

**WYRE FOREST DISTRICT COUNCIL**

**CABINET 19<sup>TH</sup> FEBRUARY, 2009**

**Proposed Decision: Agenda Item 7.2 (a)**

**FINANCIAL STRATEGY 2009/2012**

The Cabinet having re-considered the Financial Strategy 2009/2012 as recommended on 22<sup>nd</sup> January 2009, and recommendations of the Corporate Services Scrutiny Committee (this is a separate item on this agenda), **RECOMMENDS TO COUNCIL** :-

**1. COUNCIL TAX LEVY 2009/2012**

- 1.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £192.80 for 2009/2010 (£188.10 2008/2009) an increase of 2.5% (£4.70 over 2008/2009).
- 1.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2010/2011 of £197.62 and £202.56 in 2011/2012 an increase of 2.5% per annum over 2009/2010.

**2. PRIORITIES FOR 2009/2012**

- 2.1 **RECOMMENDS** Following the approval of the Corporate Plan by Council during 2008/09, the Council Priorities for 2009/10 be as follows :-

Corporate Aims	A Better Quality of Life	A Sustainable Environment	A Vibrant Local Economy	A Well Run & Responsive Council
Priorities	More Affordable Housing	Reducing Waste to Landfill and Increasing Recycling	District-wide Regeneration	Improving Efficiency and Value for Money

**3. THREE YEAR BUDGET AND POLICY FRAMEWORK 2009/2012 (pages 3-84)**

- 3.1 The contents of the Reports of the Head of Financial Services on the Three Year Budget and Policy Framework 2009/2012 (pages 3-84) and Base Budget Variations (pages 113-117) be **ENDORSED** and in doing so approve the Revised Revenue and Capital Budgets for 2008/2009.
- 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 65-66).
- 3.3 **REAFFIRMS** the Council's updated Finance Strategy (pages 67-73).
- 3.4 **RECOMMENDS** that any Final Account savings arising from 2008/2012 over and above the target allowed for in the 2008/2011 Council's Finance Strategy, together with surplus Earmarked Reserves, be allocated for the one-off costs of the Single Site project.
- 3.5 **RECOMMENDS** delegated authority to the Cabinet, in consultation with the Corporate Management Team, to allocate Area Based Grants, following the issue of guidance from the Communities and Local

Government (CLG) and evidence in relation to the Stronger and Safer Communities Grant. (See Agenda Item 7.2(b)).

3.6 **RECOMMENDS** delegated authority be given to the Cabinet, in consultation with the Corporate Management Team, to allocate the additional £44k of LABGI Grant as notified on 3<sup>rd</sup> February 2009 for General Economic Regeneration purposes.

3.7 The following General Fund Revenue Budget be **RECOMMENDED** including **CABINET PROPOSALS (Appendix 1)** and **INCOME SERVICE OPTIONS** (see Financial Strategy pages 129-167) :

	<b>Revised 2008/2009 £</b>	<b>2009/2010 £</b>	<b>2010/2011 £</b>	<b>2011/2012 £</b>
Net Expenditure on Services (per Appendix 1 on Page 14 of the Financial Strategy Book)	15,871,160	16,726,600	17,123,030	17,742,090
<u>Less</u> Cabinet Proposals identified in Appendix 1	-	(1,158,690)	(1,833,550)	(1,802,670)
Net Expenditure	15,871,160	15,567,910	15,289,480	15,939,420
Contribution (from) Reserves	(1,422,540)	(822,850)	(292,020)	(769,950)
Net Budget Requirement	14,448,620	14,745,060	14,997,460	15,169,470
<u>Less</u> Business Rate Grant, Government Grant and Collection Fund Surplus (Page 14)	7,930,390	8,032,540	8,117,120	8,117,120
Council Tax Levy	<u>£6,518,230</u>	<u>£6,712,520</u>	<u>£6,880,340</u>	<u>£7,052,350</u>
Wyre Forest District Council Tax Level assuming 2.5% increase 2009/2010 onwards	<u>£188.10</u>	<u>£192.80</u>	<u>£197.62</u>	<u>£202.56</u>

#### 4. **CONSULTATION STRATEGY** (pages 74-83)

4.1 **NOTES** the comments and views from the Consultation exercise identified within the Financial Strategy (pages 74-83).

