

Open

Cabinet

Agenda

6pm
Wednesday, 7th February 2018
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Cabinet

The Cabinet Members and their responsibilities:-

Councillor M J Hart	Leader of the Council & Strategy
Councillor I Hardiman	Deputy Leader & Planning & Economic Regeneration
Councillor R J Vale	Operational Services
Councillor N J Desmond	Resources
Councillor J Smith	Culture, Leisure & Community Protection
Councillor C Rogers	Housing, Health & Well-being

Scrutiny of Decisions of the Cabinet

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

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

The deadline for "calling in" Cabinet decisions is 5pm on Monday 19th February 2018

Councillors wishing to "call in" a decision on this agenda should contact Lynette Cadwallader, Committee Services Officer, Wyre Forest House, Finepoint Way, Kidderminster. Telephone: 01562 732729 or email lynette.cadwallader@wyreforestdc.gov.uk

Urgent Key Decisions

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

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of the Council's constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

For further information

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Lynette Cadwallader, Committee Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732729 or email lynette.cadwallader@wyreforestdc.gov.uk

Documents referred to in this agenda may be viewed on the Council's website - www.wyreforestdc.gov.uk/council/meetings/main.htm

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* Unless there are no reports in the open session.

Wyre Forest District Council

Cabinet

Wednesday, 7th February 2018

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
3.	Minutes To confirm as a correct record the Minutes of the meeting held on the 19th December 2017.	7
4.	CALL INS a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
5.	Items Requiring Urgent Attention To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
6.	Public Participation In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 12 noon on Tuesday 30 th January 2018 . (See front cover for contact details).	

7.		
7.1	<p style="text-align: right;"><i>Councillor N Desmond</i></p> <p>Results of Budget Consultation, Alternative Budgets and Recommendations from the Cabinet Financial Strategy Advisory Panel</p> <p>To consider the results of the budget consultation exercise launched following the presentation of the Financial Strategy 2018/21 to Cabinet on the 19th December 2017, alternative budget proposals and recommendations from the Cabinet Financial Strategy Advisory Panel from their meeting on the 30th January 2018 (to follow)</p>	-
7.2	<p>Medium Term Financial Strategy 2018/21</p> <p>To consider a report which updates Cabinet on the Medium Term Financial Strategy 2018-21 and make recommendations to Council on the proposed budget decision. To also consider the report of the Corporate Director: Resources in respect of statutory duties placed on Local Authority Chief Financial Officers in relation to budget setting and monitoring.</p>	13

8.		
8.1	<p style="text-align: right;"><i>Councillor I Hardiman</i></p> <p>Evaluation of Measured Term Contract(s) for Building Maintenance</p> <p>To consider a report to seek Cabinet approval for the tender evaluation model proposed for the procurement of Measured Term Contracts for General Building Maintenance, Electrical Services and Civil Engineering works.</p>	27
8.2	<p style="text-align: right;"><i>Councillor I Hardiman</i></p> <p>Community Led Housing Pledge</p> <p>To consider a report which shares with Members the progress on Community Led Housing (CLH) and to agree the CLH Pledge and related policy.</p> <p>To also consider the recommendations from the Overview and Scrutiny Committee from its meeting on Thursday 1st February 2018 (to follow)</p>	32

9.		
9.1	<p style="text-align: right;"><i>Councillor M Hart</i></p> <p>Establishing a Group Structure of Local Authority Trading Companies</p> <p>To consider a report which sets out for approval the Final Business Case (FBC) for establishing a group structure of Local Authority Trading Companies (LATCs).</p> <p>To also consider the recommendations from the Overview and Scrutiny Committee from its meeting on Thursday 1st February</p>	40

	<p>2018 (to follow)</p> <p><i>Please note that the associated appendices to appendix 1 of the report have been circulated electronically</i></p>	
10.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
11.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.</p>	

Part 2

Not open to the Press and Public

12.		
12.1	<p>Agenda Item 9.1 Establishing a Group Structure of Local Authority Trading Companies</p> <p>Appendix 1 (Exempt) – Mazars & Anthony Collins - “Establishing a Wholly Owned Company”</p> <p>Appendix 2 (Exempt) – Mazars, Anthony Collins & FPM – “The business case for establishing a property and asset development Local Authority Trading Company”</p> <p>Appendix 3 (Exempt) – Market Analysis</p> <p>Appendix 8 (Exempt) – Initial pipeline of sites</p> <p>Appendix 9 (Exempt) – Proposed Company names</p> <p><i>Please note that the associated appendices to appendix 1 of the report have been circulated electronically.</i></p>	-
13.	<p>To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	

**WYRE FOREST DISTRICT COUNCIL
CABINET**

**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER
19TH DECEMBER 2017 (6 PM)**

Present:

Councillors: M J Hart (Chairman), N J Desmond, I Hardiman, C Rogers, J D Smith and R J Vale.

Observers:

Councillors: S Miah and J A Shaw.

CAB.60 Apologies for Absence

There were no apologies for absence.

CAB.61 Declarations of Interests by Members

No declarations of interest were made.

CAB.62 Minutes

Decision: The minutes of the Cabinet meeting held on 14th November 2017 be confirmed as a correct record and signed by the Chairman.

CAB.63 Call Ins

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

CAB.64 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.65 Medium Term Financial Strategy 2018-21

A report was considered from the Corporate Director: Resources which provided Cabinet with financial information in order to make proposals for the Budget Strategy for the period 2018-21.

The Cabinet Member for Resources led Members through the report. He commented this was a balanced budget for the Council's future spending and set out a clear and strategic way of moving forward. He advised that the Council's financial context remained challenging with net expenditure on services set to fall a further 5% to just under £11.7 million by 2021. He added that despite further reductions in income streams such a Revenue Support Grant (RSG) and New Homes Bonus (NHB), the budget provided clarity and

direction to the Council. He emphasised that the Council had an excellent track record on delivering savings and was confident that this would continue, adding that the majority of savings for 2017/18 and 2019/20 had already been identified and achieved.

The Cabinet Member for Resources continued that key areas had been identified which would enable commercial activity to continue to grow and front line services be protected. He stated that income from fees and charges would continue to contribute to the Medium Term Financial Strategy. Some fees and charges would be frozen whilst others devolved to service managers to apply commercial judgment, whilst others would increase by 5%. He confirmed that car parking charges would be linked to inflation and increased by CPI plus 2% from October 2018 and capped at 5%. He commented that Council Tax had been frozen for 5 of the last 7 years. However the current financial context meant that any further freezing would not be appropriate. Therefore an increase of 1.94 % was proposed for each of the next 3 years, which would generate an income of £133,000 for frontline services. He emphasised that this was a fair and sensible approach for Council Tax payers across the District and was well below the rate of inflation.

The Cabinet Member for Resources added that the administration would continue with the mantra of invest to save in order to be as efficient and modern as possible. £1.75 million would be invested into the ICT infrastructure in order to ensure that the Council upgraded security, data storage and new technologies to ensure efficient and effective working. As with previous years, investment would continue for the Community Leadership Fund to enable Councillors to spend on community projects within their ward.

The Cabinet Member for Resources concluded that the budget was strategic in its outlook and would continue to invest in the Council's future. Income generation and efficiency were key priorities and would leave the Council with reserves of approximately £1.6 million at the end of the third year. He thanked the Chief Executive and the Corporate Leadership Team for their continued professionalism and advice.

The Leader of the Council advised that the public would be consulted on the Strategy and commented that the budget was robust and sustainable. He noted the substantial reduction in RSG since 2010 and that managing finances in Local Government was increasingly more difficult. The Council would not shy away from the challenge and the administration would continue to do all that it could to continue to provide front line services to residents and communities.

The Cabinet Member for Culture, Leisure and Community Protection commented that she was pleased to see that funding for the Community Safety Partnership would continue, which would enable the team to keep the residents of Wyre Forest safe.

Decision:

- 1. The fees and charges as set out in Appendix 4 - Part 1 of the report to Cabinet be noted.**

The Cabinet endorse and recommend to the Cabinet Financial Strategy Advisory Panel for scrutiny:

- 2. The Council's updated Medium Term Financial Strategy;**
 - 2.2.1 Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2018-21 (paragraph 7.3 of the report to Cabinet) including;**
 - a. Approval of a further tranche of £1.757m capital investment required for the refreshed ICT Strategy to be added to the capital programme as set out in Appendix 3 of the report to Cabinet;**
 - b. Approval of the Community Leadership Fund for 2018-19 of £33,000;**
 - c. Approval of a further Localism Fund allocation of £50,000 in 2018-19.**
 - d. Approval of funding to allow the current level of Community Safety staffing to be maintained for 2018-19 while a review of all options is undertaken taking into account the Police and Crime Commissioner's (PCC) position regarding future funding strategies.**
 - e. Approval of a further tranche of Wyre Forest Forward Efficiency Savings of £50k in 2018-19, £175k in 2019-20 and £400k in 2020-21.**
 - f. Approval of an additional income generation targets of £50k in 2018-19, £75k in 2019-20 and £100k in 2020-21.**
 - g. Approval of capital funding of £38k for the replacement of the Spennells Valley Boardwalk funded from the unused Leisure Centre contingency.**
 - 2.2.2 The level of net expenditure and resultant Council Tax for 2018-21 as per paragraphs 7.1 and 7.4 of the report to Cabinet;**
 - 2.2.3 The proposal to increase Council Tax charge for dwellings empty for more than 2 years from 100% to 150% with effect from 1st April 2018 as per paragraph 5.13 of the report to Cabinet ;**

- 2.2.4 The fees and charges in line with this strategy and the impact on the Council's Revenue Budget for 2018-21, as shown in Part 3 of Appendix 4 (paragraphs 4.12 and 7.1 of the report to Cabinet also refer);**
- 2.2.5 The Base Capital Programme and Vehicle, Equipment and Systems Renewals Schedule as set out in Appendix 6, Appendices A and B of the report to Cabinet;**
- 2.2.6 The variations to the Capital Programme and Vehicle, Equipment and Systems Renewal Schedule in accordance with the Council's Budget Process.**
- 2.3 The fees and charges as set out in Appendix 4 – Part 2 of the report to Cabinet be approved.**
- 2.4 The refreshed ICT Strategy as summarised in Appendix 3 of the report to Cabinet be approved;**
- 2.5 Decisions in relation to the allocation of "State of the Area" (SotA) funding be delegated to the Director of EPP in consultation with the Cabinet Member for Planning and Economic Regeneration and the appropriate Member Champion (paragraph 4.5 of the report to Cabinet refers).**

CAB.66 Report on the Homelessness Contract and Homelessness Reduction Act 2017

A report was considered from the Corporate Director: Economic Prosperity and Place which considered the implications of the Homelessness Reduction Act on the Housing Register, Housing Advice and Homelessness Contract with the Community Housing Group and sought to agree arrangements for delivering the service from April 2018.

The Cabinet Member for Housing, Health and Wellbeing led Members through the report and explained that the Council's current housing advice and homelessness service was provided by the Community Housing Group through a contract which was in place until March 2019, at a cost of £340,000 per year. He advised that the contract focused primarily on the delivery of services to statutory homeless cases. In order to support the required changes in service delivery, the Government had identified transitional new burdens funding for all local authorities, which for Wyre Forest was a total of £91,000 over three years commencing in 2017/18. After this period the reduction in statutory homeless cases and consequential cost savings would mean further new burdens funding was no longer required.

The Cabinet Member for Housing, Health and Wellbeing explained that new legislation increased the opportunity for applicants to request a review of every

decision the Council makes, which could impact on Council Officers dealing with additional requests for reviews. He added that the new legislation posed potential risk to the Council if it was not successfully implemented, which could be mitigated if the service were brought back in house. He concluded by stating that fundamental changes required by the service lead officers to agree that the best way of delivering housing and homelessness advice was to do so directly rather than relying on a third party.

The Leader of the Council commented that homelessness reduction was topical at a national level and it was vital that the Council fulfils its statutory duty around this important area.

Decision:

- 1.1 Delegated authority be given to the Corporate Director: Economic Prosperity and Place and Corporate Director: Resources in consultation with the Cabinet Members for Housing, Health & Wellbeing and Resources, to agree the financial arrangements and consequences of the proposed transfer; and if they are satisfied that the consequences can be accommodated within the Council's Medium Term Financial Strategy that:**
 - 1.1.1 The Corporate Director: Economic Prosperity and Place be authorised to give formal notice to The Group of the Council's intention for the housing advice and homelessness elements of the contract to be brought back in house.**
 - 1.1.2 Delegated authority be given to the Corporate Director: Economic Prosperity and Place in consultation with the Corporate Director: Resources and Solicitor to the Council to proceed with the transfer of staff from The Group to the Council under TUPE.**
- 1.2 The Corporate Director: Economic Prosperity and Place in consultation with the Solicitor to the Council be authorised to agree any consequential amendments to the current contract to ensure the continued delivery of the Housing Register element of the current contract until March 2019 with The Group.**
- 1.3 Delegated authority be given to the Corporate Director: Economic Prosperity and Place in consultation with the Cabinet Member for Housing, Health and Wellbeing to make any consequential amendments to the Council's Allocation Policy that may be necessary as a result of the introduction of the Act to ensure the Council's Policy is compliant.**
- 1.4 The Homelessness Reduction Act Action Plan be agreed.**

CAB.67 Exclusion of Press and Public

Decision: "Under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration

of the following items of business on the grounds that they involve the likely disclosure of "exempt information" as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB.68 Asset Disposal in Kidderminster.

A report was considered from the Corporate Director: Economic Prosperity and Place on an asset exchange in Kidderminster.

The Cabinet Member for Planning and Economic Redevelopment led Members in depth through the confidential report to Cabinet

Members discussed the report and were in full agreement that, if the proposed exchange took place, it would have a positive impact on the area.

Decision:

In line with the recommendations from the Overview and Scrutiny Committee, 7th December 2017:

The proposed asset transfer as set out in paragraphs 2.1 to 2.6 of the confidential report to Cabinet be agreed.

There being no further business, the meeting closed at 6.41PM.

WYRE FOREST DISTRICT COUNCIL

CABINET
7th FEBRUARY 2018

Medium Term Financial Strategy 2018-21

OPEN	
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Corporate Director: Resources
CONTACT OFFICER:	Tracey Southall, Ext 2100 tracey.southall@wyreforestdc.gov.uk
Appendix 1 Appendix 2 Appendix 3 – Part 1 Appendix 3 – Part 2 Appendix 3 – Part 3 Appendix 4	Base Budget Projections 2018-21 Capital Programme 2017-18 onwards Part 1 – Fees and Charges for Noting Part 2 – Fees and Charges - Cabinet Part 3 – Fees and Charges - Council Report of the Corporate Director: Resources/Chief Financial Officer in Respect of Sections 25-28 Local Government Act 2003 <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on the Medium Term Financial Strategy 2018-21 and make recommendations to Council on the proposed budget decision. Also to consider the report of the Corporate Director: Resources in respect of statutory duties placed on Local Authority Chief Financial Officers in relation to budget setting and monitoring.

2. RECOMMENDATIONS

The **CABINET** having re-considered the Financial Strategy 2018-21, the results of the Budget consultation exercise and recommendations of the Cabinet Financial Strategy Advisory Panel **RECOMMENDS TO COUNCIL** that it:

2.1 THREE YEAR BUDGET, CAPITAL PROGRAMME AND POLICY FRAMEWORK 2018-21

2.1.1 **APPROVES** the updated Medium Term Financial Strategy 2018-21;

2.1.2 **APPROVES** the Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2018-21 as shown in paragraph 3.19 including:

- a. Approval of a further tranche of £1.757m capital investment required for the refreshed ICT Strategy to be added to the capital programme as set out in Appendix 3 of the December report;
 - b. Approval of the Community Leadership Fund for 2018-19 of £33,000;
 - c. Approval of a further Localism Fund allocation of £50,000 in 2018-19.
 - d. Approval of funding to allow the current level of Community Safety staffing to be maintained for 2018-19 while a review of all options is undertaken taking into account the Police and Crime Commissioner's (PCC) position regarding future funding strategies.
 - e. Approval of a further tranche of Wyre Forest Forward Efficiency Savings of £50k in 2018-19, £175k in 2019-20 and £400k in 2020-21.
 - f. Approval of an additional income generation targets of £50k in 2018-19, £75k in 2019-20 and £100k in 2020-21.
 - g. Approval of capital funding of £38k for the replacement of the Spennells Valley Boardwalk funded from the unused Leisure Centre contingency.
 - h. Approval of capital funding of £250k in 2018-19 to support a more commercial approach for income generation. Specific allocations from this generic capital funding pot to be delegated for approval to the Director of Community and Well-Being in consultation with the Commercial Activity Programme Board and Section 151 Officer see paragraphs 3.13 – 3.17 and also paragraph 2.1.6 below.
- 2.1.3 **APPROVES** the fees and charges in line with this Strategy and the impact on the Council's Revenue Budget for 2018-21, as shown in Appendix 3- Part 3;
- 2.1.4 **APPROVES** the Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendix 2, Parts 1 and 2;
- 2.1.5 **APPROVES** that any Final Accounts savings arising from 2017-21 over and above the target allowed for in the Council's Financial Strategy, together with surplus Earmarked Reserves, be allocated by the Corporate Director: Resources in consultation with the Leader;
- 2.1.6 **APPROVES** that allocations from the Commercialism Capital Fund proposed at 2.1.2 (h) above is **DELEGATED** to Director of Community Well-Being and Environment in consultation with the Commercial Activity Programme Board and the Section 151 Officer to agree the viability of each business case;
- 2.1.7 The General Fund Revenue Budget be **APPROVED** including all updates from the position in December 2017 as set out in this report.

2.2 **COUNCIL TAX**

- 2.2.1 **SETS** the Council Tax for Wyre Forest District Council on a Band D Property at £209.34 for 2018-19 (£205.36 2017-18) which represents an increase of 1.94% on Council Tax from 2017-18.
- 2.2.2 **ENDORSES** the provisional Council Tax on a Band D Property in 2019-20 of £213.40 and £217.54 in 2020-21, being an increase of 1.94 % in both years.
- 2.2.3 **APPROVES** the proposal to increase Council Tax charge for dwellings empty for more than 2 years from 100% to 150% with effect from 1st April 2018 as per paragraph 5.3;
- 2.2.4 **NOTES** the Director of Resource's (as Chief Financial Officer) opinion on the budget proposals, recommended by the Cabinet in this report, as detailed in Appendix 4 of this report.

2.3 The Cabinet is asked to **APPROVE**:

- 2.3.1 Delegated authority is given to the Corporate Director: Resources, in consultation with the Cabinet Member for Resources and Leader of the Council, to make any appropriate adjustments to the General Fund Revenue Budget recommended under paragraph 2.1.7 above, as a result of Central Government confirming the final Local Government Finance Settlement, including final New Homes Bonus Allocations and associated Specific Grants for 2018-19.
- 2.3.2 The additional schedules of Fees and Charges as set out in Appendix 4- Parts 1 and 2.

