

Wyre Forest District Council
THE CABINET
Thursday 22nd February 2005

PRESENT:

Councillors: S J M Clee (Leader – Chairman), M J Hart (Deputy Leader - Vice-Chairman), Mrs M B Aston, J-P Champion, J W Dudley, N J Desmond.

OBSERVERS:

Councillors: G W Ballinger, A J Buckley, Mrs H E Dyke, Mrs J Fairbrother-Millis, B T Glass, Mrs A T Hingley, M B Kelly, Miss S C Meekings, M M G Oborski, Mrs J L Salter, M J Shellie and K J Stokes.

CM.761 APOLOGIES FOR ABSENCE

There were no apologies for absence.

CM.762 DECLARATIONS OF INTEREST

Councillor N J Desmond declared a personal interest in the Service Option relating to Neighbourhood Wardens as he is a Board Member of Wyre Forest Community Housing.

CM.763 BUDGET PROPOSALS 2005/2006/CONSEQUENTIAL AMENDMENTS TO PRUDENTIAL INDICATORS

Further to minute CM.660 of its 17th February 2005 meeting, the Cabinet considered revised Budget Proposals for 2005/2006 in conjunction with a report from the Head of Financial Services on Consequential Amendments to Prudential Indicators. Both reports were circulated at the meeting.

(a) Budget and Policy Framework Strategy 2005/2006

The Cabinet Member for Finance and Corporate Affairs advised that consideration had been given to proposed amendments to the Cabinet's Budget Strategy put forward by the Independent Kidderminster Health and Hospital Concern Group, Labour Group, Liberal Democrats and Liberal Group. These had been scrutinised by the Finance and Corporate Affairs Policy and Scrutiny Panel at its meeting the previous evening, 21st February 2005.

He informed Members that in the light of the proposals made by the Groups the following additions had been included into the budget (as detailed in the report now before the Cabinet):-

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- A) Spennells Playing Field - Provision of a Youth Shelter in support of Aggborough/Spennells Community Action Group in providing teenage facilities on Spennells Estate.
- B) Town Hall Arts Centre - to provide resources to take the proposed Arts Centre Scheme forward to listed building planning application position. Expenditure subject to Council approval following consideration of a detailed business case. The necessary DDA works to the Town Hall would be progressed during 2005/06 from the Capital Programme Provision
- C) Community Alarm Equipment - to extend Council Policy and provide a capital grant out of 'Right to Buy' receipts to Wyre Forest Community Housing of £500,000 over a period of 7 to 8 years for the purchase of new and replacement equipment. Wyre Forest Community Housing in return will continue to provide a free lifeline service to users whose free service under the Housing Transfer arrangements is due to end on 31st March 2005.
- D) Regeneration and Economic Development Activities - To continue to budget for 2005/2007 for the Economic Development and Tourism Section to fund Wyre Forest District Council Business Grants, Business Support, Strategy Development, partnership projects and promotional activities.
- E) Concessionary Travel - WFDC Scheme - To maintain existing charge for bus permit at £6.00. To increase the cost of a single journey from 40p to 50p from 01/07/06. The increase to be partially offset the Council's payments of revenue foregone to bus operators that have increased by 30% as a result of useage and revised calculations for reimbursement. Net cost of service 2005/06 = £374,830. A scrutiny exercise to be carried out during the next municipal year to investigate moving to a National Scheme and to a Countywide Scheme from 1st April 2006.

It was noted that the Cabinet's Budget Proposals would be considered by the Council at its meeting the following evening, 23rd February 2005.

RECOMMENDED TO COUNCIL:

The Cabinet, having re-considered the Budget and Policy Framework Strategy, recommended on 17th February 2005, and recommendations and considerations of the Finance & Corporate Affairs Policy and Scrutiny Panel, on 21st February 2005, ***recommend to Council :-***

1. COUNCIL TAX LEVY 2005/2006

A Council Tax for Wyre Forest District Council on a Band D Property be £174.66 for 2005/2006 (£168.04 2004/2005) an increase of 3.94% (£6.62 over 2004/2005).

2. THREE YEAR BUDGET AND POLICY FRAMEWORK 2005/2008

2.1 The following General Fund Revenue Budget be approved including Expenditure and Income Service Options identified in Appendices 1 and 2 :-

| 2006/07 | Revised 2004/05 2007/08 | 2005/06 |
|---|-------------------------------|--------------------------|
| £ | £ | £ |
| Net Expenditure on Services (per paragraph 4.1, of the Budget & Policy Framework Report Page 3) | 11,886,610 13,210,590 | 12,445,840 13,826,510 |
| <u>Less</u> | | |
| Capitalisation of Revenue Expenditure as per paragraph 10 of Budget & Policy Framework Report Page 7) | | 266,000 |
| Income Service Options identified in Appendix 2 | - | 40,910 |
| <u>100,490</u> | <u>100,490</u> | <u>40,910</u> |
| | 11,886,610 | 12,138,930 |
| | 13,110,100 | 13,726,020 |
| <u>Add</u> | | |
| Expenditure Service Options identified in Appendix 1 | - | 465,500 |
| 459,160 | 477,310 | |
| <u>Less</u> | | |
| Use of Reserves | 546,320 | 521,180 |
| Net Expenditure | 11,340,290 | 12,083,250 |
| | 12,523,390 | 12,991,850 |
| <u>Less</u> | | |
| Business Rate, Government Grant and Collection Fund Surplus (Page 3) | | 5,656,510 |
| <u>6,126,470</u> | <u>6,268,870</u> | <u>6,424,590</u> |
| Assumes 2½% increase in grant 2006/07 onwards | | |
| Council Tax Levy | 5,683,780 | 5,956,780 |
| <u>6,254,520</u> | <u>6,567,260</u> | |
| Wyre Forest District Council Tax Level assuming 3.94% increase for 2005/06 and 5% 2006/07 onwards | £168.04 | £174.66 |
| £183.39 | £192.56 | |

