

Open

Cabinet

Agenda

**To be held remotely
6pm
Wednesday, 20th May 2020**



Wyre Forest District Council



Cabinet

The Cabinet Members and their responsibilities:-

Councillor G Ballinger	Leader of the Council & Strategy & Finance
Councillor F Oborski MBE	Deputy Leader & Economic Regeneration, Planning & Capital Investments
Councillor N Martin	Housing, Health, Well-being & Democratic Services
Councillor H Dyke	Culture, Leisure & Community Protection
Councillor J Thomas	Operational Services

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 Tuesday 2nd June 2020.

Councillors wishing to "call in" a decision on this agenda should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster. Telephone: 01562 732763 or email louisa.bright@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.

1. The Cabinet meeting is open to the public except for any exempt/confidential items. These items are normally discussed at the end of the meeting. Where a meeting is held remotely, “open” means available for live or subsequent viewing.
2. Members of the public will be able to hear and see the meetings by a live stream on the Council’s website:

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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 Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@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

Wyre Forest District Council

Cabinet

Wednesday, 20th May 2020

To be held remotely

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 11 th February 2020.	6
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 Representations at Meetings of 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 Monday 11 th May 2020. (See front cover for contact details).	

7.		
	Councillor G Ballinger	
7.1	Cabinet Advisory Panel on the Green Agenda To consider a report from the Chief Executive to seek approval to establish a Cabinet Advisory Panel drawn from members of the Cabinet and from other members of the Council to oversee work on the green agenda.	16
7.2	Financial Stress Testing re Coronavirus Pandemic Impact To consider a report from the Corporate Director: Resources which provides an early briefing for members on the impact of the current Coronavirus Pandemic on the Council's financial performance for the first quarter of 2020-21 and beyond. <i>The appendices to this report have been circulated electronically and a public inspection copy is available for appendix 1 on request.</i>	22

8.	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.	
9.	Exclusion of the Press and Public To consider passing the following resolution: "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".	

Part 2

Not open to the Press and Public

10.	Agenda Item No. 7.2 – Financial Stress Testing re Coronavirus Pandemic Impact Electronic Appendix 2 - Potential Contractual Claim	
11.	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.	

WYRE FOREST DISTRICT COUNCIL

CABINET

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

11TH FEBRUARY 2020 (6PM)

Present:

Councillors: G W Ballinger (Chairman), F M Oborski MBE (Vice-Chairman), H E Dyke, N Martin and J W R Thomas.

Observers:

Councillors: N J Desmond, I Hardiman and M J Hart.

CAB.51 Apologies for Absence

There were no apologies for absence.

CAB.52 Declarations of Interests by Members

No declarations of interest were made.

CAB.53 Minutes

Decision: The minutes of the Cabinet meeting held on 17th December 2019 be confirmed as a correct record and signed by the Chairman.

CAB.54 Call Ins

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

CAB.55 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.56 Public Participation

There was no public participation.

CAB.57 Wyre Forest District Local Plan (2016-2036)

A report was considered from the Spatial Planning Manager to agree the submission of the proposed Wyre Forest District Local Plan (2016-36) and Policies Map for recommendation to Council on 20th February for forwarding to the Secretary of State (including all supporting evidence base documentation).

The Cabinet Member for Economic Regeneration, Planning & Capital Investments presented the report and formally moved the recommendations

for approval. She said the Local Plan had been in preparation since 2018; and it was now time for us to submit it to the Planning Inspectorate to begin examination, which will consider whether we have a 'sound' Plan.

She further explained that we have passed the point now of deliberating on which sites to include or exclude. All of that has been thoroughly consulted on, from the Preferred Options consultation back in summer 2017 to the more recent Pre-Submission consultations in 2018 and again in 2019. She added that we now have to decide whether we consider the Plan to be 'sound' and legally compliant, and that it can be submitted to the Planning Inspector.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments said that 'soundness' means that the Plan has been positively prepared, that it is justified, effective and is consistent with national policy and in accordance with the National Planning Policy Framework. She added that she was pleased to commend the suite of documents that makes up the Submission Plan to Cabinet as meeting those tests of 'soundness'. She acknowledged that there will be matters that some people disagree with and that there are those who will seek to challenge whether the Plan is 'sound'; that will be what the Inspector examines when the plan is submitted. She added that there was no place for us now to consider further amendments to the Plan without undermining its 'soundness'.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments reminded Members that, with the exception of the addition of the increased car parking at Blakedown Station, which is required by the County Council to enable them to support the Plan, and the small housing allocation alongside it, this is effectively the same Plan which the previous Administration was loudly heralding as the "Conservative Party's Local Plan" in leaflets in the run up to the May 2019 District Council Elections.

In relation to the justification for using the higher housing number in the Local Plan, she explained that no councillor wants to see any more development of the Greenbelt than absolutely necessary. However the authority must ensure that it maintains its supply of new housing otherwise it will run the risk of not maintaining a five year land supply and falling foul of the housing delivery test; either of which could actually undermine the value of the Plan and expose the whole district to unwanted development. She added that the justification for the need to use the higher 2016 household projection figure was set out in paragraph 7.10 of the report and the matter will be thoroughly tested by the Inspector.

The Chairman of the Overview and Scrutiny Committee, Councillor M Hart, said that the item was fully debated at the meeting, and the proposals were supported by the majority of the Committee.

The Cabinet Member for Culture, Leisure & Community Protection seconded the proposals. She said that a lot of time and effort had gone into the preparation of the Plan. She said that residents had played a big part in responding to the consultation and she thanked them for their input.

Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 6th February 2020, Cabinet recommends to Council to:

- 1) Approve the proposed Wyre Forest District Local Plan (2016-2036) and Policies Map (together with the associated evidence base, including the Sustainability Appraisal) for the purpose of its submission to the Secretary of State for independent examination under section 20 of the Planning and Compulsory Purchase Act 2004 (the PCPA 2004) (as shown in Appendix 1) of the report;**
- 2) Approve the Table of Additional (Minor) Modifications to the Wyre Forest District Local Plan (2016-36) and Policies Map (as shown in Appendix 2);**
- 3) Approve the submission documents prepared pursuant to Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (the Local Planning Regulations) (see Appendix 3);**
- 4) Note the technical study ‘Traffic Demand in the Hagley Area (A456 Corridor)’ (in Appendix 4) as a background paper (which has yet to be published by the County Council);**
- 5) Approve the ‘Statements of Common Ground’ with third parties such as statutory agencies and adjoining Councils (as shown in Appendix 5); and**
- 6) Delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Cabinet Member for Economic Regeneration, Planning and Capital Investments for the following matters relating to the Local Plan:**
 - a. To take or authorise such steps as may be necessary for the independent examination of the Local Plan to be completed, including:**
 - i Proposing, requesting from and agreeing with the Inspector, at submission and through the examination, ‘main modifications’ to the wording of the Local Plan to ensure its soundness and legal compliance, in accordance with section 20(7C) of the PCPA 2004 (noting that ‘main modifications’ will subsequently be subject to public consultation prior to the completion of the examination and approved by Council);**
 - ii Agreeing ‘additional (minor) modifications’ to the wording of the Local Plan (noting that these will relate to minor changes which do not materially affect the policies in or soundness of the Plan and will subsequently be approved by Council at adoption);**
 - iii Entering into ‘Statements of Common Ground’ with third parties such as statutory agencies and adjoining Councils;**

- iv **Undertaking other tasks pursuant to informing and ensuring the effective running of the examination, including making submissions of hearing statements to the Inspector and providing to the Inspector such further or revised documents or information as may be necessary;**
- v. **Agreeing Topic Papers including but not limited to housing growth, viability and Green Belt release (noting that these are for explanatory purposes only); and**
- vi. **Publishing the recommendations of the Inspector in accordance with section 20(8) of the PCPA 2004 and Regulation 25 of the Local Planning Regulations.**

**CAB.58 Medium Term Financial Strategy 2020-2023
Capital Strategy 2020-2030**

A report was considered from the Corporate Director: Resources which provided the Cabinet with financial information in order to make proposals for the Budget Strategy for the period 2020-2023. The report also sought approval of the Capital Strategy for 2020-2030 including prudential indicators which set limits for non-financial investments and to fulfil the key requirements of the MHCLG Investment Guidance.

