

Open

Cabinet

Agenda

6pm
Tuesday, 21st January 2014
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Cabinet

The Cabinet Members and their responsibilities:-

Councillor J-P Campion	Leader of the Council
Councillor M J Hart	Deputy Leader, Environmental Services
Councillor N J Desmond	Resources and Transformation
Councillor I Hardiman	Community Well-Being
Councillor A Hingley	Place-Shaping

Scrutiny of Decisions of the Cabinet

The Council has one Scrutiny Committee that has power to investigate policy issues and question members of the Cabinet who have special responsibility for a particular area of the Council's activities. The Cabinet also considers recommendations from this Committee.

In accordance with Section 10 of the Council's Constitution, Overview and Scrutiny Procedure Rules, and Standing Order 2.4 of Section 7, any item on this agenda may be scrutinised by the Scrutiny Committee if it is "called in" by the Chairman or Vice-Chairman of the Overview & Scrutiny Committee and any other three non-Cabinet members.

The deadline for "calling in" Cabinet decisions is 5pm on 5th February 2014.

Councillors wishing to "call in" a decision on this agenda should contact Sue Saunders, Committee and Electoral Services Officer, Wyre Forest House, Finepoint Way, Kidderminster. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

Urgent Key Decisions

If the Cabinet needs to take an urgent key decision, the consent of the Scrutiny Committee Chairman must be obtained. If the Scrutiny Committee Chairman is unable to act the Chairman of the Council or in his/her absence the Vice-Chairman of the Council, must give consent. Such decisions will not be the subject to the call in procedure.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of this constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

For further information

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Sue Saunders, Committee and Electoral Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732733 or email susan.saunders@wyreforestdc.gov.uk

Documents referred to in this agenda may be viewed on the Council's website - www.wyreforestdc.gov.uk/council/meetings/main.htm

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If members of the public do not wish to have their image captured they should sit in the Stourport and Bewdley Room where they can still view the meeting.

If any attendee is under the age of 18 the written consent of his or her parent or guardian is required before access to the meeting room is permitted. Persons under 18 are welcome to view the meeting from the Stourport and Bewdley Room.

If you have any queries regarding this, please speak with the Council's Legal Officer at the meeting.

Wyre Forest District Council

Cabinet

Tuesday, 21st January 2014

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
3.	Minutes To confirm as a correct record the Minutes of the meeting held on the 19 th November 2013.	6
4.	CALL INS a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
5.	Items Requiring Urgent Attention To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
6.	Public Participation In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 12 noon on Monday 13 th January 2014. (See front cover for contact details).	
7.	<i>Leader of the Council</i>	
7.1	Leader's Announcements	

8. Securing the Economic Prosperity of the District/ Delivering Together, With Less/Improving Community Well-Being		
8.1	Councillor N J Desmond Budget, Capital Programme and Council Tax Setting 2014-15 To consider a report from the Chief Financial Officer which updates the strategy following the funding announcements together with updates for the position in relation to New Homes Bonus, the Council Tax Base, the Pensions Actuarial Revaluation and other areas where further information is now available.	10

9. Recommendations from Committees		
9.1	Overview & Scrutiny Committee, 9th January 2014 • Home Choice Plus Allocation Policy Review	32

10.	To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
11.	Exclusion of the Press and Public To consider passing the following resolution: “That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.	

Part 2

Not open to the Press and Public

12.	To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
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**WYRE FOREST DISTRICT COUNCIL
CABINET**

**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER
19TH NOVEMBER 2013 (6.00PM)**

Present:

Councillors: J-P Champion, N J Desmond, I Hardiman, M J Hart and A T Hingley.

Observers:

Councillors: G W Ballinger, E Davies, H E Dyke, M Price and J A Shaw.

CAB.39 Apologies for Absence

There were no apologies for absence.

CAB.40 Declarations of Interests by Members

No declarations of interest were made.

CAB.41 Minutes

Decision: The minutes of the Cabinet meeting held on 22nd October 2013 be confirmed as a correct record and signed by the Chairman.

CAB.42 Call Ins

No decisions had been called in since the last Cabinet meeting.

CAB.43 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.44 Leader's Announcements

There were no Leader's announcement.

CAB.45 Development of Medium Term Financial Strategy 2014/19

A report was considered from the Chief Financial Officer which invited the Cabinet to recommend the medium term financial strategy and Cabinet proposals to Council. The recommendations from the Strategic Review Committee meeting on 18th November 2013 were also considered.

The Leader of the Council informed Members that the recommendations from the Strategic Review Committee were included in the Financial Strategy 2014/2017 document and thanked the Treasurer and her team for hand delivering the document to Members (in their own time and at no cost to the

Agenda Item No. 3

Council) prior to the Strategic Review Committee meeting on 18th November 2013. He appreciated that the papers had only been delivered three days before the meeting but the budget timetable had been brought forward this year.

The proposals in the Financial Strategy 2014/2017 contained ideas from all political groups and he outlined the proposals in the report and stated that the decision made at Council in February 2013 to raise council tax would continue. The final decision on the level of Council Tax would be taken at the meeting of full Council in February 2014, when all the final details in relation to the government grant settlement would be known.

There was a proposal to cease free car parking for blue badge holders and all the options would be explored as it was perceived that some blue badge holders could afford to pay for parking but that was not to say that they did not need the space.

Members were informed that pay increases for staff would be looked at and staff would be consulted.

The report also contained a graph (page 17) which gave details relating to net expenditure against available funding.

The Cabinet Member for Resources and Transformation informed Members that large reductions from government had a dramatic effect on the Council's internal budget. The budget process had commenced earlier this year and detailed examination of all areas of the Council had been undertaken. The Strategic Review Committee were thanked for their work.

It was proposed to have a more commercial approach to Kidderminster Town Hall which could bring in more income for the Council.

Proposals included the continuation of savings through shared services and system thinking. These would all be subject to business cases being considered and full scrutiny by Members. He reiterated the points made by the Leader of the Council that staff would be consulted throughout the process together with the Trade Unions.

The Council had an excellent track record in making savings and it now needed to be even more efficient.

The Vice Chairman of the Strategic Review Committee stated that some Members of the Committee had raised concerns over the lateness of the papers and had decided not to discuss the document as they also had concerns over the lack of business cases. Therefore the meeting had not been continued.

In response, the Leader of the Council stated that before any decisions were made, full business cases would be put together and scrutinised.

In response to Members questions, the Leader of the Council replied that freezing council tax over the last three years had been the right thing to do. It was important to look at the business cases now so that at the start of the 2014/15 financial year, all decisions could be acted on immediately.

A Member stated that the Strategic Review Committee had set a very good framework to initiate debate. He commented that not enough time had been given to consider the proposals and there were many issues that had to be researched. The Leader of the Council informed Members that it had been agreed that the budget process should commence earlier this year and nothing contained in the Financial Strategy 2014/2017 should be a surprise as the Strategic Review Committee had worked through hundreds of pages of reports at their meetings.

A Member had doubts about the possible transfer of services to Civica and wondered why a company could provide a service that was currently well run by the Council at a cheaper cost and if they could make a profit why couldn't the Council. The Chief Executive responded that a full business case had not yet been prepared but the company had stated they could save at least £200,000 per annum.

Decision:

- 1. The fees and charges as set out in Appendix 4 – Part 1 of the report to Cabinet be noted.**
- 2. The fees and charges as set out in Appendix 4 – Part 2 of the report to Cabinet be approved.**
- 3. The principle of entering a contract with Civica by means of the South Worcestershire Managed Services Partnership agreement (which has been subject to competition following notice OJ 2012/S 236-388958), subject to receipt and approval of a satisfactory business case and agreement of acceptable terms for the contract be supported.**
- 4. Delegated approval be granted to the Cabinet Member for Resources and Transformation for the detailed business case, approval of the terms of the contract with Civica and any other decisions required on behalf of Cabinet to implement a contract. This delegation is subject to (1) prior consideration of the business case by the Overview and Scrutiny Committee, and (2) provision of a written report from the Corporate Management Team recommending that the business case and terms of the contract be approved.**

Endorse and recommend to Council:

- 1. The Council's updated Medium Term Finance Strategy;**
- 2. Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2014-17 (Appendix 3 of the report to Cabinet);**

3. **The level of net expenditure and resultant Council Tax for 2014-17 as per paragraph 8.2 of the report to Cabinet;**
4. **The fees and charges in line with this strategy and the impact on the Council's Revenue Budget for 2014-17, as shown in Part 3 of Appendix 4 of the report to Cabinet, and supplemented by the Cabinet Proposal on increasing external income included in Appendix 3 of the report to Cabinet, where relevant.**

Recommendation from the Strategic Review Committee, 18th November 2013

Noted: The Strategic Review Committee scrutinise the business cases to be developed, as outlined in the proposals from Cabinet on the Draft Medium Term Financial Strategy.

