

## Agenda Item No. 8.1

### WYRE FOREST DISTRICT COUNCIL

**CABINET**  
**18<sup>th</sup> FEBRUARY 2014**

### **FINANCIAL STRATEGY 2014-17**

<b>OPEN</b>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME</b>	All
<b>CORPORATE PLAN PRIORITY:</b>	Delivering Together with Less
<b>CABINET MEMBER:</b>	Councillor Nathan Desmond
<b>RESPONSIBLE OFFICERS:</b>	Chief Financial Officer/Chief Executive
<b>CONTACT OFFICERS:</b>	<b>Tracey Southall, Ext. 2100</b> <b><a href="mailto:tracey.southall@wyreforestdc.gov.uk">tracey.southall@wyreforestdc.gov.uk</a></b> <b>Ian Miller, Ext. 2900</b> <b><a href="mailto:ian.miller@wyreforestdc.gov.uk">ian.miller@wyreforestdc.gov.uk</a></b>
<b>Appendix 1</b> <b>Appendix 2 - Part 1</b> <b>Appendix 2 - Part 2</b>  <b>Appendix 3</b> <b>Appendix 4 - Part 1</b>  <b>Appendix 4 - Part 2</b>   <b>Appendix 5</b>   <b>Appendix 6</b>	<b>Updated Fees and Charges</b> <b>Updated Capital Programme</b> <b>Updated Vehicle, Equipment and Renewals Schedule</b> <b>Updated Cabinet Proposals</b> <b>Report of the Independent Remuneration Panel received in December 2013</b> <b>Current Scheme of Members' Allowances 2013-14 and Comparison with IRP Recommendations for 2014-15</b> <b>Report of the Chief Financial Officer in respect of Sections 25-28 Local Government Act 2003</b> <b>Council Tax Consultation Results</b> <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request.</i>

## **1. PURPOSE OF REPORT**

- 1.1 To update Council on the Medium Term Financial Strategy 2014-17 and make recommendations to Council on the proposed budget decision. Also to consider the report of the Chief Financial Officer in respect of statutory duties placed on Local Authority Chief Financial Officers in relation to budget setting and monitoring, and the latest Report of the Independent Review Panel (IRP) on Members' Allowances.

## 2. RECOMMENDATIONS

The **CABINET** having re-considered the **Financial Strategy 2014-17** as recommended on 21<sup>st</sup> January 2014, the results of the Council Tax consultation exercise and recommendations of the Strategic Review Committee (this is a separate item on this agenda) **RECOMMENDS TO COUNCIL:**

### 2.1 FEES AND CHARGES

2.1.1 **APPROVAL** of the updated fees and charges as attached in Appendix 1, in respect of Control of Dogs to replace those approved by Council on the 27<sup>th</sup> November 2013.

### 2.2 THREE YEAR BUDGET, CAPITAL PROGRAMME AND POLICY FRAMEWORK 2014-17

2.2.1 **APPROVAL** of the updates to the Medium Term Finance Strategy 2014-17 as approved by Council in November 2013, as set out in the Cabinet report of the 21<sup>st</sup> January 2014.

2.2.2 **APPROVAL** of the Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendices to the Cabinet Report on the 21<sup>st</sup> January 2014, further amended to incorporate all approved Cabinet Proposals and final amendments detailed in this report. The revised Capital Programme for approval is contained in Appendix 2 (Parts 1 and 2); updated Prudential Indicators are also presented in the separate Treasury Management report on this agenda. In doing so, Capital Budgets for 2014-17 are approved.

2.2.3 **APPROVAL** that the first £338,000 of the Right to Buy (RTB) receipts in 2014/15 be allocated to Disabled Facilities Grants (to a maximum Capital budget of £800,000). Any subsequent RTB Capital Receipts be allocated to general capital reserves. That the allocation of future years' RTB receipts will be considered in future budget setting processes.

2.2.4 **APPROVAL** that the initial £1m funding allocated for the Local Authority Mortgage Scheme be removed from the Capital Programme given the launch of the Government's Help to Buy Scheme and withdrawal of the Lloyds Banking Group from this initiative.

2.2.5 **APPROVES** that any Final Account savings arising from 2013-17 over and above the target allowed for in the Council's Finance Strategy, together with surplus Earmarked Reserves, be allocated by the Chief Financial Officer in consultation with the Leader.

2.2.6 **The General Fund Revenue Budget be APPROVED including updated CABINET PROPOSALS (Appendix 3) and updated FEES AND CHARGES (Appendix 1) and related amendments** as set out in paragraph 5 of this report.

## Agenda Item No. 8.1

### 2.3 COUNCIL TAX

- 2.3.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £201.45 for 2014-15 (£197.62 2013-14) which represents a 1.94% increase on Council Tax from 2013-14.
- 2.3.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2015-16 of £205.36 and £209.34 in 2016-17, an increase of 1.94 % per annum over 2014-15.
- 2.3.3 **APPROVES** the discount for dwellings in Class C prescribed by the Council Tax (Prescribed Classes of Dwelling) (England) Regulations 2003 No 3011 shall, with effect from 1 April 2014, be one hundred per cent for the first calendar month and zero per cent thereafter, with any occupation for any period of less than 6 weeks being ignored. The period for which any discount under Class C applied to a dwelling immediately before 1 April 2014 shall count towards the period of one calendar month in awarding any discount for the period commencing on 1 April 2014.

### 2.4 MEMBER ALLOWANCES

- 2.4.1 **HAVE REGARD** to the conclusions and recommendations of the Independent Review Panel (IRP) in making any amendments to the Members' Allowances Scheme for 2014-15;
- 2.4.2 **DECIDE** to maintain the scheme of allowances set out in Appendix 4 – Part 2, for the financial year 2014-15, with the omission of the allowances for the Strategic Review Committee as this committee operates only in the 2013-14 municipal year;
- 2.4.3 **DECIDE** to withdraw from the joint Worcestershire Independent Remuneration panel.
- 2.4.4 **AUTHORISE** the Solicitor to the Council to amend the Constitution as appropriate to give effect to the Council's decisions, including the constitution of a new IRP to advise on the future scheme of allowances.

### 2.5 **The CABINET is asked to RECOMMEND THAT COUNCIL NOTE:**

- 2.5.1 The Chief Financial Officer's opinion on the budget proposals, recommended by the Cabinet on 18<sup>th</sup> February 2014, as detailed in Appendix 5 of this report.

## 3. BACKGROUND

- 3.1 Following Council's approval of the Cabinet's Medium Term Financial Strategy for the next 3 years the Provisional Local Government Finance Settlement was issued just before Christmas. Cabinet received a report on 21<sup>st</sup> January 2014 providing an updated position including the Provisional Settlement for 2014-15 and estimated figures for 2015-16 and 2016-17. This report contains further updates now the Final Settlement has been published and a proposed budget decision for Council to consider on the 26<sup>th</sup> February 2014.

## **Agenda Item No. 8.1**

- 3.2 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 No 1021, since 2010 the Council has been part of a joint Independent Review Panel for Worcestershire district councils. The Panel reviews and provides advice on Members' allowances.
- 3.3 The Panel's report for 2014-15 was received on 11<sup>th</sup> December 2013. A copy of the full IRP report is out in Appendix 4 - Part 1.
- 3.4 As last year, the Panel has reviewed and given consideration to a range of indicators and research on pay before making its recommendations. This has included:
- Analysed and considered the Annual Survey of Hours and Earnings statistics 2013
  - Benchmarked the Basic Allowances against Allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Nearest Neighbour' councils for each authority
  - Research undertaken by the Taxpayers' Alliance into the level of Basic Allowances in 2011-12
  - Considered latest inflation rates (CPI) of 2.2%
- 3.5 Regulation 10(1) of the 2003 Regulations requires that, before the beginning of each financial year, an authority shall determine the scheme for the payment of allowances for that year.
- 3.6 Regulations 10(3) and (6) allow a Council to amend its scheme at any time during a year and a Council may backdate any changes to the start of the financial year concerned.

