

**Open**

# **Cabinet**

# **Agenda**

**6PM**  
**Monday, 7 November 2022**  
**Council Chamber**  
**Wyre Forest House**  
**Finepoint Way**  
**Kidderminster**



## Cabinet

### **The Cabinet Members and their responsibilities:-**

<b>Councillor H Dyke</b>	<b>Leader of the Council &amp; Economic Regeneration, Planning &amp; Localism</b>
<b>Councillor G Ballinger</b>	<b>Deputy Leader &amp; Culture, Leisure &amp; Community Safety</b>
<b>Councillor N Martin</b>	<b>Housing, Health, Well-being &amp; Democratic Services</b>
<b>Councillor M Rayner</b>	<b>Finance &amp; Capital Portfolio</b>
<b>Councillor J Thomas</b>	<b>Operational Services</b>

### **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 Thursday 17 November 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](mailto: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](mailto: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](http://www.wyreforestdc.gov.uk/council/meetings/main.htm)

Wyre Forest District Council

Cabinet

Monday, 7 November 2022

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

<b>Agenda item</b>	<b>Subject</b>	<b>Page Number</b>
<b>1.</b>	<b>Apologies for Absence</b>	
<b>2.</b>	<b>Declarations of Interests by Members</b>  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.	
<b>3.</b>	<b>Minutes</b>  To confirm as a correct record the Minutes of the meeting held on the 22 September 2022.	7
<b>4.</b>	<b>CALL INS</b> a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
<b>5.</b>	<b>Items Requiring Urgent Attention</b>  To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
<b>6.</b>	<b>Public Participation</b>  In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 12 noon on Monday 31 October 2022. (See front cover for contact details).	

<b>7.</b>		
<b>7.1</b>	<p style="text-align: right;"><b>Councillor M Rayner</b></p> <p><b>Council tax reduction scheme review 2023/24</b></p> <p>To consider a report from the Head of Revenues, Benefits and Customer Services Manager that provides the results of the consultation exercise that the Council is required to undertake if there are any proposed changes to the Council Tax Reduction Scheme; and invites the Cabinet to provide recommendations to the Council.</p> <p>To also consider recommendations from the Overview &amp; Scrutiny Committee from its meeting on 3 November 2022.</p>	11  to follow
<b>7.2</b>	<p><b>Performance and budget monitoring Q2 update</b></p> <p>To consider a report from the Head of Resources and s151 Officer on the Council's financial and other performance at the end of Quarter 2 ending 30 September 2022. The report also presents the current projected outturn position for the 2022-23 financial year.</p> <p><i>The appendices to this report have been circulated electronically.</i></p> <p>To also consider recommendations from the Overview &amp; Scrutiny Committee from its meeting on 3 November 2022.</p>	33  to follow
<b>7.3</b>	<p><b>Medium term financial strategy – strategic options analysis</b></p> <p>To consider a report from the Head of Resources and S151 Officer; and Chief Executive that provides an up-to-date analysis of the Council's financial position including projections about future years. The report also considers options on some matters that will be addressed in the medium term financial strategy, a draft of which will be presented to the Cabinet meeting in December.</p>	48
<b>8.</b>	<p><b>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.</b></p>	
<b>9.</b>	<p><b>Exclusion of the Press and Public</b></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

<b>10.</b>	<b>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.</b>	
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WYRE FOREST DISTRICT COUNCIL

CABINET

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

22ND SEPTEMBER 2022 (6PM)

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**Present:**

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

**Observers:**

Councillors: I Hardiman, M J Hart, F M Oborski MBE, C Rogers and D Ross.

Observed remotely: Councillors: R H Coleman, C Edginton-White and L Whitehouse.

**CAB.15 Apologies for Absence**

There were no apologies for absence.

**CAB.16 Declarations of Interests by Members**

Councillor J Thomas declared a disclosable pecuniary interest (DPI) in respect of agenda item 4 Localism: Stourport Sports Club, that he was a Governor of a school that was part of the SAET Multi Academy Trust, and the school has use of the playing fields. He said he would remove himself from the meeting for the entirety of this item.

**CAB.17 Minutes**

**Decision: The minutes of the Cabinet meeting held on 13 July 2022 be confirmed as a correct record and signed by the Chairman.**

Councillor J Thomas left the meeting at 6.01pm

**CAB.18 Call Ins**

A report was considered from the Chief Executive on the Localism: Stourport Sports Club decision which had been "called in" since the last meeting of the Cabinet.

The Cabinet Member for Culture, Leisure and Community Safety presented the report. He thanked the Chairman of the Overview and Scrutiny Committee, Councillor M Hart, and his committee for considering the item at its meeting on 1 September 2022.

Having re-considered the decision in light of the concerns raised, the Cabinet

Member for Culture, Leisure and Community Safety proposed a change to the decision of 13 July. The proposal was to have a pre-emption agreement in favour of the Council instead of the overage agreement.

The proposal was seconded by the Leader of the Council.

**Decision: The Cabinet re-confirmed the decision of 13 July 2022 with the following change:**

**That the terms of disposal of land to the Severn Academies Educational Trust shall include a pre-emption agreement in favour of Wyre Forest District Council, in the event of a proposed sale or change of use in the period of twenty years following the disposal.**

Councillor J Thomas re-joined the meeting at this point (6.09pm).

**CAB.19 Items Requiring Urgent Attention**

There were no items requiring urgent attention.

**CAB.20 Public Participation**

There was no public participation.

**CAB.21 Budget and Performance Monitoring First Quarter 2022-23**

A report was considered from the Head of Resources on the Council's financial and other performance at the end of Quarter 1 ending 30 June 2022. The report also set out the current projected outturn position for the 2022-23 financial year.

The Cabinet Member for Finance and Capital Portfolio presented the report and formally moved the recommendations for approval. She explained that this was the first combined quarterly financial and performance monitoring report. She said that the revised format followed the recommendation in the Auditors Annual Report received in April 2022.

The Cabinet Member for Finance and Capital Portfolio gave a summary of the key issues. She explained that the report detailed the early position of new and emerging budget pressures, cost savings and income growth. She said the capital forecast spend was currently in line with the programme. However the outturn projections would undoubtedly change as more information became available.

The Cabinet Member for Finance and Capital Portfolio further explained that the report gave an update on the current progress against the savings and efficient targets being delivered by the Wyre Forest Forward Programme and the Localism Partnership agenda. She added that the report now also provided a Treasury Management update and was happy to confirm that there were no breaches of policies during the quarter to report.

In conclusion, the Cabinet Member for Finance and Capital Portfolio said the

current forecast for the outturn position for 2022-23 was a significant overspend of almost £1m compared to the approved budget. The final position would undoubtedly be different as there were many variables. She thanked Councillor Hart and his committee for considering the item at their last meeting.

The Leader seconded the proposals.

**Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 1 September 2022, Cabinet NOTED;**

**1.1 The projected budget variations and comments within the report and appendices 1 to 4.**

**1.2 The performance against measures and actions as set out in the report and appendix 5.**

**CAB.22 Worcestershire Homelessness and Rough Sleeper Strategy 2022-2025**

A report was considered from the Head of Strategic Growth to agree that the new Homelessness and Rough Sleeping Strategy (2022-25) was publicly consulted on in advance of adoption.

The Cabinet Member for Housing, Health, Well-being and Democratic Services presented the report and formally moved the recommendations for approval. She explained that Local Authorities had a duty to publish a Homelessness and Rough Sleeping Strategy every five years. She added that the strategy must include the plans for the prevention of homelessness and for ensuring that sufficient accommodation and support are or will be available for people who become homeless or who are at risk of becoming so.

The Cabinet Member for Housing, Health, Well-being and Democratic Services further explained that the costs of adopting and delivering the strategy would be met by a combination of existing financial resources and external grants.

She thanked the Head of Strategic Growth and her team for the excellent work they do in this area and the hard work they put into securing external funding.

The Cabinet Member for Housing, Health, Well-being and Democratic Services invited Councillor Hart to present the recommendations from the Overview and Scrutiny and thanked the Committee for supporting the proposals.

The Leader seconded the proposals.

**Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 1 September 2022, Cabinet;**

**1.1 AGREED the Homelessness and Rough Sleeping Strategy 2022 - 25 are publicly consulted on from October for 6 weeks.**

- 1.2 **DELEGATED** to the Head of Strategic Growth, in consultation with the Cabinet Member for Housing, Health, Wellbeing and Democratic Services to determine the final form of amendments to the strategy following any changes arising as a consequence of the consultation.
- 1.3 **AGREED** that the final amendments to the strategy determined in accordance with 1.2 above be adopted by the Council as soon as they are finalised.

**CAB.23 Report on the progress around the Top Ten Actions in the Climate Change Strategy Action Plan**

A report was considered from the Head of Strategic Growth which provided an update on action to tackle climate change, including an update on the 'Top Ten Actions' of the Green Advisory Panel.

The Cabinet Member for Culture, Leisure and Community Safety presented the report and formally moved the recommendations for approval.

Councillor Hart presented the recommendations from the Overview and Scrutiny. The Cabinet Member for Housing, Health, Well-being and Democratic Services seconded the proposal.

**Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 1 September 2022, Cabinet;**

**Considered the update of the Green Advisory Panels top ten actions and APPROVED the Climate Change Action Plan 2022-2023**

There being no further business, the meeting ended at 6.35pm.

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**7<sup>th</sup> NOVEMBER 2022**

**Council Tax Reduction Scheme Review 2023/24**

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Councillor Mary Rayner Cabinet Member for Finance and Capital Portfolio
<b>RESPONSIBLE OFFICER:</b>	Lucy Wright, Head of Revenues, Benefits and Customer Services Manager Ext. 2948 <a href="mailto:Lucy.wright@wyreforestdc.gov.uk">Lucy.wright@wyreforestdc.gov.uk</a>
<b>CONTACT OFFICER:</b>	Lucy Wright
<b>APPENDICES:</b>	Appendix One – Consultation comments

**1. PURPOSE OF REPORT**

- 1.1 This report provides the results of the consultation exercise that the Council is required to undertake if there are any proposed changes to the Council Tax Reduction Scheme; and invites the Cabinet to provide recommendations to the Council.

**2. RECOMMENDATION**

- 2.1 The Cabinet is asked to **RECOMMEND** to Council that:

**The minimum contribution for working age Council Tax Reduction Scheme claimants is reduced from 20% to 10% with effect from 1<sup>st</sup> April 2023.**

**3. BACKGROUND**

- 3.1 On 9<sup>th</sup> August 2022 Cabinet agreed to seek public opinion regarding proposals to increase the level of council tax support provided to low income working age households in receipt of Council Tax Reduction Scheme (CTRS). This report set out the financial implications of various options and the reasons for the proposal.
- 3.2 Currently all working age households are required to pay a minimum of 20% council tax. This increases to 40%, 60%, 80% or 100% depending on the household income. A household with a weekly income more than the income bands shown in the table below are not eligible for CTRS. The percentage council tax reduction they receive is based on the following income bands:

Discount Level		Single (Weekly net income level)	Couples (Weekly net income level)	Family +1 child (Weekly net income level)	Family +2 (or more) children (Weekly net income level)
Band 1 (inc. passported legacy benefits)	80%	£0 - £89.99	£0 - £124.99	£0 - £199.99	£0 - £269.99
Band 2	60%	£90 - £119.99	£125 - £154.99	£200 - £249.99	£270 - £304.99
Band 3	40%	£120 - £149.99	£155 - £184.99	£250 - £274.99	£305 - £334.99
Band 4	20%	£150 - £179.99	£185 - £214.99	£275 - £299.99	£335 - £364.99

Note – some of the above income bands may be updated from April 2023. This is to make sure no low income households, who may receive a CPI increase to their benefits, will be expected to pay more council tax because of increased benefits.

3.3 Consultation ran from 1<sup>st</sup> September to 10<sup>th</sup> October 2022 and a total of 544 responses were received (544 answered question one, 518 question two and most respondents selected from the options in question three). The consultation provided explanatory text for the changes proposed and asked respondents for their views. 230 people left additional comments which are presented in Appendix One.

3.4 A summary of the responses to the consultation is outlined in the following table. The responses to questions 1 and 2 both supported change to reduce the amount of council tax the lowest income working age households pay. Slightly fewer people answered question 2 and while 54% supported increasing the amount of support it is not clear why this is less than the 61% in question 1.

Number of responses received: <b>544</b>		
<b>Q1. Do you think we should offer more help to low income families to pay for their Council Tax?</b>		
	%	Number
YES	<b>61%</b>	<b>330</b>
NO	<b>33%</b>	<b>181</b>
DON'T KNOW	<b>6%</b>	<b>33</b>
<p>Q2. If we increase the amount of support we give low income families it will impact on the budgets of all organisations who receive Council Tax. The costs would be shared between Worcestershire County Council (70%), West Mercia Police and Crime Commissioner (12%), Wyre Forest District Council (11%) Hereford and Worcester Fire Authority (5%) and Town and Parish Councils (2%).</p> <p><b>What percentage of the Council Tax bill do you think low income working age households should have to pay?</b></p> <p>Number of responses received: <b>518</b></p>		
Option	%	Number
They should pay <b>at least 20%</b> (No change to scheme which costs the organisations £7.6m a year)	<b>46%</b>	<b>238</b>
They should pay <b>at least 15%</b>	<b>15%</b>	<b>77</b>

<i>(This would cost the organisations approx.an extra £280,000 a year)</i>		
They should pay <b>at least 10%</b> <i>(This would cost the organisations approx.an extra £555,000 a year)</i>	<b>19%</b>	<b>99</b>
They should pay <b>at least 5%</b> <i>(This would cost the organisations approx.an extra £709,000 a year)</i>	<b>5.5%</b>	<b>29</b>
They should <b>not have to pay Council Tax</b> <i>(This would cost the organisations approx.an extra £972,000 a year)</i>	<b>14.5%</b>	<b>75</b>
<b>Q3. Are you or someone in your household currently receiving Council Tax Reduction?</b>		
YES		18%
NO		79%
DON'T KNOW		3%
<b>Q4. Any other comments to add?</b>		
Number of comments received – 230. All responses can be found in Appendix One.		

#### 4. **KEY ISSUES**

4.1 Legislation requires any changes to local council tax schemes are approved by full Council by 11<sup>th</sup> March prior to implementation on 1<sup>st</sup> April each year. Key dates in the timeline are as follows:

- 3<sup>rd</sup> November 2022 – Overview and Scrutiny receive consultation responses and make recommendations to Cabinet
- 7<sup>th</sup> November 2022 - Cabinet receive consultation responses including recommendations from Overview and Scrutiny Committee and make final recommendations to Council.
- 7<sup>th</sup> December 2022 – Council approve changes to the scheme
- 1<sup>st</sup> April 2023 – Changes to Council Tax Reduction Scheme are implemented

4.2 The responses to the consultation show the following:

- Most responders (61%) agreed to increase the level of support provided when asked if more help should be given. When asked what the maximum percentage should be, 46% said it should remain at 20%. Of the remaining 54%, who opted to increase the amount of support, there was no clear majority as to what percentage people should pay. The highest percentage was 19% who thought the minimum contribution should be lowered to 10%. 39% thought that the contribution should be lowered to 10% or less.

4.3 Although it is, of course, open to Cabinet and Council to change the principles that govern the scheme in Wyre Forest, the original principles of the scheme that was set up in 2013 were as follows:

**Principle 1** Every household with working age claimants should pay something;

**Principle 2** The scheme should incentivise people into work;

**Principle 3** People with greater amounts of savings receive less support;

**Principle 4** Protection will be provided through a Hardship Fund to those who are least able to pay; and

**Principle 5** The scheme will support residents to contribute to a successful local economy as outlined in the Council's Corporate Plan priorities.

- 4.4 The options to change the scheme were in part due to the cost of living crisis as well as low recovery rates of council tax from CTRS claimants. Since the 9<sup>th</sup> August 2022 Cabinet report the cost of living crisis has started to impact more households. Local foodbanks and charities are seeing increased demand and fewer donations which is affecting their ability to provide much needed ongoing support. Government funding is only short term and the Household Support Fund (3<sup>rd</sup> phase) must be spent by 31<sup>st</sup> March 2023. The Government have stipulated there will be no extension to this scheme.
- 4.5 The International Monetary Fund has cautioned that governments would need to protect the least well-off from the impact of higher prices and predict inflation will peak at 11.3% before the end of the year. In each of the next two years, it expects price rises will average at about 9% which is above the Bank of England's target of 2%. Poorer households often spend relatively more than others on food, heating and fuel and all areas have seen steep price rises as energy and grain exports have been restricted.
- 4.6 The consultation showed support to reduce the amount of council tax lower income households have to pay. The following table outlines the pros and cons for setting the contribution at either 10% or 0% compared to the 20% payable under the current scheme.

Option	Pros	Cons
<b>Retain 20%</b>	<p>No additional expenditure</p> <p>Fair for all taxpayers – no additional support to a small proportion of households when every household is adversely affected by the cost of living crisis</p>	<p>Does not help lowest income households with the cost of living crisis</p> <p>Collection rates are significantly lower for CTRS claimants and there is a lot of work involved in trying to collect smaller balances.</p> <p>Lower collection rates as the cost of living crisis continues and council tax liabilities increase. This likely to need increased resource in recovery.</p> <p>Increase in council tax hardship applications will place a further demand on resources and expenditure</p>

<p><b>Reduce to 10%</b></p>	<p>Halves the amount of council tax lowest income households are required to pay but continues to promote the principle that everyone should pay something towards their council tax</p> <p>Supports all principles of the original scheme</p> <p>Helps with cost of recovery</p> <p>In keeping with the initial intention of our scheme to encourage people back into work</p>	<p>Increases the lost income for all preceptors = £555,000 p.a.</p> <p>Smaller balances are more uneconomical to pursue.</p> <p>Potential for an increase in write-offs as we are less likely to pursue recovery action through court where court costs are disproportionate to the debt we are chasing</p> <p>Additional recovery resource pressures having to collect smaller balances</p>
<p><b>Reduce to 0</b></p>	<p>Provides the greatest support for lowest income households</p> <p>Reduces the number of ‘can’t pay’ households so targeted support can be given to those who are struggling but not eligible for CTRS</p> <p>Less customer demand due to reduced contact about inability to pay</p> <p>Reduced postage and printing costs due to fewer bills/reminder notices issued</p> <p>Council tax hardship will be freed up for struggling households not in receipt of CTRS</p> <p>Best recognises that working age households eligible for CTRS are least able to pay a contribution</p> <p>Aligns with arrangements for pensioner households that are eligible for CTRS</p>	<p>Greatest loss of income for all preceptors = £972,000 p.a.</p> <p>Increases probability of loss of/reduced services due to greater budget gap</p> <p>Doesn’t incentivise people into work.</p> <p>Seen as unfair that certain households are not required to contribute towards services that everyone benefits from</p> <p>Original scheme principles would need to be amended</p>

**5. FINANCIAL IMPLICATIONS**

5.1 The Council and all preceptors continue to face significant financial challenges to meet savings targets to meet the impact of continued reductions in government grants.