CAB.46 Treasury Management Strategy Statement and Annual Investment Strategy Mid Year Review Report 2013/14

A report was considered from the Chief Financial Officer which recommended to Council that the Treasury Management Mid-year Review and the Updated Prudential Indicators as detailed in the report be approved. The recommendations from the Overview & Scrutiny Committee meeting on 7th November 2013 were also considered.

The Chairman of the Overview & Scrutiny Committee informed Members that the committee had been a little concerned about the low interest rates being received but as the Treasury Management Review Panel had gone through the papers in depth at their meeting, these concerns were alleviated.

Members were informed that, with regard to the recovery of the Icelandic monies, the Council worked very closely with the Local Government Association in trying to recover the full amount. The Chief Financial Officer would contact a council in Gloucestershire to ask how they had obtained approaching 100% return on their investment, as suggested in a query from a Member.

Decision:

Recommend to Council:

1. **The Treasury Management Mid-year Review be approved.**
2. **The updated Prudential Indicators be approved.**

The meeting closed at 18.52 pm.

WYRE FOREST DISTRICT COUNCIL**CABINET**
21ST JANUARY 2014**Budget, Capital Programme and Council Tax Setting 2014-15**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	All
CORPORATE PLAN PRIORITY:	All
CABINET MEMBER:	Councillor N J Desmond
RESPONSIBLE OFFICER:	Chief Financial Officer
CONTACT OFFICER:	Tracey Southall, Ext 2100 tracey.southall@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 - Capital Programme 2013/14 onwards

1. PURPOSE OF REPORT

- 1.1 On 27th November 2013, Council considered a report and agreed proposals for the Budget Strategy for the period 2014/17. The Government released the provisional Local Government Settlement on the 18th December 2013 and this report updates the strategy following the funding announcements together with updates for the position in relation the New Homes Bonus, the Council Tax Base, the Pensions Actuarial Revaluation and other areas where further information is now available.

This report also considers and makes recommendations on the Capital Programme 2013/14 onwards, the revenue implications of which are included within the revenue budget.

2. RECOMMENDATIONS

The Cabinet is asked to **ENDORSE** and **RECOMMEND** to the Strategic Review Committee for consideration:-

- 2.1 The updates to the Medium Term Finance Strategy as considered by Council in November, as set out in paragraphs 4.4, 5.1, 6.1, 7.6 and 8.2;
- 2.2 The level of net expenditure and resultant Council Tax for 2014/17 as set out in paragraph 10.
- 2.3 The Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendix 1, Appendices A and B.
- 2.4 The variations to the Capital Programme and Vehicle, Equipment and Systems Renewal Schedule in accordance with the Council's Budget Process.
- 2.5 That the first £338,000 of the Right to Buy (RTB) receipts in 2014/15 be allocated to Disabled Facilities Grants (to a maximum Capital budget of £800,000) any subsequent RTB Capital Receipts be allocated to general capital

reserves. That the allocation of future years' RTB receipts, will be considered in future budget setting processes.

- 2.6 That the initial £1m funding allocated for the Local Authority Mortgage Scheme be removed from the Capital Programme given the launch of the Government's Help to Buy Scheme and withdrawal of the Lloyds Banking Group from this initiative.
- 2.7 The discount for dwellings in Class C prescribed by the Council Tax (Prescribed Classes of Dwelling) (England) Regulations 2003 No 3011 shall, with effect from 1 April 2014, be one hundred per cent for the first 31 days only and zero per cent thereafter as set out in paragraph 9.

3. KEY ISSUES

- 3.1 Following Council's approval of the Cabinet's Medium Term Financial Strategy for the next 3 years the Provisional Local Government Settlement was issued just before Christmas. This report provides an updated position including the provisional settlement for 2014-15 and estimated figures for 2015-16 and 2016-17.
- 3.2 The following assumptions included in the Medium Term Financial Strategy are also updated:
- Council Tax Base
 - The position in relation to New Homes Bonus
 - The position in relation to the 2013 Triennial Pension Fund revaluation.
 - Business Rates Inflation.
 - Reserve for costs of transformation.
 - Council Tax Discount Scheme.
 - Collection Fund Surplus.
- 3.3 Taking these measures into account the projected Base Budget net expenditure for 2014/15 is estimated to be £12,320,590 (see paragraph 10.2). This is £579,700 more than currently estimated to be raised from Council Tax, Business Rate Grant, Collection Fund Surplus and Revenue Support Grant.
- 3.4 The assumptions reported to November Council report remain the same unless they are separately highlighted below.
- 3.5 The Cabinet recommends the Base Capital Programme and the Vehicle Equipment and Systems Renewal Schedule, as part of the budget setting process for the Authority as set out in the detail in Appendix 1, Appendices A and B.

4. LOCAL AUTHORITY REVENUE FINANCE SETTLEMENT FOR 2014/15

- 4.1 The Local Government Settlement was announced following the Chancellor's Autumn Statement, on 18th December 2013. The Settlement was for 2014-15 only, with illustrative figures for 2015-16. As predicted, the austerity measures look set to continue until 2019, although the outlook for local government, particularly following the decisions announced as part of the Autumn Statement is less bleak than previously thought. The Council's updated summary Budget can be seen at Table 10.2.

4.2 Key issues emerging from the announcement on the 18th December are as follows:

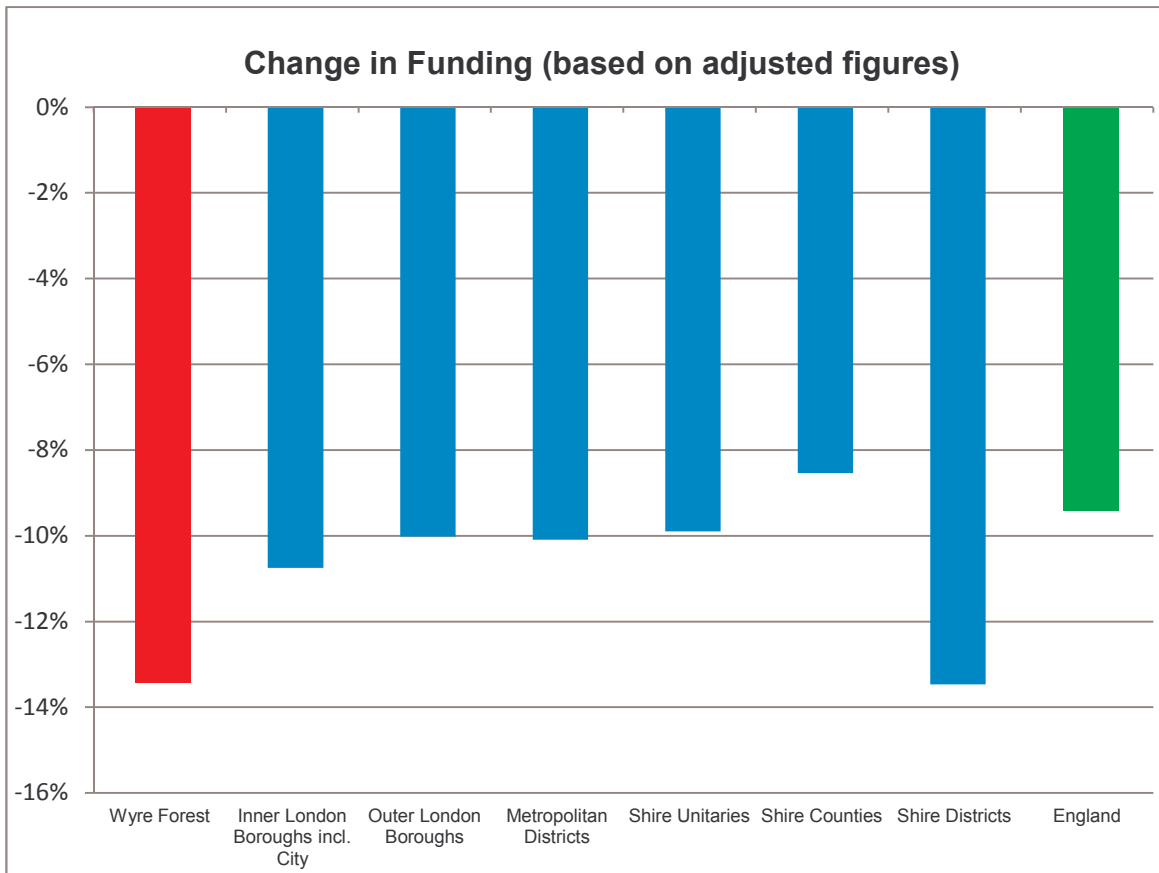
- The 2% cap on the Business Rate Multiplier has been applied for 2014-15, with a S31 grant of £108m created to compensate authorities for the lost income through the Business Rates Retention scheme.
- Council Tax Freeze Grant for 2011-12 and 2013-14 is now included within the Settlement Funding Assessment for 2014-15 and 2015-16.
- Council Tax Freeze Grant funding for 2014-15 and 2015-16 will be built into the Spending Review baseline. DCLG have assumed £235m in 2014-15 and £471m in 2015-16; however, the actual amount will be subject to actual council tax increases.
- Council Tax referendum threshold principles will be announced in January 2014.
- The New Homes Bonus top-slice has been reduced by £100m for 2014-15 and 2015-16 (this is not new money, but will mean that RSG increases and the New Homes Bonus adjustment grant will fall by the same amount).
- The planned £50m top-slice for capitalisation in 2014-15 has been reduced to zero. However, £22m has currently been set aside to fund Efficiency Support Grant and funding for rural areas.