## **4. KEY ISSUES**

- 4.1 The Referendums Relating to Council Tax Increases (Principles) (England) Report 2014-15 was published on the 5<sup>th</sup> February 2014. This confirmed that council tax increases of 2% and above will trigger a referendum. Therefore the 1.94% increase assumed within the Strategy and endorsed by the recent public consultation exercise (see paragraph 4.2 below) would not trigger a referendum.
- 4.2 In view of the new information in relation to the council tax freeze grant being built into the spending review baseline for 2014-15 and 2015-16, a Council Tax Consultation exercise was launched on the 8<sup>th</sup> January 2014 to run until the 29<sup>th</sup> January 2014. The results of this consultation are in Appendix 6 and show that over 63% of the 223 respondents are in favour of the Council Tax increase of just under 2% per annum over the term of the Strategy. This has informed the final decision to recommend retaining the current proposal for the small increase across all 3 years of the Strategy, rather than accepting the freeze grant offer.
- 4.3 The Capital Programme considered by January Cabinet has now been updated to include the approved Cabinet Proposals, including the Major Investment Scheme. The recent Strong Leader report recommendation for £90,000 capital budget for the demolition and laying out as a car park of the Bridge Street site, Stourport-on-Severn, has also been included and is now proposed to Council for final approval. These costs

## **Agenda Item No. 8.1**

should be recovered in full from the onward sale when this redevelopment is progressed. The full, final Capital Programme for this Financial Strategy is included in Appendix 2.

- 4.4 Since November Cabinet and Council, there have been some updates to the approved Fees and Charges for Control of Dogs. These are detailed in Appendix 1.
- 4.5 The overall financial implications of the Cabinet Proposals approved by Council on the 27<sup>th</sup> November 2013 are shown in Appendix 3. These are updated to remove the first item on the Single Local Growth Fund as reported in January 2014 and further revisions as detailed below:
  - 4.5.1 Firstly, the internal option for the reform of Revenues, Benefits and Customer Services has been confirmed in preference to the outsourcing to Civica. The savings for 2014-15 have been updated to reflect £96,950 savings and £213,850 for 2015-16 and beyond to align with the realistic transformation timetable as published in the recent consultation document.
  - 4.5.2 Secondly, as part of the Wyre Forest Forward Transformation Programme, the Council's Appointments Panel will commission external advice to inform a review of the structure of the Council's Leadership team. The Appointments Panel will consider the external advice and report to Council, with a view for the implementation of any changes in Spring 2015.
  - 4.5.3 Thirdly, the Community Leadership Fund of £1,000 per Member is continued for a further two years. It is felt that this Leadership fund can be effectively deployed by elected members to support grass-roots projects at a time of significant funding reductions. This will result in an additional £42k in 2014-15 and £33k in 2015-16 following a reduction in councillor numbers that will occur in May 2015.
  - 4.5.4 Finally, following consideration of the December 2013 report of the Independent Remuneration Panel and having given due regard to the report recommendations, that the Member Allowances are frozen for 2014-15 on current terms, with the omission of the Strategic Review Committee as this committee operates only in the 2013-14 municipal year.
- 4.6 The revised Council Tax Discount Scheme approved by Council in November 2012 will be effective from 1<sup>st</sup> April 2014.
- 4.7 The decision taken in November 2013, to remain a member of the Worcestershire Business Rates Pool will 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. Economic and subsequent business rates growth remains a key priority for this Council. The position in relation to appeals and the uncertainty due to the lack of clear guidance on new accounting regime remains a concern; this is being managed by the Chief Financial Officer in conjunction with the other treasurers within the Pool.
- 4.8 Members' Scheme of Allowances for 2014-15
  - 4.8.1 Regulation 19 of the 2003 Regulations provides that, in making or amending the scheme of allowances, the authority is required to "have regard to the recommendations made in relation to it by an Independent Remuneration

## **Agenda Item No. 8.1**

Panel". These recommendations can be found in Appendix 4 – Part 1 Independent Remuneration Panel for Worcestershire District Councils Annual Report and Recommendations for 2014-15 – page 1 - Recommendations to Council.

4.8.2 The options facing the Council in respect of its own scheme of allowances are broadly:

- To accept the Panel's recommendations (i to v) as set out in Appendix 4 – Part 1. This would deliver an overall saving of £57k based on 2013 budgets, in basic and special responsibility allowances against the current scheme of allowances; for 2014-15 and beyond the saving would be around £47kpa;
- to accept the Panel's recommendations (i to v) as set out in Appendix 4 – Part 1, but with reductions in basic and/or special responsibility allowances phased over a period as suggested under recommendation (vii). The level of saving would depend on the phasing arrangements;
- to accept the Panel's recommendations in part. The level of saving or cost would depend on which recommendations were accepted;
- not to accept the Panel's recommendations. This would not produce any savings.

4.8.3 Key points to note include:

- a) The Panel's recommendations for basic and special responsibility allowance for 2014-15 are the same as last year's recommendations.
- b) The Panel are recommending increased allowances be paid to the Leader of the Council and Chairman of the Overview and Scrutiny Committee. It is felt that it is at odds with the ongoing period of austerity, to accept any increase in allowances at this time even recognising that members' allowance have effectively been frozen at 2008 levels.
- c) As last year, the Panel recommends deleting the allowances for Vice Chairman of committees and, while not proposing any payment for the role of Chairman of the Strategic Review Committee, has not provided any comment on why it has reached that conclusion.
- d) Unlike last year's recommendations, the Panel is proposing that, if the Council wishes to adopt its recommendations, it could consider implementing them through a phased or stepped approach as it recognises the level of allowances paid to councillors is currently higher than its recommendations in some cases.
- e) The Panel has specifically reviewed the Special Responsibility Allowance (SRA) for the Chairman of the new Standards Committee, which was introduced during 2012-13, to see how the new arrangements have worked.
- f) The Panel's report does not mention or seek to take account of the reduction in councillor numbers that will occur in May 2015 releasing a

## **Agenda Item No. 8.1**

saving of £44,100 per annum. A future panel will have to consider this matter in its recommendations for 2015-16, as the reduction from 42 to 33 councillors (-21%) will result in an increased constituency workload for each councillor compared to the current position. This might reasonably be expected to be reflected in higher allowances than the Panel recommends for district councils where there has been no boundary review.

- 4.8.4 The impact of freezing and reducing the basic allowance since it was set at £4,992 in April 2008 means that maintaining its present level of £4,900 would result in an estimated 18% real terms reduction in its value compared to 2008. It is not perceived to be reasonable to decrease it by a further £700 or 14%. The recommendation is therefore to maintain the Basic Allowance of £4,900 in line with the council's current scheme for 2013-14.
- 4.8.5 The Council's current position of having an allowance for the role of Vice Chairman reflects the sufficient preparation that they have to undertake in advance of meetings, including attendance at briefing and agenda setting meetings with officers – they do not know when they might be called upon to chair a meeting. The recommendation of this report is therefore to retain an allowance for Vice Chairmen in line with the current Council scheme.
- 4.8.6 For the last two years the Panel has proposed having a special allowance for councillors who chair scrutiny review panels. However, this year they have said that such an allowance would be on a pro rata basis for the period of time that the review panel operates. Even with this criterion, it is recommended that the Council continues with the current scheme where no allowance is paid. Whatever criterion were to be chosen, the Panel's recommendation could create incentives to continue a review panel for longer than it was needed. Moreover, some of the review panels are chaired by councillors who receive the SRA and therefore the proposals in these cases would seem unnecessary. The conclusion is that SRAs should not be introduced for councillors who chair scrutiny review panels.
- 4.8.7 The mileage allowance proposed by the Panel is 12.5% higher than our current mileage scheme for Members. While not all Members choose to claim mileage allowance, the recommendation is not to change mileage allowance as the Panel's recommendation is a significant increase and would result in a scheme for councillors that is out of kilter with the allowances paid to staff.
- 4.8.8 The dependant carer's allowance remains unchanged in the Panel's report. This recommendation is reflected in the proposal to maintain the current scheme of allowances.
- 4.8.9 The Panel has for a second year recommended a multiplier of 0.25 for the role of Chairman of Ethics and Standards Committee. However, if the Council continues with an allowance for Vice Chairmen (see paragraph 4.8.6 above), the Panel's approach would 'value' the role of Chairman of the Ethics and Standards Committee at the same level. This was the reason why last year Council adopted a slightly higher multiple of 0.375, which it is proposing remains for 2014-15.