The Leader of the Council presented the report and formally moved the recommendations for approval. He said that the Cabinet considered the medium term financial strategy and the associated capital strategy, at its meeting on the 17th December last year. The Provisional Finance Settlement was then issued on the 20th December. It did not change any of the assumptions included in the December report significantly. The Final Settlement had been expected to be formally agreed by the House of Commons tomorrow. It was very regrettable that this had now been delayed until the week commencing 24th February. However, related figures were released in advance late last week and as expected these are substantially the same as contained in the Provisional Settlement. He said that the report provides an updated position following two Strategic Review Panels to consider further government announcements and the Alternative Budget proposed by the Conservative Group.

The Leader of the Council outlined the key points from the settlement and advised that, for 2020-2021, there will continue to be differential limits that will trigger the need for a council tax referendum.

He added that for district councils, there is no referendum for increases of less than 2% or up to and including £5 (whichever is higher) above the authority's council tax for 2019/20. The 2% restriction is very disappointing. At the time of writing the report, it was hoped that this might be increase to 3% but the detail of the final settlement issued last week confirms no change. Therefore he confirmed that the Cabinet's recommendation to Council for the Council Tax increase would be £5 or 2.33%, and asked colleagues to support the proposed increase as set out in paragraph 2.2.2 and to ignore paragraph 2.2.3.

The Leader of the Council said the Government's decision not to allow an increase of 3% contradicts the views of more than 600 residents who took part

in the council's budget consultation last autumn; 73% of respondents supported or strongly supported an increase of up to 3% in council tax. He thanked the hundreds of residents who took time to comment and give their views on our budget proposals. He said the Cabinet believed the new financial strategy very much reflects what people told the Council.

He further explained that the Cabinet's proposals in the budget have changed in only two respects since December. There was a proposal that Council should allocate an additional £1.5m to the Capital Portfolio Fund to invest in acquiring properties which will create extra income to support services. If this additional headroom was agreed, members knew that all potential purchases are subject to thorough checks and members of the Cabinet decide whether or not to proceed with any purchase on the basis of a detailed business case, which is scrutinised in advance by the Overview and Scrutiny Committee.

He said an earlier proposal to reduce how much is spent on cutting grass verges by £50k has been dropped, following confirmation from Worcestershire County Council that it is not reducing the funding it provides for WFDC for this county council responsibility during 2020-21.

Finally, the updated Alternative Budget proposal from the Conservative Group replaces Appendix 5 in the original agenda pack. Members had the opportunity to discuss their ideas at the Strategic Review Panel at the end of January and he did not propose to repeat the points that were raised in that discussion. He thanked Councillor Hart for sharing this in advance of the meeting. With one exception, the Leader asked Cabinet colleagues to note the alternative budget proposals from the Conservative Group. He proposed that Cabinet should accept the revised proposal for Depot Works as set out in the latest iteration of the Conservative Group's alternative budget, so that the health and safety works can be undertaken for the whole of Block E. This has a minor additional implication for the capital plan and revenue costs in the future.

The Leader thanked the Corporate Director: Resources and her team for all the hard work they had put into preparing the document. The proposals were seconded by the Cabinet Member for Economic Regeneration, Planning & Capital Investments.

Decision: The CABINET having re-considered the Financial Strategy 2020-2023, the results of the Budget consultation exercise, alternative budget proposal and recommendations of the Strategic Review Panel RECOMMENDS TO COUNCIL that it:

- 1.1 THREE YEAR BUDGET, CAPITAL STRATEGY AND POLICY FRAMEWORK 2020-2023**
- 1.1.1 APPROVES the updated Medium Term Financial Strategy 2020-2023;**
- 1.1.2 APPROVES the revised Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2020-2023 as shown in the table in paragraph 3.13 of the report, including an additional proposal for a modest**

increase in the Capital Portfolio Fund as set out in h) below and further updated to reflect the Alternative proposal for Depot Block E as reflected in f) below:

- a. Approval of the Community Leadership Fund for 2020-21 of £33k;**
- b. Approval of a programme of phased savings from Localism partnership working with our Town and Parish Council colleagues as outlined in paragraph 5.13 of £135k in 2020-21, £245k in 2021-22, £350k in 2022-23, £525k in 2023-24 and £700k in 2024-25. The savings include assumptions of transfers of activities and staff posts which, if not realised will be ended or deleted as set out in paragraphs 8.2.4 and 8.2.5 of the December Cabinet report. To also approve the top-up of the single Localism Fund by a further £30k in 2020-21 to continue the good work done so far with Parish and Town Councils and other organisations**
- c. Approval of additional capital resource to facilitate ongoing delivery of the ICT Strategy of a total of £653k phased over the MTFS as set out in paragraph 8.2.6 of the December report, proposed to be funded by prudential borrowing. The associated revenue costs are £4k in 2020-21, £63k in 2021-22 and £126k in 2022-23;**
- d. Approval of the removal of funding for Kidderminster Town Centre, Bewdley Development Trust and Stourport Forward saving a total of £30,520 in 2020-21 onwards;**
- e. Approval of a schedule of improvements to Stourport Riverside in line with the Master Plan to be funded as set out in paragraph 8.2.8 of the December Cabinet report. The gross capital investment proposed is £150,000 of which £103,580 can be funded from S106 contributions so leaving £46,420 to be funded from prudential borrowing. The ongoing net revenue implications are £24,510 in 2020-21, £23,010 in 2021-22 and £23,010 in 2022-23;**
- f. Approval to undertake health and safety capital works to the whole of the Depot Block E so it is fully operationally functional to meet business need. This includes extra provision of work/meeting space to provide future proofing/additional flexibility with no parts of the building mothballed. Funding of £85k in 2020-21 from prudential borrowing with revenue financing costs £1,830 in 2020-21, £7,910 in 2021-22 and £7,910 in 2022-23; no additional income from external use is assumed although opportunities may arise to achieve this in the future.**
- g. Approval of the HLF Brinton Park Project gross capital expenditure of £2.4m subject to HLF approval of the**

substantive funding and the final business case. This includes approval of a commitment to meet a maximum shortfall of £100k in capital partnership funding for the project, to be funded from prudential borrowing.