- 5.2 Profiling of the existing CTRS caseload has been undertaken using a forecasting module and giving more support is likely to see a reduction in the collection fund shared by all preceptors. As set out in the August Cabinet report, collection rates for working age CTRS claimants is much lower than other households. In 2021/22 the net liability for working age CTRS claimants was £3m. The amount collected was £2.5m meaning **uncollected income of £500,000 which is equivalent to increasing the maximum level of support to 90%**.
- 5.3 The current CTRS expenditure is £7.56m with a caseload of 7,980. There are 3,305 pension age claimants and the total pension age expenditure is £3.66m. There are 4,675 working age claimants and the total working age expenditure is £3.9m. The profiling that has been carried out is based on existing data across the current working age caseload. The predicted expenditure is therefore subject to change when claimants migrate from legacy benefits to Universal Credit and based on the economic climate.
- 5.4 The financial implications of increasing the level of support for all preceptors is set out in the table in paragraph 3.4. The impact for Wyre Forest District Council ranges from approximately £31,000 p.a. for 85% support and £107,000 p.a. for 100% support.
- 5.5 Due to the cost of living crisis, which is affecting all households, maintaining council tax collection rates is increasingly harder. It is likely that current collection rates will not be maintained without either increasing recovery resource or increasing the level of support for the lowest income households.
- 5.6 Where an individual may suffer exceptional hardship, the scheme will continue to include provisions to allow for additional support to be given.
- 5.7 Capacity in the Financial Inclusion team has been increased to help any household who is struggling financially and not just for households in receipt of means tested benefits.
- 5.8 It should be noted that if the amount of support is increased the remaining income bands will be adjusted accordingly in line with increased benefits. So too would the other discount levels. For example if the maximum discount was increased to 90% the other discount levels would be amended to 70%, 50% and 30% thus increasing the amount of help for all CTRS recipients not just those who receive the maximum discount. The amended discount levels have all been accounted for in the forecasting.

## **6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 as amended requires local authorities to consider the following:
- 6.2 For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme. This report discharges that duty.
- 6.3 The authority must make any revision to its scheme, or any replacement scheme, no later than 11<sup>th</sup> March in the financial year preceding that for which the revision or replacement scheme is to have effect.

- 6.4 In addition, where there are changes to the scheme, the authority is obliged under paragraph 5(4) of Schedule 1A if any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.

## **7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 An Equality Impact Assessment – Screening has been undertaken. The conclusion was there is no impact on any of the protected characteristics and a full assessment is not required.

## **8. RISK MANAGEMENT**

- 8.1 Increasing the level of support will mean lost income for all preceptors. As the report to Cabinet on 9<sup>th</sup> August 2022 shows collection rates for Council Tax Reduction Scheme claimants are much lower so increasing support will help the lowest income households, it will reduce the need to increase recovery resource and reduce customer demand and administrative costs.
- 8.2 Any predicted council tax income is only possible if the balances are collected. As the cost of living crisis impacts more households there is a risk of reduced collection rates. If more support is given, although the scheme expenditure will increase, the overall collection rates are likely to improve. As more households struggle with the cost of living crisis and post Covid19 it is becoming increasingly harder to maintain previous collection rates. The proposed changes have been suggested to reduce the need for more resource to accommodate this additional workload.
- 8.3 The risk to the collection fund can be mitigated by closely monitoring the collection rates particularly against those in receipt of Council Tax Reduction. Recovery resource can be diverted from trying to collect smaller balances. The Council's exceptional hardship fund will also mitigate the impact for all households in severe financial hardship and this will be actively promoted across all front line teams to support claimants to apply for help when needed. Many referrals are made to the Financial Inclusion team who continue to offer help and support to any household in need.

## **9. CONCLUSION**

- 9.1 The Cabinet is invited to consider endorsing that the following recommendation is incorporated into the Council Tax Reduction Scheme from 1<sup>st</sup> April 2023:
- Taking into account the results of the public consultation, the need to provide support to assist low income working households and the help to maximise income by increasing collection rates, Cabinet recommend to Council to increase the maximum level of support from 80% to 90%. This recommendation supports the principles of the original scheme that all working age households pay something.

**10. CONSULTEES**

- 10.1 CLT
- 10.2 Public consultation

**11. BACKGROUND PAPERS**

- 11.1 Cabinet Report – 9<sup>th</sup> August 2022 Council Tax Reduction Scheme Review 2022/23  
[https://forms.wyreforestdc.gov.uk/council/docs/doc57777\\_20220809\\_cabinet\\_decision\\_report.pdf](https://forms.wyreforestdc.gov.uk/council/docs/doc57777_20220809_cabinet_decision_report.pdf)

APPENDIX ONE

# RESPONSES

1 The council wastes extraordinary amounts of money on consultations and paying the absolutely useless Community Housing group millions every year. Better budget planning by the council is needed.

2 If ctr is paid to people who work and are struggling I would be happy for them to get help. Not people on benefits.

3 More affordable for single parents and families on low income finding it hard.

4 If this consultation is in response to the Cost of Living Crisis, why are we the public, being targetted with a vast increase in costs, and then also being asked to consider reduced services so that other residents can pay reduced costs? I am sorry that some people are living on low incomes, I've been there. Its true that those who are not on 'low' incomes could make a bigger contribution without having as much impact on ability to live. However, isn't there something drastically wrong with the country if we are unable to live without fear of a utility bill? Interestingly this survey is being put out digitally. Are those on low incomes digitally active? Will they receive this survey and be able to respond? There are enormous corporations in pharmaceuticals and processed foods that generate huge profits from selling goods that make and keep people in poor health, they control what research and information is distributed by the media and quosh anything that might let residents think independently. What are these unethical corporations putting into the state of the country that they have created? When the country starts upholding honest unbiased information, when the country stops wasting money through the nhs 'managing' chronic diseases with drugs instead of through nutrition and stops spending money on unnecessary administration and a top heavy employee structure, when pharmaceutical companies stop trying to run the country, when processed foods are made illegal - then people will have the opportunity to genuinely become healthy. When peopel are healthy, in mind and body, they will then be able to live responsibly, take care of the planet, listen to reason, care for themselves. At that point when all this has been tried to benefit residents for themselves understanding their self responsibility rather than being educated to rely on 'services' - good or bad. By then there would not be the need for as many services, as any needs would be genuine. At that point, reduced payments would be an appropriate consideration.

5 I think all low income families should get a full 80% discount then people who are disabled and claiming PIP/DLA or Elderly claiming State Pension should be getting 90% to 100% discount, also the government should be covering more of the costs in regards to the discounts so budgets wouldn't be effected as server.

6 Maybe offer advice on how to save money. Eg: ditch sky/ bt/ Netflix/ Disney+ / cut their mobile bill, food shop smarter, etc.

7 What a survey! You've already decided! In one question you ask if I agree that there should be a reduction - to which I answer "No" - and the next page is all about 'how much' the reduction should be !! You one 'smart cookie'.. pre-loading your data to give the result you want.

8 Evetuones council tax should br marns tested then charged appropriatly to combined houdehold income but take into account outgoing bills.

9 You waste money on lavish new offices to house over paid managers in non-essential roles.

10 I think disabled people should not have to pay any council tax at all. Being disabled is not their fault and this can happen to anyone any time.

11 It's needed for relief against poverty.

12 Money not given can be better spent improving local groups who help a wider range of society like elderly /mental/young mums drop in centres, food banks etc.

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- 13 Only working families should receive help. Not the many who just get benefits for being too lazy to work and don't deserve it.
- 14 I think more encouragement to work would be more beneficial to society as a whole. I'm still working at 68 and get no benefits. I only continue to work because I could not survive on my pension.
- 15 More responsibility is being given to Town Councils. Are they getting an increase to help the cost of this or is District still keeping the same share of the income?
- 16 All are struggling. Reduce everyone's, not just low income, they get enough help from other avenues.
- 17 I am not in a position to need such a reduction but I appreciate not everyone is in the same position as me, and some help should be given
- 18 The scheme should be left as is but be opened up to more people. I work 37 hours a week on £1 an hour more than the minimum wage and get no help at all. Low income isn't just those who do not work. Those of us who work full time are struggling too when we earn the minimum.
- 19 Desperate need to protect poor people from Conservative government cuts...they're coming.
- 20 It is very stressful when it goes up and down each month if I happen to get paid twice one month due to being paid every 4 weeks. Perhaps they may be a way to keep council tax payments more consistent?
- 21 Just hypothetically speaking I've never understood that if for example if my wages went up by £3.00 then my council tax would go up by £10.00 which makes me worse off.
- 22 I think the council tax is far too high. You would think paying high taxes would enable the council to do more but they don't. There are numerous problems such as clearing footpaths, verges, etc but nothing is done. There are too many problems with this council and cannot see it getting any better.
- 23 We have council tax reduction because my daughter has autism and dawn symptoms. Are we still qualified for £150 reduction? Working people should get reductions if they don't earn enough however benefits people who don't work but receiving benefit should do charity work which is equivalent of paying tax. Single mothers can do some work while their children are at school even one hour. I have a learning difficulty daughter and myself 75 years old single mother no benefit and still paying both national and local taxes. Do you think it is fair.
- 24 It is paramount that low income households should be helped to prevent homelessness and deprivation but assistance should be conditional. I do not agree to non-job seekers where it is possible for those people to work and therefore contribute, nor do I think large families with over 3 children should get higher support due to the number of children.
- 25 Feel that people only appreciate services, education, etc if they have at least paid part of the cost.
- 26 I believe in the current economic climate, that it is important to support low-income families, in order to motivate our industries and services for the future.
- 27 It's too expensive for everyone.
- 28 Those on very low incomes or benefits should not be paying council tax.
- 29 We are all facing the cost of living crisis. And the amount of CT that's paid by families/ individuals shouldn't be based upon their income. Why should we pay more, when we have had to get a second job to boost our own income. It shouldn't be one amount for person and higher for everyone else. It's simply not fair. I also find it very frustrating that the police (whom we pay for via tax), can't turn up to a burglary in progress, but can send two squad cars into town in the middle of the afternoon.

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30 As non working pensioners, on a low income I feel we should be able to get reduction in our council tax.

31 Useless survey. All the people receiving allowance will vote for an increased allowance. Additional cost all fall in every one else who are in the main also struggling. We elect councils to make these decisions get on with it!

32 You do more for the unemployed and those on tax credits . And do nothing for those who can't claim anything who's income is just over 24 k a year . Time to stop all this help for many who are freeloaders and don't want to work .

33 I'm a widowed pensioner and find my reduction invaluable. Young people who are lower paid and with families need help in these difficult times.

34 They need assistance now more than ever.

35 Current council tax charges are extremely high for all particularly those pensioners on low incomes. Rather than reducing charges for some the council should freeze council tax for all for at least 2 years. This would be fair and help people to budget accordingly. Council tax rates have increased massively over the past 3 years and residents can't afford further rises.

36 Me and my partner are both on low income and we shouldn't be paying nearly 100 pounds a mth. I think this is disgusting and disappointing.

37 I have recommended a minimum of 15% because residents need to recognise the role Wyre Forest play in their daily lives. A cut in the services provided by Wyre Forest can only be the vast majority of residents who pay the full level of rates.

38 Everyone should pay something. It's important to contribute to services and feel like you have some responsibility to society.

39 I know people on benefits, with the council tax reduction, who are driving brand new cars and have the latest I-phones! I think that says it all, especially as I pay tax!

40 Second time answering this survey - perhaps WFDC view is 'if you don't get the answer you'd like, start over again'.... I still don't support the increased council tax reduction plan, so gave exactly the same answers as last time this survey appeared!!)

41 Should based on individual circumstances.

42 me and my partner have worked all our lives, he's been diagnosed with terminal brain cancer, has been dismissed due to not being able to work, i still work full time and we get NOTHING. so why should other people get help when we dont !

43 More should be done to help low income households who have taken the trouble to save money all their working lives, but because of this are over the threshold savings but only have low income.

44 The UK needs to STOP giving handouts to people who can work. Should pensioners who have saved for their income in older life and other hard working people, have to keep paying out for low income people, who apparently are reluctant to do other work to boost their income.

45 Should be fair across the board, whether low income or not. £7.6m is a large amount not including those who don't work.

46 It should be available to the elderly left with one pension from losing a spouse.

47 I'm happy paying my share ! If we all stop payment ! The whole county would suffer! We must all pull together !!

- 48 Costs should be met by increasing Council Tax levels generally and not by further cuts in services or support to valued voluntary agencies.
- 49 I wish more Councils were proactive on this issue. The cost of living crisis is going to push households into further debt and desperate measures. We should do all we can to support the most vulnerable in our society.
- 50 I do not believe anyone should get a reduction. Years ago no one got help. Households had to help themselves. We are becoming a nanny state. People should learn to stand on their own two feet.
- 51 Eligibility should be based upon qualifying individuals first having given up other discretionary spending for example a private car, Sky TV package, mobile phone etc.
- 52 I think it would help a lot of poorer families it would certainly help me.
- 53 Most working families need help, I have worked all my life and now need help but there is nothing I can claim for because I work. It's always the same, you work you don't get nothing, be a lay about and get everything paid for. I've had enough!!!
- 54 who pays the council tax? what if children who live with mum and dad are high earners?
- 55 Why are these low income households low income? Are they unable to work (Illness/ disability) or can't be bothered? I would need more information to make an informed decision.
- 56 This survey is a waste of time. People who pay will say others should not receive a reduction. Those that receive a reduction will say they should carry on receiving it. The answers to the questions are not going to give you meaningful results.
- 57 Me and my husband both work several jobs, we have one child and are able to work around looking after the baby ourselves as we cannot afford child care. We pay full council tax on the cheapest rate, we barely make ends meet. My husband has three jobs and I have one, we physically cannot work anymore and cannot have pay increases as we are self employed. We need reduction somewhere, if people on higher wages who can afford bigger houses can pay more, (too band only) as I know some middle band families who are struggling more than us!
- 58 Make it fair for all working people even those who can't claim.
- 59 We have the ability to pay because we subsidise else where to ensure we can receive the most basic level of council services ( Aimed at the shoddy job the police do around here ) remaining council services very good ! Everyone is facing cost of living - how will you monitor if wages increase and they are above threshold - do not support this as all !
- 60 Lower the council tax.
- 61 Paying less will allow individuals, who work hard all week, to feel more in control of their finances, less stressed and asking from pension parents for support in monthly bills. Putting extra pressure on the parents who can only do so much as they are on a minimal income. The individual low wage will go a little further towards keeping a roof over their heads. Particularly if they are the sole bread winner with a mortgage to pay.
- 62 I wasn't even aware such a scheme existed until now. 15% would be a compromise in helping a little without impacting too harshly on other needs.
- 63 Every one should get a discount you increase payments every year and do nothing about people who are fraudulently claiming benefit.
- 64 Help those who at the moment don't qualify for any help but still have the same amount of bills to pay as those getting help.

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65 Low income households have my sympathies but my household is struggling and we both work full time. If financial help is available it should be more equally shared, or they need to cut back in everything as we are having to. But the government need to make the companies pass the profits down to the customer. It is shocking it's being allowed to happen.

66 People who work, and do not receive benefits, do not have any help at all but STILL struggle. There are people we do require more support on benefits, but there are lots who chose to take advantage of the system. Maybe reviewing it on each individual basis may work better. Just because someone is working and isn't in receipt of benefits doesn't mean to say that they aren't struggling.

67 I am 33. A single mum of 2 children aged 7 and 9. I have been unable to work for approx the last 5 years due to a genuine long term health condition (18 months ago I was on death's door). During those 5 years I separated from husband, sold our house, became very vulnerable and poorly all whilst trying to cope becoming a single parent and then having to manage through covid. Finances were my biggest problem and worry. Although already receiving council tax discount I still struggle to pay my council tax on a monthly basis. Currently my bill is £40 PM and is one of my biggest outgoings (other than rent/utilities). Reducing payments would make a big difference to my personal situation, as I'm sure it would to many others. The council could help a lot of people with this!

68 Every one is in same boat.

69 I think the percentage discounts in higher bands ie B,C etc should be equal to the discounts already in place on A bands.

70 It should be lower, struggling as it is.

71 Considering the amount of benefits most if not all of low-income families receive, when added together, total almost the same as I receive and in some instances, more than I receive. I am not eligible for any benefits. I say NO.

72 I think the council tax we pay is too high and therefore some cutbacks should be made.

73 Every household should pay C/tax, those on benefits often have more disposable income ( they get food vouchers/free school meals/help towards rent or mortgage/lower energy tariffs/council tax reductions/help with school uniforms etc) than families working full time receiving no help as we have to pay all bills in full. If you reduce % again then it increases the bills for those of us who pay the full amount, we are struggling but get no help at all. People need help with budgeting and understanding what priorities are, they need to take responsibility and stop relying on handouts which have repercussions on families who are also struggling but do not qualify for help.

74 I think it is essential that the most vulnerable people receive sufficient help for them to survive the current cost of living crisis. I think this should be equal across all age bands with no difference between eligible working age adults & pensioners.

75 Lowering the car parking fees would help local businesses more than anything.

76 There is always support for those on low incomes/benefits. Those families that fall just outside these thresholds are usually the ones that are struggling more. It doesn't pay to go to work and this scheme supports that.

77 during this financial hardship People who bring home an income less than 25k a year should have CT frozen until next April. Don't give out money and waste time and money sorting that out just freeze CT for those earning low wages.

78 I think a percentage of excess income and applicable amounts..ie single/family is more fair as on the current scheme a difference of 1p in income at the moment can have a massive impact on the amount of discount received.

79 other councils offer 100% reduction so should wyre forest its not fair otherwise, support for people on the lowest incomes in wyre forest is way below other council support systems and completely unfair

80 The services that would be affected are already stretched to capacity. A direct reduction in funds for these vital services would have a massive detrimental effect upon the whole of the community at a time when systems are inadequate for many people already.

81 More help for low income is needed and let's be honest can't really see where all this money goes these days police are useless the roads and streets are a mess health and social care is shocking too many fat cats getting big money for doing nothing cut high wages for people who sit on back side all day.

82 Please help to try and prevent suicides this Christmas.

83 I work part time and am a single father with no help as childs mother died, i have to pay £55 a month plus with the cost of bills and food going through the roof it is becoming impossible to pay for everything.

84 Council tax is unnecessary and useless tax imposed by organisations as a collective. Each agency should have their own individual tax for statutory services such as Police, Fire and Adult health services and highways as these services are county wide public resources. WFDC should be bisbanded and their proportion be reallocated to town and parish councils who can allocate their funding w it him their own boundaries and not centralised across the district to be disproportionately allocated to one are of the diacritic more so than others. Apart from Collecting refuse and sweeping streets WFDC are a useful organisation filled with self importance with only one priority which is their own backs. Town and parish councils and councillors have a collective interest despite political agendas as they are residents of their own towns making decisions for their own towns on behalf of their own towns residents. Give them the money they deserve to invest in their own areas and not redirect to other areas for which they are disproportionately represented and lose out on decisions.