## Agenda Item No. 8.1

	Revised 2013-14 £	2014-15 £	2015-16 £	2016-17 £
Total Net Expenditure on Services	12,560,830	12,320,590	12,390,310	12,295,510
Less				
Cabinet Proposals approved at Council as updated	0	(683,340)	(1,126,240)	(1,445,740)
Net Expenditure	12,560,830	11,637,250	11,264,070	10,849,770
Contribution (from)/to Reserves	(275,910)	104,370	(255,430)	(222,880)
<b>Net Budget Requirement</b>	<b>12,284,920</b>	<b>11,741,620</b>	<b>11,008,640</b>	<b>10,626,890</b>
Less				
Government Support Grants	6,179,120	5,337,340	4,499,870	4,152,000
Homelessness Prevention Grant	108,650	107,030	106,990	0
Community Right to Bid/Challenge	16,400	16,400	0	0
Collection Fund Surplus	0	50,000	50,000	0
Council Tax Transitional Grant	28,630	0	0	0
Council Tax Income	5,952,120	6,230,850	6,351,780	6,474,890
WFDC Council Tax @ just under 2% increase 2014-15 onwards	<b>197.62</b>	<b>201.45</b>	<b>205.36</b>	<b>209.34</b>

Year	Value of Government Support Assumed £	Value of Government Support Finance Settlement	Variance to Assumption	Year on Year Decrease based on Finance Settlement Figures	
		£	£	£	%
2013-14	6,287,770	6,287,770			
2014-15	5,440,650	5,444,370		843,400	13.41
2015-16	4,613,000	4,606,860		837,510	15.38
2016-17	4,152,000	No figure		454,860	9.87
	<b>Total Variance</b>	<b>Less Grant</b>	<b>2,420</b>		

## Agenda Item No. 8.1

<b>Reserves Statement</b>	<b>2013-14 £'000</b>	<b>2014-15 £'000</b>	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>
Reserves as at 1st April	2,168	1,892	1,996	1,741
Contribution (from)/to Reserves	(276)	104	(255)	(223)
Reserves as at 31st March	1,892	1,996	1,741	1,518

## **Agenda Item No. 8.1**

- i. The assessment of affordability of financial plans requires a judgement about risk. Prudential Indicators are the monitoring tool to assess performance and risk.

### **c. *CIPFA Guidance on Reserves and Balances:-***

- i. Highlighting the need to consider risks facing the authority. The risks posed by the continuing austerity measures place pressure on the Council to hold higher levels of reserves to ensure ongoing sustainability. This is detailed in Appendix 5.

7.5 Regulation 19 requires the Council to have regard to the recommendations of the Independent Review Panel. Whilst the Council does not have to follow the recommendations, as with any decision of Council, it is subject to the risk of challenge by the way of judicial review and therefore reasons for decisions must be made clear.

## **8. LEGAL AND POLICY IMPLICATIONS**

### **8.1 Local Government Act 2003**

- 8.1.1 The Local Government Act 2003 (Sections 25-29) places duties on Local Authorities on how they set and monitor budgets.
- 8.1.2 Sections 25-27 require the Section 151 Officer to report on the robustness of the estimates and the adequacy of its proposed financial reserves. This is reported to Council as Appendix 5 of this report.
- 8.1.3 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 Council currently reviews the Budget on a quarterly basis, with CLT/Cabinet receiving monthly budget monitoring reports, and this practice will continue.

8.2 Members' allowances; the relevant provisions of the 2003 Regulations have been mentioned in Section 4.8.

## **9.1 CONSULTEES**

- 9.1 Corporate Leadership Team
- 9.2 Cabinet

## **10. BACKGROUND PAPERS**

- 10.1 Accounts and Audit (England) Regulations 2011
- 10.2 Cabinet Report on the Development of the Medium Term Financial Strategy 22<sup>nd</sup> October 2013
- 10.3 Agendas and Minutes of the Strategic Review Committee.
- 10.4 Full Consultation Results from Focus Groups and Survey
- 10.5 Provisional Local Government Finance Settlement 2014-15 – 18<sup>th</sup> December 2013
- 10.6 Cabinet November 19th 2013
- 10.7 Council November 27th 2013

## **Agenda Item No. 8.1**

- 10.8 Cabinet January 21st 2014
- 10.9 Consultation Results January 29<sup>th</sup> 2014
- 10.10 Final Local Government Finance Settlement 2014-15 including Referendum Relating to Council Tax Increase (Principles) Report 2014-15 - 5<sup>th</sup> February 2014



**Wyre Forest District Council**



<b>Service</b>	<b>Worcestershire Regulatory Services</b>	<b>Service Manager</b>	<b>Worcestershire Regulatory Services Officer</b>
<b>Directorate</b>	<b>Economic Prosperity &amp; Place</b>	<b>Cabinet Member</b>	<b>Environmental Services</b>

**PROPOSAL OF SCALE OF FEES AND CHARGES**

<b>INCOME DESCRIPTION</b>	<b>Current Charge TO 31/03/2014 £</b>	<b>Proposed Charge FROM 1/04/2014 £ Charges before VAT</b>	<b>Proposed Charge FROM 1/04/2014 £ Charges inclusive of VAT</b>
<b>Control of Dogs</b>			
Dog Recovery Fee	25.00		25.00
Dog Recovery Fee - out of hours	25.00		55.00
Repeat offence - charge in addition to fees above	0.00		25.00

**NOTES:**

Charge inclusive of VAT (if applicable) i.e. total fee payable at the prevailing VAT rate

**Agenda Item No. 8.1**  
**CAPITAL PROGRAMME 2014 TO 2017**

**APPENDIX 2**  
**PART 1**

Detail	2013/2014		2014/2015 Estimate	2015/2016 Estimate	2016/2017 Estimate	Prior to 01/04/2013	Total
	Original	Revised					
	£	£	£	£	£	£	£
<b>1. COMMITTED EXPENDITURE</b>							
<b>1. CHIEF EXECUTIVE</b>							
New Headquarters - Office Accommodation	105,900	664,820	-	-	-	9,335,180	10,000,000
Replacement of Depot Facilities	-	-	1,850,000	-	-	-	1,850,000
Contribution towards replacement of Civic Facilities in Stourport-on-Severn (in addition, there will be a Community Asset Transfer of the Civic Centre)	-	450,000	-	-	-	10,000	460,000
Boundary Wall at 49 Worcester Street	10,000	-	10,000	-	-	-	10,000
ICT Strategy	600,000	91,300	641,080	-	-	1,774,830	2,507,210
<b>SUB TOTAL</b>	<b>715,900</b>	<b>1,206,120</b>	<b>2,501,080</b>	<b>-</b>	<b>-</b>	<b>11,120,010</b>	<b>14,827,210</b>
<b>2. COMMUNITY WELL-BEING AND ENVIRONMENT</b>							
Future Leisure Provision	1,130,000	300,000	7,616,530	3,000,000	202,200	83,470	11,202,200
Paddling Pools - Strategic Review	296,250	229,510	-	-	-	300	229,810
St Mary's Churchyard Boundary Wall	-	2,840	-	-	-	36,960	39,800
Liveability Scheme: Brinton Park	-	-	210	-	-	388,290	388,500
Stourport Sports Village	317,000	398,940	18,170	-	-	112,750	529,860
Franchise Street S106 - Brinton Park	53,370	-	53,370	-	-	8,840	62,210
Franchise Street S106 - Arts Development	9,330	-	9,330	-	-	-	9,330
BMX Track at White Wickets	-	13,900	-	-	-	-	13,900
Load Street Public Conveniences Refurbishment	20,530	-	20,530	-	-	-	20,530
Parking Facilities: Payment under Contractual Agreement	159,280	-	159,280	-	-	33,220	192,500
Parking Facilities: Improvement to Car Parks	19,860	-	19,860	-	-	280,140	300,000
Waste Strategy - Garden Waste Containers	12,960	12,960	-	-	-	54,520	67,480
<b>SUB TOTAL</b>	<b>2,018,580</b>	<b>958,150</b>	<b>7,897,280</b>	<b>3,000,000</b>	<b>202,200</b>	<b>998,490</b>	<b>13,056,120</b>
<b>3. ECONOMIC PROSPERITY AND PLACE</b>							
Housing Strategy:							
Disabled Facilities Grants	731,110	682,960	462,100	556,000	556,000	7,678,382	9,935,442
Affordable Housing Grants to Registered Social Landlords*	134,000	65,000	69,000	-	-	2,958,740	3,092,740
Housing Assistance (including Decent Homes Grant)	411,110	75,000	456,110	72,190	-	1,497,070	2,100,370
Planning Delivery Grant Capital Projects	26,240	-	26,240	-	-	231,520	257,760
Flood Relief	39,510	7,500	32,010	-	-	159,490	199,000
North Worcs Water Management Capital Projects - Redditch Schemes	-	15,620	134,380	-	-	-	150,000
North Worcs Water Management Capital Projects - Bromsgrove Schemes	-	18,030	36,370	-	-	-	54,400
WETT Programme - Regulatory Services	126,690	58,000	53,360	-	-	15,330	126,690
Regeneration of Economic Development	900,000	222,630	1,063,060	-	-	14,310	1,300,000
Carbon Management Plan	175,770	55,610	128,800	22,960	-	-	207,370
Bewdley Medical Centre**	250,000	-	250,000	-	-	-	250,000
Bridge Street Capital Works	-	-	90,000	-	-	-	90,000
Redevelopment of Council Assets for Housing/Major Investment Fund	-	-	-	5,000,000	-	-	5,000,000
* Subject to Cabinet Proposal							
** Subject to Council Approval							
<b>SUB TOTAL</b>	<b>2,794,430</b>	<b>1,200,350</b>	<b>2,801,430</b>	<b>5,651,150</b>	<b>556,000</b>	<b>12,554,842</b>	<b>22,763,772</b>

