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**Additional Papers**

**Agenda Item No. 12 – Medium Term  
Financial Strategy 2017-20**

Advance copies of Amendments to be  
proposed to the Medium Term Financial  
Strategy 2017-20

6pm  
Wednesday, 22nd February 2017  
Council Chamber  
Wyre Forest House  
Finepoint Way  
Kidderminster



Wyre Forest District Council



**WYRE FOREST DISTRICT COUNCIL**

**COUNCIL**

**22<sup>nd</sup> February 2017**

**Medium Term Financial Strategy 2017-20**

**AMENDMENT TO BE MOVED BY THE INDEPENDENT AND LIBERAL DEMOCRAT GROUP**

**2. RECOMMENDATIONS**

The **INDEPENDENT AND LIBERAL DEMOCRAT GROUP** RECOMMENDS TO COUNCIL that it:

**2.1 THREE YEAR BUDGET, CAPITAL PROGRAMME AND POLICY FRAMEWORK 2017-20**

2.1.1 **APPROVES** the updated Medium Term Financial Strategy 2017-20;

2.1.2 **APPROVES** the **Independent and Liberal Democrat Group Proposals** – taking into account the impact on the Council's Capital and Revenue Budgets for 2017-20 as shown in Appendix 3 including:

- a) Approval of the new Council Policy on Loans to Third Parties to support our corporate priority of regeneration and economic development as set out in Appendix 3/1 of the December report;
- b) Approval of the new Council Policy to create a Capital Portfolio Fund to support our corporate priority of regeneration and economic development and to create a net revenue income stream as set out in Appendix 3/2 of the December report;

and that the approval of both in-principle decisions on a) Policy on Loans to Third Parties and b) Policy to create a Capital Portfolio Fund includes:

- i) That an initial allocation of £10m to support progression of the policy on Loans to Third Parties and £25m to support progression of the policy of a Capital Portfolio Fund is made to the capital programme in 2017-18, this being a maximum sum in both cases. Expenditure will be subject to specific approval of the business case for each proposal by the Cabinet following consideration by Overview and Scrutiny Committee and due diligence.
- ii) That the financing of such expenditure be delegated to the Chief Financial Officer and that requisite amendments are made to the revenue budget to reflect potential financing costs (likely to be PWLB loan finance) and income streams to support the initial capital allocation in a) and b) above.

- iii) That subject to this approval, delegation is given to the Chief Financial Officer to make the requisite updates to the Financial Regulations and Treasury Management Service Strategy (TMSS) in due course.

2.1.3 **APPROVES** the fees and charges in line with this Strategy and the impact on the Council's Revenue Budget for 2017-20, as shown in Appendix 4

2.1.4 **APPROVES** the Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendix 2, Parts 1 and 2 and taking into account the Independent and Liberal Democrat Group proposals as set out in Appendix 3;

2.1.5 **APPROVES** that any Final Accounts savings arising from 2016-20 over and above the target allowed for in the Council's Financial Strategy, together with surplus Earmarked Reserves, be allocated by the Chief Financial Officer in consultation with the Leader;

2.1.6 **APPROVES** the Efficiency Strategy 2017-20 as set out in Appendix 6;

2.1.7 The General Fund Revenue Budget be **APPROVED** including all updates from the position in December 2016 and 7<sup>th</sup> February 2017 as set out in this report and the Independent and Liberal Democrat Group proposals as set out in Appendix 3

## 2.2 **COUNCIL TAX**

2.2.1 **SETS** the Council Tax for Wyre Forest District Council on a Band D Property at £205.36 for 2017-18 (£205.36 2016-17) which represents a freeze on Council Tax from 2016-17.

2.2.2 **ENDORSES** the provisional Council Tax on a Band D Property in 2018-19 of £209.34 and £213.40 in 2019-20, being an increase of 1.94 % in both years.

2.2.3 **NOTES** the Chief Financial Officer's opinion on the budget proposals, recommended by the Cabinet in this report, as detailed in Appendix 5 of this report.

## 7. **FINANCIAL IMPLICATIONS**

7.1 The Cabinet Proposals have now been revised and a new schedule of the Independent and Liberal Democrat Group Proposals is shown in Appendix 3

7.2 The Council Tax Collection Fund surplus for 2016-17 onwards has now been confirmed at £90k.

7.3 Savings of circa £36k pa over the term of the Strategy have now been confirmed as a result of the arrangements with Kidderminster Town Council and Stourport

Town Council taking over paddling Pool provision at St Georges Park and Stourport are also reflected in the updated figures. The Bewdley facility will cease to be operated from April 2017 unless the ongoing dialogue with The Friends of Riverside North proves to be successful in securing an asset transfer.

