

Open

Cabinet

Agenda

6pm
Tuesday, 22 March 2022
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Cabinet

The Cabinet Members and their responsibilities:-

Councillor H Dyke	Leader of the Council & Economic Regeneration, Planning & Localism
Councillor G Ballinger	Deputy Leader & Culture, Leisure & Community Safety
Councillor N Martin	Housing, Health, Well-being & Democratic Services
Councillor M Rayner	Finance & Capital Portfolio
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 Friday 1 April 2022.

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.

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

Tuesday, 22 March 2022

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 8 February 2022.	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 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 12noon on Monday 14 March 2022. (See front cover for contact details).	

7.		
7.1	<p style="text-align: right;">Councillor M Rayner</p> <p>Budget Monitoring Third Quarter 2021-22</p> <p>To consider a report from the Head of Resources on the Council's financial performance for Quarters 1 to 3 ending 31st December 2021 and to present the current projected outturn position for the 2021-22 financial year for both revenue and capital expenditure.</p> <p><i>The appendices to this report have been circulated electronically.</i></p>	11

8. Recommendations from Committees		
8.1	<p>Overview and Scrutiny Committee, 3 March 2022</p> <ul style="list-style-type: none"> Recommendations from the Fireworks Review Panel 	25

9.	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.	
10.	<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

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.	
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WYRE FOREST DISTRICT COUNCIL

CABINET

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

8TH FEBRUARY 2022 (6PM)

Present:

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

Observers:

Councillors: M J Hart, I Hardiman and F M Oborski MBE.

Observed remotely: J F Byng and C Edginton-White.

CAB.59 Apologies for Absence

There were no apologies for absence.

CAB.60 Declarations of Interests by Members

No declarations of interest were made.

CAB.61 Minutes

Decision: The minutes of the Cabinet meeting held on 9 November 2021 be confirmed as a correct record and signed by the Chairman.

CAB.62 Call Ins

The Leader gave a verbal update on a decision that had been “called in” since the last meeting of the Cabinet.

The Leader advised that over the Christmas and new year period a call in had been submitted relating to the strong leader decision published on 22 December regarding car parking charges 2022-23.

She advised that the call in had been discussed and debated by members of the Overview and Scrutiny Committee at their meeting on 3 February. The call in did not receive the support required to implement the suggested items.

The Leader invited the Chairman of the Overview and Scrutiny Committee, Councillor M Hart to address the Cabinet. He said that a very interesting debate on the issue had taken place. He thanked the Chief Executive, Head of Resources and Head of Community and Environment Services for their written report and for answering questions at the meeting. He said that the Committee had agreed by a majority of 6 votes to 5 to support the Cabinet decision that already been taken.

On behalf of the Cabinet, the Leader thanked the members of the Overview and Scrutiny Committee for looking into the detail of the call in and welcomed their decision. She confirmed that the Cabinet would continue with their original decision.

CAB.63 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.64 Public Participation

There was no public participation.

CAB.65 Medium Term Financial Strategy 2022-2025 and Capital Strategy 2022-2032

A report was considered from the Head of Resources which updated Cabinet on the Medium-Term Financial Strategy (MTFS) 2022-2025 and made recommendations to Council on the proposed budget decision. The report also sought approval of the Capital Strategy for 2022-2032 including prudential indicators which set limits for non-financial investments and to fulfil the key requirements of the DLUHC Investment Guidance.

The Cabinet Member for Finance and Capital Portfolio presented the report and formally moved the recommendations for approval. She said that the report presented the Cabinet budget proposals to balance the books and included recommendations for both the Revenue budget and the Capital Strategy.

She added that achieving financial sustainability continued to be the Council's most significant challenge. She said this was being exacerbated by the sharp rise in inflation, currently running at 5.4%, and the pressure that it puts on pay and energy budgets.

The Cabinet Member for Finance and Capital Portfolio explained that the final settlement funding had been issued on 7 February and would be debated in parliament tomorrow. She said there was no significant changes from the provisional settlement which provided additional one-off funding for 2022-23 of £685,000 and disappointingly, no additional flexibility to allow the discretion for districts to approve slightly higher council tax increases without a referendum. She added that the new funding was however very welcome, but it would not fundamentally change the Council's funding position as the new funding was for one-year only. It does, however, provide a little more time to implement savings plans.

The Cabinet Member outlined the key points from the report. She said that the proposals set out how the budget can be balanced in light of the additional strains on council finances and have been shaped by public opinion. She added that the views of 789 residents who completed the council's annual budget consultation have been taken into account. She said rather than focussing on cutting services, the report continued with the significant

programme of work to consider options for how the council might deliver services differently in future to save costs and protect front line services. This could include joining forces to deliver services in partnership with other local authorities and organisations or reshaping how the authority delivered its services itself.

The Cabinet Member outlined the two proposals for reductions in discretionary services. She added that the Cabinet had carefully considered the alternative budget proposals and were sympathetic to providing funding for community groups to mark the unique Platinum Jubilee of Her Majesty the Queen. She said that the Cabinet also concurred with the proposal to progress the development of the solar farm business case and advised that this would be funded from the existing Evergreen fund.

She said that the MTFS was set against ongoing uncertainty and resultant risk as a result of the ongoing COVID-19 pandemic and the delayed funding reform. She added that the ongoing service transformation to make the Council a smaller organisation whilst protecting front-line services, together with the two modest Cabinet Proposals would ensure the Council can go further, faster, to ensure financial sustainability. She said that this would not be easy and not all risk could be mitigated, however the authority would continue to work hard to build on the impressive track record of this Council to achieve the savings required whilst also protecting services as far as possible.

In conclusion, she said that the proposals represented a realistic way forward that will allow the authority to continue to balance the books in these challenging times.

The Cabinet Member for Culture, Leisure and Community Safety seconded the proposals.

Decision: The CABINET having re-considered the Financial Strategy 2022-2025, 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 2022-2025

1.1.1 APPROVES the updated Medium-Term Financial Strategy 2022-2025.

1.1.2 APPROVES the Cabinet Proposals – taking into account the impact on the Council’s Capital and Revenue Budgets for 2022-2025 as shown in the tables in paragraphs 6.1 and 6.3 and as set out below:

- a) Approval to close the small business grants scheme currently administered by North Worcestershire Economic Development and Regeneration after March 2022. This would save £35k each year from 2022-23 onwards which will be utilised to fund additional resource in the NWEDR team**

to assist with delivery of the externally funded projects for the Future High Streets Fund (FHSF) and the Levelling up Fund (LUF).

- b) Approval to end discretionary support of sport and leisure facilities from April 2023 namely, phasing out involvement in Bewdley Leisure Centre and Stourport Sports Club. This would save £38k each year from 2023-24 onwards.

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 6th December 2021, and the impact on the Council's Revenue Budget for 2022-2025, as shown in Appendix 3.

1.1.4 APPROVES the Council's updated Capital Strategy:

- a) Approval of the Capital Strategy 2022-2032 set out in Appendix 2 of the report including the associated Quantitative Indicators in Appendix 2 of the December Cabinet report.
- b) Approval of the Capital Programme and Vehicle, Equipment and Systems Renewals Schedule as set out in Appendices 1A and 1B, of the Capital Strategy report to December 2021 Cabinet.
- c) Approval of the limits for gross debt for 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.

1.1.5 APPROVES that any Final Accounts savings arising from 2021-2022, together with surplus Earmarked Reserves, be allocated by the Head of Resources in consultation with the Cabinet Member for Finance and Capital Portfolio.

1.1.6 The General Fund Revenue Budget be APPROVED including all updates from the position in December 2021 as set out in the report.

1.2 COUNCIL TAX AND BUSINESS RATES

- 1.2.1 a. SETS the Council Tax for Wyre Forest District Council on a Band D Property at £229.34 for 2022-2023 (£224.34 2021-2022) which represents an increase of 2.23% on Council Tax from 2021-2022.**
- b. ENDORSES the provisional Council Tax on a Band D Property in 2023-2024 of £234.34 and £239.34 in 2024-2025, being increases of 2.18% and 2.13% respectively.**

- 1.2.2** NOTES the Head of 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 Head of Resources, in consultation with the Cabinet Member for Finance and Capital portfolio, to make any appropriate adjustments to the General Fund Revenue Budget recommended under paragraph 1.1.6 above, 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 updated versions as appropriate will be provided for Full Council on the 23rd February 2022.
- 1.5** The Cabinet NOTED that £5,000 has been allocated from the Contain Outbreak Management Fund (COMF) for Jubilee events organised by community groups for activities that meet the purposes of the COMF grant.

There being no further business, the meeting ended at 6.21pm.

WYRE FOREST DISTRICT COUNCIL

CABINET

22ND MARCH 2022

Budget Monitoring Third Quarter 2021-22

OPEN	
CABINET MEMBER:	Councillor M Rayner, Cabinet Member for Finance and Capital Portfolio
RESPONSIBLE OFFICER:	Head of Resources
CONTACT OFFICERS:	Helen Ogram Ext. 2907 Helen.Ogram@wyreforestdc.gov.uk Kath Pearsall Ext.2165 Kathryn.pearsall@wyreforestdc.gov.uk Lisa Hutchinson Ext. 2120 Lisa.Hutchinson@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - Wyre Forest District Council Revenue Budget Total Requirements - District Council Purposes Appendix 2 - Budgetary Control Report - Revenue Appendix 3 - Capital Programme Appendix 4 - Wyre Forest Forward Appendix 5 - Budget Risk Matrix Appendix 6 – Analysis of Outstanding Debt <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

- 1.1 The purpose of the report is to brief members about the Council's financial performance for Quarters 1 to 3 ending 31st December 2021 and to present the current projected outturn position for the 2021-22 financial year for both revenue and capital expenditure.

Revenue – the forecast outturn is an estimated net saving of £227,000 against the Revised Budget approved by Council 23rd February 2022. There are no requests for approval of supplementary estimates.

Capital – the forecast outturn is £16.05m against the Revised Programme approved by Council 23rd February 2022 of £25.19m. £8.74m of this programme is currently forecast to be re-profiled to future financial years, including the Capital Portfolio Fund Capital Budget.

- 1.2 The report also briefs members on current progress against the savings and efficiency targets being delivered by the Wyre Forest Forward Programme and the Localism agenda. Good progress has been made towards meeting the Wyre Forest Forward

target of £3.426m and Localism savings of £160k for 2021-22. Any remaining balance if not achieved will be met from final account savings identified in this report (positive pay variances).

- 1.3 The report informs members of the Housing Benefit Overpayment debt position, the Sundry/General Property debt position and also the Capital Portfolio Fund debt collected and managed on our behalf by BNP Paribas as at 31st December 2021 (Quarter 3). Further analysis is provided at Appendix 6.
- **Housing Benefits overpayment recovery-** The total debt outstanding at 31st December 2021 is £1.235m which represents a 23.1% reduction over the balance outstanding at the end of Quarter 3 2019-20 (pre pandemic) and 18.9% reduction over the balance outstanding at the end of Quarter 3 2020-21 (prior year).
 - **Sundry/Property Debt** - The total debt outstanding at 31st December 2021 was £0.99m which represents a 15.0% increase over the balance outstanding at the 31st December 2020 (Quarter 3). This figure includes debt within payment terms.
 - The overdue debt has increased by £130,608 (including debt within payment terms); compared to the same period in 2020-21.
 - **Capital Portfolio Fund Debt** The total overdue debt 31st December 2021 is £95k which represents 8.6% of the overall balance collected each year.