**Agenda Item No. 8.1**  
**CAPITAL PROGRAMME 2014 TO 2017**

**APPENDIX 2**  
**PART 1**

Detail	2013/2014		2014/2015 Estimate	2015/2016 Estimate	2016/2017 Estimate	Prior to 01/04/2013	Total
	Original	Revised					
	£	£	£	£	£	£	£
<b>4. VEHICLE, EQUIPMENT &amp; SYSTEMS RENEWAL SCHEDULE</b>							
Vehicles & Equipment	797,420	304,000	882,420	348,000	350,000	5,590,140	7,474,560
Financial Management System Replacement	77,470	10,000	67,470	-	-	9,600	87,070
<b>SUB TOTAL</b>	<b>874,890</b>	<b>314,000</b>	<b>949,890</b>	<b>348,000</b>	<b>350,000</b>	<b>5,599,740</b>	<b>7,561,630</b>
<b>TOTAL COMMITTED EXPENDITURE</b>	<b>6,403,800</b>	<b>3,678,620</b>	<b>14,149,680</b>	<b>8,999,150</b>	<b>1,108,200</b>	<b>30,273,082</b>	<b>58,208,732</b>
<b>2. FINANCING</b>							
Capital Receipts: Funding Approved	1,138,490	292,700	1,005,270	72,190	-		1,370,160
New Headquarters Office Accommodation - Temporary Borrowing/Asset Disposals	105,900	664,820	-	-	-		664,820
Replacement of Depot Facilities - Asset Disposals	-	-	1,850,000	-	-		1,850,000
Contribution towards replacement of Civic Facilities - Capital Receipts Funding	-	450,000	-	-	-		450,000
Future Leisure Provision Scheme - Temporary Borrowing/Asset Disposals	-	-	-	1,429,000	-		1,429,000
Future Leisure Provision Scheme - Sport England***	-	-	1,000,000	1,000,000	-		2,000,000
Future Leisure Provision Scheme - Prudential Borrowing	1,130,000	300,000	6,616,530	571,000	202,200		7,689,730
Prudential Borrowing for WETT Programme - Regulatory Services Scheme	126,690	58,000	53,360	-	-		111,360
Prudential Borrowing for Regeneration of Economic Development Scheme	900,000	222,630	1,063,060	-	-		1,285,690
Prudential Borrowing for Paddling Pools Scheme	296,250	229,510	-	-	-		229,510
Prudential Borrowing for Carbon Management Scheme	175,770	55,610	128,800	22,960	-		207,370
Prudential Borrowing for Major Investment Fund	-	-	-	5,000,000	-		5,000,000
Disabled Facilities Grant	444,000	448,710	462,100	556,000	556,000		2,022,810
Decent Homes Grant	334,120	165,690	301,310	-	-		467,000
Liveability/Heritage Lottery Grant Funding (for Brinton Park)	-	-	210	-	-		210
Planning Delivery Grant	26,240	-	26,240	-	-		26,240
S.106 Funding (Parking - Contractual Agreement)	159,280	-	159,280	-	-		159,280
S.106 Funding (Franchise Street)	62,700	-	62,700	-	-		62,700
S.106 Funding (for Stourport Sports Village)	317,000	398,940	18,170	-	-		417,110
Funding for BMX Track	-	13,900	-	-	-		13,900
Flood Relief Grant (from CLG)	39,510	7,500	32,010	-	-		39,510
North Worcs Water Management Capital Projects - Redditch BC Funding	-	15,620	134,380	-	-		150,000
North Worcs Water Management Capital Projects - Bromsgrove DC Funding	-	18,030	36,370	-	-		54,400
Park Homes Grant (from Worcestershire County Council)	10,000	10,000	-	-	-		10,000
Vehicles & Equipment (Prudential Borrowing)	797,420	304,000	882,420	348,000	350,000		1,884,420
Financial Management System Replacement (Prudential Borrowing)	77,470	10,000	67,470	-	-		77,470
<u>Direct Revenue Funding:</u>							
Waste Strategy - Garden Waste Containers	12,960	12,960	-	-	-		12,960
Bewdley Medical Centre**	250,000	-	250,000	-	-		250,000
** Subject to Council Approval							
	<b>6,403,800</b>	<b>3,678,620</b>	<b>14,149,680</b>	<b>8,999,150</b>	<b>1,108,200</b>		<b>27,935,650</b>

\*\*\*The Sport England Funding is subject to final confirmation. The award could be between £1.5m and £2m. If it is confirmed at £1.5m, subject to the final business case approved following the tender process, and resultant revenue costs, including additional costs of borrowing up to an extra £500k, being contained within the approved revenue budgets, the Capital expenditure budget of £11.202m is confirmed.

**Agenda Item No. 8.1**  
**VEHICLE, EQUIPMENT AND SYSTEMS**  
**RENEWALS SCHEDULE 2014 TO 2017**

**APPENDIX 2**  
**PART 2**

Detail	2013/14		2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Original £	Revised £			
<b>1. <u>VEHICLES</u></b>					
Refuse Freighter	150,000	80,000	80,000	-	-
Refuse Freighter	150,000	80,000	80,000	-	-
Refuse Freighter	150,000	-	80,000	-	-
Refuse Freighter	-	-	80,000	-	-
Flatbeds for Bulky	45,000	-	-	45,000	40,000
Ford Fusion	-	-	12,000	-	-
Ford Fusion	-	-	12,000	-	-
Ford Connect	-	-	18,000	18,000	-
Ford Ranger 4x4	-	-	23,000	23,000	-
Ford Ranger 4x4	-	-	23,000	-	-
Blitz Vehicle	-	-	-	30,000	-
Mechanical Sweeper (Medium)	100,000	-	120,000	-	-
Mechanical Sweeper (Schmit)	-	75,000	-	-	-
Mechanical Sweeper (Johnson V650)	-	-	-	100,000	-
Mechanical Sweeper (Small JOHNSON C200)	-	-	70,000	-	70,000
Mechanical Sweeper (Small JOHNSON C200)	-	-	70,000	-	-
Transit Van	-	-	20,000	20,000	-
Transit Van	-	-	20,000	-	-
Garage Equipment - Replacement (slippage from prior years)	23,420	-	23,420	-	-
Iveco Daily	30,000	-	30,000	30,000	30,000
Iveco Daily	-	-	30,000	-	30,000
Iveco Daily	-	-	-	-	30,000
Iveco Daily	-	-	-	-	30,000
Iveco Daily	-	-	-	-	30,000
Iveco Daily	-	-	-	-	30,000
Midi Tractor	30,000	-	-	-	30,000
Mowing Machine	35,000	-	35,000	-	-
Timberwolf chipper	-	-	-	30,000	30,000
Tractor	32,000	-	-	32,000	-
Tractor	-	50,000	-	-	-
Canter	-	-	38,000	-	-
Small Van - Low range electrical	15,000	-	-	20,000	-
Fork Lift Truck	10,000	10,000	-	-	-
CMP Engine Management Systems	13,500	-	-	-	-
CMP Electric bin lifts	13,500	9,000	18,000	-	-
<b>2. <u>OTHER</u></b>					
Financial Management System replacement	77,470	10,000	67,470	-	-
	874,890	314,000	949,890	348,000	350,000