- h. Approval of an additional capital allocation of £1.5m for Capital Portfolio Fund property acquisitions funded by prudential borrowing. This is to provide headroom to cover a potential shortfall for further purchases within the district, that are currently in the early stages of consideration for which early viability indications are favourable. This proposal is assumed to be revenue neutral at this early stage, progression will be dependent on the ongoing due diligence and reports to Overview and Scrutiny and Cabinet Sub Committees in accordance with normal protocols when the financial business cases will be confirmed.**
- 1.1.3 APPROVES the fees and charges in line with this Strategy and in line with the recommendations of the Licensing and Environmental Committee of 2nd December 2019, and the impact on the Council's Revenue Budget for 2020-2023, as shown in Appendix 3;**
- 1.1.4 APPROVES the Council's updated Capital Strategy including the following Indicators and limits that will be further revised for the February 2020 Council Meeting following any changes to the Capital Programme brought about as a result of the budget process:**

 - a) Approval of the Capital Strategy 2020-2030 including the associated Quantitative Indicators in Appendix 2 of the December Cabinet report;**
 - b) Approval of variations to the Capital Programme and Vehicle, Equipment and Systems Renewals Schedule as set out in Appendix 2 of the report (which updates Appendix 1, Appendices A and B of the Capital Strategy report to December 2019 Cabinet);**
 - c) Approval of the limits for gross debt of non treasury investments compared to net service expenditure and for commercial income as a percentage of net service expenditure as set out in Appendix 2 of the December report;**
 - d) Approval of the limits for loan investments as set out in paragraph 5.1 of the 17th December 2019 report.**
- 1.1.5 APPROVES that any Final Accounts savings arising from 2019-2023 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 and Cabinet Member for**

Strategy and Finance;

- 1.1.6 The General Fund Revenue Budget be APPROVED including all updates from the position in December 2019 as set out in the report.**

1.2 COUNCIL TAX AND BUSINESS RATES

- 1.2.1 Increases Council Tax by the higher limit specified by the Government which, based on the Provisional Settlement and release of information so far on the Final Settlement, is 2% or £5 (whichever is higher) as set out in paragraph 2.2.2 of the report to Cabinet and therefore:**

- a. SETS the Council Tax for Wyre Forest District Council on a Band D Property at £219.34 for 2020-2021 (£214.34 2019 2020) which represents an increase of 2.33% on Council Tax from 2019-2020.**
- b. ENDORSES the provisional Council Tax on a Band D Property in 2021-2022 of £224.34 and £229.34 in 2022-2023, being increases of 2.28 % and 2.23% respectively.**

- 1.2.2 NOTES the Corporate Director: Resources (as Chief Financial Officer) opinion on the budget proposals, recommended by the Cabinet in the report, as detailed in Appendix 4 of the report.**

- 1.3 The Cabinet APPROVED that:**

- 1.3.1 Delegated authority is given to the Corporate Director: Resources, in consultation with the Cabinet Member for Strategy and Finance/Leader of the Council, to make any appropriate adjustments to the General Fund Revenue Budget recommended under paragraph 2.1.6 of the report, as a result of any further notifications from Central Government.**

- 1.4 The Cabinet NOTED in line with the recommendations of the Strategic Review Panel:**

- 1.4.1 The Alternative budget proposals as detailed within Appendix 5 of the report, further noting that an updated version was fully costed and provided for this Cabinet meeting.**

CAB.59 Brinton Park National Lottery Heritage Fund (NLHF) Project

A report was considered from the Corporate Director: Community Well Being and Environment to approve the Procurement Strategy and current Business Plan in preparation for Round 2 of the National Lottery Heritage Fund (NLHF) for the Brinton Park project.

The Cabinet Member for Culture, Leisure and Community Protection

presented the report and formally moved the recommendations for approval. She said that the proposal had been very well received by Members of the Overview and Scrutiny Committee, which had acknowledged the huge amount of partnership working and hard work undertaken by Officers to get to this stage of the project.

The Cabinet Member for Economic Regeneration, Planning & Capital Investments said this was a very exciting project and wished the Officers well in the next stage of the process. She said she was delighted to second the recommendations.

The Chairman of the Overview and Scrutiny Committee said that Brinton Park was a jewel in the crown for the District and said that there was unanimous support for the approval of the Procurement Strategy and current Business plan. He thanked the Community Development Manager, Lesley Fox and other partner organisations for their hard work.

Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 6th February 2020, Cabinet DECIDED that:

- 1.1 The Procurement Strategy and the current Business Plan are approved in order to submit them in Round 2 National Lottery Heritage Fund (NLHF) in February 2020.**
- 1.2 Subject to a successful award of funding to Brinton Park National Lottery Heritage Fund (NLHF) project in July 2020, delegate authority to the Chief Executive - in consultation with the Corporate Director Resources, Solicitor to the Council and the Cabinet Member for Culture, Leisure and Community Protection - to award the contract for professional and building services in accordance with the procurement strategy.**
- 1.3 To delegate authority to the Chief Executive – in consultation with the Corporate Director Resources, Solicitor to the Council and the Cabinet Member for Culture, Leisure and Community Protection - to make any amendments as may be necessary to the procurement strategy and decide the detailed evaluation criteria as a result of the final business case.**

CAB.60 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 paragraphs of Part 1 of Schedule 12A to the Act.

CAB.61 Brinton Park National Lottery Heritage Fund (NLHF) Project – Appendix 1 Procurement Strategy

Agenda Item No. 3

The Cabinet Member for Culture, Leisure and Community Protection presented the document which gave a financial breakdown of the procurement of works and services.

Agreed: The information be noted.

There being no further business, the meeting closed at 6.31pm.

**WYRE FOREST DISTRICT COUNCIL
CABINET
20th May 2020**

CABINET ADVISORY PANEL ON THE GREEN AGENDA

OPEN	
CABINET MEMBER:	Councillor Graham Ballinger
RESPONSIBLE OFFICER:	Chief Executive
CONTACT OFFICER:	Ian Miller x2700 ian.miller@wyreforestdc.gov.uk
APPENDICES:	Appendix 1: membership, terms of reference etc for Cabinet Advisory Panel

1. PURPOSE OF REPORT

- 1.1 To seek approval to establish a Cabinet Advisory Panel drawn from members of the Cabinet and from other members of the Council to oversee work on the green agenda. The Panel's work programme is expected to focus on actions that the District Council can take and implement itself rather than on seeking to influence others.

2. RECOMMENDATION

- 2.1 **Cabinet is asked to DECIDE that a Cabinet Advisory panel be established as set out in Appendix 1.**

3. BACKGROUND

- 3.1 In May 2019, the Council declared a climate emergency. The district suffered devastating floods in February 2020, a probable example of how climate change impacts on weather patterns and can lead to extreme weather events. In the last 12 months, full Council passed a number of resolutions in addition to the declaration of a climate change emergency:

- "to ensure that, within the life of this 4 year Council term, every child in a Wyre Forest school is able to be involved in planting a tree" (as part of the motion on declaring a climate emergency, 22 May 2019);
- "to ensure that adequate electric vehicle charging points are provided in Council-owned public car parks" (22 May 2019);
- resolution on single use plastics including "ceasing the provision of plastic water cups at Wyre Forest House and replacing them with washable reusable alternatives" (24 July 2019);
- "requests Cabinet to....investigate other initiatives for zero emission energy production and/or storage" (25 September 2019).

3.2 Progress is being made on these matters as set out in the table:

Tree planting	2650 trees planted at Stour Valley, Kidderminster and Stourport Riverside in November 2019 and circa 20,000 to be planted at former golf course in November 2020.
Electric vehicle charging points	Report with expert advice on most cost effective approach from Cenex, received May 2020
Ceasing the provision of plastic water cups at Wyre Forest House	Implemented August 2019
Zero emission energy production and/or storage	PSP Wyre Forest LLP is committing funds to explore delivery of renewable energy at a site owned by the District Council

However there is no overarching group to oversee progress on what can feel like a disparate set of activities.

- 3.3 For several years, the Council has produced an annual action plan reporting on progress against “A Climate for Change: Wyre Forest Climate Change Strategy 2014-2020”. This is reported to the Overview and Scrutiny Committee and Cabinet, and the last such action plan was reported on 5 and 17 December 2019. The current plan identified about 25 actions that were taken forward in 2019-20, including many that appear in the appendix. The actions included a large number of promotional activities rather than “hard” actions being taken by the Council to reduce its own carbon emissions or other actions that would directly assist with reducing carbon emissions in the district.
- 3.4 The review of the Council’s governance structure identified the role that Cabinet advisory panels could play in involving members outside the Cabinet in developing policy and other proposals.