2. RECOMMENDATIONS

The Cabinet is asked to DECIDE: -

- 2.1 That the projected budget variations and comments outlined within this report and appendices 2 to 6 be noted.**

3. BACKGROUND

- 3.1. Budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The 2021-22 Original Budget was approved as part of the 2021-24 Medium Term Financial Strategy (MTFS) by Council on 1st March 2021. The 2022-25 MTFS was presented to Cabinet on 21st December 2020 for progression to the Strategic Review Panel for scrutiny on the 13th and 24th January 2022. The final draft was endorsed by Cabinet on 8th February and approved by Council on the 23rd February 2022. The 2022-25 MTFS incorporated growth and savings items that are impacting on 2021-22 budgets and presents the 2021-22 Revised Budget. Performance is measured against the Revised Current Year Budget presented within the 2022-25 Strategy (Appendix 1). The current forecast shows an underspend against the Revised Budget of £227,000. Reduced expenditure budgets and revised income targets included within the Revised Budget reduce the likelihood of further under spends/over achievement of income at Final Outturn for 2021-22 however the revised assessment is still based on a wide range of assumptions, predicted patterns of cost, service demand and behaviours. The pandemic has been a huge drain on resources and has resulted in delays to normal work programmes and a revision of priorities and plans.

Indications are that forecasts are proving to be robust, but it is highly likely that some of the forecasts will be reset before the end of the financial year.

- 3.2. The balanced budget approved by Council focuses on ensuring that the Council optimises the full range of income sources that affect its overall budget including Council Tax and Business Rates revenue, external specific grants, fees and charges and other elements of income from commercial activities including returns from property and treasury investments.
- 3.3. Wyre Forest District Council is a member of the Pan Worcestershire business rates pool and receives a share of any growth in rateable value achieved. Any gain will be shared between the County Council, the Fire authority and the 6 District Councils.
- 3.4. The year-to-date monitoring shows that income from business rates payers will be in line with the position estimated after S31 grants are taken into account, however there will be a deficit on the collection fund due to the lagging inherent in the business rates retention system, but we will carry forward the S31 grants receive at the year-end in the Business Rates equalisation reserve to off-set our share in 2022-23. The position in relation to year-end provisions for appeals cannot be estimated with accuracy at this time so this could result in further variances that will be reported as part of the Final Accounts process. Any variation in appeals provision will impact on the surplus/deficit position and carried forward to future years.
- 3.5. The 2022-25 Medium Term Financial Strategy makes prudent assumptions about the income stream that is expected to be generated from the Capital Portfolio Fund. Covid-19 has had a significant impact on some of our tenants and we are currently pursuing large arrears balances with a very small number of tenants. To recognise the possibility that a proportion of these debts will never be recovered we have made allowance in the MTFS for an increased contribution to the bad debt provision in the current financial year. Discussions with tenants are on-going and we are optimistic that we will be able to recover a significant proportion of the current arrears. The uncertainty and ongoing risk to these income streams is recognised and being managed as far as possible. Jones Valerio, our property specialist advisors, have developed a suite of performance reports, presented to Cabinet on a quarterly basis and Overview and Scrutiny Committee bi-annually. We continue to work with our advisors to ensure that current financial performance, specifically the impact on the MTFS, of the fund is clearly presented.
- 3.6. A revised Capital Strategy 2022-32 was presented to Cabinet in December 2021 with further amendments made on 8th February to reflect the 2021 revisions to the CIPFA Prudential and the Treasury Management Codes of Practice. The revised Strategy was approved by Council on 23rd February 2022. The revised Strategy covers all capital expenditure and also sets out reporting and planning for financial risk implications in relation to non-treasury investments.

4. FINANCIAL PERFORMANCE

4.1 Overview

The quarterly budget monitoring includes the forecast position for the current financial year. The Revenue Summary shows net expenditure by reporting group and where some costs are funded by reserves this is incorporated.

Revenue	The Revised budget is £12.306m and the forecast outturn is £12.079 which is an under spend of £227k.
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Capital The original approved programme was £40.57m. Slippage from 2020-21 totalled £10.36m and includes £6m from the Capital Portfolio Fund and £2m from the Development Loans Fund. The 2021-22 updated budget is currently £25.19m. The updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2021-22, including slippage from 2020-21 are enclosed as Appendix 3.

4.2 Funding Gap Refresh

4.2.1 The table below summarises the refreshed estimate of the overall funding gap/ the Council's financial position.

4.2.2 Pre the pandemic the Council had done exceptionally well in generating additional income and implementing efficiency savings that have put back the date at which it has to bring its expenditure into line with income. However, in the absence of additional Government funding, unless further savings and efficiency are achieved, the Council will exhaust its general fund balances before the end of the current MTFS, in 2024-25.

Financial Gap	2021-22 £	2022-23 £	2023-24 £	2024-25 £
Wyre Forest Forward Savings not yet achieved	153,310	794,150	1,043,500	1,016,190
Generic Localism Savings	5,440	125,000	353,460	526,280
New Cabinet Proposal for further Savings	0	0	(38,000)	(38,000)
SUB- Total	158,750	919,150	1,358,960	1,504,470
Use of reserves from proposed 2021-24 Strategy	1,081,770	21,750	706,370	172,070
TOTAL	1,240,520	940,900	2,065,330	1,676,540

4.3 Summary Revenue Forecast variances

4.3.1 The following table details the current projected outturn position and variances against the Revised Budget for each Service reporting group and the Capital Account approved by Council on 23rd February 2022.

REPORTING GROUP	Original Budget	Revised Budget	Q3 Outturn Projection	Variance Revised to Outturn	Quarter 3 Profiled Budget	Quarter 3 Actual	YTD Variance
	£000	£000	£000	£000	£000	£000	£000
Community and Environmental Services	4,626	5,084	5,009	(75)	3,813	2,839	(974)
Resources and Revenues, Benefits & Customer Services	3,940	3,577	3,572	(5)	2,867	2,980	114
Strategic Growth and Economic Development& Regeneration	1,945	2,376	2,230	(146)	1,782	2,282	500
Chief Executive and Solicitor to the Council	634	1,747	1,746	(1)	1,310	1,484	174
Capital Account	455	75	75	0	55	55	0
Corporate Covid contingency	700	245	245	0	0	0	0
SERVICE TOTALS	12,300	13,104	12,877	(227)	9,827	9,640	(186)
COVID Support grants - Tranche 5 LA support grant	(564)	(564)	(564)	0			
COVID Support grants - Sales Fees and Charges	(384)	(234)	(234)	0			
TOTALS	11,352	12,306	12,079	(227)	9,827	9,640	(186)

Underspends and income denoted by ()

The full year outturn projection based on Quarter 1 to 3 income and expenditure analysis (at 31st December 2021) is an over spend of £727k against the original budget and £227k underspend against the current approved (Revised) budget after COVID support grants are taken into account.

Agenda Item No. 7.1

The following budget pressures and savings against revised budget have been identified:

COMMUNITY AND ENVIRONMENTAL SERVICES

Service Area	Detail	Quarter 3 - Projected Outturn Variance			
		Cost Pressure £	Income shortfall £	Cost Reduction £	Income Growth £
Waste Transfer Station	Skip Delivery and Collection - Reduced Requirements			(5,000)	
Domestic Waste & Recycling	Waste Disposal Income - Increase in Bin Sales to Developers				(5,000)
Trade Waste Collection	Tipping Charges - Lower Tonnages Tipped		74,250	(70,000)	
Garden Waste Collection	Waste Disposal Income - Increase in Garden Waste Customers				(20,000)
Public Conveniences	Agency Staff / NNDR	10,000			(5,750)
Cemetery	External Contractors - Grave Digging Services & increase in income	20,000			(5,000)
Car Parks General		13,000	15,000		
Civil and Environmental Enforcement	Parking Fines - Higher than expected income				(20,000)
	Direct Materials - Fuel Price Increases and reduction in income less than projected at RE	36,000			(5,000)
Garage Holding Account	Income reduction and corresponding decrease in direct materials		13,000	(8,000)	
Grounds Maintenance	Reduced income and corresponding reduction in External Contractors		15,000	(10,000)	
Arboricultural Services	contractors and direct materials		10,000		
Driver Training	Fees and Charges (Training and Courses) - Shortfall in income		19,550		
Leisure Centre	Shortfall in Management fee				
		79,000	146,800	(93,000)	(60,750)
		Total Variance			72,050

Resources and Revenues, Benefits and Customer Services

Service Area	Detail	Quarter 3 - Projected Outturn Variance			
		Cost Pressure £	Income shortfall £	Cost Reduction £	Income Growth £
Business Support	Postages			(10,000)	
Revenues	Court and Legal Fees		30,000		
ICT	Additional service provision to partners				(20,000)
		0	30,000	(10,000)	(20,000)
		Total Variance			0

Strategic Growth and Economic Development and Regeneration

Service Area	Detail	Quarter 3 - Projected Outturn Variance			
		Cost Pressure £	Income shortfall £	Cost Reduction £	Income Growth £
Building Control	Fee earning/Non-fee earning split change			(11,860)	
Land Charges	Income				(35,000)
Licensing	Payment to WCC for Highways Pavements Licence- New Burdens Funding	14,000			(5,080)
Homelessness	Emergency Accommodation			(25,000)	
Property	Increased lease income and reduction in bad debt provision			(20,000)	(15,000)
		14,000	0	(56,860)	(55,080)
		Total Variance			(97,940)

Pay Variances

Reporting Group	Quarter 3 - Projected Outturn Variance			
	Cost Pressure £	Income shortfall £	Cost Reduction £	Income Growth £
Community and Environmental Services			(147,162)	
Resources and Revenues, Benefits & Customer Services			(4,846)	
Strategic Growth and Economic Development& Regeneration			(48,121)	
Chief Executive and Solicitor to the Council			(854)	
	0	0	(200,983)	0
	Total Variance			(200,983)

4.4 Earmarked Reserves

4.4.1 The Council's earmarked reserves totalled £20.60m at 1st April 2021. The balance included exceptional balances in relation to Covid Grants received from MHCLG (now DLUHC) in 2020-21. The balance excluding these items at 1st April was £9.98m. The total balance remaining uncommitted at 31st December 2021, when in-year budgeted top-ups are included is £7.22m.

4.4.2 A General Risk Reserve is held to meet one-off unexpected costs and to manage most future operational risks. Allocations against the reserve are approved by the Corporate Leadership Team. Following in year allocations and top-ups the current level of the General Risk Reserve is £789k.

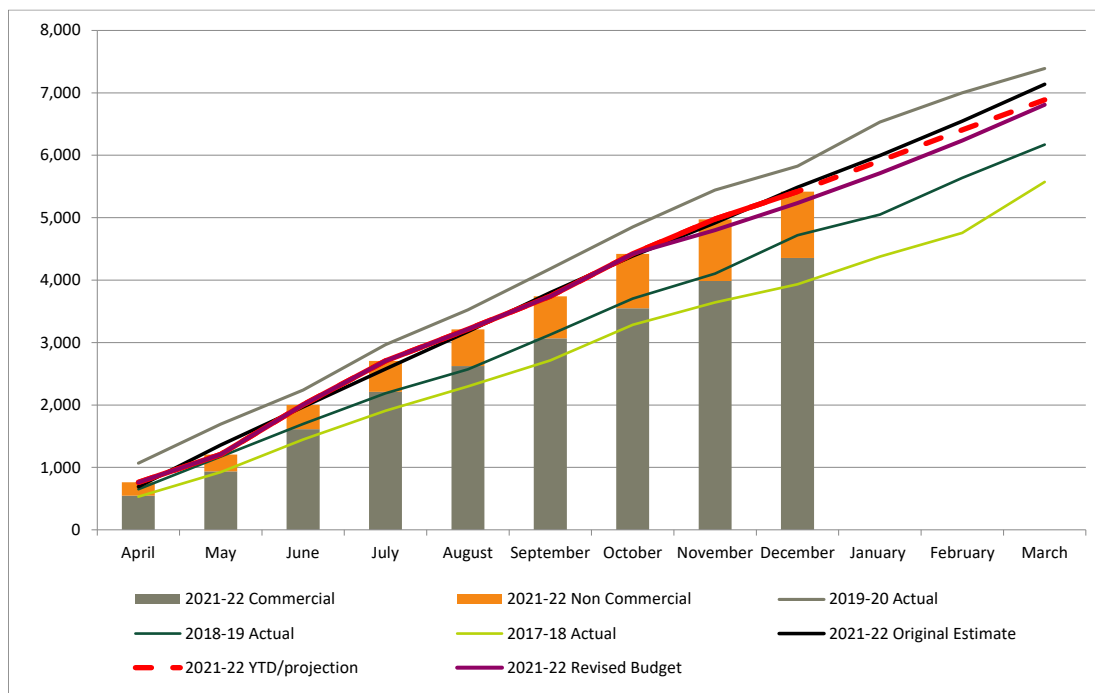
EARMARKED RESERVES	Quarter 3 Summary of Funding				
	Total Reserves at 1st April £000	Contribution to Reserves £000	Expenditure to Q3 £000	Commitments £000	Reserve Remaining £000
External Funding	1,805	0	119	669	1,017
Shared Service	496	0	40	262	194
WFDC Budget	7,003	(474)	301	1,957	5,219
General Risk Reserves	675	(199)	0	85	789
TOTAL	9,979	(673)	460	2,973	7,219

- 4.4.3 In addition to the contributions to reserves identified above there will be a further significant contribution to the Business Rates Equalisation reserve at the financial year end. The Section 31 grant received in year in respect of the additional reliefs granted to business rate payers as a COVID-19 relief measure needs to be carried forward to off-set the collection fund deficit created and charged to the General Fund in 2022-23. We anticipate that circa £4m will be transferred.