3. **KEY ISSUES**

- 3.1 On 19th December 2017, Cabinet considered a report on proposals for the Budget Strategy for the period 2018-21. At the time of preparing this report Central Government have yet to confirm the final Local Government Finance Settlement but it is expected that it will be in line with the Provisional Settlement issued on the 19th December 2017 that did not differ significantly from funding assumptions within the December report. This report provides an updated position subject to publication of the Final Settlement for 2018-19 and a proposed budget decision for Council to consider on the 21st February 2018.
- 3.2 The following assumptions included in the Medium Term Financial Strategy are now updated or confirmed:
- Final Finance Settlement – subject to final confirmation
 - Council Tax Base
 - The position in relation to New Homes Bonus – subject to final confirmation
 - Collection Fund Surplus

- Cabinet Proposals
 - Increase in Planning Fees of 20% from 17th January 2018
 - Refreshed Capital Programme taking into account the Depot 2020 investment proposal approved by Council in December 2017
 - Business Rates Pooling and also retained growth projections
- 3.3 Taking into account the freeze in council tax for three years prior to 2014-15, the increase for 2015-16, the freeze in 2016-17 and 2017-18 the proposed 1.94% increase in 2018-19 still means that the council tax for Wyre Forest District Council will have been held substantially below inflation across that seven year period.
- 3.4 As agreed by the Cabinet Financial Strategy Advisory Panel, a Budget Consultation exercise was launched on the 20th December 2017 to run until the 18th January 2018. The results of this consultation are reported as a separate item on this agenda and show that 62% of the 260 respondents are in favour of the proposed modest Council Tax increase in 2018-19. This has informed the final decision to recommend the proposed 1.94% increase.
- 3.5 The Capital Programme considered by December Cabinet is included in Appendix 2 for Council approval, updated to reflect Cabinet Proposals and the now approved Depot 2020 Capital investment scheme.
- 3.6 The financial strategy recommended by Cabinet takes a more nuanced approach to fees and charges compared to previous years. The risk of failing to optimise income due to elasticity of demand, changing economic circumstances and the emergence of competition has been evaluated. As a result some fees and charges have been frozen or increased by less than the average of 5%. The proposals for 2018-19 show that 16% of Fees and Charges will be frozen, whilst a further 20% are to be increased but below the general 5%. All proposals were subjected to rigorous check and challenge.
- 3.7 Car park charges will now be increased by CPI +2% rather than the 5% previously assumed. However this new methodology will be subject to a 5% maximum cap. The CPI rate applied will be the actual rate as at October 2017 (notified in November 2017) + 2% to apply from October 2018; so using the prior year's CPI rate to allow for certainty in the planning and approval process. For 2018-19 the total increase therefore is 5% made up of 3% CPI as at November 2017 + 2% but future increases will be lower than this if CPI falls.
- 3.8 This change in approach to fee increases is to provide a clear linkage to inflation rates and allow for scope for lower increases if appropriate. It is important to remember that not all of the increased income from fees and charges will be contributed by local residents as at least some will come from visitors and commuters to the area (for example in car park charges) and some will come from local businesses.
- 3.9 The Council implemented the 20% increase in planning fees from Wednesday 17th January 2018 following the issue of regulations by Government. The benefit of the increased income generated will be used to fund additional related expenditure in this key area. Appendix 3 – Part 1 has been revised to show the higher fees effective from the 17th January. The positive impact for the Council is estimated at

£192k over the period of the strategy. The changes will ensure that the net cost of operating the planning system, which falls on council tax payers, is minimised and that developers and other applicants bear a greater share of the cost.

- 3.10 The external commercial review by Commercial Gov has resulted in some revisions to proposals for Fees and Charges at Kidderminster Town Hall; to allow for a more flexible approach, prices for weddings will now be available on request. This change is detailed in Appendix 3 – Part 2, together with other revisions for Private Sector Housing.
- 3.11 The Council will continue to expand its commercial activities during the medium term financial strategy, as reflected in the increased targets for commercial income. The Corporate Leadership Team has allocated £200k from the Innovation Fund to provide essential capacity and resource for marketing and sales support to capture potential growth in key income generation areas. This will also fund appointment of a business development /commercial manager to focus resource on the commercial agenda.
- 3.12 In order to behave in a more commercial way, the Council needs to be able to respond swiftly and flexibly to opportunities that emerge. This is not fully achievable within a system where the budget and the capital programme are set by Council on an annual basis.
- 3.13 A capital funding pot of £250k in 2018-19 is therefore proposed to support more expedient decision making where business cases for income generation require capital investment. This is a similar approach to that previously taken for the State of the Area funding and would allow capital expenditure on vehicles and equipment funded from commercial activity. Specific allocations from this generic capital funding pot will be delegated for approval to the Director of Community Well-Being and Environment in consultation with the Commercial Activity Programme Board (formerly the Income Generation Group) and the Section 151 Officer. The Board will be chaired by the Director of Community Well-Being and Environment, and involve other appropriate officers from across the council and relevant Cabinet members including the Cabinet member for Operational Services as a major focus for new commercial income would be depot-based services. The Board's role would be to approve business cases for undertaking new or expanded commercial activity, to include an appropriate assessment of risks and potential rewards; reviewing at least annually performance and risk of each area of commercial activity; and have power to decide that a particular commercial activity should cease. This would be achieved by means of a new template for business plans.
- 3.14 The proposed £250k generic pot within the capital programme will fund capital expenditure associated with additional commercial activity. This expenditure would be funded by prudential borrowing that would be taken only if the business case evidenced that the financing and all other associated costs could be more than met by increased income generated, to result in an ongoing net revenue surplus. Expenditure will be incurred only after a business case has been approved by the Commercial Activity Programme Board. The costs of borrowing will be offset by income from the additional commercial activity. The actual level of expenditure to be undertaken is not known with confidence and therefore Council should not expect that all of the pot will be used in 2018-19.

- 3.15 The Board will approve new commercial activity only if it contributes a revenue surplus after all costs have been taken into account. When implemented, additional commercial activity would therefore reduce the Council's net expenditure. This requires no special authority as, in effect, there would be an underspend against the net budget approved by Council. In year additions to the Council's activity might involve short term net increases to expenditure, for example in additional staffing to undertake work that generates the income, before the point at which income exceeds any additional expenditure.
- 3.16 If this point will not be achieved before the end of a financial year (and therefore the net expenditure will exceed the budget approved by Council), this could be accommodated by a further allocation of funding from the Innovation Fund. Where the overall position within the financial year will produce lower net expenditure than in the approved budget, then, as noted above, no special authority for achieving an underspend is required.
- 3.17 The requisite revenue budget amendments would be made to reflect gross expenditure and income and the net surplus position would be formally incorporated in the Council's budget during the preparation of revised budgets by the Section 151 officer as part of the annual budget approval by Council. The Quarterly Budget Monitoring Cabinet reports would also report on such commercial activity.
- 3.18 Fees and Charges requiring Council approval are detailed in Appendix 3 – Part 3.
- 3.19 The overall financial implications of the Cabinet Proposals now updated to reflect the additional proposal to support commercial activity introduced since the December Cabinet and are shown in the table that follows:

CABINET PROPOSALS 2018/19 ONWARDS						
Cost Centre	ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL	KEY	2018/19 £	2019/20 £	2020/21 £	After 2020/21 £
			£	£	£	£
CLEAN, GREEN AND SAFE COMMUNITIES						
R716	Community Safety Partnership Funding to allow the staffing level for Community Safety to be maintained at current levels for 2018-19 whilst a review of all options is undertaken taking into account the decision of the PCC on future funding, net of saving from within Leisure team	C R S	- 30,000 1.40	- - -	- - -	- - -
R335	Localism Fund 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 -	- - -	- - -	- - -
R430	ICT Strategy To provide capital funding to enable delivery of the ICT Strategy for a further 5 years. Appendix 3 sets out more detail.	C R S	776,000 7,140 -	608,000 131,980 -	113,000 227,090 -	260,000 289,040 -
R720	Community Leadership Fund In light of the acknowledged effectiveness of this fund to retain this funding stream of £1,000 per Member for 2018/19	C R S	- 33,000 -	- - -	- - -	- - -
R726	Wyre Forest Forward Further Target Savings from the Wyre Forest Forward Efficiency Programme	C R S	- 50,000 CR -	- 175,000 CR -	- 400,000 CR -	- 400,000 CR -
	Income Generation To introduce an additional income generation target (figures to be confirmed in light of consultant's recommendation).	C R S	- 50,000 CR -	- 75,000 CR -	- 100,000 CR -	- 100,000 CR -
	Commercial Activity Capital Funding Pot To introduce a capital funding pot to support Commercial Activity to be funded by prudential borrowing offset by additional income generated. Allocations from this generic pot to be made by the Commercial Activity Board in consultation with the S151 Officer based on the viability of each business case.	C R S	250,000 - -	- - -	- - -	- - -
R160	Parks and Green Spaces Replacement of Spennells Valley Boardwalk funded from Capital contingency of Leisure Centre project no longer required. The revenue impact of this funding is already included within the approved budget. This will be a transfer of funding of £38,000 from the Leisure Centre Capital Scheme to fund the proposed pathway at Spennells.	C C R S	38,000 38,000 CR - -	- - - -	- - - -	- - - -
	TOTALS	C R S	1,026,000 20,140 1.40	608,000 118,020 CR -	113,000 272,910 CR -	260,000 210,960 CR -
KEY - Changes in Resources						
C	Capital					
R	Revenue					
S	Staffing - Stated in FTEs					

- 3.20 Following the unsuccessful bid to become a 2018-19 Business Rates Retention Pool Pilot this Council will remain a member of the reformed Worcestershire Business Rates Pool with Wychavon DC, Worcester City and Worcestershire County Council. This will help to protect the Council from any business rate reductions and help maximise the benefit by retaining more of the business rates delivered from economic growth within Worcestershire. Economic and subsequent business rates growth remains a key priority for this Council. The position in relation to the baseline reset in 2020-21 and also further appeals and resultant uncertainty due to the impact on performance remains a concern; this is being managed by the Corporate Director: Resources in conjunction with the other treasurers within the

Pool. Business rates projections included within the December Cabinet report have now been confirmed.

- 3.21 Taking these measures into account the projected Base Budget net expenditure for 2018-19 is estimated to be £11,864,820 (see paragraph 7.4). This is £456k more than currently estimated to be raised from Council Tax, Business Rates Income retained, Collection Fund Surplus and Revenue Support Grant.

4. LOCAL AUTHORITY REVENUE FINANCE SETTLEMENT FOR 2018-19

- 4.1 The Final Local Government Settlement announcement is expected to confirm the provisional figures released in December 2017. Since our application to accept the offer of a four year settlement was accepted, the Revenue Support Grant (RSG) figures are not expected to change, although there is continued uncertainty about how the negative RSG arising in 2019-20 for this Council will work. Further consultation on this topic has been promised in 2018.

- 4.2 The main changes announced as part of the 2018-19 Provisional Settlement announced on the 19th December 2017 are set out below:

- **Local Government Funding Reform** - The government has published the consultation paper “Fair funding review: a review of relative needs and resources”, a technical consultation on relative need.
- The Secretary of State stated that the result of the review will be introduced in 2020-21.
- The Secretary of State also confirmed that there will be a business rates baseline reset in 2020-21 and, from 2020-21, business rates retention will be at 75% (with existing grants, including RSG and Public Health Grant incorporated into business rates retention).
- **Council Tax** – There has been an increase to the referendum limit for Council Tax from 2% to 3% for 2018-19. For district councils, increases of less than 3% or up to and including £5 (whichever is higher) above the authority’s relevant basic amount of council tax for 2017-18 can be made without triggering a referendum.
- **Business Rates Pilots** - in September 2017, the government invited authorities to bid for pilot status in 2018-19. Following a competitive process, 10 areas have been successful with their applications (alongside the expanded London Pilot) but unfortunately the Worcestershire application was not successful.
- **New Homes Bonus** - the **2018-19 allocations have been announced** (previously these figures were only indicative – based on previous years’ allocations). There have been no changes to the deadweight threshold (at 0.4%) or the eligibility of properties to qualify for the funding although further changes may be made in the future.

- **Top Up/Tariff Adjustments** – A consultation will take place in Spring 2018 regarding the current £153m in negative RSG that remains in the 2019-20 funding allocations.
- **Revaluation 2017** - Within the business rates retention system, the NNDR baseline and top up/tariff amounts have been amended to reflect **Revaluation 2017**. The adjusted amounts are intended to make changes in Rateable Value **revenue neutral for individual authorities**; with changes to authorities' NNDR Baseline (and therefore tariff/top up) being equal and opposite to the forecast change in the ability to raise business rates locally.

- 4.3 As set out above, New Homes Bonus grant in 2018-19 will be paid on the basis of 4 years award; the proposal is that there will be assumed baseline growth of 0.4% for the annual grant award for 2018-19 and from 2019-20 additional conditions may be applied which will be subject to further consultation in due course.
- 4.4 The retention of the 0.4 % baseline is welcome news; based on the provisional settlement this Council will benefit from an increased New Homes Bonus allocation for 2018-19 of £73,390 compared to the estimates in the December report.
- 4.5 It is certain that Public sector funding reductions will continue until the middle of the next decade, with increasing reliance on locally raised income including Council Tax. The funding outlook for local government, districts in particular, is set to become significantly more challenging.
- 4.6 Key issues awaiting final confirmation from this year's funding announcements, including the Autumn Statement, are as follows:
- Final New Homes Bonus Allocations;
 - Confirmation of future allocations for the Better Care Fund (this may impact on the passported funding of £1m per year ongoing assumed in the Capital Programme);
 - Detail relating to Local Government Funding Reform;
 - Detail in relation to Tariff and Top-up adjustments and consequent negative RSG from 2019-20;
 - Confirmation of new funding for Homelessness Reduction Act
- 4.7 The proposed changes to Local Government Funding present a significant financial challenge for this Council and have resulted in a higher target for future savings from the Wyre Forest Forward Programme. The toughest year looks like 2020-2021. The Council's updated summary Budget can be seen at Table 7.3.
- 4.8 The forecast position in relation to total Government grant taking into account the multi-year Finance Settlement that removes uncertainty around this diminishing funding stream is shown in the Table at 7.3. Business Rate projections as included within the December Cabinet report are now confirmed.

5. COUNCIL TAX BASE

- 5.1 The Council Tax Base for 2018-19 has now been confirmed and has risen from the 2017-18 level of 33,034 to 33,458 being an increase of 424 or circa 1.3% higher compared to 2017-18 level. This is forecast to generate additional Council Tax income of £89k in 2018-19, rising over the term of the Strategy to take into account planned increases of just under 2% in 2019-20 and 2020-21, resulting in additional income of around £466k over the three year term. This includes an assumption of stepped increases of 300 additional properties per year from 2018-19 onwards.
- 5.2 The Council Tax Reduction Scheme approved by Council on 9th December 2015 and modified as set out in the Council report on 14th December 2016 has had a positive impact on the Council Tax Base and this is reflected in the above figures.
- 5.3 Currently councils have discretion to increase the charge on a property that has been empty for 2 years or more to 150%. This Council currently charges 100% but is proposing to increase this to 150% with effect from 1st April 2018 (paragraph 2.2.3 refers) to align with most other councils. The proposal will only generate a modest increase in council tax income estimated at circa £20k pa; the motivation is not financial but rather to incentivise property owners to bring empty homes back into use to assist with addressing housing need. The Autumn Budget included a change to increase the premium charge to 100% but as that proposed increase requires primary legislation it is anticipated that it will not be effective until April 2019.
- 5.4 A Budget Consultation exercise was launched following December 2017 Cabinet. The results of this consultation are reported in the separate report on this agenda and have informed the final decision to maintain the current proposal for a 1.94% Council Tax increase in 2018-19.

6. NEW HOMES BONUS

- 6.1 The Council's estimated New Homes Bonus Allocation for 2018-19 included in the December 2017 report has now been increased by £73,390 based on the Provisional Settlement but this will be confirmed and any changes made in the final report to Council on the 21st February 2018.

7. FINANCIAL IMPLICATIONS

- 7.1 The Cabinet Proposals previously considered have now been updated. A schedule is shown in paragraph 3.19.
- 7.2 The Council Tax Collection Fund surplus for 2017-18 onwards has now been reviewed and forecasts have been revised down from £90k for 2018-19 and 2019-20 to £50k in each of these years. The initial estimate of £90k for 2017-18 remains unchanged.
- 7.3 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 £2,062k at the end of 2020-21 (see reserves table in 7.4).

	Revised 2017/18 £	2018/19 £	2019/20 £	2020/21 £
Net Expenditure on Services (per Appendix 1)	12,286,580	11,844,680	11,754,520	11,567,620
Total Net Expenditure on Services (per Appendix 1)	12,286,580	11,844,680	11,754,520	11,567,620
Less				
Cabinet Proposals identified in Section 7.3	0	20,140	(118,020)	(272,910)
Net Expenditure	12,286,580	11,864,820	11,636,500	11,294,710
Contribution (from)/to Reserves	(89,790)	(455,830)	(757,810)	(787,510)
Net Budget Requirement	12,196,790	11,408,990	10,878,690	10,507,200
Less				
Revenue Support Grant	510,220	100,680	(356,790)	(356,790)
Business Rates	2,653,230	2,731,510	2,818,810	2,818,810
Business Rates Growth	220,000	250,000	300,000	225,000
New Homes Bonus	1,896,400	1,272,700	862,710	411,200
Transition Grant	43,080	0	0	0
Collection Fund Surplus	90,000	50,000	50,000	0
Council Tax Income	6,783,860	7,004,100	7,203,960	7,408,980
WFDC Council Tax @ 1.94% increase 2018/19 onwards	205.36	209.34	213.40	217.54

7.4 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 £420k at the end of 2020-21 compared to the December forecast.

Reserves Statement	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Reserves as at 1st April	3,914	4,064	3,608	2,850
Release of Earmarked Reserves	240			
Contribution (from)/to Reserves	(90)	(456)	(758)	(788)
Reserves as at 31st March	4,064	3,608	2,850	2,062

7.5 The table below shows a refreshed funding gap of £1.6m in 2020-21, reduced from the previously reported £1.8m in December 2017 as a result of the updates in this report.

	2017-18 £	2018-19 £	2019-20 £	2020-21 £
Financial Gap				
Wyre Forest Forward Savings not yet achieved	0	61,920	63,600	311,560
Re. Cabinet Proposal for further Savings	0	50,000	175,000	400,000
Re. Cabinet Proposal: Income Generation Target	0	50,000	75,000	100,000
SUB- Total	0	161,920	313,600	811,560
Use of reserves from Proposed 2018- 21 Strategy	89,790	455,830	757,810	787,510
TOTAL	89,790	617,750	1,071,410	1,599,070

8. EQUALITY IMPACT NEEDS ASSESSMENT

- 8.1 The Cabinet Proposals do not represent significant changes to service delivery, so it is not necessary to undertake further EIA's on the protected groups.

9. RISK MANAGEMENT

- 9.1 Achieving financial sustainability is the most significant challenge facing the Council. The Cabinet Financial Strategy Advisory Panel provided some options for the Cabinet to consider in making its recommendations on the medium term financial strategy. The principal risks were outlined in Appendix 5 of the report to Cabinet on 19th December 2017 and are summarised and refreshed where appropriate in Appendix 4 of this report.
- 9.2 The growing Council Tax base, innovative Cabinet Proposals and continuing progress with the Wyre Forest Forward Transformation savings all contribute to the mitigation of the financial risk within this budget strategy.
- 9.3 Recognition of the importance of the development of commercialism and income generation to help close the funding gap by the Cabinet Proposal for £250k Capital Funding and also the significant allocation of funding from the Innovation Fund is a key element of this MTFS and is not without risk. Each business case for commercial development will include an appropriate assessment of risks and potential rewards; reviewing at least annually performance and risk of each area of commercial activity. Summary updates on commercial activity will be included in the Quarterly Budget Monitoring Cabinet reports. This regular review will include the option to cease commercial activity if appropriate.
- 9.3 The Accounts and Audit Regulations 2015 require Local Authorities to fully consider and manage Risk as part of the Budget process. Appendix 5 of the December 2017 Cabinet report showed an analysis of the significant financial risks which are affecting the Council. This has been reviewed and remains current subject to the comments and updates provided in paragraph 9.4 below:
- 9.4 All local authorities are required to formalise their approach to risk management and evidence it more directly as part of the budgetary process. This requirement has arisen as a result of:-
- The Accounts and Audit Regulations 2015
 - Prudential Framework:-
 - The assessment of affordability of financial plans requires a judgement about risk. This has been updated in the latest code issued in late December 2017 although Investment and Minimum Revenue Provision (MRP) Guidance is yet to be issued by the MHCLG following the closure of their consultation process that ended 22nd December 2017.
 - The revised codes received so far, include a new requirement for a detailed capital strategy setting out the long term context in which capital expenditure and investment decisions are made, giving due regard to both risk and reward and the achievement of priority outcomes. The main objective is to introduce greater focus on reporting and planning for long term financial and risk implications in relation to non treasury investments.

