

WYRE FOREST DISTRICT COUNCIL

COUNCIL 27th FEBRUARY, 2013

AGENDA ITEM 15

FINANCIAL STRATEGY 2013/16

AMENDMENT TO BE MOVED BY THE LABOUR GROUP

The Labour Group, having re-considered the Financial Strategy 2013/16 as recommended on 22nd January 2013, the results of the consultation exercise and recommendations of the Overview and Scrutiny Committee, **RECOMMENDS TO COUNCIL** :-

1. **CAPITAL PROGRAMME 2012/13 ONWARDS** (pages 91-101)
 - 1.1 **APPROVAL** of the updated Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as presented to the Cabinet on 18th December 2012 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.

2. **FEES AND CHARGES** (pages 47-86 as updated)
 - 2.1 **APPROVES** fees and charges, noting the recommendations from the Licensing and Environmental Committee, as attached in Appendix 1.

3. **THREE YEAR BUDGET AND POLICY FRAMEWORK 2013/16** (pages 1-45 as updated)
 - 3.1 The contents of the Reports of the Director of Resources on the Three Year Budget and Policy Framework 2013-2016 (pages 1-45 incorporating the Base Budget Variations (pages 27-28) supplemented by the updated report approved by Cabinet on 22nd January 2013, be **ENDORSED** and in doing so **APPROVE** the Revised Revenue and Capital Budgets for 2012/13.
 - 3.2 **APPROVES** that any Final Account savings arising from 2012/16 over and above the target allowed for in the Council's Finance Strategy, together with surplus Earmarked Reserves, be allocated to the Working Balance.

3.3 The following General Fund Revenue Budget be **APPROVED** including **PROPOSALS IN (Appendix 2)** and **FEES AND CHARGES** as proposed by Cabinet on 22nd January 2013 and related amendments (**Appendix 1**):

| | Revised 2012/13 £ | 2013/14 £ | 2014/15 £ | 2015/16 £ |
|--|-------------------------|-----------------------|-------------------------|-------------------------|
| Net Expenditure on Services (per Appendix 3 (New Appendix 3 updating the position as at 22 nd January and now taking into account Social Fund Grant) Add/(Less) Cabinet Proposals - (Appendix 2) | 13,076,950 - | 12,691,410 129,510 | 12,410,560 (123,390) | 12,055,100 (195,280) |
| Net Expenditure | 13,076,950 | 12,820,920 | 12,287,170 | 11,859,820 |
| Contribution from Reserves | (344,150) | (536,000) | (700,460) | (734,150) |
| Net Budget Requirement | 12,732,800 | 12,284,920 | 11,586,710 | 11,125,670 |
| Less Business Rates, Revenue Support Grant and Collection Fund Surplus | 5,615,730 | 6,179,120 | 5,390,570 | 4,933,200 |
| Council Tax Transitional Grant | - | 28,630 | - | - |
| Community Right to Bid/Challenge | - | 16,400 | 16,400 | - |
| Homelessness Funding | 109,270 | 108,650 | 108,650 | - |
| Council Tax Income | <u>£7,007,800</u> | <u>£5,952,120</u> | <u>£6,071,090</u> | <u>£6,192,470</u> |
| Wyre Forest District Council Tax Level assuming no change in 2013/14 then a 2% increase 2014/15 onwards. | <u>£197.62</u> | <u>£197.62</u> | <u>£201.57</u> | <u>£205.60</u> |

Final Government Grant Analysis

| <u>Year</u> | Value of Government Support £ | Decrease | |
|-------------|--|----------|-------|
| | | £ | % |
| 2012/13 | 5,391,294 | | |
| 2013/14 | 4,884,507 | 506,787 | 9.40 |
| 2014/15 | 4,095,955 | 788,552 | 16.14 |
| 2015/16 | 3,882,440 | 213,515 | 5.21 |

Note to Government Grant Analysis table: These figures relate to business rates and revenue support grant; they exclude Grants for Homelessness and Council Tax Support, and also Transitional and Freeze Grants (source LG Futures as updated for the final Grant Settlement). The new funding regime for Business Rates greatly increases the significance of the collection of Business Rates, with more emphasis on the actual sums collected rather than collection rates. This change of emphasis may require the Director of Resources to consider deployment of additional staffing resource to ensure maintenance of the Business Rates baseline,

including even closer liaison with the Valuation Office. It is hoped this can be achieved within existing resources.