4.3 Wyre Forest has seen a reduction of 13.4% in overall formula funding for 2014-15, this is against a national average (England) of 9.4%. This is in line with previous reports.

4.4 The table below identifies the estimated position in relation to total Government grant. The table includes all specific grants such as the Council Tax Freeze Grant, Council Tax Localisation Grant and Homelessness Prevention Grants. The total funding position is £3,180 worse than originally predicted for 2014/15 in the November 2013 Council report.

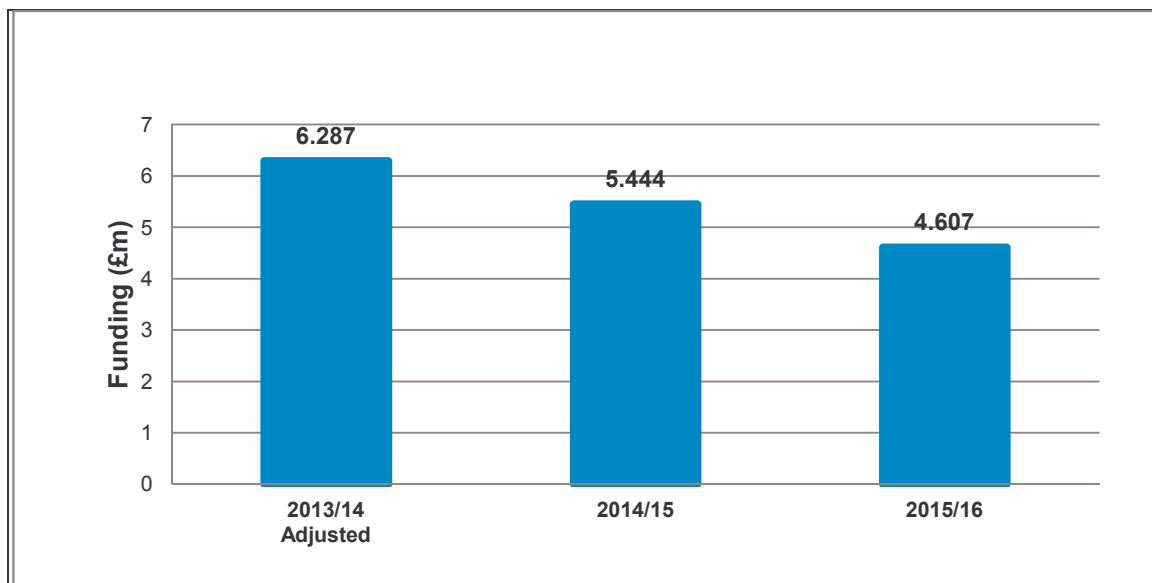
Year	Value of Government Support Assumed £	Value of Government Support Finance Settlement	Variance to Assumption	Year on Year Decrease based on Finance Settlement Figures	
		£	£	£	%
2013-14	6,287,770	6,287,770	0		
2014-15	5,440,650	5,443,630	(2,980)	844,140	13.43
2015-16	4,613,000	4,606,840	6,160	836,790	15.37
2016-17	4,152,000	No figure	0	454,840	9.87
	Total Variance	Less Grant	3,180		

4.5 The following Chart shows the change in funding for 2014-15 (based on adjusted figures) for the various types of local authority across the whole of England.



Source: LG Futures Provisional Local Government Settlement 2014-15

4.6 The following graph shows the Start-up-Funding Assessment (that equals Rate Support Grant plus Baseline Need for Business Rates) for this Council from 2013-14 to 2015-16.



Source LG Futures Provisional Local Government Settlement 2014-15

- 4.7 The Council remains in the Worcestershire Business Rates Pool to help mitigate any reduction in business rates following the changes to local government funding from 2013-14. The most up-to-date monitoring figures show that this Council's position has worsened since previously reported in November. Depending on the overall performance of the Pool at the end of 2013-14 we may only be compensated in part for this decline from the Risk Reserve. Nevertheless pool membership is still beneficial in overall financial terms and it is hoped the position will be more or less neutral at year-end. Going forward it is vital we attract new businesses to grow our business rates in accordance with Government assumptions of 2.76 % growth from 2014-15 to 2015-16.

5. COUNCIL TAX BASE

- 5.1 The Council Tax Base for 2014-15 has now been confirmed and has risen from the previously assumed 30,269 to 30,930 being an increase of 811 or a healthy 2.7% compared to 2013-14 due to the number of new houses being built and forecast to be occupied. This is forecast to generate additional Council Tax income of £133,160 in 2014-15, rising over the term of the Strategy to take into account planned increases of just under 2% per annum, resulting in additional income of around £400k over the three year term.
- 5.2 In the written statement, the Minister stated that, from April 2014, funding for the freeze in council tax for 2011-12 and 2013-14 will be provided for in the main local government settlement total for future years. He also announced that the Secretary of State has agreed with the Chancellor that council tax freeze grant for the next two years will also be built into the Spending Review baseline. The Minister stated that this has been done with the intention of giving maximum possible certainty for councils that the extra funding for freezing council tax will remain available, and there will not be a 'cliff edge' effect from the freeze grant disappearing after 2015-16.
- 5.3 This will provide local authorities who have taken council tax freeze grant up to 2013-14 or might take it in 2014-15 and 2015-16 with greater certainty in assessing the risks associated with past and future decisions to accept council tax freeze grant.
- 5.4 In view of this new information a Council Tax Consultation exercise was launched on the 8th January 2014 to run until the 29th January 2014 and this will inform the final decision on whether or not to maintain the current proposal for a small increase or accept the freeze grant offer.
- 5.5 No information regarding the Council Tax Freeze Grant is available regarding 2016-17 and given that the decision will be taken in the new Parliament elected in 2015, there is significant uncertainty around future policy.

6. NEW HOMES BONUS

- 6.1 The Council had previously estimated the income which it expects to receive from new homes bonus and this had been built into the base budget, after assuming a 19% top slice into the new Single Local Growth fund; this resulted in a reduction of this income stream of £305,280 in 2015-16 and 2016-17. The Government has now confirmed the top-slice will not apply outside London so this income has now been reinstated. This is very welcome news, in accordance with the wording of the approved proposal, it is now appropriate to remove the related Cabinet Proposal to

win £200k funding in 2015-16 and 2016-17 from the new Single Local Growth Fund so the net gain is only circa £200k over the term of the Strategy.

- 6.2 Clear incentives for planning approval have been announced, whereby if an authority refuses planning permission and this decision is subsequently overturned on appeal, then associated New Homes Bonus Grant is lost. This is something that could potentially be costly if such decisions are not upheld.
- 6.3 The Council received notification of our provisional New Home Bonus allocations for 2014-15 on the 16th December 2013 and these are very much in line with earlier estimates although an affordable homes premium is now included so an extra £9,870pa grant is reflected in the updated figures shown in paragraph 10.2.