4.5 External Income Performance

- 4.5.1 External Income is an important element within the finances of the Council, it affects the level of resources available to fund services and makes an important contribution to a balanced budget. The Covid-19 pandemic has had a significant impact the impact is on-going and uncertain, some income streams appear to be recovering more quickly than was originally anticipated but this is not the case across the board. There is still significant uncertainty and risk associated with Leisure Centre Management fee income. The level of external income projected for 2021-22 at quarter 3 is £6,889k (original budget £7,137k, revised budget £6,808k), against a 2019-20 pre-pandemic actual performance of £7,391k.
- 4.5.2 The previous success of the income generation work and the extent of the shortfall against previous targets is shown in the graph below.

Gross Income (Commercial and Non-Commercial) 2017-18 to 2021-22



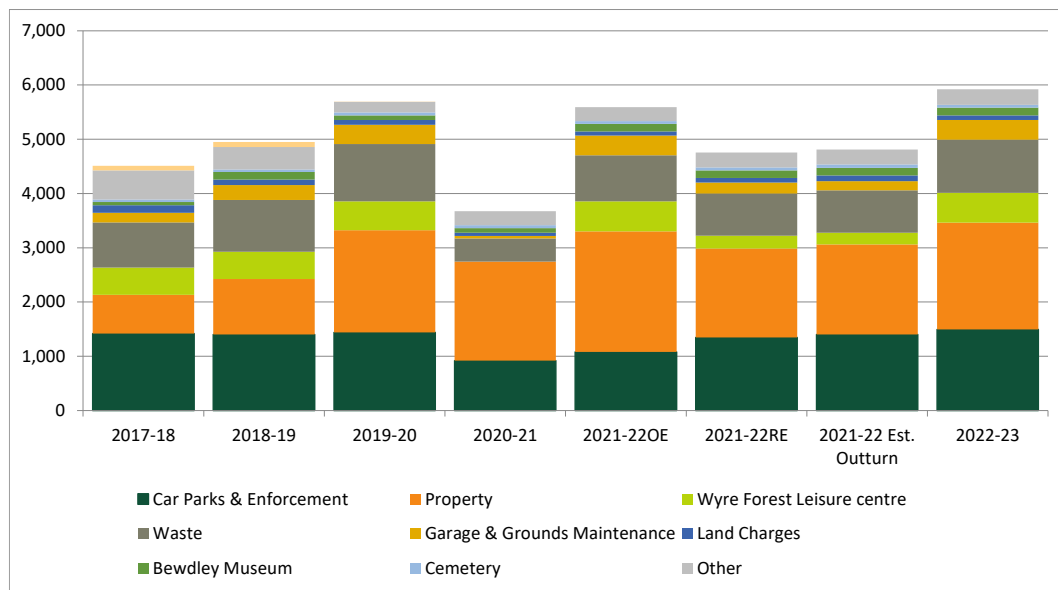
- 4.5.3 The Council has expanded its commercial activities in recent years to generate revenue that reduces net cost to release resources to help close the funding gap. However, as set out in the graph above, the COVID pandemic has had an unprecedented impact on demand for services, severely reducing receipts in the 2020-21 year and again in the current year. Many of our income streams appear to be recovering more quickly than predicted when the original budget was prepared in February 2021 and this has been reflected in the revised budget, however there are some significant exceptions (see table at 5.9 below) and there continue to be a

number of risks and uncertainties that may affect the projected outturn. The revised budget was prepared before the impact of the Omicron variant was felt during this winter, actual receipts and projections are constantly being kept under review.

4.5.4 Projections have been re-forecast resulting in a revised projection of £6.889m compared to an original estimate of £7.137m for the year (against an actual of £7.392m in 2019-20 and £5.919 in 2020-21). The full year projection for 2021-22 is 7% below that achieved in 2019-20 and 3% (or £248k) below the original estimate.

4.5.5 Income from the leisure management contract has not returned to the pre-pandemic level. Discussions are on-going with the centre operator but there is a risk of a further budget pressure of circa £20k. In general the Centre has recovered well, and in some cases activities and headcounts are out performing that achieved in 2019 (pre-pandemic) however recovery in gym and fitness membership remains challenging.

4.5.6 The Council continually reviews and is developing its approach to forecasting, setting targets and monitoring income and budgets but it is likely that the Council will not maintain previous targets whilst the economy recovers. Business cases for the development of income generating initiatives will continue to be closely monitored and performance against both original and revised targets will be reported quarterly.



4.5.7 The spread of the omicron variant this winter has slowed the economic recovery but whilst the impact of the latest variant is uncertain, current projections suggest that the revised budget projections for most income streams were robust and targets will be met. When adjustments are made for contract arrangements paid annually in arrears (County Council, other Local Government bodies and treasury investments) and accounting accruals for income received in the current year for services received in future years the full year (outturn) projection exceeds the revised budget resulting in a small positive variance of £89k.

4.5.8 Commercial Strategy - The table below shows the performance against target for income streams covered by the Commercial Strategy.

Service Area	Original Budget	Revised Budget	Qtr3 Outturn Projection	Variance Revised to Outturn	Qtr3 Profile Budget	Qtr 3 Actual	Qtr 3 Variance
	£	£	£	£	£	£	£
Bewdley Museum	(£141,470)	(£138,740)	(£139,181)	(£441)	(£104,055)	(£122,397)	(£18,342)
Building Control	(£184,400)	(£211,700)	(£211,700)	£0	(£158,775)	(£186,639)	(£27,864)
Bulky Waste and external contracts for sweeping	(£142,500)	(£130,500)	(£129,788)	£712	(£97,875)	(£81,793)	£16,082
Cemetery	(£50,300)	(£55,000)	(£62,918)	(£7,918)	(£41,250)	(£45,590)	(£4,340)
Ctax/NNDR & other Court Costs	(£228,000)	(£165,000)	(£135,000)	£30,000	(£123,750)	(£105,223)	£18,527
Garage, Driver Training, Tree Gang, Grounds Maintenance	(£381,490)	(£222,990)	(£187,967)	£35,023	(£167,243)	(£80,734)	£86,508
Green Waste	(£425,000)	(£460,000)	(£482,835)	(£22,835)	(£345,000)	(£353,509)	(£8,509)
Homelessness & Private Housing	(£30,550)	(£42,540)	(£42,540)	£0	(£31,905)	(£30,894)	£1,011
Land Charges	(£73,800)	(£85,000)	(£120,000)	(£35,000)	(£63,750)	(£118,044)	(£54,294)
Leisure Centre	(£551,590)	(£236,000)	(£216,457)	£19,543	(£177,000)	(£1,502)	£175,498
Licensing Activities	(£231,530)	(£246,150)	(£246,150)	£0	(£184,613)	(£252,926)	(£68,314)
Markets	(£39,780)	(£80)	(£80)	£0	(£60)	(£72)	(£12)
Parking and Enforcement	(£1,081,200)	(£1,346,450)	(£1,403,357)	(£56,907)	(£1,009,838)	(£1,022,855)	(£13,017)
Parking Weavers Wharf	(£173,140)	(£173,140)	(£173,140)	£0	(£129,855)	£0	£129,855
Parks and Green Spaces (including Highway Verges)	(£67,470)	(£74,740)	(£78,329)	(£3,589)	(£56,055)	(£71,356)	(£15,301)
Planning	(£377,070)	(£475,990)	(£475,990)	£0	(£356,993)	(£583,157)	(£226,165)
Property Rental	(£525,740)	(£528,500)	(£528,500)	£0	(£396,375)	(£511,590)	(£115,215)
Property Rental Capital Portfolio	(£1,248,930)	(£1,104,280)	(£1,119,280)	(£15,000)	(£828,210)	(£795,505)	£32,705
Property Rental WFH	(£185,180)	(£161,540)	(£164,683)	(£3,143)	(£121,155)	(£164,683)	(£43,528)
Trade Waste & Waste Transfer Station	(£850,810)	(£775,800)	(£781,196)	(£5,396)	(£581,850)	(£554,029)	£27,821
Various Others	(£147,350)	(£173,970)	(£180,221)	(£6,251)	(£130,478)	(£246,658)	(£116,181)
TOTALS	(£7,137,300)	(£6,808,110)	(£6,879,312)	(£71,202)	(£5,106,083)	(£5,329,157)	(£223,075)

4.5.9 The movement in the revised budget illustrates the continuing impact of the pandemic on demand led income streams. The budget is £0.329m below the original estimate. The impact of the income loss on council finances is further exacerbated as less of the loss is eligible for the Government's co-funding sales, fees and Charges grant than was originally assumed which introduced a further shortfall against original budget-£0.150m. The total impact on income between original and revised budget is £0.479m.

4.6 Capital Programme

4.6.1 The original capital programme 2021-22 was £40.57m. There was re-phasing (slippage) from 2020-21 of £10.36m, and total re-phasing to 2022-23 of £15.38m.

4.6.2 The gross expenditure to date is £8.51m (33.8%).

4.6.3 The updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2021-22, including slippage from 2020-21 is provided at Appendix 3.

4.6.4 Capital Programme variances are summarised in the table below, full detail of scheme progress and variances is provided in Appendix 3:

	Reporting Group	£000
Re-phasing from 2021-22 to 2022-23 at Q3	Resources	146
	Community and Environmental Services	1,021
	Economic Development and Regeneration	7,577
Total		8,744

- 4.6.5 A large proportion of the Council's Capital Programme is financed from borrowing which has a revenue implication through interest charges and the statutory Minimum Revenue Provision (MRP).

5. **CAPITAL PORTFOLIO FUND AND DEVELOPMENT LOANS FUND**

- 5.1 The funding envelope for the Capital Portfolio scheme is £26.5m. A further £1.25m allocation to co-fund the Future High Street Programme has been included in the Capital Programme 2021-31 to support a self-sustainable, financially viable scheme to develop the former magistrates court subject to preparation and approval of a business case. This allocation will follow the principals of the Capital Portfolio Fund but be maintained and accounted for separately. The Capital Portfolio Fund supports regeneration, economic growth and housing allied to the Council's income generation/commercialism objectives and is financed from borrowing. The Council's £10m Development Loans Fund has now been wound up due to a lack of credible applicants and, following approval by Council on 23rd February 2022, the balance (£8.1m) used to create a generic capital fund to support self sustaining environmental investments that support the green agenda. A loan of £1.9m to Suma (Developments) Ltd, was approved in February 2020 and the legal agreement was signed on 1st February 2021 relating to the construction of two blocks of industrial starter units at Plot L on Silverwoods Park, Kidderminster (the land opposite Aldi). The loan was drawn down and repaid during 2021-22 generating £23k interest.

