Budget is monitored on a regular basis.
- 3.2 Section 25 requires Director of Resources to report to the Council on the robustness of the estimates it makes when calculating its budget requirement under Section 32 of the Local Government Finance Act 1992 and on the adequacy of its proposed financial reserves.
- 3.3 Section 26 requires authorities to adhere to their approved policies in relation to Reserves when setting budgets to ensure that the minimum Reserve levels are maintained.
- 3.4 Section 27 requires the Director of Resources, at the time of the budget setting, to report if it appears that a reserve in relation to the previous financial year is likely to be inadequate. The reasons for the inadequacy and a recommended course of action must be considered by Council.

- 3.5 Section 28 places a statutory duty on the Council to review its budget and all calculations related to it from time to time. If the review shows a deterioration in the financial position, the Council must take such action as it considers necessary (if any) to address the situation.
- 3.6 Whilst Sections 25-27 related specifically to budget and council tax setting for the following financial year, these Sections are being more widely interpreted by External Auditors to include the period of the Council's Financial Strategy and as a consequence it is necessary to report not only on next years Budget but on the period covered by the Three Year Budget Strategy (2011-2014).

4. KEY ISSUES – DIRECTOR OF RESOURCES' OPINION ON 2011-12 BUDGET & THREE YEAR BUDGET STRATEGY

In respect of the Budget Proposals recommended by the Cabinet, in my opinion:-

- 4.1 The estimates made for the purposes of Section 32 of the Local Government Finance Act 1992 Calculations are robust.
- 4.2 The Reserves outlined in the Three Year Budget and Policy Framework Report to the Cabinet on 20th December 2011 (page 8 of the Financial Strategy) are adequate in relation to the 2012/14 Budgets. It should be noted that the Council's reliance upon reserves has reduced significantly, and the position is that it is estimated that the Council will have c£580k of reserves still in place by 2014/15 when taking into account the final Cabinet Proposals.
- 4.3 The Council have adopted the general principles of the CIPFA Guidance on Local Authority Reserves and Balances, which outline a minimum Reserve (Working Balances) for this Council which has been adhered to in the Financial Strategy 2011/14.
- 4.4 The Cabinet monitors Budgets on a quarterly basis in accordance with Section 28 of the 2003 Act, including 'Budget Risk Management' and takes appropriate action to ensure financial accountability.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no Financial Implications.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 These are contained in Paragraph 3 of this report.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equality Impact Assessment screening has been undertaken and it is considered that there are no discernable impacts on the six equality strands.

8. RISK MANAGEMENT

- 8.1 Contained within the Financial Strategy pages are the significant risks and mitigating actions which have been identified which are allied to the budget process.

8.2 There are two significant financial risks affecting the Council over the next three years:

- Future funding from Central Government in light of reductions further reductions expected beyond 2012/13
- Ongoing return of the Icelandic Investments;

8.3 It is for the reasons such above that the Council retains a working balance reserve of £700k.

9. CONCLUSION/FURTHER CONSIDERATIONS

9.1 The Council has addressed the position where significant contributions from reserves were normal with much reduced calls in each of the next three years.

9.2 There is the risk however that further reductions in grant beyond 2012/13 will be greater than originally anticipated. Any reductions in grant would require to be met with further reductions in spending, increased income from fees and charges or greater reliance upon reserves.

10. CONSULTEES

10.1 Leader of the Council.

10.2 Cabinet Member for Resources.

10.3 Corporate Management Team.

11. BACKGROUND PAPERS

11.1 Local Government Act 2003 Sections 25-28.

11.2 Local Government Finance Act 1992 Section 32.

WYRE FOREST DISTRICT COUNCIL

**CABINET
21ST FEBRUARY 2012**

**Recommendation from Overview and Scrutiny Committee
9th February 2012**

**Recommendations from Budget Review Panel – Consideration of
Financial Strategy 2012/2015 – Cabinet Proposals and Alternative
Budget Proposals**

The Committee considered the findings of the Budget Review Panels scrutiny of the Cabinets Financial Strategy and alternative budget proposals from the opposition groups.

Recommend to Cabinet:

Having considered the Cabinet proposals, and amendments from the Independent Community and Health Concern, Labour and Liberal and Independent Groups, the Overview and Scrutiny Committee is satisfied that the proposals are all clear, achievable and financially sound.

WYRE FOREST DISTRICT COUNCIL

CABINET
21ST FEBRUARY 2012

Budget Monitoring Third Quarter 2011/12

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PLAN PRIORITY:	Delivering Together with Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	David Buckland Ext. 2100 david.buckland@wyreforestdc.gov.uk
APPENDICES:	<p>Appendix 1 - Wyre Forest District Council General Fund Total Requirements - District Council Purposes</p> <p>Appendix 2 - Budgetary Control Reports - Revenue</p> <p>Appendix 3 - Income Generation Projection Report</p> <p>Appendix 4 - Capital Programme 2011/12</p> <p>Appendix 5 - Cabinet Proposal Progress Report</p> <p>Appendix 6 - Budget Risk Matrix</p> <p>Appendix 7 – Housing Benefit Overpayment Debt Position as at 30th September 2011</p> <p>Appendix 8 – Sundry/Property Debt Position and payment methods for debtor accounts as at 30th September 2011</p> <p><i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i></p>

1. PURPOSE OF REPORT

- 1.1 To monitor the Revenue Budget and Capital Programme in accordance with the Local Government Act 2003.
- 1.2 To inform members of the Housing Benefit Overpayment debt position as at 30th September 2011, summary attached as Appendix 7, together with details of performance against targets.
- 1.3 To inform members of the Sundry/Property debt position as at 30th September 2011, summary attached as Appendix 8, together with details of performance against targets.

2. RECOMMENDATION

The Cabinet is asked to **DECIDE:-**

- 2.1 That the projected budget variations and comments outlined within this report and appendices 2 to 8 be noted.**
- 2.2 That the supplementary estimate for a potential planning appeal of £20,000 be funded from use of reserves.**

3. KEY ISSUES - BUDGET MONITORING 3rd QUARTER 2011/12

- 3.1 The projected outturn at 31st March 2012 is a saving of £82,400.** The details are in **Appendix 2** and the main variances are:
- (£275,000) favourable: in respect of pay and general administrative savings projected to year end.
 - £150,000 adverse: in respect of default interest on the Icelandic investments (net of forecast improved impairment). Despite confirmation of this Council's preferential status, it has now been confirmed that default interest will not be paid. As value of this has previously been taken into account in accordance with recommended practice a reversal must be reflected in the 2011/12 accounts. It is still too early to predict the exact impact but based on current information a net £150,000 is the best estimate.
 - £44,600 adverse: the Council has been unable to revise the planning fees due to deferral of the central government scheme.
 - £20,000 adverse: Supplementary estimate for legal costs in respect of a potential planning appeal.
 - (£20,000) favourable: some anticipated Capital Programme slippage has resulted in slightly improved external interest projection.
 - (12,000) favourable: additional sales of cemetery plots
 - £10,000 adverse: reduction in the issue of Car Parking Penalty Charge Notices
- 3.2 A copy of the Income Generation Projection Report for the third quarter is enclosed as **Appendix 3**. Overall, income is projected to be broadly in line with the amounts assumed in the budget, with the exception of the variances highlighted in 3.1 above.**
- 3.3 The updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2011/12, including slippage from 2010/11 is enclosed as **Appendix 4** Spending for the three quarters to December 2011 was generally in line with the budget.**
- 3.4 A Progress Report of Cabinet Proposals approved at Council on the 23rd February for 2011/12 is shown in **Appendix 5** Progress on most of these is satisfactory and savings are forecast to be achieved in line with targets, but in some cases progress is below target as noted in the progress report.**
- 3.5 The Budget Risk Matrix has been reviewed to reflect the current assessment of risk. A Budgetary Response to each risk management issue has been prepared. Copies are enclosed for information as **Appendix 6**.**

- 3.6 The position on **investments** is as follows. At 31st December 2011, the Council had £17.735 m (excluding Icelandic Investments) on deposit with various institutions. This is monitored by the Treasury Management Review panel twice yearly, with additional reporting as necessary. During the first quarter of 2011 the Council's Treasury advisors Sector has revised its assumptions in relation to investment returns expected as the Bank Base Rate remains at the historic low of 0.5%. Based on current market indicators, the prediction is that this low rate may remain in place until mid 2012.

As reported to Cabinet on the 21st June, 2011, guidance for accounting for potential losses (impairment) from the Icelandic investments (update to LAAP Bulletin 82) was issued on the 17th May 2011. This statutory guidance resulted in a reversal of the potential principal loss (impairment) in relation to the KSF investment of £550,000. Further notification was received from the administrators of the Heritable Bank on the 28th July, 2011 reporting an improvement in the projected return for this £1m investment from a base case return to creditors of 79 to 85 pence in the pound, to 86 to 90 pence in the pound. We await accounting guidance to calculate the exact impact but this is likely to improve the predicted return on this investment by around £50K. It is hoped that further improvement in expected returns can be included in the 2011/12 Final Accounts, depending on final confirmation and accounting guidance.

The Council was informed on Friday 28th October, that the appeal to the Icelandic Supreme Court in relation to a challenge to the preferred status on the Landsbanki deposit of £3m, was successfully defended meaning the Council continues to enjoy "priority" status. This is excellent news and means that the Council is likely to receive a return of at least 95% on this investment. The actual repayment is currently expected to be partially in foreign currency assets. It is currently too early to provide a definitive policy on how this exchange rate risk will be managed, but the expectation will be that the risk will be managed proactively and assets converted to sterling at the earliest opportunity. It is anticipated that the first dividend will be paid during February 2012, a verbal update will be provided at the meeting. However, the claim for penalty interest on the deposit has been refused. Whilst it is not possible to calculate the exact impact this decision will have on the 2011/12 accounts, it is currently estimated that there will be a net reversal (after taking into account any improvement in overall investment returns) of £150,000 of value previously taken.

The position on recovery of the £9m of Icelandic investments that were frozen in October 2008 is that, at 31st December, a total of £3.795m principal had already been received (42%). The full position in relation to these investments is shown in the table below:-

Icelandic Investments as at 31st December 2011

<u>Bank</u>	<u>Original Investment</u> <u>£</u>	<u>Interest Claimed</u> <u>£</u>	<u>Total Claim</u> <u>£</u>	<u>Dividends Received</u> <u>£</u>	<u>Balance Outstanding including Interest Due</u> <u>£</u>	<u>Balance Outstanding Principal Only</u> <u>£</u>	<u>Estimated Total Recovery</u>
Landsbanki	3,000,000	571,711	3,571,711	0	3,571,711	3,000,000	94.85%
Kaupthing Singer & Friedlander	5,000,000	156,378	5,156,378	3,248,518	1,907,860	1,850,000	82.00%
Heritable Bank	1,000,000	31,110	1,031,110	666,074	365,036	354,240	90.00%
Total	9,000,000	759,199	9,759,199	3,914,592	5,844,607	5,204,240	87.17%

- 3.7 The key issues relating to Housing Benefit Overpayments are as follows (further details are available at **Appendix 7**)
- Total Housing Benefit expenditure is estimated to be £31.2 million for 2011/12 (29.1 in 2010/11), an increase of 6.70% compared to the previous year.
 - Total Housing Benefit Overpayments debt as at 30th September 2011 **represents only 3.1% of housing benefit expenditure**. The total debt has increased by £154,612 or 15.9% compared to the position a year earlier.
 - Within this overall figure, debts outstanding for less than 3 months have decreased by (£65,553) or (43.9%)
 - Debts outstanding for more than 3 months have increased by £220,166 or 26.8%.
 - Of the debts outstanding for more than 3 months, 89.8% have agreements to pay or are being dealt with by the Benefits Service. 10.2% have been referred to Legal Services or a Debt Collection Agency.
- 3.8 The key issues relating to Sundry/Property Debtors are as follows (further details are available at **Appendix 8**)
- The Council raised over £1.2 million in debtor invoices during the period to 30th September 2011. During the same period **only £1,497 has been written off, which is less than 0.1% of the debt raised**.
 - As at 30th September 2011, there was a total of £134,583 of debts which are more than 6 months old. That means that the Council has collected 89% of debts raised within 6 months.
 - The Council has introduced two Local Performance indicators for debtor management
 - Property Debtor Arrears as a percentage of Annual Rent Roll – 13.3% compared with 12.3% in 2010/11.
 - Non-Property Debts – debts outstanding over 24 months old as a percentage of total debt outstanding – 12.99% compared to 3.4% in 2010/11. The increase is mainly due to debts over 24 months where money has now been received or is scheduled to be written off at the Cabinet Meeting on 31st January 2012.

4. FINANCIAL IMPLICATIONS - BUDGET MONITORING 3rd QUARTER 2011/12

- 4.1 A copy of the Council's base Revenue Budget from the Finance Strategy, including the approved revised budget for 2011/12, is enclosed as **Appendix 1** for Members' information.
- 4.2 The continuing effects of the economic recession and the decline of the global economy may have an overall adverse impact on the budget, although this should be offset by savings in pay and administrative costs. Close monitoring by the Director of Resources and all Directorates will continue, with reports to Cabinet as part of the Budget process.

5. LEGAL AND POLICY IMPLICATIONS

- 5.1 The Local Government Act 2003 (sections 25–29) placed new duties on Local Authorities on how they set and prioritise budgets.

- 5.2 Section 28 places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been deterioration in the Authority's financial position, the Authority must take such action as it concludes necessary. The Cabinet currently reviews the Budget on a quarterly basis and receives monthly management report via Cabinet/CMT.
- 5.3 The Audit Commission make an assessment based on the annual programme of external audit work. The focus is on ensuring there are proper arrangements in place for securing financial reliance and that the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

6. RISK MANAGEMENT

- 6.1 The budget risk matrix and budgetary response in appendix 6 is regularly reviewed and updated. Regular monitoring of expenditure and other financial information mitigates risk for the Council.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 This is a financial report and there is no requirement to undertake an Equality Impact Assessment.

8. CONCLUSIONS/ACTION

- 8.1 The information contained within Appendices 2, 3, 4, 5, 6, 7 and 8 provides Members with an overview of financial trends within the period to 31st December 2011.
- 8.2 Recommendation that a Supplementary Estimate for legal costs in respect of a potential planning appeal be funded from use of reserves.

9. CONSULTEES

- 9.1 Corporate Management Team.
- 9.2 Cabinet.