7. 2013 PENSION FUND TRIENNIAL REVALUATION RESULTS

- 7.1 There is one Triennial Pension Fund Revaluation within the term of this financial strategy. The 2013 revaluation results were particularly poor for this Council as a result of historic decisions and Wyre Forest has the lowest funding level in the County of 59% compared to the County Council at 71%. Given the negative impact the economic climate is having on pension fund investments, the actuary has now confirmed the employer's contributions will have to increase to maintain the status quo position in relation to our pension fund liabilities.
- 7.2 The increases required for the 2013 revaluation are unavoidable. It is helpful that the actuary recognised this and advised a phased approach to increased contributions would be acceptable.
- 7.3 Payments are made to the County Council in respect of the pension fund in three distinct elements; firstly future service contributions made as a percentage of current pay for officers employed by the Council who have joined the scheme, towards their future pensions. Secondly, unfunded benefits, in respect of past employees who were not fully funded when they ceased employment with the Council but were allowed to draw on the pension fund. Thirdly, deficit contributions to protect the overall value of the fund, the main variance being from market investment variations particularly in relation to Gilt yields.
- 7.4 The increase for the future service contribution rate is to be phased in from 12.2% within the base budget to 14.1% by 2017/18 with increases in 0.5% increments from 2014-15 onwards. This will cost an extra circa £190k over the term of the Strategy.
- 7.5 Agreement has also been confirmed that from 2014-15 this Council will change the basis of making deficit contributions to the fund to a "cash" value, rather than the current basis of a percentage of actual pay. Because pay has inevitably been reducing, so have the contributions, increasing the funding gap. The new amounts payable advised by the actuary in early December have increased as predicted, although the actuary has now revisited some of their more pessimistic assumptions to balance the need for increases with affordability for Councils, so the increases have been mediated to some extent. In addition, the recovery period has been changed from 19 to 21 years (this being in line with the average for all Local Authorities). Agreement has been reached to phase in the initial sums requested by the actuary between 2014-15 and 2017-18 based on affordability.

- 7.6 Overall, the phased increase in the future service contributions and deficit contributions mean an increase in the pension budgets of £410k over the term of the Strategy and this has been reflected in the updated figures contained in paragraph 10.2. Whilst this is a significant additional cost to the Council, the negotiated phasing-in of increases, agreed with the actuary has mitigated the financial impact and these increases are essential to protect the position of the pension fund from further deterioration going forward. The Chief Financial Officer has had extensive discussions with the actuary to reach agreement of an affordable option to the Council that is also acceptable to the actuary in their role as managers and stewards of the Worcestershire County Council Pension Fund, taking the many complex factors into account, not all of which are within the Council's control.

8. BASE BUDGET ASSUMPTIONS 2014-17

- 8.1 The Business rates inflation in the expenditure budgets has now been updated to from 3% to 2% for 2014/15 to reflect the Government's announcement in the Autumn Statement of the 5th December 2013. The good news is that there is a commitment by the Government to fully refund Councils for the loss of revenue resulting from these changes.
- 8.2 The base budget made no allowance for headroom for the additional pressure of the redundancy costs of further staffing reductions so provision has now been included to add £200k in 2014-15 to the Transformation Reserve in the updated Strategy. This will be supplemented further from any Final Account Savings. This fund is used for one-off costs of the Wyre Forest Forward Programme to ensure the approved savings can be delivered to reduce net expenditure to align with funding and thus protect the future financial sustainability of the Council.
- 8.3 The base budget assumed a zero Collection Fund surplus. Additional information is now available and a £50k surplus for the Council Tax Collection Fund surplus is estimated for 2014-15 and 2015-16. Due to the continuing uncertainty of the new Business Rates Retention Scheme accounting a zero estimate for Business Rates Collection Surplus across all years has been assumed.

9. COUNCIL TAX DISCOUNT SCHEME

- 9.1 Since April 2013, councils have had discretion about the level of discount for the prescribed Class C which "comprises every chargeable dwelling in England —
- a) which is unoccupied; and
 - b) which is substantially unfurnished".

Councils are free to set whatever discount they wish for this prescribed class and for whatever period. The discount can range from 0% to 100%. In November 2012, Council set the discount for the prescribed class as 50% for 6 months with effect from 1st April 2013. The impact on the administration and workload of the Council Tax Section in dealing with this group of dwellings has doubled and is not sustainable. The increase of work is due to correspondence challenging council tax bills being issued for sums as small as one day's liability. Further costs are caused by recovery action being needed in a substantial proportion of cases. The staff time and costs spent on collecting these small amounts of council tax outweigh the income being generated. Analysis of the Class C discount accounts at 30th September 2013

illustrates that 1,280 or nearly 52% of the 2,473 accounts have been awarded the discount for 31 calendar days or less; over 30% were for less than 14 days.

- 9.2 It is therefore proposed that, as many other councils have done, the discount for Class C should be set at 100% for the first 31 days and zero thereafter. This would mean that, while the Council would lose some income in respect of the first month, it would gain income for any property that was empty for more than one month. Overall the impact is expected to be better than cost neutral. The proposal would avoid the bulk of the administration that has arisen from the present discount scheme and, consistent with the need to see empty properties brought back into use, would incentivise owners and landlords swiftly to sell or relet properties.

10. UPDATED BUDGET POSITION

- 10.1 The Cabinet Proposals previously approved by Council on the 27th November 2013, remain unchanged, except for the removal of the Single Local Growth Fund proposal linked to the New Homes Bonus.
- 10.2 The following table demonstrates the updated position for the Council when all of the revisions included in this report are incorporated into the Base Budget. The Council is forecast to hold a balance of £1,668k at the end of 2016-17 (see reserves table in 11.2):

	Revised 2013-14 £	2014-15 £	2015-16 £	2016-17 £
Total Net Expenditure on Services	12,560,830	12,320,590	12,390,310	12,295,510
Less				
Cabinet Proposals approved at Council as updated	0	(828,390)	(1,145,390)	(1,431,890)
Net Expenditure	12,560,830	11,492,200	11,244,920	10,863,620
Contribution (from)/to Reserves	(275,910)	248,690	(236,300)	(236,730)
Net Budget Requirement	12,284,920	11,740,890	11,008,620	10,626,890
Less				
Government Support Grants	6,179,120	5,336,610	4,499,850	4,152,000
Homelessness Prevention Grant	108,650	107,030	106,990	0
Community Right to Bid/Challenge	16,400	16,400	0	0
Collection Fund Surplus	0	50,000	50,000	0
Council Tax Transitional Grant	28,630	0	0	0
Council Tax Income	5,952,120	6,230,850	6,351,780	6,474,890
WFDC Council Tax @ just under 2% increase 2014-15 onwards	197.62	201.45	205.36	209.34

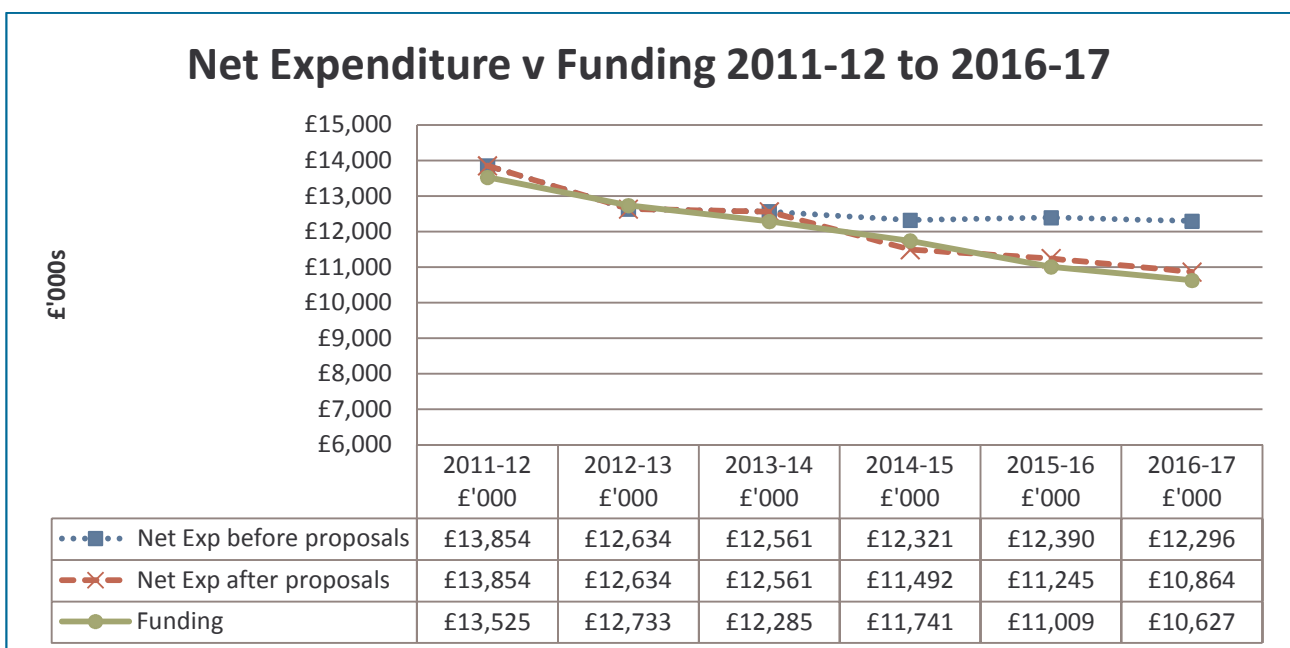
11. WORKING BALANCES, RESERVES AND PROVISIONS