The Council:

- 2.2 **PROMOTE** efficiencies within the Council through organisational change in accordance with 'Gershon' principles, including the completion of an annual efficiency statement to enable us to divert funding to front line services and away from bureaucracy, together with the need in future years to maintain a balanced and sustainable budget.
- 2.3 **REAFFIRM** the Council's policy relating to Working Balances, Reserves and Provisions and notes the amount of Reserves and Provisions available for use in the Budget process. (pages 22-23)
- 2.4 **REAFFIRM** the Council's updated medium term Finance Strategy. (pages 24-30)
- 2.5 **APPROVE** the Capitalisation of revenue expenditure identified in paragraph 10.2 of the Budget Strategy Report (page 7) in order to generate additional revenue resources in 2005/2006. This has been accounted for by means of a Capital Service Option.
- 2.6 **RECOMMEND** the restoration of the Council's participation at future Local Government Association Annual Conferences.
3. **COUNCIL TAX BASE** (pages 39-43)
- 3.1 **APPROVE** a Council Tax base for Wyre Forest District of 34105 as detailed in the report on Calculation of Council Tax Base 2005/2006.
- 3.2 **COUNCIL TAX DISCOUNTS** for Second Homes and Long Term Empty Properties continue at 25% for 2005/2006 onwards.
4. **CAPITAL PROGRAMME 2005/2006 ONWARDS** (pages 44-60)
- 4.1 **APPROVE** the Base Capital Programme and Vehicles and Equipment Renewal Schedule.
- 4.2 **NOTE** the availability of the unallocated Capital Receipts and the ability to use Prudential Borrowing for new Capital Service Options.
- 4.3 **RECOMMEND** Capital Service Options and associated funding as identified in the schedule of proposed Expenditure Service Options - see Appendix 1.
- 4.4 **An UPDATED** Capital Programme (including proposed Capital Options) is enclosed as Appendix 5.
- 4.5 **REAFFIRM** the Council's Capital Strategy.

- 4.6 *DELEGATED AUTHORITY* continue to be given to the Head of Financial Services in consultation with the Cabinet Member for Finance and Corporate Affairs to determine the most advantageous option of how to fund vehicle and equipment renewals in order to obtain value for money, by means of either medium term Borrowing (based upon anticipated life of vehicle and equipment) or by Leasing.
- 4.7 *CONTINUE* to dispose of surplus assets in order to generate new usable capital receipts, where this is proven to be economically viable in accordance with the Asset Management Plan.
5. PRUDENTIAL SYSTEM OF LOCAL GOVERNMENT FINANCE AND THE TREASURY MANAGEMENT STRATEGY REPORT 2005/2006 (Pages 61-73 and Agenda Item 5)
- 5.1 *ADOPT* the Prudential Indicators and limits within Sections 3-6 of the Report.
- 5.2 *RECOMMEND* the Treasury Management Strategy 2005/2006 within Sections 7-11 and associated Prudential Indicators within Section 12 of the Report.
- 5.3 *RECOMMEND* the amendments to Prudential Indicators identified in Appendix 1 of Agenda Item 5.
- 5.4 *RECOMMEND* the consequential list of Prudential Indicators and Limits as detailed in Appendix 2 of Agenda Item 5.
6. EXPENDITURE SERVICE OPTIONS (pages 74-90)
- 6.1 *RECOMMEND* Expenditure Service Options and associated funding as identified in Appendix 1.
7. INCOME SERVICE OPTIONS (pages 91-114)
- 7.1 *RECOMMEND* Income Service Options and associated fees and charges as identified in Appendix 2.
- 7.2 *RECOMMEND* the schedule of Car Parking Charges and authority to amend the car parking places order (as set out in Cabinet Agenda Item 7(e).
8. RISK MANAGEMENT AND THE BUDGET PROCESS (pages 115-121)
- 8.1 *ENDORSE* the Budget Risk Management process identified in the Risk Management and Budget Report and *NOTE AND ENDORSE* the Budgetary Response to identified risks as detailed on the Budget Risk Matrix Appendix 1 of the Report.

8.2 **MONITOR** ongoing Budget Risk quarterly as part of the Budget Monitoring process.

9. KEY COMMITMENTS 2005/2006

9.1 The Council approve the following Key Commitments for 2005/2006 :-

1. Financial Accountability
2. Environment and Economic Regeneration
3. Worcestershire Hub
4. Single Site (office centralisation)
5. Kidderminster Cinema

(Note: Appendix 3 of the report sets these in the context of national, regional and countywide priorities.

Appendix 4 of the report provides strategic statements for each Key Commitment.)

(b) Consequential Amendments to Prudential Indicators as a result of the Above Recommendation to Council

RECOMMENDED TO COUNCIL:

1. The amendments to Prudential Indicators identified in Appendix 1 of the report be approved.
2. The consequential list of Prudential Indicators and Limits as detailed in Appendix 2 of the report be approved.

The meeting closed at 6.10 pm.