10. BACKGROUND PAPERS

Council 23rd February 2011.
Cabinet Report on Final Accounts 2010/11 21st June 2011.
Cabinet Financial Strategy 2011/2014 10th January 2011.
Cabinet 20th September 2011 – Budget Monitoring First Quarter 2011/12.
Cabinet 22nd November 2011 – Budget Monitoring Second Quarter 2011/12.

WYRE FOREST DISTRICT COUNCIL

REVENUE BUDGET TOTAL REQUIREMENTS - DISTRICT COUNCIL PURPOSES

SERVICE	2011/12		2012/13			2013/14			2014/15		
	Original Estimate £	Revised Estimate £	At Nov.11 Prices £	Inflation £	TOTAL £	At Nov.11 Prices £	Inflation £	TOTAL £	At Nov.11 Prices £	Inflation £	TOTAL £
CHIEF EXECUTIVE	997,970	1,040,570	946,860	1,530	948,390	927,630	13,330	940,960	928,670	25,580	954,250
COMMUNITY AND PARTNERSHIP	3,984,360	4,324,560	3,982,210	30,810	4,013,020	4,011,050	70,920	4,081,970	4,015,080	111,770	4,126,850
LEGAL AND CORPORATE SERVICES	1,323,540	1,348,470	1,497,960	13,840	1,511,800	1,386,300	38,050	1,424,350	1,408,470	54,140	1,462,610
PLANNING AND REGULATORY SERVICES	3,687,210	3,492,250	3,010,290	26,250	3,036,540	2,835,990	74,550	2,910,540	2,839,470	124,910	2,964,380
RESOURCES	5,744,720	5,824,280	4,540,410	20,160	4,560,570	4,730,020	93,680	4,823,700	4,818,300	169,300	4,987,600
LESS: CAPITAL ACCOUNT	15,737,800	16,030,130	13,977,730	92,590	14,070,320	13,890,990	290,530	14,181,520	14,009,990	485,700	14,495,690
INTEREST RECEIVED	(1,289,490)	(1,447,130)	(1,216,820)	70	(1,216,750)	(1,246,740)	790	(1,245,950)	(1,181,970)	1,550	(1,180,420)
FEES AND CHARGES INCREASES	(223,530)	(341,390)	(167,220)	0	(167,220)	(124,270)	0	(124,270)	(111,550)	0	(111,550)
	0	0	(78,840)	0	(78,840)	(179,650)	0	(179,650)	(280,460)	0	(280,460)
TOTAL NET EXPENDITURE ON SERVICES	14,224,780	14,241,610	12,514,850	92,660	12,607,510	12,340,330	291,320	12,631,650	12,436,010	487,250	12,923,260
LESS: REVENUE SUPPORT GRANT	(1,474,240)	(1,474,240)			(5,391,290)			(5,071,200)			(4,766,930)
AREA BASED GRANTS	(109,270)	(293,270)			(109,270)			0			0
BUSINESS RATES	(4,769,440)	(4,769,440)			0			0			0
COLLECTION FUND SURPLUS	(50,650)	(50,650)			(51,000)			(50,000)			(50,000)
GENERAL EXPENSES -											
COUNCIL TAX INCOME	(6,937,450)	(6,937,450)			(7,007,800)			(7,182,980)			(7,362,410)
(SURPLUS) / DEFICIT FOR YEAR	883,730	716,560			48,150			327,470			743,920
COUNCIL TAX LEVY		197.62			197.62			202.56			207.62
COUNCIL TAX BASE		35,105			35,461			35,461			35,461

Note:- For the years 2013/2014 and 2014/2015 the split between the Revenue Support Grant and Business Rates is not known at this stage.

Source: Financial Strategy 2012/15 (page 12) - (Future years before Cabinet Proposals)

BUDGETARY CONTROL REPORT
MAJOR REVENUE VARIATIONS QUARTER THREE (TO 31st DECEMBER 2011)

Total Revised Budget 2011/12	14,241,610
Projected Savings on Revised Budget	(82,400)
Total Quarter Three Projection to Year End 2011/12	14,159,210

<u>Description of Estimated Major Variances</u>	Extra Costs/ Reduced Income £	Savings/ Additional Income £
<u>Chief Executive</u> 1. No Major Variations		
<u>Community & Partnership Services</u> 1. Additional sales of Cemetery Plots		(12,000)
<u>Legal and Corporate Services</u> 1. No Major Variations		
<u>Planning & Regulatory Services</u> 1. Civil Enforcement - Reduction in Penalty Charge Notices and Season Ticket Sales 2. Under achievement of additional income from Planning Fees in Cabinet Proposal due to deferral of Government scheme. 3. Supplementary estimate for legal costs in respect of a potential planning appeal	10,000 44,600 20,000	
<u>Resources</u> 1. No Major Variations		
<u>Capital Account</u> 1. Income from external interest is improved due to some anticipated slippage in capital programme 2. Icelandic default interest - anticipated net reduction in recoverable amount following Court ruling (Landsbanki)	150,000	(20,000)
<u>Corporate Variations</u> 1. Payroll/Corporate Pension Costs/Divisional Administration Expenses - it is anticipated that additional savings will be achieved. At this stage it is difficult to estimate this saving precisely.		(275,000)
	224,600	(307,000)
(Decrease) on Revised Budget (based on Quarter Three 2010/11 Projection) to Year End		(82,400)

INCOME GENERATION PROJECTION STATEMENT 2011/2012 (QUARTER THREE DECEMBER 2011)

APPENDIX 3

Cost Centre Description	Cost Centre	Account Code	Description	2011/12 Revised Budget	2011/12 Profiled Budget	2011/12 Actual To Date	Projection to Year End	Variance Projection Less Revised Budget	Comments
COMMUNITY AND PARTNERSHIP SERVICES									
Cemetery	R040	87500	FEES AND CHARGES	-£41,000.00	-£30,754.10	-£52,192.66	-£53,000.00	-£12,000.00	forward sale of plots
Summer Playschemes	R055	87500	FEES AND CHARGES	-£6,150.00	-£4,613.08	-£5,679.49	-£5,680.00	£470.00	
Bewdley Museum	R065	86550	FEES- Education & Instruction VAT Exempt	-£10,000.00	-£7,501.00	-£11,439.52	-£11,500.00	-£1,500.00	
Bewdley Museum	R065	87600	LICENCES & REGISTRATION	-£8,900.00	-£6,675.89	-£7,781.66	-£8,900.00	£0.00	
Bewdley Museum	R065	88300	INCOME - Miscellaneous	-£11,000.00	-£8,251.10	-£9,809.50	-£10,000.00	£1,000.00	
Sports Pitches and Facilities	R095	86700	SPORTS FEES ETC - MISCELLANEOUS	-£24,360.00	-£18,272.46	-£13,825.71	-£24,360.00	£0.00	
Arts Development	R075	84010	ARTS COUNCIL GRANT FOR KIDDERMINSTER FESTIVAL	-£7,270.00	-£5,453.22	-£7,732.08	-£7,730.00	-£460.00	
Parks & Green Spaces	R160	87110	PROPERTY RENTAL INCOME	-£25,040.00	-£18,782.50	-£15,194.48	-£25,040.00	£0.00	
Nature Reserves	R163	84220	S.106/COMMUTED SUM FUNDING REVENUE CONTRIBUTION	-£36,170.00	-£27,131.11	-£36,170.64	-£36,170.00	£0.00	
Events	R175	87210	FEES AND CHARGES (DANCE FESTIVAL)	-£6,500.00	-£4,875.65	-£3,277.00	-£6,500.00	£0.00	
Highways Mtce Of Verges	R205	88100	INCOME - EXTERNAL WORKS	-£36,430.00	-£27,326.15	-£36,427.25	-£36,430.00	£0.00	
Grounds Maintenance	R236	84040	SPONSORSHIP INCOME	-£6,000.00	-£4,500.60	£0.00	-£6,000.00	£0.00	
Grounds Maintenance	R236	88100	INCOME - EXTERNAL WORKS	-£53,290.00	-£39,972.85	-£37,324.04	-£53,290.00	£0.00	
TOTAL COMMUNITY AND PARTNERSHIP SERVICES				-£272,110.00	-£204,109.71	-£236,854.03	-£284,600.00	-£12,490.00	

PLANNING & REGULATORY SERVICES

Kidderminster Street Market	R030	87100	RENTS	-£10,000.00	-£7,501.00	-£10,175.01	-£10,000.00	£0.00	
Car Parks General	R185	87400	PARKING FEES	-£313,260.00	-£234,976.34	-£159,033.81	-£273,260.00	£40,000.00	Lower Penalty Charge Notices and Season Ticket Sales
Car Parks General	R185	89120	RECHARGES TO OTHER COST CENTRES	-£72,420.00	-£54,322.27	-£54,315.03	-£72,420.00	£0.00	
Surface Car Parks	R187	87400	PARKING FEES	-£880,000.00	-£660,088.00	-£686,127.28	-£930,000.00	-£50,000.00	Higher meter takings
Market Street Car Park	R188	87400	PARKING FEES	-£72,000.00	-£54,007.20	-£39,717.54	-£67,000.00	£5,000.00	College building disruption
Weavers Wharf Car Park	R189	87290	MANAGEMENT FEE	-£115,000.00	-£86,261.50	-£88,044.00	-£115,000.00	£0.00	
Stour.Spts. Ctre Car Park	R190	87400	PARKING FEES	-£16,000.00	-£12,001.60	-£6,726.51	-£11,000.00	£5,000.00	Zone parking effect
Civil Enforcement	R193	87400	PARKING FEES	-£120,000.00	-£90,012.00	-£76,008.46	-£110,000.00	£10,000.00	Reduced Penalty Charge Notices volumes
Highways General Cleansing	R200	88100	INCOME - EXTERNAL WORKS	-£38,400.00	-£28,803.84	-£20,490.69	-£38,400.00	£0.00	
Development Control	R605	86200	PLANNING APPLICATION FEES	-£364,600.00	-£258,866.00	-£263,122.50	-£320,000.00	£44,600.00	Cancellation in Gov't scheme agreeing to local fee setting
Development Control	R605	86210	PLANNING ADVICE/ENQUIRIES FEES	-£18,370.00	-£13,779.33	-£13,683.93	-£18,370.00	£0.00	
Building Control Fee Earning	R625	86010	BUILDING NOTICE FEES	-£57,200.00	-£43,472.00	-£51,343.77	-£62,000.00	-£4,800.00	
Building Control Fee Earning	R625	86030	BUILDING CONTROL INSPECTION FEES	-£40,000.00	-£30,400.00	-£28,422.11	-£40,000.00	£0.00	
Building Control Fee Earning	R625	86060	BUILDING CONTROL FULL PLANS APPLICATION	-£100,000.00	-£76,000.00	-£98,716.32	-£100,000.00	£0.00	
Administration of Street Naming & Numbering	R631	87500	FEES AND CHARGES	-£5,000.00	-£3,750.50	-£4,070.00	-£5,000.00	£0.00	
Environmental Health	R637	84400	REIMBURSEMENT OF COSTS	-£5,700.00	-£4,275.57	-£23,158.73	-£23,158.73	-£17,458.73	Matched by additional expenditure on Maint. Software
Environmental Health	R637	87300	PEST CONTROL FEES	-£13,550.00	-£10,163.89	-£10,883.65	-£13,550.00	£0.00	
Environmental Health	R637	87450	POLLUTION CONTROL FEES	-£19,250.00	-£14,439.47	-£15,571.88	-£17,000.00	£2,250.00	
Licensing Activities	R638	87050	TAXI & PRIVATE HIRE LICENCES	-£76,020.00	-£57,022.55	-£83,628.11	-£76,020.00	£0.00	
Licensing Activities	R638	87600	LICENCES & REGISTRATION	-£116,460.00	-£87,356.50	-£94,408.25	-£116,460.00	£0.00	
Housing Enforcement & Licensing	R675	87500	FEES AND CHARGES	-£5,740.00	-£4,305.56	-£4,812.50	-£5,740.00	£0.00	
Land Drainage Shared Service	R676	84150	COUNTY COUNCIL PAYMENTS	-£20,000.00	-£10,004.00	£0.00	-£20,000.00	£0.00	
Land Drainage Shared Service	R676	84500	SHARED SERVICES INCOME	-£44,350.00	-£22,183.87	-£17,741.33	-£44,350.00	£0.00	
Hsg Health & Sustainability - Strategy & Enabling	R680	84300	CONTRIBUTION FROM WCC	-£40,000.00	-£30,004.00	-£40,000.00	-£40,000.00	£0.00	
Homelessness Hsg Advice & Access to Hsg	R685	84190	RENT DEPOSIT LOAN REPAYMENTS	-£10,000.00	-£7,501.00	-£3,273.00	-£10,000.00	£0.00	
Homelessness Hsg Advice & Access to Hsg	R685	86600	ADVERTISING INCOME	-£10,200.00	-£7,651.02	£0.00	-£10,200.00	£0.00	
Regeneration/General Economic Development Activities	R705	84130	CHURCHFIELDS INCOME	-£10,000.00	-£7,501.00	-£10,000.00	-£10,000.00	£0.00	
Regeneration/General Economic Development Activities	R705	84220	S.106/COMMUTED SUM FUNDING REVENUE CONTRIBUTION	-£5,000.00	-£3,750.50	-£5,000.00	-£5,000.00	£0.00	
Regeneration/General Economic Development Activities	R705	84300	CONTRIBUTION FROM WCC	-£20,000.00	-£15,002.00	-£50,000.00	-£50,000.00	-£30,000.00	Receipt in advance - Take forward into 2012-13
Regeneration/General Economic Development Activities	R705	84500	SHARED SERVICES INCOME	-£248,760.00	-£186,594.89	-£178,531.86	-£248,760.00	£0.00	
Greenlands Business Centre	R712	84500	SHARED SERVICES INCOME	-£47,250.00	-£35,442.18	-£33,074.54	-£47,250.00	£0.00	
Rubicon Business Centre	R713	84500	SHARED SERVICES INCOME	-£41,970.00	-£31,481.69	-£29,378.58	-£41,970.00	£0.00	
Hemming Road Business Centre	R714	84500	SHARED SERVICES INCOME	-£6,490.00	-£4,868.17	-£4,542.93	-£6,490.00	£0.00	
TOTAL PLANNING & REGULATORY SERVICES				-£2,962,990.00	-£2,193,789.44	-£2,204,002.32	-£2,958,398.73	4,591.27	

INCOME GENERATION PROJECTION STATEMENT 2011/2012 (QUARTER THREE DECEMBER 2011)