4 KEY ISSUES

- 4.1 It is timely to create a Cabinet advisory panel to oversee the work on this complex area. To be effective, the panel would need to be kept relatively small; it should not be dominated by Cabinet members and should have only a minority of Cabinet members on it. An advisory panel does not have to be politically balanced but it is appropriate to ensure that members from a mix of political groups are included. The benefit of an advisory panel is to draw on interest and expertise in this agenda from the wider membership of the Council, and it is therefore proposed that the panel should be chaired by Councillor Vicky Caulfield.
- 4.2 A starting point for the panel’s work will be to establish a simple baseline estimate of the carbon footprint of the District Council in order that progress can be tracked but also so that the relative contribution of investments to reduce carbon emissions can be assessed. The Government publishes annual data for the district as a whole but there is a two year time lag. The Local Government Association has endorsed a report by Ashden that identifies the top 31 actions to

Agenda Item No. 7.1

be considered by councils. It helpfully identifies the interventions that have the biggest impact in terms of reducing carbon emissions, and this will be reviewed by the Panel to confirm that the actions identified in the terms of reference are the most relevant for the District Council.

- 4.3 The Panel should also review the existing climate change action plan in order to identify those actions that might now be a lower priority than the areas outlined in the appendix, so that the Council's limited capacity to implement change is focussed primarily on physical projects and policy changes rather than promotional and influencing work.

5. FINANCIAL IMPLICATIONS

- 5.1 There is limited capacity and expertise in the Council – for example, it has been necessary to seek external support to examine the best options for deploying electric vehicle charging points in car parks; and PSP Wyre Forest LLP is using an external specialist firm to examine renewable energy production. The Panel's work stream requires a generic revenue budget for consultancy and expert advice, including business case development: there is no existing budget. Establishing the baseline for the Council's carbon emissions may involve modest consultancy costs. The Corporate Leadership Team has therefore transferred £50k from the general risk reserve in order to provide a revenue budget for such expert support. The other direct financial implications of this report are limited to staff time to support the Panel in its work and these can be absorbed within existing budgets.
- 5.2 Specific actions and investments will have financial implications which will be identified and addressed when they are brought forward for formal consideration and decision: this is likely to involve changes or additions to the capital programme. Some projects may deliver additional income or revenue savings, but it would be unreasonable to expect that all projects would do so. In other words, the case for some investments may rest solely on the need to reduce carbon emissions and to minimise climate change for the benefit of the planet as well as local residents and businesses.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The proposals in this report respond to the Council's own declaration of a climate emergency and provide a framework for guiding concrete actions by the Council to reduce its carbon emissions. The Climate Change Act 2008 forms the basis for the UK's approach to tackling and responding to climate change. It requires that emissions of carbon dioxide and other greenhouse gases are reduced and that climate change risks are prepared for. The Act also establishes the framework to deliver on these requirements.
- 6.2 Historically, much work on climate change and affordable warmth work in Worcestershire has been done at a county level with the workload shared because councils generally have only very small teams or parts of posts devoted to this activity. The Council's Climate Change plan has always mirrored the County plan and work had already started work on the next iteration. Future county-level work will need to align with common priorities identified in initiatives

such as “Destination Zero” by Malvern Hills District Council and the approach outlined in this report.

- 6.3 Other aspects of partnership working may add value. For example, within the agreed programme of work, the Council should continue to work with Transition Bewdley and Transition Kidderminster, as they have the ability to apply for grants that are not open to the Council.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 At this stage an Equality Impact Needs Assessment is not required. This will be completed at the appropriate step when specific proposals are developed for implementation.

8. RISK MANAGEMENT

- 8.1 The main risk is reputational: the Council needs to be seen to be responding on a range of fronts to the climate emergency it has declared and effectively co-ordinating its efforts. The risks associated with particular projects or policy proposals will be considered as they are taken forward.

9. CONCLUSION

- 9.1 The Cabinet is invited to agree that a Cabinet Advisory Panel should be set up as outlined in appendix 1.

10. CONSULTEES

10.1 Corporate Leadership Team

10.2 Cabinet

11. BACKGROUND PAPERS

Minutes of Council meetings, May, July and September 2019

Ashden and Friends of the Earth – 31 climate actions for councils

<https://www.ashden.org/programmes/top-31-climate-actions-for-councils>

<https://www.ashden.org/downloads/files/31-Climate-Actions-for-Councils.pdf>

CABINET ADVISORY PANEL ON THE GREEN AGENDA

Membership

Councillor Vicky Caulfield (Chair)

Cabinet Member for Housing, Health, Well-being and Democratic Services (Vice Chair)

Cabinet Member for Operational Services

Two Councillors from the Conservative Group

Two Councillors from the Independent, Liberal Democrat and Green Group (who are not members of the Cabinet)

Substitutes: not permitted

Terms of reference

To review the Ashden report on “31 climate actions for councils” to confirm that the items identified below are the most effective for Wyre Forest District Council to pursue, having regard to its direct powers and responsibilities and to availability of resources.

To advise the Cabinet on the practical steps that the Council can take to reduce its carbon emissions and to act as an exemplar for local businesses, organisations and residents in the actions that they can take to reduce their own carbon emissions.

To advise on changes to policy, both executive and non-executive, that would reduce the carbon emissions of the district.

The Panel's work should focus on:

- 1) Planting of trees on land owned by or purchased by the Council;
- 2) Deployment of electric charging points at car parks and other venues owned by the Council;
- 3) Implementation of a solar farm on suitable land owned by or purchased by the Council, or other renewable energy generation schemes including commercial opportunities such as biomass fuel;
- 4) Programme for moving as much of the Council's fleet and equipment away from fossil fuels to electric or other power sources that do not emit carbon dioxide or would reduce such emissions;
- 5) Implementation of measures to reduce emissions from travel by staff and councillors e.g. electric pool car; lower mileage allowances for vehicles that depend on fossil fuels; carbon offsetting schemes;
- 6) Changes to licensing policy to move the taxi and private hire vehicle fleet to vehicles not powered by fossil fuels. This should include such options as: changing policy so that, in the near future, new applications for taxis and private hire vehicles would be granted only for electric vehicles or vehicles not powered by fossil fuels; the appropriate and reasonable timescale to be adopted for ceasing to license existing licensed vehicles that are powered by fossil fuels, following research and analysis undertaken by the panel; whether policy could

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be changed to allow implement higher licensing fees for vehicles powered by fossil fuels and/or other incentives to encourage the move away from using such vehicles;

- 7) Changes to season ticket prices for car parks to reward vehicles that do not have carbon dioxide emissions;
- 8) When the current contracts come to an end, switching electricity and gas supply contracts to renewable sources or, if that is not possible, supplies that involve carbon offsetting;
- 9) Further measures to reduce carbon emissions from Council-owned operational properties, including the financial case for retro-fit alternative heating and lighting, solar panels etc;
- 10) Measures that can be taken within the Council's procurement of goods and services that would reduce carbon emissions.

The Advisory Panel will examine the business case for investments in these activities and make recommendations to Cabinet about whether and how to progress them, including any recommendations that involve amendments to the Medium Term Financial Strategy and the capital programme. In respect of policy matters that are not the responsibility of the executive, the Panel will make recommendations to the relevant regulatory committee or to full Council, as appropriate.

In order to inform the Panel's work, it should identify a methodology to estimate the carbon footprint of the Council so that reductions in the Council's footprint can be measured against the baseline.

In addition to any specific recommendations to the Cabinet or other committees, the Panel shall produce at least annually a climate emergency action plan for consideration by the Overview and Scrutiny Committee and formal approval by the Cabinet. This will incorporate any relevant measures from the climate for change action plan that contribute significantly to reduction of carbon emissions by the Council or in the district, subject to sufficient officer capacity to support implementation.

Period of operation

The Panel is expected to operate until December 2022, as any recommendations produced after that time are likely to be too late to implement before the next ordinary elections in May 2023.

Frequency of meetings etc.

To be set by the Chair in consultation with officers, having regard to officer capacity to support the Panel's work.