- 11.1 The Council has adopted the general principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Local Authority Reserves and Balances.
- 11.2 The following Reserves are available to assist the Council in meeting General Fund Expenditure 2014-17 as part of the Financial Strategy:

New Reserves table after all revisions and updates:

Reserves Statement	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Reserves as at 1st April	2,168	1,892	2,141	1,905
Contribution (from)/to Reserves	(276)	249	(236)	(237)
Reserves as at 31st March	1,892	2,141	1,905	1,668

- 11.3 In addition the Council holds a working balance of £950k (£50k capped approval towards the Lawrence’s fire remediation, to be replenished to the minimum recommendation of £1m during the final accounts process and increased if possible).
- 11.4 The Council also currently hold earmarked reserves of £3.756m (as at 30th November 2013). It should be noted that the Council has commitments against such earmarked reserves. These earmarked reserves are kept under review and any that are no longer required will be released before the budget for 2014-15 is finalised to assist with the Council’s position.
- 11.5 The following graph shows the net expenditure against available funding (excluding reserves) and illustrates the increasing funding gap as the year’s progress.



12. BUDGET CONSULTATION STRATEGY

12.1 Prior to the Medium Term Financial Strategy being adopted in November, extensive consultation took place. The Council is currently consulting on whether or not to accept the Council Tax Freeze Grant or continue with current plans for a small increase in Council of just under 2% over the three year strategy. The Strategic Review Committee will consider the proposals contained within this report and provide comment that Cabinet will consider at its meeting in February.

13. POWERS TO LIMIT EXCESSIVE INCREASE IN COUNCIL TAX AND REFERENDUMS

- 13.1 The Localism Act abolished the ability for central government to cap the level of Council Tax increase that a local authority can charge. However, to replace these powers government have introduced a 'local tax lock'.
- 13.2 The Minister has stated that the council tax referendum threshold principles will be announced separately in January 2014 and the Government has invited representations on how they might operate.

14. EQUALITY IMPACT NEEDS ASSESSMENT (EIA)

- 14.1 Where the Cabinet Proposals represent significant changes to service delivery, an EIA on the protected groups has been undertaken.

15. BUDGET RISK MANAGEMENT

- 15.1 Achieving financial sustainability is the most significant risk facing the Council. The work undertaken by the Strategic Review Committee provided a set of workable options for the Cabinet to consider in making its recommendations on the medium term financial strategy.
- 15.2 The Government's decision not to top-slice the New Homes Bonus outside London, the improved council tax base together with Cabinet Proposals approved by Council on 27th November 2013, all contribute to the mitigation of the financial risk of this budget strategy.
- 15.3 The Accounts and Audit (England) Regulations 2011 require Local Authorities to fully consider and manage Risk as part of the Budget process. Appendix 5 of the November report showed an analysis of the significant financial risks which are affecting the Council.
- 15.4 All local authorities are required to formalise their approach to risk management and evidence it more directly as part of the budgetary process. This requirement has arisen as a result of:-
 - a) *The Accounts and Audit (England) Regulations 2011:-*
Regulation 4 (1)- "The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk."
Regulation 5 (4) (a)- "The accounting control systems must include measures:
 - (i) to ensure that the financial transactions of the body are recorded as soon as, and as accurately as, reasonably practicable;
 - (ii) to enable the prevention and detection of inaccuracies and fraud, and the reconstitution of any lost records and
 - (iii) to ensure that risk is appropriately managed".
 - b) *Prudential Framework:-*
The assessment of affordability of financial plans requires a judgement about risk. Prudential Indicators are the monitoring tool to assess performance and risk.
 - c) *CIPFA Guidance on Reserves and Balances:-*

Highlights the need to consider risks facing the authority; the risks posed by the continuing austerity measures place pressure on the Council to hold higher levels of reserves to ensure ongoing sustainability.

16. LOCAL GOVERNMENT ACT 2003

- 16.1 The Local Government Act 2003 (Sections 25-29) places duties on Local Authorities on how they set and monitor budgets.
- 16.2 Sections 25-27 require the Section 151 Officer to report on the robustness of the estimates and the adequacy of its proposed financial reserves. This will be reported to Council on 26th February 2014.
- 16.3 Section 28 places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been deterioration in the Authority's financial position, the authority must take such action as it concludes necessary. The Council currently reviews the Budget on a quarterly basis, with CMT/Cabinet receiving monthly budget monitoring reports, and this practice will continue.

17. CONSULTEES

- 17.1 Corporate Management Team.
- 17.2 Cabinet.

18. BACKGROUND PAPERS

- 18.1 Accounts and Audit (England) Regulations 2011.
- 18.2 Cabinet Report on the Development of the Medium Term Financial Strategy 22nd October 2013.
- 18.3 Agendas and Minutes of the Strategic Review Committee.
- 18.4 Full Consultation Results from Focus Groups and Survey.
- 18.5 Provisional Local Government Finance Settlement 2014-15.
- 18.6 Cabinet November 19th 2013.
- 18.7 Council November 27th 2013.

Capital Programme 2013/14 Onwards

1. PURPOSE

- 1.1 To consider the Capital Programme 2013/14 onwards and set out the detail to support the recommendations within the main Budget report.

2. BACKGROUND

- 2.1 The Council's Capital Programme is under-pinned by the Property Disposal Strategy. The Capital Programme is prepared in accordance with this Strategy taking into account all the relevant factors, such as Corporate Priorities.

3. KEY ISSUES

- 3.1 The Cabinet recommends approval of the Base Capital Programme and the Vehicle, Equipment and Systems Renewal Schedule, as part of the budget setting process for the Authority.
- 3.2 During 2012/13 the Council entered into external borrowing as predicted in last year's report; as at the end of December 2013 the total was £5m, split over four loans, two with the PWLB and two with other local authorities – Derbyshire County Council and the Borough Council of King's Lynn and West Norfolk. This debt is below the underlying borrowing requirement and we will continue to enter into further borrowing arrangements in accordance with the Medium Term Financial Strategy as capital schemes, in particular the Leisure Future project, progress. External borrowing has been planned for a few years and is inevitable as the Council's cash balances are much reduced and can no longer support further capital expenditure without external borrowing.
- 3.3 There will not be confidence about the level of Right to Buy receipts for 2014/15 under the new arrangements for a 50:50 share with Community Housing Group, until the latter part of that financial year. The recommendation is that the first £338,000 of the Right to Buy (RTB) receipts in 2014/15 be allocated to Disabled Facilities Grants (to a maximum Capital budget of £800,000) any subsequent RTB Capital Receipts be allocated to general capital reserves. That the allocation of future years' RTB receipts, will be considered in future budget setting processes and that the specific sum for 2014/15 is not allocated until the latter part of 2014/15, when a more confident forecast can be made.
- 3.4 The property disposal programme continues, to close the funding gap on Wyre Forest House and also to fund other schemes in accordance with Council approvals.
- 3.5 The November 2013 Council approvals and any final adjustments to the Capital Programme 2014/17 and associated Prudential Indicators will be reflected in the February 2014 reports to Council.

4. FINANCIAL IMPLICATIONS

4.1 Base Capital Programme

Revised Capital Programme of approved schemes, including details of actual expenditure, prior to 1 April 2013 and technical officers' estimates of projected costs, is set out in Appendix A.