7.4 The following table demonstrates the updated position for the Council when all the revisions included in this report are incorporated into the Base Budget. The Council is forecast to hold a balance of £1,450k at the end of 2019-20 (see reserves table in 7.5).

<b>REVISED INDEPENDENT AND LIB DEM PROPOSALS</b>				
	<b>Revised 2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Net Expenditure on Services updated to Feb 7th	<b>12,681,140</b>	<b>12,360,210</b>	<b>12,131,100</b>	<b>12,021,980</b>
Revised Cabinet Proposals January 24th		210,250	(102,420)	(187,070)
Net Expenditure	12,681,140	12,570,460	12,028,680	11,834,910
Contribution (from)/to Reserves	504,490	(384,310)	(592,860)	(815,890)
<b>Net Budget Requirement</b>	<b>13,185,630</b>	<b>12,186,150</b>	<b>11,435,820</b>	<b>11,019,020</b>
Less				
REVENUE SUPPORT GRANT	1,222,290	553,300	100,680	(356,790)
BUSINESS RATES	2,802,060	2,873,230	2,981,510	3,068,810
NEW HOMES BONUS	2,350,460	1,885,760	1,285,490	1,039,500
COLLECTION FUND SURPLUS	90,000	90,000	90,000	90,000
Council Tax Income	6,720,820	6,783,860	6,978,140	7,177,500
<b>COUNCIL TAX LEVY</b>	<b>205.36</b>	<b>205.36</b>	<b>209.34</b>	<b>213.40</b>

7.5 Reserves available as part of the three year financial strategy are as shown in the following table. Taking all of the revisions contained in this report into account this shows an increase of £273k at the end of 2019-20 compared to the December forecast.

<b>Reserves Statement - Independent and Lib Dem Proposals</b>	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>	<b>2017-18 £'000</b>	<b>2018-19 £'000</b>
Reserves as at 1st April	2,739	3,243	2,859	2,266
Contribution (from)/to Reserves	504	(384)	(593)	(816)
Reserves as at 31st March	3,243	2,859	2,266	1,450

## WYRE FOREST DISTRICT COUNCIL

## INDEPENDENT AND LIBERAL DEMOCRAT PROPOSALS 2017/18 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF INDEPENDENT AND LIBERAL DEMOCRAT PROPOSALS	KEY	2017/18	2018/19	2019/20	After 2019/20
			£	£	£	£
			£	£	£	£
<b>SUCCESSFUL LOCAL ECONOMY</b>						
R705	<b>Economic Regeneration Activities</b> Approval of £10m capital funding for loans to third parties to help deliver our regeneration and economic development objectives in terms of both housing and commercial regeneration in accordance with our corporate plan priority "to support you to contribute to a successful economy". Appendix 3/1 sets out more detail.	C R S	10,000,000 - -	- 25,000 CR -	- 35,000 CR -	- 45,000 CR -
R705	<b>Capital Portfolio Fund</b> Approval of £25m capital funding to grow our portfolio of capital assets, existing or new build. Each proposal would be subject to detailed business case approval and must support economic, regeneration and/or housing corporate priorities in addition to producing a net revenue income stream taking into account funding costs. Appendix 3/2 sets out more detail.	C R S	25,000,000 100,000 -	- 50,000 CR -	- 75,000 CR -	- 100,000 CR -
R225	<b>Green Street Depot Investment</b> Approval of the first phase of capital investment into the depot site to ensure ongoing service sustainability and improve the commercial offer from this key site. There may be a further proposal for a second phase of improvement but this would be subject to separate approval by Cabinet and Council. Appendix 3/3 sets out more detail.	C R S	1,100,000 33,350 -	- 66,700 -	- 66,700 -	- 66,700 -
R705	<b>Crown House Demolition</b> To divert approved capital funding of £500k from Worcester Street to facilitate a cleared site for marketing and redevelopment. Prior to redevelopment, the cleared site to be laid out for use as temporary car parking to generate net income to offset the loss of the current rental income stream (other than the initial 9 months timescale estimated for demolition). A further £200k capital funding (maximum figure) in addition to the diverted £500k is proposed to cover both the costs of laying out the site as a temporary car park and full demolition costs funded from prudential borrowing (all costs still subject to external verification). The future of Worcester Street to be reviewed following progression of the Lion Fields Project	C R S	200,000 33,000 -	- 16,000 -	- 16,000 -	- 16,000 -
R193	<b>Civil Enforcement</b> To increase the staffing resource of the Civil Enforcement team by 1.5 FTE to increase the capacity for on-street parking enforcement. This additional resource could generate circa £12k extra fine income per year. The extra income is not taken into account in this proposal which shows the gross extra staff cost. The overall financial impact will be kept under review.	C R S	- 32,250 1.5	- 32,580 1.5	- 32,930 1.5	- 33,270 1.5
<b>CLEAN, GREEN AND SAFE COMMUNITIES</b>						
R335	<b>Localism Fund</b> To top up the single Localism Fund to £50k to continue the good work done so far with Parish and Town Councils and other local organisations.	C R S	- 50,000 -	- - -	- - -	- - -
R160	<b>Brinton Park HLF Bid</b> To provide funding to support a bid of up to £3m Heritage Lottery Funding for improvement works to Brinton Park. This is in addition to the £100k Section 106 funding already allocated. Appendix 3/4 sets out more detail.	C R S	100,000 3,650 -	- 7,300 -	- 7,300 -	- 7,300 -
R160	<b>Stourport Riverside Master Plan</b> To review the content of the previous Master Plan for Stourport Riverside and use this to inform a refreshed and updated Plan minimising further work and expense where possible. Funding of £25k is therefore a maximum figure and a lower cost should be achievable.	C R S	- 25,000 -	- - -	- - -	- - -