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

| Reserves Statement | 2012/13 £'000 | 2013/14 £'000 | 2014/15 £'000 | 2015/16 £'000 |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Reserves as at 1 April | 2,511 | 2,167 | 1,631 | 931 |
| Contribution to/(from) Reserves | (344) | (536) | (700) | (734) |
| Reserves as at 31 March | 2,167 | 1,631 | 931 | 197 |

3.5 **AGREES** that the decisions on use of the Social Fund Grant including any revision of the provisional distribution reflected in the base budget, should lie outside the normal Financial Regulation requirements for Supplementary Estimates and Virements.

3.6 **Notes** the following updates to the Risk Matrix as published on the 18th December 2012:

- Since the Financial Strategy was presented to Cabinet in December 2012, the position regarding the Contractors Claim for the construction of the New Headquarters has developed further. The financial impact of finalising the account is unknown at this stage and could vary from zero to a potentially significant sum. This will continue to be managed by the Chief Executive and Director of Community Assets and Localism in close liaison with our specialist project managers.
- The continued depressed economy and resultant poor property market continues to represent significant risk to the financial strategy in terms of assumed funding from asset disposals and asset transfers. It is hoped that the position will improve, but assumptions made within the budget will continue to be carefully monitored against results achieved and any significant variances included in future reports to Members.

4 **COUNCIL TAX**

4.1 **SETS** a Council Tax for Wyre Forest District Council on a Band D Property of £197.62 for 2013/14 (£197.62 2011/12) which represents no increase on Council Tax from 2012/13.

4.2 **ADOPTS A PLANNING ASSUMPTION OF** a provisional Council Tax on a Band D Property in 2014/15 of £201.57 and £205.60 in 2015/16 an increase of 2 % per annum over 2013/14.

4.3 **NOTES** that the new Council Tax Discount Scheme approved by Council in November 2012 (subject to minor revision due to a removal of the Class L, repossessed properties, Council Tax exemption) will be effective from 1st April 2013, and that there is a risk from the scheme that there will be a greater financial burden on the Council.

4.4 **NOTES** the decision taken to join the Worcestershire Business Rates Pool to protect the Council from any business rate reductions and help maximise the benefit by retaining more of the business rates delivered from economic growth within Worcestershire.

WYRE FOREST DISTRICT COUNCIL**LABOUR PROPOSALS 2013/14 ONWARDS**

| Cost Centre | ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL | KEY | CHANGES IN RESOURCES | | | |
|---|--|--------------------------------|--|---|--|--|
| | | | 2013/14 £ | 2014/15 £ | 2015/16 £ | After 31/03/2016 £ |
| SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT | | | | | | |
| R705 | Economic and Regeneration Initiatives To provide further investment in regeneration initiatives following the State of the Area events. Delegate authority to the Director of Economic Prosperity and Place to spend in consultation with the Cabinet Review Panel (will include representation from all groups) | C R S | 500,000 120,000 - | - 70,000 - | - 70,000 - | - 70,000 - |
| R224 | To request that the Director investigate the alternative use of any surplus/unused property to complement the Council's Economic and Regeneration priorities, Options to include conversion into either Serviced Business Starter Incubator Units, offices, or for residential use. The business cases for such proposals be considered by the Cabinet Review Panel. | C R S | TBC TBC - | TBC TBC - | TBC TBC - | TBC TBC - |
| Various | To request that the Director investigate the possibility of establishing incubator units within the Civic Centre, Stourport on Severn in partnership with Worcestershire County Council and others. Any proposals to be considered by the Cabinet Review Panel. | C R S | TBC TBC - | TBC TBC - | TBC TBC - | TBC TBC - |
| R190 R187 R189 | Car Parking During the period of the freeze of car parking charges to undertake a review of Town Centre car parking to include consideration of the provision of some elements of free parking based on the results of the recent free parking initiative | C R S | TBC TBC TBC | TBC TBC TBC | TBC TBC TBC | TBC TBC TBC |
| DELIVERING TOGETHER, WITH LESS | | | | | | |
| Various | Staff Terms and Conditions Introduction of the Living Wage | C R S | - 5,500 - | - 6,000 - | - 6,500 - | - 7,000 - |
| Various | Procurement To conduct a review of the major contracts currently in place with external organisations and partners to secure savings | C R S | - 25,000 CR - | - 50,000 CR - | - 50,000 CR - | - 50,000 CR - |
| R040 R335 | Parish Localism Fund Review of funding for Parish Councils in light of the Council Tax Scheme changes and to establish a fund of £105k in Yr 1 to support Parish Councils Support for Cemeteries Phase out support for cemeteries over four years (75%, 50%, 25%, 0%) | C R S C R S | - 15,740 - - 17,070 - | - 23,460 CR - - 11,380 - | - 23,660 CR - - 5,690 - | - 23,860 CR - - - - |
| R337 | NNDR Relief To conduct a review of recipients of NNDR relief | C R S | - - - | - 31,000 CR - | - 44,000 CR - | - 55,000 CR - |