4.2 Capital Schemes

4.2.1 The Capital Programme at Appendix A includes the programmed expenditure and funding for the Leisure Future project, adjusted to take account of the implications of the business case refresh agreed by Cabinet on 22nd October. The revenue savings allied to this major development are also included within the Base Budget. The competitive Design, Build, Operate and Maintain (DBOM) tender will be progressed in due course and any changes, as a result of the tender process, reported to members and fed into the Capital Programme accordingly. Funding for this major capital scheme is by prudential borrowing, supplemented by up to £2m in Sport England grant, a preliminary decision on which is expected in late January 2014, and the sale proceeds of assets used for existing leisure provision. This borrowing is affordable as the new building and facility mix should ensure that the management fee currently payable by the Council will be saved; this saving will fund the financing costs of the new build. The financial impact of the recent decision to change to an alternative site and subsequent accounting will be dealt with as part of the final accounts process. Costs relating to the Victoria Carpets site will now be met from revenue rather than the capital programme and this will be addressed at the finalisation of the accounts for 2013/14.

4.2.2 As is well documented, the original construction tender for Wyre Forest House reduced the capital budget down from £10.5m to £10m, and the consolidation of buildings and staff has generated significant revenue savings reflected in the base budget. The funding gap for Wyre Forest House as at the end of December 2013 is shown in the following table:

Total Funding Source for Wyre Forest House	Receipts Received To 31/12/13 £	Future Receipts Anticipated £	Total Revised Funding £
Capital Receipts and Revenue Financing Secured*	9,318,130	-	9,318,130
Future Disposal of Surplus Assets	-	681,870	681,870
Total Funding Plan	9,318,130	681,870	10,000,000

*Expenditure to date on Wyre Forest House is £9.4m; further payments will be made as the Council finalises the scheme. Pending the disposal of further surplus assets the Chief Financial Officer will continue to use temporary bridging finance including prudential borrowing to meet the balance of funding identified in the table above.

4.2.3 Following the initial Cabinet "in principle" decision on 18th October 2011 to carry out

a Community Asset Transfer of Stourport Civic Centre and Civic Hall to the Stourport Holding Body, after vacation of the site by the District Council in 2012, agreement for the transfer to proceed was finally reached on 3rd September 2013. The transfer is to be at nil cost with provision of up to £500k launch fund (up to £450k capital, £50k revenue, of which £30k remains committed but not paid over) and this is reflected in the attached Capital Programme and accompanying revenue budget. Now that the final decision on transfer has been taken, the transfer will take place as soon as all the legal documentation is in place. The capital contribution of up to £450,000 for this scheme will be funded by the majority of the Council's remaining unallocated capital receipts and will be paid in stage payments as the major building works to the Civic Hall are completed.

- 4.2.4 As identified in the above table, further assets to the value of £0.682m need to be realised, some of which will result in reduced revenue income to the Council. These assumptions have been built into the Medium Term Financial Plan.
- 4.2.5 The Capital Programme also includes £1.85m in 2014/15 for the potential replacement of current Green Street Depot facilities. It is assumed any such relocation would be funded from the disposal proceeds of the current site, subject to a future business case. This is worst case scenario as it is hoped that the work around exploring alternative options for depot services provision will result in an innovative solution that generates savings.
- 4.2.6 The base Capital Programme includes expenditure fully supported by Government Grant for Disabled Facilities Grants (DFGs) for 2014/15 onwards. However it has now been confirmed that the national DFG pot will be going into the new 'Better Care Fund' from 2015/16. The Government has confirmed the allocation of funding for disabled facilities grants for 2014-15 and within the Better Care Fund for 2015-16 (which are described as "minimum Better Care funding for DFG"):

£k	2014-15	2015-16
Bromsgrove	324	387
Malvern Hills	222	291
Redditch	302	346
Worcester	246	304
Wychavon	387	474
Wyre Forest	462	556

Source: attachments to email from DFG Policy Team, DCLG, 20 December 2013; 2014-15 allocations from revised email, 2 January 2014

The NHS England Planning Guidance "Developing Plans for the Better Care Fund" was issued with a letter from DCLG and Department of Health Ministers on 20 December. The relevant paragraphs say:

"19 The DFG has been included in the Fund so that the provision of adaptations can be incorporated in the strategic consideration and planning of investment to improve outcomes for service users. DFG will be paid to upper-tier authorities in 2015/16. However, the statutory duty on local housing authorities to provide DFG to those who qualify for it will remain. Therefore each area will have to allocate this funding to their respective housing authorities (district councils in two-tier areas) from the pooled budget to enable them to continue to meet their statutory duty to provide adaptations to the homes of disabled people, including in relation to young people aged 17 and under.

Special conditions will be added to the DFG Conditions of Grant Usage (under Section 31 of the Local Government Act 2003) which stipulate that, where relevant, upper-tier local authorities or CCGs must ensure they cascade the DFG allocation to district council level in a timely manner such that it can be spent within year. Further indicative minimum allocations for DFG have been provided for all upper-tier authorities, with further breakdowns for allocations at district council level as the holders of the Fund may decide that additional funding is appropriate to top up the minimum DFG funding levels.”

It is helpful that the Government has confirmed the conditions that it is imposing on the Worcestershire Health and Well-being Board to passport these resources to district councils for 2015-16. Presumably the arrangements put in place by the Government will also apply in later years, since there seems no plan to remove or shift district councils' duty to provide DFGs.

- 4.2.7 The current Capital Programme includes £1m for the Local Authority Mortgage Scheme (LAMS). Due to the reduction in the commercial deposit rate reducing the differential between the cost of borrowing and the interest earned and lower resultant risk reserve available for any defaults, the launch has not been progressed. Since the Government's Help to Buy guarantee scheme was brought forward to October 2013, Lloyds, the major bank participating in LAMS, have unfortunately decided to put LAMS on hold until they receive further details about the government scheme. This is very disappointing news for all those authorities who have worked very hard to get schemes up and running, and planned launches will not go ahead as scheduled. Lloyds issued the following statement in late September (this was before the launch of the Government scheme was brought forward to October):

"As you are aware, launch of the Government's Help to Buy guarantee scheme is due in January 2014 and LBG is the first confirmed participating lender. We are still awaiting full and final details of the scheme and how it will operate. However, given the nature of Help to Buy, there will likely be similarities with the Local Lend a Hand scheme. We do not yet know how these similarities will impact on our mortgage sales process.

On this basis, we believe it would be prudent for both LBG and Local Authority partners to wait until further information on the Help to Buy scheme is published before progressing any new local authority launches for Local Lend a Hand”

In view of these developments it is now timely to reconsider this Council's allocation of funding for the scheme, and it is recommended that it is removed from the Capital Programme. As it was to be funded by prudential borrowing, this does not result in any sum to be reallocated for other capital purposes.

The approved Cabinet Proposals for last year also includes a further item for the extension of the current LAMS scheme to include Shared Ownership with no funding allocated at this early stage. This model has not yet been finalised by Capita Asset Services: Treasury Management Solutions; this scheme should be reviewed when more information is known as the government scheme has not yet been extended to Shared Ownership.

4.3 It should also be noted that the future funding of the Capital Programme includes an estimated underlying Capital Financing Requirement of £16.425million (as at 31/03/2017 – the end of the Finance Strategy).

4.4 Prudential Borrowing

4.4.1 In accordance with the Prudential Borrowing Code, the Council is able to borrow for capital projects, subject to demonstrating that spending plans are affordable, prudent and sustainable. Prudential Borrowing has been assumed for the Vehicle, Equipment and System Renewals Schedule, subject to paragraph 5.6 below, the State of the Area Debate capital works, the Leisure Future project and other relevant approvals. These assumptions result in a Capital Financing Requirement (CFR) (taking into account MRP repayments) summarised in the Table in paragraph 4.4.4.

4.4.2 The Council currently has £5m external borrowing, as detailed in paragraph 4.2. It is certain that the Council will enter into further external borrowing in the near future. The assumptions included in the budget for the utilisation of External Borrowing are shown in 4.4.5 below.

4.4.3 The use of temporary borrowing is also likely to be necessary for bridging finance for Wyre Forest House, pending receipt of sales proceeds from assets identified as surplus and suitable for disposal in the Property Disposal Strategy.

