

WYRE FOREST DISTRICT COUNCIL

COUNCIL
22nd February 2017

Medium Term Financial Strategy 2017-20 – Revised Tables taking into account Final Finance Settlement issued 20th February 2017

OPEN	
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Chief Financial Officer
CONTACT OFFICER:	Tracey Southall, Ext 2100 tracey.southall@wyreforestdc.gov.uk
Appendix 1 Appendix 2 Appendix 3 Appendix 4 Appendix 5 Appendix 6	Base Budget Projections 2017-20 Capital Programme Cabinet Proposals Fees and Charges - Council Report of the Chief Financial Officer in Respect of Sections 25-28 Local government Act 2003 Efficiency Plan Updated <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

1. PURPOSE OF UPDATE

- 1.1 To update Council on the Medium Term Financial Strategy 2017-20 and make recommendations on the proposed budget decision in light of the Final Finance settlement issued late on February 20th 2017. There have been no substantive changes from the provisional settlement. The only change for this Council is as a result of the New Homes Bonus Representation in respect of additional affordable Homes resulting in extra funding of £7,560 in 2016/17 and £10,640 in 2017/18 for the 3 years of the Budget Strategy so a total of £39,480 overall. Revised Tables are now shown for Sections 7.4 and 7.5 to reflect the small increase in the New Homes Bonus funding stream, increasing the Reserves position accordingly. **Recommendations remain unchanged.**

7. FINANCIAL IMPLICATIONS

- 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 **£1,653k** at the end of 2019-20 (see reserves table in 7.5).

	Revised 2016/17 £	2017/18 £	2018/19 £	2019/20 £
Net Expenditure on Services (per Appendix 1)	12,681,140	12,360,210	12,131,100	12,021,980
Total Net Expenditure on Services (per Appendix 1)	12,681,140	12,360,210	12,131,100	12,021,980
Less				
Cabinet Proposals identified in Appendix 3	0	145,000	(151,000)	(236,000)
Net Expenditure	12,681,140	12,505,210	11,980,100	11,785,980
Contribution (from)/to Reserves	512,050	(308,420)	(533,640)	(756,320)
Net Budget Requirement	13,193,190	12,196,790	11,446,460	11,029,660
Less				
Revenue Support Grant	1,179,060	510,220	100,680	(356,790)
Business Rates	2,602,060	2,653,230	2,731,510	2,818,810
Business Rates Growth	200,000	220,000	250,000	250,000
New Homes Bonus	2,358,020	1,896,400	1,296,130	1,050,140
Transition Grant	43,230	43,080	0	0
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
WFDC Council Tax @ 1.94% increase 2018/19 onwards	205.36	205.36	209.34	213.40

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 **£476k** at the end of 2019-20 compared to the December forecast.

Reserves Statement	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Reserves as at 1st April	2,739	3,251	2,943	2,409
Contribution from Reserves	512	(308)	(534)	(756)
Reserves as at 31st March	3,251	2,943	2,409	1,653

12. **BACKGROUND PAPERS**

- 12.1 Accounts and Audit Regulations 2015
- 12.2 Cabinet Report on the Medium Term Financial Strategy 2017–20 20th December 2016 and 7th February 2017
- 12.3 Agendas and Minutes of the Cabinet Financial Strategy Advisory Panel
- 12.4 Provisional Local Government Finance Settlement 2017-18
- 12.5 Final Local Government Finance Settlement 2017-18

WYRE FOREST DISTRICT COUNCIL

COUNCIL 22ND FEBRUARY 2017

COUNCIL TAX 2017-18 Revised Table taking into account Final Finance Settlement issued 20th February 2017

