

WYRE FOREST DISTRICT COUNCIL

CABINET 20TH DECEMBER, 2007

Proposed Decision: Agenda Item 7.2

FINANCIAL STRATEGY 2008/2011

The Cabinet having considered the Financial Strategy Reports set out in the separate volume, and recommendations of the Corporate Service & Performance Scrutiny Panel, **RECOMMENDS TO COUNCIL** :-

1. COUNCIL TAX LEVY 2008/2011

- 1.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £188.10 for 2008/2009 (£183.51 2007/2008) an increase of 2.5% (£4.59 over 2007/2008).
- 1.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2009/2010 of £192.80 and £197.62 in 2010/2011 an increase of 2.5% per annum over 2008/2009.

2. PRIORITIES FOR 2008/2009 (page 12)

- 2.1 Cabinet on 21st February 2008 **RECOMMENDS** Council Priorities for 2008/2009 following consultation with Members at Workshops in January, the Corporate Plan Review Panel and Corporate Service and Performance Scrutiny Committee in February 2008, as part of the new Corporate Plan process.

3. THREE YEAR BUDGET AND POLICY FRAMEWORK 2008/2011 (pages 5-42)

- 3.1 The contents of the Reports of the Head of Financial Services on the Three Year Budget and Policy Framework 2008/2011 (pages 5-42) and Base Budget Variations (pages 63-67) be **ENDORSED** and in doing so approve the Revised Revenue and Capital Budget for 2007/2008.
- 3.2 **NOTES** that the format of the 2008/2011 Base Budget has been amended to reflect the divisional changes brought about by the CMT Review.
- 3.3 **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 28-29).
- 3.4 **REAFFIRMS** the Council's updated Finance Strategy (pages 30-36).
- 3.5 **RECOMMENDS** that any Final Account saving arising from 2007/2011 over and above the target allowed for in the Council's Finance Strategy, together with surplus Earmarked Reserves, be allocated for the one-off costs of the Centralised Office Accommodation project.
- 3.6 **RECOMMENDS** the transfer of the Local Authority Business Grant Incentive (LABGI) Earmarked Reserve of £150,000 and the Employee and Pension Fund Reserve of £248,000 to General Reserves. Should the Council receive any further LABGI Grant in 2008, delegated authority be given to the Leader of the Council in consultation with the Head of Financial Services to allocate for General Economic Development purposes.

3.7 The following General Fund Revenue Budget be **RECOMMENDED** including Cabinet Proposals and **INCOME SERVICE OPTIONS** identified in Appendices 1 and 2 :-

	Revised 2007/2008 £	2008/2009 £	2009/2010 £	2010/2011 £
Net Expenditure on Services (per Appendix 1 on Page 14 of the Financial Strategy Book)	14,693,990	15,325,180	15,431,760	16,032,110
<u>Add</u> Cabinet Proposals identified in Appendix 1	-	471,150	32,360	(29,500)
Net Expenditure	14,693,990	15,796,330	15,464,120	16,002,610
Contribution (from) Reserves	(621,900)	(1,347,650)	(752,180)	(1,037,250)
Net Budget Requirement	14,072,090	14,448,680	14,711,940	14,965,360
<u>Less</u> Business Rate Grant, Government Grant and Collection Fund Surplus (Page 14)	7,734,570	7,930,450	8,030,750	8,117,150
Council Tax Levy	<u>£6,337,520</u>	<u>£6,518,230</u>	<u>£6,681,190</u>	<u>£6,848,210</u>
Wyre Forest District Council Tax Level assuming 2.5% increase 2008/2009 onwards	<u>£183.51</u>	<u>£188.10</u>	<u>£192.80</u>	<u>£197.62</u>

4. **CONSULTATION STRATEGY** (pages 38-41)

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 24th January 2008 for a presentation by the Leader of the Council and to give their views;
- Parish Councils – Invite representatives to Cabinet on the 24th January 2008 for their views;
- Media Release;
- Web Site;
- Business Ratepayer Statutory Consultation;
- Corporate Service & Performance Scrutiny Committee/Budget Review Panel.
- Dial-a-Ride Members in respect of Concessionary Travel Income Service Option Proposal.

5. **CAPITAL PROGRAMME 2008/2009 ONWARDS** (pages 43-62)

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

5.2 **NOTES** that the format of the 2008/2011 Capital Programme has been amended to reflect the divisional changes (mainly relating to the transfer of Leisure to the Community and Partnership Services) brought about by the CMT Review.

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

- 5.4 **RECOMMENDS** Capital Proposals and associated funding as identified in the schedule of proposed Cabinet Proposals - see Appendix 1.
- 5.5 **REAFFIRMS** the Council's updated Capital Strategy.
- 5.6 **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).
- 5.7 **DELEGATED** authority to the Head of Financial Services to determine the most financially prudent funding method for Capital Projects (Capital Receipts or Direct Revenue Funding) at the end of each Financial Year.
6. **BASE BUDGET VARIATIONS** (pages 63-67)
- 6.1 **NOTE** the Budget Variations identified between Original and Revised Budgets 2007/2008 and between the Revised Budget 2007/2008 and the Original Budget for 2008/2009.
- 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 68-71)
- 7.1 **APPROVES** a Council Tax base for Wyre Forest District of 34653 as detailed in the report on Calculation of Council Tax Base 2008/2009.
8. **EFFICIENCY TARGETS** (pages 72-77)
- 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 2007/2008.
- 8.2 **NOTE** that the Council are required to achieve target Revenue and Capital savings of £690,000 each year for 2008/2011 in accordance with CSR07 requirements.
- 8.3 **RECOMMEND** that the Chief Executive/Corporate Management Team prepare a suitable Policy/Strategy to deliver the above efficiency savings.
9. **RISK MANAGEMENT AND THE BUDGET PROCESS** (pages 78-84)
- 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/SCRUTINY COMMITTEE RECOMMENDATIONS**
- 10.1 **RECOMMENDS** Proposals and associated funding as identified in Appendix 1.
- 10.2 **RESOLVES** that in view of the three months notice period for terminating the Park & Ride at Stadium Close Kidderminster, that the Head of Property & Operational Services gives immediate notice to the Operator to cease the service with effect from the 31st March 2008.

11. **INCOME SERVICE OPTIONS** (pages 85-92)

- 11.1 **RECOMMENDS** an increase of an additional 1% to reflect current inflation levels (RPI 4.2%) on Income Service Options over and above those detailed in the Income Service Option Report, the financial effect is identified in Appendix 1.
- 11.2 **REQUESTS** the Head of Financial Services present a schedule of associated fees and charges reflecting the 1% increase to the Corporate Service & Performance Committee on the 5th February 2008 and Cabinet on 21st February 2008.

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 Corporate Service & Performance Scrutiny Committee.
- 12.2 **AGREE** that further consideration of the Budget Strategy proposals will be made at the Cabinet on 21st February 2008 following feedback from the Consultation and Scrutiny exercises.