| Cost Centre | ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL | KEY | CHANGES IN RESOURCES | | | |
|---|--|-------------|--|---|---|---|
| | | | 2013/14 £ | 2014/15 £ | 2015/16 £ | After 31/03/2016 £ |
| R410 | ICT Review of Members' ICT - staged implementation of revised scheme | C R S | - 1,000 CR - | - 4,000 CR - | - 8,000 CR - | - 12,000 CR - |
| R410 | Members Car Parking Passes Following the move to Wyre Forest House, to cease the issuing of free Car Park Passes to all Members. Members will still be able to claim for any parking costs incurred in line with the Members' Allowances scheme | C R S | - - - | - - - | - - - | - - - |
| Various | Wyre Forest Forward Expansion of the Wyre Forest Forward programme of efficiency savings | C R S | - 50,000 CR 2.00 CR | - 150,000 CR 6.00 CR | - 200,000 CR 8.00 CR | - 250,000 CR 10.00 CR |
| Various | Wyre Forest Forward To round all Fees and Charges to the nearest whole pounds in the future for ease and efficiency (with the exception of car parking) | C R S | TBC TBC TBC | TBC TBC TBC | TBC TBC TBC | - TBC TBC TBC |
| R405 | Implement IRP Full Report 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 - |
| Various | Fleet and Waste Strategy Review The Director investigates the usage of the Council's freighter fleet to ensure maximum optimisation. | C R S | TBC TBC TBC | TBC TBC TBC | TBC TBC TBC | TBC TBC TBC |
| SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT | | | | | | |
| R800 | Disabled Facilities Grants Additional funding in 2013/14 to increase the Capital Provision by £69,000 to £800,000. This to be funded from the Paddling Pools - Strategic Review Scheme following the decision by Stourport Town Council on Paddling Pools and Splash Pads. | C R S | - - - | - - - | - - - | - - - |
| IMPROVING COMMUNITY WELL-BEING | | | | | | |
| R800 | Local Authority Mortgage Scheme Future consideration by the Treasury Management Review Panel of the extension of the current LAMS scheme to include Shared Ownership once the existing scheme is fully operational | C R S | TBC TBC - | TBC TBC - | TBC TBC - | TBC TBC - |
| | Reinstate Community Leadership Fund Reinstate a fund of £1,000 per Member for 2013/14 and future years. | C R S | - 42,000 - | - 42,000 - | - 42,000 - | - 42,000 - |
| R720 | Access to Housing To create a new post of Empty Homes Officer and provide a Minor Repairs sum of £20,000 per annum. | C R S | - 54,700 1 | - 55,190 1 | - 55,690 1 | - 56,190 1 |
| | TOTALS | C R S | 500,000 129,510 1.00 CR | 0 123,390 CR 5.00 CR | 0 195,280 CR 7.00 CR | 0 265,170 CR 9.00 CR |

KEY - Changes in Resources

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