## WYRE FOREST DISTRICT COUNCIL

## INDEPENDENT AND LIBERAL DEMOCRAT PROPOSALS 2017/18 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF INDEPENDENT AND LIBERAL DEMOCRAT PROPOSALS	KEY	2017/18	2018/19	2019/20	After
			£	£	£	2019/20
			£	£	£	£
R720	<b>Community Leadership Fund</b> In light of the acknowledged effectiveness of this fund to retain this funding stream of £1,000 per Member for 2017/18.	C R S	- 33,000 -	- - -	- - -	- - -
R726	<b>Wyre Forest Forward</b> Further target savings from the Wyre Forest Forward Efficiency Programme.	C R S	- 100,000 CR -	- 150,000 CR -	- 200,000 CR -	- 200,000 CR -
R505	<b>Review of Governance Arrangements</b> To investigate the potential for a change to a Committee governance structure rather than the current Cabinet structure of decision making. Other than initial one-off costs the assumption is that this proposal would be at least cost neutral but this would form part of the investigatory work.	C R S	TBA TBA -	TBA TBA -	TBA TBA -	TBA TBA -
<b>TOTALS</b>			<b>36,400,000</b> <b>210,250</b> <b>1.5</b>	<b>-</b> <b>102,420 CR</b> <b>1.5</b>	<b>-</b> <b>187,070 CR</b> <b>1.5</b>	<b>-</b> <b>221,730 CR</b> <b>1.5</b>

**KEY - Changes in Resources**

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

**WYRE FOREST DISTRICT COUNCIL**

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**22<sup>nd</sup> February 2017**

**Medium Term Financial Strategy 2017-20**

**AMENDMENT TO BE MOVED BY THE LABOUR GROUP**

Council believes that fair taxation, raised in order to provide public services for all, is a basic element of civilised living in modern society.

The link between taxation and representation is also fundamental. Those who are elected to public office and entitled to spend money on public services should be directly accountable to the electorate for the money raised for that purpose.

Therefore, Council believes that income generated directly from its own decisions on the level of Council Tax, business rates, fees and charges, is the best means of generating income.

Council notes that, if a greater reliance had been placed on Council Tax as a generator of income in five of the previous seven financial years, the base budget for 17/18 would be c£570,000 greater than it is now, therefore reducing the level of cuts to services expected to have to be made by 19/20.

Council expresses strong reservations about deriving income streams from investment in property assets outside the district, because it is not derived from a source as transparent and accountable as Council Tax, etc.

However, given the realities of local government finance in the period at least to 19/20, Council welcomes the intention to provide funds to invest in industry within the district, as has already been initiated in current proposals for business units and in housing, with their consequence of income generation through taxation. In the case of housing, Council expresses a particular interest in the example of Wealden District Council, but with the caveat that, given its wider responsibilities in the field of housing, Council is keen to express its commitment to social housing provision by housing associations in Wyre Forest, and gives the assurance that it will play as full a role as possible in providing new homes by, for example, providing funding, land and using its Planning powers to their full extent.

**Labour Amendment to Wording of Budget Proposal**

Council invites the Cabinet to consider adopting a model for housing property investment akin to the model chosen by Wealden District Council.