**CABINET PROPOSALS 2014/2015 ONWARDS**

Cost Centre	ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL	KEY	CHANGE IN RESOURCES			
			2014/15 £	2015/16 £	2016/17 £	After 31/03/2017 £
	<b>SUMMARY FINANCIAL IMPLICATIONS OF CABINET PROPOSALS APPROVED BY COUNCIL ON NOVEMBER 27TH 2013</b>	C R S	- 828,390 CR 14.75 CR	5,000,000 1,345,390 CR 16.75 CR	- 1,631,890 CR 22.75 CR	- 1,650,890 CR 22.75 CR
<b>UPDATED/NEW CABINET PROPOSALS</b>						
<b>SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT</b>						
R705	<b><u>Economic Regeneration Activities</u></b> Seek funding from the single local growth fund from 2015/16 for economic regeneration activities. <i>Reverse this proposal now the Government have confirmed there will be no New Homes Bonus top slice</i>	C R S	- - -	- 200,000 -	- 200,000 -	- 200,000 -
<b>DELIVERING TOGETHER, WITH LESS</b>						
Various	<b><u>WFF further tranche of savings - Revised Wording only - no change to figures</u></b> As part of the Wyre Forest Forward Transformation Programme, the Council's Appointments Panel will commission external advice to inform a review of the structure of the Council's Leadership team. The Appointments Panel will consider the external advice and report to Council, with a view for the implementation of any changes in Spring 2015. *(Staffing Implications TBC)	C R S*	- - -	- - -	- - -	- - -
R310 R320	<b><u>Internal Reform of Revenues, Benefits and Customer Services - Revised wording and adjustment of savings for Internal Option</u></b>	C	-	-	-	-
R325 R295 R299	To reform the service to improve the service to the customer, drive out efficiencies and reduce costs.	R S	103,050 3.5 CR	13,850 CR 7 CR	13,850 CR 7 CR	13,850 CR 7 CR
<b>IMPROVING COMMUNITY WELL-BEING</b>						
R720	<b><u>Continue Community Leadership Fund - New Proposal</u></b> Continue a fund of £1,000 per Member for 2014/15 and 2015/16. Note, £33k in 2015-16 following a reduction in councillor numbers that will occur in May 2015.	C R S	- 42,000 -	- 33,000 -	- - -	- - -
	<b>TOTALS</b>	C R S	- 683,340 CR 18.25 CR	5,000,000 1,126,240 CR 23.75 CR	- 1,445,740 CR 29.75 CR	- 1,464,740 CR 29.75 CR

**KEY - Changes in Resources**

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

**Independent Remuneration Panel for Worcestershire  
District Councils**

**Annual Report and Recommendations for 2014-15**

**Wyre Forest District Council**

---

**November 2013**

## Agenda Item No. 8.1

Contents	Page
Recommendations to Council	1
Introduction	2
Background Evidence and Research Undertaken	3
Basic Allowance 2014/15	4
Special Responsibility Allowances 2014/15	5
Mileage and Expenses 2014/15	6
Allowances to Parish Councils	6
The Independent Remuneration Panel	7
Appendix 1 – current and recommended allowances	10
Appendix 2 – summary of research	11

**Recommendations**

**The Independent Remuneration Panel recommends to Wyre Forest District Council the following:**

- (i) That the Basic Allowance for 2014-15 is £4,200**
- (ii) That the Special Responsibility Allowances are as set out in Appendix 1.**
- (iii) That travel allowances for 2014-15 continue to be paid in accordance with the HMRC mileage allowance.**
- (iv) That subsistence allowances for 2014-15 remain unchanged.**
- (v) That the Dependent Carer's Allowance remains unchanged.**
- (vi) That for Parish Councils in the District, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by the District Council and in accordance with the relevant Regulations.**
- (vii) The Panel acknowledges that its recommended level of allowances is below that currently paid to Councillors in Wyre Forest. The current and recommended allowances are set out in Appendix 1. The Council is invited to consider adopting the Panel's recommendations in full or through a phased or stepped approach to bring allowances in line with those of other Councils. The Panel acknowledges that under the terms of the legislation the Council is required only to have regard to the Panel's recommendations and is free to disregard the recommendations set out in this report.**

## **Agenda Item No. 8.1**

### **Introduction**

The Independent Remuneration Panel (IRP) has been appointed by the Council to carry out reviews of the allowances paid to Councillors, as required by the Local Government Act 2000 and subsequent legislation. The Panel has carried out its work in accordance with the legislation and statutory guidance.

The law requires each Council to “have regard” to the recommendations of the Independent Panel and we noted that last year the Council did not accept our recommendations but decided instead to maintain previous allowances at a higher rate.

This year we have reviewed specifically the Special Responsibility Allowance (SRA) for the Chairman of the new Standards Committee as this role was introduced during 2012-13 and we have had the benefit of seeing how the new arrangements have worked. We also offered to meet with the Leader of the Council to discuss any other particular issues but he considered there were none to raise with us this year. However, the Chairman of the Panel and Bill Simpson met with the Chief Executive on the 28<sup>th</sup> May 2013.

At this point we would like to stress that our recommendations are based on thorough research and benchmarking. We have presented the Council with what we consider to be an appropriate set of allowances to reflect the roles carried out by the Councillors. The purpose of allowances is to enable people from all walks of life to become involved in local politics if they choose.

The Panel also recognises that in the current challenging financial climate there are difficult choices for the Council to make. Ultimately it is for the Council to decide how or whether to adopt the recommendations that we make.

The Panel was disappointed that during discussion of our recommendations by the Council in 2012 it was suggested that our report was flawed. We have outlined clearly the sources of evidence used in arriving at our recommendations. In the absence of any contrary evidence submitted by the Council, or justification for the suggestion of a flawed report, the Panel's recommendations remain unchanged. Clearly the Panel would have to consider any detailed evidence or justification provided by the Council.

### **Background Evidence and Research Undertaken**

There is a rich and varied choice of market indicators on pay which can be used for comparison purposes. These include:

- National survey data on a national, regional or local level;
- Focussed surveys on a particular public sector;
- Regular or specific surveys
- Use of specific indices to indicate movement in rewards or cost of living.

As background for the decisions taken by the Panel this year we have:

## Agenda Item No. 8.1

- Analysed and considered the Annual Survey of Hours and Earnings (ASHE) statistics for 2013;
- Benchmarked the Basic Allowance against Allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) “Nearest Neighbour” Councils for each authority;
- Reviewed research undertaken by the TaxPayers’ Alliance into the level of Basic Allowances in 2011-12;
- Considered latest inflation rates (CPI) of 2.2%.

We give more details about these areas of research at the end of the report.

The ASHE survey results for 2012/13 (published November 2013) show the average hourly rate for all employees resident in Worcestershire to be £14.07. This gives a Basic Allowance of £4,235. Further details of how this figure is arrived at can be found in Appendix 2. In addition, the ASHE survey data indicates that average weekly earnings (all employees) for the period July – September have increased by 0.7% between 2012-13. For public sector employees, earnings have decreased by 0.4% in the same period. So the figure being recommended by the Panel of £4,200 does appear reasonable.

Although there appears to be no single country-wide source of data on members’ allowances, research carried out by the TaxPayers’ Alliance on the level of Councillors’ allowances paid in 2011-12 shows the disparity between the highest and lowest Basic Allowances as follows:

<b>Basic Allowances paid by Non-Metropolitan District Councils in 2011-12</b>	
Highest £9,902 - Bolsover District Council	Lowest £1,500 - South Ribble Borough Council
Highest in West Midlands £6,227 – Rugby Borough Council	Lowest in West Midlands £2,902 – Staffordshire Moorlands District Council

According to the TaxPayers’ Alliance research report, within the West Midlands, the average Basic Allowance of all 19 non-Metropolitan District Councils in 2011-12 was £4313, including the Worcestershire authorities.

Arising from our research we have included information showing the members’ allowances budget for Basic and Special Responsibility Allowances. We also show the average payment per member of each authority of the Basic and Special Responsibility Allowances, to give context to our recommendations.

