

WYRE FOREST DISTRICT COUNCIL

CABINET 22ND DECEMBER, 2005

Proposed Decision: Agenda Item 7.1 - Finance Strategy 2006-2009

BUDGET AND POLICY FRAMEWORK STRATEGY

The Cabinet having considered the Financial Strategy Reports set out in the separate volume, recommendations of the Finance & Corporate Affairs Scrutiny Panel and other Policy and Scrutiny Panels, **RECOMMENDS TO COUNCIL** :-

1. COUNCIL TAX LEVY 2006/2007

- 1.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £179.03 for 2006/2007 (£174.66 2005/2006) an increase of 2.5% (£4.37 over 2005/2006).
- 1.2 **RECOMMENDS** a provisional Council Tax in 2007/2008 on a Band D Property of £183.51 an increase of 2.5% over 2006/2007.

2. PRIORITIES FOR 2006/2007 (pages 6-9)

2.1 **RECOMMENDS** the following Priorities for 2006/2007 :-

- a) Service
- b) Efficiency
- c) Prosperity

- 2.1 Heads of Service, in consultation with respective Cabinet Members, develop performance indicators and targets for each of the above Priorities for Council approval as part of the Budget for 2006/2007.
- 2.2 Appendix 1 sets out the Priorities and Strategic Outcomes for 2006/2007.

3. THREE YEAR BUDGET AND POLICY FRAMEWORK 2006/2009 (pages 10-43)

- 3.1 The contents of the Reports of the Head of Financial Services on the Three Year Budget and Policy Framework 2006/2009 (pages 10-43) and Base Budget Variations (pages 61-65) be **ENDORSED** and in doing so approve the Revised Revenue and Capital Budget for 2005/2006.
- 3.2 **REAFFIRMS** 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 31-32).
- 3.3 **REAFFIRMS** the Council's amended and updated Finance Strategy (pages 33-39).

3.4 The following General Fund Revenue Budget be **RECOMMENDED** including **INCOME SERVICE OPTIONS** and **CABINET PROPOSALS** identified in Appendices 2 and 3 :-

	Revised 2005/2006 £	2006/2007 £	2007/2008 £	2008/2009 £
Net Expenditure on Services (per paragraph 4.1 of the Budget and Policy Framework Report Page 13) including Income Service Options identified in Appendix 2	11,992,860	13,786,450	14,323,760	14,878,000
<u>Add</u> Cabinet Proposals identified in Appendix 3	-	1,267,880	373,920	398,910
Net Expenditure	11,992,860	15,054,330	14,697,680	15,276,910
Contribution (from)/to Reserves	90,390	(1,579,630)	(691,450)	(1,113,200)
Net Budget Requirement	12,083,250	13,474,700	14,006,230	14,163,710
<u>Less</u> Business Rate, Government Grant and Collection Fund Surplus (Page 13)	6,126,470	7,332,180	7,710,000	7,710,000
Council Tax Levy	<u>£5,956,780</u>	<u>£6,142,520</u>	<u>£6,296,230</u>	<u>£6,453,710</u>
Wyre Forest District Council Tax Level assuming 2.5% increase 2006/2007 onwards	<u>£174.66</u>	<u>£179.03</u>	<u>£183.51</u>	<u>£188.10</u>

4. **CONSULTATION STRATEGY** (pages 40-43)

4.1 **AGREES** the Consultation Strategy on the Cabinet Strategy be as follows :-

- Public Meeting - invite members of the public to attend the Cabinet on 26th January 2006 for a presentation by the Cabinet Member for Finance & Corporate Affairs and to give their views;
- Media Release;
- Web Site;
- Business Ratepayer Statutory Consultation;
- Finance and Corporate Affairs Policy and Scrutiny Panel/Budget Review Group.

5. **CAPITAL PROGRAMME 2006/2007 ONWARDS** (pages 44-60)

5.1 **APPROVES** the Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule.

5.2 **NOTES** the availability of the unallocated Capital Receipts and the ability to use Prudential Borrowing for new Capital Service Options.

- 5.3 **RECOMMENDS** Capital Service Options and associated funding as identified in the schedule of proposed Cabinet Proposals - see Appendix 3.
- 5.4 **REAFFIRMS** the Council's Capital Strategy.
- 5.5 **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, equipment and systems renewals in order to obtain value for money, by means of either medium term Borrowing (based upon anticipated life of vehicles, equipment and systems) or by Leasing.
- 5.6 **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.
6. **BASE BUDGET VARIATIONS** (pages 61-65)
- 6.1 **NOTE** the Budget Variations identified between Original and Revised Budgets 2005/2006 and between the Revised Budget 2005/2006 and the Original Budget for 2006/2007.
- 6.2 **HEADS OF SERVICE** continue to monitor closely their Budgets and the Head of Financial Services continue to report to the Cabinet on a quarterly basis.
7. **COUNCIL TAX BASE** (pages 66-69)
- 7.1 **APPROVES** a Council Tax base for Wyre Forest District of 34310 as detailed in the report on Calculation of Council Tax Base 2006/2007.
8. **EFFICIENCY TARGETS - CASHABLE AND NON-CASHABLE** (pages 70-73)
- 8.1 **RECOMMEND** the identified estimated Annual Efficiency Savings contained within the Head of Financial Services report and **NOTE** these savings have been incorporated into the Budget 2006/2009.
9. **RISK MANAGEMENT AND THE BUDGET PROCESS** (pages 74-80)
- 9.1 **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.
- 9.2 **MONITOR** ongoing Budget Risk quarterly as part of the Budget Monitoring process.
10. **INCOME SERVICE OPTIONS** (pages 81-112)
- 10.1 **RECOMMENDS** Income Service Options and associated fees and charges as identified in Appendix 2.
11. **POLICY PANEL OPTION RECOMMENDATIONS 2006/2007 ONWARDS** (pages 113-121)
- 11.1 **RECOMMENDS** Policy Panel Option Recommendations and associated funding as identified in Cabinet Proposals in Appendix 3.
12. **CONSULTATION AND SCRUTINY**

- 12.1 **AGREE** that proposals contained in paragraphs 1 to 11 be subject to Consultation as agreed in paragraph 4 above and scrutiny by the Finance & Corporate Affairs Policy & Scrutiny Panel/Budget Review Group.
- 12.2 **AGREE** that further consideration of the Budget Strategy proposals will be made at the Cabinet on 16th February 2006 following feedback from the Consultation and Scrutiny exercise.