Capital Portfolio Capital Fund	Expenditure		Committed
	Purchase Price/ Development Cost	SDLT, Fees and Capitalised Costs	
Acquisitions	£000	£000	£000
Worcester Street/High Street Retail Units, Kidderminster	1,034	51	
Stratford Court Offices, Solihull	6,110	424	10
Buntsford Gate Offices, Bromsgrove	1,487	87	
Forest House Start-up Units, Kidderminster	730	37	
Riverside Food and Beverage Units, Kidderminster	2,420	135	
Goldthorn Road Industrial Unit	4,100	240	
Development Sites			
Unity Park Industrial Units, Kidderminster*	454		302
Fund Commitments			
Homelessness Provision			2,838
	16,335	974	3,150
Total Capital Expenditure		17,309	20,459
Total Capital Approval (£25m plus £1.5m buffer)			26,500
Balance of Funds remaining (Max)			6,041

* Note that the scheme is part funded from the evergreen investment fund, only the CPF element is shown in this table. Please see Appendix 3

- 5.2 The table below summaries the current projection of the revenue impact of the Capital Portfolio Fund in 2021-22. The Estimated Outturn is currently showing an improved position against the Revised Budget and includes an impairment allowance to recognise the impact of the Covid-19 pandemic on collection rates and the increased risk of debts being unrecoverable. The pandemic has resulted in vacant

office accommodation proving more difficult to relet leading to longer void periods. This has resulted in a significant reduction in the net surplus projected pre-pandemic. Every effort to let vacant units and to recover rents and service charges outstanding continues to be made and the position is closely managed and monitored.

Property Portfolio Fund All CPF Property acquisitions/Developments	2020-21 Outturn £	2021-22			
		Original £	Revised £	Outturn Projection £	Variance £
EXPENSES					
Property specific	241,386	329,480	297,780	297,780	0
General expenses	55,719	55,000	55,000	59,641	4,641
Recharges	42,448	46,710	46,590	46,590	0
Bad debt provision	44,290	38,840	33,540	10,000	(23,540)
INCOME					
Gross Income from rents & service charges	(1,100,528)	(1,656,010)	(1,104,280)	(1,119,280)	(15,000)
COST OF CAPITAL					
Capital Financing (MRP & Interest)	588,380	1,111,530	723,950	723,950	
NET IMPACT ON COUNCIL TAX AFTER STATUTORY CHARGES	(128,305)	(74,450)	52,580	18,681	(33,899)
Transfer to sinking fund	(33,811)	31,270	16,470	(16,310)	(32,780)
NET IMPACT AFTER TRANSFER TO RISK RESERVE	(162,116)	(43,180)	69,050	2,371	(66,679)

*()denotes income, budget savings and over achievement of income targets

The original estimate in the table above assumed that the balance of the funding available had been spent in 2020-21 and rents off-set MRP and interest costs. Rent and cost of capital have been revised downwards to reflect current programme spend.

- 5.3 The revenue impact of the Development Loans Fund in 2021-22 is cost neutral (after interest earned and facilitation fee are taken into account). FDC (formerly Finance Birmingham) agreed to defer their £25k pa fund management fee from October 2019 as no approvals had been progressed at that date however following the set-up of the first loan payment of the management (facilitation) fee recommenced. The contract with FDC expired in October 2021 and was not renewed.

6. **FUNDING GAP, WYRE FOREST FORWARD SAVINGS PROGRAMME AND LOCALISM TARGETS**

- 6.1 The 2022-25 MTFS projects a funding gap in 2024-25 of just under £1.7m, against this background it is essential that expenditure is kept within the overall approved budget and that savings proposals continue to be developed so that the Council has as much flexibility as possible to meet the challenges which lie ahead.
- 6.2 Achieving financial sustainability is still the most significant challenge facing the Council. Since 2009 the Council has had a track record of continuously identifying opportunities to make savings however savings targets are proving increasingly challenging to achieve and are now focussed almost exclusively on the transformation program introduced in the 2021-24 MTFS to review and reassess how we deliver services with the objective of reducing net cost by making Wyre Forest a smaller Council.

- 6.3 The Council has done exceptionally well in generating additional income and implementing efficiency savings that have put back the date at which it has to bring its expenditure into line with income. However, in the absence of additional Government funding the impact of COVID-19 is that the Council will exhaust its general balances at the end of the current MTFS, unless the savings and efficiency targets are met.

Wyre Forest Forward Savings

- 6.4 The Wyre Forest Forward savings programme was established to review all aspects of the Council to ensure we deliver a balanced budget and services of real value to our residents. Substantial savings have already been achieved.
- 6.5 The budget approved for 2021-22 is broken down in **Appendix 4** and summarised in the table below. Progress has been made towards achieving the target savings for 2021-22; the outstanding savings target is likely to be achieved from final accounts savings identified in this report.

Wyre Forest Forward Savings summary	2021-22 £000	2022-23 £000	2023-24 £000
Savings Target	4,298	4,390	4,682
Savings achieved at 31/03/2021	3,026	3,053	3,099
Balance b/f 2020-21	1,272	1,337	1,583
Reduction of 2021/22 Target Savings	(872)	0	0
Savings Target at 01/04/2021	400	1,337	1,583
Savings achieved 2021-22			
2021/22 Management Restructure	13	189	195
2020 Depot Restructure	99	93	94
Revenues, Benefits & Customer Services 2021/22 Review	135	260	250
Legal Restructure 2022/23	0	6	6
Savings identified in year	247	549	546
Total WFF Savings not yet achieved	153	788	1,037

Localism Partnership Target

- 6.6 Significant progress has been made towards meeting the 2021-22 revised Localism target. Achievement of future targets is progressing, and future budgets will be adjusted subject to the savings being achieved. Details are provided below:

Localism Partnership savings	2021-22 £000	2022-23 £000	2023-24 £000
Savings Target	245	350	525
Slippage approved MTFS 2021-24	-95	15	
Savings achieved at 31/03/2021	135	137	139
Balance b/f 2020-21	15	228	386
Reduction/Increase of Target Savings	10	(71)	0
Savings Target at 01/04/2021	25	157	386
Savings achieved 2021-22			
Transfer of Northwood Park to Bewdley Town Council	6	13	13
Transfer of Assets to Stourport and Bewdley Town Councils	13	19	20
Savings identified in year	19	32	32
Total Localism Savings not yet achieved	5	125	353

7. Supplementary Estimates and Virements

- 7.1 Service managers who wish to incur expenditure that falls within approved Council Policy for which either there is no or insufficient provision within approved estimates, may incur that expenditure by virement (transferring from one approved budget cost centre to another) or by supplementary estimate, subject to specified conditions as set out in the Financial Regulations – 6.7 and 6.8.
- 7.2 There are no requests for a Supplementary Estimates to be considered by Cabinet this quarter.

8. LEGAL AND POLICY IMPLICATIONS

- 9.1 The Local Government Act 2003 (sections 25–29) placed additional duties on Local Authorities on how they set and prioritise budgets.
- 9.2 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 to reverse this trend. The Cabinet currently reviews the Budget on a quarterly basis.
- 9.3 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.

10 EQUALITY IMPACT ASSESSMENT

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

11 RISK MANAGEMENT

- 11.1 The inability to deliver a balanced budget is one of the Council's key corporate risks. The Budget Risk Matrix has been reviewed to reflect the current assessment of risk. A copy is enclosed for information as **Appendix 5**.

12 CONCLUSIONS/ACTION

- 12.1 The information contained within Appendices 2 – 6 provides Members with an overview of financial trends within the period to 30th December 2021.

13. CONSULTEES

Corporate Leadership Team
Cabinet
Service Managers

14. BACKGROUND PAPERS

Medium Term Financial Strategy 2021-24
Medium Term Financial Strategy 2022-25

Hyperlink to Committee Reports

<http://www.wyreforest.gov.uk/council/meetings/main.htm>

WYRE FOREST DISTRICT COUNCIL

REVENUE BUDGET TOTAL REQUIREMENTS - DISTRICT COUNCIL PURPOSES

SERVICE	2021/22		2022/23			2023/24			2024/25		
	Original Estimate £	Revised Estimate £	At Nov.21 Prices £	Inflation £	TOTAL £	At Nov.21 Prices £	Inflation £	TOTAL £	At Nov.21 Prices £	Inflation £	TOTAL £
CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL	634,470	1,746,620	886,040	34,430	920,470	491,480	69,050	560,530	246,370	104,560	350,930
COMMUNITY AND ENVIRONMENTAL SERVICES	4,625,710	5,083,650	4,521,410	138,560	4,659,970	4,265,010	279,780	4,544,790	4,074,370	424,790	4,499,160
ECONOMIC PROSPERITY AND PLACE	2,322,300	2,375,790	2,231,890	76,380	2,308,270	2,089,840	151,150	2,240,990	2,043,050	227,690	2,270,740
RESOURCES	4,640,280	3,822,180	3,879,190	38,360	3,917,550	3,674,760	78,940	3,753,700	3,522,350	121,170	3,643,520
	12,222,760	13,028,240	11,518,530	287,730	11,806,260	10,521,090	578,920	11,100,010	9,886,140	878,210	10,764,350
LESS: CAPITAL ACCOUNT	99,920	102,700	273,870	1,550	275,420	457,020	3,080	460,100	656,630	4,800	661,430
INTEREST RECEIVED	(20,000)	(28,000)	(55,000)	0	(55,000)	(100,000)	0	(100,000)	(90,000)	0	(90,000)
TOTAL NET EXPENDITURE ON SERVICES	12,300,600	13,102,940	11,736,640	290,040	12,026,680	10,866,210	583,620	11,449,830	10,440,310	885,190	11,325,500
LESS: CONTRIBUTION (FROM) TO RESERVES	(503,110)	(1,081,770)			(21,750)			(706,370)			(172,070)
LESS: REVENUE SUPPORT GRANT	0	0			0			356,790			356,790
BUSINESS RATES INCOME	(2,869,590)	(3,243,210)			(3,356,940)			(3,016,080)			(3,076,400)
EXPENDITURE RELATED COVID SUPPORT GRANT	(563,800)	(563,800)			0			0			0
CO-FUNDING COVID SUPPORT GRANT	(383,940)	(234,000)			0			0			0
COLLECTION FUND (SURPLUS)/DEFICIT	146,000	146,000			(10,150)			105,250			0
NEW HOMES BONUS	(242,510)	(242,510)			(463,760)			0			0
LOCAL COUNCIL TAX SUPPORT GRANT	(184,250)	(184,250)			0			0			0
LOWER TIER SERVICES GRANT	(121,190)	(121,190)			(130,070)			(100,000)			(100,000)
ONE OFF SERVICES GRANT	0	0			(196,000)			0			0
GENERAL EXPENSES -											
COUNCIL TAX INCOME	7,578,210	7,578,210			7,848,010			8,089,420			8,333,820
COUNCIL TAX LEVY		224.34			229.34			234.34			239.34
COUNCIL TAX BASE		33,780			34,220			34,520			34,820

BUDGETARY CONTROL REPORT
MAJOR REVENUE VARIATIONS QUARTER THREE (to 31st December 2021)

Total Revised Budget 2021-22 - Net Expenditure on Services	13,102,940
Less: Covid Support grants - Expenditure	(563,800)
Covid Support grant - Co-funding Income loss	(234,000)
	12,305,140
Reduced Expenditure on Services	(226,870)
TOTAL QUARTER THREE PROJECTION TO YEAR END 2021-22	12,078,270

Description of Estimated Major Variances	Extra Costs/ Reduced Income £	Savings/ Additional Income £
<u>Strategic Growth and Economic Development & Regeneration</u>		
1. Improved income position - Land Charges, Building Control and licensing		(37,940)
2. Homelessness Service		(25,000)
3. Property		(35,000)
<u>Community and Environmental Services</u>		
1. Garden Waste - additional customers		(20,000)
2. Cemetery	15,000	
3. Car Parking	28,000	
4. Civil and Environmental Enforcement		(20,000)
5. Garage - direct materials	31,000	
6. Grounds maintenance and Arboricultural external works net reduction in income from external works	10,000	
7. Driver training shortfall in income	10,000	
8. Leisure Centre shortfall in management fee	19,550	
<u>Resources and Revenues, Benefits & Customer Services</u>		
1. ICT - additional service provision to partners		(20,000)
2. Reduced Court and legal fee income	30,000	
3. Business support - reduced postal volumes		(10,000)
<u>Corporate Variations</u>		
1. Other pay variances		(201,000)
Other small variances		(1,480)
	143,550	(370,420)
Reduction on Revised Budget (based on Quarter Three 2021-22 Projection)		(226,870)