## Agenda Item No. 8.1

**Table showing average allowance per member of each authority (Basic and Special Responsibility Allowances, 2012 – 13 figures)**

<b>Authority (number of Councillors)</b>	<b>Amount £</b>
Bromsgrove District (39)	5,851
Malvern Hills District (38)	5,619
Redditch Borough (29)	4,614
Worcester City (35)	5,705
Wychavon District (45)	5,625
Wyre Forest District (42)	6,738

**Total spend on Basic and Special Responsibility Allowances 2012-13 figures**

<b>Authority</b>	<b>Total spend Basic Allowances 2012-13 £:</b>	<b>Total spend on Special Responsibility Allowances (SRA) £:</b>	<b>SRA as a percentage of <i>total Basic Allowance</i> %:</b>
Bromsgrove DC	163,276	64,927	39.8
Malvern Hills DC	159,021	54,494	34.3
Redditch Borough	93,054	40,761	43.8
Worcester City	141,395	58,268	41.2
Wychavon DC	187,013	66,089	35.3
Wyre Forest DC	205,798	77,183	37.5

### **Basic Allowance 2014 - 15**

#### **Calculation of Basic Allowance**

The Basic Allowance is based on:

- The roles and responsibilities of Members; and
- Their time commitments – including the total average number of hours worked per week on Council business.

We then apply a public service discount of 40% to reflect that Councillors volunteer some of their time to the role.

Having reviewed the levels of wage rates and the benchmark information available to us from the Chartered Institute of Public Finance and Accountancy

## **Agenda Item No. 8.1**

(CIPFA) “nearest neighbours” authorities, we do not recommend any increases in the Basic Allowance for 2014-15.

### **Special Responsibility Allowances (SRA) 2014-15**

#### **General Calculation of SRAs**

The basis for the calculation of SRAs is a multiplier of the Basic Allowance as advocated in the published Guidance.

The Panel has reviewed the responsibilities of each post, the multipliers and allowances paid by similar authorities. As in last year, the Panel has benchmarked the allowances against those paid by authorities listed as “nearest neighbours” by CIPFA.

Appendix 1 to this report sets out the allowances recommended for 2014-15.

#### **Overview and Scrutiny Committee**

The Guidance on Members Allowances for Local Authorities in England states that Special Responsibility Allowances may be paid to those members of the Council who have “significant additional responsibilities”, over and above the generally accepted duties of a Councillor. It also suggests that if the majority of members of a Council receive a Special Responsibility Allowance, the justification for this may be questioned.

We consider the Basic Allowance to include Councillors’ roles in Overview and Scrutiny, as any non-Executive member of the Council is able to contribute to this aspect of the Council’s work.

#### **Leaders of Political Groups**

In the legislation, a Political Group on a Local Authority consists of 2 or more Councillors. We reviewed the allowance for the Opposition Group Leader last year in response to a query from one Council and in doing so considered the role of the Political Group Leaders more generally.

In most cases the Leader of the Council also leads the main political group on the authority. In the past the IRP for South Worcestershire had recommended payments to political group leaders on a per head basis, based on the number of Councillors in each group. Whilst this reflected changes in group sizes and allowed for flexibility following changes in political balance, we were persuaded to change this approach for one Council and to recommend a lump sum allowance for the Leader of the Opposition Group. We received a similar request from another Council last year.

We noted that in some cases the Allowances Scheme for their authority did not enable a Leader to receive any support for the Group Leader role.

## **Agenda Item No. 8.1**

We considered carefully evidence from the data we collected and checked the Statutory Guidance about the potential to be paid more than one SRA. We are content that Councillors can be in receipt of more than one. Therefore, we have recommended that Leaders of all Political Groups are entitled to an allowance of 0.25 of the Basic Allowance, recognising that they all have an important role to play in the governance of the Council.

### **Standards Committee**

Changes to the arrangements for governing the behaviour of Councillors were set out in the Localism Act 2011 and were introduced in July 2012. Councils are no longer required to appoint an Independent Chairman for the Standards Committee. Instead, Councils are required to appoint an Independent Person whose role is to deal with complaints against Councillors and act as a mediator to try and encourage early and local resolution of complaints. Remuneration for this role is outside the terms of reference for the Independent Panel although it is known that an honorarium is frequently paid. Where the Council decides to retain a Standards Committee, as in Wyre Forest District Council, the Chairman is now appointed from among the Councillors.

This year we reviewed the work of the Standards Committee since the changes. We checked the number and length of meetings of the Committee and the role and responsibilities of the Chairman.

Having completed this review we consider our previous recommendation of a multiplier of 0.25 for the Chairman's Special Responsibility Allowance is appropriate and we continue this recommendation.

### **Mileage and Expenses 2014-15**

The Panel notes that the Council has used the HMRC flat rate for payment of mileage for Councillors and recommends that this continues.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

### **Allowances to Parish Councils**

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish. In the past the Panel which covered the three South

## **Agenda Item No. 8.1**

Worcestershire Districts has considered travel and subsistence, and we consider it appropriate to apply this consideration to each of the Districts. We have reviewed the Parish Council travel and subsistence allowances and recommend for 2013 - 14 that no changes are made.

### **The Independent Remuneration Panel**

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with the other 5 District Councils in Worcestershire, the decision having been taken during 2010 to follow the principle previously established by having a joint Panel in the South of the County. Separate Annual Reports have been prepared for each Council.

The members of the Panel are:

- Rob Key, the Chair of the Panel – Rob has 42 years' experience of working in District Councils in a variety of operational and management roles, including senior positions at Worcester City, Wychavon District and Wyre Forest District. He was an Independent Chair for the Strategic Health Authority for Continuing Care and sits on County Council Appeals Panels for School Preference Appeals and Service Complaints.
- Elaine Bell, JP, DipCrim – Elaine is Deputy Chair of the South Worcestershire Magistrates Bench – she has been a Magistrate for 16 years, Day Chair of Adult and Family Courts; Past Chair of the Bench Training and Development Committee; past member of the Magistrates Advisory Panel (interviewing and selecting for appointment to the Bench). She is also Vice - Chair of the Lloyds Educational Foundation; Past Member of the Sytchampton School Appeals Panel; Hon Treasurer of Ombersley and Doverdale Tennis Club and a Past Governor of Ombersley Primary School.
- Bill Simpson MBE JP – Bill spent 30 years in Further Education culminating in 11 years as Principal of Pershore College. He then entered the private sector as Director of two national Horticultural Societies, one being the Royal Horticultural Society. He served as a magistrate for 9 years until retirement. He is a Trustee of several charities including chairing Thrive between 1993 and 2008. Currently he is Vice Chair of Governors of Red Hill CE Primary School Worcester and a Chair/Member of the County Council and Diocesan Panels for School Preference Appeals.
- Terry Cotton - Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Until May 2011 he worked at The Government Office for The West Midlands where he was a Relationship Manager between central and local Government and a lead negotiator for local performance targets. Following voluntary early retirement in May 2011, he worked part-time in

## **Agenda Item No. 8.1**

Birmingham's Jewellery Quarter, setting up a new business led community development trust and currently works part-time for Worcestershire County Council on sustainable transport initiatives. He is also a trustee of a small charitable trust providing grants to grass roots community initiatives in deprived communities.

- Don Barber – After several Human Resources and Productivity Improvement Management roles in Industry, Don became Chief Executive of a change management facilitating consultancy. Over the last 20 years he has been an independent consultant and advisor on a number of United Nations, European Commission, and World Bank transition projects, in particular in Europe, Africa, Asia, and Australasia. He also operates in an advisory role to other consultancy groups seeking EU contracts. This experience has included the development of national civil service/public sector reform programmes including aspects of the effect of legislative change for central and local government and, in the U.K., working for the Office of Manpower Economics (advisors to the Prime Minister) on Public Sector Pay, in particular relating to: Civil Service Pay Reform, UK Armed Forces and the Medical Professions.