APPENDIX 3

Cost Centre Description	Cost Centre	Account Code	Description	2011/12 Revised Budget	2011/12 Profiled Budget	2011/12 Actual To Date	Projection to Year End	Variance Projection Less Revised Budget	Comments
<u>LEGAL AND CORPORATE SERVICES</u>									
Management Of K. Town Hall	R216	87000	SALES	-£8,650.00	-£6,488.32	-£4,397.87	-£8,650.00	£0.00	
Management Of K. Town Hall	R216	87100	RENTS	-£43,750.00	-£32,816.92	-£29,285.46	-£43,750.00	£0.00	
Management Of Stour Civic Hall	R221	87100	RENTS	-£16,840.00	-£12,631.67	-£8,134.00	-£16,840.00	£0.00	
Other Ind. Estates	R270	87110	PROPERTY RENTAL INCOME	-£186,040.00	-£139,548.24	-£142,977.61	-£186,040.00	£0.00	
Hoobrook Ent.Centre	R285	87110	PROPERTY RENTAL INCOME	-£88,260.00	-£66,203.96	-£63,740.25	-£88,260.00	£0.00	
Hoobrook Ent.Centre	R285	87150	SERVICE CHARGES	-£23,830.00	-£17,874.95	-£17,480.80	-£23,830.00	£0.00	
Other Property	R290	87110	PROPERTY RENTAL INCOME	-£226,350.00	-£169,785.08	-£161,982.41	-£226,350.00	£0.00	
Comberton Place	R291	87110	PROPERTY RENTAL INCOME	-£33,870.00	-£25,405.95	-£20,339.94	-£33,870.00	£0.00	
Legal & Dem - Land Charges	R510	87500	FEES AND CHARGES	-£162,600.00	-£121,966.26	-£113,767.75	-£162,600.00	£0.00	
<u>TOTAL LEGAL AND CORPORATE SERVICES</u>				-£790,190.00	-£592,721.35	-£562,106.09	-£790,190.00	0.00	
<u>RESOURCES</u>									
Domestic Waste	R002	88200	WASTE DISPOSAL INCOME	-£508,700.00	-£381,575.87	-£280,615.09	-£508,700.00	£0.00	
Garden Waste Collection Service	R005	88200	WASTE DISPOSAL INCOME	-£74,600.00	-£55,957.46	-£65,933.00	-£74,600.00	£0.00	
Kerbside Recycling	R010	84150	COUNTY COUNCIL PAYMENTS	-£74,400.00	-£55,807.44	-£74,338.45	-£74,400.00	£0.00	
Paper	R018	85000	RECYCLING CREDITS	-£13,000.00	-£9,751.30	-£3,279.84	-£13,000.00	£0.00	
Other	R019	88300	INCOME - Miscellaneous	-£6,000.00	-£4,500.60	-£1,958.10	-£6,000.00	£0.00	
Garage Trading Account	R229	87500	FEES AND CHARGES	-£18,460.00	-£13,846.86	-£14,100.11	-£18,460.00	£0.00	
Garage Trading Account	R229	88100	INCOME - EXTERNAL WORKS	-£17,740.00	-£13,306.76	-£6,584.47	-£17,740.00	£0.00	
Garage Trading Account	R229	89200	DSO INCOME -for TAXI INSPECTIONS	-£10,700.00	-£8,026.07	-£4,770.00	-£10,700.00	£0.00	
<u>TOTAL RESOURCES</u>				-£723,600.00	-£542,772.36	-£451,579.06	-£723,600.00	£0.00	
<u>CAPITAL ACCOUNT</u>									
Interest Received	R805	88600	Internal and other Interest Received	-£6,000.00	-£4,500.00	£0.00	-£6,000.00	£0.00	
Interest Received	R805	88650	INTEREST RECEIVED	-£335,390.00	-£251,542.50	-£110,352.66	-£355,309.00	-£20,000.00	some anticipated capital programme slippage
<u>TOTAL CAPITAL ACCOUNT</u>				-£335,390.00	-£251,542.50	-£110,352.66	-£355,309.00	-£20,000.00	
<u>OVERALL TOTAL</u>				-£5,090,280.00	-£3,789,435.36	-£3,564,894.16	-£5,118,097.73	-£27,898.73	

NOTE:

This report only includes budgets that are £5,000 or above. It supplements Appendix 2 and should not be looked at in isolation.

BUDGET MONITORING 2011/2012 - QUARTER THREE (DECEMBER 2011)
CAPITAL MONITORING 2011/2012

APPENDIX 4

CAPITAL PROGRAMME DESCRIPTION	Revised Capital Programme 2011/12 £	Month 9 Expenditure 2011/12 £	Current Year Scheme Balance £	Comments
<u>COMMITTED EXPENDITURE</u>				
1. COMMUNITY AND PARTNERSHIP SERVICES				
Bewdley Museum Improvement Works	3,250	0	3,250	Scheme complete - Grant Funded
Habberley Playing Fields Changing Rooms	1,110	753	357	Anticipated to be spent in Q4.
Improvements to Paddling Pools	1,250	0	1,250	Scheme to slip into 2012/13.
Brownwesthead Park Changing Rooms Refurbishment	2,470	2,468	2	Scheme complete.
St Georges Park Multi Activity Play Area	2,790	2,771	19	Scheme complete.
Play Equipment: Replacement/Repairs Programme	2,640	0	2,640	Anticipated to be spent in Q4.
Municipal Cemetery	1,253,320	1,250,000	3,320	Council's capital contribution now made and facility open. Final related fees to be confirmed.
St Mary's Churchyard Boundary Wall	2,840	0	2,840	Small retention payment outstanding. Anticipated to be spent in Q4.
Liveability Scheme: Brinton Park	7,810	5,570	2,240	Balance to slip into 2012/13.
Stourvale - Stackpool	230	0	230	Scheme complete.
Wyre Hill Play Area	1,000	698	302	Anticipated to be spent in Q4.
Public Art in the Horsefair	12,000	11,992	8	Scheme complete.
Franchise Street S106 - Arts Development	9,330	0	9,330	HLF application to be resubmitted. To slip into 2012/13.
	7,260	0	7,260	HLF application to be resubmitted. To slip into 2012/13.
Franchise Street S106 - Countryside / Rangers				
Clensmore Street Play Area	1,350	1,251	99	Scheme complete.
Improvements to Coronation Gardens	28,890	27,922	968	Small payment expected in Q4. Remainder to slip into 2012/13 for retention payment.
Community Safety	15,000	0	15,000	Unlikely to be unspent. Will fall back into balances.
CCTV - Stourport-on-Severn & Bewdley	5,600	0	5,600	Scheme complete - saving on project

BUDGET MONITORING 2011/2012 - QUARTER THREE (DECEMBER 2011)
CAPITAL MONITORING 2011/2012

APPENDIX 4

CAPITAL PROGRAMME DESCRIPTION	Revised Capital Programme 2011/12 £	Month 9 Expenditure 2011/12 £	Current Year Scheme Balance £	Comments
2. LEGAL AND CORPORATE SERVICES				
New Headquarters - Office Accommodation	5,046,910	1,590,019	3,456,891	Work continues to progress well. The Transformation Board monitors this major project.
Contribution towards replacement of Civic Facilities in Stourport-on-Severn	10,000	10,000	0	Grant contribution towards Stourport facilities project now paid.
Boundary Wall at 49 Worcester Street	10,000	0	10,000	Still subject to an ongoing insurance dispute. We are pressing for a resolution - loss adjustors still to respond. May slip to 2012/13.
3. PLANNING AND REGULATORY SERVICES				
Load Street Public Conveniences Refurbishment	20,530	0	20,530	Redevelopment not proceeding as planned - refurbishment works to be developed. May slip into 2012/13.
Parking Facilities: Payment under Contractual Agreement	159,280	0	159,280	Anticipated to slip into 2012/13.
Parking Facilities: Improvements to Car Parks	19,860	0	19,860	Slip to 2012/13. Anticipated to be spent on changes to meters.
Housing Strategy: Disabled Facilities Grants	850,000	303,523	546,477	Additional £50,000 grant awarded by CLG 30/01/12. Grants will be approved up to £850k but unlikely to be fully spent as staff shortages have lead to delays in tendering work - will need to roll forward underspend to avoid increasing backlog for approved applicants in 2012/13.
Affordable Housing Grants to Registered Social Landlords	320,000	194,000	126,000	ESD grant due for £30,000 but no invoice received yet - should pay in Q4. Remaining funding earmarked for WM and will need to be slipped into 2012/13.
Housing Assistance (including Decent Homes Grant)	251,600	63,376	188,224	Some delays with contractors in completing ongoing projects so will need to slip into 2012/13.
Community Alarm Equipment Grant	70,380	36,181	34,199	Anticipated to be spent in Q4.
Stourport Development - STC4 (CPO 8 & 8a Bridge Street)	10,100	542	9,558	No further capital expenditure anticipated.

BUDGET MONITORING 2011/2012 - QUARTER THREE (DECEMBER 2011)
CAPITAL MONITORING 2011/2012

APPENDIX 4

CAPITAL PROGRAMME DESCRIPTION	Revised Capital Programme 2011/12 £	Month 9 Expenditure 2011/12 £	Current Year Scheme Balance £	Comments
Planning Delivery Grant Capital Projects	37,140	0	37,140	Scheme could potentially slip into 2012/13.
Partnership Scheme in Conservation Areas (Stourport on Severn)	10,000	0	10,000	No more applications are scheduled to be processed. Scheme ends March 2012.
Flood Relief	53,390	13,880	39,510	Wribbenhall E.A. revised scheme soon to start. Contributions to Wribbenhall scheme expected in this financial year, but possibility scheme may slip into 2012/13.
WETT Programme - Regulatory Services	102,060	0	102,060	Scheme could potentially slip into 2012/13.
4. RESOURCES				
Waste Strategy - Green Waste Containers	13,090	10,135	2,955	Anticipated to be spent in Q4.
ICT Strategy	1,425,890	337,963	1,087,927	Phone & LAN Switches now complete. Expenditure expected in Q4 mainly for Email replacement, new Headquarters and EDRM consultancy. Balance to slip into 2012/13.
ICT Investment: ICT Consultants	15,000	0	15,000	Likely to slip into 2012/13 to fund ICT consultancy for new Headquarters.
5. VEHICLE, EQUIPMENT & SYSTEMS RENEWAL SCHEDULE				
Vehicles & Equipment	610,420	310,027	300,393	Some procurement savings on vehicle renewals. Garage equipment could slip into 2012/13.
Financial Management System Replacement	77,470	0	77,470	Post implementation consultancy work for system improvements continues. This work complements other system thinking reviews to streamline processes and achieve further efficiencies. Likely this will slip into 2012/13.
Total Operational Management System	22,530	16,928	5,602	Project costs should be fully incurred by the end of Q4.
	10,493,790	4,190,001	6,243,472	

BUDGET MONITORING 2011/2012 - QUARTER THREE (TO DECEMBER 2011)
VEHICLE, EQUIPMENT AND SYSTEMS RENEWAL SCHEDULE 2011/2012

APPENDIX 4

Detail	Revised Capital Programme 2011/12 £	Month 9 Expenditure 2011/12 £	Cost Centre	Assigned Fleet Number	Comments
1. <u>VEHICLES</u>					
Blitz Vehicle	34,000		R200	AV220	} Vehicles have been ordered and should be received before the end of the financial year.
Blitz Vehicle	34,000		R200	AV221	
Blitz Vehicle	34,000		R200	AV222	
Blitz Vehicle	34,000		R200	AV223	
Garage Equipment - Replacement (slippage)	23,420		R229	GARAGE2	Will slip into 2012/13 if not spent in 2011/12.
Mechanical Sweeper (Small)	15,000	19,080	R200	AV229	} Complete (replaced by one sweeper) - remainder of budget not required.
Mechanical Sweeper (Small)	15,000		R200	AV230	
Refuse Freighter	136,000	133,295	R002	AV245	Complete.
Refuse Freighter	136,000	133,295	R002	AV246	Complete.
Mowing Machine	33,000		R236	R370	Specifications have been agreed and quotation is currently being put together.
Transit Tipper	30,000	1,707	R229	AV215	To be replaced by AV063 - conversion works have been undertaken. Remainder of budget will not be spent.
Small Van - Low range electrical	25,000		R260	AV227	Currently looking at various options. Likely that this will slip into 2012/13.
Small Van	18,000		R200	AV229	} Vehicles have been ordered and should be received before the end of the financial year.
Small Van	18,000		R200	AV230	
Ransome Gang Mower	25,000	22,650	R236	AV240	Complete.
2. <u>OTHER</u>					
(a) Financial Management System replacement	77,470		R430	FMS001	Post implementation consultancy work for system improvements continues. This work complements other system thinking reviews to streamline processes and achieve further efficiencies. Likely this will slip into 2012/13.
(b) Total Operational Management System	22,530	16,928	-	-	Project costs should be fully incurred by the end of Q4.
	710,420	326,956			

WYRE FOREST DISTRICT COUNCIL**CABINET PROPOSALS 2011/2012 ONWARDS**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES					Q3 2011/12 Budget Monitoring Forecast Achievement	Comments re Achievement
			2011/12 £	2012/13 £	2013/14 £	2014/15 £	After 31/03/2015 £		
R900	<u>COMMUNITY AND PARTNERSHIP SERVICES</u> <u>Review of Directorate</u> Review of strategic projects and performance management	C R S	- 6,000 CR -	- 46,600 CR 1.00	- 70,000 CR 1.50	- 70,000 CR 1.50	- 70,000 CR 1.50	6,000 CR	In progress should be achieved
R055 R080 R085 R140	<u>Rationalisation of Play, Sport and Leisure Development</u> Review Play Development, Leisure and Community Development provision	C R S	- 30,700 CR 0.50	- 30,800 CR 0.50	- 21,070 CR 0.50	- 21,350 CR 0.50	- 21,350 CR 0.50	30,700 CR 0.50	Achieved in full
R055 R080 R085 R140	<u>Play Development and other Related Budget Areas</u> Following decision of Worcestershire CC to transfer £210k pa Youth Service budget to the Children and Young People Theme Groups of the Local Strategic Partnership (which will become a Children's Partnership in due course), to consider partnership opportunities. This will include investigations with WCC/CHG.YMCA and other potential partners (including potentially the Wyre Forest GP Consortium) the savings to be made by pooling Youth Service, Play and other budgets targeted at Young People from 2012. Budgets localised from April 2011 when initial work will commence	C R S	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	No savings for WFDC, any Savings will be WCC	Local Children's partnership will be operational from April 2012. Work still in progress around how youth funding will be spent within the district
R060	<u>Bewdley Museum</u> Review of storage requirement and option for shared services with the TIC and HUB	C R S	- - TBC	- 15,000 CR TBC	- 15,000 CR TBC	- 15,000 CR TBC	- 15,000 CR TBC	-	Cabinet Proposal for Museum now revised and updated. Firstly it is not possible to relocate Bewdley Cash Office with TIC so this changes the proposal. Bewdley Museum Store review is ongoing and will need to be considered by CMT.

