

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING
22ND FEBRUARY 2007

Report on the Final Determination of the Local Government Finance Settlement for 2007/2008

AN OPEN ITEM	
COMMUNITY STRATEGY THEME:	-
CORPORATE PLAN THEME:	Improving Corporacy & Performance
KEY PRIORITY:	Financial & Asset Management
STRATEGY:	Budget & Policy Framework
CABINET MEMBER:	Councillor John Campion
RESPONSIBLE OFFICER:	Head of Financial Services
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APPENDICES	None

1. PURPOSE OF REPORT

- 1.1 To report on the Final Determination of Wyre Forest's Finance Settlement from the Government for 2007/2008.

2. RECOMMENDATION

The Cabinet is asked to DECIDE:-

- 2.1 The results of **Wyre Forest's Finance Settlement 2007/2008** be incorporated into the Council's Budget Strategy and resultant Council Tax Levy for 2007/2008.

3. BACKGROUND AND KEY ISSUES

- 3.1 Phil Woolas, the Local Government Minister announced on 18th January, 2007, the Government's final proposals for the Local Government Finance Settlement 2007/2008.
- 3.2 The Settlement confirms the proposals set out in the provisional settlement as identified in the Head of Financial Services report to the Cabinet on 21st December, 2006.

3.3 The effect for Wyre Forest is similar to that proposed in December and varies slightly due to the updating of data used in the calculations. The key features of the Settlement for this Council are as follows:-

	2007/2008 £m
Relative Needs Amount	3.308
Relative Resource Amount	-2.095
Central Allocation Amount	6.679
Floor Damping	-0.205
Total Formula Grant	£7.687m

- a) Revenue Support Grant (RSG) has been confirmed at £1,104,720.
- b) Business Rate Grant (NNDR) has been confirmed at £6,582,740.
- c) Therefore Total Formula Grant (RSG + NNDR) for 2007/2008 has been confirmed at £7,687,460 an increase of £400,200 (5.5%) over 2006/2007.
- d) The Council will receive a new one-off specific grant as part of the Finance Settlement in respect of the new smoke free premises legislation of £8,480 for 2006/2007 and £41,400 for 2007/2008.

4. FINANCIAL IMPLICATIONS

4.1 The Cabinet's Final Budget Proposals will include the revised specific grant.

5. LEGAL AND POLICY IMPLICATIONS

5.1 The Local Government Act 2003 places duties on Local Authorities on how they set, monitor and review budgets.

6. RISK MANAGEMENT

6.1 The Accounts and Audit Regulations 2003 and the new CPA 2005 – Use of Resources require Local Authorities to fully consider and manage risk as part of the Budget process. The details of Risk Management in respect of the Budget process were reported to Cabinet on 21st December 2006.

7. CONCLUSION

- 7.1 The Final Settlement confirms the Provisional Local Government Settlement as announced on 28th November 2006 and the new specific grant will now be included in the Cabinet's Final Budget proposals.

8. CONSULTEES

- 8.1 Leader of the Council, Cabinet Member for Finance and Corporate Affairs and Corporate Management Team.

9. BACKGROUND PAPERS

- 9.1 Provisional Local Government Finance Settlement.
9.2 Cabinet Agenda 21st December 2006
9.3 Final Local Government Finance Settlement 18th January 2007
9.4 Local Government Act 2003
9.5 Accounts and Audit Regulations 2003/2006
9.6 CPA 2005 – Use of Resources