- There is a risk that authorities may not be able to borrow more than or in advance of their needs for out of area investments purely for commercial gain. More information is required to provide clarity but such a restriction would be of concern and could cause significant problems across the local government sector.
- The late publication of this new code and lack of investment and MRP guidance from the MHCLG (which should be read in conjunction with codes already received) is most unhelpful to the planning process for 2018-19. There is an acknowledgement by CIPFA that full compliance with the new code will be achieved at the earliest opportunity but currently the lack of clarity, particularly around borrowing to invest for commercial gain introduces uncertainty and increases risk. For this council the capital strategy, including the strategies for the capital portfolio funds and development loans fund will be updated during 2018-19.
- Prudential Indicators are the monitoring tool to assess performance and risk. A revised code of practice on Treasury Management was issued in late December 2017 and this has been reflected in the Treasury Management Service Strategy for 2018-19.
- CIPFA Guidance on Reserves and Balances:- 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 4.

10. LEGAL AND POLICY IMPLICATIONS

10.1 Local Government Act 2003

- 10.1.1 The Local Government Act 2003 (Sections 25-28) places duties on Local Authorities on how they set and monitor budgets.
- 10.1.2 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 4 of this report.
- 10.1.3 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.

11. CONSULTEES

- 11.1 Corporate Leadership Team
- 11.2 Cabinet

12. BACKGROUND PAPERS

- 12.1 Accounts and Audit Regulations 2015.
- 12.2 Cabinet Report on the Medium Term Financial Strategy 2018–21 19th December 2017.

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- 12.3 Agendas and Minutes of the Cabinet Financial Strategy Advisory Panel.
- 12.4 Provisional Local Government Finance Settlement 2018-19.
- 12.5 Cabinet Report on Depot Investment November 14th 2017, Council approval 13th December 2017.
- 12.6 Prudential and Treasury Management Codes December 2017

REVENUE BUDGET TOTAL REQUIREMENTS - DISTRICT COUNCIL PURPOSES

SERVICE	2017/18		2018/19			2019/20			2020/21		
	Original Estimate £	Revised Estimate £	At Nov.17 Prices £	Inflation £	TOTAL £	At Nov.17 Prices £	Inflation £	TOTAL £	At Nov.17 Prices £	Inflation £	TOTAL £
CHIEF EXECUTIVE AND SOLICITOR	1,664,730	1,776,210	1,721,490	24,790	1,746,280	1,664,810	44,600	1,709,410	1,350,040	65,200	1,415,240
COMMUNITY WELL-BEING AND ENVIRONMENT	4,695,910	4,674,220	4,377,930	107,310	4,485,240	4,363,050	196,890	4,559,940	4,213,550	290,360	4,503,910
ECONOMIC PROSPERITY AND PLACE ¹	2,484,260	2,571,000	2,332,940	58,740	2,391,680	2,136,040	108,440	2,244,480	2,021,080	160,030	2,181,110
RESOURCES	4,034,300	3,737,240	3,672,380	36,230	3,708,610	3,638,130	66,140	3,704,270	3,733,620	95,190	3,828,810
INTEREST RECEIVED	12,879,200	12,758,670	12,104,740	227,070	12,331,810	11,802,030	416,070	12,218,100	11,318,290	610,780	11,929,070
CAPITAL PORTFOLIO FUND AND LOANS	(41,180)	(88,310)	(86,510)	0	(86,510)	(80,000)	0	(80,000)	(112,500)	0	(112,500)
INCREASES IN FEES AND CHARGES ¹	100,000	111,310	(81,010)	700	(80,310)	(101,170)	1,170	(100,000)	(136,360)	360	(136,000)
	0	0	(92,750)	0	(92,750)	(213,520)	0	(213,520)	(334,290)	0	(334,290)
TOTAL NET EXPENDITURE ON SERVICES	12,505,210	12,286,580	11,615,880	228,800	11,844,680	11,335,520	419,000	11,754,520	10,954,020	613,600	11,567,620
LESS: REVENUE SUPPORT GRANT	(510,220)	(510,220)			(100,680)			356,790			356,790
BUSINESS RATES	(2,653,230)	(2,653,230)			(2,731,510)			(2,818,810)			(2,818,810)
BUSINESS RATES GROWTH	(220,000)	(220,000)			(250,000)			(300,000)			(225,000)
COLLECTION FUND SURPLUS	(90,000)	(90,000)			(50,000)			(50,000)			0
NEW HOMES BONUS	(1,896,400)	(1,896,400)			(1,272,700)			(862,710)			(411,200)
TRANSITION GRANT	(43,080)	(43,080)			0			0			0
GENERAL EXPENSES -											
COUNCIL TAX INCOME	(6,783,860)	(6,783,860)			(7,004,100)			(7,203,960)			(7,408,980)
(SURPLUS) / DEFICIT FOR YEAR	308,420	89,790			435,690			875,830			1,060,420
COUNCIL TAX LEVY		205.36			209.34			213.40			217.54
COUNCIL TAX BASE		33,034			33,458			33,758			34,058

¹The 20% increase in the Planning Fees effective from 17th January 2018 is reflected as additional income matched by expenditure in the Service budget.

CAPITAL PROGRAMME 2018 TO 2021

Detail	2017-18		2018-19	2019-20	2020-21	Prior to	Total
	Original £	Revised £	Estimate £	Estimate £	Estimate £	01/04/2017 £	
1. COMMITTED EXPENDITURE							
1. CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL							
New Headquarters - Office Accommodation	400,000	-	413,610	-	-	9,586,390	10,000,000
Boundary Wall at 49 Worcester Street	-	-	10,000	-	-	-	10,000
SUB TOTAL	400,000	0	423,610	0	0	9,586,390	10,010,000
2. COMMUNITY WELL-BEING AND ENVIRONMENT							
Future Leisure Provision (including demolition costs)	194,440	689,250	-	-	-	13,624,950	14,314,200
Northwood Lane Improvements	-	7,830	-	-	-	12,170	20,000
Franchise Street S106 - Brinton Park	-	37,430	-	-	-	24,780	62,210
Franchise Street S106 - Arts Development	-	9,330	-	-	-	-	9,330
Parking Facilities: Improvement to Car Parks	-	30,000	50,010	-	-	414,490	494,500
Bewdley Museum Improvements	-	37,960	-	-	-	-	37,960
Green Street Depot Investment	1,100,000	150,000	3,150,000	-	-	-	3,300,000
Bewdley Medical Centre	-	750,090	20,000	-	-	146,850	916,940
Spennells Valley Boardwalk Improvements	-	-	38,000	-	-	-	38,000
Brinton Park HLF Scheme (subject to successful HLF bid)	100,000	-	-	100,000	-	-	100,000
Commercial Activity Capital Funding*	-	-	250,000	-	-	-	250,000
* Subject to Business Cases & approval by the Commercial Activity Board							
SUB TOTAL	1,394,440	1,711,890	3,508,010	100,000	0	14,223,240	19,543,140
3. ECONOMIC PROSPERITY AND PLACE							
Housing Strategy:							
Disabled Facilities Grants (subject to confirmation 2018-19, 2019-20 & 2020-21)	1,254,960	1,212,050	1,475,370	1,000,000	1,000,000	10,133,140	14,820,560
Conversion of 2-3 New Street, Stourport	267,060	291,650	-	-	-	5,410	297,060
Comberton Place Residential Investment*	-	-	440,000	-	-	-	440,000
Housing Assistance - Private Sector Measures (including Decent Homes Grant)	185,560	185,260	68,540	-	-	1,806,570	2,060,370
Planning Delivery Grant Capital Projects	-	19,250	-	-	-	238,510	257,760
Flood Relief	18,410	10,000	18,410	-	-	170,590	199,000
Repair and Renew Flood Grants	-	3,200	-	-	-	29,800	33,000
North Worcs Water Management Capital Projects - Redditch Schemes	-	43,460	-	-	-	91,340	134,800
North Worcs Water Management Capital Projects - Bromsgrove Schemes	-	280	-	-	-	152,120	152,400
Regeneration and Economic Development	-	364,110	-	-	-	2,621,860	2,985,970
Carbon Management Plan	150,220	5,000	15,000	-	-	83,150	103,150
Worcester Street Improvements Grant (Match Funding)	500,000	-	500,000	-	-	-	500,000
Future Investment Evergreen Fund*	467,610	160,580	-	-	-	-	160,580
Industrial Units Development - Silverwoods	2,150,040	1,075,020	1,075,020	-	-	-	2,150,040
Capital Portfolio Fund*	25,000,000	10,000,000	9,750,000	5,000,000	-	-	24,750,000
Development Loans Fund*	10,000,000	2,000,000	4,000,000	4,000,000	-	-	10,000,000
* Subject to Business Cases & Due Diligence							
SUB TOTAL	39,993,860	15,369,860	17,342,340	10,000,000	1,000,000	15,332,490	59,044,690
4. RESOURCES							
ICT Strategy (FMS Upgrade £69,500 included in Renewals Schedule 2018-19)	155,810	261,200	706,500	608,000	373,000	2,333,080	4,281,780
SUB TOTAL	155,810	261,200	706,500	608,000	373,000	2,333,080	4,281,780
5. VEHICLE, EQUIPMENT & SYSTEMS RENEWAL SCHEDULE							
Vehicle, Equipment & Systems Renewal Schedule	870,000	974,000	884,920	878,000	382,000	6,478,520	9,597,440
SUB TOTAL	870,000	974,000	884,920	878,000	382,000	6,478,520	9,597,440
TOTAL COMMITTED EXPENDITURE	42,814,110	18,316,950	22,865,380	11,586,000	1,755,000	47,953,720	102,477,050

CAPITAL PROGRAMME 2018 TO 2021

Detail	2017-18		2018-19 Estimate £	2019-20 Estimate £	2020-21 Estimate £	Prior to 01/04/2017 £	Total £
	Original £	Revised £					
2. FINANCING							
Capital Receipts: Funding Approved	1,575,360	1,027,130	1,267,940	-	-		2,295,070
Evergreen Fund - Asset Disposals	6,610	160,580	-	-	-		160,580
Evergreen Fund - Future Asset Disposals	461,000	-	-	-	-		0
Future Leisure Provision Scheme - Temporary Borrowing/Asset Disposals	-	659,250	-	-	-		659,250
Future Leisure Provision Scheme - Sport England Grant	30,000	30,000	-	-	-		30,000
Future Leisure Provision Scheme - Prudential Borrowing	164,440	-	-	-	-		0
Prudential Borrowing for Spennells Valley Boardwalk Improvements	-	-	38,000	-	-		38,000
Prudential Borrowing for Regeneration and Economic Development Schemes	-	134,180	-	-	-		134,180
Prudential Borrowing for Carbon Management Scheme	150,220	5,000	15,000	-	-		20,000
Prudential Borrowing for Worcester Street Improvements Grant (Match Funding)	500,000	-	500,000	-	-		500,000
Prudential Borrowing for Industrial Units Development	1,650,040	575,020	1,075,020	-	-		1,650,040
Prudential Borrowing for Development Loans Fund	10,000,000	2,000,000	4,000,000	4,000,000	-		10,000,000
Prudential Borrowing for Capital Portfolio Fund	25,000,000	10,000,000	10,000,000	5,000,000	-		25,000,000
Prudential Borrowing for Green Street Depot Investment	1,100,000	150,000	2,550,000	-	-		2,700,000
Prudential Borrowing for Brinton Park HLF Scheme	100,000	-	-	100,000	-		100,000
Prudential Borrowing for ICT Strategy/FMS Upgrade	-	69,500	706,500	608,000	373,000		1,757,000
Prudential Borrowing for Commercial Activity Capital Funding	-	-	250,000	-	-		250,000
Public Realm Funding (from Worcestershire County Council)	-	148,960	-	-	-		148,960
Better Care Fund Grant (from Worcestershire County Council)	1,118,530	1,182,500	1,276,440	1,000,000	1,000,000		4,458,940
Additional Disabled Facilities Grant (from DCLG)	-	112,050	-	-	-		107,700
Decent Homes Grant	-	66,810	-	-	-		66,810
Planning Delivery Grant	-	19,250	-	-	-		19,250
S.106 Funding (Parking - Contractual Agreement)	-	30,000	28,150	-	-		58,150
S.106 Funding (Franchise Street)	-	46,760	-	-	-		46,760
S.106 Funding (Sutton Park Road)	-	-	85,000	-	-		85,000
Flood Relief Grant (from DCLG)	18,410	10,000	18,410	-	-		28,410
Repair and Renew Flood Grants (from DCLG)	-	3,200	-	-	-		3,200
West Midlands Museum Development Grant	-	37,960	-	-	-		37,960
North Worcs Water Management Capital Projects - Redditch BC Funding	-	43,460	-	-	-		43,460
North Worcs Water Management Capital Projects - Bromsgrove DC & WCC Funding	-	280	-	-	-		280
Bewdley Medical Centre Funding (from Worcestershire County Council)	-	35,000	-	-	-		35,000
Vehicle, Equipment & Systems (Prudential Borrowing)	939,500	974,000	884,920	878,000	382,000		3,118,920
Direct Revenue Funding:							
Bewdley Medical Centre	-	715,090	20,000	-	-		735,090
Green Street Depot Investment	-	-	150,000	-	-		150,000
Regeneration and Economic Development	-	80,970	-	-	-		80,970
	42,814,110	18,316,950	22,865,380	11,586,000	1,755,000		54,518,980

Memorandum:	2017-18		2018-19 Estimate £	2019-20 Estimate £	2020-21 Estimate £
	Original £	Revised £			
Capital Portfolio Fund					
Allocated Scheme:					
Silverwoods Way (former Frencos Site) (maximum allocation; subject to detailed Business Case)	-	428,190	-	-	-
Comberton Place Residential Investment - now allocated to Scheme	-	-	250,000	-	-
Unallocated	25,000,000	9,571,810	9,750,000	5,000,000	-
Total	25,000,000	10,000,000	10,000,000	5,000,000	0

VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS SCHEDULE 2018 TO 2021

APPENDIX 2 B

DETAIL	Fleet Number	2017-18		2018-19	2019-20	2020-21
		Original £	Revised £	Estimate £	Estimate £	Estimate £
1. VEHICLES						
REFUSE FREIGHTER 26,000kg	AV237	100,000	95,500	-	-	-
REFUSE FREIGHTER 26,000kg	AV238	100,000	95,500	-	-	-
REFUSE FREIGHTER 24,000kg	AV245	-	-	100,000	-	-
REFUSE FREIGHTER 26,000kg	AV246	-	-	100,000	-	-
REFUSE FREIGHTER 26,000kg	AV239	-	-	100,000	-	-
REFUSE FREIGHTER 26,000kg	AV241	-	-	91,000	-	-
REFUSE FREIGHTER 26,000kg	AV234	-	-	-	165,500	-
REFUSE FREIGHTER 26,000kg	AV268	-	-	-	165,500	-
SMALL REFUSE FREIGHTER	AV261	-	-	-	-	70,000
REFURBISHMENT FUND	N/A	-	25,000	-	-	-
REFUSE FREIGHTER 24,000kg	AV235	161,000	165,500	-	-	-
REFUSE FREIGHTER 24,000kg	AV236	161,000	165,500	-	-	-
CMP ENGINE MANAGEMENT SYSTEMS	N/A	9,000	4,500	4,500	9,000	-
CMP ELECTRIC BIN LIFTS	N/A	9,000	4,500	4,500	-	-
SMALL REFUSE FREIGHTER	AV211	80,000	-	80,000	-	-
REFUSE FREIGHTER 26,000kg	NEW	-	-	-	170,000	-
TIPPER 7,500 kg	AV033	-	45,000	-	-	-
TIPPER 3,500 kg	AV180	40,000	40,000	-	-	-
LIGHT VAN	AV218	-	-	-	-	25,000
LIGHT VAN	AV204	-	18,000	-	-	-
LIGHT VAN	AV230	-	-	-	-	18,000
LIGHT VAN	AV229	-	-	-	-	18,000
4x4	AV191	-	23,000	-	-	-
4x4	AV252	-	-	-	23,000	-
TIPPER 3,500 kg	AV255	-	-	-	-	30,000
TIPPER 3,500 kg	AV256	-	-	-	-	30,000
TIPPER 3,500 kg	AV179	-	30,000	-	-	-
PAVEMENT SWEEPER	AV258	-	-	-	-	75,000
PAVEMENT SWEEPER (LARGE)	AV184	-	-	-	120,000	-
PAVEMENT SWEEPER	AV270	70,000	70,000	-	-	-
LIGHT VAN	AV174	-	20,000	-	-	-
LIGHT VAN	AV203	-	20,000	-	-	-
GARAGE EQUIPMENT	N/A	-	-	23,420	-	-
TIPPER 3,500 kg	AV177	-	-	30,000	-	-
TIPPER 3,500 kg	AV220	-	-	-	30,000	-
TIPPER 3,500 kg	AV063	20,000	20,000	-	-	-
TIPPER 3,500 kg	AV221	-	-	-	30,000	-
TIPPER 3,500 kg	AV064	-	-	30,000	-	-
TIPPER 3,500 kg	AV222	-	-	-	30,000	-
TIPPER 3,500 kg	AV193	30,000	-	30,000	-	-
TIPPER 3,500 kg	AV200	-	-	30,000	-	-
TIPPER 3,500 kg	AV223	-	-	-	30,000	-
TIPPER 3,500 kg	AV201	-	-	30,000	-	-
TIPPER 3,500 kg	AV202	-	-	30,000	-	-
TIPPER 3,500 kg	AV214	-	-	30,000	-	-
TIPPER 3,500 kg	AV216	30,000	-	30,000	-	-
MIDI TRACTOR	AV189	30,000	30,000	-	-	-
RIDE ON MOWER	AV269	-	-	30,000	-	-
MOWING MACHINE	AV240	-	-	-	35,000	-
RIDE ON MOWER	AV250	30,000	30,000	-	-	-
WEED SPRAYER	AV271	-	-	-	-	12,000
TRACTOR	AV070	-	32,000	-	-	32,000
RIDE ON MOWER	AV212	-	-	-	32,000	-
RIDE ON MOWER	AV226	-	-	-	-	22,000
TIPPER 7,000kg	AV181	-	-	-	38,000	-
LIGHT VAN	AV043	-	20,000	-	-	-
JCB DIGGER	AV183	-	-	-	-	50,000
2. OTHER						
Parking & Enforcement - replacement handsets		-	-	30,000	-	-
Flail Equipment replacement		-	20,000	-	-	-
Financial Management System Upgrade		-	-	69,500	-	-
Post handling machines replacements		-	-	12,000	-	-
		870,000	974,000	884,920	878,000	382,000



Service	Planning Applications	Service Manager	Development Control Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Planning and Economic Regeneration