4.4.4 Table of Forecast Capital Financing Requirement (CFR)

The CFR is calculated from the Council’s balance sheet, and is the underlying need to borrow for capital purposes – in effect the debt liability. It represents the cost of the Council’s assets, less any capital receipts and allowable adjustments.

Once calculated, the Chief Financial Officer then decides how the debt liability is to be funded. It can be funded either from internal resources on a temporary basis (internal borrowing), or from the market (external borrowing). Whether to use internal or external borrowing is purely an operational decision based on current market conditions and cash balances available. When it is cheaper to borrow from the market than using temporary balances for investment purposes, then it is preferable to enter into external borrowing. When borrowing costs are higher it is preferable to use internal resources. Internal borrowing is no longer sustainable on a temporary basis; in line with our expenditure approvals, our cash balances have now diminished to levels whereby the Chief Financial Officer predicts we will continue to enter into external borrowing with the Public Works Loans Board (PWLB)/other local authorities as the capital programme progresses. Borrowing rates are currently very low and this authority has also signed up to the PWLB Certainty Rate Government Scheme giving us a reduction of 20bps on borrowing interest rates. The timing of external borrowing will be carefully considered in liaison with Capita Asset Services; Treasury Management Solutions, our Treasury Management advisors.

Description	2013/14 (and prior to 1/4/2013)	2014/15	2015/16	Closing CFR (at 31/3/2017)
	£'000	£'000	£'000	£'000

Estimated Capital Financing Requirement at 31st March	9,104	15,936	16,536	16,425
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4.4.5 Forecast Future Prudential Borrowing

Current estimates of cashflow show there is a potential requirement for the Council to externally borrow up to a further £4million in 2013/14, based upon the latest estimate of the Capital Financing Requirement detailed above.

4.4.6 The Chief Financial Officer will continue to use delegated powers to enter into borrowing arrangements as appropriate, taking into account prevailing economic market conditions together with funding requirements. This delegation enables the Chief Financial Officer to respond quickly to changes in market conditions to ensure borrowing costs are kept to a minimum.

4.5 Vehicle, Equipment and Systems Renewal Schedule

A revised Schedule has been prepared and set out as Appendix B. Under Capital Rules vehicles, equipment and systems may be purchased out of Loan, Leasing, Capital Receipts or Revenue. As an alternative to outright replacement the Council has introduced a programme of refurbishment for refuse vehicles from 2013/14 as this is a more cost effective option. The Chief Financial Officer currently recommends that the Council use Prudential Borrowing where Capital Receipts or Direct Revenue Funding are not available.

5. LEGAL AND POLICY IMPLICATIONS

5.1 The Local Government Act 2003 introduced a legislative framework under which Local Authorities prepare and manage capital expenditure known as the Prudential System of Capital Finance.

5.2 The Prudential System of Capital Finance has been fully incorporated by the Authority in the preparation of the Capital Strategy, the Vehicle, Equipment and System Renewal Schedule and the Base Capital Programme.

6. RISK MANAGEMENT

6.1 The main risk associated to this Capital Programme is that, given the current depressed economy, asset disposals are not fully realised in terms of timing and valuation assumptions. The secondary risk is that borrowing costs will increase and financing costs for the Capital Financing Requirement will then rise.

6.2 A further, risk, is that the construction contract for the New Headquarters exceeds the approved budget. This has been mitigated by tight management including the retained services of quantity surveying/project management services from RLB Consultants, and by the inclusion of financial penalties within the contract. This risk is reduced now we are in full occupation and the finalisation of this contract, including release of all retentions nears completion; however, resolution of the heating of the building continues to exacerbate progress with closure of this scheme.

- 6.3 The Leisure Future project has a risk register which is updated at the fortnightly project team meetings. This register is intended to minimise any risk to the Council that may arise from the new leisure centre project.

The Financial risks facing this major project include:

- a) Site costs and abnormal
- b) Build costs market conditions
- c) Realisation of capital receipts
- d) Price inflation
- e) Balancing facility mix, build specification, against impacts on operator's business plan
- f) Interest rate changes
- g) Securing grant funding and complying with its terms
- h) Project delay or curtailment
- i) Project cost escalation for changes and challenges

Additionally, the wider financial risks include:

- a) Availability of future Council funding/budgets
- b) Developments in the Leisure market pre contract
- c) Government capital expenditure/financing controls

- 6.4 These risks, together with all other risks associated with the Capital Programme 2013/14 onwards, are robustly managed as detailed in the Budget and Policy framework 2014/17 and allied Budget Risk Matrix Appendix, as approved by Council in November 2013.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equality Impact Assessment has been undertaken and it is considered that there are no discernible impacts on the six equality strands.

8. CONCLUSION

- 8.1 The Leisure Future project is the most significant capital scheme and is forecast to generate revenue savings compared to current arrangements. Like any complex project it is not without risk and these will be closely managed and reported on as appropriate.
- 8.2 The Council continues to have an underlying borrowing requirement, which was deferred whilst the Council maintained a high level of Capital Receipts. This will continue to be converted into external borrowing as the receipts are utilised for other capital projects.
- 8.3 At this stage all Capital Receipts have been allocated across the period of the Finance Strategy. The projected Capital Financing Requirement, for several capital schemes, along with the vehicles and other systems replacements, will also generate a total underlying requirement for Prudential Borrowing of £16.425million at end of 2017. A table of potential future Prudential Borrowing Requirement is given in paragraph 4.4.4.

- 8.4 If the Council wish to approve additional Capital Schemes these would need to be financed from either Prudential Borrowing, virement from new Capital Receipts or Direct Revenue Funding.

9. APPENDICES

- 9.1 Appendix A – Capital Programme 2014/17.
9.2 Appendix B – Vehicles Equipment and System Renewals Schedule 2014/17.

10. CONSULTEES

- 10.1 CMT.
10.2 Cabinet.

11. BACKGROUND PAPERS

- 11.1 Local Government Act 2003.
11.2 CIPFA Prudential Code for Capital Finance in Local Authorities.
11.3 Property Disposal Strategy.
11.4 Cabinet 19th November 2013.
11.5 Council 27th November 2013.

CAPITAL PROGRAMME 2013 TO 2017

Detail	2013/2014		2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £	Prior to 01/04/2013 £	Total £
	Original £	Revised £					
1. COMMITTED EXPENDITURE							
1. CHIEF EXECUTIVE							
New Headquarters - Office Accommodation	105,900	664,820	-	-	-	9,335,180	10,000,000
Contribution towards replacement of Civic Facilities in Stourport-on-Severn (in addition, there will be a Community Asset Transfer of the Civic Centre)	-	450,000	-	-	-	10,000	460,000
Boundary Wall at 49 Worcester Street	10,000	-	10,000	-	-	-	10,000
ICT Strategy	600,000	70,000	662,380	-	-	1,774,830	2,507,210
Local Authority Mortgage Scheme (LAMS)	-	1,000,000	-	-	-	-	1,000,000
SUB TOTAL	715,900	2,184,820	672,380	0	0	11,120,010	13,977,210
2. COMMUNITY WELL-BEING AND ENVIRONMENT							
Future Leisure Provision	1,130,000	1,516,530	6,400,000	3,000,000	202,200	83,470	11,202,200
Replacement of Depot Facilities	-	-	1,850,000	-	-	-	1,850,000
Paddling Pools - Strategic Review	296,250	299,700	-	-	-	300	300,000
St Mary's Churchyard Boundary Wall	-	2,840	-	-	-	36,960	39,800
Liveability Scheme: Brinton Park	-	210	-	-	-	388,290	388,500
Stourport Sports Village	317,000	417,110	-	-	-	112,750	529,860
Franchise Street S106 - Brinton Park	53,370	-	53,370	-	-	8,840	62,210
Franchise Street S106 - Arts Development	9,330	-	9,330	-	-	-	9,330
BMX Track at White Wickets	-	13,900	-	-	-	-	13,900
Load Street Public Conveniences Refurbishment	20,530	-	20,530	-	-	-	20,530
Parking Facilities: Payment under Contractual Agreement	159,280	59,280	100,000	-	-	33,220	192,500
Parking Facilities: Improvement to Car Parks	19,860	19,860	-	-	-	280,140	300,000
Waste Strategy - Garden Waste Containers	12,960	12,960	-	-	-	54,520	67,480
SUB TOTAL	2,018,580	2,342,390	8,433,230	3,000,000	202,200	998,490	14,976,310
3. ECONOMIC PROSPERITY AND PLACE							
Housing Strategy:							
Disabled Facilities Grants	731,110	682,960	462,100	462,100	462,100	7,678,382	9,747,642
Affordable Housing Grants to Registered Social Landlords*	134,000	65,000	69,000	-	-	2,958,740	3,092,740
Housing Assistance (including Decent Homes Grant)	411,110	227,040	304,070	72,190	-	1,497,070	2,100,370
Planning Delivery Grant Capital Projects	26,240	26,240	-	-	-	231,520	257,760
Flood Relief	39,510	22,500	17,010	-	-	159,490	199,000
North Worcs Water Management Capital Projects - Redditch Schemes	-	80,000	70,000	-	-	-	150,000
North Worcs Water Management Capital Projects - Bromsgrove Schemes	-	57,000	-	-	-	-	57,000
WETT Programme - Regulatory Services	126,690	58,000	53,360	-	-	15,330	126,690
Regeneration of Economic Development	900,000	585,690	700,000	-	-	14,310	1,300,000
Carbon Management Plan	175,770	75,770	108,640	22,960	-	-	207,370
Bewdley Medical Centre**	250,000	-	250,000	-	-	-	250,000
* Subject to Cabinet Proposal							
** Subject to Council Approval							
SUB TOTAL	2,794,430	1,880,200	2,034,180	557,250	462,100	12,554,842	17,488,572
4. VEHICLE, EQUIPMENT & SYSTEMS RENEWAL SCHEDULE							
Vehicles & Equipment	797,420	349,000	837,420	348,000	350,000	5,590,140	7,474,560
Financial Management System Replacement	77,470	15,000	62,470	-	-	9,600	87,070
SUB TOTAL	874,890	364,000	899,890	348,000	350,000	5,599,740	7,561,630
TOTAL COMMITTED EXPENDITURE	6,403,800	6,771,410	12,039,680	3,905,250	1,014,300	30,273,082	54,003,722