CABINET PROPOSALS 2011/2012 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES					Q3 2011/12 Budget Monitoring Forecast Achievement	Comments re Achievement
			2011/12 £	2012/13 £	2013/14 £	2014/15 £	After 31/03/2015 £		
R161 R163 R165 R167	<u>Transfer of Responsibility for Countryside Services</u> Strategic review of the service to transfer responsibility for 13 Local Nature Reserves	C R S	- - -	- TBC TBC	- TBC TBC	- TBC TBC	- TBC TBC	- - -	Negotiations with Worcestershire Wildlife Trust and WCC complete but options are more costly. Other possibilities continue to be investigated
R160 R162	<u>Parks and Green Spaces</u> Strategic review of the service and transfer of responsibility for sports pitches/bowling greens and maintenance	C R S	- 71,750 CR 2.00	- 56,750 CR 2.00	- 57,600 CR 2.00	- 58,480 CR 2.00	- 58,480 CR 2.00	- 71,750 CR 2.00	Achieved in full
R160 R162	<u>Parks and Green Spaces</u> Investigate with Friends of Parks Groups whether they take over aspects of Parks Maintenance and work with Parks Department via Service Level Agreements	C R S	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	Still under review
R080 R085 R140	<u>Sports and Leisure Centres</u> Option appraisal for management of sports and leisure centres (current contract ends in March 2013)	C R S	- - -	TBC - -	TBC TBC -	TBC TBC -	TBC TBC -	- - -	Report to January Cabinet
R732 R740	<u>Grants to Voluntary Bodies</u> Review of current grants to align with reduction in Council's own grant funding	C R S	- - -	- 12,000 CR -	- 13,000 CR -	- 17,000 CR -	- 17,000 CR -	- - -	2012/13
R740	<u>Emergency Planning SLA</u> Review of current Service Level Agreement with Worcestershire County Council. Current agreement ends 2011/12	C R S	- - -	- 10,000 CR -	- 10,000 CR -	- 10,000 CR -	- 10,000 CR -	- - -	Should be achieved 2012/13
R515	<u>LEGAL AND CORPORATE SERVICES</u> <u>Review of Directorate</u> Review of the operations of the Directorate within facilities management, litigation and library/research facility	C R S	- 26,430 CR 1.18	- 28,840 CR 1.18	- 28,840 CR 1.18	- 28,840 CR 1.18	- 28,840 CR 1.18	- 26,430 CR 1.18	Achieved in full
R505	<u>Restructure of Committee Section</u> Restructure of Democratic Services to enable savings following reduction in number of formal meetings of Council, Cabinet and Committees.	C R S	- 26,040 CR 0.80	- 28,410 CR 0.80	- 28,410 CR 0.80	- 28,410 CR 0.80	- 28,410 CR 0.80	- 26,040 CR 0.80	Achieved
R035	<u>PLANNING AND REGULATORY SERVICES</u> <u>Public Conveniences</u> Review of cleansing regime and review of street furniture budget (see Appendix 2 (part 2))	C R S	- 27,500 CR 0.20	- 30,000 CR 0.20	- 30,000 CR 0.20	- 30,000 CR 0.20	- 30,000 CR 0.20	- 27,500 CR 0.20	Achieved

WYRE FOREST DISTRICT COUNCIL**CABINET PROPOSALS 2011/2012 ONWARDS**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES					Q3 2011/12 Budget Monitoring Forecast Achievement	Comments re Achievement
			2011/12 £	2012/13 £	2013/14 £	2014/15 £	After 31/03/2015 £		
R035	<u>Public Conveniences</u> In line with "Localism" investigate whether WFDC could negotiate a contract with a mobile toilet provider which could be accessed on a cost recovery basis, by community groups organising public events in parks etc to achieve procurement saving. Collaborative working with other Councils to also be considered	C R S	- - -	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	TBC TBC TBC	- - -	2012-13 may not be achievable
R600	<u>Local Development Framework</u> Review of the use of consultants	C R S	- - -	- 35,000 CR -	- 35,000 CR -	- 35,000 CR -	- 35,000 CR -	- - -	2012-13
R605 R606	<u>Development Control Team</u> Restructure of the Service	C R S	- 96,000 CR 0.50	- 175,000 CR 1.00	- 175,000 CR 1.00	- 175,000 CR 1.00	- 175,000 CR 1.00	- 49,000 CR -	The Govt Scheme to set fees locally has been deferred. This decision has been reflected in the budget
R685	<u>Homelessness, Housing advice and Maintenance of Waiting List</u> Review of the contract with Community Housing Group	C R S	- 50,000 CR -	- 75,000 CR -	- 100,000 CR -	- 100,000 CR -	- 100,000 CR -	- 50,000 CR -	Achieved
R704 R705	<u>Regeneration and Economic Development</u> To provide for the continuing support for the ReWyre initiative	C R S	- 108,000 -	- 165,000 -	- 85,000 -	- 85,000 -	- 125,000 -	- 108,000 -	Growth
R200	<u>Review of Street Scene</u> Review of Street Scene management structure and cleansing frequency	C R S	- 36,670 CR 2.00	- 40,000 CR 2.00	- 40,000 CR 2.00	- 40,000 CR 2.00	- 40,000 CR 2.00	- 36,670 CR 2.00	Achieved
R680	<u>Review of Housing Services</u> Review of services provided, whilst protecting Fuel Poverty advisory services	C R S	- 23,830 CR 1.00	- 26,000 CR 1.00	- 26,000 CR 1.00	- 26,000 CR 1.00	- 26,000 CR 1.00	- 20,220 CR 1.00	Not achieved in full due to Maternity Leave
R001 R002 R005 R010	<u>RESOURCES</u> <u>Waste and Recycling Service</u> Review the delivery of Waste and Recycling Services	C R S	- TBD -	TBC 170,000 CR 6.00	- 170,000 CR 6.00	- 170,000 CR 6.00	- 170,000 CR 6.00	- TBD -	Route Optimisation software contract under review by all participating Councils 4 day working week Agreed
R310	<u>LGA 2003 - Council Tax Discount</u> Reduction of the Council Tax Discount from 25% to minimum discount of 10%	C R S	- 30,600 CR -	- 30,600 CR -	- 30,600 CR -	- 30,600 CR -	- 30,600 CR -	- 30,600 CR -	Should be achieved
R310 R325	<u>Review of Revenues and Benefit Services</u> Review of the provision of Revenue and Benefit Services	C R S	- TBC -	TBC 150,000 CR 5.00	- 150,000 CR 5.00	- 150,000 CR 5.00	- 150,000 CR 5.00	- 35,930 CR -	£174,000CR agreed at Cabinet for 2012-13 onwards
R300 R301 R431	<u>Review of Directorate Structure</u> Review of Back Office Support	C R S	- 12,500 CR 0.40	TBC 50,000 CR 1.50	- 50,000 CR 1.50	- 50,000 CR 1.50	- 50,000 CR 1.50	- - -	To be rolled in with Systems Thinking

WYRE FOREST DISTRICT COUNCIL

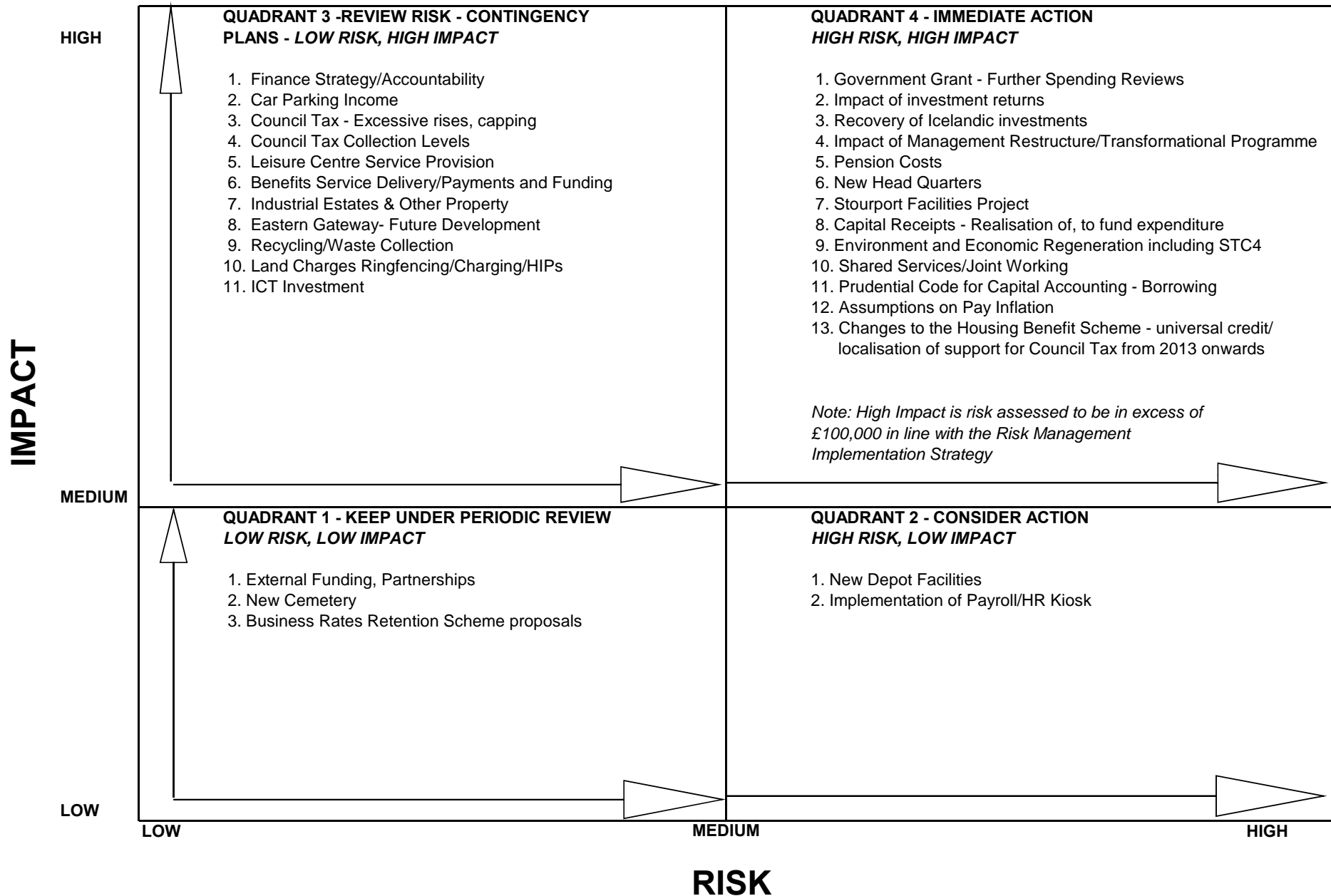
CABINET PROPOSALS 2011/2012 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES					Q3 2011/12 Budget Monitoring Forecast Achievement	Comments re Achievement
			2011/12 £	2012/13 £	2013/14 £	2014/15 £	After 31/03/2015 £		
R300	<u>Restructuring of Accountancy Services</u>	C	-	-	-	-	-	-	
	Re-organisation of Service Delivery	R	25,000 CR	25,000 CR	25,000 CR	25,000 CR	25,000 CR	25,000 CR	Achieved from 1st June but target will be met overall
		S	1.00	1.00	1.00	1.00	1.00	1.00	
	<u>Grant Aid to Parish Councils</u>	C	-	-	-	-	-	-	
	Continued Grant Aid to Parish Councils at 10%, of the value of Town/Parish Precepts	R	40,000	-	-	-	-	40,000	Growth item - majority has now been paid
		S	-	-	-	-	-	-	
	<u>CHIEF EXECUTIVE Fees and Charges</u>	C	-	-	-	-	-	-	
	Review of fees and charges	R	20,000 CR	50,000 CR	100,000 CR	100,000 CR	100,000 CR	20,000 CR	Achieved in 2011-12
		S	-	-	-	-	-	-	
	<u>Management Structure</u>	C	-	-	-	-	-	-	
	Review of management structure of the council	R	-	9,000 CR	50,000 CR	50,000 CR	50,000 CR	-	2012/13 to align with New HQ
		S	-	TBC	TBC	TBC	TBC	-	
	TOTALS	C	-	-	-	-	-	-	
		R	335,020 CR	929,000 CR	1,140,520 CR	1,145,680 CR	1,105,680 CR	307,840 CR	
		S	9.58	23.18	23.68	23.68	23.68	8.68	

KEY - Changes in Resources

- C Capital
- R Revenue
- S Staffing - Stated in FTEs
- (*) Estimated awaiting Business Case

BUDGET RISK MATRIX QTR3 - 2012/2015



**BUDGETARY RESPONSE TO EACH RISK MANAGEMENT ISSUE
QTR3 2011-12**

APPENDIX 6 (Part 2)