OPEN	
CABINET MEMBER:	Councillor Nathan Desmond
RESPONSIBLE OFFICER:	Chief Financial Officer
CONTACT OFFICERS:	Tracey Southall - Ext. 2125 tracey.southall@wyreforestdc.gov.uk Lisa Hutchinson - Ext. 2120 lisa.hutchinson@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - Council Tax Resolution 2017-18 Appendix 2 - Council Tax Schedule 2017-18 Appendix 3 - Parish and Town Council Precepts 2017-18 Appendix 4 – District Council Tax, including Parish/Town Council Precepts, 2017-18 Appendix 5 – Total Council Tax, including Major Precepting Authorities and Parish/Town Council Precepts, 2017-18

1. PURPOSE OF UPDATE

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2017-18, updated for the Final Finance Settlement issued late on February 20th 2017. There have been no substantive changes from the provisional settlement. The change for this Council in 2017/18 is as a result of the New Homes Bonus Representation in respect of additional affordable Homes resulting in extra funding of £10,640. A revised table is now shown for Section 4.3 to reflect the small increase in the New Homes Bonus funding stream, amending the contribution from balances position accordingly. **Recommendations remain unchanged.** The Referendums Relating to Council Tax Increases (Principles) (England) Report 2017-18 has now been affirmed.

4. WYRE FOREST DISTRICT COUNCIL'S COUNCIL TAX REQUIREMENT

- 4.3 In approving the District Council's element of the Council Tax, account has to be taken of:
- Government Support Grants
 - Other non ring-fenced Government Grants
 - Business Rates
 - Any surplus or deficit arising from the Collection Fund

The District Council's Council Tax requirement also has to reflect Parish and Town Council spending. The following table sets out the position:

Council Tax Requirement 2017-18	£'000	£'000
Wyre Forest District Council Budget Requirement 2017-18	12,505	
Less: Contribution from Balances	(308)	
	12,197	
Parish & Town Councils' Requirement (Appendix 3)	976	
		13,173
Less:		
Government Support Grants	(553)	
Business Rates	(2,873)	
New Homes Bonus	(1,897)	
		(5,323)
Less: Surplus on Collection Fund		(90)
Council Tax Requirement 2017-18	£'000	7,760

11. RISK MANAGEMENT

11.2 There is a greater future risk of a referendum requirement should Council Tax increases exceed the threshold as required in the Local Audit and Accountability Act 2014 and laid down in **The Referendums Relating to Council Tax Increases (Principles) (England) Report 2017-18.**

15. BACKGROUND PAPERS

15.1 Local Government Finance Act 1992, as amended by Localism Act 2011 and Local Audit and Accountability Act 2014.

15.2 The Accounts and Audit Regulations 2015.

15.3 The Referendums Relating to Council Tax Increases (Principles) (England) Report 2017-18.

15.4 Final Local Government Finance Settlement 2017-18

WYRE FOREST DISTRICT COUNCIL

COUNCIL

22nd February 2017

Medium Term Financial Strategy 2017-20

AMENDMENT TO BE MOVED BY THE INDEPENDENT AND LIBERAL DEMOCRAT GROUP – Revised Tables taking into account Final Finance Settlement issued 20th February 2017- Recommendations remain unchanged

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 **£1,490k** at the end of 2019-20 (see reserves table in 7.5).

REVISED INDEPENDENT AND LIB DEM PROPOSALS	Revised 2016-17	2017-18	2018-19	2019-20
Net Expenditure on Services updated to Feb 7th	12,681,140	12,360,210	12,131,100	12,021,980
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	512,050	(373,670)	(582,220)	(805,250)
Net Budget Requirement	13,193,190	12,196,790	11,446,460	11,029,660
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	2,358,020	1,896,400	1,296,130	1,050,140
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
COUNCIL TAX LEVY	205.36	205.36	209.34	213.40
COUNCIL TAX BASE	32,727	33,034	33,334	33,634

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 **£313k** at the end of 2019-20 compared to the December forecast.

Reserves Statement - Independent and Lib Dem Proposals	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Reserves as at 1st April	2,739	3,251	2,877	2,295
Contribution (from)/to Reserves	512	(374)	(582)	(805)
Reserves as at 31st March	3,251	2,877	2,295	1,490