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Charge to 16/01/2018 £ Charges inclusive of VAT (if applicable)	New Charge from 17/01/2018 £ Charges before VAT	New Charge from 17/01/2018 £ Charges inclusive of VAT (if applicable)
Planning Applications - Statutory Fees Set By Central Government			
OPERATIONS			
New Dwellings			
<u>Outline planning permission</u>			
Site does not exceed 2.5 hectare - rate per 0.1 hectare	385.00	462.00	No VAT currently charged
Site exceeds 2.5 hectares	9,527.00	11,432.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 2.5 hectares	115.00	138.00	No VAT currently charged
Maximum	125,000.00	150,000.00	No VAT currently charged
<u>In other cases</u>			
New Dwellings - dwellings less than 50 houses - rate per dwelling	385.00	462.00	No VAT currently charged
New Dwellings - dwellings exceeds 50 houses	19,049.00	22,859.00	No VAT currently charged
rate per additional dwelling over 50 houses	115.00	138.00	No VAT currently charged
Maximum	250,000.00	300,000.00	No VAT currently charged
Buildings other than dwellings, agricultural building, plant or glasshouses etc.)			
<u>Outline planning permission</u>			
Site does not exceed 2.5 hectares - rate per 0.1 hectare	385.00	462.00	No VAT currently charged
Site exceeds 2.5 hectares	9,527.00	11,432.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 2.5 hectares	115.00	138.00	No VAT currently charged
Maximum	125,000.00	150,000.00	No VAT currently charged
<u>In other cases</u>			
No additional floor space	195.00	234.00	No VAT currently charged
Gross area less than 40 sq metres	195.00	234.00	No VAT currently charged
Gross floor area between 40 and 75 sq metres	385.00	462.00	No VAT currently charged
Rate in excess of 75 sq metres, but less than 3,750 (per 75 sq metres)	385.00	462.00	No VAT currently charged
Gross floor area in excess of 3,750 sq metres	19,049.00	22,859.00	No VAT currently charged
Rate per additional 75 sq meter in excess of 3,750 sq meters	115.00	138.00	No VAT currently charged
Maximum	250,000.00	300,000.00	No VAT currently charged
Agricultural buildings on agricultural land (other than glasshouses)			
<u>Outline planning permission</u>			
Site does not exceed 2.5 hectares - rate per 0.1 hectare	385.00	462.00	No VAT currently charged
Site exceeds 2.5 hectares	9,527.00	11,432.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 2.5 hectares	115.00	138.00	No VAT currently charged
Maximum	125,000.00	150,000.00	No VAT currently charged
<u>In other cases</u>			
Gross area less than 465 sq metres	80.00	96.00	No VAT currently charged
Gross floor area between 465 and 540 sq metres	385.00	462.00	No VAT currently charged
Gross floor area between 540 and 4,215 sq meters	385.00	462.00	No VAT currently charged
Rate per additional 75 sq metres in excess of 540 sq meters	385.00	462.00	No VAT currently charged
Gross floor area in excess of 4,215 sq metres	19,049.00	22,859.00	No VAT currently charged
Rate per additional 75 sq metres in excess of 4,215 sq meters	115.00	138.00	No VAT currently charged
Maximum	250,000.00	300,000.00	No VAT currently charged
Glasshouses on agricultural land			
Gross area less than 465 sq meters	80.00	96.00	No VAT currently charged
Gross floor area in excess of 465 sq meters	2,150.00	2,580.00	No VAT currently charged
Erection, alteration or replacement of plant or machinery			
Gross area less than 5 hectares	385.00	462.00	No VAT currently charged
Gross area in excess of 5 hectares	19,049.00	22,859.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 5 hectares	115.00	138.00	No VAT currently charged
Maximum	250,000.00	300,000.00	No VAT currently charged



Service	Planning Applications	Service Manager	Development Control Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Planning and Economic Regeneration

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Charge to 16/01/2018 £ Charges inclusive of VAT (if applicable)	New Charge from 17/01/2018 £ Charges before VAT	New Charge from 17/01/2018 £ Charges inclusive of VAT (if applicable)
Planning Applications - Statutory Fees Set By Central Government			
Enlargement, improvement or alteration of dwellings for domestic purposes			
One dwelling	172.00	206.00	No VAT currently charged
2 or more dwellings	339.00	407.00	No VAT currently charged
Operations within residential curtilage for domestic purposes (including buildings, gates and fences etc.)	172.00	206.00	No VAT currently charged
Car parks, roads and access to serve a single undertaking where associated with existing use	195.00	234.00	No VAT currently charged
Operations not within above categories - rate per 0.1 hectare	195.00	234.00	No VAT currently charged
Maximum	1,690.00	2,028.00	No VAT currently charged
USES			
Change of use of a building to one or more dwellings			
From single dwelling to 50 or fewer dwellings	385.00	462.00	No VAT currently charged
From single dwelling to more than 50 dwellings	19,049.00	22,859.00	No VAT currently charged
Rate per additional dwelling in excess of 50 dwellings	115.00	138.00	No VAT currently charged
Maximum	250,000.00	300,000.00	No VAT currently charged
From other building to 50 or fewer dwellings	385.00	462.00	No VAT currently charged
From other building to more than 50 dwellings	19,049.00	22,859.00	No VAT currently charged
Rate per additional dwelling in excess of 50 dwellings	115.00	138.00	No VAT currently charged
Maximum	250,000.00	300,000.00	No VAT currently charged
Material changes of use on land or building(s) other than above	385.00	462.00	No VAT currently charged
ADVERTISEMENTS			
Advertisements on business premises or other land within the business curtilage relating to nature of business, goods sold, services provided, or name of persons undertaking business	110.00	132.00	No VAT currently charged
Sign relating to business in the locality but not visible from that site	110.00	132.00	No VAT currently charged
All other advertisements	385.00	462.00	No VAT currently charged
OTHER APPLICATIONS			
Certificate of existing use or development	As for a planning application	As for a planning application	
Certificate of proposed use or development	50% of planning application	50% of planning application	
Prior approval application under the General Permitted Development Order			
Application made under parts 6, 7 or 31	80.00	96.00	No VAT currently charged
Application made under part 24	385.00	462.00	No VAT currently charged
Renewal of permission			
Under the Town and Country Planning and Compulsory Purchase Act 2004 you can renew an application that was approved before 1st October 2009 and has not expired.			
Householder	57.00	68.00	No VAT currently charged
Major Development	575.00	690.00	No VAT currently charged
All other cases	195.00	234.00	No VAT currently charged



Service	Planning Applications	Service Manager	Development Control Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Planning and Economic Regeneration

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Charge to 16/01/2018 £ Charges inclusive of VAT (if applicable)	New Charge from 17/01/2018 £ Charges before VAT	New Charge from 17/01/2018 £ Charges inclusive of VAT (if applicable)
Planning Applications - Statutory Fees Set By Central Government			
Variation or removal of a condition	195.00	234.00	No VAT currently charged
Requests for confirmation that a condition or conditions attached to a grant of planning permission has been complied with			
Householder developments (per request)	28.00	34.00	No VAT currently charged
All other cases (per request)	97.00	116.00	No VAT currently charged
Application for Non-Material Amendments following a grant of planning permission			
Householder developments (per request)	28.00	34.00	No VAT currently charged
All other cases	195.00	234.00	No VAT currently charged
Applications for Certificates of Alternative Development	195.00	234.00	No VAT currently charged
Please note that the following applications are County Matters which should be submitted to Worcestershire County Council:			
a) Operations connected with exploratory drilling for oil or gas			
b) Mineral operations			
c) Use for disposal of refuse or waste material			

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Cultural Services	Service Manager	Cultural Services Manager
Directorate	Community Well-Being and Environment	Cabinet Member	Cultural, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Town Hall Fees and Charges			
KIDDERMINSTER TOWN HALL			
WEDDING CEREMONIES AND RECEPTIONS			
To include commercial judgement and allow flexibility. Prices will be available on request.	See 19th December 2017 Cabinet Report Appendix 4 (part 2)	Available on request	Available on request

NOTES:

Delegated authority is given to the Cultural Services Manager in consultation with the relevant Cabinet Member to amend fees and charges for Kidderminster Town Hall to allow for a commercial and flexible approach.



Service	Housing	Service Manager	Head of Strategic Growth
Directorate	Economic Prosperity & Place	Cabinet Member	Housing, Health and Well-Being

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Private Sector Housing			
HMO Licence - 5 year licence	525.00	750.00	No VAT currently charged
HMO Licence if application submitted and complete within 21 days	315.00	550.00	No VAT currently charged
Residential Caravan Site New Application	525.00	750.00	No VAT currently charged
Residential Caravan Site New Application if submitted and complete within 21 days	315.00	550.00	No VAT currently charged
Residential Caravan Site Annual Licence	189.00	200.00	No VAT currently charged
Smoke & CO Regulations Penalty Charges as per Published Statement of Principles*			
Penalty fee where no previous action has been taken	525.00	550.00	No VAT currently charged
Penalty fee for landlords who have had previous single action taken against them under Housing Act 2004 or other housing legislation	1,575.00	1,650.00	No VAT currently charged
Penalty fee for landlords who have had previous multiple actions taken against them under Housing Act 2004 or other housing legislation	3,150.00	3,310.00	No VAT currently charged
Officer time spent to enforce the regulations	Charged at Cost	Charged at Cost	No VAT currently charged
Purchase and Equip Property with Alarms	Charged at Cost	Charged at Cost	No VAT currently charged
Recovery Costs**	525.00	550.00	No VAT currently charged
Administration Costs	263.00	275.00	No VAT currently charged
NOTES:			

* The amount of Penalty Charge shall be a maximum of £5,000.

** The penalty charge shall be reduced by the £500 cost recovery element if paid within 14 days of the issue of the penalty charge notice.
Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>

WYRE FOREST DISTRICT COUNCIL**FEES AND CHARGES 2018/2019****COUNCIL**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2018/19 £	2019/20 £	2020/21 £
R605	<u>ECONOMIC PROSPERITY AND PLACE</u> <u>Development Control - Planning Advice</u> Increase charges by 5% in line with Council Policy.	C R S	- 20 CR -	- 20 CR -	- 20 CR -
R605	<u>Development Control - Pre-application advice/ Permitted Development</u> Change to charges for residential properties. Some pre-application advice now chargeable that was previously free.	C R S	- 6,000 CR -	- 6,000 CR -	- 6,000 CR -
R605	<u>Development Control - Pre-application advice/ Permitted Development</u> Increase charges by 5% in line with Council Policy.	C R S	- 390 CR -	- 390 CR -	- 390 CR -
R625	<u>Building Control - Decision Notices</u> To increase charges by 5% for copies of decision notices held by the Council prior to the formation of the North Worcestershire Building Control Shared Service.	C R S	- - -	- - -	- - -
R605	<u>Development Control - Sale of Documents</u> Increase charges by 5% in line with Council Policy.	C R S	- 160 CR -	- 160 CR -	- 160 CR -
R637	<u>Environmental Health - Water Sampling</u> Water sampling and analysis charges are set by Worcs Regulatory Services. No increase is being proposed.	C R S	- - -	- - -	- - -
R637	<u>Environmental Health - Control of Dogs</u> The charges levied for the control of stray dogs are set by Worcs Regulatory Services on a cost recovery basis. Charges are consistent across all authorities within the Shared Service. No increases are being proposed in 2018/19	C R S	- - -	- - -	- - -
R638	<u>Licensing Activities - Hackney Carriages</u> To not increase to Hackney Carriage licences.	C R S	- - -	- - -	- - -
R638	<u>Licensing Activities - General Licensing</u> To increase charges by 5% in line with Council Policy where appropriate (some exceptions detailed on backing sheets).	C R S	- 1,050 CR -	- 1,050 CR -	- 1,050 CR -
R638	<u>Licensing Activities - Gambling Act 2005 (Premises)</u> Increase charges by either 5% in line with Council Policy or up to prescribed maximum level (if this is lower).	C R S	- 650 CR -	- 650 CR -	- 650 CR -
R638	<u>Licensing Activities - Scrap Metal Dealers Licence</u> Scrap metal dealers licence is a 3 year licence which was introduced in 2014. Level of charges are recommended by Worcs's Regulatory Services. No increase is being proposed in 2018/19	C R S	- - -	- - -	- - -

WYRE FOREST DISTRICT COUNCIL**FEES AND CHARGES 2018/2019****COUNCIL**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2018/19 £	2019/20 £	2020/21 £
R310	<u>RESOURCES</u>				
	<u>Council Tax and NNDR</u>	C	-	-	-
	Summons Costs £50	R	-	-	-
	Liability Order Costs £30	S	-	-	-
	£80				
	Bi-annual review of summons costs and liability orders to reflect inflation and additional Magistrates Court costs.				
	TOTALS	C	-	-	-
		R	8,270 CR	8,270 CR	8,270 CR
		S	-	-	-



Service	Planning & Building Control	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Planning and Economic Regeneration

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Planning Advice			
Building Control Decision Notices (Pre 01/01/2012)			
Sale of Copy Documents			
Reply to general individual queries, Planning or Building Control for up to 6 questions (after that the full Local Land Charge Search fee will be charged)	25.00 per Question	26.00 per Question	No VAT currently charged
If any query requires a site visit to be made (e.g. compliance with conditions)	68.00	71.00	No VAT currently charged
Charges for Copy Documents			
See Note 2 below			
Monthly Decision List - Emailed	Free	Free	Free
Weekly Planning Application List - Emailed	Free	Free	Free
Decision Notices	20.00	17.50	21.00
Decision Notices Additional Copies	1.20	1.08	1.30
A4 - For each copy	1.20	1.08	1.30
A3 - For each copy	1.20	1.08	1.30
A2 - For each copy	3.40	3.00	3.60
A1 - For each copy	4.50	4.00	4.80
A0 - For each copy	5.60	4.92	5.90

NOTES:

Note 1 - Copies, where appropriate, are available free up to a cumulative single transaction value of £10 for individuals (the discretion of Director of Service to be applied in cases of multiple separate transactions) and charged at full cost to representatives of professional and/or commercial companies.

Note 2 - Copies of all planning application plans and decision notices made from 2006 onwards are available online at zero cost at <http://www.wyreforestdc.gov.uk/planning-and-buildings.aspx>

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Planning	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Planning and Economic Regeneration

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Permitted Developments and Pre-application Advice (Schedule revised since December Cabinet)			
Permitted Development enquiries			
Proposed development type			
Householder	Free	Free	Free
Other	Free	Free	Free
Pre-Application advice			
Householder	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Residential Development (see note 1)			
1 dwelling	Free	66.67	80.00
Cost of each additional meeting	Free	33.33	40.00
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
2-3 dwellings	Free	166.67	200.00
Cost of each additional meeting	Free	83.33	100.00
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
4-5 dwellings	Free	258.33	310.00
Cost of each additional meeting	Free	133.33	160.00
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
6-7 dwellings	Free	375.00	450.00
Cost of each additional meeting	Free	187.50	225.00
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
8-9 dwellings	Free	516.67	620.00
Cost of each additional meeting	Free	258.33	310.00
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
10-24 dwellings	1,368.00	1,196.67	1,436.00
Cost of each additional meeting	685.00	599.17	719.00
Cost of Highway Advice	480.00	420.00	504.00
Cost of each additional meeting with Highway Authority	239.00	209.17	251.00
25-49 dwellings	1,368.00	1,196.67	1,436.00
Cost of each additional meeting	685.00	599.17	719.00
Cost of Highway Advice	480.00	420.00	504.00
Cost of each additional meeting with Highway Authority	239.00	209.17	251.00
50 - 99 dwellings	2,737.00	2,395.00	2,874.00
Cost of each additional meeting	1,013.00	886.67	1,064.00
Cost of Highway Advice	958.00	838.33	1,006.00
Cost of each additional meeting with Highway Authority	355.00	310.83	373.00
100 - 199 dwellings	2,737.00	2,395.00	2,874.00
Cost of each additional meeting	1,013.00	886.67	1,064.00
Cost of Highway Advice	958.00	838.33	1,006.00
Cost of each additional meeting with Highway Authority	355.00	310.83	373.00
200 - 299 dwellings	4,106.00	3,592.50	4,311.00
Cost of each additional meeting	1,368.00	1,196.67	1,436.00
Cost of Highway Advice	1,436.00	1,256.67	1,508.00
Cost of each additional meeting with Highway Authority	480.00	420.00	504.00
300+ dwellings	4,106.00	3,592.50	4,311.00
Cost of each additional meeting	1,368.00	1,196.67	1,436.00
Cost of Highway Advice	1,436.00	1,256.67	1,508.00
Cost of each additional meeting with Highway Authority	480.00	420.00	504.00



Service	Planning	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Planning and Economic Regeneration

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Permitted Developments and Pre-application Advice (Schedule revised since December Cabinet)			
Non Residential/Commercial Development (see note 1)			
Gross floor area up to 500m2 (site up to 0.5ha)	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
Gross floor area 501m2 - 999m2 (site 0.5 -1ha)	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Cost of Highway Advice	Free	Free	Free
Cost of each additional meeting with Highway Authority	Free	Free	Free
Gross floor area 1,000 - 2,499m2 (site 1-1.25ha)	1,368.00	1,196.67	1,436.00
Cost of each additional meeting	685.00	599.17	719.00
Cost of Highway Advice	480.00	420.00	504.00
Cost of each additional meeting with Highway Authority	239.00	209.17	251.00
Gross floor area 2,500 - 9,999m2 (site 1.26-2ha)	2,737.00	2,395.00	2,874.00
Cost of each additional meeting	1,013.00	886.67	1,064.00
Cost of Highway Advice	958.00	838.33	1,006.00
Cost of each additional meeting with Highway Authority	355.00	310.83	373.00
Gross floor area +10,000m2 (site +2ha)	4,106.00	3,592.50	4,311.00
Cost of each additional meeting	1,368.00	1,196.67	1,436.00
Cost of Highway Advice	1,436.00	1,256.67	1,508.00
Cost of each additional meeting with Highway Authority	480.00	420.00	504.00
Other Categories			
Advertisements	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Change of Use	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Telecommunications	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Glasshouses/Poly Tunnels	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Others (see note 2)	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Historic Environmental and Tree related enquiries			
Separate Listed Building and Conservation Area Advice (Up to 3 Separate Matters)	43.00	37.50	45.00
(More than 3 Separate Matters)	84.00	73.33	88.00
Cost of each additional meeting	21.00	18.33	22.00
Separate Tree related Advice - number of trees not exceeding 10	43.00	37.50	45.00
Cost of each additional meeting	21.00	18.33	22.00
Separate Tree related Advice - number of trees over 10 but not exceeding 30	84.00	73.33	88.00
Cost of each additional meeting	21.00	18.33	22.00
Exemptions			
As set out in Guidance Note (e.g. Parish Councils, etc)			

NOTES:

Note 1 - If only principle to be discussed developer to provide indicative capacity

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

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Water Sampling and Analysis Charges - Set By Worcestershire Regulatory Services	TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	FROM 1/04/2018 £ Charges before VAT	FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
POLLUTION CONTROL			
Water Sampling Charges			
The Regulations allow local authorities to charge a fee, subject to prescribed maximum levels to enable reasonable costs of services (lab fees etc) to be recovered.			
Proposed Fees and Charges			
Risk Assessment	55.00 per hour (min. 1 hour - up to £500 Max)	55.00 per hour (min. 1 hour - up to £500 Max)	No VAT currently charged
Sampling (each visit)	55.00 per hour (min. 1 hour - up to £100 Max)	55.00 per hour (min. 1 hour - up to £100 Max)	No VAT currently charged
Investigation	55.00 per hour (min. 1 hour - up to £533 Max)	55.00 per hour (min. 1 hour - up to £533 Max)	No VAT currently charged
Analysing a sample			
- taken under regulation 10 (small supplies)	25.00	25.00	No VAT currently charged
(Plus extra lab costs for additional parameters where required)	Max	Max	
- taken during check monitoring	100.00	100.00	No VAT currently charged
	Max	Max	
- taken during audit monitoring	500.00	500.00	No VAT currently charged
	Max	Max	