85 None.

86 In light of the current living crisis cost, people who are on benefits or low income should not be the only households to receive a reduction.

87 If the CTRS is increased it will put more pressure on the people that are not in receipt of any benefits. The majority of households are feeling the pressure of the current cost of living crisis, it is not just people on low incomes.

88 Get rid of the PCC - totally unnecessary expenditure.

89 Calling the bailiff's if people cannot afford to pay their council is NOT helping these families financially or their mental health. How is incurring fees for people who have nothing to give a sensible solution? People are really desperate. Enough people with lots of money get tax breaks and use accountants to reduce their income tax bills. I know income tax is difference but why make people on benefits or low paid jobs suffer who often have disabilities or are carers. What sort of society are we if we cannot help these people? The council has cut and cut due to government austerity and it needs to stop otherwise you will have increase in homelessness, stress on the NHS and further debt crisis- compounded by the cost of living increases. I believe if people can pay 5% that is fair IF they are able to. Also, please treat people on benefits with respect and without judgement. There is so much stigma attached to it and if we could be more supportive as a society it would help. A lot of people on benefits are in work or unable to.

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90 Checks should be more thorough regarding the number of people in the household, ie two parents, plus two children and a pensioner grandparent who is paying towards the household expenses, and asking why the other parent will not go out to work when there is a grandparent that can look after the children .

91 I'm all for this scheme, but I would like to fully understand if it affects those who pay full council tax, I.e. would we have to pay more? Those who are unemployed get given more than those working, so something needs to be done to support low income families who bother going to work. My biggest worry here is we are now a nation where people seem to constantly expect hand outs, which isn't viable. For me, all benefits should be means tested. People now choose a lifestyle of sponging and it needs to stop. If you don't earn, you don't get. Simple. As long as this can be funded by not impacting us who earn an OK salary, I'm all for it.

92 Where will the extra money come from you can only afford to help so much. Free car parks will help everyone.

93 I think it is reasonable for everyone to pay at least 20% council tax, all households are affected by cost of living crisis.

94 It makes sense to streamline the system so rather than collecting council tax off those most in need and then paying it back to them in other ways, they may need less support elsewhere if they do not have to pay council tax, which could save costs overall.

95 The Council Tax Reduction scheme should disregard higher levels of income as this will not only prevent the great distress bailiffs can be on just managing but also save the council in recovery costs for debt.

96 Why are single parents on a par with couples having children. There is a person available to work.

97 Please consider working age disabled.

98 I think the council tax should be amid at all paying a reasonable amount and to stop skivers trying not to pay but they always ask for hand outs.

99 There should be greater transparency regarding how CT reduction is calculated.

100 I believe we should help the people who work but are on low income by reducing their council tax.

101 People who are on very low incomes or on benefits through no fault of their own should not have to pay council tax.

102 In general across the country we have assisted those on benefits massively, I think they should be made to contribute to their Council Tax.

103 It seems right to help those in most need at this very difficult time.

104 At least one person in the household should have a job.

105 Need to do all you can now right winger Truss is in power. Can't trust a Truss!

106 Considering Worcester for one covers 100% of council tax I don't see why why're forest can't help more those in need as some people are unable to work due to health/career for someone disabled

107 Not happy about the level of savings allowed.

108 Yes time it was scrapped .Its an unfair system out dated like the council and many are paying over the odd as your bands are wrong . Also why pay for 3 councils as they are outdated like the idiots in charge . Here you have run up.debt of 100 million and you expect people to pay more council tax as your miss management on wasting money . It's time that wyre forest Kidderminster , Kidderminster, Bewdley and stourpourt was scrapped and let Worcestershire council run the lot . As you lot can't run a piss up in a

brewery. O.a.p and middle class toffs running the council who have lost touch with the real people . Time the unemployed paid the full amount not getting a deduction . To many freeloaders getting something for nothing as to stop don't want to work punish them .

109 Low income thresholds will change. I came off benefits and work full time in Birmingham for 1500 per month. However I'm massively struggling paying council tax at £152 per month as a single parent. Redefine Low Income really. As with a lot of debts it's so hard, worse than on benefits.

110 In my opinion the starting amount of which to pay the full council tax is wrong it should be open upto £20,000 a year in total earnings per house hold £25,000 to £35,000 the full amount & £35,000 onwards pay extra to level out the deficit otherwise we will end up paying with Crime & petty theft because people are so short & will divide instead of levelling up.

111 I would support lowering the Council tax to zero for the TWO lowest paid groups and adjust the rest.

112 Bills for low income families need to come down.

113 more pensioners should be included in any schemes.

114 I know low income families who are driving brand new cars!

115 I get single persons discount but my bill is too high.

116 With the cost of living crisis we all should help our most vulnerable people, families and children. This could help between choosing heating or eating and no one should be in that position.

117 Just do t forget people on low pensions please.

118 I do understand the problem that comes to public bodies affected by cutting the amount people pay. Public services in this country have been consistently undermined by successive governments with savage budget cuts and privatisation in too many areas. nevertheless, in the current climate, there are far too many people in poverty in this country and more heading for it, so I am afraid help has to be given. I would like to see the national organisations representing local authorities and the other services concerned, plus collective groups in their local areas joining together to publicly make known the damage to our society that is being done and demand a long term plan, which would need cross party support because we can not restore our services as quickly as we would like, but we have to make a start. Not that I think the current government or the one to be announced this week by our new PM will listen but it is important to start making the right noises.

119 I believe everyone should pay at least some Council Tax to promote a sense of responsibility.

120 Consider policy changes on HOW it's implemented rather than the amount so it includes more people who struggle otherwise e.g. part-time earner/young families, change level of income that's disregarded.

121 With the economy how it is at the moment, as a single parent on a low income that works full time, I am struggling a lot. After I've paid my rent, council tax and bills, I am left with very little for food. There is many times a week where I only have toast for my tea and I often have to decide if to put fuel in my car to get to work or if to buy food. As someone that works full time, I don't think this should be happening. I don't smoke or drink or socialise, I seem to only be working to pay bills and this is affecting my mental health a lot. Whilst I am grateful of the help I get with my council tax for being a single parent, it is still a lot to pay. My council tax is more than I spend on food per month, surely this can't be right?

122 It should depend on size/what you live in . Caravan's should be lower bands than A.

123 All payers of full council tax should get a reduction.

124 We all need some help.

125 Everyone needs help and support. Why should it just be about 'low income' families. Personally I feel that those that self inflict illness, those who are in debt with CT etc should not receive relief but have it taken off their debt. Giving an addict an extra £150 is like Xmas to them. Not being used for the purpose it's intended.

126 Wages are very low in Kidderminster I don't know about the whole Wyre Forest.

127 People already get enough support, they need to learn to cut their outgoings if they can't afford it

128 The current cost of living crisis is due mainly to Russia's invasion of Ukraine, which has led to global increase in fossil fuel prices. As the UK still produces 75% of the natural gas we use, the government should step in and prevent any further increase in prices on that proportion. That way everyone benefits massively. Our household is currently classed as working age - two adults, one is 64 and the other 58, but neither is working and only income is from private pension, totalling £17500 per year. Our projected gas and electric bill for the coming year is approx. £5500.00, about one third of total. We are not entitled to benefits of any sort due to having savings. We have savings due to spending only on essentials for a lifetime, and those savings were intended to ensure we could live comfortably in our old age. We planned and worked towards our retirement for many years and never anticipated that we'd have to use our hard earned savings merely to pay for gas and electric. It is rubbing salt into the wound to know that 5% of our gas/electric bill is used to pay the utility companies money they cannot recover from non-payers - including businesses (fast food industry is just one example) and criminals who bypass meters to grow illegal drugs! No, this is an issue for central government. I'm well aware that reducing the cost to some sectors inevitably means increasing costs to others and as a non-benefit household, that means we'll be asked to pay more. We can't afford it.

129 If using Council tax reduction to offset cost of fuel bills then should only be applicable to those who are paying utility bills.

130 This is a difficult issue. Cutting council tax could affect other important services that are provided at county and district level which are important and upon which people depend. My opinion is based upon the limited information that I have in respect of the complexities of council budgets.

131 If they could pay half the council tax this would help a lot of families such a lot . Maybe be means tested so ensure they are low income families. Struggling with payments. I think they need to pay some to help with service they are receiving from council.

132 NOT CURRENTLY GETTING VALUE FOR MONEY FROM COUNCIL WHO WASTE TO MUCH MONEY .

133 Everyone should contribute the same. To many working minimum hours when they can easily work full time.

134 The district needs greater investment in other areas health, general improvements, childcare support, college or additional study. Constant handouts help noone longer term. Provide better paid jobs.....and invest.

135 Review again in24/25.

136 What about the middle income families that get no financial help with anything and still struggling to pay for food and energy bills 😞

137 Good to be asked - as a community we should do what ever we can to help those in need.

138 Single person reduction is hard.

139 People who are under occupied, but are registered to move into a smaller property and can't get one, shouldn't be penalised,.

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- 140 should not have worry about how to find money when every thing is going up and so expensive.
- 141 Any help would be gratefully received. I'm struggling, it will get worse. If this help is only temporary for a set period I would understand.
- 142 We all need help because of very small private pensions which mean we get no assistance but very low income households simply cannot pay under the current circumstances. The police and other organisations need to economise and stop wasting money.
- 143 Only Working families should receive help. They are trying to help themselves and just need a little assistance to carry on.
- 144 It seems to me that reductions of this nature should be a matter for national taxation
- 145 Any reduction should be related to earnings, I.e. people who are working but have low income. Those on benefits should be assessed on their ability to pay including lifestyle.
- 146 I think low wage earners are receiving adequate support and no one else should be burdened with paying more or receiving less to give them further benefits.
- 147 Why give people benefits and then take it away again. Better for admin I would have thought.
- 148 My own council tax band is higher than most similar properties in the road...why.
- 149 All pensioners should have a reduced rate.
- 150 No problem WFDC giving extra relief providing it is NOT funded by an increase in Council Tax.
- 151 In my experience (family) the low income people can afford mobile phones, sky television and cars etc. If the above can be afforded I see no reason why the council tax now being paid should be reduced.
- 152 I think the loss to council budgets should be compensated for at least in part by an increase to the better-off.
- 153 I believe that the entitlement to any Council tax reduction should be based on GROSS income and reviewed every six months. Any increase in entitlement would reduce the quality of essential local services for all residents.
- 154 The money should stay in the wyre forest and not be split between worcester ect as we don't live in these areas, and are not having the full benefit the income brings in.
- 155 As the cost of living gets harder for people and families, I think they should get more help.
- 156 Am in favour of lowering council tax for less well off but not if it puts my exorbitant council tax bill up. ! In fact I would like a reduction in my bill as well. Reducing the amount wasted on hare brained schemes we could all get a reduction.
- 157 We are oaps, trapped in band e property cant sell and get no help..... No help for us in this unfair system.
- 158 With everything going up, and inflation rising daily, families on low income are already struggling. Even a reduction in council tax will give some help to avoid unnecessary suffering within families affected.
- 159 To only have to pay 20% council tax is perfectly acceptable as it is. No change required.
- 160 I think council services have been cut enough, any further cuts will have further negative impacts. I appreciate low income families will struggle but they should still pay something towards the services we all need.
- 161 You focus on benefit and low income but what about people that have been made redundant with no income they can never get any help.

162 I think the scheme is just right, more needs to be done to help people earn more not just give them more.

163 It would have been helpful for you to have given us examples of what the consequences of any proposed reduction might be or how you propose to manage with a lower budget. In principle I agree we should help those most in need but I don't understand the consequences of any proposed reduction and therefore my choice of what contribution should be made is baseless.

164 This scheme should be for the disabled only, all others should be in a job and paying their own way. It is unfair that the organisations should suffer, it's hard enough getting a police officer to sort local crime now, what is likely to become if they get less money. We are not instilling a good work ethic to people who claim benefits then get more all the time. My household has always worked and just kept our heads above water and paid our way with no help as we are not entitled to it!! The council tax is too expensive for everyone hopefully if you give out more to the lazy people it's not us hard workers who are paying the price???

165 These are unprecedented times and low to middle income families will fall below the poverty line. The long term effect on physical and mental health will no doubt cost millions in health treatment. Also the stress levels will probably drive some people to take their own lives and others possibly into crime in order to support their families. The government and the councils need to do everything in their power to drastically reduce the impact of the financial crisis.

166 Although I am in favour of re-distributing tax from poorest to richest members of society Council Tax is a poor way of doing this. Councils need money to pay for services which are already inadequate in many areas - particularly social care so if a further discount is given then the taxes for others must go up to compensate.

167 By offering more to support families receiving council tax reductions you are depriving other services which benefit the whole community.

168 My husband and I have had to work all our lives for what we have now. We have to pay just under £2500.00 pay for our 2 bedroom bungalow which I assume will be increased to pay for people who refuse to work and live on benefits paid by the tax payer. That is just not fair!!!

169 Services will suffer if there are reductions.

170 We are all affected by cost of living rises not just lower paid people.

171 I think you should give it to everyone with the cost of living going up people who on low income or not jobs get more help than the people who are working and paying full rents etc they are the people that need the help.

172 Services seem to be cut to the bare minimum as it is. What else will go to provide the extra.

173 Not getting value for money at present.

174 Everyone is going to be hit, where is the help for the squeezed middle?

175 Please help people I pay plenty of tax and I'm happy to help people.

176 Good idea to help the poor. Time to undo the Tories attack on them over the last 12 years!

177 Everybody receiving reductions should be excluded from this survey as they will automatically vote for more help and make the survey worthless and who will ultimately pay? the rest of us who are also struggling.

178 Fixed income households such as pensioners who have worked hard all their life are now subsidising others. This is reducing the quality of life because the fixed income is being eaten into with no

hope of generating more income by going back to work even if they wished to with many being over 70 years of age.

179 There must be better ways the council can help all less well off people.

180 The cost of living has risen to scary heights and those on low incomes need additional support.

181 I think we should not pay council tax for everyone is going to struggle with the cost of living at Is.

182 I think all people with low income require help not charity. However, people with second homes and higher incomes should pay more it should be tapered. People who pay for services to developers and again to the local authority are paying twice over this is grossly unjust. Scrap the Crime Commissioner and use the money in a better way. Revise the higher cost of putting out council services to the lowest tender regardless of what that actually means in practice at the point of service delivery. There are so many ways of looking at levelling up in our home area your question about how much the lower income families should pay linked to cost is rigged you are asking turkeys to vote for Christmas.

183 I think the reduction is fair at the moment and to increase the reduction puts more of the burden on to other residents who may only have an income just above that for which they would be entitled to a reduction. Unless council tax rises considerably in the near future, the main concerns are about food and energy costs, for which central government should be responsible in providing help. I suppose council tax could increase considerably next year because of wage rises and energy costs. In that case, existing reductions could be reviewed again at that time.

184 The families who receives help already will be the hardest hit with the energy bills increase. they need all the help.

185 Happy to support helping more low income families, as long as its distributed fairly.

186 I think any help towards childcare costs from Universal credit should not be considered as 'income' and counted towards your council tax income assessment as this is money which is paid directly towards paying for childcare and therefore isnt 'cash in the pocket' to put towards paying council tax.

187 Increase the tax on larger properties to help offset the extra cost. I live in an affluent area but would be happy to pay more if i knew it was going to help those in really need.

188 This will only be a minor help for some people. the Government is not doing enough by raising benefit levels ect.

189 Working class people on a low combined household income should be given support due to the cost of living. Currently people on benefits are better off financially as they are exempt from payment of council tax!

190 Extra payments must be met by rise in charges to others, but all Wyre Forest residents will need help with the cost of living and energy price increases.

191 During these trying times for councils to undertake their commitments to household paying full tax we need as much money as possible. There are plenty of other outlets for low income families to obtain funds from government without adding extra burdens on residents paying full taxes. 20% is a big discount and should not be altered.

192 People must economise. Get priorities right.

193 We are low income and it's hard to pay with little money.

194 Nobody gives us a reduction in anything , at 75years old the two of us have had to work for what we have . we disagree with handouts, except for those with disability. Low income earners , should do what we had to do , get out to work, and earn enough to live and not sponge off society.

195 Council Tax should be lower for all.

196 The current scheme doesn't make sense, when I earn even a mere £20 extra in overtime, my council tax bill for the next month goes up by MORE than the extra £20 I've earned making me worse off!

197 all need to help out.

198 Budgeting and sacrifice is a requirement in hard times, not a gift, it should not be allowed for local authorities to gift tax payers money, it is not yours to gift with out a legitimate vote.

199 We have become bereaved and as my mother was over 80 and has carers allowance we paid a reduced sum. It has now gone back to full which is £280.48 per month. I earn just above minimum wage and my partner has been her carer so is not employed at the moment. Due to the location we only have our bins emptied. I feel this totally unfair and each household should be treated according to their circumstances. Just because some people are on benefits they should not have all the reductions. Some people in full time employment living hand to mouth should merit a look in ?

200 We should try to help vulnerable working people who exist on low wages and are the first to feel the effect of inflation.

201 What would be impacted, by this increase? In other words where will the money be taken from?

202 Please wait and see the new Prime Ministers proposals and if the Energy industry/Govt will take up the Ovo Scheme proposed of a staged energy bills.

203 Working age people who are able to but not in employment get far too much as it is. I work 37 hours a week on almost minimum wage and get no help. They get more money than I earn in benefits and now you want to give them even more. Why should I support those who choose not to go to work. Non disabled benefit claimants should be paying more, not less.

204 What about pensioners who are just over the threshold and are struggling.

205 Additional help now is crucial, especially because of increased energy costs, however, the scheme needs to be reviewed every year.

206 With the upcoming on heating and to feed you family. The genuine cases should get a bit more help. I'm really struggling and my mental health is too.

207 It is Central Government who should be looking at raising benefits to a fair level to help people manage not for individual councils to alter their schemes. This would inevitably result in a cut to certain other services.

208 Everyone needs to contribute something.

209 Every household must pay council tax of at least 20% . This is a very generous reduction. The low paid use more of the services and other people have to pay for them.

210 I have been a single parent who had to rely on benefits for a short period of time. A reduction would have been gratefully received.

211 Help people any way that's fair and just to decrease their council tax.

212 Support for low income families should come from the Government and not from local council funding that will affect local services.

213 The results of this should be published.

214 Current services are already stretched. Reductions in Council Tax payments can only impact on current levels of service we, the consumers receive.

