

WYRE FOREST DISTRICT COUNCIL

CABINET 22ND FEBRUARY, 2007

Proposed Decision: Agenda Item 8.1

FINANCIAL STRATEGY 2007/2010

The Cabinet having re-considered the Financial Strategy 2007/2010 as recommended on 21st December, 2006, and the recommendations of the Efficiency Policy Panel, **RECOMMENDS TO COUNCIL** :-

1. COUNCIL TAX LEVY 2007/2008

- 1.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £183.51 for 2007/2008 (£179.03 2006/2007) an increase of 2.5% (£4.48 over 2006/2007).
- 1.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2008/2009 of £188.10 and £192.80 in 2009/2010 an increase of 2.5% per annum over 2007/2008.

2. PRIORITIES FOR 2007/2008 (page 37)

- 2.1 **RECOMMENDS** the continuation of the following Priority Themes for 2007/2008 :-
 - a) Service
 - b) Efficiency
 - c) Prosperity, and
- 2.2 Progress with action taken to support the above Priorities, as set out in Appendix 1, be reported to Members regularly throughout the year.

3. THREE YEAR BUDGET AND POLICY FRAMEWORK 2007/2010 (pages 5-37)

- 3.1 The contents of the Reports of the Head of Financial Services on the Three Year Budget and Policy Framework 2007/2010 (pages 5-37) and Base Budget Variations (pages 57-61) be **ENDORSED** and in doing so approve the Revised Revenue and Capital Budget for 2006/2007.
- 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 24-25).
- 3.3 **REAFFIRMS** the Council's updated Finance Strategy (pages 26-32).
- 3.4 **RECOMMENDS** the setting up of an earmarked Reserve in respect of the one-off costs of the Centralised Office Project. Any Final Account saving arising from 2006/2007 over and above the target allowed for in the Council's Finance Strategy be allocated to this Reserve and considered as part of 2008/2009 Budget Process in accordance with the Council Resolution.

3.5 The following General Fund Revenue Budget be **RECOMMENDED** including Cabinet Proposals and **INCOME SERVICE OPTIONS** identified in Appendices 2 and 3 :-

	Revised 2006/2007 £	2007/2008 £	2008/2009 £	2009/2010 £
Net Expenditure on Services (per Appendix 1 on Page 13 of the Financial Strategy Book)	14,460,670	14,802,290	15,129,690	15,340,310
<u>Add</u> Cabinet Proposals identified in Appendix 2	(50,000)	311,040	247,830	(8,400)
Net Expenditure	14,410,670	15,113,330	15,377,520	15,331,910
Contribution (from) Reserves	(930,710)	(1,041,240)	(1,072,160)	(786,590)
Net Budget Requirement	13,479,960	14,072,090	14,305,360	14,545,320
<u>Less</u> Business Rate Grant, Government Grant and Collection Fund Surplus (Page 13)	7,337,440	7,734,570	7,809,330	7,886,970
Council Tax Levy	<u>£6,142,520</u>	<u>£6,337,520</u>	<u>£6,496,030</u>	<u>£6,658,350</u>
Wyre Forest District Council Tax Level assuming 2.5% increase 2007/2008 onwards	<u>£179.03</u>	<u>£183.51</u>	<u>£188.10</u>	<u>£192.80</u>

4. **CONSULTATION WITH STAKEHOLDERS**

4.1 **NOTE** the comments and views from the Consultation exercise.

5. **CAPITAL PROGRAMME 2007/2008 ONWARDS** (pages 38-56)

5.1 **APPROVES** the updated Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as presented to the Cabinet on the 22nd February 2007. (Agenda Item 8.2)

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

5.3 **RECOMMENDS** Capital Proposals and associated funding as identified in the schedule of proposed Cabinet Proposals - see Appendix 2.

5.4 **REAFFIRMS** the Council's updated Capital Strategy.

5.5 **DELEGATED** authority continue to be given to the Head of Financial Services to fund the Vehicle, Equipment and System Renewal Schedule by means of Prudential Borrowing (repayments based on anticipated life of Vehicle, Equipment and Systems).

5.6 **DELEGATED** authority continue to be given to the Head of Planning, Health and Environment in consultation with the Cabinet Member for Planning, Health and Environment to allocate grants from the

Government Office for the West Midlands in respect of the Decent Homes Initiative, in accordance with the laid down criteria.