NOTES:

Where the request is made by the Owner/Occupier and the Authority is not the only service provider - VAT will be added.
 Where the authority instigates the testing under regulations i.e. Periodic tests, assessments - VAT is not applicable in this instance.
 Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Hackney Carriage/Private Hire Fees			
Hackney Carriage Vehicle (includes renewal plates and twice yearly vehicle inspections)	416.00	416.00	No VAT currently charged
Private Hire Vehicle (includes renewal plates and twice yearly vehicle inspections)	416.00	416.00	No VAT currently charged
Change of Business (Sell Car and Transfer Plate)	105.00	105.00	No VAT currently charged
Temporary Replacement HC & PH vehicle (excluding plates & decals)	104.00	104.00	No VAT currently charged
Initial or Replacement Licences/Plates (if lost or damaged)			
External Car Plate	49.00	49.00	No VAT currently charged
Internal (Executive Vehicles) Car Plate	21.00	21.00	No VAT currently charged
Vehicle Decals - Replacements	19.00	19.00	No VAT currently charged
Exemption Notice (Executive Vehicles)	29.00	29.00	No VAT currently charged
Vehicle Testing			
Vehicle Retest Fee (if re-tested within 48 hours of failure)	31.00	25.83	31.00
Vehicle Retest Fee (if re-tested after 48 hours of failure)	59.00	49.17	59.00
Hackney Carriage/Private Hire Drivers Licence (valid for 3 years)	415.00	415.00	No VAT currently charged
Disclosure Scotland check	62.00	62.00	No VAT currently charged
Drivers Badge	25.00	25.00	No VAT currently charged
Drivers' Knowledge Test	54.00	54.00	No VAT currently charged
Private Hire Operators (valid for 1 year)	463.00	463.00	No VAT currently charged
Private Hire Operators (valid for 5 years)	1,760.00	1,760.00	No VAT currently charged

NOTES:

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Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION		Current Charge	Proposed Charge	Proposed Charge
		TO 31/03/2018 £	FROM 1/04/2018 £	FROM 1/04/2018 £
Licensing and Registration		Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Animal Boarding Establishments	Initial	372.00	391.00	No VAT currently charged
	Renewal	246.00	258.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Dangerous Wild Animals	Initial	372.00	391.00	No VAT currently charged
	Renewal	246.00	258.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Dog Breeding Establishments	Initial	372.00	391.00	No VAT currently charged
	Renewal	246.00	258.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Pet Shops	Initial	372.00	391.00	No VAT currently charged
	Renewal	246.00	258.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Riding Establishments	Initial	372.00	391.00	No VAT currently charged
	Renewal	246.00	258.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Zoo Licences	Initial	1,792.00 (plus Inspector's expenses)	1,882.00 (plus Inspector's expenses)	No VAT currently charged
	Renewal	1,611.00 (plus Inspector's expenses)	1,692.00 (plus Inspector's expenses)	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Acupuncture, Tattooing, Electrolysis, Ear Piercing, Skin Piercing & Semi-Permanent Skin Colouring -				
Certificate of Registration: (a) Person		181.00	190.00	No VAT currently charged
(b) Premise		261.00	274.00	No VAT currently charged
(c) Persons & Premises		440.00	462.00	No VAT currently charged
Sex Establishments	Initial	4,977.00	4,977.00	No VAT currently charged
	Renewal	1,911.00	1,911.00	No VAT currently charged
	Transfer	362.00	380.00	No VAT currently charged

NOTES:

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Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Gambling Premises License Fees			
Gambling Premises Licence - New Application			
Adult Gaming Centre	1,525.00	1,601.00	No VAT currently charged
Betting Premises (excluding Tracks)	2,288.00	2,402.00	No VAT currently charged
Betting Premises (Tracks)	1,905.00	2,000.00	No VAT currently charged
Bingo Club	2,665.00	2,798.00	No VAT currently charged
Family Entertainment Centre	1,525.00	1,601.00	No VAT currently charged
Temporary Use Notices	389.00	408.00	No VAT currently charged
Gambling Premises Licence - Annual Fee			
Adult Gaming Centre	763.00	801.00	No VAT currently charged
Betting Premises (excluding Tracks)	458.00	481.00	No VAT currently charged
Betting Premises (Tracks)	763.00	801.00	No VAT currently charged
Bingo Club	763.00	801.00	No VAT currently charged
Family Entertainment Centre	570.00	599.00	No VAT currently charged
Provisional Statement Application			
Adult Gaming Centre	1,525.00	1,601.00	No VAT currently charged
Betting Premises (excluding Tracks)	2,288.00	2,402.00	No VAT currently charged
Betting Premises (Tracks)	1,905.00	2,000.00	No VAT currently charged
Bingo Club	2,665.00	2,798.00	No VAT currently charged
Family Entertainment Centre	1,525.00	1,601.00	No VAT currently charged
Licence Application (Provisional Statement Holders)			
Adult Gaming Centre	723.00	759.00	No VAT currently charged
Betting Premises (excluding Tracks)	916.00	962.00	No VAT currently charged
Betting Premises (Tracks)	723.00	759.00	No VAT currently charged
Bingo Club	916.00	962.00	No VAT currently charged
Family Entertainment Centre	723.00	759.00	No VAT currently charged
Application to Transfer			
Adult Gaming Centre	723.00	759.00	No VAT currently charged
Betting Premises (excluding Tracks)	916.00	962.00	No VAT currently charged
Betting Premises (Tracks)	723.00	759.00	No VAT currently charged
Bingo Club	916.00	962.00	No VAT currently charged
Family Entertainment Centre	723.00	759.00	No VAT currently charged
Application to Vary			
Adult Gaming Centre	763.00	801.00	No VAT currently charged
Betting Premises (excluding Tracks)	1,142.00	1,199.00	No VAT currently charged
Betting Premises (Tracks)	951.00	999.00	No VAT currently charged
Bingo Club	1,335.00	1,402.00	No VAT currently charged
Family Entertainment Centre	763.00	801.00	No VAT currently charged
Reinstatement of Licence			
Adult Gaming Centre	723.00	759.00	No VAT currently charged
Betting Premises (excluding Tracks)	916.00	962.00	No VAT currently charged
Betting Premises (Tracks)	723.00	759.00	No VAT currently charged
Bingo Club	916.00	962.00	No VAT currently charged
Family Entertainment Centre	723.00	759.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 1/04/2018 £ Charges before VAT	Proposed Charge FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Street Trading			
Single Unit up to 12 x 12 (max 5m length) Food - Initial	2,221.00	2,332.00	No VAT currently charged
- Renewal	2,112.00	2,218.00	No VAT currently charged
Single Unit up to 12 x 12 (max 5m length) Non-Food - Initial	1,856.00	1,949.00	No VAT currently charged
- Renewal	1,670.00	1,754.00	No VAT currently charged
For every additional 12 x 12 or part thereof or length more than 5m	916.00	962.00	No VAT currently charged
Mobile Traders - Initial	872.00	916.00	No VAT currently charged
Mobile Traders - Renewal	872.00	916.00	No VAT currently charged
Street Amenities (Control of Street Furniture)	351.00	369.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Scrap Metal Dealers Act 2013 - Fees Recommended by Worcestershire Regulatory Services	TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	FROM 1/04/2018 £ Charges before VAT	FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Site Licence - Initial (3 year licence)	290.00	290.00	No VAT currently charged
Site Licence - Renewal (3 year licence)	240.00	240.00	No VAT currently charged
Collectors Licence - Initial (3 year licence)	145.00	145.00	No VAT currently charged
Collectors Licence - Renewal (3 year licence)	95.00	95.00	No VAT currently charged
Variation of Licence	65.00	65.00	No VAT currently charged
Copy of licence (if lost or stolen)	25.00	25.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Control of Dogs - Fees Recommended by Worcestershire Regulatory Services	TO 31/03/2018 £ Charges inclusive of VAT (if applicable)	FROM 1/04/2018 £ Charges before VAT	FROM 1/04/2018 £ Charges inclusive of VAT (if applicable)
Statutory Fine per dog seized	25.00	25.00	No VAT currently charged
Kennelling charge per dog per day	13.50	13.50	No VAT currently charged
Kennelling of Dangerous Dogs charge per dog per day	20.00	20.00	No VAT currently charged
Administration Fee per stray dog seized	15.00	15.00	No VAT currently charged
Out of Hours Charge	35.00	35.00	No VAT currently charged
Repeat stray charge	25.00	25.00	No VAT currently charged
Vet fees/treatment charges (if applicable)	Charged at Cost	Charged at Cost	

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Revenues	Service Manager	Revenues, Benefits and Customer Services Manager
Directorate	Resources	Cabinet Member	Resources

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31/03/2018	FROM 1/04/2018	FROM 1/04/2018
	£	£	£
Council Tax and NNDR	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Council Tax and NNDR			
Summons costs	50.00	50.00	No VAT currently charged
Liability Orders	30.00	30.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>

**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 2.2.4 of main report)

THAT COUNCIL NOTE:

- 2.1 The Chief Financial Officer's opinion on the budget proposals, recommended by the Cabinet on 7th February 2018, as detailed in this report.**

3. BACKGROUND

- 3.1 Sections 25 to 28 of the Local Government Act 2003 (The Act) 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 (2018-21).

4. KEY ISSUES – CHIEF FINANCIAL OFFICER’S OPINION ON 2018-21 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 2018-21 Budget. The work done by the Cabinet Financial Strategy Advisory Panel this year and resultant Cabinet report recommendations, supplemented by the updates included in the latest Cabinet report are instrumental in continuing to promote economic growth and moving the Council closer to a sustainable balanced budget in the future, that is less reliant on the use of reserves. The continuing Transformation Programme required to deliver the savings required is progressing well but remains challenging. The additional target saving added as part of this year’s Cabinet Proposals increases risk and 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 2018-21.
- 4.4 Link Asset Services our retained Treasury Management advisors were commissioned to undertake a review of the overall reserves position of this Council including comparisons across other Councils, reporting in late December 2017. This report endorses the recent review of the methodology for Ear Marked Reserves (EMRs) (see paragraph 8.4 of main December MTFS) resulting in the release of circa £240k EMRs into General Reserves and the creation of a new General Risk Reserve from April 2018 of circa £720k. This introduces a more strategic approach to EMRs and reduces the number of smaller EMRs individually held. The Link Report confirmed that the levels of reserves currently held are fair and reasonable. It recommended that a review of the level of the Working Balance currently being £1m is undertaken over the next two financial years with a view to potentially increasing to between £1.25m to £1.5m depending on a strategic risk assessment. This will be considered as part of the next MTFS.
- 4.5 The publication of the revised CIPFA Prudential Code and Treasury Management Code in late December 2017 introduces further layers of control around risk in relation to investments that are not part of treasury management activity particularly relevant to where prudential borrowing is used and a commercial return is sought. Investment and MRP guidance from the MHCLG (which should be read in conjunction with codes already received) is however still awaited at the time of writing and this is most unhelpful to the planning process for 2018-19. Whilst the latitude for local authorities to set the scope and size of their capital plans appears to remain unrestricted, there is a risk that authorities may not be able to borrow more than or in advance of their needs for out of area investments purely for commercial gain. More information is required to provide clarity but such a restriction would be of concern and could cause significant problems across the local government sector. Developments will continue to be monitored and updates including associated risks covered in future reports.

- 4.6 Closely allied to this, a revised code of practice on Treasury Management was issued in late December 2017. This includes a refresh of Prudential Indicators which are the monitoring tool to assess performance and risk of capital expenditure plans. The requisite changes have been reflected in the Treasury Management Service Strategy for 2018-19.
- 4.7 It is important that the level of reserves is carefully monitored and reviewed as the impact of the proposed Local Government Finance Reforms become clear and also once future funding levels are known. The proposed 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.
- 4.8 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 This is a financial report and there is no requirement to undertake an Equality Impact Assessment screening.

8. RISK MANAGEMENT

- 8.1 Contained within the Financial Strategy 2018-21 and subsequent Cabinet reports are the significant risks and mitigating actions which have been identified, allied to the budget process.
- 8.2 There are three significant financial risks affecting the Council over the next three years:
- Funding reductions from Central Government in light of the Local Government Finance Reforms changing key funding streams and methodologies including the Fair Funding Reform, phasing out of Revenue Support Grant, New Homes Bonus funding reductions and the move towards 75% Business Rates Retention.
 - The increased reliance on local income sources including the Capital Portfolio Fund and Development Loans Fund policies and risk this may not be realised in line with projected expectations and;

- Further savings required from the Transformation Programme are significant and will prove challenging to deliver.

8.3 It is for the reasons such as the above that the Council currently retains a working balance reserve of £1,000,000, increased from £700,000 in 2012/13. This level will be subject to further review as part of the next MTFS. This fund is also available to provide cover for urgent unforeseen expenditure e.g. in respect of a civil emergency. The Innovation Fund is held to fund one-off costs of implementation of Transformation; a recent allocation of £200,000 has been made to increase capacity and resource to support commercial development. Consideration should be given to replenishing the Innovation Fund from Final Accounts savings, in accordance with the delegations in the separate budget report on this agenda. In addition to these generic reserves, earmarked reserves are held to cover specific commitments and therefore limit financial risk.

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 improve this. The Provisional Finance Settlement suggests that from 2018-19 overall Central Government funding will have reduced to a particularly challenging level.
- 9.2 To reduce the financial risks now faced, it is essential that net expenditure and funding be better aligned by the progression of efficiency plans for reductions in spending and increased income generation.
- 9.3 The ongoing Local Government Finance Reforms that see Revenue Support Grant phased out from 2019-20, New Homes Bonus and Business Rates Reform reduce Central Government funding and increase the reliance on local funding streams. The level of reserves may need to be reconsidered once the impact of the reforms has been confirmed.
- 9.4 The recommendation in relation to the review of the level of the Working Balance from the Link Asset Services independent report on reserves held by this council, will be included in the 2019-22 MTFS.
- 9.5 The assessment of affordability of financial plans requires a judgement about risk. This has been updated in the latest Prudential Code guidance issued in late December 2017 including a new requirement for a capital strategy. The main objective of the new code is to introduce greater focus on reporting and planning for long term financial and risk implications in relation to non treasury investments. Further guidance is awaited from MHCLG on Investments and MRP; the resultant lack of clarity means there is a risk that authorities may not be able to borrow for commercial investments outside their geographical areas. The lateness of these changes and uncertainty around interpretation, means that there is an acknowledgement by CIPFA that full compliance with the new codes will be achieved at the earliest opportunity. For this Council the Capital Strategy, including the strategies for the Capital Portfolio Funds and Development Loans fund will be updated during 2018-19; further technical updates will be provided as more guidance is issued.

- 9.6 Recognition of the importance of the development of commercialism and income generation to help close the funding gap by the Cabinet Proposal for £250k Capital Funding and also the significant allocation of funding from the Innovation Fund is a key element of this MTFS and is not without risk. Each business case for commercial development will include an appropriate assessment of risks and potential rewards; reviewing at least annually performance and risk of each area of commercial activity. This regular review will include the option to cease commercial activity if appropriate.

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
- 11.3 CIPFA revised Prudential Code and Treasury Management Code December 2017

WYRE FOREST DISTRICT COUNCIL

CABINET
7 February 2018

Evaluation of Measured Term Contract(s) for Building Maintenance

OPEN	
CABINET MEMBER:	Councillor Ian Hardiman – Cabinet Member for Planning & Economic Regeneration
RESPONSIBLE OFFICER:	Corporate Director: Economic Prosperity and Place
CONTACT OFFICER:	Elaine Brookes – Ext. 2797 Elaine.brookes@wyreforestdc.gov.uk
Appendices	Appendix 1 – Evaluation Criteria

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval for the tender evaluation model proposed for the procurement of Measured Term Contracts for General Building Maintenance, Electrical Services and Civil Engineering works.

2. RECOMMENDATION

Cabinet is asked to DECIDE:

- 2.1 To approve the procurement and tender evaluation model contained in Appendix 1 of this report and to delegate to the Director of Economic Prosperity & Place in consultation with the Cabinet Member for Planning & Economic Regeneration the award of the contract(s), in line with the approved evaluation model.

3. BACKGROUND

- 3.1 The Council's existing Building Maintenance Contract for planned and reactive maintenance of the Council's property portfolio expires on the 31 August 2018.
- 3.2 In order to ensure that the Council's property assets continue to be maintained it is essential that new repairs and maintenance contract(s) are entered into. The scope of the contract(s) will cover planned and reactive maintenance and will now provide inclusion for civil engineering work, which was previously procured on an 'as required' basis.
- 3.3 Planned maintenance will take place over the length of the contract according to stock condition schedules.
- 3.4 Gas plant and mechanical maintenance, including the maintenance of the ground source heat pumps at Wyre Forest House was tendered as a separate contract.

- 3.5 The Council have appointed Six Property Consulting Limited as quantity surveyor following a tender exercise to assist in the preparation of the pricing schedule for the Measured Term Contract(s), assist with the development of the Invitation to Tender, provide technical support and assist with the tender evaluation and recommendation.
- 3.6 As the combined contract value is estimated to be approximately £1,000,000, the procurement is being carried out in accordance with the Public Contracts Regulations 2015, which is subject to a strict procurement timetable. The Tender will be advertised on the Official Journal of the European Union (OJEU). The Restricted Procedure route will be taken; therefore a pre-qualification of suppliers will be carried out.

4. KEY ISSUES

- 4.1 It is proposed to split the procurement of building maintenance services into 4 lots –
- Lot 1) General Building Maintenance
 - Lot 2) Electrical Services
 - Lot 3) Civil Engineering
 - Lot 4) all of these areas as one contract

This will provide competitiveness of costs, generate the maximum interest in the tender and encourage smaller specialist companies to submit a tender for their specialist area.

- 4.2 The new contract(s) will be for a period of 3 years with the option to extend for a further 2 years.
- 4.3 It is proposed that the Tender be evaluated on a 'Price' and 'Quality' basis – 40% Price and 60% Quality and the criteria are set out in the attached Appendix.

5. FINANCIAL IMPLICATIONS

- 5.1 Revenue budgets are available for each of the Council's property assets to meet the service requirements included in the scope of this tender.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 As stated in the Council's Contracts Procedure Rules Cabinet Approval is sought for procurements where the value of the purchase is estimated to be in excess of £160,000.
- 6.2 The successful Tenderer(s) will be required to enter into a formal contract prepared by the appointed Quantity Surveyor from Six Property Consulting Limited, in conjunction with the Council's Contract Solicitor.

7. RISK MANAGEMENT

- 7.1 Failure to implement a new Measured Term Building Maintenance Contract(s) to undertake the required and necessary maintenance of the Council's property portfolio will jeopardise the health, safety and welfare of Council's employees, their visitors and general public who enter Council owned land and buildings. It will also

impact on the condition of the Council's property assets and the resources required to enter into contractual arrangements for each item of maintenance required, and on the Council's ability to have urgent work completed.

- 7.2 The contractor(s) will be required to provide an out of hour's service for urgent, unforeseen work, which could be essential to the Councils business continuity.

8. EQUALITY IMPACT NEEDS ASSESSMENT (EIA)

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

9. CONCLUSION

- 9.1 It is essential new contract(s) need to be in place to commence on 1st September 2018 to enable continuity of provision of a repairs and maintenance service to the Council's property portfolio.
- 9.2 Building maintenance budgets are in place and are monitored by the Officers in Charge of the Council's property with support from the Facilities & Asset Management Manager and Asset Maintenance & Compliance Officer.