The Panel has been advised and assisted by:

- Claire Chaplin from Worcester City Council;
- Sheena Jones from Bromsgrove and Redditch Councils;
- Mel Harris from Wychavon District Council;
- Lisa Perks from Malvern Hills District Council;
- Rhiannon Foxall from Wyre Forest District Council;

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

**Rob Key**

**Chairman of Independent Remuneration Panel**

Independent Remuneration Panel for District Councils in Worcestershire  
Recommendations for 2014-15

Wyre Forest District Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
<b>Basic Allowance – all Councillors</b>	1	1.16	4,200 <sup>1</sup>	4,900
<b>Special Responsibility Allowances:</b>				
<b>Leader</b>	3	2.92	12,600	12,250
<b>Deputy Leader</b>	1.75	2.19	7,350	9,188
<b>Portfolio Holders</b>	1.5	1.89	6,300	7,963
<b>Chairman of Overview and Scrutiny Committee</b>	1.5	1.46	6,300	6,125
<b>Chairman of Overview and Scrutiny Task Groups</b>	0.25	0	1,050 paid pro-rata for the length of the Task Group	0
<b>Chairman of Audit Board/Committee</b>	0.25	0.58	1,050	2,450
<b>Chairman of Planning Committee</b>	1	1.31	4,200	5,513
<b>Chairman of Licensing Committee</b>	0.75	1.31	3,150	5,513
<b>Chairman of Standards</b>	0.25	0.44	1,050	1,838

<sup>1</sup> This figure takes into account a public service discount of 40%

## Agenda Item No. 8.1

<b>Role</b>	<b>Recommended Multiplier</b>	<b>Current Multiplier</b>	<b>Recommended Allowance £</b>	<b>Current Allowance (paid) £</b>
<b>Committee if paid</b>				
<b>Leader of main opposition group</b>	0.25	1.46	1,050	6,125
<b>Chair of Strategic Review Committee</b>	0	0.58	0	6,125
<b>Leaders of other opposition groups (subject to a minimum of 5 members)</b>	0	0.29	0	2,450
<b>Vice Chair Overview and Scrutiny Committee</b>	0	0.29	0	1,225
<b>Vice Chair Planning Committee</b>	0	0.29	0	1,225
<b>Vice Chair Licensing and Environmental Committee</b>	0	0.29	0	1,225
<b>Vice Chair Strategic Review Committee</b>	0	0.15	0	1,225
<b>Vice Chair Audit Committee</b>	0	0.25	0	613

**Summary of Research**

Chartered Institute of Public Finance and Accountancy (CIPFA) “Nearest Neighbour” authorities tool.

No two Councils or sets of Councillors are the same. Developed to aid local authorities in comparative and benchmarking exercises, the CIPFA Nearest Neighbours Model adopts a scientific approach to measuring the similarity between authorities. Using the data, Wyre Forest District Council’s “nearest neighbours” are:

- Amber Valley
- Newcastle-Under-Lyme
- St Edmundsbury
- Carlisle
- Erewash
- Stafford

Information on the level of Basic and Special Responsibility Allowances was obtained to benchmark the levels of allowances recommended to the District Council.

Annual Survey of Hours and Earnings (ASHE) Data on Pay

<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/november-2013/sty-average-weekly-earnings.html>

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at District level about rates of pay. For benchmarking purposes the Panel uses the levels for hourly rates of pay excluding overtime. This is multiplied by 11 to give a weekly rate. This was the number of hours spent on Council business by frontline Councillors which had been reported in previous surveys. The rate is then discounted by 40% to reflect the element of volunteering that each Councillor undertakes in the role.

The TaxPayers’ Alliance Research Note on Councillors’ Allowances

In August 2012 the TaxPayers’ Alliance researched the level of Basic Allowances for each Council in the UK.

<http://www.taxpayersalliance.com/allowances.pdf>

The amount of Basic Allowance for each Council is presented for the years 2010-11 and 2011-12. There is no research available for more recent financial years.

Whilst the information is slightly historic, it did enable the Panel to check its own research.

## **Agenda Item No. 8.1**

### South East Employers Survey of Councillors' Allowances

The Panel has been allowed access to the database of allowances for all Councils in the South East Region of England. The information is collated annually by South East Employers and is available to those authorities who subscribe to its services. The Panel is therefore not able to publish data from the survey but we would like to express our thanks to the organisation for enabling us to use the data to further check our own research.

The data has shown that Basic Allowances in the authorities included in the South East region range between £2,736 and £12,806, although these figures include County Councils and Unitary authorities. Comparable authorities have not seen any increase in allowances since 2008.

## Agenda Item No. 8.1

### Appendix 4 – Part 2

### Independent Remuneration Panel's Recommendations for 2014-15 compared to current scheme of allowances for 2013-14

Role	Current Allowance for 2013/14 £	IRP's recommended allowance for 2014-15 £	Difference between IRP recommendation and current scheme of allowances £	Overall impact of IRP recommendations £
<b>Basic Allowance – all Councillors</b>	4,900	4,200	(700)	-29,400 ↓
<b>Special Responsibility Allowances:</b>				
<b>Leader</b>	12,250	12,600	350	350 ↑
<b>Deputy Leader</b>	9,188	7,350	(1838)	-1838 ↓
<b>Portfolio Holders</b>	7,963	6,300	(1663)	-4989 ↓
<b>Leader of Main Opposition Party</b>	6,125	1,050	(5075)	-5075 ↓
<b>Chairman of Overview and Scrutiny Committee</b>	6,125	6,300	175	175 ↑
<b>Chairman of Overview and Scrutiny Task Groups</b>	0	1,050 paid pro-rata for the length of the Task Group	1050	4,200 (assumption) ↑
<b>Chairman of Strategic Review Committee</b>	6,125	0	(6125)	-6125 ↓
<b>Chairman of Audit Board/Committee</b>	2,450	1,050	(1400)	-1400 ↓
<b>Chairman of Planning Committee</b>	5,513	4,200	(1313)	-1313 ↓
<b>Chairman of Licensing Committee</b>	5,513	3,150	(2363)	-2363 ↓
<b>Chairman of Standards Committee</b>	1,838	1,050	(788)	-788 ↓
<b>Leaders of other opposition groups (subject to a minimum of 5 members)</b>	2,450	1050	(1400)	-2800 ↓
<b>Vice Chair Overview and Scrutiny Committee</b>	1,225	0	(1225)	-1225 ↓

## Agenda Item No. 8.1

### Appendix 4 – Part 2

Role	Current Allowance for 2013/14 £	IRP's recommended allowance for 2014-15 £	Difference between IRP recommendation and current scheme of allowances £	Overall impact of IRP recommendations £
Vice Chair Strategic Review Committee	1,225	0	(1225)	-1225 ↓
Vice Chair Planning Committee	1,225	0	(1225)	-1225 ↓
Vice Chair Licensing and Environmental Committee	1,225	0	(1225)	-1225 ↓
Vice Chair Audit Committee	613	0	(613)	-613 ↓
Overall impact of IRP recommendations				<b>-56,879</b>

**Report of the Chief Financial Officer in respect of  
Sections 25-28 Local Government Act 2003**

**1. PURPOSE**

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

**2. RECOMMENDATION** (see 2.5 of main report)

**The CABINET is asked to RECOMMEND THAT COUNCIL NOTE:**

- 2.1 The Chief Financial Officer's opinion on the budget proposals, recommended by the Cabinet on 18<sup>th</sup> February 2014, 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 the Chief Financial Officer 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 Chief Financial Officer, 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 relate 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; as a consequence it is necessary to report not only on next year's Budget but on the period covered by the Three Year Budget Strategy (2014-2017).

**4. KEY ISSUES – CHIEF FINANCIAL OFFICER’S OPINION ON 2014/17 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 this agenda are adequate in relation to the 2014/17 Budget. The early work done by the Strategic Review Committee this year and resultant approved Cabinet Proposals, supplemented by the updates included in the latest Cabinet report are instrumental in moving the Council closer to a sustainable balanced budget in the future, that is less reliant on the use of reserves. However, the Transformation Programme required to deliver the savings required is challenging and is not without risk; this will need to continue to be carefully managed and mitigated by the member and officer Leadership team.
- 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 Balance) for this Council which has been adhered to in the Financial Strategy 2014-17.
- 4.4 It is important that the level of reserves is carefully monitored and reviewed as the impact of the Local Government Finance Reforms become clear and also once future funding levels are known. The Local Government Finance Reforms place significantly increased risk on local authority income and funding streams and the levels of reserves may need to be reviewed as the reforms are implemented and their impacts become clear.
- 4.5 The Cabinet monitors Budgets on a monthly 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 2014-2017 and subsequent Cabinet reports are the significant risks and mitigating actions which have been identified which are allied to the budget process.

- 8.2 There are four significant financial risks affecting the Council over the next three years:
- Future funding from Central Government in light of ongoing reductions expected beyond 2014/17;
  - The volatility of future income due to the Local Government Finance Reforms;
  - Savings required from the Transformation Programme are significant and will prove challenging to deliver; and
  - Ongoing return of the Icelandic Investments.
- 8.3 It is for the reasons such as the above that the Council retains a working balance reserve of £1,000,000, increased from £700,000 in 2012/13. This fund is also available to provide cover for urgent unforeseen expenditure e.g. in respect of a civil emergency. The Transformation Fund is held to fund one-off costs of implementation of Transformation work and this should be increased from Final Account savings in accordance with the recommendation in the separate budget report on this agenda.