BUDGETARY RESPONSE TO EACH RISK MANAGEMENT ISSUE IN ORDER OF QUADRANT	
ISSUE	BUDGETARY RESPONSE
Quadrant 1 - Low Risk, Low Impact 1. External Funding, Partnerships 2. New Cemetery 3. Business Rates Retention Scheme Proposals	Keep under periodic review Continue to evaluate sustainability of each scheme as part of project appraisal. Site entrance work complete, should be open to the public early 2012. Continue to monitor and report as appropriate on proposals - work commencing with LEP and Treasurers Group
Quadrant 2 - High Risk, Low Impact 1. New Depot Facilities 2. Implementation of Payroll/HR	Consider Action To be considered as part of future asset management plans Delay in implementation to be monitored closely.
Quadrant 3 - Low Risk, High Impact 1. Finance Strategy/Accountability 2. Car Parking Income 3. Council Tax - Excessive rises, 4. Council Tax Collection Levels 5. Leisure Centre Service Provision 6. Benefits Service Delivery/Payments and Funding 7. Industrial Estates and Other Property 8. Eastern Gateway - Future 9. Recycling/Waste Collection 10. Land Charges Ring fencing 11. ICT Investment	Review Risk - Contingency Plans Council are required to adopt a three year Balanced Budget Strategy. Usages/Income level closely monitored, have not been significantly affected during the economic downturn. Low risk due to political prudence/Key Commitments. Low risk - closely monitored through P.I. Extension to current contracts agreed, report to Council in Jan/Feb 2012 on Future Leisure provision Significant increase in Case Load, however performance has been maintained. Systems Thinking Review work ongoing as part of Service Rationalisation; achievement of savings as per base budget monitored Managed through Property Rationalisation Strategy Development opportunities consider to be explored. Review of Waste to achieve further savings from rationalisation. Changed working patterns agreed, to be implemented April 2012 Reduced income allowed within Base Budget reduces the scale of any challenge. ICT Strategy and funding approved in July 2008, implementation and costing closely allied to New HQ monitored by the Preparing for the New HQ Group.
Quadrant 4 - High Risk, High Impact 1. Government Grant –Further Spending Reviews 2. Impact of Investment Returns 3. Return of Icelandic Investments 4. Impact of Management Restructure/Transformational Programme 5. Pension Costs 6. New Head Quarters 7. Stourport Facilities Project 8. Capital Receipts - Realisation to fund expenditure 9. Environment and Economic Regeneration including STC4 10. Shared Service Joint Working 11. Prudential Code for Capital Accounting - Borrowing 12. Assumptions on pay inflation 13. Changes to Housing Benefit Scheme – universal credit/localisation of support for Council Tax from 2013	Immediate Action Significant issue given the scale of the Spending deficit, Wyre Forest Forward coordinating Councils future Plans The Council has had reduced returns from investments with the UK Base Rate remaining at 0.50%. Balances available for investment are reducing over the MTFP and this together with the lower returns has been taken into account in the base budget. We continue to work with Sector in this area. The confirmation of the Council's preferential status in late Oct 2011 means the majority of the investments should now be recovered. First Landsbanki dividend imminent. Wyre Forest Forward is managing the Transformation Process to align with the Budget process. Restructure from 1/03/2012 approved by Council 26/01/2012 in response to Director of Resources resignation. Impact of the proposed changes will be considered when advised by the County – the position is closely monitored on an ongoing basis by the Director of Resources. Construction contract well underway with final completion and occupation in July 2012, reflected in base budget. Progress monitored monthly by Transformation Board and New HQ Steering Group. In Principle decision on transfer of the Civic Centre Oct 2011 Capital Programme funding reflects realistic timescale for the realisation of asset disposal receipts. Temporary borrowing will be used if necessary. The Council continues to be proactive in this areas and this is closely monitored by Cabinet/CMT. The Council needs to monitor the best opportunity to realise the value for the STC4 site CPO'd in 2009; this will be subject to a tender process at an appropriate time in the future. Significant progress continues to be made in this area with monitoring by Cabinet/CMT as part of Wyre Forest Forward and also the Budgetary Control Process Costs of External Borrowing included within the base budget, new Treasury Management consultants will advise on timing and borrowing options Pay freeze assumed for 2011/12 and 2012/13 then 1% thereafter. This will be kept under review. More information on changes emerging, kept under review and reports made as appropriate. Cross boundary working on localisation of support for Council Tax may defer new Scheme until 2014/15

APPENDIX 7

HOUSING BENEFIT OVERPAYMENT DEBT PERFORMANCE AS AT 30th SEPTEMBER 2011				
Summary of Debtor Performance				
Description	As at 30th September 2010 £	As at 30th September 2011 £	Increase/ (Decrease) £	Percentage £
Total Housing Benefit Expenditure	29,100,000	31,200,000		
% of total Housing Benefit Overpayment debts to Housing Benefit Expenditure	2.80%	3.11%		
Value of Debtor invoices outstanding as at 31st March				
Debt recovery by Debtor Account	456,889	536,801	79,912	14.89%
Deb recovery - on-going Benefit	359,218	433,918	74,700	17.22%
TOTAL DEBTS	816,107	970,719	154,612	15.93%
Debtors Outstanding for less than 3 months as at 31st March				
Debtor recovery by Debtor Account	88,502	73,752	(14,750)	-20.00%
Debtor recovery - on-going benefit	126,368	75,565	(50,803)	-67.23%
TOTAL DEBTS OUTSTANDING FOR LESS THAN 3 MONTHS	214,870	149,317	(65,553)	-43.90%
Debtors Outstanding for more than 3 months as at 31st March				
Debtor recovery by Debtor Account	368,386	463,050	94,664	20.44%
Debtor recovery - on-going benefit	232,851	358,353	125,502	35.02%
TOTAL DEBTS OUTSTANDING FOR MORE THAN 3 MONTHS	601,237	821,403	220,166	26.80%
Detailed Breakdown of debts more than 3 months old as at 31st March				
Agreement to Pay	412,739	557,778	145,039	
Number of Accounts	1,171	881	(290)	
With Debt Collection Agency	20,087	34,490	14,403	
Number of Accounts	37	69	32	
With Legal Services	61,004	49,080	(11,924)	
Number of Accounts	24	21	(3)	
With Benefits Services	107,407	180,054	72,647	
Number of Accounts	171	330	159	

SUNDRY AND PROPERTY DEBTOR PERFORMANCE AS AT 30TH SEPTEMBER 2011

APPENDIX 8 (Part 1)

Summary of Debtors Performance	As at 30th September 2010	As at 30th September 2011	Increase/(Decrease)	Percentage
	£	£	£	%
Value of Debtor invoices (including credit notes) raised as at 30th September				
Sundry Debts	712,520	958,194	245,674	34.48%
Property Debts	273,105	295,647	22,542	8.25%
	985,625	1,253,841	268,216	27.21%

The increase in the Value of Debtor Invoices raised during the period to 30th September is attributable mainly to the Economic Development Shared Services

Total Value of Debts written off between 1st April and 30th September			
Sundry Debts	0	1,497	1,497
Number of Sundry Debtor Invoices	0	6	6
Property Debts	1,816	0	-1,816
Number of Property Debtor Invoices	2	0	-2

The Council has raised over £1 million in debtor invoices during the period to 30th September, during the same period 6 debtor accounts totalling £1,497 have been written off (0.12% of debt raised). These relate to 5 licencing invoices totalling £790 and one Benefit invoice totalling £707. A schedule for the write-off of 2 debtor accounts for Oldington and Foley Park Community Network, totalling £12,723.80 has been prepared for the January Cabinet.

Value of Debtor invoices outstanding as at 30th September				
Sundry Debts	522,804	450,652	-72,152	-13.80%
Property Debts	143,596	156,746	13,150	9.16%
	666,400	607,398	-59,002	-8.85%

As at 30th September 2011 the total value of debts outstanding has decreased by £59,002. Sundry Debtor Accounts have decreased by £72,152 and Property Debtor accounts have increased by £13,150. This has been further broken down into Debtors outstanding for less than 6 months and Debtors outstanding for more than 6 months as at 30th September 2011.

Debtors Outstanding for less than 6 months as at 30th September				
Sundry Debts	419,915	316,069	-103,846	-24.73%
% of Total Sundry Debts Outstanding	80.32%	70.14%		
Property Debts	89,868	98,260	-20,413	-22.71%
% of Total Debts outstanding	62.58%	62.69%		

As at 30th September the Sundry Debtor accounts outstanding for less than 6 months has decreased by £103,846. The Property Debtor accounts outstanding for less than 6 months have decreased by £20,413.

SUNDRY AND PROPERTY DEBTOR PERFORMANCE AS AT 30TH SEPTEMBER 2011

APPENDIX 8 (Part 1)

Summary of Debtors Performance	As at 30th September 2010	As at 30th September 2011	Increase/(Decrease)	Percentage
			£	
Debtors Outstanding for more than 6 months as at 30th September				
Sundry Debts	102,889	134,583	31,695	30.80%
% of Total Sundry Debts Outstanding	19.68%	29.86%		
Property Debts	53,728	58,486	4,758	8.86%
% of Total Debts outstanding	37.42%	37.31%		

As at 30th September 2011 the Sundry Debtor accounts outstanding for more than 6 months total £134,583 an increase of £31,695. The Property Debtor accounts outstanding for more than 6 months have increased by £4,758. The majority of these debts have been referred to Legal Services.

PAYMENT METHODS FOR DEBTOR AMOUNTS

APPENDIX 8 (Part 2)

	As at 30 th September 2010				As at 30 th September 2011			
Transaction method	Transaction Number	Percentage %	Transaction Amount £	Percentage %	Transaction Number	Percentage %	Transaction Amount £	Percentage %
Cash	182	5.57%	23,095	1.93%	92	2.50%	15,943	0.99%
Cheque	874	26.75%	497,341	41.66%	627	17.05%	577,644	35.87%
Debit Card	57	1.74%	9,184	0.77%	22	0.60%	6,719	0.42%
Credit Card	3	0.10%	528	0.04%	4	0.11%	762	0.05%
ATP Debit Card (Via Telephone)	38	1.16%	8,198	0.69%	41	1.11%	6,280	0.39%
ATP Credit Card (Via Telephone)	4	0.12%	687	0.06%	4	0.11%	510	0.03%
Multi Transaction	17	0.52%	30,894	2.59%	4	0.11%	7,423	0.46%
Direct Debit	1,715	52.50%	150,320	12.59%	2,451	66.64%	180,519	11.21%
Direct to Bank (BACS, SO, Faster Pay)	377	11.54%	473,503	39.67%	433	11.77%	814,497	50.58%
TOTAL	3,267	100.00%	1,193,750	100.00%	3,678	100.00%	1,610,296	100.00%

WYRE FOREST DISTRICT COUNCIL**CABINET 21ST FEBRUARY 2012**

**Treasury Management Strategy Statement,
Minimum Revenue Provision Policy Statement
and Investment Policy and Strategy Statement
for the period 1st April 2012 to 31st March 2013**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME	Stronger Communities
CORPORATE PLAN PRIORITY:	Delivering Together, With Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICERS:	David Buckland - Ext. 2100 david.buckland@wyreforestdc.gov.uk Tracey Southall - Ext. 2125 tracey.southall@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - MRP Strategy Appendix 2 - Interest Rate Forecasts Appendix 3 - Prudential and Treasury Indicators Appendix 4 - Economic Background Appendix 5 - Specified and Non Specified Investments Appendix 6 - Approved Countries for Investments Appendix 7 - Treasury Management Scheme of Delegation Appendix 8 - The Treasury Management Role of the Section 151 Officer Appendix 9 - Sector Weekly Credit List (Counterparty List as at 6 th January 2012)

1. PURPOSE OF REPORT

- 1.1 To provide Members with background information on the Chartered Institute of Public Finance (CIPFA) Prudential Code for Capital Finance in Local Authorities (Prudential Code).
- 1.2 To restate the Prudential Indicators and Limits for the financial years 2012/13 to 2014/15 and set out the expected treasury operations for this period.
- 1.3 To seek approval for the Council's Treasury Management Strategy Statement for the period 1st April 2012 to 31st March 2013 that sets out how the Council's treasury service will support the capital decisions taken, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by Section 3 of the Local Government Act

2003 and is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code.

- 1.4 To seek approval for the Council's Investment Policy and Strategy Statement for the period 1st April 2012 to 31st March 2013 that sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.
- 1.5 To seek approval for the Council's Minimum Revenue Provision Statement for the period 1st April 2012 to 31st March 2013 that sets out the Council's criteria for repayment of Prudential Borrowing.
- 1.6 This proposed strategy was endorsed by the Treasury Management Review Panel on 24th January 2012, who made recommendations to the Overview and Scrutiny Committee held on 9th February 2012. Overview and Scrutiny have now recommended to Cabinet that Council gives approval to this key strategy. This is in compliance with the revised CIPFA Treasury Management Code of Practice.
- 1.7 To fulfil four key legislative requirements:
 - The reporting of the Prudential Indicators as required by the CIPFA Prudential Code;
 - The Treasury Management Strategy Statement in accordance with the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code;
 - The Investment Policy and Strategy Statement (in accordance with Communities and Local Government (CLG) investment guidance);
 - The Minimum Revenue Provision (MRP) Policy Statement (as required by Regulation under the Local Government and Public Involvement in Health Act 2007).

2. RECOMMENDATIONS

In accordance with the recommendation from Overview and Scrutiny Committee that Cabinet recommends to Council to:

- 2.1 Approve the restated Prudential Indicators and Limits for the financial years 2012/13 to 2014/15.**
- 2.2 Approve the updated Treasury Management and Investment Policy and Strategy Statements for the period 1st April 2012 to 31st March 2013 (the associated Prudential Indicators are included in Appendix 3 and the detailed criteria is included in Section 11 and Appendix 5).**
- 2.3 Approve the Minimum Revenue Provision (MRP) Statement that sets out the Council's policy on MRP included in Appendix 1.**
- 2.4 Approve the Authorised Limit Prudential Indicator included in Appendix 3.**

3. BACKGROUND

3.1 Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.2 Statutory Requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as paragraph 11 of this report); this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Department of Communities and Local Government issued revised investment guidance which came into effect from 1 April 2010. There were no major changes required over and above the changes already required by the revised CIPFA Treasury Management Code of Practice 2011.

3.3 CIPFA Requirements

The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised November 2011) was adopted by this Council on 23rd February 2011.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Treasury Management Review Panel who makes recommendations to the Overview and Scrutiny Committee.

3.4 Treasury Management Strategy for the period 1st April 2012 to 31st March 2013

The proposed strategy for the period 1st April 2012 to 31st March 2013 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector Treasury Services.

The strategy for 2012/13 covers two main areas:

1. Capital Issues

- the capital plans and the prudential indicators;
- the MRP strategy.

2. Treasury management Issues

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

3.5 Balanced Budget Requirement

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
2. Any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

4. **TREASURY LIMITS FOR THE PERIOD 1st APRIL 2012 to 31st MARCH 2013**

- 4.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the Authorised Limit represents the legislative limit specified in the Act.
- 4.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is ‘acceptable’.
- 4.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and three successive financial years, details of the Authorised Limit can be found in Appendix 3 of this report.