10. CONSULTEES

Corporate Leadership Team
Contracts Solicitor
Procurement Officer
Finance Officer
Facilities & Asset Manager

Evaluation Criteria

The quality elements of the Tender in each Lot will be evaluated in accordance with the criteria below –

Question Title	Percentage Weighting
1) Works Order Processing	15
2) Quality Control & Standards	20
3) Response Times & Out of Hours Service	20
4) CDM 2015 Compliance	10
5) Extra-Schedule Works	20
6) Added Value Proposals	15

Questions

1) Works Order Processing

Explain your works processing system from receiving a works order from a customer through to completion detailing how the flow of information is communicated.

Please show how the Council can track work requests issued through your system.

Please state whether the Council's works requisition form is compatible with your system and clarify whether any amendment would be required, providing a sample of your works request form if necessary.

2) Quality Control & Standards

Please provide details of measures taken to ensure that the quality of works meets the required standards and how standards are monitored and maintained including performance indicators.

Please provide details of any training or supervision policies in place.

Please provide details of management systems in place for the management of subcontractors.

3) Response times and Out of Hours Service

Please provide examples of your current priority coding and response times. (The Council's current immediate call out time is 2 hours; emergency call out time 24 hours; urgent 7 days; routine call 21 days; and planned maintenance within 56 days).

Please explain your out of hours emergency call out procedure.

Please provide any evidence that you have the ability to meet the responses set out above.

4) CDM 2015 Compliance

Please provide a sample Method statement and Risk Assessment for replacing a second floor external window in a two storey listed building which verges on a public footpath.

Please provide details of your proposals for submission/agreement of method statements and risk assessments prior to commencement of the work.

5) Extra Schedule Works

The successful contractor shall be required to provide quotations for non standard works (items not included in the Schedule of Rates), please explain your processes and timescales for returning completed quotations. (The minimum requirement of the Council is that quotes under £1,000 are returned within a week and those over £1,000 to be returned within 2 weeks).

6) Added Value Proposals

Please provide any further information which has not specifically been requested but is relevant to how you would perform the services to the standards required.

Please provide details of any proposals you have for recruiting employees/apprentices within the Wyre Forest area.

Please provide details of any further benefits you would provide or improvements you would make to the delivery of the contract objectives.

Assessment Matrix

The following matrix illustrates how responses to the evaluation criteria will be assessed. The scores for each question will be used to calculate a percentage weighting based on the weightings attributed to each question in the qualitative assessment.

Performance	Judgment	Score
Exceeds all expectations	Exceptional	10
Exceeds almost all expectations	Outstanding	9
Exceeds most expectations	Very good	8
Above Expectations	Good	7
Slightly exceeds expectations	Fair	6
Meets expectations	Average	5
Satisfactory but below expectations	Below average	4
Below expectations	Poor	3
Well below expectations	Weak	2
Almost Unacceptable	Very Weak	1
Unacceptable		0

WYRE FOREST DISTRICT COUNCIL**CABINET**
7TH FEBRUARY 2018**Community Led Housing Pledge**

OPEN	
CABINET MEMBER:	Ian Hardiman
RESPONSIBLE OFFICER:	Kate Bailey
CONTACT OFFICER:	Alex Powell
APPENDICES:	Appendix one: Community Led Housing Pledge Appendix two: Community Led Housing Policy

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to share with Members the progress on Community Led Housing (CLH) and to agree the CLH Pledge and related policy.

2. RECOMMENDATION

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

- 2.1 To support the principles of Community Led Housing; and
- 2.2 Agree the Community Led Housing Pledge and related policy.

3. BACKGROUND

- 3.1 The Council received a grant of £191,250 from the Department of Communities and Local Government (dCLG) in December 2016 and March 2017 called the Community Housing Fund, paid in two tranches. This fund was paid to 148 local authorities where there were issues of affordability and/ or a high density of second homes. Within Worcestershire, Malvern Hills and Wychavon District Councils also received an allocation.
- 3.2 The Council developed a proposal of how to utilise the funding, which was agreed by the dCLG and recruited a Community Led Housing Co-ordinator in 2017 to develop a range of approaches to support the growth of CLH within the District. The resources are primarily aimed at promoting CLH, helping communities to undertake housing schemes and to equip them with the support they may need..
- 3.3 To date, the following work has been completed or is underway:
- Development of the WFDC 'First Steps' grant (guidance, application form and assessment criteria) to enable early stage financial support to check site viability and fund any surveys that may be required

- Development of a Wyre Forest District Resource that will support and enable groups to make contact with the niche social investment banks, building societies, solicitors and architects who have expertise in the field of CLH.
 - Communications: Website content has been developed to inform interested parties about the different models of community-led housing www.wyreforestdc.gov.uk/clh and an information leaflet has been designed. A communications plan is part of the Pledge we plan to make.
 - Attending Parish Council meetings to present information on CLH and offer an opportunity to explore any potential small scale community-led schemes in the district.
 - Meetings with members of the public / communities that have an interest in CLH
 - Ongoing development of the custom and self-build register
- 3.4 In 2017, the Co-operative Council Innovation Network (CCIN) proposed that Local Authorities in receipt of the Community Housing Fund should demonstrate their support of CLH through the development of a Pledge. Guidance for the Pledge is that it should be specific and tailored to the local area.
- 3.5 The Co-operative Council Innovation Network is non-party political network open to all UK councils (funded by subscriptions) and is part of the local government family registered as a Special Interest Group with the Local Government Association. The network seeks to support co-operative policy development, innovation and advocacy.

4. KEY ISSUES

- 4.1 Delivery of increased housing numbers is a key priority for the Government with the current target of 250,000 likely to rise in the coming years. The Government is keen to see the CLH supply grow over future years and make a contribution towards the overall target. Within Wyre Forest, the Local Plan Review and Worcestershire Housing Partnership Plan are both supporting a rise in housing numbers to meet housing need.
- 4.2 Last month, the Housing Minister, Alok Sharma, announced a new programme of Community Led Housing funding to help build more homes. Worth £60 million in the first year, it will provide both capital and revenue funding, with flexibility to meet demand. A prospectus setting out criteria for bids will be published in early 2018. Bids will be assessed by Homes England (formerly the Homes and Communities Agency) and they hope to announce the first allocations at Easter.
- 4.3 Crucially, for Local Authorities, there will not be any more grants directly allocated but officers understand that it will be possible for Councils to bid for funding alongside other organisations such as Registered Providers. With this in mind, it is important that the Council can demonstrate our on-going commitment to CLH and take up opportunities to work collaboratively and so the Pledge is an appropriate mechanism for doing this.
- 4.4 The full details of the pledge are included in Appendix One. The guidance on the Pledge suggests having a CLH Policy which outlines how the council will deliver CLH in Wyre Forest and this is shown in Appendix Two.

- 4.5 The key elements to the Pledge are around working in partnership with Town and Parish Councils, Registered Providers and the public to develop CLH and to provide advice, support and financial resources to facilitate housing delivery.

5. FINANCIAL IMPLICATIONS

- 5.1 Work in relation to the pledge and policy will be undertaken by the current staffing resource and within existing budget.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 There are no legal implications in respect of the adoption of the pledge or the policy.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 A screening exercise has been undertaken and there are no adverse impacts.

8. RISK MANAGEMENT

- 8.1 The funding for Community Led Housing is a one-off payment. The Council will seek to ensure the longer term duration of the project through bidding for additional funding from Homes England.

9. CONCLUSION

- 9.1 Community Led Housing is a way of delivering housing by working in conjunction with local communities and can therefore be perceived to be a more positive and inclusive form of housing delivery. The CLH Co-ordinator is working with local communities to raise awareness of CLH and to identify land, empty properties and other potential schemes that can be brought forward for this purpose.
- 9.2 It is seen as good practice for Local Authorities to demonstrate their support of CLH through making a pledge and developing a policy to support our work.
- 9.3 The funding we have for CLH is short-term in nature and so to secure the longevity of the project, securing additional funding from Homes England should be considered.

10. CONSULTEES

- 10.1 CLT

11. BACKGROUND PAPERS

- 11.1 Not applicable

APPENDIX 1 – DRAFT PLEDGE

Community-led Housing

Wyre Forest District Council – Our Pledge

We, Wyre Forest District Council, commit to undertake the following:

Write and implement a Community Led Housing (CLH) policy ensuring CLH becomes part of our strategic housing responsibility.

Work with our local communities to introduce the concept of CLH. Support our Town and Parish Councils by working collaboratively with them and share information and practical advice about CLH and what it can offer.

Develop a grant application and assessment process to enable access to funds for feasibility studies to support the development of CLH at the earliest stage.

Develop a Wyre Forest district CLH resource that includes professionals who can offer services ranging from social investment banks and building societies, solicitors, architects and land survey companies.

Use our existing relations with Registered Providers to support the development of CLH initiatives.

Create relevant website content so that communities in our district can find out about CLH and be invited to get involved and register their interest locally.

Develop a communications plan to promote CLH.

Maintain our self-build / custom-build register and bring together some of the individuals and groups with a shared vision, including those who have expressed an interest in co-housing.

A commitment to fast-track advice and support from within the council's Strategic Housing, Development Control and Planning departments in order to support community-led proposals.

Community-led Housing Champions

We have identified the following Champions for CLH who have the power to implement across departments:

Councillor Ian Hardiman

**Deputy Leader of the Council and
Cabinet Member for Planning and
Economic Regeneration**

Kate Bailey

**Head of Strategic Growth,
Wyre Forest District Council**

Wyre Forest District Council Community Led Housing Policy 2018

1. General

- 1.1 The content of this Community Led Housing (CLH) Policy will be effective from February 2018 (if approved) and revised as necessary to meet changing circumstances. The Policy will be formally reviewed by June 2019 with proposed amendments to be approved through the appropriate mechanism.
- 1.2 The CLH Policy is relevant to all officers of the Strategic Housing and Planning Policy teams within the Economic Prosperity and Place Directorate. Although the Policy is essentially focused on the provision of housing, it is equally relevant to the Planning Policy team who are responsible for ensuring future housing needs are met and incorporated into the emerging Local Plan.
- 1.3 The Council recognises that there are many situations where there is a shared or complementary role with other agencies. Relevant officers within the Housing Section will seek to work collaboratively with national organisations who are leading on the CLH agenda. Agencies including the Community Land Trust Network and UK Co-housing Network will be working collaboratively as they disseminate information and policy updates from central government as well as taking a lead on national 'good practice' training and events for local authorities who have received Community Housing Fund grants. We will also work with local organisations including community groups and Registered Providers.
- 1.4 The Council also recognises that it has to have a flexible policy that responds to government housing strategy. CLH is currently seen as a viable method of increasing the supply of housing and at the same time, making a real impact on the lives of the communities who are delivering it. As government priorities change in the future, CLH may not receive the same level of support, but the Council will endeavour to continue supporting any groups or individuals who have taken an interest in delivering their own housing.
- 1.5 The Council will also work closely with neighbouring Local Authorities to delivery housing numbers and will work particularly closely with those Local Authorities who have also received CLH grants from the Community Housing Fund within Worcestershire.

2. Links to Other Strategies

- 2.1 The Council recognises that the CLH Policy will primarily work to meet the relevant objectives with the Worcestershire Housing Partnership Plan and will complement the Wyre Forest Empty Homes Strategy.

2.2 The CLH Policy supports with the Worcestershire Housing Partnership Plan to:

- Maximise delivery of good quality housing of the right type and tenure by co-coordinating the activities of housing providers and support agencies to meet existing and future housing need in a sustainable way.
- To build new homes
- To investigate alternative models of affordable housing delivery to meet the housing and support needs of specific groups and sectors of the housing market.

3. Purpose of the CLH Policy

The Policy has been developed to:

- Alleviate issues around housing affordability in the District by contributing to the overall delivery of housing
- Enable our communities to realise their potential and take forward their own small scale housing schemes
- Recognise the self-build and custom build community and put in place mechanisms to support the housing aspirations highlighted in the District's Custom and Self-build Register
- Raise awareness of CLH and encourage its delivery through putting a range of support structures in place to enable schemes to progress from the earliest opportunity.

4. Principles – The definitions of CLH

For the purpose of this policy, the Council recognises the following models of Community-led Housing:

- a) Self-build and custom-build housing
Self-builders usually build their own homes or enlist somebody else to customise a build to meet their needs.
- b) Self-help Housing
Bringing empty properties back into use. It usually involves people working together with a shared goal of solving a local housing issue. It may also involve a renovation project where a redundant building is transformed into homes.
- c) Community Land Trusts (CLTs)
CLTs are set up by local people in areas with a shortage of affordable

housing. The local community takes a lead role developing homes and other community assets. The CLT will work to ensure that the homes are genuinely affordable, based on average local earnings in the area.

d) Co-housing

These are intentional communities designed live partially independently but with an element of shared resources/accommodation. By creating a more neighbourly community, the social benefits are thought to have a positive impact on the quality of life.

e) Housing Co-operatives

A Housing Co-op is a housing organisation where members (tenants) democratically control and manage their homes. Co-ops often have an impact on the sense of a community in the area and this can lead to reduced anti-social behaviour and higher levels of satisfaction.

5. Identifying and implementing solutions to increase Community Led Housing

The Council's main objective for CLH is to encourage learning about CLH and increase provision of small scale affordable housing in the district by:

- Designated officer to lead on CLH delivery, working in partnership with Registered Providers, Parish and Town Councils to offer advice and support and encourage small scale CLH schemes within the District
- Development of a Wyre Forest District Resource that will support and enable groups to make contact with the niche social investment banks, building societies, solicitors and architects who have expertise in the field of CLH.
- Provision of the WFDC 'First Steps' grant to enable early stage financial support to check site viability and fund any surveys that may be required
- Develop an effective communication strategy by;
 - ensuring the Council's website content is updated to inform interested parties about the different models of community-led housing and current / forthcoming funding opportunities
 - create an information leaflet as a brief reference guide for CLH and how to register interest
 - utilise social media to promote CLH
- Ongoing development of the custom and self-build register
- Working closely with the Strategic Housing team to identify long term Empty Properties and consider their viability as CLH sites.

6. Related Policy Documents

- The Worcestershire Housing Partnership Plan 2017
- Wyre Forest District Council Empty Properties Strategy 2017 – 2022

This Policy is available to the public on request and is also available on the council's website www.wyreforestdc.gov.uk. Any comments about the Community-led Housing Policy can be made to the Head of Strategic Growth via the CLH Co-ordinator.

WYRE FOREST DISTRICT COUNCIL**CABINET**
7th February 2018**Establishing a Group Structure of Local Authority Trading Companies**

OPEN with Open and Exempt Appendices	
CABINET MEMBER:	Councillor Marcus Hart – Leader of the Council
RESPONSIBLE OFFICER:	Mike Parker – Corporate Director: Economic Prosperity & Place
CONTACT OFFICER:	Mike Parker ext 2500 Mike.parker@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 (Open) – Business Case for establishing a LATC and associated appendices; and appended thereto: Appendix 1 (Exempt) – Mazars & Anthony Collins - “Establishing a Wholly Owned Company” Appendix 2 (Exempt) – Mazars, Anthony Collins & FPM – “The business case for establishing a property and asset development Local Authority Trading Company” Appendix 3 (Exempt) – Market Analysis Appendix 4 (Open) – Articles of Association Appendix 5 (Open) – Shareholder Agreement Appendix 6 (Open) – Draft Corporate Risk Register entry Appendix 7 (Open) – Decision Making Responsibilities Appendix 8 (Exempt) – Initial Pipeline of Sites Appendix 9 (Exempt) – Proposed Company Names

1. PURPOSE OF REPORT

- 1.1 Following reports to Cabinet in June 2016 on Alternative Delivery Vehicles and July 2017 specifically regarding setting up a Local Authority Trading Company (LATC), this report sets out for approval the Final Business Case (FBC) for establishing a group structure of LATCs.

2. RECOMMENDATION

The Cabinet is asked to **DECIDE** :

- 2.1 To agree the Full Business Case for establishing a Group Structure of Local Authority Trading Companies and to proceed to the formation of the proposed Holding and Development Companies at Companies House under the Companies Act 2006;**
- 2.2 To delegate the finalisation of the Articles of Association and Shareholders Agreements for all the trading companies, to the Corporate Director: Economic Prosperity & Place in consultation with the Solicitor to the Council the basis of which is contained in Appendices 5 & 6 of Appendix 1 to this report.**
- 2.3 To delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Solicitor to the Council and the Leader of the Council to make appointments to the Boards of the companies in accordance with the Articles of Association and Shareholder Agreement and to appoint an Independent Chairman to the Holding Company;**
- 2.4 To agree the schedule of responsibilities for decision taking set out in Appendix 7 of Appendix 1 to this report;**
- 2.5 To delegate to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources and the Solicitor to the Council authority to agree and/or implement any other matter expedient to the establishment of the companies.**
- 2.6 To agree that all future Right to Buy receipts received from The Community Housing Group are directed to the Evergreen Investment Fund for use in supporting investments and the development of new residential properties either by the Council or through the companies.**

Cabinet is asked to RECOMMEND TO Council:

- 2.7 That the allocation of Right to Buy receipts identified at 2.6 above be agreed for use through the Evergreen Investment Fund to support investments and new residential developments undertaken by the Council or through its companies.**

3. BACKGROUND

- 3.1 On 14th June 2016 Cabinet considered a report from the Corporate Director: Economic Prosperity & Place that set out a number of alternative mechanisms and bodies to enable the Council to realise its aspirations to effectively deliver development opportunities of its assets and amongst the proposals was the proposed Limited Liability Partnership with Public Sector Plc, which has since been completed, as well as the proposal to establish a LATC.**
- 3.2 Cabinet agreed to delegate to the Corporate Director: Economic Prosperity & Place, authority, in consultation with the Solicitor to the Council and Chief Financial Officer, to prepare the business case for setting up a LATC and to report back to Cabinet.**
- 3.3 Since the June 2016 report to Cabinet the Council has also agreed the establishment of a Capital Portfolio Fund as part of the 2017/18 budget. Sourced from borrowing from Public Works Loan Board the Fund enables up to £25m to be invested in revenue generating assets, subject to the business case demonstrating the Council's**

financial viability interests are met. As part of the business case a determination will be made as to the most appropriate means to hold the asset and that could be through the LATC.

- 3.4 On 11th July 2017 Cabinet agreed a further report regarding the establishment of the LATC, agreeing to establish a LATC as a company limited by shares (CLS), agreeing to seek external health checks of the then draft Articles of Association and Shareholder Agreement, to prepare the financial modeling of the LATC and then to receive the FBC for establishing the LATC.