## **9. CONCLUSION/FURTHER CONSIDERATIONS**

- 9.1 Whilst the Council continues to be reliant on contributions from reserves to balance its budget over the term of the Financial Strategy, the ongoing Transformation Programme should deliver ongoing savings to significantly improve this and by the end of 2016/17, subject to confirmation of future funding streams net expenditure and funding should be aligned.
- 9.2 There is the risk that further reductions in grant beyond 2014/15 will be greater than originally anticipated. Any reductions in grant would require to be met with further reductions in spending and increased income from fees and charges. It would not be realistic to expect any further shortfall to be met from reserves.
- 9.3 The Local Government Finance Reforms mean that there is increased volatility in income and funding streams and the level of reserves may need to be reconsidered once the impact of the reforms become clear.

## **10. CONSULTEES**

- 10.1 Leader of the Council  
10.2 Cabinet Member for Resources  
10.3 CLT

## **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

## Agenda Item No. 8.1

### APPENDIX 6 – COUNCIL TAX CONSULTATION - AND RESULTS

#### Consultation on Council Tax

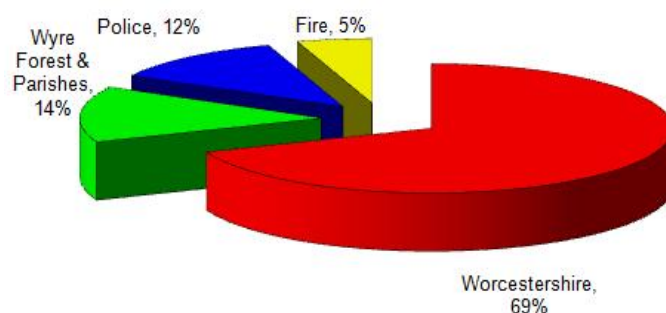
We collect Council Tax on behalf of a number of other public sector organisations, but we only get 13% of the whole bill to run the council.

We have frozen the Wyre Forest District Council part of the Council Tax bill for the last three years. In 2013/14, our part of the Council Tax bill is still the same as it was in 2010/11 at £197.62 for a Band D household which is £3.80 a week.

Most of the money for providing services to you comes from central Government and other Grants. In Wyre Forest, just under £6 million is collected through Council Tax.

Wyre Forest District Council collects the Council Tax on behalf of all of the authorities shown on the chart below. The total amount is then split to provide the services that are part of your everyday life.

In 2013/14 a Band D household in Wyre Forest will pay £1,503.71 on average to their local authorities including Worcestershire County Council, West Mercia Police and Hereford and Worcester Fire and Rescue Service – that's a total of £28.92 a week.



We're currently planning to increase the **Wyre Forest District Council** part of the Council Tax bill by just under 2% in 2014/15 and 2015/16. For a Band D household this is equivalent to paying an extra £3.95 in the first year or less than 8p a week and a further £4.03 (another 8p a week) in the second year. The Government has now announced that it will pay us a 1% freeze grant on an ongoing basis if we freeze Council Tax again in 2014/15 and 2015/16. If we freeze Council Tax for the two years, we would have to reduce our expenditure by a further **£110,000** by 2015 and would have to make more savings. The Government's offer is better than we had assumed in the September consultation. We then assumed the funding gap would be **£260,000** after the 2 year freeze grants ended.

Based on the new information the Council is considering the following options:

- A. We could continue with our current proposals for a small increase of nearly 2% in 2014/15, 2015/16 and 2016/17 ; **or**
- B. We could freeze Council Tax for both 2014/15 and 2015/16 which would mean the Council would need to reduce spending on services by a further £110,000 each year; **or**
- C. We could freeze Council Tax for 2014/15 only and then plan to increase by just under 2% in 2015/16 (when we may know more about the Government's future funding plans). This would mean that we would only have to find annual further savings of £50,000.

## Agenda Item No. 8.1

### APPENDIX 6 – COUNCIL TAX CONSULTATION - AND RESULTS

Based on the information above, please indicate which of the above options A – C option you support by ticking one of the 3 boxes below:

- Option A ☐  
Option B ☐  
Option C ☐

#### Section 2: About you

The questions in this section are optional. All the information you give is confidential and will not be used to identify you.

##### Q3: What is your age group?

- |             |                          |         |                          |         |                          |
|-------------|--------------------------|---------|--------------------------|---------|--------------------------|
| 17 or under | <input type="checkbox"/> | 35 – 44 | <input type="checkbox"/> | 65 – 74 | <input type="checkbox"/> |
| 18 – 24     | <input type="checkbox"/> | 45 – 54 | <input type="checkbox"/> | 75+     | <input type="checkbox"/> |
| 25 – 34     | <input type="checkbox"/> | 55 – 64 | <input type="checkbox"/> |         |                          |

##### Q4: Please tick which town you live in:

Kidderminster ☐

Bewdley ☐

Stourport-on-Severn ☐

Other area (please state) .....

**Thank you for taking part in the consultation.**

## Agenda Item No. 8.1

Select campaign : 2014/15 Council Tax consultation : Council Tax Consultation

**223 respondents accessed the campaign**

**Step 1:1.00-1:Which option**  
**This single response question was answered by 223 respondents**

Response	Number of Respondents	Percentage of Respondents
A	142	63.68
B	42	18.83
C	39	17.49

**Step 2:2.00-1:Age**  
**This single response question was answered by 218 respondents**

Response	Number of Respondents	Percentage of Respondents
17 or under	3	1.38
18-24	11	5.05
25-34	25	11.47
35-44	37	16.97
45-54	66	30.28
55-64	40	18.35
65-74	27	12.39
75 and over	9	4.13

**Step 2:3.00-1:Live**  
**This single response question was answered by 210 respondents**

Response	Number of Respondents	Percentage of Respondents
Kidderminster	124	59.05
Bewdley	23	10.95
Stourport-on-Severn	36	17.14
Other area	27	12.86

**Step 2:3.01-1:Please state**  
**This open response question was answered by 20 respondents**

Response	Number of Respondents
Arley	1
Blakedown	1
Blakedwn	1
BLISS GATE, ROCK	1
bromsgrove	1
Broome	1
churchill	1
Cookley	5
gloucestershire	1
POUND GREEN	1
Rock	2
Rushock	1
Shifnal	1

## Agenda Item No. 8.1

Upper Arley	1
Wolverley	1

## Agenda Item No. 8.1

### COUNCIL TAX CONSULTATION

#### Analysis of where respondents live and option chosen

This table analyses the respondents over the major towns and other areas and option chosen.

Out of the total 223 respondents, only 210 told us where they live.

Option Chosen	Area			
	Kidderminster	Bewdley	Stourport-on-Severn	Other Area
<b>A</b>	77 62.10%	17 73.91%	22 61.11%	19 70.37%
<b>B</b>	25 20.16%	5 21.74%	4 11.11%	6 22.22%
<b>C</b>	22 17.74%	1 4.35%	10 27.78%	2 7.41%
<b>TOTAL</b>	<b>124</b> <b>100.00%</b>	<b>23</b> <b>100.00%</b>	<b>36</b> <b>100.00%</b>	<b>27</b> <b>100.00%</b>

#### Analysis of age of residents and option chosen

This table analyses the respondents over their age group and option chosen.

Out of the total 223 respondents, only 218 told us their age.

Option Chosen	Age Group							
	17 or under	18-24	25-34	35-44	45-54	55-64	65-74	75 and over
<b>A</b>	2 66.67%	10 90.91%	20 80.00%	30 81.08%	41 62.12%	17 42.50%	14 51.85%	5 55.56%
<b>B</b>	0 0.00%	0 0.00%	1 4.00%	4 10.81%	13 19.70%	11 27.50%	8 29.63%	4 44.44%
<b>C</b>	1 33.33%	1 9.09%	4 16.00%	3 8.11%	12 18.18%	12 30.00%	5 18.52%	0 0.00%
<b>TOTAL</b>	<b>3</b> <b>100.00%</b>	<b>11</b> <b>100.00%</b>	<b>25</b> <b>100.00%</b>	<b>37</b> <b>100.00%</b>	<b>66</b> <b>100.00%</b>	<b>40</b> <b>100.00%</b>	<b>27</b> <b>100.00%</b>	<b>9</b> <b>100.00%</b>