- 215 In order to reduce amount paid by lower income groups, the higher income groups should receive less of a reduction to make up part of the short fall.
- 216 Council tax should be means tested.
- 217 I know people who are receiving benefits and council tax /rent benefits they are working and cohabiting plus have adult children who work and paying rent to householder weekly ! They have more money than me and I work 60hrs a week full time and I'm on no benefits at all. The system is all wrong . Genuine people yes but not people like this
- 218 Increase the qualifying income level so more families get a discount rather than the same families getting more.
- 219 It's fair as it is.
- 220 You should give reduction directly to energy supplier to help reduce outgoings.
- 221 i think at least take it out of peoples benefits to stop us getting fines and debt. i'm ill i don't remember to pay council tax, why can't they take it direct from my money so i don't have to worry. it sounds silly but it's affecting me big time and very little should be paid for low income families because i'm struggling to live and i'm in so much debt i just can't cope anymore.
- 222 I understand support needed for low income households and vulnerable, but the current cost of living crisis is affecting everyone (inflation predictions at possible 20%) and all need help and all need to see our basic local govt services continue not, again, be cut due to, again, funds diminishing because of more targeted support. National Govt need to step-up, local Govt need to maintain some level of decent services and, even in difficult times, invest such as improving services and funding for LAC and schools. No to further cuts in council tax unless everyone gets included.
- 223 Important that we try to help low income families.
- 224 Paying something gives some ownership on policy decisions giving nothing at all ultimately disenfranchised.
- 225 Everyone should have council tax reduction scheme.
- 226 Please consider disregarding the Universal Credit Limited Capability for Work Element as Income within the CTR Calculation.
- 227 EVERYONE SHOULD MAKE SOME FORM OF CONTRIBUTION TOWARDS THE AREA AND COMMUNITY THEY LIVE IN. COST OF LIVING CRISIS IS AFFECTING ALL PARTS OF THE COMMUNITY AND IT WILL BE WORKING FAMILYS WHO WILL BEAR THE BRUNT OF REDUCED SERVICES OR AN INCREASE IN COUNCIL TAX TO PAY TOWARDS ADMINISTERING NEW SCHEMES EVEN THOUGH THE BURDEN IS SPREAD BETWEEN THE DIFFERENT ORGANISATIONS.
- 228 As the cost of living crisis is hitting everyone , then help shouldn't only be given offered to low income families who are already getting government benefits , what happens to middle Income families who get no help and have to pay all their bills with no help, if the council gives money away than other areas will go underfunded.
- 229 All families are struggling at the moment. Not just those considered low income families.
- 230 Calculate income including benefits without the childcare element. I do not qualify for any assistance with council tax because the income used to calculate the assistance includes the large amount of assistance I receive to pay for childcare so I can go to work. If you discount the amount paid to me to pay the childcare I would qualify for the 60-80% reduction. The benefit is only given to me to pay the childcare bill, not for any other reason so why is it counted as an income when its only given as it's already accounted for to go straight to the childcare provider.

WYRE FOREST DISTRICT COUNCIL

## CABINET

7<sup>TH</sup> NOVEMBER 2022

## Budget and Performance Monitoring Second Quarter 2022-23

OPEN	
<b>CABINET MEMBER:</b>	Councillor M Rayner, Cabinet Member for Finance and Capital Portfolio
<b>RESPONSIBLE OFFICER:</b>	Head of Resources and s151 Officer
<b>CONTACT OFFICERS:</b>	Helen Ogram Ext. 2907 <a href="mailto:Helen.Ogram@wyreforestdc.gov.uk">Helen.Ogram@wyreforestdc.gov.uk</a> Kath Pearsall Ext.2165 <a href="mailto:Kathryn.pearsall@wyreforestdc.gov.uk">Kathryn.pearsall@wyreforestdc.gov.uk</a> Lisa Hutchinson Ext. 2120 <a href="mailto:Lisa.Hutchinson@wyreforestdc.gov.uk">Lisa.Hutchinson@wyreforestdc.gov.uk</a> Rhiannon Foxall Ext. 2786 <a href="mailto:Rhiannon.foxall@wyreforestdc.gov.uk">Rhiannon.foxall@wyreforestdc.gov.uk</a>
<b>APPENDICES:</b>	Appendix 1 - Wyre Forest District Council Revenue Budget Total Requirements - District Council Purposes Appendix 2 - Capital Programme Appendix 3 - Budget Risk Matrix Appendix 4 – Organisational Health/Wyre Forest Forward measures not associated with corporate priorities <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 on the Council's financial and other performance at the end of Quarter 2 ending 30<sup>th</sup> September 2022 and to present the current projected outturn position for the 2022-23 financial year.
- 1.2 The report sets out the current forecast of income and expenditure against budget for 2022-23 for revenue expenditure. In addition to the usual information presented in the Quarterly Budget Monitoring Reports, the report provides key information relating to estimates of the Council's financial position for the next three years, highlighting the revised Funding Gap that will need to be closed to bring expenditure into line with income.

**Revenue** - the year-end position on services is forecast to be £981k worse than the position forecast in the 2022-25 Medium Term Financial Strategy (MTFS).

**Capital** – the forecast outturn is currently £31.3m following slippage for 2021-22 and some initial reprofiling. It is likely that the spend on some of the larger schemes will be reprofiled during the revised budget process later in the year. The balance includes £15.7m re-profiled (slipped) from previous financial years.

- 1.3 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. Some progress against meeting the Wyre Forest Forward target and Localism savings of for 2022-23 has been achieved. A review of expected transformation savings will be undertaken during Quarter 3 to inform preparation of the MTFS 2023-26.
- 1.4 The report also includes the quarterly “How are we doing?” performance report (which was previously provided only to the overview and scrutiny committee). This report allows that committee and the Cabinet a rounded view of the Council’s performance including its financial position.

## **2. RECOMMENDATIONS**

**The Cabinet is asked to NOTE:**

- 2.1 **The projected budget variations and comments within this report and appendices 1 to 4.**
- 2.2 **The performance against measures and actions as set out in the report and appendix 4.**

## **3. BACKGROUND**

- 3.1 Budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The 2022-23 Original Budget was approved as part of the 2022-25 Medium Term Financial Strategy (MTFS) by Council on 23<sup>rd</sup> February 2022. Performance is measured against the Original Budget presented within the 2022-25 Strategy (Appendix 1).
- 3.2 The political and economic turmoil seen at the start of the year escalated during the quarter and is reflected in the worsening outlook for Council finances. The Bank of England currently predicts that inflation will peak at 11% and stay above 10% for some months before coming down. The measures introduced to support households with energy prices this winter will have mitigated some of the demand led pressures on services but we continue to see increased demand for support for those most in need.
- 3.3 The current forecast shows an overspend against the Revised Budget of £981k which is in line with the quarter 1 projection despite some of the early projections for income growth being revised upwards. The assessment is based on a wide range of assumptions, predicted patterns of cost, service demand and behaviours and the forecasts will be refined as part of preparation of the MTFS 2023-26.
- 3.4 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, Government funding and other external specific grants, fees and charges and other elements of income from activities including returns from property and treasury investments.
- 3.5 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 is shared between the County Council, the Fire authority and the 6 District Councils.
- 3.6 Year-to-date monitoring shows that income from business rates payers will be in line with the position previously estimated with no noticeable increase in empty reliefs. Collection rates at the end of the second quarter are much improved compared to the last 2 years and are consistent with pre pandemic rates. The MTFS took a prudent assessment of growth above baseline, recent experience suggests that a more optimistic level of growth will be maintained in 2022-23. The

position will be closely monitored and assumptions revised when the MTFS 2023-26 is prepared. The position in relation to the 2022-23 year-end provisions for appeals cannot be estimated with accuracy at this time so this could result in variances. Any variation in appeals provision will impact on the surplus/deficit position and carried forward to future years.

- 3.7 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 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 made allowance in previous financial years with an increased contribution to the bad debt provision. 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 inherent in income streams is recognised. We continue to work to ensure that current financial performance, specifically the impact on the MTFS, of the fund is clearly presented.
- 3.8 A revised Capital Strategy 2022-32 was presented to Cabinet in December 2021 with further amendments made on 8<sup>th</sup> 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 23<sup>rd</sup> February 2022. The revised Strategy covers all capital expenditure and sets out reporting and planning for financial risk implications in relation to non-treasury investments.

**4. FINANCIAL PERFORMANCE**

**4.1 Revenue Overview**

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.

The following table details an early projected outturn position with variances against the budget approved by Council on 23<sup>rd</sup> February 2022. The projection is based on known and emerging cost pressures and cost reductions or income growth:

SERVICE REPORTING GROUP	Original Budget	Q2 Outturn Projection	Variance Original to Outturn
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive and Solicitor to the Council	1,294	2,090	796
Community and Environment	4,660	5,038	378
Economic Development and Regeneration	(94)	138	232
Resources	2,940	2,559	(381)
Revenues Benefits and Customer Services	978	1,052	74
Strategic Growth	1,894	1,975	81
Pay variances	0	284	316
Capital Account	355	(160)	(515)
<b>SERVICE TOTALS</b>	<b>12,027</b>	<b>12,976</b>	<b>981</b>

The assessment is based on a wide range of assumptions, and the forecasts will be refined and reset as preparation of the Medium Term Financial Strategy (MTFS) 2023-26 progresses.

**4.2 Capital programme** – progress of spend against capital programme is summarised below:

<b>REPORTING GROUP</b>	<b>2022-23 latest Capital Programme (including slippage &amp; reprofiling)</b>	<b>Quarter 2 Actual</b>
	£	£
Community and Environmental Services	2,117,800	(17,209)
Strategic Growth & Economic Development and Regeneration	27,134,990	1,222,871
Resources And Revenues, Benefits and Customer Services	784,140	252,375
Vehicle, Equipment and Systems Renewal Schedule	1,294,850	150,816
<b>Total</b>	<b>31,331,780</b>	<b>1,608,853</b>

Supply and inflationary pressures have created some significant risks for the Council’s capital programme, such as increasing costs for construction and equipment renewals. Full detail of scheme progress is provided in Appendix 2 to this report.

The majority of the Council’s Capital Programme is financed from either borrowing or capital grants. There are revenue implications from capital expenditure funded from borrowing through interest charges and the statutory Minimum Revenue Provision (MRP).

Reprofiling (slippage) of the 2021-22 spend to 2022-23 will reduce the MRP charge in 2022-23 by circa £65k.

**5. RESERVES POSITION AND FUNDING GAP**

**General Reserves**

- 5.1 The tables below provide key information relating to early estimates of the Council’s financial position through to 2025-26, taking into account the impact of new and emerging cost pressures and the Quarter 2 Budgetary Control projections presented in this report.
- 5.2 In the years up to 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 runs the risk of exhausting its general fund balances at the end of the current MTFS, likely to be at the end of 2026-27.

**Earmarked Reserves**

- 5.3 The Council’s earmarked reserves held at 1<sup>st</sup> April 2022 totalled £15.314m. The balance includes some exceptional balances in relation to Covid grants from DLUHC and Business Rates reserves including those held in respect of the time lag inherent within the current Business Rates Retention (BRR) system.
- 5.4 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 £1.734m.

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Earmarked Reserves	Reserves b/f at 01/04/22	Quarter 2 Spend	New Reserves Added	Commitments outstanding	Balance available
	£000	£000	£000	£000	£000
External Funding	1,860	306	0	590	965
Shared Service	480	68	0	227	185
WFDC Budget	2,777	6	-50	567	2,254
Innovation Fund	1,054	24	-15	511	535
General Risks	1,820	50	0	36	1,734
<b>Sub Total</b>	<b>7,991</b>	<b>453</b>	<b>-65</b>	<b>1,930</b>	<b>5,673</b>
Covid Reserves	239	8	0	0	231
Business Rates Reserves	7,085	0	0	3,185	3,900
<b>Total</b>	<b>15,314</b>	<b>461</b>	<b>-65</b>	<b>5,115</b>	<b>9,803</b>

## Information and Analysis – Financial Performance Summary

### 6. REVENUE DETAIL

- 6.1 This report draws attention to new and emerging budget pressures that will potentially have a significant impact on the council's ability to deliver services within the budget envelope approved February 2022 Council. The report is produced in consultation with CLT, Heads of Service and Service Managers.
- 6.2 The following table presents an overview of the new and emerging budget pressures:

<b>Estimate of major variances compared to approved budget assumptions</b>	
	<b>2022-23 £</b>
General Inflation	370,000
Pay inflation (initial employers offer and 5% uplift)	637,500
Pay variances - establishment and NI rate reversal	(321,800)
Utility bills – gas and electricity	181,200
Leisure centre utility benchmarking	150,000
Fuel	57,000
Other Cost Pressures	118,200
Treasury investment income/debt charges	(450,000)
Other income growth	(195,400)
Transformation proposals (WFF savings)	500,000
MRP saving due to Capital Programme Slippage	(65,000)
<b>Total Service Variances</b>	<b>981,700</b>
Business Rates Growth and CPI uplift	(225,000)
<b>Total Variances</b>	<b>756,700</b>

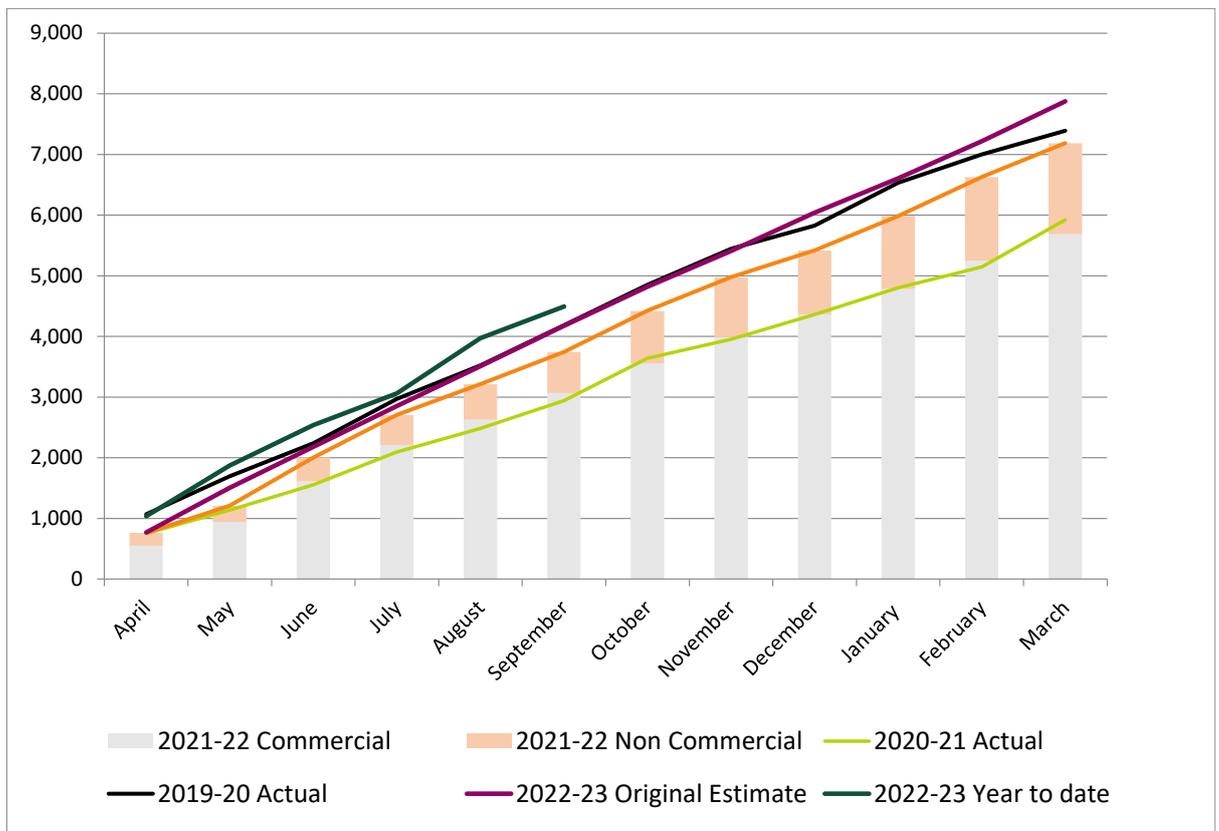
### 7. REVENUE DETAIL - External Income

- 7.1 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 had a significant impact on demand led income streams and also on the revenue received from the management agreement for Wyre Forest Leisure Centre. In general income has recovered to pre pandemic levels however the position is mixed and some of the fees and charges from commercial activities are behind target. The summary position at the end of quarter 2 (April to September) is shown in the graph below. Current performance

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indicates that performance is likely to be in-line with the target set and contained within the budget approved by Council in February when marginal costs are also taken into account. Demand led income streams are being closely monitored.

### Gross Income (Commercial and Non-Commercial) 2017-18 to 2022-23



7.2 The Council expanded its commercial activities to generate revenue from fees and charges that reduces net cost to help close the funding gap.

7.3 The table below shows a breakdown of performance against target for income streams where a variance is projected

Service Description	Original Budget	YTD Profiled Budget	Q2 YTD Actual	YTD Variance	Estimated Full Year variance
	£	£	£	£	£
<b>Income Reduction</b>					
Garage, driver training, Tree Gang, Grounds Maintenance	-381,990	-188,550	-68,441	120,109	94,700
Markets	-11,230	-11,230	-4,153	7,077	7,100
Property Rental Capital Portfolio	-1,300,320	-650,420	-773,647	-123,227	57,000
Trade Waste & Highway General Cleansing*	-977,430	-488,910	-409,466	79,445	260,000
	-2,670,970	-1,339,110	-1,255,707	83,404	418,800
<b>Income Growth</b>					
Green Waste	-460,000	-388,654	-554,681	-166,027	-40,000
Homelessness & Private Sector Housing	-31,120	-15,566	-14,505	1,062	-20,000
Land Charges	-88,450	-48,771	-46,140	2,632	-9,500
Parks and Green Spaces (including Highway Verges)	-68,470	-60,992	-92,138	-31,145	-20,900
Plan fee income	-477,960	-235,425	-450,967	-215,541	-44,300
Other growth areas	-107,040	-55,557	-117,258	0	-60,700
	-1,233,040	-804,965	-1,275,688	-409,021	-195,400
	<b>-3,904,010</b>	<b>-2,144,076</b>	<b>-2,531,394</b>	<b>-325,617</b>	<b>223,400</b>

\*partially off-set by operational cost savings

7.4 Income from the leisure management contract has returned to the pre-pandemic level. In general, the Centre appears to have recovered well, and in

some cases activities and headcounts are outperforming that achieved in 2019 (pre-pandemic) however recovery in gym and fitness membership remains challenging. The risk of increases to the cost of utility bills is borne by the Council. Initial estimates suggest that the full year impact of this increase in cost could be £150k.

7.5 **Capital Portfolio Fund** - The Capital Portfolio Fund supports regeneration, economic growth and housing and is allied to the Council’s income generation/commercialism objectives and is financed from borrowing.