5. **CURRENT PORTFOLIO POSITION**

- 5.1 The Council's treasury portfolio position at 31st December 2011 comprised:

Investments Held With	31st December 2011	Average Rate of Return	Duration
NatWest Bank	1,000,000	0.85%	Instant Access
Royal Bank of Scotland	2,985,000	0.85%	Instant Access
Santander Bank UK	3,000,000	0.80%	Instant Access
Barclays Bank	2,500,000	1.05%	6 Months Fixed*
Lloyds TSB Bank	1,000,000	1.30%	3 Months Fixed
Lloyds TSB Bank	1,500,000	1.30%	3 Months Fixed
Nationwide Building Society	1,500,000	0.64%	Fixed to 05/01/12
Nationwide Building Society	1,500,000	0.62%	1 Month Fixed
Lloyds TSB Bank	1,500,000	1.45%	3 Months Fixed
Barclays Bank	500,000	0.686%	Fixed to 09/02/12
Debt Management Office	750,000	0.25%	Fixed to 06/01/12
Total	17,735,000		

* This deposit was placed prior to 8th September 2011.

- 5.2 Early in October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. In Iceland, Winding-Up Boards were appointed to oversee the run off of banks, including Landsbanki. This Council had £9m

deposited across three of these institutions. The table below details the Councils Icelandic investments as at 31st December 2011. A seventh dividend of 5p in £, was paid by KSF on 7th October 2011, reducing the principal investment to £1,850,000. It is expected that both KSF and Heritable will pay a further dividend in January 2012.

Icelandic Investments as at 31st December 2011

Bank	Original Investment £	Interest Claimed £	Total Claim £	Dividends Received £	Balance Outstanding including Interest Due £	Balance Outstanding Principal Only £
Landsbanki	3,000,000	571,711	3,571,711	0	3,571,711	3,000,000
Kaupthing Singer & Friedlander	5,000,000	156,378	5,156,378	3,248,518	1,907,860	1,850,000
Heritable Bank	1,000,000	31,110	1,031,110	666,074	365,036	354,240
Total	9,000,000	759,199	9,759,199	3,914,592	5,844,607	5,204,240

- 5.3 The progress on the Landsbanki claim is more complex. As Council is aware the “preferred” status awarded to Local Authority depositors of Landsbanki has been challenged by other creditors through the Icelandic courts. The Council has been working with the LGA and Bevan Brittan (solicitors working on behalf of all UK local authorities) in helping to prepare a response to this challenge. The Council had won its court case in the Icelandic District Court which retained the Councils “priority” status for the Landsbanki investment. This decision was appealed and the case was heard by the Icelandic Supreme Court in mid September 2011. On 28th October 2011 the Council was informed that the Icelandic courts have supported the view that the Council will be treated as a preferred creditor, thereby seeing a high proportion of the investment being returned. The actual repayment is currently expected to be partially in foreign currency assets. It is currently too early to provide a definitive policy on how this exchange rate risk will be managed, but the expectation will be that the risk will be managed proactively and assets converted to sterling at the earliest opportunity. It is currently anticipated that the first dividend will be paid in early 2012.

6. **BORROWING REQUIREMENT**

- 6.1 The Council's Capital Financing Requirement (CFR), its underlying borrowing requirement, is detailed below. The updated CFR is based upon the latest approved Capital Programme:

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 31st March	2,959	4,870	10,996	11,530	20,394

7. **PRUDENTIAL AND TREASURY INDICATORS FOR THE PERIOD 1st APRIL 2012 to 31st MARCH 2013**

- 7.1 Prudential and Treasury Indicators (as set out in Appendix 3 to this report) are relevant for the purposes of setting an integrated treasury management strategy.
- 7.2 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This Council adopted the Code of Practice on Treasury Management on 27th February 2003 C90 (10), and as a result adopted a Treasury Management Policy Statement (Executive 13th February 2003 ED.223). The November 2009 revision of the Code was adopted by Council on 23rd February 2011.
- 7.3 Revised Prudential Indicators to 2014/2015 are contained within this report.

8. **PROSPECTS FOR INTEREST RATES**

- 8.1 The Council's treasury advisors, Sector Treasury Services, assist the Council to formulate a view on interest rates. Appendix 2 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the latest Sector Bank Rate forecast:

Sector Bank Rate forecast for financial year ends (March)

- 2011/ 2012 0.50%
- 2012/ 2013 0.50%
- 2013/ 2014 1.25%
- 2014/ 2015 2.50%

- 8.2 There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected. A detailed view of the current economic background is contained within Appendix 4 to this report.

9. **BORROWING STRATEGY**

9.1 The Council currently has no external borrowing with the Public Works Loan Board (PWLB) or other market lenders. The underlying borrowing requirement (Capital Financing Requirement – CFR) has been met using internal borrowing. This will change in the near future since the funds available for investment will reduce as Council spending on significant capital schemes continues.

9.2 **Borrowing Rates**

The Sector forecast for the PWLB new borrowing rate is as follows: -

Bank Rate															
	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate															
	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's View	2.01%	2.30%	2.30%	2.30%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.10%	3.30%	3.50%	3.70%
UBS	2.01%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.01%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-	-	-	-	-
10yr PWLB Rate															
	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's View	3.11%	3.30%	3.30%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
UBS	3.11%	3.50%	3.50%	3.50%	3.60%	3.70%	3.70%	3.70%	3.70%	3.70%	-	-	-	-	-
Capital Economics	3.11%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	-	-	-	-	-
25yr PWLB Rate															
	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's View	4.06%	4.20%	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%
UBS	4.06%	4.80%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%	-	-	-	-	-
Capital Economics	4.06%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	-	-	-	-	-
50yr PWLB Rate															
	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's View	4.11%	4.30%	4.30%	4.30%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%
UBS	4.11%	4.80%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	-	-	-	-	-
Capital Economics	4.11%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	-	-	-	-	-

A more detailed Sector forecast is included in Appendix 2.

9.3 In view of the above forecast the Council's borrowing strategy will be to consider all suitable options and take advantage of the most attractive rates available, both from the PWLB and from the Market, as and when required.

9.4 **Sensitivity of the forecast**

In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it were felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then any projected long term borrowings will be postponed.*
- *if it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*

9.5 External versus Internal Borrowing

Comparison of gross and net debt positions at year end	2010/2011 Actual £'000	2011/2012 Estimate £'000	2012/2013 Estimate £'000	2013/2014 Estimate £'000	2014/2015 Estimate £'000
Actual external debt (gross)	31	29	8,233	8,186	16,378
Cash balances (including Icelandic Investments)	(17,640)	(4,097)	(1,796)	(1,986)	(1,797)
Net debt/(investments)	(17,609)	(4,068)	6,437	6,200	14,581

- The next financial year is expected to continue to be one of historically abnormally low Bank Rate. This provides an opportunity for local authorities to fundamentally review their strategy of undertaking new external borrowing.
- Over the next three years, investment rates are expected to be below long term borrowing rates and so value for money considerations would indicate that value could be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure (this is referred to as internal borrowing). This would maximise short term savings. However, the scope for this is extremely limited due to capital cashflow forecasts.
- However, short term savings by avoiding new long term external borrowing in 2012/13 must also be weighed against the potential for incurring additional long term extra costs caused by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.
- Due to the progression of the medium term finance strategy the use of internal borrowing can no longer be sustained and it is now likely that the underlying need for borrowing will be met from external sources

Against this background caution will be adopted with the 2012/2013 treasury operations. The Director of Resources will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the appropriate decision making body at the next available opportunity.

9.6 Policy On Borrowing In Advance Of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk and other risks and the level of such risks given the controls in place to minimise them

10. DEBT RESCHEDULING

- 10.1 Although the Council is currently debt-free, the Council is forecast to require to undertake external borrowing in 2012/2013. A Policy in respect of this issue is therefore required.
- 10.2 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, has meant that PWLB debt restructuring is now much less attractive than it was before then. However, significant interest savings may still be achievable through using LOBO (Lenders Option Borrowers Option) loans and other market loans in rescheduling exercises.
- 10.3 Consideration will be given to the potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 10.4 The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings,
 - helping to fulfil the strategy outlined in the above paragraphs, and
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 10.5 All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

11. ANNUAL INVESTMENT STRATEGY

11.1 Investment Policy

The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed in Appendix 5 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

11.2 Creditworthiness Policy

The Council continues to use the Sector Creditworthiness Policy.

Sector advise that their service has been progressively enhanced and uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Director of Resources is satisfied that this service will continue to provide a high level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Sector's weekly credit list of worldwide potential counterparties. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No Colour not to be used

The Sector credit worthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system does not give undue preponderance to just one Agency's ratings. The financial institutions, on the resultant Counterparty list, are detailed in Appendix 9.

All credit ratings will be monitored on a weekly basis as a minimum requirement. The Council is immediately alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support; Sector will supply this information to the Treasury team as part of their comprehensive service.

11.3 Non UK Country Limits

The Council has determined that it will only use approved counterparties from countries outside the UK with a minimum sovereign credit rating of AAA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 6. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

In addition to the minimum sovereign credit rating, no more than 30% would be placed with any individual non-UK country at any time should they meet the creditworthiness criteria.

11.4 Investment Strategy

In-house funds: The Council's in-house managed funds are mainly cash-flow derived. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Interest rate outlook: Bank Rate has been unchanged at 0.50% since March 2009. It is forecast to commence rising in quarter 3 of 2013 and then to rise steadily from thereon. Sector forecast the Bank Rate for financial year ends (March) as follows:

- 2011/ 2012 0.50%
- 2012/ 2013 0.50%
- 2013/ 2014 1.25%
- 2014/ 2015 2.50%

These forecasts differ slightly to the assumptions included in the Base Budget which are 0.75% for 2012/2013, 1.00% for 2013/2014 and 1.25% for 2014/15. The 0.75% for 2012/2013 should be achievable by use of part-nationalised banks and

preferential call-accounts that offer slightly improved returns compared to 1 and 2 month fixed investments.

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this Council.

For its cash flow generated balances, the Council will seek to utilise its instant access/call accounts, business reserve accounts, 15 and 30 day accounts, money market funds, money market instruments (such as gilts and Treasury Bills) and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

11.5 End of Year Investment Report

At the end of each financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

11.6 External Fund Managers

The use of specialist investment managers be considered by the Director of Resources on an ongoing basis, to manage a proportion of the Council's investments (minimum market requirement is usually £10 million) where market conditions are considered favourable to achieve higher overall investment returns. Specialist investment managers will be appointed by the Director of Resources under delegated powers and subject to the Council's Standing Orders Relating to Contracts, if applicable.

The Council's external fund manager(s) will comply with the Annual Investment Strategy. The agreement(s) between the Council and the fund manager(s) additionally stipulate guidelines and duration and other limits in order to contain and control risk.

The minimum credit criteria to be used by the cash fund manager(s) are as follows: -

	Fitch	Moody's	Standard and Poors
Long Term	A	A2	A
Short Term	F1	P-1	A-1
Viability/Financial Strength	BBB	C	N/A
Support	2	N/A	N/A

(The combination of Fitch ratings above is either B2 or C2)

12. POLICY ON THE USE OF EXTERNAL SERVICE PROVIDERS

- 12.1 The Council uses Sector Treasury Services as its external treasury management advisers. They were appointed in September 2010 following a competitive tendering process for a period of three years, following which there is an option to extend for a further two years.
- 12.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and the Director of Resources will ensure that statutory Section 151 responsibilities continue to be met, in close liaison with, but without undue reliance, upon our external service providers.
- 12.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

13. SCHEME OF DELEGATION

- 13.1 The Council's Treasury Management Scheme of Delegation is detailed in Appendix 7.

14. ROLE OF THE SECTION 151 OFFICER

- 14.1 The Treasury Management Role of the Section 151 Officer is detailed in Appendix 8.

15. MEMBER AND OFFICER TRAINING

- 15.1 The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by:
- Annual Portfolio holder training from Director of Resources and Treasury Consultants;
 - Treasury Management Review Panel annual training updates (with additional updates as necessary);
 - Quarterly Treasury Update Reports to Members;
 - Daily Officer monitoring of Treasury and Money Market information by Treasury Officers;
 - Regular attendance by Officers at professional Seminars provided by Treasury Consultants, CIPFA and CLG

16. LOCAL ISSUES

- 16.1 The most significant issue to affect the Council relates to the exposure of investments with links to Icelandic Banks. In reacting to this situation the Council established the Treasury Management Review Panel which examined the circumstances leading up to the placing of the particular investments and continues to make recommendations in relation to the Council's lending lists.
- 16.2 During the next year the funds available for investment will reduce as the Council progresses on its Transformation Agenda in areas such as the development of New Headquarters and the completion of the implementation of the ICT Strategy. The schemes are being pursued to ensure that the Council can reduce the on-going cost of delivering services.
- 16.3 Over the coming years the Council is also scheduled to make disposals of assets, however, careful consideration will be made on each opportunity to ensure that the Council sells at a time that maximises the return to the authority.
- 16.4 The Council will enter into external borrowing in 2012/2013 in line with the Finance Strategy. Prudential borrowing will also be used to fund the Future Leisure provision, Local Authority Mortgage Scheme, the capital element of the Regeneration of Economic Development and other approved budget proposals which increases future external borrowing.

17. KEY ISSUES

- 17.1 The Key Issues are contained within sections 4 to 16 of this report, however, there have been a number of changes this year, the most significant are as follows:

- With effect from 1st April 2011 the MRP Policy was revised (approved by Council on 23rd February 2011).
- On 8th September 2011 Sector restricted all Counterparty duration limits to a maximum of 3 months. This limit applied to all entities on the suggested Sector Credit List with the following exceptions:
 1. UK Government and related entities such as Local Authorities.
 2. UK semi-nationalised institutions (Lloyds / RBS).
 3. Money Market Funds.

The above temporary changes were not a significant change of view, but aimed to stress the need for caution when making new investments.

- The individual counterparty /group investment limit approved by Council is 25% of total investments (excluding Iceland); this currently equates to £4million per institution or group. However, in view of the changing economic climate, the Director of Resources has taken a local decision that that the £4m limit will only apply to counterparties that are part-nationalised banks. A £3m limit will apply to all other counterparties.

Going forward the £4m limit (or 25% of total investments) may also apply to counterparties that have investment durations of 6 months plus under Sectors Credit worthiness methodology.

- The TMSS and Annual Investment Strategy was amended by Council on 27th July 2011 to establish cash flow support for Bewdley Development Trust to enable the drawdown of grant funding from the Rural Development Programme for England for the refurbishment/extension of St George's Hall, Bewdley.