- 5.7 **NOTES** that the Council has agreed to dispose of surplus assets in order to generate new usable capital receipts for the Centralised Office Accommodation Project where this is proven to be economically viable in accordance with the Asset Management Plan. Should the Council's disposal strategy differ from the adopted Asset Management Plan, the Head of Cultural Leisure & Commercial Services will present a new Plan to Council for adoption prior to consideration by the Government Office for the West Midlands.
- 5.8 **NOTES** that the Council will dispose of the Coventry Street Offices as part of the Centralised Office Accommodation Project and as a consequence the necessary amendments have been reflected in the Base Capital Programme. Vicar Street Offices will be left vacant until the expiry of the lease in March 2010.
- 5.9 **RECOMMEND** the allocation of the funding from the Capital Programme provision of £1.7m for Car Parks and £50,000 from Rushock Trading Estate (now held in unapplied Capital Receipts) to the Centralised Office Accommodation Project.
6. **BASE BUDGET VARIATIONS** (pages 57-61)
- 6.1 **NOTE** the Budget Variations identified between Original and Revised Budgets 2006/2007 and between the Revised Budget 2006/2007 and the Original Budget for 2007/2008.
- 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 62-65)
- 7.1 **APPROVES** a Council Tax base for Wyre Forest District of 34535 as detailed in the report on Calculation of Council Tax Base 2007/2008.
8. **EFFICIENCY TARGETS - CASHABLE AND NON-CASHABLE** (pages 66-69)
- 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 2007/2010.
- 8.2 **NOTE** that the Chief Executive is to investigate and quantify potential savings to fund proposals contained within the Corporate Management Team Review, with such savings to be built into the 2008/2009 Revenue Budget.
9. **RISK MANAGEMENT AND THE BUDGET PROCESS** (pages 70-76)
- 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. **CABINET PROPOSALS/POLICY PANEL RECOMMENDATIONS** (page 9 of Financial Strategy Book/Cabinet Agenda 11.2 and 11.3)
- 10.1 **RECOMMENDS** Cabinet Proposals and Policy Panel recommendations and associated funding as identified in Appendix 2.

11. **INCOME SERVICE OPTIONS** (pages 77-108)

- 11.1 **RECOMMENDS** Income Service Options and associated fees and charges as identified in Appendix 3, and detailed in the Financial Strategy Book as amended in 11.2 and 11.3 below.
- 11.2 **AGREES** the recommendations of the Efficiency Policy Panel with regard to clarification of charging criteria in respect of the Cemetery and Waste Collection.
- 11.3 **CONFIRM** that the proposed Dog Recovery Fee for 2007/2008 of £36 includes recovery of the vet and vaccination fee of £29.53.

12. **FINANCIAL REGULATIONS**

- 12.1 **RECOMMEND** the updated Financial Regulations considered by the Cabinet on 21st December 2006, Agenda Item 7.3
- 12.2 **REAFFIRMS** the delegated authority to the Head of Financial Services to write off all debts in respect of Business Rates where instructed by the Insolvency Practitioner or Official Receiver and **EXTEND** this delegation to Council Tax and Debtors.
- 12.3 **SUBSTITUTE** the sum of £50,000 instead of £10,000 in paragraph 7.2.
- 12.4 **INSERT** an additional paragraph to 7.4 as follows :-

Every extra or variation should be authorised in writing within a maximum of two working days of any verbal agreement being given by the Council's Supervising Officer / Nominee. The authorisation should be given in writing on stationery approved by the Head of Financial Services prior to any works commencing.

- 12.5 **DELEGATED** authority be given to the Head of Financial Services in consultation with the Cabinet Member for Finance and Corporate Affairs to update the Financial Regulations as appropriate to meet future legislative and operational requirements.

13. **MEMBERS ALLOWANCES**

- 13.1 **RECOMMEND** a Special Responsibility Allowance for the Vice Chairman of the Audit Committee to be paid in accordance with Band 8 of the Council's agreed scheme, to commence retrospectively from Annual Council 2006.

14. **PRUDENTIAL SYSTEM OF LOCAL GOVERNMENT FINANCE AND THE TREASURY MANAGEMENT STRATEGY REPORT 2007/2008**

- 14.1 **ADOPT** the updated Prudential Indicators and Limits.
- 14.2 **APPROVE** the updated Treasury Management and Investment Policy and Strategy 2007/2008 and associated Prudential Indicators.
- 14.3 **REVISIT** as part of Budget Monitoring, the Prudential Indicators following the approval of the Council's Budget Strategy as the indicators included within this report are based on current recommendations.