Q3 Budget Monitoring 2021-22 (to December 2021)
Capital Programme 2021-22

Agenda Item No 7.1 - Appendix 3a

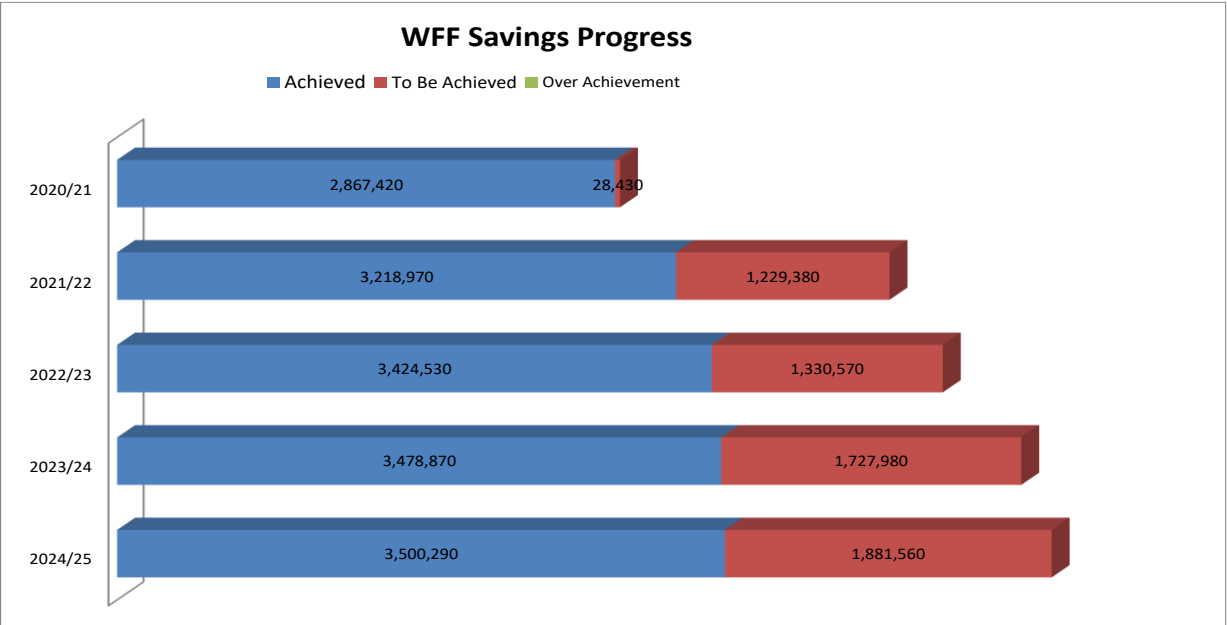
CAPITAL PROJECT DESCRIPTION	2021-22 Budget (Full Year) Includes 2020-21 slippage £	YTD Actual Expenditure £	Commitment £	Year To Date Expenditure Including Commitments £	Projected Total 2021-22 Expenditure £	Slippage to 2022-23 £	Explanation
<u>RESOURCES</u>							
ICT Strategy	556,290	88,210	79,670	167,880	456,290	100,000	Various infrastructure upgrades in progress.
TOTAL RESOURCES	556,290	88,210	79,670	167,880	456,290	100,000	
<u>COMMUNITY AND ENVIRONMENTAL SERVICES</u>							
Brinton Park HLF Scheme	1,116,870	21,620	62,600	84,220	100,000	1,016,870	Project management continues. Scheme to commence in 2022-23; majority of HLF funded budget to slip.
Green Street Depot Investment	153,410	104,840	240	105,080	153,410	0	Buildings now operational & retention released. Fuel tank replacement also complete.
Stourport Riverside	119,770	0	0	0	119,770	0	Project being progressed.
CCTV upgrade Bewdley & Stourport (PCC funded)	24,860	8,780	11,620	20,400	20,400	4,460	Project being progressed. Unspent budget to slip to next financial year.
TOTAL COMMUNITY AND ENVIRONMENTAL SERVICES	1,414,910	135,240	74,460	209,700	393,580	1,021,330	
<u>ECONOMIC PROSPERITY AND PLACE</u>							
	1,200,000	765,410	226,250	991,660	1,200,000	0	Covid continues to present challenges with OT assessments so any unspent budget will be slipped to next financial year.
Disabled Facilities Grants						50,000	Staff member has left in 2021. New staff member recruited. Project will slip to next year
BCF Energy Efficiency	50,000	0	0	0	0	150,000	Scheme will complete in 2022-23
BCF Disabled Adapted Units	150,000	0	0	0	0	502,340	Anticipated spend of £100k total by end of year and next year budget will reduce to £150k as fewer than expected applications have been made and the scheme closes in June.
Property Flood Grants	602,340	68,420	0	68,420	100,000	0	Scheme complete
Property Conversion, Stourport	19,110	19,110	0	19,110	19,110	0	Commissioning for consultants underway so budget will be fully committed by end of financial year
Castle Road Development	100,000	0	25,940	25,940	100,000	40,000	Anticipated spend of £60k, slippage of £40k to next financial year
Housing Assistance - Private Sector Measures (including Decent Homes Grant)	100,200	36,410	0	36,410	60,200	28,410	Planned spend in 2022-23 so scheme will slip to next financial year.
Flood Relief	28,410	0	0	0	0	0	No grant received yet
Flood Recovery Support (expenditure is conditional upon receipt of grant)	190,000	0	0	0	190,000	263,140	Anticipate total spend for year 36,854, balance to slip to next financial year.
Green Homes Grants Phase 1	300,000	28,250	0	28,250	36,860	125,000	Estimate 10k admin in Q4, then £125k capital in the following quarter and scheme closes at end of June.
Green Homes Grants Phase 2	525,000	0	0	0	10,000	0	Some expenditure this financial year on an emerging scheme and potential schemes being developed. Unspent budget will slip to next financial year.
Future Investment Evergreen Fund (unallocated balance)*	466,250	420	14,600	15,020	466,250	0	Contract with solicitor to agree heads of terms.
Acquisition of Land at Horsefair, Kidderminster	50,000			0	50,000	0	Scheme complete
Crown House Car Park	3,180	3,170		3,170	3,170	0	Units now operational - balance held for final professional fees.
Industrial Units Development - Silverwoods	1,960,020	1,829,860	9,490	1,839,350	1,960,020	0	Works to complete the project is underway. Any unspent budget will slip to 2022-23 when units are anticipated to complete & become operational.
Industrial Units Frenco Development - Silverwoods	409,930	26,470	344,770	371,240	409,930	0	Scheme complete
Churchfields Development (Grant Funded)	166,520	166,520		166,520	166,520	0	Undertaking procurement process at this stage. Budget may slip to next financial year.
Electric Vehicle Chargepoints	271,000			0	271,000	0	Acquisition anticipated to complete by 31st March.
Levelling Up Fund	3,000,000			0	3,000,000	6,050,830	No schemes anticipated to complete by 31st March - will slip
Capital Portfolio Fund*	6,050,830	0	0	0	0	267,740	2021-22 loan has been repaid. Balance of scheme to be slipped and is proposed to create a Generic Capital Fund.
Development Loans Fund*	2,000,000	1,732,260	0	1,732,260	1,732,260	0	Acquisitions nearing completion, progression to tendering for demolition stage & building works. Balance will slip if unspent in current year.
Future High Streets Fund**	4,571,420	3,418,640	254,280	3,672,920	4,571,420		
TOTAL ECONOMIC PROSPERITY & PLACE	22,214,210	8,094,940	875,330	8,970,270	14,346,740	7,477,460	
<u>VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS</u>							
Vehicle Renewals (Capital Programme)	946,180	180,080	680,930	861,010	938,690	0	See separate Vehicle, Equipment and System Renewals schedule.
Financial Management System Replacement	45,950	0	0	0	0	45,950	Budget planner being progressed. Will slip into 2022-23.
Zip Boilers Replacement	10,000	10,320	0	10,320	10,320	0	Scheme complete. Nominal overspend
TOTAL VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS	1,002,130	190,400	680,930	871,330	949,010	45,950	
TOTAL CAPITAL PROGRAMME	25,187,540	8,508,790	1,710,390	10,219,180	16,145,620	8,644,740	

Q3 Budget Monitoring 2021-22 (to December 2021)
Vehicle, Equipment and Systems Renewals 2021-22

Agenda Item No 7.1 - Appendix 3b

VEHICLE AND EQUIPMENT RENEWALS	2021-22 Budget (Full Year) Includes 2020-21 slippage	YTD Actual Expenditure	Projected Total 2021-22 Expenditure	Slippage to 2022-23	Old Vehicle Fleet Number to be replaced	Comments
(Based upon Revised Capital Budgets)	£	£	£	£		
EMS & BIN LIFTS	13,500		5,110	0	N/A	For freighters - see below
GARAGE EQUIPMENT	17,680		17,680	0	N/A	Will slip if not required in current year
REFURBISHMENT FUND	30,000		30,000	0	N/A	Contingency fund. Will slip if not required in current year.
TIPPER 3500kg	30,000		30,000	0	AV223	Will slip if not procured in current year.
MOWING MACHINE	23,000	23,000	23,000	0	AV240	Complete.
ROAD SWEEPER 15000kg	140,000	140,380	140,380	0	AV184	Complete. Nominal overspend.
FORK LIFT	17,000	16,700	16,700	0	FORKLIFT	Complete.
PAVEMENT SWEEPER	75,000		75,410	0	AV275	Vehicle on order
PAVEMENT SWEEPER	75,000		75,410	0	AV276	Vehicle on order
REFUSE FREIGHTER 26000kg	180,000		180,000	0	AV186	Vehicle on order
REFUSE FREIGHTER 26000kg	180,000		180,000	0	AV187	Vehicle on order
REFUSE FREIGHTER 18000kg	165,000		165,000	0	AV185	Vehicle on order
Total	946,180	180,080	938,690	0		