7.6 The table below summaries the current projection of the revenue impact of the Capital Portfolio Fund in 2022-23. The Quarter 2 outturn projection shows that the target included within the original budget is unlikely to be achieved. The pandemic resulted in vacant office accommodation proving more difficult to relet leading to longer void periods. There are now very few void units and once the rent incentives in respect of newly granted leases have expired the portfolio will show a much stronger position. There are a number of rent reviews due to be concluded and it is anticipated that once complete the shortfall against target will be reduced.

Property Portfolio Fund		2022-24 MTFS		
		2022-23 Budget £	Q2 Outturn projection £	Variance £
Net Impact on Council Tax after Statutory Charges				
R276	High Sreet/Worcester Street	(11,190)	(8,942)	2,248
R277	Stratford Court	(22,770)	(8,536)	14,234
R278	Buntsford Gate	(8,760)	37,760	46,520
R279	Forest House	13,800	13,800	0
R280	Riverside	(43,400)	(4,650)	38,750
R281	Goldthorn Road	(48,310)	(88,560)	(40,250)
R282	Unity Park	(1,470)	(5,970)	(4,500)
R275	Property Portfolio Fund Admin account	0	0	0
Total		<b>(122,100)</b>	<b>(65,098)</b>	<b>57,002</b>

7.7 **Capital Portfolio Fund Debt** - The total overdue debt at 30th June 2022 was £95k which represents 11.6% of the overall balance collected each year. This position has improved during the quarter, the current arrears stand at £78k. The majority of the arrears older than 3 months relates to a single tenant. Significant progress has been made in recovering rents and service charges outstanding and the position is closely managed and monitored.

**8. WYRE FOREST FORWARD SAVINGS PROGRAMME AND LOCALISM TARGETS**

8.1 The 2022-25 MTFS projects a funding gap in 2024-25 of just under £1.7m and the new and emerging cost pressures outlined above will, in the absence of additional government support, widen the gap further. 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.

8.2 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. Opportunities for service collaborations with neighbouring authorities

## Agenda Item 7.2

have not progressed at the pace or scale originally envisaged or have not generated the savings required. Work is now focussed on reshaping the in-house service.

- 8.3 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 legacy impact of COVID-19 and price inflation will result in the Council exhausting its general balances at the end of the current MTFS, unless savings and efficiency targets are met.
- 8.4 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.
- 8.5 The budget approved for 2022-23 is summarised in the table below. Good progress was made in 2021-22 towards achieving the target with items of a recurring nature, the outstanding savings target for 2021-22 was achieved from one-off final accounts savings. Final account savings are being examined carefully to identify budgets that require re-basing, the savings already identified from this project are captured in the table below. It is expected that the project will conclude later this month (October 2022) and any further savings identified will be reflected in the MTFS. No new savings have been scored against the target during the quarter from service transformation.

Wyre Forest Forward Savings summary	2022-23 £000	2023-24 £000	2024-25 £000
Savings Target	4,390	4,682	4,682
Savings achieved at 31/03/2022	3,604	3,685	3,751
<b>Savings Target at 01/04/2022</b>	<b>786</b>	<b>997</b>	<b>931</b>
<b>Savings achieved 2022-23</b> <i>Re-basing the Budget</i>	218	212	212
<b>Savings identified in year</b>	<b>218</b>	<b>212</b>	<b>212</b>
<b>Total WFF Savings not yet achieved</b>	<b>568</b>	<b>785</b>	<b>719</b>

*Note that this table only considers WFF savings and income targets and is only part of the funding gap. Localism savings are reported separately below.*

### Localism Partnership Target

- 8.6 Achievement of future targets is progressing, and future budgets will be adjusted subject to the savings being achieved. Good progress has been made during the quarter. Details of savings achieved are provided below:

LOCALISM PARTNERSHIP SAVINGS	2022-23 £000	2023-24 £000	2024-25 £000
Savings Target	350	525	700
Slippage approved MTFS 2021-24	15		
Savings achieved at 31/03/2022	169	172	174
<b>Balance b/f 2021-22</b>	<b>196</b>	<b>353</b>	<b>526</b>
Reduction/Increase of Target Savings	-71	0	0
<b>Savings Target at 01/04/2022</b>	<b>125</b>	<b>353</b>	<b>526</b>
<b>Savings achieved 2022-23</b>			
<i>Britannia Gardens and vacant posts deleted (TBC)</i>	50	52	54
<i>Riverside Meadows Toilets</i>	8	9	9
<i>Load Street Toilets</i>	6	7	7
<i>Blakedown Shopper's car park (TBC)</i>	5	5	5
<b>Savings identified in year</b>	<b>69</b>	<b>73</b>	<b>75</b>
<b>Total Localism Savings not yet achieved</b>	<b>56</b>	<b>280</b>	<b>451</b>

## 9. Supplementary Estimates and Virements

- 9.1 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.
- 9.2 There are no requests for a Supplementary Estimates to be considered by Cabinet this quarter.

## 10. REVENUE DETAIL – Central Items Business Rates and Council Tax

- 10.1 **Council Tax** - The level of discounts and awards, together with collection rates, and write-offs are being closely monitored. There is continued risk that assumed growth in the tax base might not be achieved in year.
- 10.2 **Business Rates** – Officers continue to liaise closely with the Valuation Office Agency to monitor developments in the sector particularly around material changes of circumstance and new applications lodged in the Check, Challenge, Appeal system. The overall impact of transactions in the collection fund will continue to be monitored to assess the impact on the council's MTFS.
- 10.3 **Collection Rates**

**Council Tax:** As at September 2022, Council Tax in year collection rates are at 57.84% compared to 57.79% last year.

**Business Rates:** As at September 2022, collection rates for NNDR are 63.56% compared to 53.37% last year; showing a significant improvement and returning to pre pandemic levels.

## 11. TREASURY MANAGEMENT PERFORMANCE SUMMARY

### Investments

- 11.1 The Council held £45.6m in investments as at 30<sup>th</sup> September 2022. The level of funds available was mainly dependent on the timing of precept payments and receipt of grants in advance of progress on the Capital Programme. The average interest rate achieved at quarter 2 was 1.249%, compared to the 7 day backward looking Sterling Overnight Index Average (SONIA) benchmark rate of 1.207%. Yields continued to

increase during the quarter and current forecasts expect bank rates to reach 5.50% by the year end. The impact on interest received is likely to be a budget surplus of circa £450k.

- 11.2 The approved limits as set out in the Treasury Management Strategy report to Council 23rd February 2022 within the Annual Investment Strategy were not breached during the first half of 2022-23.

**External Borrowing**

- 11.3 The Council had borrowing of £34m as at 30<sup>th</sup> September 2022. The Council’s Capital Financing Requirements (CFR) as at 30<sup>th</sup> September 2022 is £40.3m. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (External Borrowing) or from internal balances on a temporary basis (Internal Borrowing); an internal borrowing position of circa £6m is currently being held.

**Compliance with Treasury and Prudential Limits**

- 11.4 The Council’s approved Treasury and Prudential Indicators are outlined in the approved Treasury Management Strategy Statement (TMSS). The Council has a duty to determine and keep under review the “Affordable Borrowing Limits”.
- 11.5 During the period to 30<sup>th</sup> September 2022 the Council has operated within treasury limits and the prudential indicators set out in the Council’s TMSS and with the Council’s Treasury Management Practices. The Prudential and Treasury Indicators are shown below:

<b>Prudential Indicator as Per Original Budget (to be updated during revised budget process)</b>	<b>2022-23 Budgeted Indicator</b>	<b>Actual as at 30 Sept 2022</b>
Capital Financing Requirement (CFR)	61,551,000	40,310,000
Gross Borrowing	61,000,000	34,000,000
Internal Borrowing	551,000	6,310,000
Internal Borrowing as % of CFR	0.90%	15.30%
Authorised Limit for external debt	75,000,000	34,000,000
Operational Boundary for external debt	65,000,000	34,000,000
Limit on Principal sums invested > 365 days	2,000,000	0
<b>Maturity structure of borrowing limits</b>		
Under 12 months	100%	0%
12 months to 2 years	100%	6%
2 years to 5 years	100%	6%
5 years to 10 years	100%	18%
10 years and above	100%	71%

**12. HOW ARE WE DOING PERFORMANCE SUMMARY**

- 12.1 Performance management is instrumental in all council activities as it helps us to keep track of how well we are performing and enables any potential issues to be identified at an early stage so remedial action can be taken. It also informs our decision making processes which underpin the delivery of our Corporate Plan 2019-23, as amended

12.2 The Council has a number of processes in place to monitor our performance including:

- Corporate Plan Actions
- Corporate Risks and associated actions
- Leading Measures
- Lagging Measures

12.3 The Corporate Plan 2021-23 is being delivered through the following strategic actions:

- Adopt the new Local Plan (now completed)
- Implement measures to increase affordable housing (Supporting a successful local economy)
- Work with partners to protect our environment, to address air quality issues and to help to tackle climate change (Safe, clean and green living environment)
- Work with partners to secure external funding and investment to support the economy (Supporting a successful local economy)
- Oversee regeneration of central Kidderminster including Future High Streets projects (Supporting a successful local economy)
- Support the visitor economy in Stourport-on-Severn and Bewdley (Supporting a successful local economy)
- Work with partners to tackle abuse of vulnerable people and environmental crimes (Safe, clean and green living environment)
- Work with town and parish councils so that they have local control over assets and services (Safe, clean and green living environment)
- Seek a sustainable future for Bewdley Museum (Supporting a successful local economy)

Progress against the corporate plan priorities and our strategic actions is summarised below:

### 12.4 Corporate Plan – **A safe clean and green living environment**

- a) The Council's enforcement team continues to tackle environmental crime. The team has led a successful bid alongside our North Worcestershire partners for an initiative to tackle fly tipping on private land. An award from the West Mercia PCC of £22,000 has been secured to procure specialist CCTV equipment and fund work to support landowners. A joint initiative across the North Worcestershire area is seeing the team implementing a smart water tagging scheme across garages to "specially mark" waste vehicle tyres. This initiative will help identify dumped tyres and track them back to their source. Parking enforcement and other environmental and civil enforcement activity continues across the district.
- b) The private sector housing team has been undertaking focussed work with landlords regarding thermal comfort through work on energy performance and the housing, health and safety rating system.
- c) Work is on-going to encourage good recycling practices in collaboration with partners across Herefordshire and Worcestershire to maximise the region's recycling rate and reducing the amount of residual waste (rubbish). The region's recycling rate for last year was 43.6%. Analysis is on-going around the amounts and types of waste that are disposed of across the region to inform the design of future service provision.
- d) We continue to progress our climate change agenda through the Climate Change/Green Advisory Panel action plan. This includes developments in alternative fuelled fleet vehicles and looking at ways we can create renewable

## Agenda Item 7.2

energy in the district. The feasibility work is complete and capital funding agreed for Electric vehicle charging infrastructure on Council owned land; the procurement process is underway work on the feasibility of the solar farm is also underway with options due back in early 2023.

- e) flood prevention grants – we paid 25 property flood grants for resilience measures in quarter 2 to help householders across the District.
- f) Work around Community Safety continues with secured funding of over £100,000 from the West Mercia PCC for North Worcestershire Community Safety Projects, with £32,000 dedicated to Wyre Forest. Kidderminster & District Youth Trust has been commissioned to provide a district wide detached youth team which will now commence in October with a focus on preventing anti-social behaviour (ASB). Mobile CCTV cameras have been deployed in hot spot areas around the district and the section continues to lead on the management and operation of those cameras on a case-by-case basis. Furthermore, additional funding has been secured from the PCC to support a mobile deployable cameras initiative. Work continues with partners to tackle crime and ASB at a local level through the Safer Wyre Forest Tasking, a subgroup of the North Worcestershire Community Safety Partnership. The section continues to collaborate with partners working to understand forthcoming new statutory duties including tackling serious violence, the Protect Duty (Counter Terrorism) and Combating Drugs Partnership work.
- g) An exciting and ambitious open space project is being developed that will, given the necessary external funding, provide a network of pathways and cycle tracks across all the district's nature reserves and key open spaces. The project - called "Wyre Forest Wild" - plans to take advantage of the district's outstanding natural assets in terms of its nature reserves and open space and develop this for the health & wellbeing of our communities and visitors alike. External funding is currently being sourced.
- h) Work on the Brinton Park Heritage Lottery Project continues with the team awaiting final authority from HLF to proceed with formal procurement of contractors.
- i) The time-limited financial package to support the transfer of St George's Park, Broadwaters and Baxter Gardens to Kidderminster Town Council has been agreed and the transfer is expected to take place no later than 1 December 2022. A proposal for Bewdley Town Council to take over the ownership and running of the museum and QE2 jubilee gardens has been prepared. The next step is to hold a briefing meeting with the Town Council.
- j) A large amount of work is ongoing with local community volunteer groups to engage and support these people with the council's priority of keeping the place safe clean and looking good. We recognise the value that these groups bring, and every effort is being made to equip and assist them in this process. A special networking meeting was held on 17<sup>th</sup> October to widen networking, encourage membership, and thank the people involved.

### 12.5 Corporate Plan – **Supporting a successful local economy**

- a) Work continues to support and develop the visitor economy in Stourport and Bewdley through work with Visit Worcestershire, the destination management organisation (DMO) for the County.

## Agenda Item 7.2

- b) Business grants – we continue to work with partners to secure external funding to support local businesses and the local economy. During the quarter, 2 new grants were secured to the value of £54,215.64. As we move towards the end of the EU Structural Funds funding cycle many of the programmes that have been accessed previously are now closed or closing. This measure will be reviewed as we move towards the UK Shared Prosperity Fund as the mechanism for providing grants to businesses.
- c) We continue to support start-up businesses across the district with our incubator units (industrial and office) at Forest House. We achieved 94% occupation during the period.
- d) The projects to oversee the regeneration of central Kidderminster are progressing. The Levelling Up Fund programme aimed at re-kindling Kidderminster's heritage by making the canal and river a focus, encouraging visitors by making them special, vibrant places with cafes, arts and cultural activities is progressing. The original programme has been realigned for all three elements. The planning and listed building consent have now been granted for the town hall improvements. During the quarter due diligence has continued and alternative delivery models explored for the Piano building, and the canal tow path works have been scheduled for quarter 4 of 2022-23.
- e) Good progress has been achieved across the Future High Street Programme comprising of the following projects: -
- Kidderminster Creative Hub (Former Magistrates Court)
  - Worcester Street Connectivity Project and
  - Bull Ring Public Realm Project

### **Kidderminster Creative Hub**

Project has now progressed to the delivery phase with the appointment of a preferred Construction Contractor BAM Construction under the Pre-Construction Service Agreement (PCSA).

BAM Construction are preparing their second (2nd) stage tender submission. Construction activities are expected to commence during quarter 3. Practical completion is scheduled for 31<sup>st</sup> March 2024.

### **Worcester Connectivity and the Bull Ring Public Realm Projects**

McBain's Consultancy appointed as the Architectural and Engineering Design consultants for both the Worcester Street Connectivity and Bull Ring Public Realm projects.

The design work is progressing and early engagement with planning has commenced, with planning application scheduled to be submitted Dec/ January 2023.

The asbestos removal and air monitoring contracts have been awarded. The 24 week programme will run concurrently with the design and planning work.

Consultation with National Grid regarding the relocation of the electricity sub-station in the basement of 2-6 Worcester Street (Megavalue) and the diversion of a high voltage cable underneath step entry linking the basement sub-station with the Woolworth sub-station (Prospect Hill) is on-going.

- f) Preparation of a preferred development scheme for Parcel One of Lionfields (former Glades site) is being progressed. This will result in Parcel One being

taken to market for development, subject to the outcome of the feasibility study, in 2023-24.

- g) We have contracted with consultants to confirm feasibility and are working with registered providers to identify appropriate end users on three sites in Kidderminster to increase affordable housing in the district, including Radford Avenue and Clensmore Street. Council officers are working with County Council colleagues to identify funding streams for support provision in relation to one of the sites and with the Housing Benefits team regarding intensive management on a second site. The third site is likely to be for general housing need.
- h) The Castle Road housing scheme for temporary accommodation has been approved by Planning Committee and officers are now developing specifications for procuring consultants and the contractor. Contractor expected to be in place before the end of quarter 3 (November/December) and start on site will be early spring.

12.6 Organisational Health - includes information on turnover of staff, sickness absence, organisational health related investment areas and other performance measures requested by committee. A full update is provided in Appendix 4. There will continue to be a focus on investing in organisational health related areas, for example ICT infrastructure and related projects.

### **13. LEGAL AND POLICY IMPLICATIONS**

13.1 The Local Government Act 2003 (sections 25–29) placed additional duties on Local Authorities on how they set and prioritise budgets.

13.2 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.

13.3 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.

### **14. EQUALITY IMPACT ASSESSMENT**

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

### **15. RISK MANAGEMENT**

15.1 A number of corporate risks are perceived to have increased in recent months. The inability to deliver a balanced budget is one of the Council's key corporate risks and has been adversely impacted by inflation in general and on construction costs in particular which will affect the Council's many capital projects. During the first quarter the Council has had a higher turn over of staff and recruitment and retention of suitably qualified staff is increasingly more difficult. This may have an impact on delivery or performance during remaining quarters. The Budget Risk Matrix has been reviewed to reflect the current assessment of risk. A copy is enclosed for information as Appendix 3 and further update on risks will be given to Audit Committee later in September.

**16. CONCLUSIONS/ACTION**

- 16.1 The information contained within Appendices 1 to 4 provides Members with an overview of financial trends and performance within the period to 30<sup>th</sup> September 2022.
- 16.2 The estimates and assumptions included in this report will continue to be updated and refined as more information becomes available particularly as more clarification on government funding emerges, and the position will be clarified as part of the revised budget process. What is certain is the position will change but work to address the funding gap cannot be delayed.

**17. CONSULTEES**

Corporate Leadership Team  
Cabinet  
Service Managers

**18. BACKGROUND PAPERS**

Budget setting papers Council 23<sup>rd</sup> February 2022  
Strong Leader Report on Draft Final Accounts 2021-22  
Medium Term Financial Strategy 2021-24  
Corporate Plan action information is available on the Council's Performance Management System, Pentana Performance.