The Panel may seek support or information from expert witnesses as required

WYRE FOREST DISTRICT COUNCIL

CABINET

20th MAY 2020

Financial Stress Testing re Coronavirus Pandemic Impact

This OPEN report includes an Exempt Appendix 2 which is exempt from disclosure because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).	
CABINET MEMBER:	Councillor G Ballinger, Leader of the Council and Cabinet Member for Strategy and Finance
RESPONSIBLE OFFICER:	Corporate Director: Resources
CONTACT OFFICERS:	Tracey Southall Ext. 2100 Tracey.southall@wyreforestdc.gov.uk Helen Ogram Ext. 2907 Helen.Ogram@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Risk Analysis specific to Covid-19 and summary of Actions taken/planned Exempt Appendix 2 –Potential Contractual Claim <i>The appendices to this report have been circulated electronically and a public inspection copy for appendix 1 is available on request. (See front cover for details.)</i>

1. PURPOSE

- 1.1 The purpose of the report is to provide an early briefing for members on the impact of the current Coronavirus Pandemic on the Council's financial performance for the first quarter of 2020-21 and beyond.

2. RECOMMENDATIONS

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

- 2.1 That the projected budgetary impact of the Coronavirus Pandemic outlined on this report and related actions both taken so far and planned for the future be noted.

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

- 2.2 That Delegated Authority be given to the Corporate Director: Resources in consultation with the Corporate Leadership Team and the Cabinet Member for Strategy and Finance to use General Reserves to replace reduced income and increased expenditure that is not covered by government funding for the period April to end of June 2020.

3. BACKGROUND

- 3.1. The current pandemic is placing unprecedented stress on our budget in the short term. We are likely to see the reduction in or even complete failure of some of our income streams for at least part of 2020-21. Together with cost pressures in certain services and cash flow implications, this will mean we will have to take action to safeguard the Council's budget in the medium term.
- 3.2. If the Government does not provide full funding to mitigate the financial losses, the Council's reserves will be used at a faster rate than predicted in the Medium Term Financial Strategy (MTFS), the Funding Gap will increase and a more radical approach will be necessary to accelerate the Savings plans after the most significant period of the pandemic has passed and movement restrictions have been significantly relaxed.
- 3.3. The Ministry of Housing, Communities and Local Government (MHCLG) have undertaken a data collection exercise using the Delta system to gauge the degree of impact of the ongoing pandemic on public sector finances. A submission was made by this Council to meet the deadline of the 15th April; similar data collection exercises are continuing on a monthly basis with the next return due date being 15th May. It is hoped these data collection exercises will result in additional funding. The Local Government Association, Societies of District and County Council Treasurers and District Councils' Network continue to lobby hard on the sector's behalf.

4. KEY ISSUES/FORECASTS OF FINANCIAL IMPACT

- 4.1 Early forecasts of the impact of the current pandemic on our budget are shown in the Tables below based on the assumption of the full impact of the restrictions lasting for a 3-month period, to be followed by a 3-month recovery timespan. This report provides the forecast impact for the first quarter of 2020-21 so up to the end of June 2020, together with a full year estimate. Further projections will be provided to Cabinet in due course when more information is known.
- 4.2 **Potential Cost Pressures**
 - 4.2.1 The Government has allocated this Council £1.06m from the £3.2bn Emergency Grant Fund towards meeting the extra costs arising as a result of the Pandemic. The following table show current projection of the areas we may see increased costs – **total additional costs over the first 3 months are estimated at £512k** to cover extra staffing resource in revenues, benefits, customer services and waste, software costs re reliefs and Personal Protective Equipment (PPE) costs. The estimate of £512k also includes estimated expenditure as shown in the other services row; this is inclusive of exceptional contractual costs which are explained in the Exempt Appendix 2. We continue to collate the actual expenditure incurred and will include updated detail in further budgetary control Cabinet Reports. Whilst the extra funding is very welcome and does cover estimated cost pressures in the period to end June, it only partly mitigates the loss of income as shown in the table in 4.3.1.

Spending Pressures	March 2020	Mths 1-3 2020-21	2020-21 FY Total	Total
	£	£	£	£
Highways and Transport Services	2,240	13,310	35,210	37,450
Housing (including homelessness services)	19,040	71,500	164,740	183,780
Environmental and Regulatory Services	5,790	30,700	81,725	87,515
Planning and Development	2,090	19,210	35,610	37,700
Finance/Corporate Services	3,280	24,220	60,820	64,100
Other Services (incl administering Government support packages) and exceptional contract costs	55,460	353,160	583,995	639,455
TOTALS	87,900	512,100	962,100	1,050,000

4.3 Reduced Income

4.3.1 The current forecast reduction in Income Streams is shown in the Table below:

Income Reductions	March 2020	Mths 1-3 2020-21	2020-21 FY Total	Total
	£000	£000	£000	£000
Property Rental Capital Portfolio	68	204	310	378
Property Rental Ind Est & F Hse	27	80	150	177
Property Rentals WFH	18	54	150	168
Markets	1	4	14	15
Leisure Centres	46	138	400	446
Land Charges	12	36	100	112
Parking and Enforcement	121	362	1,200	1,321
Parking Weavers Wharf	3	10	20	23
Trade Waste Contracts	58	172	510	568
Bulky and Ext works	10	30	60	70
Bewdley Museum	12	35	100	112
Licensing	11	32	60	71
Green Waste	0	0	0	0
Garage, Driver Training, Trees & Gmaint	25	75	220	245
Planning	9	28	110	119
Building Control	3	10	40	43
Parks & Green Spaces	1	4	10	11
Cemetery	1	3	10	11
External Interest	11	34	130	141
Court Costs - Ctax & Business Rates	24	73	140	164
Council Tax Reduction Scheme (CTRS) local share	100	320	1,000	1,100
Receipt of Housing Benefits O/Payment (subsidy)	0	70	200	200
Housing Benefit overpayments - Bad debt provision	10	0	40	50
Retained Business Rates local share	40	245	1,800	1,840
Council Tax (Lower Tax base growth)	0	10	30	30
Council Tax - lower collection rate (local share)	200	1,100	1,400	1,600
General Bad debt Provision	10	10	50	60
TOTALS	822	3,139	8,254	9,076

4.4 Funding Gap

4.4.1 The 2020-23 MTFS projected a funding gap in 2022-23 of just over £1.7m, as shown in the Table below:

	2019-20	2020-21	2021-22	2022-23
	£	£	£	£
Financial Gap				
Depot 2020 - additional rental income WFH	0	50,000	50,000	50,000
Efficiency targets in approved business cases	0	18,000	18,000	18,000
Generic Localism Savings to be confirmed	0	135,000	245,000	350,000
Efficiency Savings (2%, 1%, 1%,1%)	21,240	57,660	161,310	161,310
Wyre Forest Forward Savings not yet achieved	0	188,370	544,750	221,130
Income Generation Target not yet achieved	0	25,000	75,000	100,000
SUB- Total	21,240	474,030	1,094,060	900,440
Use of reserves from Proposed 2020-23 Strategy	18,630	485,290	413,720	834,990
TOTAL	39,870	959,320	1,507,780	1,735,430

4.4.2 Progress on the achievement of these savings will now be considerably slower than planned due to diversion of resources to manage the impact of the Pandemic. It is currently forecast that £250k of the required £474k savings in 2020-21 may not be achieved.

4.5 Looking Forward to Recovery Phase

4.5.2 Whilst the current national and local response is to the ongoing Covid-19 emergency, there will come a time after the lockdown has been lifted and the pandemic is under control when attention is focussed on the medium and longer term recovery or 'exit plan' as it is sometimes referred to. The government announced the initial phased recovery plan on the 10th May, and this will now be given increasing attention and indeed locally the Worcestershire Chief Executives have already tasked officers with planning the local response to support the economic recovery. The Council will have to be mindful that as part of the delivery of that 'exit plan' there may be increased expectation placed on the Council going forward, including further distribution of national funding initiatives; when more details are known this will be reported to Members.