4.2 **NOTES** the comments from Corporate Services Scrutiny Committee on 17<sup>th</sup> February 2009 (see separate item on this agenda).

4.3 **NOTES** any comments from local residents and businesses at this meeting of the Cabinet.

#### 5. **CAPITAL PROGRAMME 2009/2010 ONWARDS** (pages 85-112)

5.1 **APPROVES** the updated Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as presented to the Cabinet on 22<sup>nd</sup> January 2009.

5.2 **APPROVES** the funding of the approved Capitalisation Direction of £2m in relation to the costs of implementing the Divisional Restructure from the Council's unallocated Housing Capital Receipts or Prudential Borrowing (this will be determined by the most financially prudent method).

- 5.3 **NOTES** the availability of Capital Receipts and the ability to use Prudential Borrowing for new Capital Proposals.
- 5.4 **RECOMMENDS** Capital Proposal 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, in consultation with the Chief Executive, 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 113-117)
- 6.1 **NOTE** the Budget Variations identified between Original and Revised Budgets 2008/2009 and between the Revised Budget 2008/2009 and the Original Budget for 2009/2010.
- 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**
- 7.1 **APPROVES** a Council Tax base for Wyre Forest District of 34,816 as detailed in the report on Calculation of Council Tax Base 2009/2010 (Cabinet 18<sup>th</sup> December 2008).
8. **EFFICIENCY TARGETS** (pages 118-121)
- 8.1 **RECOMMENDS** the identified estimated Annual Efficiency Savings contained within the Head of Financial Services report and **NOTES** these savings have been incorporated into the Budget Strategy.
- 8.2 **NOTES** that the Council are required to achieve target cash releasing Revenue and Capital savings of approximately £634,000 each year for 2009/2012 in accordance with CSR07 requirements.
- 8.3 **RECOMMENDS** 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 122-128)
- 9.1 **ENDORSES** the Budget Risk Management process identified in the Risk Management and Budget Report and **NOTES AND ENDORSES** the Budgetary Response to identified risks as detailed on the Budget Risk Matrix Appendix 1 of the Report, and updated, as presented to Cabinet on 22<sup>nd</sup> January 2009.
- 9.2 **MONITORS** ongoing Budget Risk quarterly as part of the Budget Monitoring process.
10. **CABINET PROPOSALS**
- 10.1 **RECOMMENDS** Proposals and associated funding as identified in Appendix 1.
11. **INCOME SERVICE OPTIONS** (pages 129-167)
- 11.1 **RECOMMENDS** Income Service Options and associated fees and charges as detailed in the Financial Strategy as presented to Cabinet on 22<sup>nd</sup> January 2009, plus schedules as in Appendix 2 for Financial Services, Pest Control and Car Parks.

12. **PRUDENTIAL SYSTEM OF LOCAL GOVERNMENT FINANCE AND THE TREASURY MANAGEMENT STRATEGY REPORT 2009/2010** (Agenda Item 7.2(c))

- 12.1 **ADOPTS** the updated Prudential Indicators and Limits for 2009/2010 to 2011/2012.
- 12.2 **APPROVES** the updated Treasury Management and Investment Policy and Strategy 2009/2010 and associated Prudential Indicators.
- 12.3 **APPROVES** the Minimum Revenue Provision (MRP) Statement that sets out the Council's policy on MRP.
- 12.4 **REVISITS**, 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.

13. **SECTIONS 25-28 LOCAL GOVERNMENT ACT 2003** (Agenda Item 7.2(d))

- 13.1 **NOTES** the Head of Financial Services Opinion on the Budget Proposals recommended by the Cabinet on the 22<sup>nd</sup> January 2009.

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