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	886,150	34,430	920,580	491,700	69,050	560,750	246,700	104,560	351,260
COMMUNITY AND ENVIRONMENTAL SERVICES	4,625,710	5,083,650	4,677,190	138,560	4,815,750	4,552,470	279,780	4,832,250	4,501,810	424,790	4,926,600
GROWTH	2,322,300	2,375,790	2,238,600	76,380	2,314,980	2,102,110	151,150	2,253,260	2,060,880	227,690	2,288,570
RESOURCES AND REVENUES, BENEFITS AND CUSTOMER SERVICES	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	11,681,130	287,730	11,968,860	10,821,040	578,920	11,399,960	10,331,740	878,210	11,209,950
<b>LESS: CAPITAL ACCOUNT</b>	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)
CAPITAL PORTFOLIO FUND AND DEVELOPMENT LOANS FUND	(2,080)	0	(760)	760	0	(11,900)	1,620	(10,280)	(12,460)	2,180	(10,280)
INCREASES IN FEES AND CHARGES-CAR PARKS	0	0	0	0	0	0	0	0	0	0	0
INCREASES IN FEES AND CHARGES-OTHER	0	0	(162,600)	0	(162,600)	(299,950)	0	(299,950)	(445,600)	0	(445,600)
EFFICIENCY DRIVE SAVINGS	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL NET EXPENDITURE ON SERVICES</b>	<b>12,300,600</b>	<b>13,102,940</b>	<b>11,736,640</b>	<b>290,040</b>	<b>12,026,680</b>	<b>10,866,210</b>	<b>583,620</b>	<b>11,449,830</b>	<b>10,440,310</b>	<b>885,190</b>	<b>11,325,500</b>
<b>LESS: REVENUE SUPPORT GRANT</b>	0	0			0			356,790			356,790
BUSINESS RATES INCOME	(2,869,590)	(2,843,210)			(2,956,940)			(3,016,080)			(3,076,400)
BUSINESS RATES GROWTH	0	(400,000)			(400,000)			0			0
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)
SHARE OF NEW £1.6BN GOVERNMENT GRANT	0	0			(196,000)			0			0
<b>GENERAL EXPENSES -</b>											
COUNCIL TAX INCOME	(7,578,210)	(7,578,210)			(7,848,010)			(8,089,420)			(8,333,820)
<b>(SURPLUS) / DEFICIT FOR YEAR</b>	<b>503,110</b>	<b>1,081,770</b>			<b>21,750</b>			<b>706,370</b>			<b>172,070</b>
<b>COUNCIL TAX LEVY</b>		<b>224.34</b>			<b>229.34</b>			<b>234.34</b>			<b>239.34</b>
<b>COUNCIL TAX BASE</b>		<b>33,780</b>			<b>34,220</b>			<b>34,520</b>			<b>34,820</b>

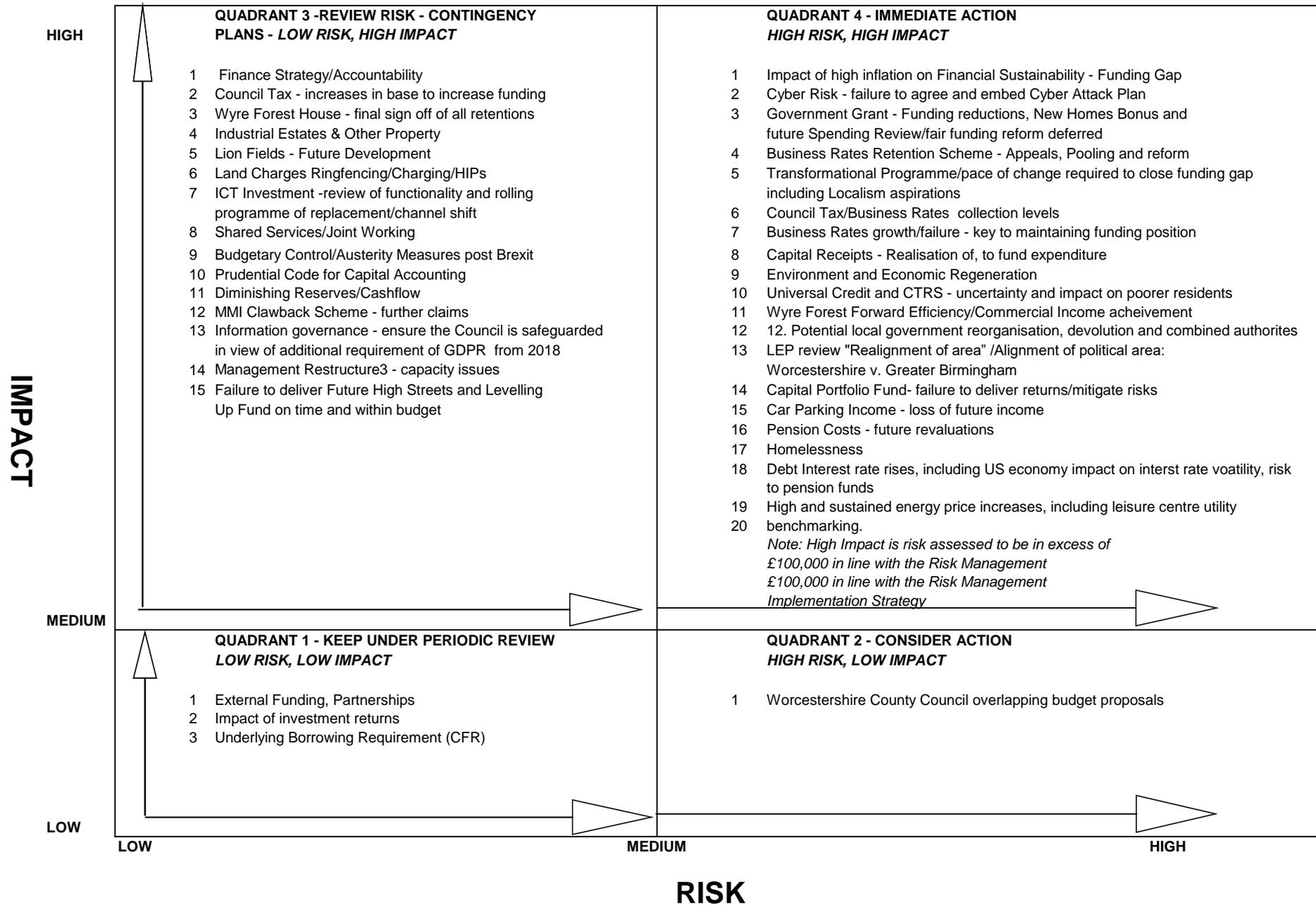
**Q2 Budget Monitoring 2022-23 (to September 2022)**  
**Capital Programme 2022-23 including slippage from 2021-22**

	Total 2022-23 (including slippage from 2021-22)	2022-23 Q2 Actual Expenditure	Slippage/ reprofiling to future years	Comments
	£	£	£	
<b>EXPENDITURE</b>				
<b>CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL</b>				
New Headquarters - Office Accommodation	413,610	-	413,610	Budget slipped to 2023-24
<b>SUB TOTAL</b>	<b>413,610</b>	<b>0</b>	<b>413,610</b>	
<b>COMMUNITY AND ENVIRONMENTAL SERVICES</b>				
Parking Facilities: Improvement to Car Parks	54,530	-	29,530	LED Lighting upgrade specification currently in progress. Expected to complete in-year. £29,530 to slip to 2023-24 at this stage.
Stourport Riverside	28,000	(24,203)		Scheme anticipated to complete in year.
Community Safety CCTV Upgrade (Grant Funded)	5,460	1,000		PCC funded CCTV initiative to complete before end of year.
Brinton Park HLF Scheme (subject to successful HLF bid)	1,848,950	5,994		Procurement exercise for external contractors is underway and will be completed during Q3. Expenditure in 2022-23 dependent upon commencement date so re-profiling may be necessary in due course.
Commercial Activity Capital Funding*	395,390	-	185,000	Expenditure dependent upon viable business cases. Any unspent budget will slip to 2023-24. New freighter budget £185k to slip at this time.
* Subject to Business Cases & approval by the Commercial Activity Board				
<b>SUB TOTAL</b>	<b>2,332,330</b>	<b>(17,209)</b>	<b>214,530</b>	
<b>STRATEGIC GROWTH &amp; ECONOMIC DEVELOPMENT AND REGENERATION</b>				
Housing Strategy:				
Disabled Facilities Grants	2,458,670	551,345	1,000,000	Millbrook Healthcare on course to spend near their budget by end of financial year however delays remain in system due to OT waiting list. Anticipate roll forward in regaion of £1m
BCF Energy Efficiency	200,000	-		Will be run alongside the LADS3 Sustainable Warmth scheme to ensure maximum effective use of the resources together.
BCF Disabled Adapted Units	150,000	-		Anticipated to complete sale of land and award of grant before end of financial year. Heads of terms for sale received.
Property Flood Grants	517,360	137,950		Scheme has now closed and invoice submitted to Government. Fewer than anticipated flooded property owners applied for grants due to combination of eligibility, no measures possibel to install, other measures being installed already by property owners or costs significantly beyond grant level. Revised budget reduced to the actual level of completed expenditure.
Castle Road Development	3,453,360	113,272	2,000,000	Planning consent gained 20/09/2022 and procurement now in progress for consultants and contractor. Hope to start on site early 2023.
Housing Assistance - Private Sector Measures (including Decent Homes Grant)	169,800	-	100,000	Spend anticipated in Q3 and 4 to help wrap around LADS3 scheme and currently being developed joint projects with local landlords. Anticipate approximately £100k slippage into 2023-24.
Flood Relief	28,410	-	28,410	Determining gaps in provision for properties and schemes to be addressed by this fund in the NWWM team. Slipped to 2023-24.
Flood Recovery Support	190,000	-	150,000	Grant received, 2 projects in process of development for spend by NWWM team, in Q4. Other opportunities are in development for property flood protection across the district. Significant slippage into 2023/24.
Carbon Management Plan	20,000	-		Business cases in development for WF House and Green Street energy efficiency measures
Green Homes Grants Phase 1	271,750	-		Grant scheme now closed. Remaining funding being requested to transfer to LADS3.

**Q2 Budget Monitoring 2022-23 (to September 2022)**  
**Capital Programme 2022-23 including slippage from 2021-22**

	<b>Total 2022-23 (including slippage)</b>	<b>2022-23 Q2 Actual Expenditure</b>	<b>Slippage/ reprofiling to future</b>	<b>Comments</b>
Green Homes Grants Phase 2	525,000	26,653		Grant scheme now closed. Remaining funding being requested to transfer to LADS3. Schemes being developed for further conversion of empty units to temporary housing for future business cases. Passed back to agent to undertake further negotiation re party wall.
Future Investment Evergreen Fund (unallocated balance)*	444,650	-	300,000	
Acquisition of Land at Horsefair, Kidderminster	49,590	-	49,590	
Industrial Units Development - Silverwoods	130,160	-		
Industrial Units Frenco Development - Silverwoods	49,040	-		
Electric Vehicle Chargepoints	271,000	-		Retention due March 2023. Budget reduced to £10,860 in line with retention sum. Procurement process to signed off by Cabinet.
Levelling Up Fund	17,899,450	268,823	9,124,340	In Q2 there was a claim for £57,558.68 against the Kidderminster Town Hall project (but this has not been paid yet). No other spend to report in Q2 as Piano Building acquisition remains in progress, and the Canal Tow Path spend is profiled for Q3 and Q4 2022-23.
Capital Portfolio Fund*	6,050,830	-	3,025,410	Half of this budget slipped to 2023-24. Higher interest rates may affect viability of business cases.
Green Projects Fund*	8,267,750	-	6,267,750	Currently developing green schemes. £2m remains in 2022-23 but may need reprofiling during revised budget process.
Future High Streets Fund - Public Realm	4,938,240	80,438		Architectural and Engineering Services Consultants appointed and design now progressed to RIBA Stage 2. Asbestos Removal Contractor out on tender and contractor to be appointed.
Future High Streets Fund - Creative Hub	3,095,430	44,390		Preferred contractor appointed through the 2 Stage Tender Process i.e. PCSA in place. Second Stage Tender due to be submitted end of October and contractor appointment confirmed. Construction anticipated to commence November 2023.
* Subject to Business Cases & Due Diligence ** Co-funding subject to full Business Case following the principles of the Capital Portfolio Fund				
<b>SUB TOTAL</b>	<b>49,180,490</b>	<b>1,222,871</b>	<b>22,045,500</b>	
<b>RESOURCES &amp; REVENUES, BENEFITS AND CUSTOMER SERVICES</b>				
ICT Strategy	784,140	252,375		Current looking for approval for an ICT Strategy capital refresh from April 2023.
<b>SUB TOTAL</b>	<b>784,140</b>	<b>252,375</b>	<b>0</b>	
<b>VEHICLE, EQUIPMENT &amp; SYSTEMS RENEWAL SCHEDULE</b>				
Vehicles & Equipment & Systems Renewal Schedule	1,294,850	150,816		Inflation impact & order book/delivery delays. Programme currently being reviewed. Green alternatives may need to be considered as part of the separate Green Projects capital scheme.
<b>SUB TOTAL</b>	<b>1,294,850</b>	<b>150,816</b>	<b>0</b>	
<b>TOTAL COMMITTED EXPENDITURE</b>	<b>54,005,420</b>	<b>1,608,853</b>	<b>22,673,640</b>	

**BUDGET RISK MATRIX 2022-25**



## Wyre Forest Forward Actions

This report details the progress against Wyre Forest Forward actions that are not directly associated with a Corporate Plan Priority



### Overdue

WFF 22/23 94      Review of operational floor space requirements at Wyre Forest House and Green Street



Due Date	Managed By	Latest Note	Latest Note Date
30-Sep-2021	Ostap Paparega	Reduction in WFDC footprint at Wyre Forest House confirmed August 2022; being implemented autumn 2022, including moves of some housing teams to Green St. Additional space freed up at WFH to be marketed for tenants.	13-Oct-2022

## Measures

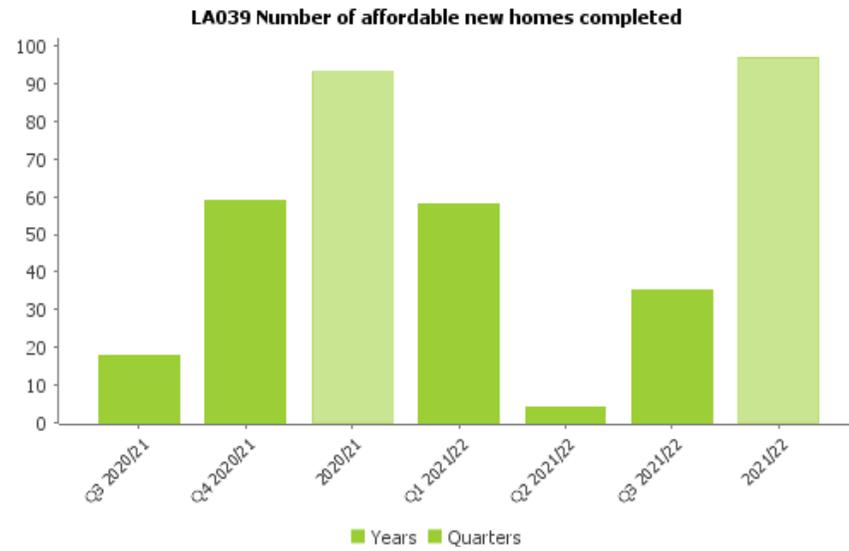
This report details the latest date for our measures that are not directly associated with a Corporate Plan Priority



**LA033** Number of new houses completed through development



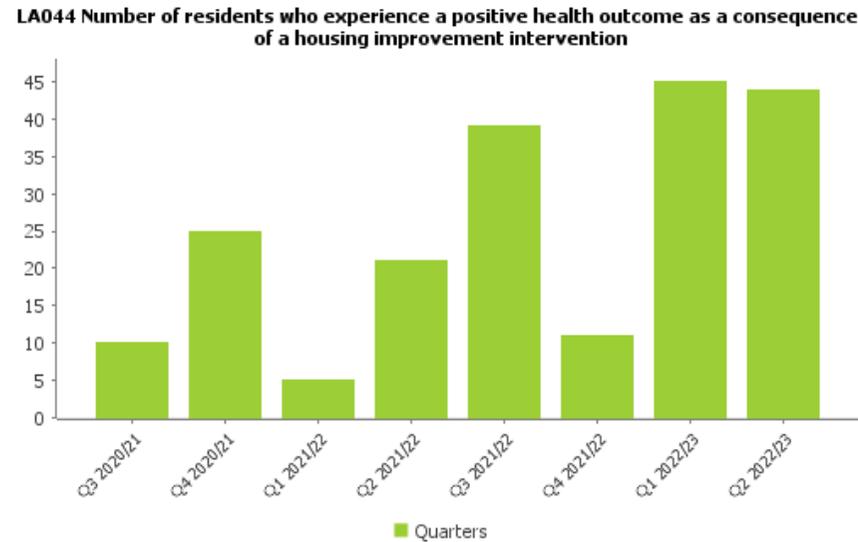
**LA039** Number of affordable new homes completed



Current Value 35

Managed By Kate Bailey

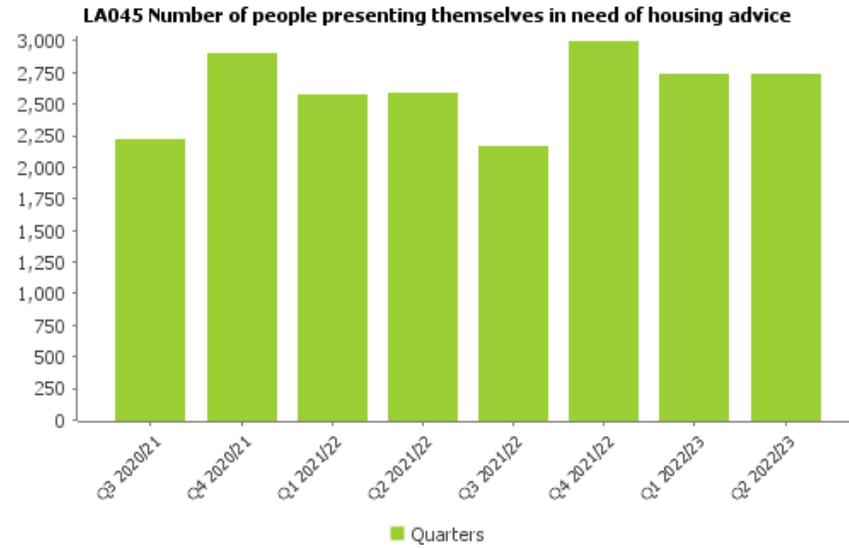
**LA044** Number of residents who experience a positive health outcome as a consequence of a housing improvement intervention