5 Cash Flow

5.1 The potential cash flow impact of the pandemic is difficult to gauge at this early stage although County Councils will probably be most at risk of cash flow problems.

The following table provides further information on cash flow based on early information on receipts of the first 2020-21 instalments of Council Tax and Business Rates. We made the first precept payments at the end of April so all Town and Parish Councils have received 50% of their council tax and major preceptors and received payments so far in accordance with agreed payment schedules. The first payments for the redistribution of the business rates funding have also been made to plan. We will continue to review the position and work with Worcestershire County Council and other our major preceptors to ensure ongoing precept payments are sustainable.

The payments received for council tax and business rates to the end of April are summarised in the table below. The table shows that council tax receipts fell by almost

10% compared to the position a year earlier, with the main drop being in payments made in cash, by cheque or by card. Business rates income are 60% down on a strict comparison but, after Government-funded reliefs are taken into account, the drop is about 21% and has been experienced across all means of payment.

Table to show Cashflow Receipts of Council Tax and Business Rates - First Collection Run 2020-21					
	Column 1	Column 2	Column 3	Column 4	Column 5
Receipts	Actual Income to 30 April 2019	Actual income to 30 April 2020	Difference between columns 1 and 2	Column 1 with uplift applied*	Difference between columns 4 and 2
	£	£	£		£
Council Tax					
Council Tax Direct Debits (DD)	4,636,000	4,696,886	60,887	4,811,704	- 114,818
Council Tax Bounced DD	- 36,386	- 34,926	1,460	- 37,765	2,839
Council Tax Standing Orders	268,146	204,652	- 63,494	278,309	- 73,657
Council Tax Cash, cheque, card	1,318,657	946,480	- 372,177	1,368,634	- 422,154
Sub Total Council Tax	6,186,416	5,813,092	- 373,324	6,420,882	- 607,789
	Actual Income to 30 April 2019	Actual income to 30 April 2020	Difference between columns 1 and 2	Column 1 with reduction for Reliefs applied**	Difference between columns 4 and 2
Business Rates (NNDR)					
Business Rates (NNDR) DD	1,418,446	674,966	- 743,480	738,807	- 63,841
Business Rates (NNDR) Bounced DD	- 26,075	- 18,178	7,897	- 13,581	4,597
Business Rates (NNDR) Standing Orders	1,118,267	334,623	- 783,644	582,457	- 247,834
Business Rates (NNDR) Cash, chq, card	113,931	42,714	- 71,217	59,342	- 16,628
Sub Total NNDR	2,624,569	1,034,125	- 1,590,444	1,367,024	- 332,899
Total Council Tax and Business Rates	8,810,985	6,847,217	- 1,963,768	7,787,905	- 940,688
Note overall uplifts between 2019-20 to 2020-21:					
Council Tax	3.79%	103.7900%			
Whilst Council Tax collections for the first month are circa 9.5% down on expectations this is manageable within overall cashflows currently so the April precept payment (due at month end) has been made - we will continue to keep this under review					
Business Rate collections for the first month are circa 60% down on expectations due to COVID-19 reliefs, or 21% down compared to the recalculated expectations taking into account the overall reduction for new Reliefs. The governments has committed to paying the Section 31 grant funding to cover these reliefs so Councils overall cashflows should allow normal payments to MHCLG, the County Council etc to be made in line with agreed timetables. We awarded all the Retail Hospitality and Leisure Reliefs before April 2020 so we now are comparing a balance of approx £28,468,706 at the end of March to £14,828,110 as at the start of April 2020 for the total year, the above table assumes payments over 10 months.					
Note:					
Council Tax refunds issued in April 2020 not included in above £45,230					
NNDR refunds issued in April 2020 not included in above £416,951					

Further measures to help ease immediate financial pressures faced by councils in England due to the coronavirus outbreak were announced by the government on the 16th April 2020.

Councils will be allowed to defer £2.6 billion in business rates payments to central government, and £850 million in social care grants will be paid up front in April in a move aimed at helping to ease immediate pressures on local authority cash flows. Worcestershire County Council is advising on the impact on cash flows for the Pool.

Reserves, Balances and Final Accounts Timeline

- 5.2.1 The table shows reserves previously reported as available as part of the three-year financial strategy. In addition to these general reserves a Working Balance of £1.2m is held together with significant Earmarked Reserves currently estimated at £6m that all feed into cash flow management.

Reserves Statement	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
Reserves as at 1st April	3,787	3,768	3,283	2,869
Contribution (from)/to Reserves	(19)	(485)	(414)	(835)
Reserves as at 31st March	3,768	3,283	2,869	2,034

5.2.2 The Final Accounts closedown process for 2019-20 is in progress. Early indications are that there should be a modest surplus that will be used to replenish essential risk reserves. However, unless Government funding in response to the pandemic covers a high percentage of additional costs and lost income, the overall position in respect of reserves is expected to deteriorate.

5.2.3 To take into consideration the increasing impact of COVID-19 - MHCLG has decided that the publication date for final, audited, accounts will move from 31st July authorities to 30th November 2020 for all local authority bodies. Also, to give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020.

Regulations implementing these measures were laid on 7th April and came into force on 30th April 2020.

<http://www.legislation.gov.uk/ukxi/2020/404/contents/made>

5.2.4 To reflect this, the May Audit Committee has been cancelled and a new meeting proposed for the 9th September. Due to the additional risk and uncertainty going forwards this year the external auditors have indicated they will be undertaking more work on the Going Concern statement to ensure it is sufficiently transparent regarding ongoing financial sustainability.

5.3 Financial Consequences of Pandemic

5.3.1 It seems unlikely that the Government will provide full funding to mitigate the financial losses arising as a result of the pandemic. This means that the Council's reserves will be used at a faster rate than predicted in the MTFS, the Funding Gap will increase and a more radical approach will be necessary to accelerate the savings plans. The Council's focus has to remain at present on sustaining essential services and playing its part in responding to the pandemic through the Local Resilience Forum, but attention is beginning to turn to recovery, particularly economic recovery in the county and elsewhere. Alongside this it will be necessary to consider the Council's own recovery. In simple terms, if additional funding from the Government does not cover all the lost income and extra costs faced by the District Council, and the gap between the two is significant, the Council's own recovery will focus on what expenditure has to be cut and over what timespan in order to bring the position into line with the MTFS. It is stressed that it is impossible at this stage to know the scale of the issue to be addressed, as there is no certain knowledge about the totality of Government funding or about the Council's loss of income and extra costs. It is therefore impossible to predict what steps might be required but it is right that the

Council should be candid with local residents and others about what might have to happen. The steps might include:

- a) embedding digital and other methods of service delivery that have worked perfectly satisfactorily during the pandemic, particularly if these would reduce operational costs for the District Council;
- b) reducing services and jobs, with a focus on discretionary services that are not essential for the district's economic recovery and re-shaping remaining teams around those services that have proved essential during the pandemic;
- c) Accelerating the localism programme with town councils, so that they fund part or all of the costs of discretionary services much more quickly than previously assumed. They might have to increase their precepts dramatically in 2021 if these services are to be sustained.

5.3.2 In the short term, it is likely that it will be necessary to draw on reserves in order to cover extra costs or reduced income, to the extent that Government funding is insufficient: hence the proposed delegation in paragraph 2.2 of this report.