Furthermore, approval was given to establish a scheme to provide cash flow support for similar local community capital projects in line with the localism agenda. The broad parameters of the scheme being;

- Total limit of scheme £250,000 at any one time;
 - No more than £100,000 to support to any one community group;
 - Viable business case required to be provided to support any proposal;
 - Cabinet to determine any such applications following consideration by the Treasury Management Review Panel
- Under the terms of this scheme cash flow support of up to £100,000 for Kidderminster Carpet Museum Trust was approved by Cabinet on the 20th December 2011, (contingent upon a third party being identified to resource the remaining £45,000 of cash flow support).

These temporary approvals of cash flow support will be accounted for as loans to third parties.

- Cabinet, on 20th December 2011, formally considered the Local Authority Mortgage Scheme and will make recommendations to February Council. A recommendation for LAMS is consideration of a scheme whereby the Council will place funds of £1m, with Lloyds for a period of 5years. This will be classified as being a service investment, rather than a treasury management investment, and is therefore outside of the Specified / Non specified categories. This is included as part of the of budget proposals.

Provision has been made within the MRP Policy for this scheme.

- 17.2 As reported previously, the returns that the Council is currently receiving from investment returns remain significantly lower than those achieved during years up to 2007/2008. Interest rates are estimated to remain historically low with modest increases anticipated to commence in September 2013, implemented over a long period. Section 8 of this report identifies the on-going sensitivity that the Council faces in relation to investment returns.
- 17.3 The Director of Resources will continue to keep the current Treasury Management Practices (TMP) under review with the assistance of the Council's Treasury Consultants and report to members as appropriate.

18. FINANCIAL IMPLICATIONS

- 18.1 The Financial Implications of the Treasury Management function are included in the Council's Medium Term Financial Strategy and Three Year Budget and Policy Framework.

19. LEGAL AND POLICY IMPLICATIONS

- 19.1 The Local Government Act 2003 supplemented by Regulations set out a new framework for a prudential system for local authority capital finance. This Act, together with CIPFA's Prudential Code for Capital Finance in Local Authorities, came into effect on 1st April 2004. This code together with recent revised editions, guides decisions on what Local Authorities can afford to borrow and has statutory backing under Regulations issued in accordance with the Local Government Act 2003.
- 19.2 Adoption of the CIPFA Code of Practice on Treasury Management in the Public Services as part of the Authority's Standing Orders and Financial Regulations, gives it the status of a "code of practice made or approved by or under any enactment", and hence proper practice under the provisions of the Local Government and Housing Act 1989.

20. RISK MANAGEMENT

- 20.1 The Council is aware of the risks of passive management of the treasury portfolio. With the support of Sector, the Council's treasury advisors, the Council has proactively managed the portfolio over the year.
- 20.2 Shorter-term variable rates and likely future movement in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the lending list, accurately forecasting returns can be difficult.
- 20.3 In the event of a counterparty default, a formal demand for payment, to include principal, contractual interest and default interest, will be made as soon as possible. Such demand will need to meet the criteria as specified in the Insolvency Act Amendments Rules 2010.
- 20.4 The main risk associated to the Council's Capital Programme, allied to this TMSS, is that given the current depressed economy, asset disposals are not fully realised in terms of timing and valuation assumptions. This will increase external borrowing until such sales proceeds are realised and also incur additional costs, of debt repayment to these already included in Finance Strategy.

21. EQUALITY IMPACT ASSESSMENT

- 21.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

22. CONCLUSION

See Recommendations.

23. CONSULTEES

Sector Treasury Services
Cabinet
CMT
Treasury Management Review Panel
Overview and Scrutiny Committee

24. BACKGROUND PAPERS

- 24.1 Local Government Act 2003
- 24.2 CIPFA's Revised Prudential Code for Capital Finance in Local Authorities, 2011
- 24.3 CIPFA's Revised Code of Practice on Treasury Management in the Public Services, 2011
- 24.4 Local Government and Housing Act 1989
- 24.5 Cabinet Report 20/12/2011– Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2011/2012
- 24.6 Council 23/02/11 – The Prudential System of Local Government Finance and the Treasury Management Policy and Strategy Report 2011/2012
- 25.7 Cabinet Report 20/09/2011 – Annual Report on Treasury Management Service and Actual Prudential Indicators 2010/2011

APPENDIX 1 MINIMUM REVENUE PROVISION (MRP) POLICY FROM 1 APRIL 2012

Minimum Revenue Provision – an introduction

1. What is a Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

2. Statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146 (as amended).

There is no requirement to charge MRP where the Capital Financing Requirement is nil or negative at the end of the preceding financial year.

3. Government Guidance

Along with the above duty, the Government issued guidance which came into force on 31st March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that: -

1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

APPENDIX 1 MINIMUM REVENUE PROVISION (MRP) POLICY FROM 1 APRIL 2012
(Continued)

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for “Adjustment A”) on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE annual allocation.

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority’s outstanding debt liability as depicted by their balance sheet.

Option 3: Asset Life Method

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an ‘MRP holiday’). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

- a. equal instalment method – equal annual instalments,
- b. annuity method – annual payments gradually increase during the life of the asset.

Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

APPENDIX 1 MINIMUM REVENUE PROVISION (MRP) POLICY FROM 1st APRIL 2012
(Continued)

4. Date of implementation

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). Authorities are however reminded that the CLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

Minimum Revenue Provision Policy Statement for the period 1st April 2012 onwards

The Minimum Revenue Provision Policy was revised by Council on 23rd February 2011, effective from 1st April 2011.

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and will assess MRP for the period 1st April 2012 onwards in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

For the large proportion of the current debt liability relating to expenditure incurred before 1 April 2008 (ie pre 2008/09 expenditure) an annual MRP charge based on the previous 4% reducing balance method will be made. This is consistent with option 1 of the Guidance and ensures a prudent provision is made.

Capital expenditure reflected within the debt liability from 1st April 2008 will, under delegated powers, be subject to MRP under option 3 which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building. This is consistent with option 3 of the Guidance and ensures a prudent provision will be made.

Estimated life periods will be determined by the Director of Resources (Section 151 Officer) under powers delegated by Council. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council as determined by the Director of Resources. However, under these powers delegated by Council, the Director of Resources reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

APPENDIX 1 MINIMUM REVENUE PROVISION (MRP) POLICY FROM 1st APRIL 2012 **(Continued)**

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. For example, the Guidance recommends that in the case of Loans and grants towards capital expenditure by third parties (under Regulation 25(1)(b), a charge should be made over a period “equal to the estimated life of the assets in relation to which the third party expenditure is incurred” and this is the approach adopted in this revised MRP Policy. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

In accordance with the Guidance, MRP will be charged in the financial year following that in which the asset is completed or becomes operational.

The Council are satisfied that then policy for calculating MRP set out in this Policy Statement will result in the Council continuing to make prudent provision for the repayment of debt, over a period that is on average reasonably commensurate with that over which expenditure provides benefit.

The Director of Resources will, where it is prudent to do so, use discretion to review the overall financing of the Capital Programme and the opportunities afforded by the regulations, to maximise the benefit to the Council whilst ensuring the Council meets its duty to charge a prudent provision.

In addition, following an analysis of the historic CFR and the prudential borrowing for vehicles, equipment and system renewals, an adjustment has been agreed to the MRP calculation for the outstanding debt liability incurred pre 2008/09, as part of this Budget Strategy. This will ensure that a prudent provision is made in accordance with the CFR.

Upon participation in the Local Authority Mortgage Scheme (LAMS) using the cash backed option, the mortgage lenders require a 5 year deposit from the local authority to match the 5 year life of the indemnity. The deposit placed with the mortgage lender provides an integral part of the mortgage lending, and is treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The deposit is due to be returned in full at maturity, with interest paid either annually or on maturity. Once the deposit matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (5 year) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application.

In summary, the MRP Policy will continue to adopt option 1: Regulatory Method of a uniform rate of 4% of the adjusted CFR on a reducing balance method for expenditure incurred prior to 1 April 2008, and then Option 3: Asset Life Method for capital expenditure after 1st April 2008 with the Director of Resources (Section 151 Officer) determining asset lives under powers delegated by Council.

APPENDIX 2 INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions, being Sector, UBS and Capital Economics (an independent forecasting consultancy).

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

Sector's Interest Rate View															
	Now	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
3 Month LIBID	0.87%	0.70%	0.70%	0.70%	0.70%	0.70%	0.75%	0.80%	0.90%	1.20%	1.40%	1.60%	2.10%	2.40%	2.60%
6 Month LIBID	1.16%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.20%	1.40%	1.60%	1.80%	2.00%	2.50%	2.70%	2.90%
12 Month LIBID	1.65%	1.50%	1.50%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.20%	2.40%	2.60%	3.10%	3.20%	3.30%
5yr PWLB Rate	2.25%	2.30%	2.30%	2.30%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.10%	3.30%	3.50%	3.70%
10yr PWLB Rate	3.33%	3.30%	3.30%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
25yr PWLB Rate	4.24%	4.20%	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%
50yr PWLB Rate	4.26%	4.30%	4.30%	4.30%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%
Bank Rate															
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate															
Sector's View	2.25%	2.30%	2.30%	2.30%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.10%	3.30%	3.50%	3.70%
UBS	2.25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-	-	-	-	-
10yr PWLB Rate															
Sector's View	3.33%	3.30%	3.30%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
UBS	3.33%	3.45%	3.45%	3.50%	3.60%	3.65%	-	-	-	-	-	-	-	-	-
Capital Economics	3.33%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	-	-	-	-	-
25yr PWLB Rate															
Sector's View	4.24%	4.20%	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%
UBS	4.24%	4.80%	4.90%	4.90%	4.90%	4.90%	-	-	-	-	-	-	-	-	-
Capital Economics	4.24%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	-	-	-	-	-
50yr PWLB Rate															
Sector's View	4.26%	4.30%	4.30%	4.30%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%
UBS	4.26%	4.80%	4.95%	4.95%	5.00%	5.00%	-	-	-	-	-	-	-	-	-
Capital Economics	4.26%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	-	-	-	-	-

APPENDIX 3 PRUDENTIAL AND TREASURY INDICATORS

PRUDENTIAL INDICATORS	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Extract from budget report	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	4,735	10,534	10,217	1,409	11,609
Ratio of financing costs to net revenue stream	2.81%	0.41%	3.03%	4.67%	4.77%
Net borrowing requirement () denotes net investment position)					
brought forward 1 April	(13,010)	(17,609)	(4,068)	6,437	6,200
carried forward 31 March	(17,609)	(4,068)	6,437	6,200	14,581
in year borrowing requirement	1,830	2,073	6,354	965	9,315
Capital Requirement as at 31 March	2,959	4,870	10,996	11,530	20,394
Annual change in Capital Financing Requirement	1,262	1,911	6,126	534	8,864
Incremental impact of capital investment decisions			£	£	£
Increase in council tax (band D) per annum			8.90	8.99	15.83

APPENDIX 3 PRUDENTIAL AND TREASURY INDICATORS (continued)

TREASURY MANAGEMENT INDICATORS	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Extract from budget report	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
*Authorised Limit for external debt -					
Borrowing	6,000	15,000	20,000	20,000	30,000
Other long term liabilities	-	-	-	-	-
TOTAL	6,000	15,000	20,000	20,000	30,000
*Operational Boundary for external debt -					
Borrowing	5,000	7,000	15,000	15,000	25,000
Other long term liabilities	-	-	-	-	-
TOTAL	5,000	7,000	15,000	15,000	25,000
External debt	31	29	8,233	8,186	16,378
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	100%	100%	100%	100%	100%
Upper limit for total principal sums invested for over 364 days	£7m	£4m	£2m	£2m	£2m
(per maturity date)					
*Authorised and Operational Boundary levels - there is a high probability these will be increased significantly dependent upon Council consideration of the Future Leisure Provision					

APPENDIX 3 PRUDENTIAL AND TREASURY INDICATORS (continued)

Maturity structure of fixed rate borrowing during 2011/12	Upper limit	Lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

APPENDIX 4 ECONOMIC BACKGROUND

Economic Background

4.1. Global economy

The outlook for the global economy remains clouded with uncertainty with the UK economy struggling to generate sustained recovery that offers solid optimism for the outlook for 2012, or possibly even into 2013. Consumer and business confidence levels are low and with little to boost sentiment, it is not easy to see potential for a significant increase in the growth rate in the short term.

At the centre of much of the uncertainty is the ongoing **Eurozone sovereign debt crisis** which has intensified, rather than dissipated throughout 2011. The main problem has been **Greece**, where, even with an Eurozone/IMF/ECB bailout package and the imposition of austerity measures aimed at deficit reduction, the lack of progress and the ongoing deficiency in addressing the underlying lack of competitiveness of the Greek economy, has seen an escalation of their problems. These look certain to result in a default of some kind but it currently remains unresolved if this will be either “orderly” or “disorderly”. Most commentators currently view that it is now inevitable that Greece will have to exit the Eurozone in 2012.

There is also growing concern about the situation in **Italy** and the risk that contagion has not been contained. Italy is the third biggest debtor country in the world but its prospects are limited given the poor rate of economic growth over the last decade and likely difficulties in implementing the required level of fundamental reforms in the economy. The Eurozone now has a well established track record of always doing too little too late to deal with this crisis; this augurs poorly for future prospects, especially given the rising level of electoral opposition in northern EU countries to bailing out profligate southern countries.

The US economy has encouraged with some positive news around the start of 2012 but any improvement in the weak rate of growth is likely to only generate slow progress in reducing the high level of unemployment which is acting as such a dampener on the economy. With Presidential elections due in November 2012, the current administration has been hamstrung by political gridlock with the two houses split between the main parties. In quarter 3 the Federal Reserve started “Operation Twist” in an effort to re-ignite the rate of growth in the economy. However, high levels of consumer indebtedness, a moribund housing market together with stubbornly high unemployment, will continue to weigh heavily on consumer confidence and so on the ability to generate a healthy and consistent rate of economic growth.

Hopes for broad based recovery have, therefore, focussed on the **emerging markets** but these areas have been struggling with inflationary pressures in their previously fast growth economies. China, though, has maintained its growth pattern, despite a major thrust to tighten monetary policy during 2011 to cool inflationary pressures which are now subsiding. However, some forward looking indicators are causing concern that there may not be a soft landing ahead, which would then be a further dampener on world economic growth.

