

**WYRE FOREST DISTRICT COUNCIL**

**CABINET 15<sup>TH</sup> FEBRUARY, 2011**

**Proposed Decision: Agenda Item 8.1 (a)**

**FINANCIAL STRATEGY 2011/14**

The Cabinet, having re-considered the Financial Strategy 2011/14 as recommended on 10<sup>th</sup> January 2011, the results of the consultation exercise and recommendations of the Corporate Resources Scrutiny Committee (this is a separate item on this agenda), **RECOMMENDS TO COUNCIL** :-

1. **CAPITAL PROGRAMME 2010/11 ONWARDS** (pages 122-133)
  - 1.1 **APPROVES** the updated Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as presented to the Cabinet on 10<sup>th</sup> January 2011 and further updated to reflect Quarter 3 slippage, along with the Prudential Indicators and the revised approach to the Minimum Revenue Provision as detailed within the separate report to this meeting.
  - 1.2 **DELEGATED** authority continues to be given to the Director of Resources in consultation with the Cabinet Member for Resources, to fund appropriate elements of the Capital Programme by means of Prudential Borrowing.
  - 1.3 **DELEGATES** authority to the Director of Resources, in consultation with the Chief Executive and the Cabinet, to determine the most financially prudent funding method for Capital Projects (Capital Receipts or Direct Revenue Funding) at the end of each Financial Year.
2. **INCOME SERVICE OPTIONS** (pages 25-61)
  - 2.1 **RECOMMENDS** Income Service Options and associated fees and charges as detailed in the Financial Strategy as presented to Cabinet on 10<sup>th</sup> January 2011, along with the amendments attached in Appendix 1, including the increased Car Parking Charges to be effective from 4<sup>th</sup> April 2011 (with the exception of Season Ticket increases).
  - 2.2 **RECOMMENDS** the proposals for fees and charges within the Council's Licensing and Health and Safety and Pollution Control functions for 2011/12 rise by the same percentage as all the other fee increases across the Council.
  - 2.3 **DELEGATES** to Cabinet approval of the introduction of new charges for Discretionary Services.
  - 2.4 **DELEGATES** approval of all of the Council's Planning Fees following the publication on new guidance to local authorities to the Director of Planning and Regulatory Services, in consultation with the Cabinet Member for Planning and Economic Regeneration.
3. **THREE YEAR BUDGET AND POLICY FRAMEWORK 2011/14** (pages 3-121)
  - 3.1 The contents of the Reports of the Director of Resources on the Three Year Budget and Policy Framework 2011/2014 (pages 3-121) incorporating the Base Budget Variations (pages 23-24) be **ENDORSED** and in doing so **APPROVE** the Revised Revenue and Capital Budgets for 2010/11.
  - 3.2 **APPROVES** the inclusion of the Area Based Grant in relation to Homelessness of £109,270 for 2011/12 and 2012/13 along with corresponding expenditure for the function. **DELEGATES** authority to the Director of Resources to incorporate any future such grant funding into the Base Budget.

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- 3.3 **APPROVES** 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 (page 10) as updated in paragraph 3.5 below.
- 3.4 **APPROVES** that any Final Account savings arising from 2010/2014 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 Single Site project.
- 3.5 The following General Fund Revenue Budget be **RECOMMENDED** including **CABINET PROPOSALS (Appendix 2)** and **INCOME SERVICE OPTIONS** (see Financial Strategy pages 25-61) and related amendments (**Appendix 1**):

	<b>Revised 2010/2011 £</b>	<b>2011/2012 £</b>	<b>2012/2013 £</b>	<b>2013/2014 £</b>
Net Expenditure on Services (per Appendix 1 on Page 14 of the Financial Strategy Book) (*) and (**)	15,307,830	14,033,090	14,177,730	14,408,070
<u>Less</u> Cabinet Proposals - (Appendix 2)	-	(335,020)	(929,000)	(1,140,520)
<u>Plus</u> One-off implementation costs		700,000		
Net Expenditure	15,307,830	14,398,070	13,248,730	13,267,550
Contribution to/(from) Reserves	9,700	(883,730)	(414,010)	(684,560)
Net Budget Requirement	15,317,530	13,514,340	12,834,720	12,582,990
<u>Less</u> Business Rate Grant, Government Grant and Collection Fund Surplus (Page 14)	8,084,620**	6,467,620**	5,614,580**	5,294,490**
Area Based Grant (***)	327,080	109,270	109,270	0
Council Tax Income	<u>£6,905,830</u>	<u>£6,937,450</u>	<u>£7,110,870</u>	<u>£7,288,500</u>
Wyre Forest District Council Tax Level assuming no change in 2011/12 then a 2.5% increase 2012/13 onwards.	<u>£197.62</u>	<u>£197.62</u>	<u>£202.56</u>	<u>£207.62</u>

(\*) As amended in line with the Cabinet decision on 25<sup>th</sup> January 2011 in relation to Stourport Community Centre

(\*\*) Settlement updated in line with the Final Local Government Financial Settlement on 31<sup>st</sup> January 2011 and 7<sup>th</sup> February 2011

(\*\*\*) Includes additional approvals for 2011/12 and 2012/13 see paragraph 3.2

<b>Government Grant Analysis*</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Increase (decrease)</b>	
	£	£	£	%
Revenue Support Grant	1,022,890	1,474,240	451,350	44.1
Business Rates	7,044,230	4,769,440	(2,274,790)	(32.3)
Council Tax Grant	0	173,290	173,290	n/a
Collection Fund Surplus	17,500	50,650	33,150	189.4
Overall Totals	8,084,620	6,467,620	(1,617,000)	(20)

\*For the years 2012/13 the split between the Revenue Support Grant and Business Rates is not known at this stage. The figure for 2013/14 is an estimated position

- Reserves available as part of the Three Year Financial Strategy:

<b>Reserves Statement</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>
Reserves as at 1 April	*2,151	2,161	1,277	863
Contribution to/(from) Reserves	10	(884)	(414)	(685)
Reserves as at 31 March	2,161	1,277	863	178

\* As updated to reflect additional approvals

#### **4 COUNCIL TAX**

- 4.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £197.62 for 2011/12 (£197.62 2010/11) no increase on Council Tax for 2011/12.
- 4.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2012/2013 of £202.56 and £207.62 in 2013/2014 an increase of 2.5% per annum over 2011/2012.