CAPITAL PROGRAMME 2013 TO 2017

Detail	2013/2014		2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £	Prior to 01/04/2013 £	Total £
	Original £	Revised £					
2. FINANCING							
Capital Receipts: Funding Approved	1,138,490	291,260	916,710	72,190	-		1,280,160
New Headquarters Office Accommodation - Temporary Borrowing/Asset Disposals	105,900	664,820	-	-	-		664,820
Replacement of Depot Facilities - Asset Disposals	-	-	1,850,000	-	-		1,850,000
Contribution towards replacement of Civic Facilities - Capital Receipts Funding	-	450,000	-	-	-		450,000
Future Leisure Provision Scheme - Temporary Borrowing/Asset Disposals	-	-	-	1,429,000	-		1,429,000
Future Leisure Provision Scheme - Sport England Grant	-	-	1,000,000	1,000,000	-		2,000,000
Future Leisure Provision Scheme - Prudential Borrowing	1,130,000	1,516,530	5,400,000	571,000	202,200		7,689,730
Prudential Borrowing for WETT Programme - Regulatory Services Scheme	126,690	58,000	53,360	-	-		111,360
Prudential Borrowing for Regeneration of Economic Development Scheme	900,000	585,690	700,000	-	-		1,285,690
Prudential Borrowing for Paddling Pools Scheme	296,250	299,700	-	-	-		299,700
Prudential Borrowing for Carbon Management Scheme	175,770	75,770	108,640	22,960	-		207,370
Prudential Borrowing for Local Authority Mortgage Scheme (LAMS) Scheme	-	1,000,000	-	-	-		1,000,000
Disabled Facilities Grant	444,000	448,710	462,100	462,100	462,100		1,835,010
Decent Homes Grant	334,120	317,730	149,270	-	-		467,000
Liveability/Heritage Lottery Grant Funding (for Brinton Park)	-	210	-	-	-		210
Planning Delivery Grant	26,240	26,240	-	-	-		26,240
S.106 Funding (Parking - Contractual Agreement)	159,280	59,280	100,000	-	-		159,280
S.106 Funding (Franchise Street)	62,700	-	62,700	-	-		62,700
S.106 Funding (for Stourport Sports Village)	317,000	417,110	-	-	-		417,110
Funding for BMX Track	-	13,900	-	-	-		13,900
Flood Relief Grant (from CLG)	39,510	22,500	17,010	-	-		39,510
North Worcs Water Management Capital Projects - Redditch BC Funding	-	80,000	70,000	-	-		150,000
North Worcs Water Management Capital Projects - Bromsgrove DC Funding	-	57,000	-	-	-		57,000
Park Homes Grant (from Worcestershire County Council)	10,000	10,000	-	-	-		10,000
Vehicles & Equipment (Prudential Borrowing)	797,420	349,000	837,420	348,000	350,000		1,884,420
Financial Management System Replacement (Prudential Borrowing)	77,470	15,000	62,470	-	-		77,470
<u>Direct Revenue Funding:</u>							
Waste Strategy - Garden Waste Containers	12,960	12,960	-	-	-		12,960
Bewdley Medical Centre**	250,000	-	250,000	-	-		250,000
** Subject to Council Approval							
	6,403,800	6,771,410	12,039,680	3,905,250	1,014,300		23,730,640

VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS SCHEDULE 2013 TO 2017

APPENDIX 1 APPENDIX B

Detail	2013/14		2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Original £	Revised £			
1. VEHICLES					
Refuse Freighter	150,000	80,000	80,000	-	-
Refuse Freighter	150,000	80,000	80,000	-	-
Refuse Freighter	150,000	-	80,000	-	-
Refuse Freighter	-	-	80,000	-	-
Flatbeds for Bulky	45,000	-	-	45,000	40,000
Ford Fusion	-	-	12,000	-	-
Ford Fusion	-	-	12,000	-	-
Ford Connect	-	-	18,000	18,000	-
Ford Ranger 4x4	-	-	23,000	23,000	-
Ford Ranger 4x4	-	-	23,000	-	-
Blitz Vehicle	-	-	-	30,000	-
Mechanical Sweeper (Medium)	100,000	-	120,000	-	-
Mechanical Sweeper (Schmit)	-	75,000	-	-	-
Mechanical Sweeper (Johnson V650)	-	-	-	100,000	-
Mechanical Sweeper (Small JOHNSON C200)	-	-	70,000	-	70,000
Mechanical Sweeper (Small JOHNSON C200)	-	-	70,000	-	-
Transit Van	-	-	20,000	20,000	-
Transit Van	-	-	20,000	-	-
Garage Equipment - Replacement (slippage from prior years)	23,420	10,000	13,420	-	-
Iveco Daily	30,000	-	30,000	30,000	30,000
Iveco Daily	-	-	30,000	-	30,000
Iveco Daily	-	-	-	-	30,000
Iveco Daily	-	-	-	-	30,000
Iveco Daily	-	-	-	-	30,000
Iveco Daily	-	-	-	-	30,000
Midi Tractor	30,000	-	-	-	30,000
Mowing Machine	35,000	35,000	-	-	-
Timberwolf chipper	-	-	-	30,000	30,000
Tractor	32,000	-	-	32,000	-
Tractor	-	50,000	-	-	-
Canter	-	-	38,000	-	-
Small Van - Low range electrical	15,000	-	-	20,000	-
Fork Lift Truck	10,000	10,000	-	-	-
CMP Engine Management Systems	13,500	-	-	-	-
CMP Electric bin lifts	13,500	9,000	18,000	-	-
2. OTHER					
Financial Management System replacement	77,470	15,000	62,470	-	-
	874,890	364,000	899,890	348,000	350,000

WYRE FOREST DISTRICT COUNCIL

**Cabinet
21st January 2014**

**Overview and Scrutiny Committee
9th January 2014**

Home Choice Plus Allocation Policy Review

The Committee considered a report from the Strategic Housing Services Manager which outlined the proposed changes to the Allocations Policy following amendments made to the legislation governing allocations in the Localism Act 2011.

Recommend to Cabinet:

- **That approval be given to the Strategic Housing Services Team to consult on the proposed allocations policy changes.**
- **That the Home Choice Plus questionnaire as attached at Appendix 2 of the report to the Overview and Scrutiny Committee, is approved as the appropriate means to undertake the consultation.**
- **That the results of the consultation be brought back to a further meeting of the Overview and Scrutiny Committee prior to approval of the final policy.**

Background papers:

Report to the Overview and Scrutiny Committee 9th January 2014

<http://www.wyreforest.gov.uk/council/meetings/com193.htm#mt7329>