WYRE FOREST FORWARD

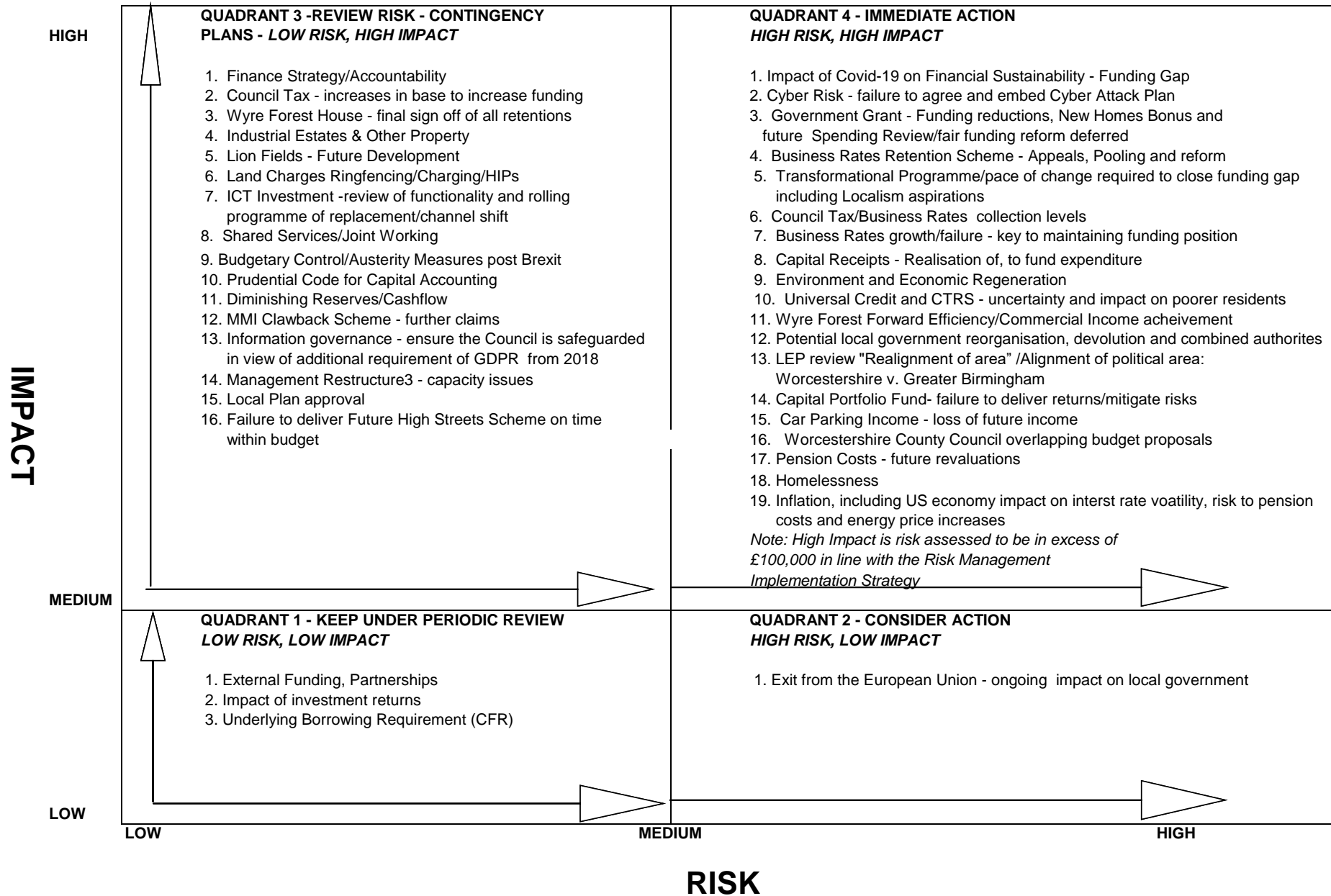


WFF	Achieved	To Be Achieved	Over Achievement	Total Target	
2024/25	3,500,290	1,881,560		5,381,850	65.0%
2023/24	3,478,870	1,727,980		5,206,850	66.8%
2022/23	3,424,530	1,330,570		4,755,100	72.0%
2021/22	3,218,970	1,229,380		4,448,350	72.4%
2020/21	2,867,420	28,430		2,895,850	99.0%

Agenda Item No 7.1 - Appendix 4

Control of Total Wyre Forest Forward Savings to be Achieved	2021/22	2022/23	2023/24	2024/25	2025/26
Cabinet Proposal 2012/2015 Financial Strategy	500,000	500,000	500,000	500,000	500,000
Managment Review 2013/14	51,000	51,000	51,000	51,000	51,000
Cabinet Proposal 2013/2016 Financial Strategy	250,000	250,000	250,000	250,000	250,000
Cabinet Proposal 2014/2017 Financial Strategy	500,000	500,000	500,000	500,000	500,000
Cabinet Proposal 2016/2019 Financial Strategy	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Cabinet Proposal 2017/2020 Financial Strategy	200,000	200,000	200,000	200,000	200,000
Cabinet Proposal 2018/2021 Financial Strategy	400,000	400,000	400,000	400,000	400,000
Over Achieved WFF Savings Against Services	0	0	0	0	0
Transfer to Kidderminster Town Council	235,950	235,950	235,950	235,950	235,950
Depot 2020 Income Efficiency Target	44,900	44,900	44,900	44,900	44,900
MTFS 2020/2023 Slippage	300,000	0	0	0	
Cabinet Proposal 2021/2024 Financial Strategy	816,500	1,208,250	1,500,000	1,500,000	1,500,000
Total WFF Target Savings	4,298,350	4,390,100	4,681,850	4,681,850	4,681,850
WFF Savings Target	4,298,350	4,390,100	4,681,850	4,681,850	4,681,850
<u>WFF Savings Achieved so far:</u>					
Revs, Bens & Customer Services (Phase 1)	30,820	30,820	30,820	30,820	30,820
Revs & Bens	109,680	109,680	109,680	109,680	109,680
Corporate Support 2013/14	72,800	72,800	72,800	72,800	72,800
Web	(14,890)	(14,890)	(14,890)	(14,890)	(14,890)
ICT	226,740	226,740	226,740	226,740	226,740
Accountancy & Finance Intervention 2014/15	157,780	157,780	157,780	157,780	157,780
Internal Audit	23,980	23,980	23,980	23,980	23,980
Chief Executive's Unit	10,220	10,220	10,220	10,220	10,220
Voluntary Redundancies 2013/14	66,570	66,570	66,570	66,570	66,570
Democratic Services & Elections 2013/14	138,040	138,040	138,040	138,040	138,040
Asset & Estate Services	17,520	17,520	17,520	17,520	17,520
Restructure of Senior Management 2013/14	111,240	111,240	111,240	111,240	111,240
Depot Review 2013/14	106,370	106,370	106,370	106,370	106,370
Depot Restructure Jan 2015	24,340	24,340	24,340	24,340	24,340
EPP - Managing Development 2014/15	56,460	56,460	56,460	56,460	56,460
Customer Services, Support Services & Technical Support	16,980	16,980	16,980	16,980	16,980
Final Accounts Savings	0	0	0	0	0
Building Control Savings in Shared Service Payment	20,490	20,490	20,490	20,490	20,490
Parks and Open Spaces	11,310	11,310	11,310	11,310	11,310
Private Sector Housing	5,000	5,000	5,000	5,000	5,000
Grants to Voluntary Bodies	4,920	4,920	4,920	4,920	4,920
Cancellation of Escrow Agreements	4,570	4,570	4,570	4,570	4,570
Car Parking Charges - July '15 Cabinet	67,000	67,000	67,000	67,000	67,000
Off Street Parking	10,000	10,000	10,000	10,000	10,000
Other Identified Future Savings	132,630	132,630	132,630	132,630	132,630
Human Resources	6,600	6,600	6,600	6,600	6,600
Civil and Environmental Enforcement Restructure	24,370	24,370	24,370	24,370	24,370
Transfer to Kidderminster Town Council	235,950	235,950	235,950	235,950	235,950
Kidderminster Street Market	11,500	11,500	11,500	11,500	11,500
Regeneration	9,450	9,450	9,450	9,450	9,450
Street Furniture	10,000	10,000	10,000	10,000	10,000
Other Property Rental Income	18,800	18,800	18,800	18,800	18,800
Wyre Forest House Electricity	10,000	10,000	10,000	10,000	10,000
Wedding Income at Bewdley Museum	10,000	10,000	10,000	10,000	10,000
Pension Deficit	18,570	19,520	20,460	20,460	20,460
Parish Support Fund	62,830	62,830	62,830	62,830	62,830
Budget Realignment Savings 2018-2021	150,010	149,740	149,740	149,740	149,740
Budget Efficiency Savings 2018-2021 (EFF1 to EFF3)	460,000	460,000	460,000	460,000	460,000
Budget Efficiency Savings 2021-2022 (EFF4)	110,000	110,000	110,000	110,000	110,000
EPP Software Maintenance	15,000	15,000	15,000	15,000	15,000
Transfer of Kidderminster Town Hall	64,970	81,040	114,100	117,250	117,250
Management Restructure 2019/20	211,190	217,500	224,120	230,960	230,960
Deletion of ESO Post 241041	17,290	17,850	18,420	19,020	19,020
Insurance Tender Savings	70,000	70,000	70,000	70,000	70,000
Mobile Phone Contract Renewal Savings	10,000	10,000	10,000	10,000	10,000
2020/21 Pay Savings - Revs,Bens Hub - Deletion of Posts/Reduction in Hours	48,150	50,970	54,660	57,970	57,970
Pension Employers Oncost	40,800	41,600	42,400	43,200	43,200
2021/22 Management Restructure	57,450	234,590	240,670	245,560	250,550
Total Achieved Savings	3,083,500	3,287,880	3,339,640	3,359,230	3,364,220
WFF Savings Not Yet Achieved	1,214,850	1,102,220	1,342,210	1,322,620	1,317,630
<i>Shortfall. WFF Savings Still to be Identified</i>	1,214,850	1,102,220	1,342,210	1,322,620	1,317,630
% of Total Achieved	71.7%	74.9%	71.3%	71.8%	71.9%
% of Total Not Yet Achieved	28.3%	25.1%	28.7%	28.2%	28.1%
Budget Funding Gap (2021/2024 Budget)					
Contribution From (To) Reserves	503,110	657,170	672,960	71,660	(42,100)

BUDGET RISK MATRIX 2022-25



WYRE FOREST DISTRICT COUNCIL

CABINET
22nd March 2022

Budget Monitoring Third Quarter 2021-22

ANALYSIS OF OUTSTANDING DEBT

This appendix details the Council's income collection position at the end of Quarter 3 (31st December 2021).

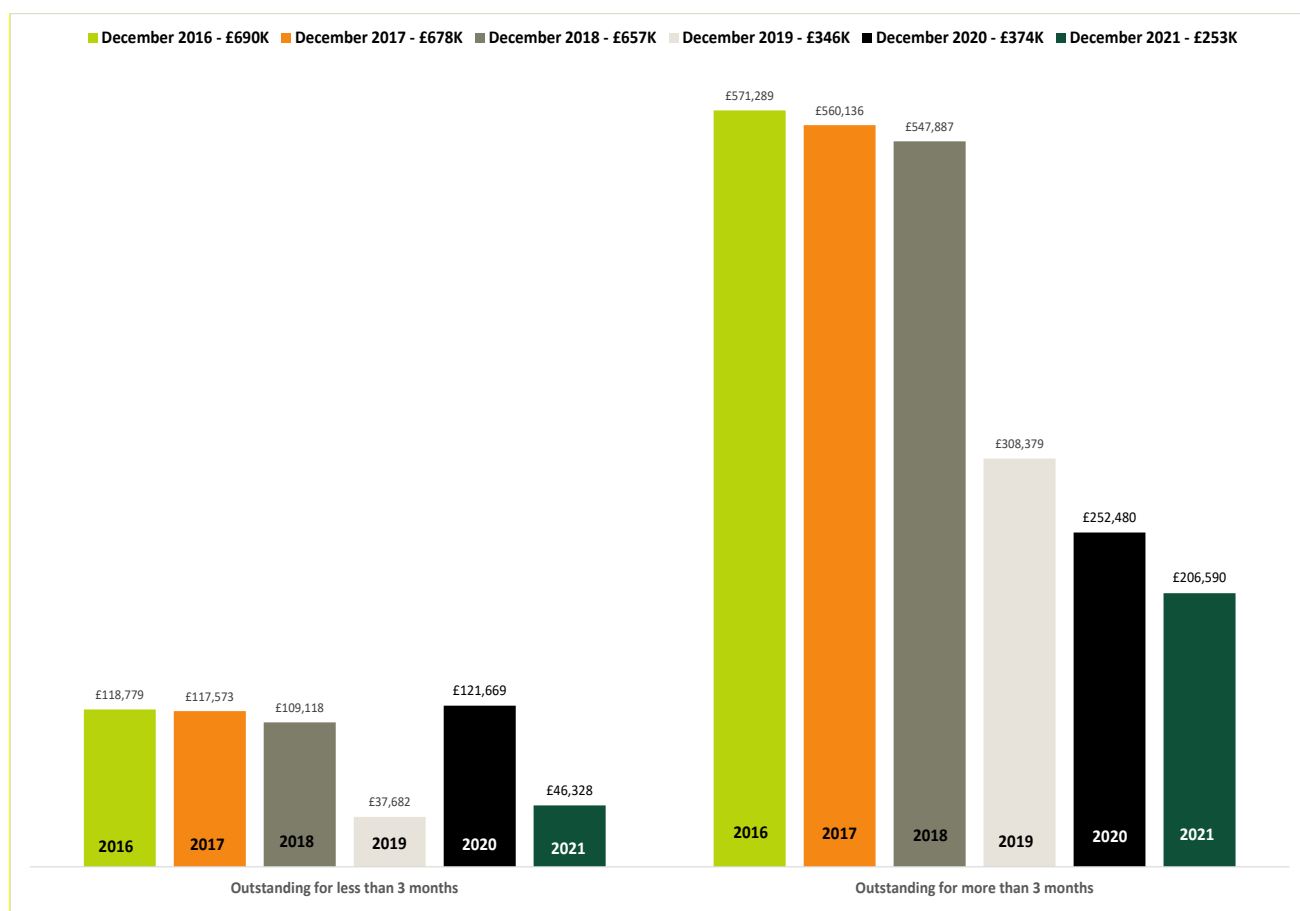
1.1. Housing Benefit Overpayment Recovery

Where customers have a change in their circumstances and we are later made aware of this, customers are expected to repay any Housing Benefit that has been overpaid.