6 Funding Confirmed and Timing

6.1 The Council has been allocated £1.06m from total generic funding of £3.2bn provided to councils. In addition, the share of £3.2m specifically announced for homelessness was £4.5k. The figures for the Worcestershire local government family are in the table and show that, overall, Worcestershire received nearly £1.3m more from the 2nd tranche of Government grant. This will be because it is based on population rather than the needs formula:

	1st £1.6bn	2nd £1.6bn	%age of total
Worcestershire CC	14,929,097	10,520,528	80.5%
Bromsgrove	30,753	993,078	3.2%
Malvern Hills	32,201	787,031	2.6%
Redditch	38,858	840,985	2.8%
Worcester	46,058	1,009,356	3.3%
Wychavon	46,711	1,298,364	4.3%
Wyre Forest	50,074	1,010,194	3.4%
Total districts	244,655	5,939,008	19.5%
Total Worcestershire	15,173,752	16,459,536	

While the Government's additional grant is very welcome, as set out above, it is not likely to cover the full financial impact on the Council, the extent of which is difficult to predict accurately when we do not know how long the lockdown will be in place or how quickly the local economy will recover. It may still be necessary to call on the Council's reserves pending receipt of or in the absence of additional Government funding.

6.2 Hardship Fund - £952,367 - the money was paid on the 3rd April to billing authorities through a grant under section 31 of the Local Government Act 2003. This Council's scheme for application of grants was published in the Strong Leader Report of 31st

March 2020.

http://www.wyreforest.gov.uk/council/docs/doc55707_20200331_cabinet_decisions_report.pdf

Further changes to the council tax relief policy were made under delegated powers on 17 April 2020 by the Corporate Director: Resources.

In summary, the Council will grant relief of £150 in 2020-21 for working age households in respect of council tax reduction support. This will apply for households currently on CTRS and new households claiming as a result of the pandemic. The high number of claimants mean there will not be funding left for a more generic hardship fund. Due to changes in the guidance and complexities as a result of increases to the benefits thresholds having unintentional impacts on the local Council Tax Reduction Scheme, the system software suppliers have only recently rolled out the necessary updates to facilitate this. It is hoped that the first payments will be made in the week commencing the 11th May.

- 6.3 Payment of Business Rates grants and granting of relief from 2020-21 in respect of business rates reliefs and the grants to businesses. The Government will provide full funding via grants under section 31 of the Local Government Act 2003. The MHCLG paid £22.5m to this Council on the 1st April to fund grants to businesses. Separate funding will be provided in due course in respect of business rate reliefs, which are estimated at over £15.7m. As at 11th May, the District Council had distributed 89% of the grant funding to businesses, £2.1m of grant funding has been set aside for national chains but we suspect they will not be eligible due to State Aid limits (we have written to them and are now chasing them for a nil response). Excluding these businesses, we would have issued 98% of the funding provided to the Council.
- 6.4 Extra funding of £6.1m across for Business Improvement Districts was announced on the 1st May. This funding boost is to help high streets and town centres through the pandemic, to help cover their day to day costs for the next 3 months. This council's BID is relatively small and new so the allocation, that is yet to be announced, is likely to be quite modest. We will enter into discussions with the BID to agree how this funding is used. https://www.gov.uk/government/news/6-1-million-funding-boost-to-help-high-streets-and-town-centres-through-pandemic?utm_source=a2f758f0-99ab-478a-8c67-743c985ef94f&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate
- 6.5 New business rates funding for local discretionary business rates grants scheme for business that did not meet eligibility criteria previously was also announced on the 1st May. This is likely to be circa £1m for this council although any residual funding from the first £22.5m will be used to fund this initially (see paragraph 6.3). At the date of writing, further guidance is awaited; a policy will be developed to set out distribution criteria and published in due course. https://www.gov.uk/government/news/top-up-to-local-business-grant-funds-scheme?utm_source=c711a024-400a-41c6-a2b9-1a103a62ddaa&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate
- 6.6 This council recognises and very much appreciates the ongoing work of the town and parish councils. However, the Government has not provided this Council or the County Council with specific additional funding to assist town and parish councils although the Government has indicated that they can do so from the generic grants mentioned in paragraph 6.1 but only in respect of "COVID-related services". The

financial pressures facing the District Council are very significant and in relative terms likely to be far greater than anything faced by a parish or town council. Whilst the additional funding to cope with the financial impact of the pandemic provided to Wyre Forest of £1.1m may sound large, as this report shows, it is not likely to cover the full financial impact on the Council: all the funding received so far will be required to reduce the district council's shortfall in income and extra costs – even with this, there will still be a significant shortfall. However, if any parish council felt that it was in severe financial difficulty, we would wish to see full details of the parish council's financial position including its budget and reserves and, in the unlikely event that support was required, we would envisage that this might be provided as an interest free loan for 2020-21 rather than as a grant – given that parish councils are not fettered in their council tax decisions, any such loan could be repayable in 2021-22 by setting a higher precept.

7 Supplementary Estimates and Virements

- 7.1 Due to the increased risk of cost pressures, the Corporate Director: Resources, in consultation with the Cabinet Member for Strategy and Finance, took the decision to make the revisions to Financial Regulations to provide for greater flexibility during the COVID-19 Pandemic. After this time period the revisions will be reviewed and a further update issued. In summary the change increases the limit for Service Manager Virements from £20,000 to £50,000 for a 6-month period and the cumulative Cabinet approval limit for both Virements and Supplementary estimates from £200,000 to £500,000 in 2020-21. These changes were also reported formally to the extraordinary council meeting on 21st April.

8 LEGAL AND POLICY IMPLICATIONS

- 8.1 The Local Government Act 2003 (sections 25–29) placed additional duties on Local Authorities on how they set and prioritise budgets.
- 8.2 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 Cabinet currently reviews the Budget on a quarterly basis but this early forecast of the impact of the Covid-19 pandemic has been brought to Members as an additional report due to the significant financial impact and uncertainty about government support to mitigate this.
- 8.3 Our External Auditor Grant Thornton makes an assessment based on the annual programme of external audit work. The focus is on ensuring there are proper arrangements in place for securing financial resilience and that the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.
- 8.4 Under section 114 of the Local Government Finance Act 1988, the chief financial officer in consultation with the monitoring officer has the power to issue a report if there is, or is likely to be an imbalanced budget. A full council meeting must then take place within 21 days to consider the notice. In the meantime, no new agreements involving spending can be entered into. The impact of this would effectively be to “freeze” the financial activity of the council in terms on any new/non-essential expenditure. There is no plan to do so at present and it is understood that MHCLG are considering further measures, in addition to the funding and other changes mentioned above, to minimise the risk of any council being the subject of a section 114 notice.

9 EQUALITY IMPACT ASSESSMENT

This is a financial report and there is no requirement to undertake an Equality Impact Assessment.

10 RISK MANAGEMENT

- 10.1 The inability to deliver a balanced budget is one of the Council's key corporate risks. The Risk Register for 2020-21 has recently been agreed by CLT and includes specific reference to the risks arising from the Covid-19 pandemic. In addition to this the Leadership team (Officers and Members) are managing more granular risks summarised together with key actions taken and planned as set out in Appendix 1. This Risk analysis includes assigned Red, Amber, Green (RAG) ratings.
- 10.2 A specific risk relates to the Business Improvement District (BID) in Kidderminster. Total levies payable c£205k but the Government failed to cover these as part of business rates reliefs. The extra funding for BIDS announced on the 1st May whilst very welcome will only mitigate the financial risk in part, as the Cabinet had agreed a loan of £75k to the BID which was due to be repaid from the first levy. Bills for the levy have been issued but confidence that they will be paid in full is low: indeed, only £37k was collected as at the beginning of May (The invoices were due in one payment on or before 1st April 2020). The upfront cash flow loan provided to the BID company will mitigate the risk of the BID company failing in the short-term but a longer term solution will be required, including one that addresses how the loan is to be repaid to the Council.