Current Value 44

Managed By Kate Bailey

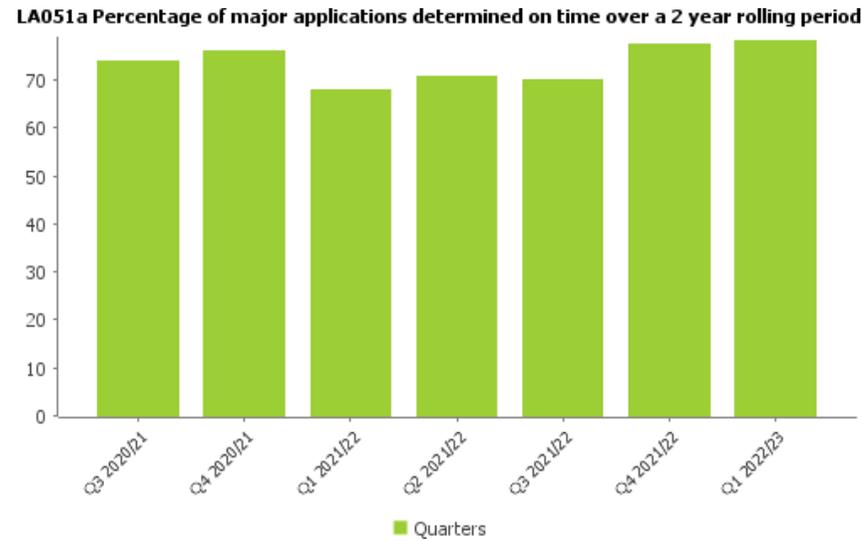
**LA045** Number of people presenting themselves in need of housing advice



Current Value 2,739

Managed By Kate Bailey

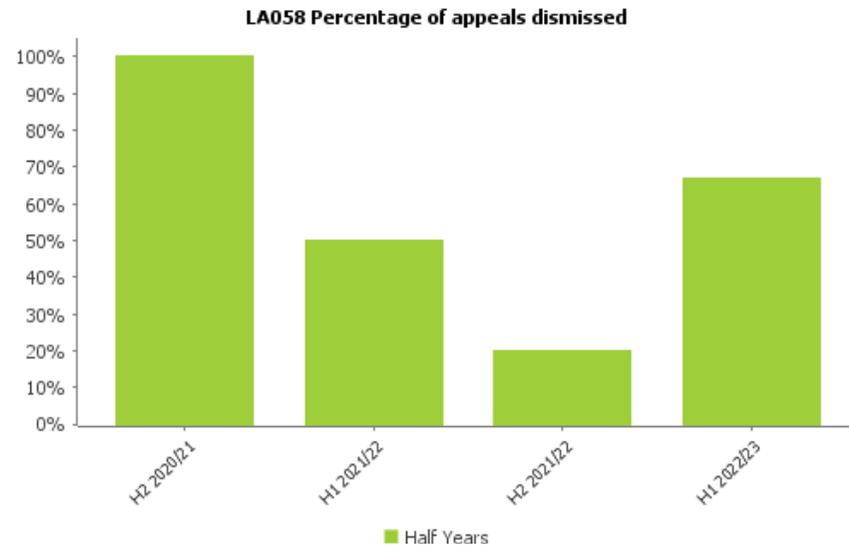
**LA051 a** Percentage of major applications determined on time over a 2 year rolling period



Current Value 78.1

Managed By Helen Hawkes;

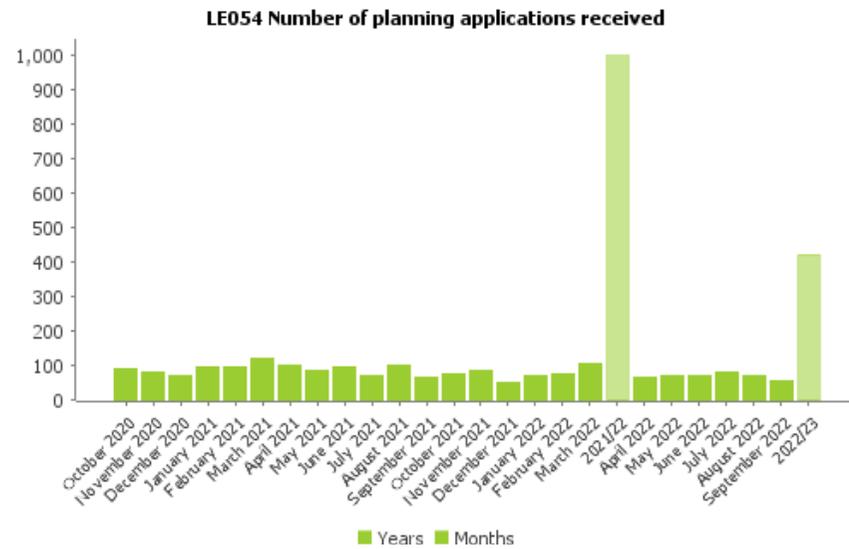
LA058 Percentage of appeals dismissed



Current Value 67%

Managed By Helen Hawkes

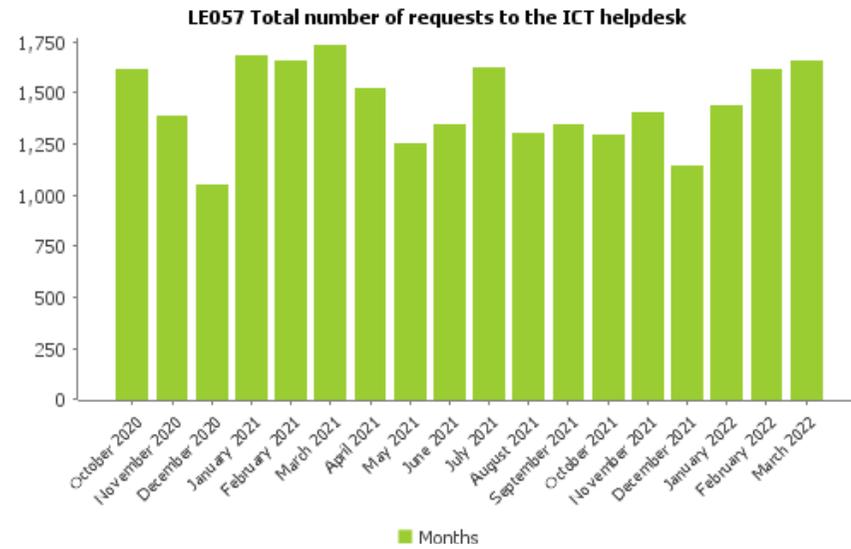
LE054 Number of planning applications received



Current Value 57

Managed By Helen Hawkes

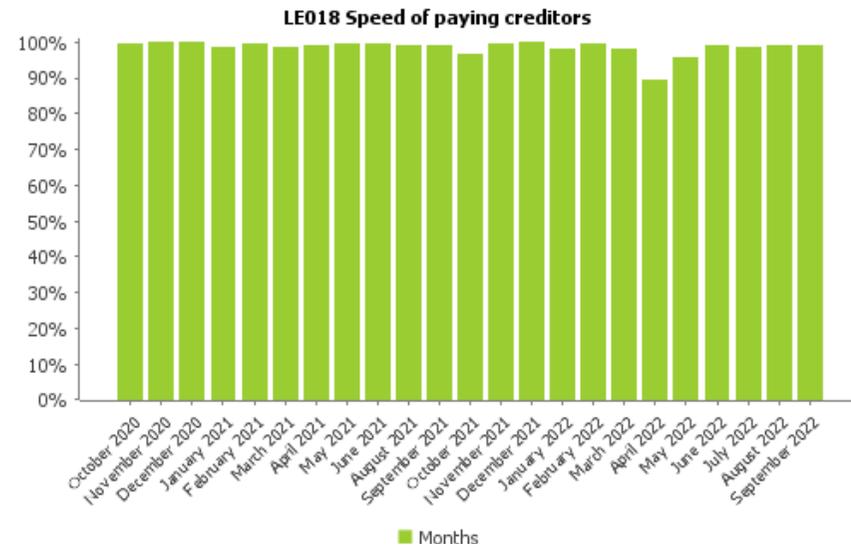
LE057 Total number of requests to the ICT helpdesk



Current Value 1,654

Managed By Dave Johnson

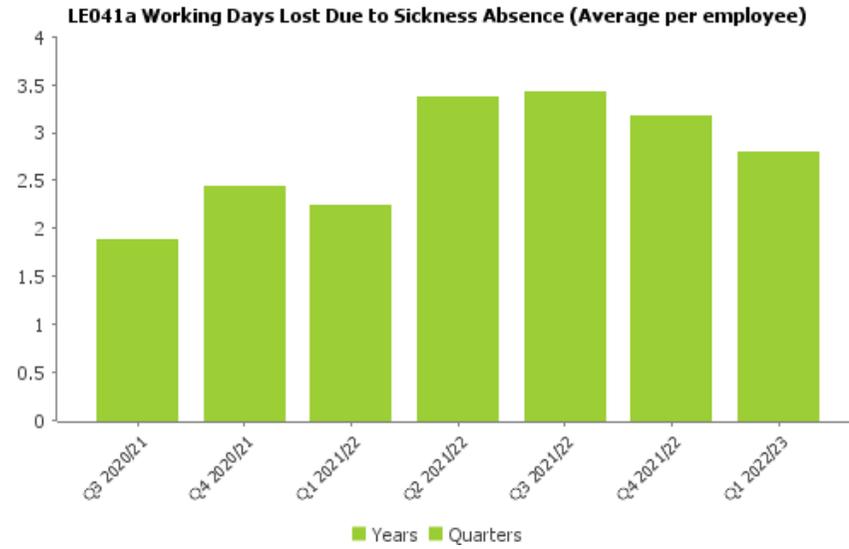
LE018 Speed of paying creditors



Current Value 98.94%

Managed By Helen Ogram

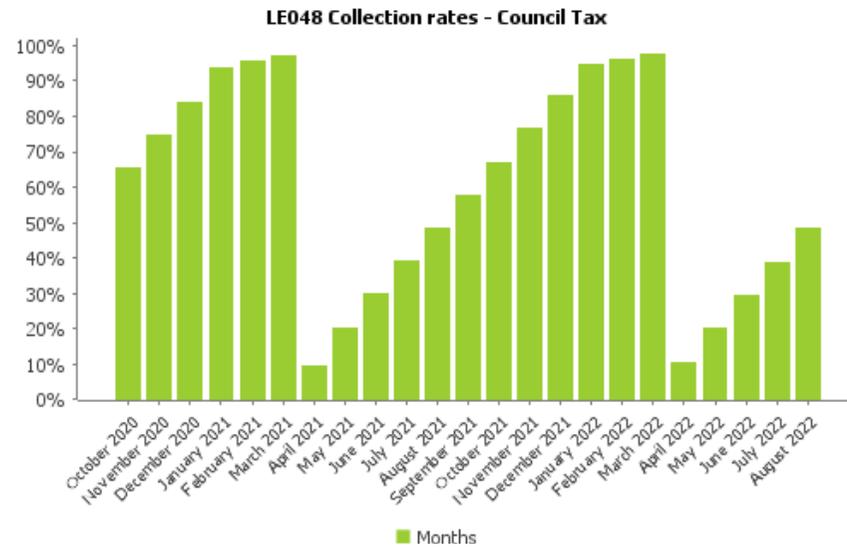
**LE041** Working Days Lost Due to  
**a** Sickness Absence (Average per  
employee)



Current Value 2.79

Managed By Caroline Newlands

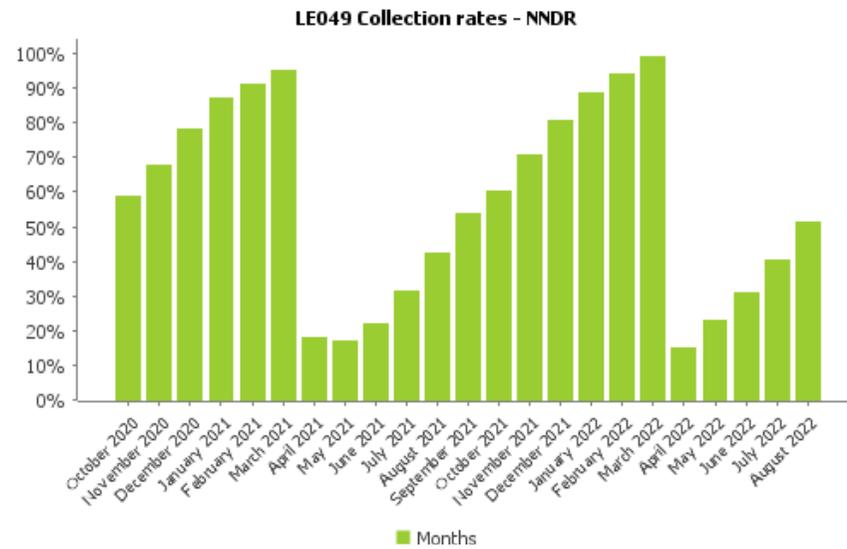
LE048 Collection rates – Council Tax



Current Value 48.26%

Managed By Lucy Wright

LE049 Collection rates – NNDR



Current Value 51.33%

Managed By Lucy Wright

WYRE FOREST DISTRICT COUNCIL

CABINET

7 NOVEMBER 2022

MEDIUM TERM FINANCIAL STRATEGY – STRATEGIC OPTIONS ANALYSIS

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Councillor M Rayner, Cabinet Member for Finance and Capital Portfolio
<b>RESPONSIBLE OFFICER:</b>	Head of Resources and S151 Officer; and Chief Executive
<b>CONTACT OFFICERS:</b>	Helen Ogram Ext. 2907 <a href="mailto:Helen.Ogram@wyreforestdc.gov.uk">Helen.Ogram@wyreforestdc.gov.uk</a> Ian Miller Ext 2700 <a href="mailto:Ian.miller@wyreforestdc.gov.uk">Ian.miller@wyreforestdc.gov.uk</a>
<b>APPENDICES:</b>	None

**1. PURPOSE**

- 1.1 This report gives an up-to-date analysis of the Council’s financial position including projections about future years. The delay to the Government’s medium term fiscal plan – now rebadged as an Autumn statement - means that it is difficult to offer confident predictions about the future direction of policy and funding for local government. The report also considers options on some matters that will be addressed in the medium term financial strategy, a draft of which will be presented to the Cabinet meeting in December.

**2. RECOMMENDATION**

- 2.1 The Cabinet is invited to note the analysis set out in this report and agree that consultation should be undertaken on the principal options for the MTFS set out in paragraphs 3.8 to 3.12 below.

**3. BACKGROUND AND KEY ISSUES**

**National position**

- 3.1 The new Government that took office in early September had such a chaotic start that the Prime Minister announced her resignation on 20 October. The implications for local government of the new Prime Minister, who took office on 25 October, and his Government’s approach to the public finances have not yet emerged. The mini-budget of 23 September reduces the Government’s income by over £20bn a year, even after the U-turns that have been performed on the 45% tax rate and the increase in corporation tax.

Although the previous Prime Minister committed not to cut public expenditure, the gap in income and the additional costs of borrowing and market intervention measures by the Bank of England will mean that spending plans have to be adjusted. That is before any changes that arise from shifts in Government policies or priorities compared to the assumptions that underpinned the 2021 Comprehensive Spending Review, as well as any measures that the Government has to take to react to inflationary pressures (e.g. if benefits and/or pensions are increased to higher levels than previously assumed in the 2021 CSR). The new Chancellor appointed on 14 October has confirmed that the Government faces decisions of “eye-watering difficulty” about taxation and spending and that, contrary to the previous Prime Minister’s assurance, spending cuts will be required. The medium term fiscal plan that was due to be unveiled on 31 October has been replaced by an Autumn statement that will be delivered on 17 November. Commentators expect this to include a range of expenditure cuts and tax rises. Given the historic low priority afforded to local government services, there is cause for concern that previously published plans for local government grant will be reopened. It remains to be seen whether the present Government will maintain its predecessor’s focus on low taxes, and whether or not there will be further downward pressure on councils’ ability to set council tax or on the level of fees and charges set by central government.

- 3.2 This report’s key assumptions about local government finance are that there will be no Government support for inflation, energy prices etc. after March 2023; and that there will be no change to the Government’s previously announced funding level i.e. flat cash from 2022-23. It is also assumed that WFDC will still have the ability to raise council tax by £5 a year, as set out in the MTFs for 2022-2025. This would imply an increase in council tax of just under 2.2% in 2023, which would be significantly lower than inflation and therefore a real terms cut in the district council’s element of council tax. Clarification is still awaited about whether the Government will be able to afford to proceed with legislative changes such as the Elections Act and the Environment Act, both of which would add to the Council’s costs: no information has been made available to give confidence that new burdens funding will meet all the costs and be provided into the long term. The Land Charges Migration Project will potentially lead to a reduction in income from the end of the calendar year 2023 onwards. Loss of income may not lead to a reduction in work, and it is also unclear whether the Council will be able to make good the shortfall by increasing fees.
- 3.3 The chaos in Government since July came at the same time as severe economic pressures that will affect the Council’s ability to deliver services and set a budget across the three years of the medium term financial strategy that does not deplete reserves. Inflation reached 10.1% in September and is not expected to reduce to the Bank of England’s target of 2% any time soon. Indeed the Bank’s commentary at 19 October is “we expect the rate of

inflation to peak at 11% in October and then remain above 10% for a few months before starting to come down”. The announcement that the cap on domestic energy bills will run only to the end of March, with arrangements for the period thereafter not having been announced, seems likely to be reflected in a further increase in inflation in April if whatever package is devised applies only to some households. The Bank’s position (19 October) is “we expect inflation to start to fall next year. ... We expect inflation to be close to that target [of 2%] in around two years”. Other respected commentators are not so sanguine. The International Monetary Fund predicts that inflation in the UK will remain at 9% throughout 2023 and fall to 3.7% across 2024. In other words, the MTFs must assume that inflation will remain above 2% for at least the period to autumn 2024 and the assumptions will have to be realistic: making an inadequate allocation for inflation will simply result in future budgetary gaps and in-year overspends. Inflationary pressures are being felt in fuel, goods and supplies and construction prices, all of which ultimately affect the Council’s revenue expenditure. Assumptions about pay need to reflect the possibility of increases ahead of past trend. The impact includes the need for greater borrowing for capital expenditure on such things as vehicles and ICT systems because prices have increased. Recent increases in interest rates mean that borrowing costs will be higher for that reason as well.

**Local position**

- 3.4 This section of the report deals with the latest information on expenditure in the current financial year, inflationary pressures predicted for the period of the MTFs and the impact that this might have on the Council’s reserves, based on a range of assumptions. It highlights key information relating to estimates of the Council’s financial position in the next three years taking into account the impact of latest estimates at Quarter 1 and also includes updates for Quarter 2 as set out in the Q2 budget and performance monitoring report. It provides a revised Funding Gap updated from the position reported in the Quarter 1 Performance report.