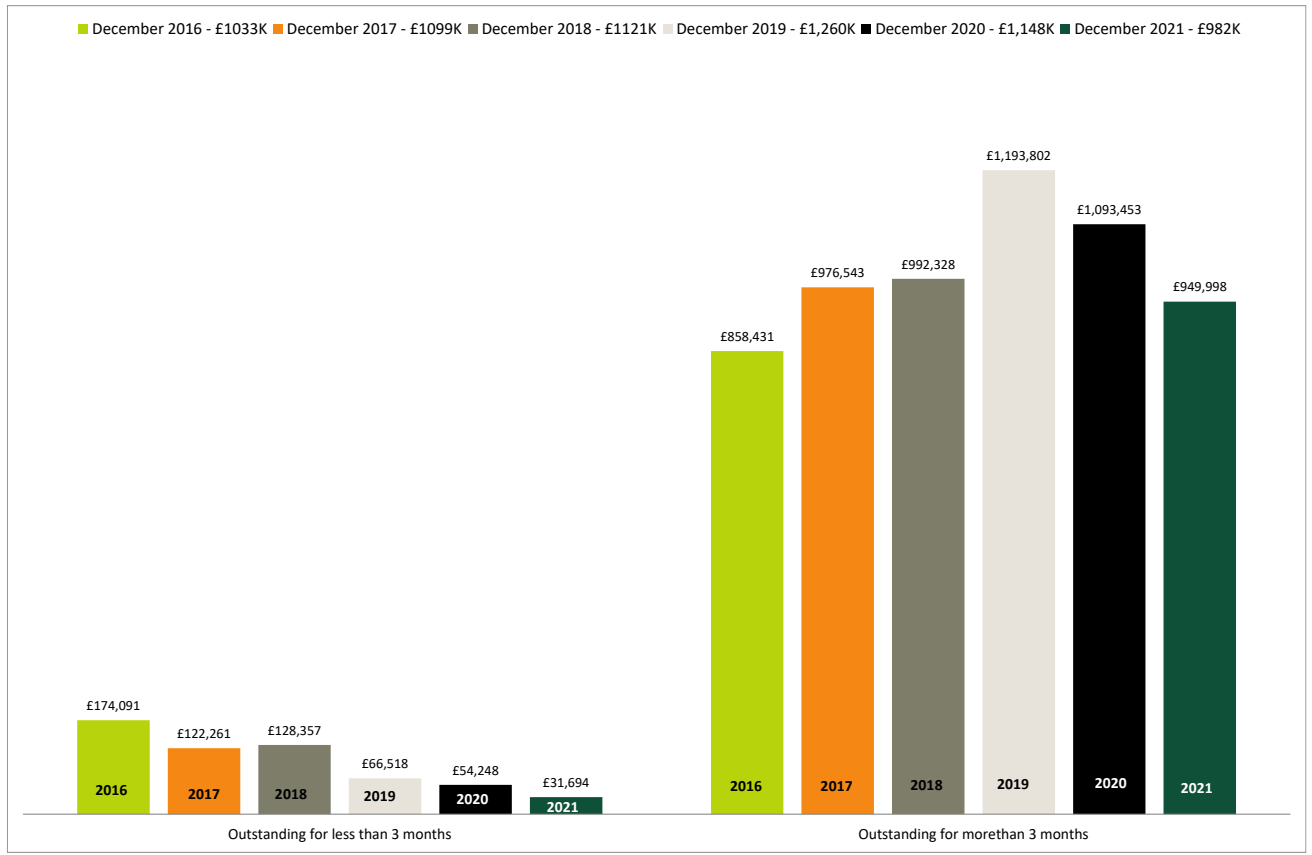
A change in circumstances transfers the customer to Universal Credit and the overpayment is via a customer invoice. Customers who remain on Housing Benefit and have received an overpayment, have a deduction from their on-going benefit.

The position relating to Housing Benefit overpayment is shown in the next two graphs:

Recovery by On-going Benefit

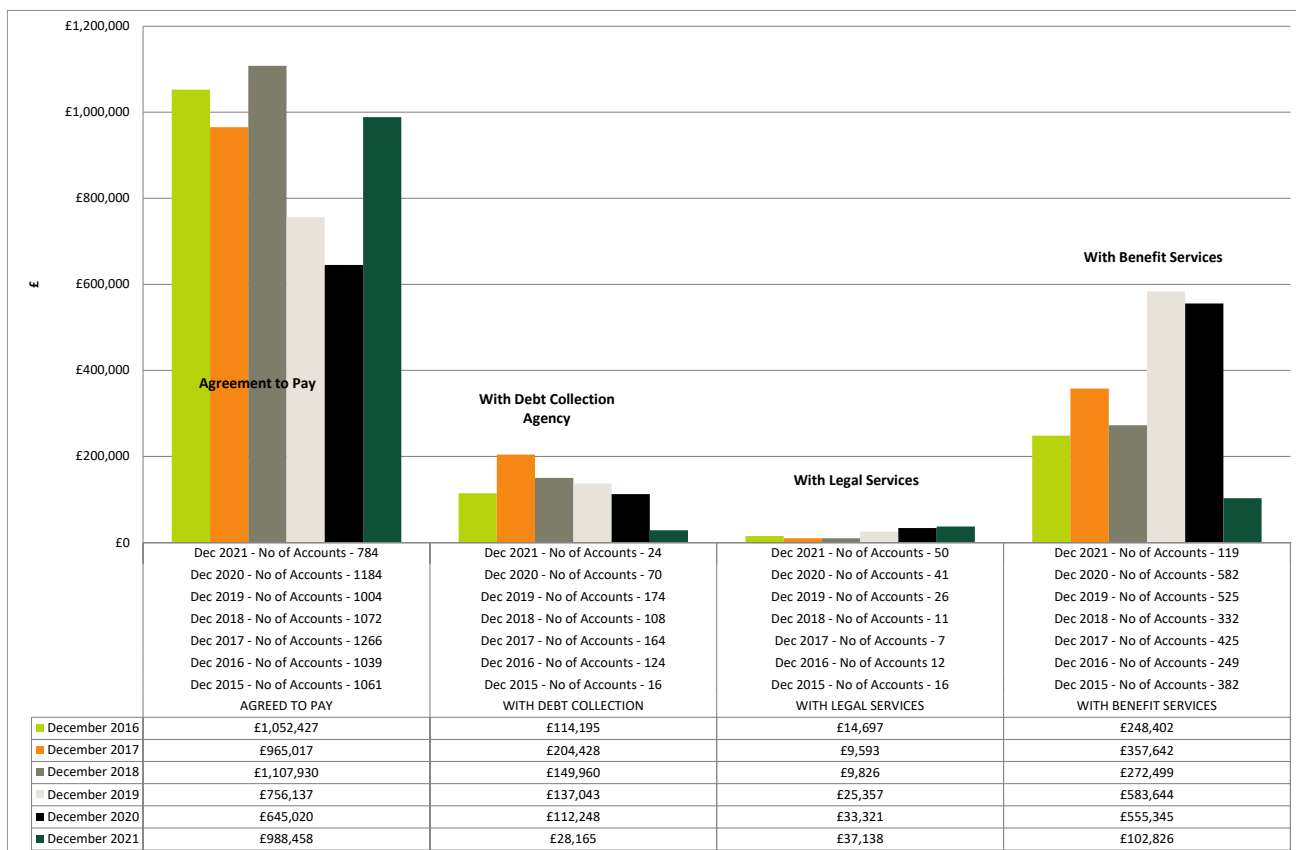


Recovery by Customer Invoice



Debts over three months old have either agreements in place to pay, have been referred to the Council's Legal Services, or remain with the Benefit Service to pursue. The Council employs the Debt Collection Agency Dukes. As at December 2021 debts of £3,103 have been recovered at a cost of £465 (2020-21 debts of £7,361 at a cost of £1,104). The number of accounts, the value outstanding and how this will be collected is shown in the following graph:

Value and Number of Housing Benefit Overpayments Accounts and Status



The total debt outstanding at 31st December is £1.235m which represents a 19% decrease over the balance outstanding at the end of Quarter 3 2020-21 (including debt within payment terms). The number of cases where there is an agreement to pay or our Benefit/Legal Services are dealing with the case, have decreased to 953 (1,807 in 2020-21) a reduction of 854 cases. Cases referred to an external debt collection agency have reduced to 24 (70 in 2020-21).

The introduction of Universal Credit in November 2018 has reduced the number of customers claiming Housing Benefit and the occurrence of overpayment and its collection via on-going benefit. Collection of overpayment via customer invoice has seen an increase in overdue debt. COVID-19 continues to have an impact on the collection of debt from customers on Universal Credit through the DWP and our own collection.

1.2. Sundry/ Property Debt

The total debt outstanding at 31st December (including debt within payment terms) was £999K (Sundry Debt £570k Property Debt £429k) which represents a 15% increase over the balance outstanding at the end of Quarter 3 2020 of £868k (Sundry Debt £533k Property Debt £335k).

The COVID 19 pandemic continues to impact on Property and Sundry debt, however there has been only minor increase in the 2021-22 Quarter 3 overdue debt (more than 3 months old) (2018 £257k, 2019 £295k, 2020 £413K, 2021 £448).