APPENDIX 4 ECONOMIC BACKGROUND (continued)

4.2 UK economy

The Government's austerity measures, aimed at getting the public sector deficit into order over the next four years, have yet to fully impact on the economy. However, coming at a time when economic growth has been weak and concerns at the risk of a technical recession (two quarters of negative growth) in 2012, it looks likely that the private sector will not make up for the negative impact of these austerity measures given the lack of an export led recovery due to the downturn in our major trading partner – the EU. The housing market, a gauge of consumer confidence, remains weak and the outlook is for house prices to be little changed for a prolonged period.

Economic Growth. GDP growth has, basically, flatlined since the election of 2010 and, worryingly, the economic forecasts for 2012 and beyond have been revised lower on a near quarterly basis. With concerns of a potential return to recession, the Bank of England embarked on a second round of Quantitative Easing to stimulate economic activity. It appears very likely that there will be another expansion of quantitative easing in quarter 1 2012 in order to stimulate economic growth.

Unemployment. With the impact of the Government's austerity strategy resulting in steadily increasing unemployment during 2011, there are limited prospects for any improvement in 2012 given the prospects for weak growth.

Inflation and Bank Rate. For the last two years, the MPC's contention has been that high inflation was the outcome of temporary external factors and other one offs (e.g. changes in VAT); that view remains in place with CPI inflation starting quarter 1 of 2012 at 4.8%, having peaked at 5.2% in September 2011. They remain of the view that the rate will fall back to, or below, the 2% target level within the two year horizon.

AAA rating. The ratings agencies have recently reaffirmed the UK's AAA sovereign rating and have expressed satisfaction with Government policy for deficit reduction. They have, though, warned that this could be reviewed if the policy were to change, or was seen to be failing to achieve its desired outcome. This credit position has ensured that the UK government is able to fund itself at historically low levels and, with the safe haven status from Eurozone debt also drawing in external investment, the pressure on rates has been down, and looks set to remain so for some time.

4.3 Sector's forward view

Economic forecasting remains troublesome with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains weak and whilst there is still a broad range of views as to potential performance, they have all been downgraded throughout 2011. Key areas of uncertainty include:

- a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself;
- the impact of the Eurozone crisis on financial markets and the banking sector;

APPENDIX 4 ECONOMIC BACKGROUND (continued)

- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to exporting manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that increasingly seem likely to be undershot;
- a continuation of high levels of inflation ;
- the economic performance of the UK's trading partners, in particular the EU and US, with some analysts suggesting that recession could return to both;
- stimulus packages failing to stimulate growth;
- elections due in the US, Germany and France in 2012 or 2013;
- potential for protectionism i.e. an escalation of the currency war / trade dispute between the US and China.

The overall balance of risks remains weighted to the downside. Lack of economic growth, both domestically and overseas, will impact on confidence putting upward pressure on unemployment. It will also further knock levels of demand which will bring the threat of recession back into focus.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

Given the weak outlook for economic growth, Sector sees the prospects for any interest rate changes before mid-2013 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

APPENDIX 5 SPECIFIED AND NON-SPECIFIED INVESTMENTS**SPECIFIED INVESTMENTS:**

The Council has determined to authorise Specified Investments as follows:

(All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility	-	In-house
The Councils Own Bank	End of day balance £1m	In-house
Term deposits – local authorities	-	In-house
Term deposits – banks and building societies *	Green	In-house
Money Market Funds and Financial Instruments	Green	In-house

	Minimum Criteria	Credit	Use	Max % of total investments*	Max. maturity period
UK nationalised banks*– currently Lloyds Bank and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in the Table above.	Blue		In-house	25%	As per colour
Banks nationalised by high credit rated (AAA sovereign rating) countries – non UK*. For UK revert to Sector Creditworthiness Methodology	Green		In-house and Fund Managers	25%	As per colour
Government guarantee (explicit) on ALL deposits by high credit rated (non UK AAA sovereign rating) countries**. For UK revert to Sector Creditworthiness Methodology	Green		In-house and Fund Managers	25%	As per colour

* Where a bank is part of a group then the total exposure to the group will be the same as the individual exposure assigned to the parent organisation

** e.g. Singapore (AAA); specified list of countries approved for investing with their banks detailed in Appendix 6

Additional Information on Specified Investments as Detailed Above

Nationalised banks in the UK have credit ratings which do not conform to the credit criteria usually used by local authorities to identify banks which are of high creditworthiness. In particular, as they are no longer separate institutions in their own right, it is impossible for Fitch to assign them a viability individual rating for their stand alone financial strength. Accordingly, Fitch have assigned a BBB rating which means that at a historical point of

time, this bank failed and is now owned by the Government. However, these institutions are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. They also have a support rating of 1; in other words, on both counts, they have the highest ratings possible. Current examples include Lloyds Banking Group and Royal Bank of Scotland Group.

Other countries. The US, countries within the EU and Switzerland (and other countries) are currently providing major support packages to their banking systems. The Council will only consider investments with non UK countries that are AAA rated (for UK revert to Sector Creditworthiness Methodology).

Councils Own Bank. Where the Council's own bankers fail to meet the basic credit criteria, balances will be minimised as far as possible with an upper limit of £1m. This allows for reasonable flexibility needed for day to day cash flow management.

NON-SPECIFIED INVESTMENTS:

The Council has determined to authorise Non-Specified Investments as follows:

1. Maturities of ANY period

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Fixed term deposits with variable rate and variable maturities: -Structured deposits	Green	In-house	25%	As per colour
Treasury Bills	UK sovereign rating	In-house and Fund Managers	25%	6 months
Bonds issued by multi-lateral development banks	AAA	In-house and Fund Managers	25%	As per colour
CDs or Corporate Bonds with banks and building societies	Green	In-house and Fund Managers	25%	As per colour

2. Maturities in excess of 1 year

	* Minimum Credit Criteria/Colour Band	Use	Max % of total investments	Max. maturity period
Term deposits – local authorities	-	In-house	25%	As per colour
Term deposits – banks and building societies	Green	In-house	25%	As per colour
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	Green	In-house	25%	As per colour
Certificates of deposit issued by banks and building societies covered by the UK government banking support package (implicit guarantee)	Green	In-house	25%	As per colour
Certificates of deposit issued by banks and building societies NOT covered by UK Government support package (implicit guarantee)	Green	In-house	25%	As per colour
UK Government Gilts	UK sovereign rating	In-house and Fund Managers	25%	As per colour

For both Specified and Non Specified Investments, due to the uncertainty in the financial markets, it is recommended that the Investment Strategy is approved on a similar approach to previous years which will provide officers with the flexibility to deal with any unexpected occurrences. Officers will restrict the pool of available counterparties from this criteria to ensure that security of capital remains the paramount consideration. Currently this involves the use of the Debt Management Account Deposit Facility (DMADF), AAA rated Money Market Funds and institutions (as deemed appropriate) with higher credit ratings than those outlined in the

investment strategy or which are provided support from the Government. Investments are being maintained short term to also improve the security of investments. This is also applicable to the approved countries detailed in Appendix 6.

APPENDIX 6 APPROVED NON UK COUNTRIES FOR INVESTMENTS

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

The Council has determined that it will only use approved counterparties from non UK countries with a minimum sovereign credit rating of AAA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). This list will be added to or deducted from by officers should ratings change in accordance with this policy. For the UK revert to Sector Methodology (currently AA-).

In addition to the minimum sovereign credit rating, no more than 30% would be placed with any individual non-UK country at any time, should they meet the credit worthiness criteria.

APPENDIX 7 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

(ii) Committees/Council/responsible body – Cabinet, with recommendations from the Overview and Scrutiny Committee and Treasury Management Review Panel as appropriate

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny – Cabinet, with recommendations from the Overview and Scrutiny Committee and Treasury Management Review Panel as appropriate

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

APPENDIX 8 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers

WYRE FOREST DISTRICT COUNCIL

**CABINET
21ST FEBRUARY 2012**

**Recommendation from Overview and Scrutiny Committee
9th February 2012**

Recommendations from the Treasury Management Review Panel

To Committee considered recommendations from the Treasury Management Review Panel of 24th January 2012.

- Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Investment Policy and Strategy Statement for the period 1st April 2012 to 31st March 2013

Recommend to Cabinet, to recommend to Council:

1. To approve the restated Prudential Indicators and Limits for the financial years 2012/13 to 2014/15.
2. To approve the updated Treasury Management and Investment Policy and Strategy Statements for the period 1st April 2012 to 31st March 2013 (the associated Prudential Indicators are included in Appendix 3 and the detailed criteria is included in Section 11 and Appendix 5 of the report to the Treasury Management Review Panel).
3. To approve the Minimum Revenue Provision (MRP) Statement that sets out the Council's policy on MRP included in Appendix 1 of the report to the Treasury Management Review Panel.
4. To approve the Authorised Limit Prudential Indicator included in Appendix 3 of the report to the Treasury Management Review Panel.
5. That the Treasury Management Review Panel notes that the prudential indicators in the report will be revised in February 2012 as part of the Council's approval of the Financial Strategy 2012 to 2015, as the indicators included within this report are based on current recommendations.

WYRE FOREST DISTRICT COUNCIL

**CABINET
21st February 2012**

**Recommendations from Overview and Scrutiny Committee
9th February 2012**

Review of the Grants to Voluntary Bodies

The review undertaken was to produce a grant giving strategy that focused the allocation of resources on delivering Council priorities as outlined in the Council Corporate Plan and to produce a methodology for reducing the grant by 17% by 2015.

Recommend to Cabinet:

- 1. The general grant funding allocation from 1st April 2012 to 31st March 2015 should be targeted at meeting the needs of as many individuals across the District as possible. The grant funding should reflect the Council priorities of improving Community Well Being and Securing the Economic Prosperity of the District. In order to give stability to those organisations receiving grant funding, it should be given for a 3 year period.**
- 2. The allocation of grant funding should also reflect the ageing population in the District.**
- 3. It is recommended that the following grant allocations cease with effect from:**
 - 1st April 2012:**
 - £1,000 pump priming grant
 - £1,000 emergency grant
 - 1st June 2012:**
 - £1,000 Community Action Wyre Forest
 - £2,960 Relate Worcestershire
- 4. The grant funding should be allocated for a three year period, on a reducing basis, on an equal percentage reduction of 16.5% in 2012/13, 8.3% in 2013/14 and 9.0% in 2014/15 with effect from 1st June 2012.**
- 5. The following organisations will continue to receive funding in line with recommendations 1, 2 and 3 above:-**
 - Citizens Advice Bureau
 - Stourport Day Centre
 - Castle Road Day Centre

- 6. It is recommended that rent support to organisations remains unchanged.**
- 7. The inflationary uplift to Citizens Advice Bureau should cease with effect from 2012/13.**
- 8. At the end of the three year grant giving period and subject to the funds still being available, the Council will widely advertise the available grant and the criteria for organisations to apply for funding.**
- 9. It is recommended that the Council publicise the Worcestershire County Council scheme when it is finalised which is aimed at supporting the development of community and voluntary organisations. The Council should help to promote the scheme which will make £750,000 available over the next three years.**

Agenda Item No. 11.1(b)

Grants to Voluntary Bodies Proposed Savings
16% 8.3% 9% Part year Summary

	2011/12 Rev	2012/13	2013/14	2014/15
Proposed Savings:				
Community Action Wyre Forest	0	(830)	(1,000)	(1,000)
Relate Worcestershire	0	(2,470)	(2,960)	(2,960)
Pump Priming Grant	0	(1,000)	(1,000)	(1,000)
Emergency Grant	0	(1,000)	(1,000)	(1,000)
		(5,300)	(5,960)	(5,960)
CAB inflation saving	0	(570)	(1,380)	(2,100)
Further Savings:		16.5%	8.3%	9.0%
CAB General Grant Grant	27330	27,330	27,330	27,330
Proposed Saving	0	(3,760)	(5,720)	(7,660)
New Total	27,330	23,570	21,610	19,670
Stourport Day Centre Grant	1040	1,040	1,040	1,040
Proposed Saving	0	(140)	(210)	(280)
New Total	1,040	900	830	760
Castle Road Day Centre Grant	7980	7,980	7,980	7,980
Proposed Saving	0	(1,100)	(1,670)	(2,240)
New Total	7,980	6,880	6,310	5,740
TOTAL SAVINGS	0	(10,870)	(14,940)	(18,240)
CABINET PROPOSAL	0	(12,000)	(13,000)	(17,000)
VARIANCE - Under / (Over) achievement compared to Cabinet Proposal	0	1,130	(1,940)	(1,240)

Summary - General Grant (including CAB inflation)

Organisation	2011/12 Rev	2012/13	2013/14	2014/15
CAB General Grant	27,330	23,680	21,610	19,670
Stourport Day Centre	1,040	900	830	760
Castle Road Day Centre	7,980	6,880	6,310	5,740
Relate Worcestershire	2,960	490	0	0
Community Action Wyre Forest	1,000	170	0	0
	40,310	32,120	28,750	26,170

WYRE FOREST DISTRICT COUNCIL

**CABINET
21st February 2012**

**Recommendation from Overview and Scrutiny Committee
9th February 2012**

Public Sector Equality Duty Objectives

The Equality Act 2010 replaced previous anti-discrimination laws with a single act to make the law simpler and to remove inconsistencies. It included the Public Sector Equality Duty which came into force on 5 April 2011. The Equality Duty aims to ensure that public bodies consider the needs of all individuals in their day to day work in shaping policy, delivering services, and in relation to their own employees.

Recommend to Cabinet:

To recommend to Council that it adopts and publishes the following equality objective to meet its duty under the Equality Act 2010:

- **Reduce inequality in access to employment within the District and build links between organisations to enable this, and by promoting good parenting skills and providing support and advice to families from relevant partner agencies and schools.**

WYRE FOREST DISTRICT COUNCIL

**CABINET
21st February 2012**

**Recommendation from Overview and Scrutiny Committee
9th February 2012**

**Wyre Forest District Local Development Framework (LDF): Revised
Project Plan (Local Development Scheme)**

As outlined by the Government, Councils must continue to prepare and maintain a Local Development Scheme, specifying the documents that will be Development Plan Documents (DPDs)

The Local Development Scheme was last reviewed in August 2008, prior to the Adoption of the Core Strategy in December 2010. It is therefore considered necessary to provide up to date information relating to the production of the remaining DPDs – the Site Allocations & Policies and Kidderminster Central Area Action Plan (KCAAP). This will give more certainty to local stakeholders, developers and communities.

Recommend to Cabinet:

- 1. Endorse the proposed Revised Local Development Framework Project Plan 2012-15 (LDS) as set out in Appendix 1 of the report to the Overview and Scrutiny Committee of 9th February 2012.**