**Latest estimates of the revised financial position**

**Table 1 Starting Position**

Projection of Reserves as per Approved Budget- updated for 2021-22 Final Accounts savings					
<b>Reserves Statement</b>	<b>Outturn 2021-22</b>	<b>2022-23 £</b>	<b>2023-24 £</b>	<b>2024-25 £</b>	<b>2025-26 £</b>
Reserves as at 1st April	4,400,190	3,840,860	3,819,110	3,112,740	2,940,670
Contribution to/(from) Reserves	(559,330)	(21,750)	(706,370)	(172,070)	210,590
Reserves as at 31st March	<b>3,840,860</b>	<b>3,819,110</b>	<b>3,112,740</b>	<b>2,940,670</b>	<b>3,151,260</b>

MTFS2022-25 Funding Gap			
	2022-23	2023-24	2024-25
Financial Gap	£	£	£
Wyre Forest Forward Savings not yet achieved	794,150	1,043,500	1,016,190
Generic Localism Savings target	125,000	353,460	526,280
New Cabinet Proposal for further Savings	0	(38,000)	(38,000)
<b>SUB- Total</b>	<b>919,150</b>	<b>1,358,960</b>	<b>1,504,470</b>
Use of reserves from proposed 2022-25 Strategy	21,750	706,370	172,070
<b>TOTAL</b>	<b>940,900</b>	<b>2,065,330</b>	<b>1,676,540</b>

**The Refreshed Position as at early October 2022 - Pressures/Potential Savings from the Quarter 2 performance report**

3.5 Tables 2 to 4 below provide an estimate of the inflationary pressures and estimated savings/income increases as well as the refreshed Funding Gap and estimated impact on reserves. They are based on the information and assumptions set out in the remainder of this paragraph.

**New and Emerging Cost Pressures**

- **General Inflation** – the Bank of England expects inflation rates to peak at 11% and then remain above 10% for a few months and doesn't expect rates to return to the 2% target for at least 2 years.
- **Pay inflation** – increase based on 5% uplift in pay approved Council 21<sup>st</sup> September 2022 and latest employers' pay offer of an increase of £1,925 on all pay points, off-set by vacancy and other establishment changes. In addition, the impact of the national pay increase is estimated at £18k in respect of Worcestershire Regulatory Services and is not likely to be absorbed within existing budgets.
- **External Audit Fee** increase based on latest information, an increase of £60k in 2023-24 (+150%)
- **Fuel** – fuel prices continue to be volatile. Although prices have fallen again in recent months, diesel is expected to increase again as OPEC are again cutting production
- **Planning Appeals** – addition to General Risk Earmarked Reserve
- **Demand led services** – additional service demand, including work to address the cost of living crisis
- **Insurance renewal** – general price inflation and four-fold increase in the cost of cyber insurance cover
- **Energy Price increases** – an additional inflationary increase will need to be included in the revised budget for 2022-23 and also reflected in future years. A 20% increase for 2022-23 had been assumed in the base budget but price increases have been significantly greater than this and there continues to be

significant volatility in the energy market. The Energy Bill Relief scheme (EBRS) has been introduced to cover the period from October 2022 until the end of March 2023. However the greatest cost pressure is expected to be felt in the 2023-24 financial year: WFDC's electricity supply contract is due to be let with effect from April 2023 (gas contract due in April 2025).

- **Council tax reduction scheme** – impact of the decision to be taken by Council in December 2022 about the level of contribution paid by working age households from April 2023.

### Income growth and cost savings

- **Final Account savings 2021-22 rebasing the budget** - on-going savings not previously scored against Wyre Forest Forward targets achieved in 2021-22 and now reflected.
- **National Insurance** – Reversal of the 1.25% increase in national insurance announced at the mini budget from November 2022 and the separate health and social care levy from April 2023. However it is understood that the reversal of Government policy may result in a reduction in core funding, as the Government indicated that the increase was reflected in the Settlement Funding Assessment.
- **Pension deficit savings** – additional in year saving accruing from upfront settlement of pension deficit liability and savings accruing from unfunded pension benefits (former employees). Reduction in pension deficit contributions from April 2023 due to triennial pension fund revaluation.
- **Planning Income growth** – growth in plan fee income following adoption of local plan
- **Reduction in Minimum Revenue Provision** - due to programme slippage
- **Investment Income and debt interest charges** – following increases in the base rate and revised projections from our Treasury advisors the interest earned on investments has been reassessed. It is currently anticipated that the MTFS budget target will be exceeded resulting in a positive variance of £450k
- **Fees and charges** – increase of 5% generally assumed (see paragraph 3.12.1 below. Car parking charges to be considered in December, following report of car parking advisory panel).

### Funding changes

- **Business Rate Pooling gains** – given that the Business Rates Pooling option has been extended and an application made for the Worcestershire Business Rates Pool to continue into 2023-24, additional income of £250,000 has now been included in 2023-24.
- **Business rates CPI uplift** – the business rates multiplier is automatically uplifted by the rate of CPI inflation in November each year. The Government has introduced various multiplier caps or freezes but these financial losses

have, to date, always been funded via S31 grant. It is widely anticipated that a cap will be introduced again for 2023-24 but there is some uncertainty as to whether it will be fully funded in that year. No adjustment to base assumptions has currently been made.

- **Negative Revenue Support Grant** – it is considered unlikely that the fair funding review will be concluded any time soon. The Local Government Minister has said that there will be no fair funding review during this settlement although no formal announcement has been made. The Government has compensated Councils for negative RSG pending the Fair Funding Review in previous settlements. It is likely that the level of negative RSG has reduced since its introduction and also that compensation is once again offered. As such negative RSG will be removed for the 2023-24 and 2024-25 financial years (£356,790 p.a.).

**Table 2 – variances for 2022-23 and estimates for following two years**

<b>Estimate of major variances compared to approved budget assumptions</b>				
	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Inflation	370,000	381,100	392,500	400,400
Pay inflation (initial employers offer and 5% uplift)	637,500	607,400	617,600	634,600
Pay variances - establishment and NI rate reversal	(321,800)	(80,000)	(84,000)	(84,000)
Utility bills – gas and electricity	181,200	199,300	179,400	143,500
Leisure centre utility benchmarking	150,000	154,500	159,100	127,300
Fuel	57,000	58,700	60,500	61,700
Other Cost Pressures	118,200	121,700	125,400	127,900
Treasury investment income/debt charges	(450,000)	(270,000)	(267,300)	(264,600)
Other income growth	(195,400)	(201,300)	(207,300)	(213,500)
Pension Fund deficit	0	(250,000)	(250,000)	(250,000)
External Audit Fee increase		60,000	60,600	61,206
Expanded CTRS scheme		60,000	60,000	60,000
Transformation proposals (WFF savings)	500,000	300,000	200,000	
MRP saving due to Capital Programme Slippage	(65,000)	0	0	0
<b>Total Service Variances</b>	<b>981,700</b>	<b>1,141,400</b>	<b>1,046,500</b>	<b>804,506</b>
Business Rates Growth and CPI uplift	(225,000)	(250,000)	(250,000)	(250,000)
Services grant reduction (NI reduction)		80,000	84,000	84,000
Council Tax (any change in assumption)				
Negative RSG		(356,790)	(356,790)	
<b>Total Variances</b>	<b>756,700</b>	<b>614,610</b>	<b>523,710</b>	<b>638,506</b>

**Table 3 Revised Funding Gap before Cabinet proposals**

<b>Financial Gap</b>	<b>2022-23 £</b>	<b>2023-24 £</b>	<b>2024-25 £</b>	<b>2025-26 £</b>
Wyre Forest Forward Savings not yet achieved	76,150	743,500	816,190	1,008,340
Generic Localism Savings target	79,000	304,000	476,000	473,000
<b>SUB- Total</b>	<b>155,150</b>	<b>1,047,500</b>	<b>1,292,190</b>	<b>1,481,340</b>
Revised use of reserves based on Quarter 2	778,450	1,320,980	695,780	427,916
<b>TOTAL</b>	<b>933,600</b>	<b>2,368,480</b>	<b>1,987,970</b>	<b>1,909,256</b>
<b>Increase in funding gap</b>	<b>(7,300)</b>	<b>303,150</b>	<b>311,430</b>	<b>624,966</b>

**Table 4 – Revised Reserves Position**

<b>Revised Reserves Statement</b>	<b>Outturn 2021-22 £</b>	<b>2022-23 £</b>	<b>2023-24 £</b>	<b>2024-25 £</b>	<b>2025-26 £</b>
Reserves as at 1st April	4,400,190	3,840,860	3,062,410	1,741,430	1,045,650
Revised use of reserves based on Q2	(559,330)	(778,450)	(1,320,980)	(695,780)	(427,916)
Reserves as at 31st March	<b>3,840,860</b>	<b>3,062,410</b>	<b>1,741,430</b>	<b>1,045,650</b>	<b>617,734</b>

**Implications of the financial position**

3.6 The Council needs to review or reinvigorate the 2021-24 MTFS Transformation programme of work since it now looks likely that very limited shared service options are available and reshaping the in-house service to achieve savings will need to be prioritised. In reality, given the scale of the funding gap, this is likely to mean reducing or ending some services over the period of the next MTFS, including continuing with transfer of services and assets to town and parish councils and other local organisations under the localism strategy.

**Reserves**

3.7 Table 4 shows that the level of Reserves, taking into account Final Accounts savings from 2021-22, means that we started the year in a more positive position. The impact of the emerging cost pressures fully erodes this gain by the financial year end. Continued focus is required to ensure the Council’s ongoing financial sustainability. The reserves forecast is based on achievement of the generic savings built into the approved budget so the focus needs to be on making these savings. Already it looks unlikely that we will achieve the balance of the Wyre Forest Forward savings for this year, which will increase the use of reserves, taking balances much lower and diminishing the Council’s ability to respond to future economic shocks. Therefore, it remains important that we make good progress with the Transformation Programme.

**Options and priorities for the medium term financial strategy, 2023-2026**

3.8 Regardless of the points made above, any decisions that added to the Council’s financial gap would seem imprudent and could not generally be

recommended by officers. An exception would be one off expenditure on a “spend to save” basis. Thus, the starting principle is that the medium-term financial strategy should not contain any growth items that result in ongoing additional revenue expenditure, including additional borrowing costs unless new capital investments funded by borrowing unless they generate additional revenue that at least repays borrowing.

- 3.9 Realistically, however, the MTFS will need to make provision for a number of matters that are unavoidable or highly desirable if the Council is to continue operating and to deliver the priorities in its Corporate Plan. It is inevitable that the first priority for the MTFS will be to make adequate provision for the various inflationary pressures that the Council is facing. It will not serve the Council well to adopt unrealistically low estimates for 2023-24 or subsequent years. The Bank of England itself does not expect inflation to fall to the 2% target until the autumn of 2024, and it is expected to remain at current heightened levels throughout 2023. Inflation in areas such as energy, fuel, wages etc. but also in construction costs and vehicle acquisition costs need to be factored in – in respect of capital expenditure, this will include higher levels of borrowing being required and at higher interest rates. If the Council votes to amend the council tax reduction scheme for working age households, as recommended elsewhere on the agenda, the cost will need to be factored into the MTFS.
- 3.10 Conversely, as set out in paragraph 3.5, there is reasonable hope that a number of areas of expenditure will fall (such as pension contributions) or that drops in Government support (negative revenue support grant) will not apply as previously expected. However information about the trajectory of future Government funding for local government will not emerge until 17 November and the detailed position for the Council will be known only when the provisional settlement for 2023-24 is released, which traditionally happens in December. Growth in planning income is expected because of the adoption of the local plan but this will require the planning committee to continue approving applications for allocated sites that are in accordance with the plan. It should be noted that after the initial push by developers and agents to bring allocated sites forward there may be a drop in income over the medium to long term.
- 3.11 In respect of the capital programme, there is a need to continue investing in improving and upgrading the council’s ICT infrastructure on a rolling programme and to implement measures that reduce the Council’s energy costs and carbon emissions. A new ICT strategy covering 2023-2028 is being prepared and will be available to inform the draft capital programme in December. An initial estimate is that it could require £1.5m to £2m across five years. The vehicle replacement programme is also being refreshed and will need to maximise the number of vehicles that do not depend on fossil fuels, in line with the Council’s climate emergency declaration. Vehicle prices generally are increasing and vehicles that do not depend on fossil fuels are more expensive than traditionally powered vehicles. There is therefore expected to be an increase in the funding required for vehicle replacement and

refurbishment. Viable measures to increase energy efficiency/generate energy at Wyre Forest House and Green Street will be brought forward in line with discussions in the Green Agenda advisory panel. Finally, the rapid increases in construction costs in the last 12 months mean that provision for the Council's regeneration projects may need to be revised upwards.

3.12 Against the backdrop of the issues that have to be addressed, there is only limited scope to make further provision for growth. The main options for the medium term financial strategy are likely to include:

3.12.1 Increasing income. The planning assumptions are for a council tax increase of £5 (+2.2%) as set out in the previous MTFS, and continuing to increase fees and charges where possible by 5% a year, subject to remaining competitive for services that are sold on a commercial basis. With inflation forecast to be 9% or more in 2023, such an approach would involve a significant real-terms decrease in both council tax and fees and charges. The Cabinet has considered other options in respect of fees and charges, including whether increases should match inflation or be higher than the past trend at +5%/year, such as 7.5%. Those options have been discounted in order to protect local residents and businesses as far as possible and represent the Council's contribution to seeking to minimise inflationary pressures locally. Depot services will continue to identify commercial opportunities that can be exploited, including from proposed collaborative working with Redditch and Bromsgrove councils on waste collection. Car parking generates an important revenue stream of about £1m a year to pay for the cost of operating car parks and a range of other significant environmental services. The recommendations of the car parking advisory panel are due in November and will be considered by the Cabinet at its December meeting in making any changes to the charging structure and prices for 2023;

3.12.2 Increasing the community leadership fund. Despite the funding gap, the Cabinet is minded to propose that the fund should be set at £1k for each councillor for 2023-24 only. There is a range of other sources of funding for local community groups and charities including the Wyre Forest lottery and parish and town councils, which to date have not had any cap on their decisions on council tax. It is proposed to amend criteria for the community leadership fund so that amounts cannot be allocated to parish and town councils, recognising that they have council tax setting powers and do not need to have their discretionary activity subsidised by the district council. The decision about the level of funding (if any) to be provided after 2023-24 should properly be taken by the new council elected in May 2023, having regard to affordability and need;

3.12.3 There are likely to be some targeted proposals for increasing staffing capacity. Examples might include investing in corporate policy capacity by having a National Graduate Development Programme each year so that by late 2023 there would be two in post at any given time. This could also provide a potential stream for future managers in a range of services. The work of North Worcestershire Economic Development and Regeneration has increased substantially as a result of its success in attracting Government

funding for all three districts, including nearly £40m for Wyre Forest. A review of staffing capacity is being undertaken and, while posts will be funded from within capital allocations for projects wherever possible, there is likely to be a requirement to enhance the capacity that the three districts fund from their own resources.

### **Consultation arrangements**

- 3.13 Since 2019, the Cabinet has undertaken consultation on the main issues and options relating to the medium term financial strategy before the draft MTFS is presented to Cabinet in December. Following consideration of this report, a short survey will be issued on the points covered in paragraphs 3.8 to 3.12 above and the results will be reported alongside the draft MTFS.

## **4. LEGAL AND POLICY IMPLICATIONS**

- 4.1 The main legislation relating to setting budgets is contained in the Local Government Finance Act 1992. The draft MTFS will address any specific legal or policy requirements that arise from the proposals in it.

## **5. EQUALITY IMPACT ASSESSMENT**

- 5.1 This is a financial report and there is no requirement to undertake an Equality Impact Assessment. Such assessments will be undertaken as necessary on specific proposals contained in the MTFS.

## **6. RISK MANAGEMENT**

- 6.1 The inability to deliver a balanced budget is one of the Council's key corporate risks.
- 6.2 The specific significant risk remains that efficiencies and savings achieved from the approved transformation programme will be lower than initial expectations. The inability to generate savings from this work stream increases the likelihood that politically controversial proposals and decisions may be required to reduce or end some services.
- 6.3 The senior management review has resulted in a significant loss of capacity at the most senior level. Realignment of work from the deleted posts has reduced capacity to generate some savings that might otherwise have been explored or delivered. The Chief Executive and the Corporate Leadership Team continue to work with service managers and operational teams to realign work with the reduced capacity levels.
- 6.4 Increased costs as a result of high inflation and additional demand for services represents a significant risk to a sustainable budget. Cost pressures and key income streams including the management fee from the Leisure centre contract, car parking and planning income are being carefully monitored to assess performance against assumptions in the approved budget. Work on fees and charges increases for April 2023 is being

progressed with service managers to feed into the MTFs process. It is important we continue to utilise income increases to ease the pressure as far as possible on the overall finances.

- 6.5 Following the major review of car parking and introduction of the simplified system from 2020-21 the charges were frozen for two years. Increases of 10p per ticket pa have then been assumed from 2022-23 onwards in the approved budget. This increase has been assumed to generate £50,000 extra income each year so £50,000 in 2022-23, £100,000 in 2023-24 and £150,000 in 2024-25. Any deviation or change in charging policy recommended by the car parking review panel will need to be cost neutral as far as possible to avoid increasing the funding gap or necessitating service cuts/extra income to be generated from other service areas.
- 6.6 The delayed reforms to local government finance continue to represent significant uncertainty as it is impossible to predict how and when they will affect Wyre Forest. New homes bonus might not survive (it is not funding distributed on the basis of needs), although alternative incentive mechanisms to encourage housing growth or other actions might be introduced. Ministers have indicated that the Fair Funding Review, first promised in 2016 to ensure a fairer formula is used to allocate Government funding, will not be delivered during the current spending review period. The 2021 spending review covered 2022-23, 2023-24 and 2024-25.
- 6.7 For financial sustainability to be achieved, the journey to become a smaller organisation with fewer staff needs to continue. The Council is not going to be “saved” by growing income and/or additional Government funding. Consideration now needs to be given to what the Council will do less of as the scale of reduction required goes far beyond that which might be absorbed with no impact on current services and activity.
- 6.8 If the pace of transformation does not match the planned timetable, the risk of adverse interest from the external auditor, including a negative value for money conclusion on the 2021-22 accounts, will increase. If lack of progress with the transformation continued, the Council would eventually come to the point where the S.151 Officer would have to issue a notice under section 114 of the Local Government Finance Act 1988 to ban non-essential expenditure.

## **7. CONCLUSIONS**

- 7.1 This report provides Cabinet with an analysis of the current national and local financial position and the key issues that will affect drafting of the MTFs for 2023-2026, based on current information and a range of assumptions.
- 7.2 The assumptions used in calculation of these initial estimates will continue to be tested and revised, as the MTFs is developed and as part of the revised budget process, particularly as clarification on Government funding emerges after the Autumn statement. What is certain is the position will change but work to address the funding gap cannot be delayed.

- 7.3 The Cabinet is invited to note the analysis set out in this report and agree that consultation should be undertaken on the principal options for the MTFS set out in paragraphs 3.8 to 3.12 above.

**8. CONSULTEES**

- 8.1 Corporate Leadership Team  
8.2 Cabinet

**9. BACKGROUND PAPERS**

- 9.1 Medium Term Financial Strategy 2022-25  
9.2 Q2 budget and performance monitoring report, November 2022  
9.3 Current guidelines for community leadership fund

[Community Leadership fund | Wyre Forest District Council \(wyreforestdc.gov.uk\)](http://wyreforestdc.gov.uk)