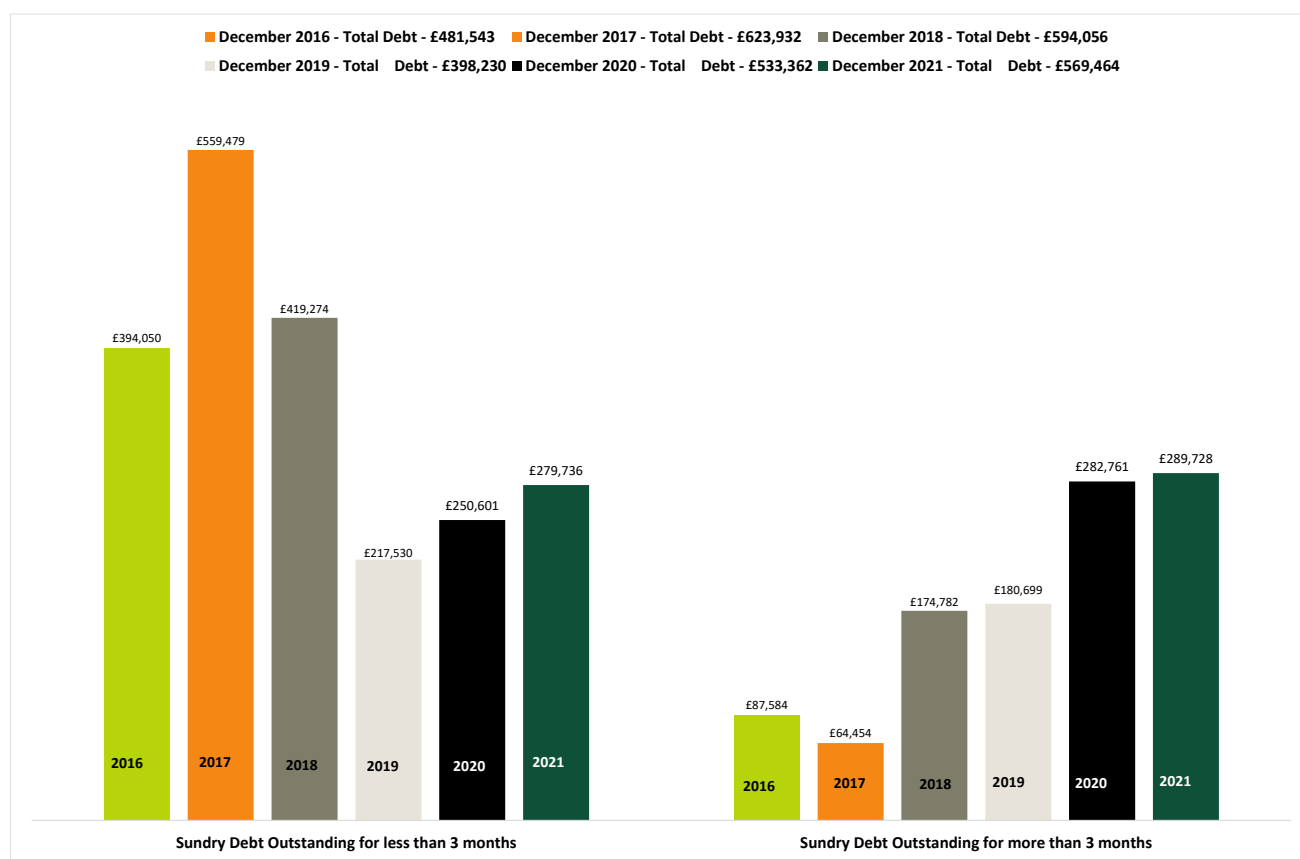
Agenda Item 7.1 - Appendix 6

Invoices overdue (older than 3 months)	Quarter 3 2018 £	Quarter 3 2019 £	Quarter 3 2020 £	Quarter 4 2021 £	Movement £
Sundry Invoice	174,800	180,700	282,800	289,700	6,900
Property Invoices	82,300	114,200	130,500	158,700	28,200
Total Invoices	257,100	294,900	413,300	448,400	35,100

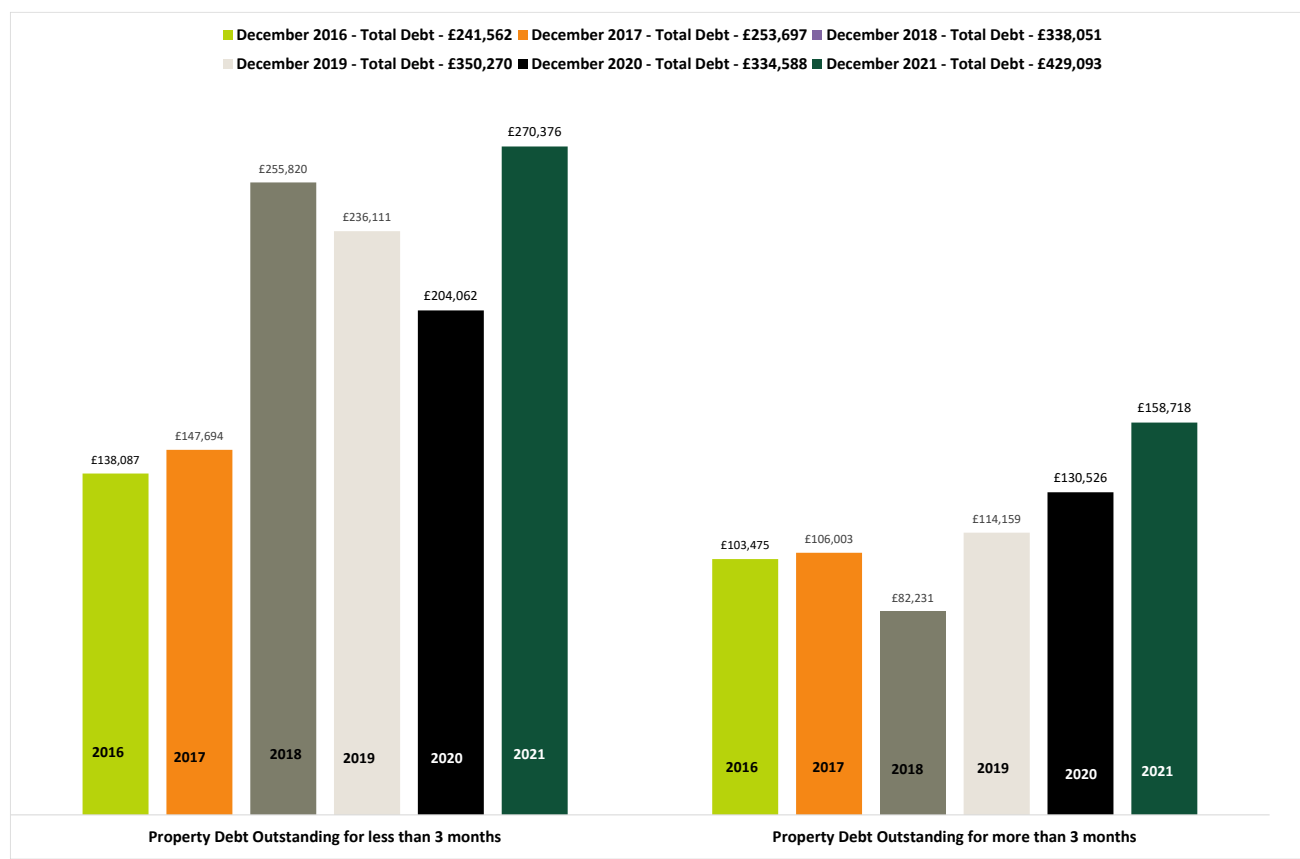
1.3. The overdue debts over 3 months old over previous years had remain low due to the introduction of a revised approach to the management of accounts in arrears. The pandemic saw the Council suspended the recovery of debt during the first 2 months 2020-21.

1.4. The position relating to Sundry Debtor and Property Invoices are as follows:

Sundry Debtors



Property Invoices and Debt

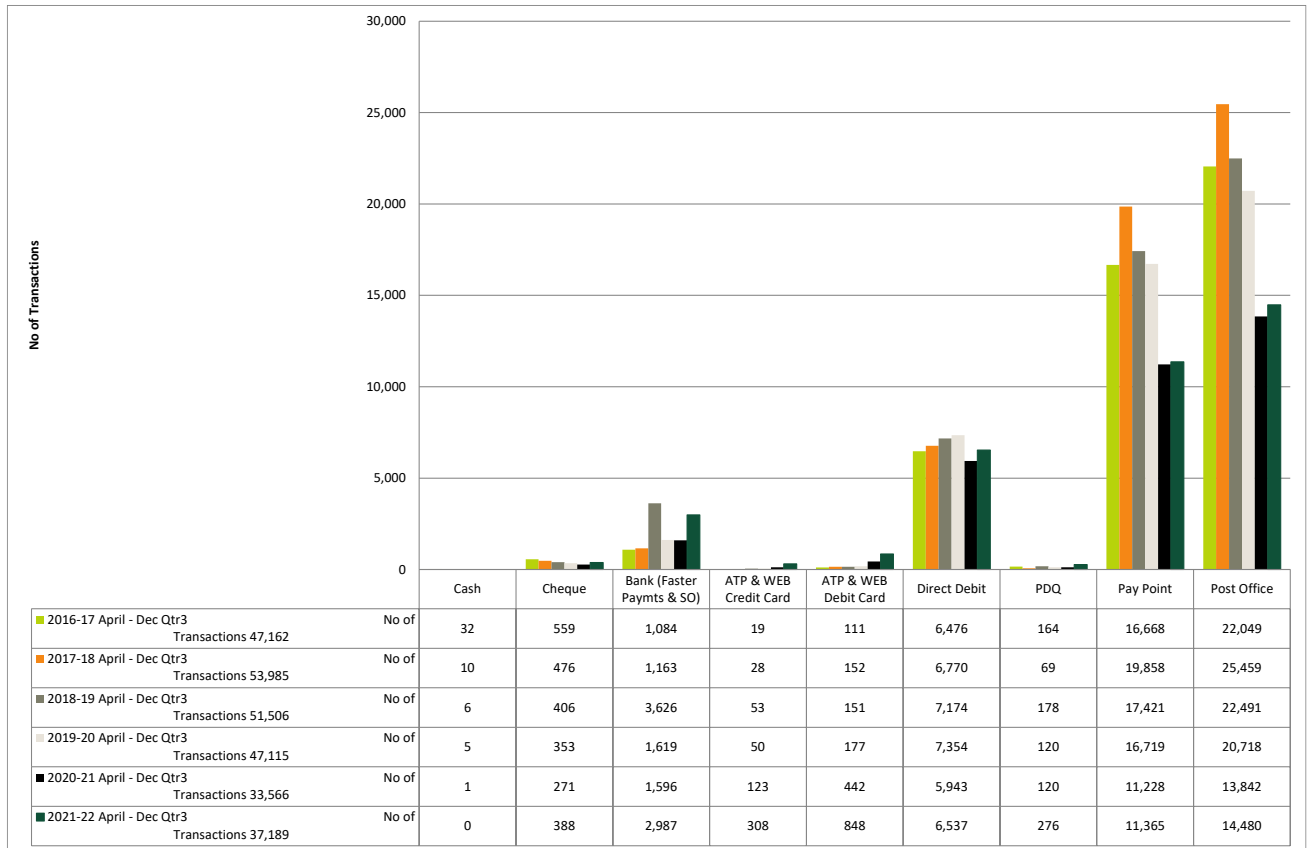


- 1.5. The Council actively promotes digital methods of payment, with the aim of reducing transaction volumes for cash and cheque and reducing payment processing/handling costs.
- 1.6. The chart below illustrates the success achieved in switching customers to digital channels in past financial years. COVID -19 has had an impact on all methods of payment, especially for cash and payments made directly at our offices.
- 1.7. **Capital Portfolio Fund Debt (externally managed)**

The total debt outstanding at 31st December (including debt within payment terms) was £124k (Rent £112k, Other debt - service charge £9k, insurance etc. £3k). The total overdue debt was £65k equivalent to 5% of the annual sums due.

	With Terms and less than 90 days £	Overdue £	TOTAL £
Buntsford Gate	8,625	-15,601	-6,976
Riverside	39,356	54,360	93,716
Stratford Court	12,473	7,609	20,082
Worcester Street/High Street	-848	18,215	17,367
	59,606	64,584	124,189

Third Quarter (Q3) transaction numbers 2016-17 to 2021-22



WYRE FOREST DISTRICT COUNCIL

Cabinet

Tuesday 22 March 2022

Recommendations from the Overview and Scrutiny Committee

Thursday 3 March 2022

Recommendations from the Fireworks Review Panel

The committee considered the final report and recommendations from the Fireworks Review Panel.

The panel was established to conduct a review of concerns about the use of fireworks in the Wyre Forest area because of the high number of complaints from members of the public around the distress that fireworks can cause.

The Overview and Scrutiny Committee recommend to Cabinet:

1. Contact the Member of Parliament for Wyre Forest, Mark Garnier, to ask him to support at a national level limiting the sale of fireworks to only professional displays and a change in legislation to only allow silent, low noise or quiet fireworks to be used at events.
2. To create and implement a policy for the use of only silent, low noise or quiet fireworks on all land owned, or managed, by Wyre Forest District Council.
3. To contact all Town & Parish Councils and Community Housing in Wyre Forest to ask them to consider using silent, low noise or quiet fireworks for any events they organise or on land they own or manage.
4. To contact the Local Government Association (LGA) to ask that they consider producing a webinar to debate firework issues.
5. To create a communications plan to raise awareness with residents of; the availability of silent, low noise or quiet fireworks, the importance of making neighbours aware of the intention to let off fireworks, how to report firework misuse or mis selling and the support available for those affected by the noise of fireworks.
6. To support the RSPCA public awareness campaign on the impact of fireworks on animals.
7. Write to local organisations known for holding public displays and large local hotels to ask them to consider using silent, low noise or quiet fireworks and the importance of giving notice to local residents about planned displays.

Background papers:

See the report on page 32 of the pdf at this link:

http://www.wyreforest.gov.uk/council/docs/doc57428_20220303_o_and_s_agenda.pdf