11 CONCLUSIONS/ACTION

- 11.1 The current pandemic is placing unprecedented stress on our budget in the short term. We are seeing the reduction in and in some cases even complete failure of some of our income streams for at least part of 2020-21. Together with cost pressures in certain services and cash flow implications, this will mean we will have to take action to safeguard the Council's budget in the medium term. While the Government's additional grant announcements are welcome, they are not likely to cover the full financial impact on the Council, the extent of which is difficult to predict accurately.

We will continue to work with the District Councils' Network and Local Government Association to make the case for further Government funding and actions to protect local government services. It is important that we are candid with the public about the position and the potential implications if the Government's support for councils at this time leaves a significant gap –the inevitable consequence would be that we would have to fund that gap from reserves, and that the need to take action to bring our expenditure and income into balance would be accelerated after the COVID-19 outbreak is over.

This early report sets out key issues, estimates the potential overall impact of the pandemic to the end of June 2020 and beyond – dependent on Government funding and proposes delegation to allow for use of General Reserves over the next 3 months to manage the short-term position after which further reports will be made to Members.

12. CONSULTEES

Corporate Leadership Team
Cabinet
Service Managers

13. BACKGROUND PAPERS

Council 27th February 2019
Council 26th February 2020
Strong Leader Report on Provisional Final Accounts 2018-19 (signed 23rd May 2019)
Medium Term Financial Strategy 2019-22
Medium Term Financial Strategy 2020-23
Hyper re Final Accounts timeline
<http://www.legislation.gov.uk/ukxi/2020/404/contents/made>
Hyperlink to Committee Reports
<http://www.wyreforest.gov.uk/council/meetings/main.htm>
Hyperlink to BID funding announcement
https://www.gov.uk/government/news/6-1-million-funding-boost-to-help-high-streets-and-town-centres-through-pandemic?utm_source=a2f758f0-99ab-478a-8c67-743c985ef94f&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

APPENDIX 1 – CABINET REPORT ON FINANCIAL STRESS TESTING COVID-19 – RISKS AND ACTIONS

1. Risks and assigned RAG Rating

- 1.1 Reputational damage –coordinated, controlled communications (internal and external) response consistent across council, will mitigate this risk. ***This is being well-managed and the Council has received lots of positive feedback about the refuse service, garden waste service and timely payments of business rate grants. - GREEN***
- 1.2 Costs of borrowing volatility – extra interest costs, particularly if MHCLG doesn't cover cash flow in full. ***Not an issue yet as government grant payments front-ended but could become a problem if the pandemic last more than 4 months and MHCLG do not response to further assistance with funding. - AMBER***
- 1.3 Pension Fund value fluctuations. This could increase future costs. ***Remains a risk, WCC S151 is in liaison with the actuaries for revised valuations on some of the pensions fund investment areas. - RED***
- 1.4 Capital Portfolio Values and Property income/performance deteriorates: ***early indications are that property values will dip in response to the economic impact of the pandemic however an equally speedy recovery is projected once the global position eases. - RED***
- 1.5 Reduced scope for further proposals for purchases due to market uncertainty; ***Remains a risk; valuers are reporting market volatility and the potential for what is hoped will be temporary reductions in valuations - RED***
- 1.6 Loss of key staff - statutory duties cannot be met. ***Remains a risk but managed so far within existing resources supplemented by overtime. - AMBER***
- 1.7 Risk Reserves need to be used and are insufficient to assure financial resilience. - ***This is inevitable unless MHCLG provide more funding – will be covered in first Budget Monitoring report for 2020-21.- RED***
- 1.8 Business Improvement District (BID) Kidderminster–***Total levies payable c£205k but the Government failed to cover these as part of business rates reliefs. The extra funding for BIDS announced on the 1st May whilst very welcome will only mitigate the financial risk in part, as the Cabinet had agreed a loan of £75k to the BID which was due to be repaid from the first levy. Bills for the levy have been issued but confidence that they will be paid in full is low: indeed, only £37k was collected as at the beginning of May (The invoices were due in one payment on or before 1st April 2020). The upfront cash flow loan provided to the BID company will mitigate the risk of the BID company failing in the short-term but a longer term solution will be required, including one that addresses how the loan is to be repaid to the Council. - RED***

APPENDIX 1 – CABINET REPORT ON FINANCIAL STRESS TESTING COVID-19 – RISKS AND ACTIONS

- 1.9 Localism – significant savings stream will now be delayed due to resource redeployment. ***Remains a key risk as currently resource required to manage the pandemic, and because of delay in Kidderminster Town Council elections to May 2021. - RED***
- 1.10 Risk that savings programmes may not be achieved this year and later savings programme will slip – need to plan for this and model how long reserves will last. ***Remains a key risk as currently resource required to manage the pandemic. – RED***
- 1.11 Cash flow - Raft of Government assistance facilitated through Councils should not have a significant impact on cash flow as so far, payments are to be made in advance. However, cash flow is a concern over the next few months due to uncertainty from ongoing receipts of council tax, business rates and other income streams as well as many more council tax reduction support claims. ***Remains a key risk – AMBER to RED***
- 1.12 Spending Review timetable could slip further, but not discussed as yet. Accounts completion deadline – has slipped in line with audit date being moved back to September, but no formal decision made yet. ***External Audit likely to slip back 4 weeks, no relaxation of Accounting Code - AMBER***

2. Actions

2.1 The following actions/decisions have been taken by CLT so far and status update report:

1. Regular communications bulletin, coordinated approach with Strategic Coordinating Group (SCG) and Tactical Coordinating Group (TCG) as set out in Chief Executives update. ***-Ongoing***
2. Ongoing work with our Worcestershire colleagues to understand the wider financial impacts. ***-Ongoing***
3. All non-essential expenditure suspended by default due to resource concentration on responding to the pandemic. ***-Ongoing***
4. Business Continuity Plans used by all teams – homeworking wherever possible; daily reports from HR on working arrangement for all staff. This will inform potential redeployment decisions. ***-Ongoing***
5. Recovery/enforcement action of Council Tax, Business Rates Recovery and other income areas reviewed and action taken to suspend as appropriate – ***Ongoing review***

**APPENDIX 1 – CABINET REPORT ON FINANCIAL STRESS TESTING COVID-19
– RISKS AND ACTIONS**

6. Revision of Business Rates and Council Tax policies where required ie Section 13A, 1C policy, - see Strong Leader report issued 31st March on ***Officer decision taken under delegation 16th April 2020***
7. Review and revision/suspension where necessary of Constitution, particularly in relation to remote meetings. – ***Achieved – Council agenda 21st April 2020, Financial Regulations updated under delegation 7th April 2020.***
8. Implementation of free car parking (LGA initiative) – extra 3 months parking for car park season ticket holders. – ***Remains in place***

2.2 Ongoing/future actions/decisions:

1. Monitor financial resilience and cash flows, request MHCLG support where appropriate. - ***Delta submission made April 15th, further return due May 15th***
2. Recruitment to priority posts/extra resource by CLT agreement. - ***ongoing***
3. Precept payment dates to be reviewed in liaison with other Worcestershire treasurers. - ***no changes required to April payment plan as Council Tax direct debits were sufficient and Business Rates S31 grants to be paid monthly from May 15th. However, this position may change and will be kept under review.***
4. Savings plans –reconsider and come up with alternative strategies to close funding gap. ***MHCLG lobbied for additional funding.***
5. Ongoing - monitor resource requirement to manage COVID-19. Where gross income streams fall, review resource, consider ongoing use of agency staff and/ or redeploy staff to other service areas to reduce costs in the short term- ***Ongoing***
6. Consider if delivery of any new capital or revenue projects should be deferred – ***no deferrals necessary to date.***
7. Introduce functionality for remote Council Meetings. ***Temporary changes agreed by Council 21st April 2020***
8. Reports to Members as appropriate. –***This is first Cabinet Report and follows regular Member briefings***