4. KEY ISSUES

- 4.1 The FBC is attached as the principal appendix to this report (and has its own supporting appendices) and it follows the Treasury 'Green Book' approach to undertaking a business case and it addresses the key elements of the business case under the headings of:
- Strategic Case
 - Economic Case
 - Commercial Case
 - Financial Case
 - Management & Operational Case
- 4.2 In order to undertake the 'health check' of the Articles of Association and Shareholder Agreement and to support the financial modeling of the LATC, the Council undertook a procurement process in accordance with the Council's Contract Procedure Rules to commission that advice. A consortium of support was procured through Mazars including Anthony Collins solicitors and FPM (supported by Primus Property Group) to provide the financial modeling support. This information is set out in full at Appendices 1 & 2 of the FBC.
- 4.3 The Mazars report in summary confirms the legislative context for the Council to proceed with its plans to establish the LATC and sets out what the advantages and disadvantages are (including from a tax perspective) of different models of LATC, confirming that a Company Limited by Shares (CLS) is the most appropriate vehicle for the Council to use. Mazars recommend establishing a Group Structure comprising a 'Holding Company' under which other companies could then also be established – the first being the Development & Investment company the FBC supports - but this also would enable future LATCs to be established if the Council so desired e.g. for commercial services, with the added tax advantages set out in the Mazars documentation (Annex 9 to Appendix 1 of the FBC).
- 4.4 The Mazars report in Appendix 2 to the FBC sets out the financial modeling for the LATC and concludes that in respect of the Council's aspirations to invest in new residential developments this will need to be based on a maximum of 50% borrowing from Public Works Loan Board (PWLb) as the model fails with a scenario based on 100% loan to value ratio. This will mean that the Council will have to adjust its consideration of the use of its assets to include some capital generation in order to support the delivery of new housing as there are currently no capital receipts available other than the relatively modest amount currently in the Evergreen

Investment Fund. The Council could go further and set aside the capital receipts it receives from Right to Buy purchases of former Council house stock through the stock transfer agreement with The Community Housing Group and channel them into the Evergreen Investment Fund to support residential schemes and other investment opportunities. Although annual receipts are relatively low (currently amounting to c£150k up to Q3 2017/18), recycling them in this way will continue to support the Council's aspirations to invest and develop.

- 4.5 The Mazars advice is that whilst the establishment of a LATC to hold any residential developments or acquisitions is sensible given the implications of the Housing Act 1985 on security of tenure and Right to Buy, the Council does not [currently] need to establish a LATC to hold its investments in non residential developments. However the Council is mindful of the potential impact of proposed changes to the Prudential and Treasury Management Codes and also DCLG Investment Guidance and would wish to retain the possibility that some investments may need to be held and made through the LATC if the revised Code limits the Council's ability to undertake the investments it desires.
- 4.6 The financial modeling undertaken by FPM (Appendix 2 to the FBC) indicates that unless investments in residential property purchases (large scale) can be supported by a loan to value ratio of 50% or less the model is unviable. Investments in commercial developments based on 100% borrowing in tranches of £2m-£10m are viable (albeit marginally unless gross yields of 9% and above can be achieved) but it is not [yet] necessary to establish a LATC for that purpose alone. The model that FPM does advocate is a 'Develop to Invest' model. In this model the Council itself or through the company undertakes residential developments and invests the profits back into further developments. Over an estimated six year period this would enable the Council to establish a portfolio of residential properties through the company to let as a private landlord as well as developing a pipeline of new development that generates capital for reinvestment. This is predicated on an adequate land supply within Council ownership to fulfill these development aspirations (an initial pipeline of sites is shown at Appendix 8 of the FBC). There is a possibility that the company could eventually become self funding this way and not rely on borrowing from the Council, which obviously improves the viability of further investments. It has to be understood though that this is a strategy with which the Council is currently unfamiliar and it will take time to build the necessary skills, expertise and confidence to make it a successful strategy; and it carries substantial risk with which the Council is also unfamiliar. It may be that in the early phases of the strategy the Council looks to spread this risk by working with a partner such as PSP through the Limited Liability Partnership that has already been established. The Council must view this approach as a medium to long term strategy to support the Medium Term Financial Strategy, rather than a short term 'quick fix'.
- 4.7 The FBC contains all of the detailed information regarding the establishment of the LATC such as governance arrangements, relationship with the Council and financial arrangements and modeling and will not be repeated in this covering report. One of the decisions the Council will need to take now is what to call the new companies under the group structure and proposals are contained at Appendix 9 within the FBC. The conclusion of the FBC is that the Council is now in a position to proceed to establish the new companies but Members should expect them to be dormant initially until the first proposals are developed.

5. FINANCIAL IMPLICATIONS

- 5.1 The Secretary of State has set out pre-approved consents in the "General Consents 2010" (July 2011) and the "General Consents 2014" (April 2014). The General Consents 2010 contains Consent C which enables the Council to provide financial assistance to the LATC.
- 5.2 Once established it is anticipated that the LATC will draw down a mixture of equity and debt finance from the Council. Whilst the LATC as any private company will be able to borrow from any private source, the likelihood is that borrowing from the Council will be the source of funding. The Council is able to borrow from the PWLB but must lend to the Company at a commercial rate in order to remain State Aid compliant.
- 5.3 The detailed financial modeling including projections of the gross and net surplus that could be generated by the LATC are shown in the Final Business Case in the exempt Appendix 2. This modeling has been prepared to show the financial implications for both the LATC itself and the Council. This also includes technical VAT and tax considerations that form part of the overall financial implications. On the basis of this financial modeling the external advice supports the business case for the Council to set up the LATC as part of a strategy to "develop to invest" using land owned by the Council.
- 5.4 Setting up the group structure of companies will have limited financial implications initially for the Council, especially whilst the companies are dormant; even when they are dealing with low volume transactions the implications are limited and will be capable of being managed within existing budgets. When the companies are fully functioning and active with higher volume of transactions the financial implications will be managed within the company. Even if the Council did not process with establishing the group structure there are costs that the Council would need to bear with regard to its investment aspirations if it is to be successful in utilising the Capital Portfolio Fund and the Development Investment Fund and this needs to be balanced against the effectiveness of establishing the company structure in enabling the Council to pursue the development projects at speed with a clear commercial focus.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Council cannot trade for a profit without establishing a LATC to do so. The Council will rely on the General Power of Competence (section 1 of the Localism Act 2011) which allows councils to do anything an individual or company may do, as long as it is not expressly prohibited by other legislation. The Council will rely on section 95 of the Local Government Act 2003 to trade; Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 also applies and authorises the Council to do anything which it is authorised to do for the purpose of carrying out its ordinary functions.
- 6.2 The company will need to be registered under the Companies Act 2006 as a company limited by shares for which the Council is sole shareholder for the value of £1.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equalities Impact Assessment is not required.

8. RISK MANAGEMENT

- 8.1 The risks associated with establishing the LATC are well documented throughout the final business case. These have been summarised into a new sub section of the Corporate Risk Register and a draft of that entry is provided at Appendix 6 of the FBC.

9. CONCLUSION

- 9.1 The Council continues to consider new ways to achieve its corporate objective to support the regeneration of the district, to create job opportunities and to diversify and improve the supply of new housing. The Council has also established that it wishes to invest in revenue generating development and has set up the Capital Portfolio Fund and a fund to support loans to third parties (Development Loan Fund). The Council has also been looking pro-actively about using its own land and property assets in more creative ways that generate revenue rather than a capital receipt. The setting up of a Group Structure of Local Authority Trading Companies is part of the means by which the Council can achieve its ambitions.

10. CONSULTEES

- 10.1 Corporate Leadership team

11. BACKGROUND PAPERS

- 11.1 14th June 2016 Cabinet report – Alternative Delivery Vehicles
14th June 2017 Cabinet report – Capital Portfolio Fund & Loans to Third Parties strategies.
11th July 2017 Cabinet report – Establishing a Local Authority Trading Company.

1. Summary

1.1 Introduction to the Business Case

- 1.1.1 This Final Business Case (FBC) sets out the proposal for Wyre Forest District Council (WFDC) to establish a wholly owned Holding Company under a Group Structure approach, under which will be established a company to enable WFDC to progress its aspirations to generate revenue from development initiatives. At a future date the Council may also wish to develop a business case in support of establishing further companies under the Group Structure to undertake for example rental management of residential units or commercial services and the Group Structure approach will then enable other such companies to be established under the Holding Company to effect those activities.
- 1.1.2 This FBC concentrates only on the case for establishing the Development Company within the Group Structure, which will be a property and asset development trading company through which the Council intends to deliver its regeneration and economic development objectives through investment in revenue generating housing, industrial and more commercial development including:
- a. the acquisition of land and property within the Council's area and/or more widely with the geography of the two Local Enterprise Partnerships (LEP) of which the Council is a member – Worcestershire and Greater Birmingham & Solihull;
 - b. acting on the Council's behalf to obtain regulatory permissions with a view to adding value to the land for disposal or to undertake development; and to dispose of such land or development;
 - c. Development, construction and/or refurbishment works with a view to market sale, shared ownership or rental of properties.
- 1.1.3 The company will help WFDC deliver its ambitions to continue to support economic growth in the district as well as contribute to overall housing need which in turn supports its Medium Term Financial Strategy (MTFS) by increasing the Council Tax Base and National Non Domestic Rates (NNDR). The company will enable the Council to intervene in the local market where the private sector is failing and will enable it to create new homes and both direct and indirect jobs. In turn it is expected that this will act as a catalyst for private sector investment.
- 1.1.4 The business case comprises the following:
- a. The strategic case – setting out how the establishment of the company meets the strategic objectives of the Council, together with the objectives of the company.
 - b. The economic case – setting out the options that have been considered in establishing the company and how setting up the company is an economically justifiable decision.

- c. The commercial case – setting out the commercial justification for establishing the company.
 - d. The financial case – setting out how the establishment of the company is justifiable in financial terms when considered both from the perspective of the Council and from the perspective of the company itself.
 - e. The management case – setting out how the company will be established operationally and what governance arrangements will be put in place.
- 1.1.5 This FBC builds on work undertaken over the past 24 months and takes forward decisions made by Cabinet in June 2016 (Alternative Delivery Vehicles), June 2017 (Capital Portfolio Fund and Loans to Third Parties Strategies) and July 2017 (Establishing a Local Authority Trading Company). The latter meeting agreed that there was a case for WFDC to establish a company limited by shares and delegated authority to procure external support to 'health check' the proposed Articles of Association & Shareholder Agreement, to develop a financial business plan for the company and then to receive this final business case.
- 1.1.6 The Council has procured external advice from Mazars (incorporating Anthony Collins Solicitors & FPM & Primus Property Group) in support of the development of this FBC, these are at Appendix 1 ("Establishing a Wholly Owned Company – Legal analysis and due diligence" and Appendix 2 "The Business Case for Establishing a Property and Asset Development Local Authority Trading Company").

1.2 Background

- 1.2.1 WFDC has a history of taking a proactive approach to supporting its local economy dating back to 2009 when it established its ReWyre concept which set out the vision for the physical regeneration of key sites across the district. In 2011 the Council began hosting a shared service for the three North Worcestershire Councils (including Redditch BC and Bromsgrove DC) – North Worcestershire Economic Development & Regeneration (NWEDR). In 2012 and 2013 WFDC held two 'State of the Area' (SoTA) debates with a focus on economic development & regeneration and backed that with an ambitious £1.5m of support and an ongoing £100,000 p.a. revenue stream. Through this SoTA initiative and using the ReWyre regeneration concept, the Council has been able to support a variety of initiatives with the Themes of 'People', 'Place' and 'Business' and that work is still continuing.
- 1.2.2 In 2014 the Council carried out a review of its assets (supported by E C Harris – now Arcadis) with a view to using them to support economic growth. Based on this the Council has supported business investment in the district (for example by selling the freehold of sites to business tenants wishing to invest long term in the district), new housing (through the sales of strategic sites with the benefit of permission for residential development) and by de-risking and bringing forward its own plans for development (such as demolishing the former Glades Leisure Centre in Kidderminster and procuring a new cinema led leisure and retail development in its place).

- 1.2.3 In 2017 as part of the Council's budget, two new initiatives have been created to further the Council's ambitions to grow the local economy and provide new homes – the Development Loans Fund, a £10million fund based on borrowing for the Public Works Loan Board (PWLb) to lend to appropriate bodies and individuals who have development proposals that further the regeneration ambitions of the Council; and a Capital Portfolio Fund of £25m backed by PWLB borrowing to invest in the district or across the combined area of the LEPs of which the Council is a member, to invest in development of its own assets or to acquire revenue generating assets or land and property that can be developed or refurbished to generate revenue.
- 1.2.4 Stimulated by the Council's desire to use its assets as a redevelopment catalyst and backed by the Council's more recent plans to invest for revenue generation has prompted the Council to become even more proactive in bringing about development. The Council has already agreed outline business cases for building new small and medium sized industrial units where the market is currently failing to meet demand, as well as to acquire a small number of residential units to enable the Council to act as private landlord. In order to be able to add capacity and expertise to its own resources, the Council has appointed a Property & Investment Manager to oversee the Capital Portfolio Fund and has entered into a Limited Liability Partnership (LLP) with Public Sector Plc (PSP) as a means to add value to its asset development.

1.3 Summary of the Proposal

- 1.3.1 Building on the above, the establishment of a suitable delivery vehicle to help the Council further its aims is the next logical step. The Council understands that it does not (yet) require a delivery vehicle to effect its ambitions to invest both within and outside the administrative area for revenue generating purposes (although there is a risk that proposed changes to the Prudential and Treasury Management Codes and also DCLG Investment Guidance and other related guidance will curtail investment in the light of recent high profile investment decisions of other Councils that are causing concern with the Treasury) nor to build new industrial units. However, as the Council transferred its housing stock in 2000 and no longer has a Housing Revenue Account (HRA) there are limitations to what it is able to do in residential terms and becoming a commercial landlord has some consequences in terms of the Housing Act 1984 and tenancy rights which the Council wishes to avoid.
- 1.3.2 The company will be established as a company limited by shares with the Council being the sole shareholder. The Council may lend money to the company through its Development Loans Fund but this has to be at a commercial rate in order to ensure State Aid compliance. The Council may sell land to the company for a capital receipt but must obtain best value for such land, again to comply with State Aid; or the Council may put land into the company as equity. The Council will receive a dividend from the company which it intends to invest in the continued delivery of its services.
- 1.3.3 The company's immediate activities will be to support the Council's aspiration to act as a private landlord by acquiring, refurbishing or developing housing opportunities (and may seek to enter into joint venture relationships with PSP

or other partners to facilitate this). However, when it would be financially advantageous or where it may be necessary if limitations are brought into place, the Council may choose to hold its investments or other industrial or commercial developments within the company as well.

2. The Strategic Case

2.1 The WFDC Strategy

- 2.1.1 The Council's Corporate Plan 2014/19 sets out a vision for the district "where people have the opportunity to enjoy a good quality of life and want to live, work, visit and invest". The Council adopted two Corporate Priorities to deliver that vision: "Support you to contribute to a successful local company" and "Support you to live in clean, green & safe communities" and within the Strategic Actions the Council planned to "bring forward regeneration and development opportunities and the infrastructure to support them", "create new job opportunities and improving skills"; "help new businesses to start up and existing businesses to grow", "preventing and reducing homelessness" and "meeting current and future housing needs... that provides for growth in the number of houses".
- 2.1.2 The Council is in the process of adopting a new Local Plan for the period 2016-2034; in order to meet its Objectively Assessed Housing Need (OAHN) (as published at April 2017) the Council is planning to find land to accommodate 5,940 dwellings to meet its needs over the Plan period; 3,780 of these are expected to be market housing 1,620 affordable and 540 institutional or residential care home units. In addition and in order to meet its employment needs the Council expects to allocate 40ha of land for employment purposes in the Plan period. The Council is expecting a refresh of the OAHN in spring 2018 following publication of the governments standardised methodology and this may increase or reduce the figure agreed in 2017.
- 2.1.3 However, using the 2017 figures, in order to meet its OAHN the Council has to plan to deliver 300 new dwellings per year (excluding the institutional and care homes). Historically over the past 11 years housing completions in the district have averaged 256 but latterly numbers have fallen (in 2017 the figure was 114). Of the 300 units p.a. 90 of these are intended to be affordable units and the average number of affordable units delivered p.a. over the last 11 years has been 73. By establishing the company the Council intends to boost these numbers by developing new residential units on its own land for sale or rent. Units developed for sale will enable the capital receipts to be recycled into developing other sites to continue a pipeline of supply; units retained for rent will enable the company to act as a responsible landlord and add to the range of housing options available across the district. The Council's stock transfer company (The Community Housing Group) provides for the affordable needs of the district's residents (along with a handful of other Registered Providers).

2.1.4 As part of the evidence base in support of the Local Plan, an employment Land Review was undertaken for the Council by Nathaniel Lichfield and Partners and it found that over the period 2000 – 2012, there was a 25% fall in the amount of industrial floorspace in the district (thousands m²). It also found that the gross amount of land developed for Class B employment uses fell from an average of 2.23ha per annum in the period 2005-2010 to 0.57ha per annum in 2010-14. The slowdown being attributed to the financial crisis nationally. The report also found that there was a strong demand for industrial units up to 2,500m² but that the stock of such units is absent in terms of good quality, flexible units suitable for the needs of modern industrial users. The report also noted a “severe lack of ‘follow-on’ or ‘grow-on’ spaces (200-400m²). Commercial agents consulted as part of the study recognised the gap in the market for these units and attributed it to the difficulty of getting funding for these types of units and with shorter term more flexible lease arrangements required by tenants this created uncertainty for the private market which created a stasis in new investment. Agents encouraged the district council to take advantage of this gap in the market and to act to fill it. This is where the company may wish to act if it is financially advantageous over and above the actions already being undertaken by the Council.

2.1.5 In 2016 the Council adopted a Strategic Asset Management Plan (2016-2021) and a Strategy to Enable Business Growth & Enterprise in Wyre Forest, both of which support the Council taking a proactive stance in using assets to support business growth.

2.2 The Company’s Aims & Objectives

2.2.1 The principal aim of the company will be to deliver the Council’s aim for local regeneration and economic development where the private sector is failing. In so doing, the dividend return to the Council from the profits achieved in the company will be used to support the delivery of services to the residents and businesses of the district. In terms of housing delivery the aim of the company is to stimulate development of sites which ought to be brought forward for development but, for one reason or another, are not and to enable the Council to use its existing assets and acquire new land and property to deliver its own houses for sale or rent. The company will act as landlord for those properties that are held for rent and will act as a beacon landlord in terms of the standards it meets.

If required to function as such, the company will also enable the Council to fulfil its investment initiatives by both enabling the development of sites for industrial and/or commercial uses and by acquiring new investments for a revenue return.

3. The Economic Case

3.1 The report considered by the Cabinet on 14th June 2016 set out options in respect of the alternative delivery vehicles that the Council might wish to utilise in the delivery of its objectives. The recommendations of that report were for the formal entering of a Limited Liability Partnership (LLP) with Public Sector Partnership (PSP) (which was completed in February 2017) and the

establishment of a company wholly owned by the Council as sole stakeholder in a company limited by shares. Separate reference can be made to that report to see the consideration given to alternatives and why the company provided the best fit for the Council.

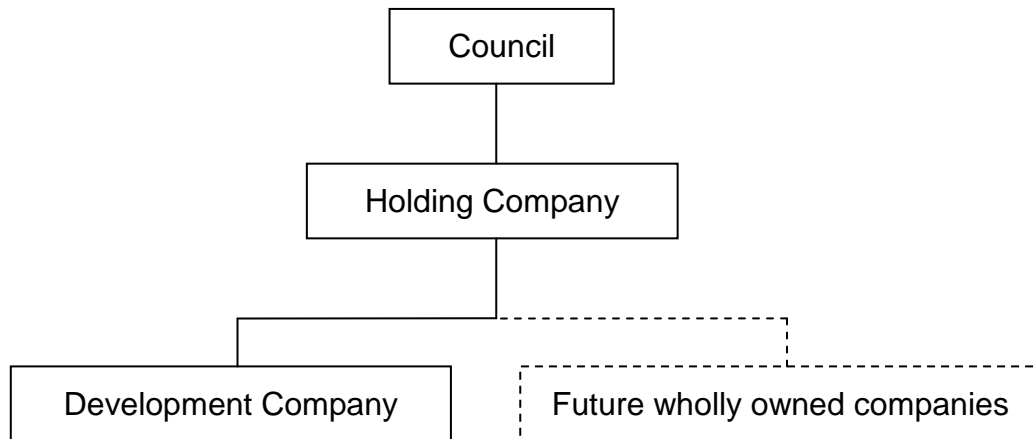
- 3.2 Further consideration is given to 'Corporate Models and Formation' in the Mazars Legal Analysis and Due Diligence supporting information (Appendix 1 Annex 2). That concludes that the most appropriate vehicle to meet the Council's needs is the Company Limited by Shares (CLS). In the first instance, the CLS will utilise the existing support resources (financial, legal, property) where possible from within the Council through a Service Level Agreement (SLA) for which the Council will charge the time of the officers involved, rather than establish an officer core with the CLS. This is because it is envisaged for the first few years of the CLS transactions will only be low volume and not enough to necessitate the full time employment of officers; the CLS will be able to apply to borrow from the Council through its Development Loan Fund at a commercial rate.
- 3.3 There are sites currently identified as having potential for residential development that would involve the company either as developer or landlord and for reasons of commercial sensitivity these are set out in Appendix 8 of the FBC:
- 3.4 The Council has also indicated its intention to use its powers of Compulsory Purchase more widely (Cabinet September 2017) and, in accordance with the government's encouragement to do so as set out in the 'Fixing our Broken Housing Market' White Paper of 2017. The Council intends to focus on brownfield land within the district in the first instance, especially land that has had the benefit of residential planning permission but that the owner has failed to bring forward for development. In parallel the Council intends to similarly acquire long term empty properties where it is economic to do so in order to bring back into active use.

4. The Commercial Case

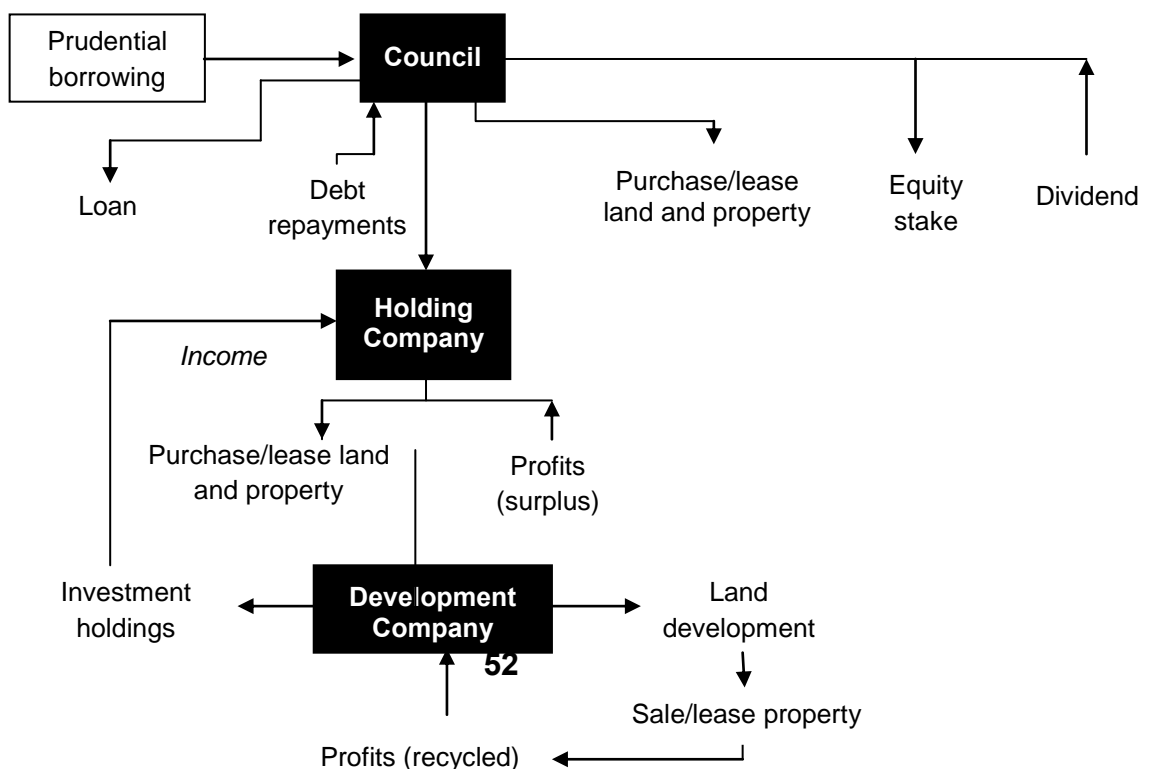
4.1 Commercial Analysis of the Proposal

- 4.1.1 The Council is cognisant of the powers it has to set up and participate in companies, the details of which are set out in the accompanying Mazars documentation (Appendix 1 Annex 1). This also sets out the power the Council has to undertake investments. The Council does not have any companies yet established and it recognises the advantages as set out in the Mazars report of taking the opportunity to set up a group structure from the outset. Creating such a group structure streamlines the governance arrangements for the Council and may also have additional tax efficiencies; further, there may be marketing and branding benefits to separating out different activities, for example the Council may wish to market its development activities in a different way than its commercial activities. Additional benefits such as no SDLT arising on land transfers between the Holding Company and the subsidiary companies also arise. The Council intends to use the group structure to establish a holding company with

subsidiary companies beneath, initially the subsidiary company will be the Development Company but there is the potential to also establish a Rent Company if the volume of rental properties held in the Development Company became financially viable to hold separately.. From a governance perspective that offers the benefits of having a single overarching Board of Directors and one shareholder group with multiple companies whose Boards all report to the Board of the holding company. The structure would be thus:



4.1.2 The holding company will be the CLS with the Council as sole shareholder. Transactionally the Holding Company will be able to borrow from the Council and either purchase or lease land and property from the Council on a commercial basis. The Council may also choose to place land, property or capital into the company by way of an equity stake. The company, through its Development Company, will hold, develop, sell and let land and assets with the purpose of making a profit of which some may be re-invested into the company to extend its activities or else return the profit to the Council by way of a dividend. The company will need to meet its running costs, including servicing debt and meeting its tax obligations before returning the dividend to the Council.



- 4.1.3 A key commercial consideration in establishing the company will be the exit strategy if it needs to be dissolved. The advantage of the CLS approach with the single shareholder is that, if necessary, the company can withdraw from development, sell its assets, repay its debts and be wound up.

4.2 Market Overview

- 4.2.1 In April 2017 as part of a wider consulting commission to test the viability of some of the Council's investment proposals the Council commissioned PER Consulting to undertake a market analysis of the property market in the district (this is appended at Appendix 3). This provides the context for the industrial, commercial, retail and housing markets in the district and will be referenced in the detailed decisions regarding investment or development proposals as they come forward.

4.3 Legal Considerations

- 4.3.1 The Council has prepared the Articles of Association & Shareholder Agreement that will be put in place to facilitate the necessary arrangements between the Council and the Holding Company; similar documentation in respect of the Development Company will also need to be prepared. These have been externally scrutinised by Anthony Collins Solicitors to ensure that they are fit for purpose (Appendix 1 Annex 7 & 8) and are attached in full at Appendices 4 & 5)
- 4.3.2 Further analysis of the legal competencies the Council has to establish the Company has been provided in the Mazars report through Anthony Collins Solicitors. They recommend that the Council uses its General Power of Competence under the Localism Act 2011 to set up and participate in the Company and s12 of the Local Government Act 2003 and 'incidental' power given by s111 of the Local Government Act 1972 to undertake investments.
- 4.3.3 As the Council does not maintain any housing stock it does not have a live Housing Revenue Account (HRA) and it is intended that this remains the case and that any residential properties held for rent will be held by the Company, not the Council, either directly or by way of lease from the Council. The duty to keep a HRA under s74 of the Local Government & Housing Act 1989 arises regardless of whether or not the Council actually holds any relevant properties. However, as a 'stock transfer authority', the Mazars recommendation is that if the Council were to hold property for rent on the private market to generate an income stream this would constitute a 'commercial purpose' and as such under the General Power of Competence would need to be undertaken through the Company. Mazars take the view that this could be by way of the Council holding the freehold to such properties and granting a long leasehold to the Company without such an arrangement triggering the duty to hold a HRA.

4.4 Risk Analysis & Exit Strategy

- 4.4.1 The establishment of the Company and the relationship of the Council as shareholder will require a separate entry on the Council's Risk Register and,

as such, will be kept under review. A draft of the proposed entry into the Council's 'Pentana Performance' software system is appended at Appendix 6).

- 4.4.2 In addition it is expected that each individual transaction between the Council and the Company (such as lending through the Development Load Fund) will also be subject to a separate discrete risk assessment; further it is expected that each development carried out within the Company will be similarly subject to separate risk assessments, analysis and appropriate mitigation.
- 4.4.3 In the event that the Company needs to be wound up, as stated at 4.1.3 above this could be effected relatively quickly under the CLS structure.

5. The Financial Case

5.1 Financial Modelling

- 5.1.1 The financial modelling of the Company has been undertaken as part of the Mazars commission using FPM supported by Primus Property Group (Appendix 2) and in undertaking this modelling they have considered the financial implications from both the Council's and the Company's perspectives.
- 5.1.2 FPM have given a commentary on the current market for investment in residential development and report that there has been significant slowdown in growth in this market over the past few years with little prospect of a return to the heights previously seen. A particular cause of this slowdown is the differential between house price growth and wage growth supporting affordability. Property values in Wyre Forest only returned to 2006 (pre crash) levels in 2015 and the market cooling suggests price growth of under 15% over the next five years.
- 5.1.3 FPM have based their modelling on the Council's current principles of 100% borrowing from the PWLB, thus making funding of the company 100% loan finance; adding on the costs of purchase of residential developments at 6% makes it in reality a loan of 106% to value. This is a risky strategy given the commentary of the market slowdown and FPM's initial modelling suggests that at 106% loan to value this is not a viable business model for the private rented housing sector. However the model does become more feasible if the loan to value ratio can be reduced.
- 5.1.4 FPM have modelled three scenarios:
 - a. Investment in residential property
 - b. Investment in commercial property
 - c. Development (on land owned by the Council or to be acquired and undertaken by the Council or by the company)

All of the models have been undertaken based on a £10m investment for illustrative purposes and this can be scaled down accordingly with the principles remaining intact.

- 5.1.5 For the residential investment model FPM have assumed SDLT at an average of 4% (but this can fluctuate up or down depending on the number and value of the properties purchased – individual business cases for each investment will model this accurately). Based on the 100% loan to value principles this model fails and generates a negative net yield and net return on investment which is unviable. FPM have sensitivity tested some of the assumptions in the model and a rental yield improvement (4.5% to 7.5% and reduced voids 10% to 5%) or reducing the loan gearing ratio from 100% to 50% or costs of funds reducing (from assumed 4.7% to 3%) or a combination of all three does result in an operating profit, indicating that the model does become viable if these variables can be adjusted more favourably; the problem is that the only variable the Council has absolute control over is the loan gearing ratio which it can affect by adding capital receipts into the model to reduce the loan to 50% or lower, but currently the Council does not have capital receipts to make such a contribution (other than at small scale via the Evergreen Investment Fund).
- 5.1.6 The investment in commercial property modelling; based on the same principles as above, is much healthier; based on purchase of £2m-£10m (keeping above the market for private investors and below the market for institutional investors) generates a small surplus once gross yield exceeds 9% (this obviously improves further if the loan gearing can be reduced from 100%). Net yields on around 3% are possible and this is above the 2% minimum established in the Council's Asset Investment Strategy agreed in 2017. Care has to be taken though in the application of Minimum Revenue Provision (MRP) which can further reduce the return, depending on how it is calculated and on the assumed life of the asset. The FPM conclusion is that investment in commercial property may meet the Council's requirements, but at present, there is no need to set up a separate company to achieve this as the Council can make such investments in its current capacity.
- 5.1.7 The Council is already looking at ways of developing its own assets to generate revenue and in order to help effect this has for example established the Limited Liability Partnership with Public Sector Plc. FPM further explored options for residential property development by the company or by the Council on Council owned land or through a venture such as the LLP. In all scenarios there is a healthy positive return, but this needs to be balanced against the risk and experience the Council has in undertaking such developments and obviously the opportunity to spread risk through such ventures as the LLP ease that situation, but mean sharing the benefits.
- 5.1.8 FPM consider that the case for a 'develop to invest' strategy is strong and that the establishment of a company based on such a model appears a sensible course of action. Whilst it is more financially advantageous for the Council to carry out such development itself, FPM recognise the need for the company to protect any residential lettings from the security of tenure otherwise granted by the 1985 Housing Act if the properties were leased by the Council directly.

Further, FPM advise that investment in 'distressed stock' (such as empty properties for instance) that the Council could refurbish has added tax benefits and could provide a reliable source of income for the Council.

- 5.1.9 The principles of the FPM develop to invest strategy assumes a rolling loan facility to invest in development on Council land (and therefore assumes a pipeline of available land) and shorter term borrowing from PWLB and repayments such that the MRP requirement is not triggered. In this model the profits from the development (from sales) are reinvested in either commercial or residential property through the Company. This would enable the company to develop a portfolio of rented properties which would continue to grow as the model grows. Based on a six year development cycle of borrowing, development and investment the Council could achieve yields in excess of 3.5%. In addition the Council will be receiving the margin made on the difference between PWLB and the commercial rate charged on loans to the company. The returns improve further if the company can eventually reach a debt free position.

5.2 Accounting & Tax Considerations

5.2.1 The Mazars report fully deals with the accounting and tax (particularly VAT, SDLT and Corporation Tax) implications of all of the models and there are different outcomes depending on the different scenarios and these are set out in full in the appendices.

5.2.2 The company will be subject to Corporation Tax (the Council isn't) which is currently at a rate of 19%; and land transactions (including between the Council and the company) will be subject to Stamp Duty Land tax (SDLT). In VAT terms councils are generally unique in enjoying full VAT recovery on costs in almost all circumstances, by using the company though it will be subject to normal VAT rules applying. The commentary on VAT implications of the various scenarios is found at Annex 9 of Appendix 1.

6. The Management & Operational Case

6.1 Company Structure & Management

6.1.1 The companies will be companies limited by shares (CLS) of which the Council will be the sole shareholder and will thus be a wholly owned subsidiary of the Council and the Council will have ultimate control of the company. The Company will be established under the Companies Act 2006 as a 'for profit' vehicle and governed by the principles of company law.

6.1.2 The CLS is managed on a day to day basis by a board of directors who report to the shareholders. The Directors have a number of statutory duties in addition to those owed elsewhere in statute and at common law and equity; Directors are generally not personally liable for debts unless they have given any personal guarantees.

6.1.3 The main constitutional documents are the Memorandum of Association (a standard form document), the Articles of Association (Appendix 4) and the

Shareholder Agreement (Appendix 5). The formation of the CLS is a straightforward process of application to Companies House, the payment of a registration fee (£40 or £12 online) and submission of the Memorandum and Articles of Association.

- 6.1.4 Based on the advice provided by Mazars it is proposed to establish a group structure which allows the Council to have unified governance arrangements by establishing an overarching Board of Directors with subsidiary Boards reporting to that overarching holding company. This has potential future tax advantages to the company as well as offering the opportunity for rationalising the Council's approach to governance and the relationships between different vehicles. This offers the further opportunity, should the Council wish, to establish other trading companies, e.g. a rent company or a commercial services trading company under the holding company, at a later date. The proposed names of the companies are set out in Appendix 9 to the FBC.

6.2 Council Governance Arrangements

- 6.2.1 The company will be controlled by its Directors and for the Holding Company these will comprise appointments in accordance with the Articles of Association and the Shareholder Agreement with the appointment of an independent Chairperson; for the subsidiary companies these will be controlled by Directors appointed in accordance with the Articles of Association and the Shareholder Agreement. The company (ies) will have their own Business Plan(s) which will be agreed with the Council as Shareholder. The Council as the sole shareholder of the company (ies) and through the Shareholders Agreement will establish the parameters within which the Business Plan is set and by which the company (ies) can operate. The Council as shareholders will retain the ability to set the direction of the company (ies) and to scrutinise their activities through the Council's normal executive and scrutiny powers.
- 6.2.2 The Mazars advice provides helpful guidance on the governance arrangements in Appendix 1 Annex 4) and in particular confirms that shareholder decision making is an executive function which is delivered through the Cabinet with appropriate levels of delegation to officers (who are not involved in running the company (ies)); such delegation includes the appointment of a shareholder representative for general meetings of the company (ies).
- 6.2.3 Appendix 7 of this report sets out where responsibilities for decisions will rest between the Council (as shareholder) and the company (though the Board).

6.3 Company Business Plan & Review

- 6.3.1 The initial approval of the Business Plan is agreed by the company and then the Council as Shareholder; once the company is established the Company Directors will review the Business Plan at least at six monthly intervals, unless

exceptional circumstances necessitate an earlier review, and update annually. The review will be reported back to the Council as Shareholder.

- 6.3.2 Any monies to be lent to the Company by the Council will have to undergo the decision making and approval process already established with the Council of consideration by Overview & Scrutiny Committee and the final agreement by Cabinet (and by Council if it is in addition to the agreed Capital Programme).

6.4 Management & Resources

- 6.4.1 Initially it is proposed that the Company will purchase its operational running resource from the Council and utilise the existing Council officers as it is anticipated that initial running will be dealing with low transactional volumes, indeed it is expected that after initial set up the companies will be dormant until the Council initiates development activity triggering their use. So for example the management and letting of any residential units will initially be undertaken by the Council's Housing team under a Service Level Agreement with the company, until such time as this is no longer feasible and at which point the Company may 'buy in' its own resources to meet its operating requirements and that might include secondment or transfer of Council staff into the Company. At all times the Company will pay a full commercial rate for the services it receives. Where required a Service Level Agreement will be entered into by the Company and the Council.

- 6.4.2 It is also intended that initially any rental management of properties will be managed through the Development Company but it is recognised that if successful this portfolio of properties may lead to the establishment of a Rent Company if there are financial advantages to establishing such a company in the Group Structure.

6.5 State Aid, Transparency & Procurement

- 6.5.1 The supporting advice from Mazars covers this element in more detail (Appendix 1 Annex 6); the arrangements between the Council and the Company, whether they be financial or otherwise, must be transparent and must comply with State Aid requirements which in essence requires the relationship between the two bodies to be on a wholly commercial basis.

- 6.5.2 Appendix 1 Annex 5 of the Mazars report considers the procurement arrangements in detail. That advice is that in situations where:

- i. the Council establishes the Company to invest in a property portfolio or develop land for sale or rental;
- ii. the Council transfers land to the Company for best consideration
- iii. land is developed and then sold or rented to third parties; and
- iv. profits are reinvested back into the work of the Company or distributed back to the Council

then this would not constitute procurement of contract for goods, services or works and, as such, the Public Contracts Regulations 2015 would not apply.

- 6.5.3 Mazars advise that, as long as the Company is established as a CLS trading for commercial purposes and has the purpose of meeting needs in the general interest that has a commercial or industrial character, the definition in the 2015 Regulations of a “body governed by public law” would not apply and the Company therefore would not be a contracting authority subject to public procurement law in any contracts that it lets (including for any support services).

6.6 Implementation

- 6.6.1 This Final Business Case brings together the principles of reports and decisions made over the past two years by the Council in relation to the establishment of a trading company. The Business Case demonstrates that the Council can now proceed with the establishment of the Company (ies) and that the viability of doing so is both financially and commercially sound.

The Council should now proceed to register the Company (ies) – (Three Towns Ltd and ReWyre Developments Ltd) with Companies House, progress the initial Company Business Plan and establish the Board of Directors and appoint an independent chairperson.