

WYRE FOREST DISTRICT COUNCIL

COUNCIL
26th FEBRUARY 2014

FINANCIAL STRATEGY 2014-17

AMENDMENT TO BE MOVED BY THE LABOUR GROUP

2. RECOMMENDATIONS

The **LABOUR GROUP** RECOMMENDS TO COUNCIL:

2.1 FEES AND CHARGES

2.1.1 **APPROVAL** of the updated fees and charges as attached in Appendix 1, in respect of Control of Dogs to replace those approved by Council on the 27th November 2013.

2.2 THREE YEAR BUDGET, CAPITAL PROGRAMME AND POLICY FRAMEWORK 2014-17

2.2.1 **APPROVAL** of the updates to the Medium Term Finance Strategy 2014-17 as approved by Council in November 2013, as set out in the Cabinet report of the 21st January 2014.

2.2.2 **APPROVAL** of the Base Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendices to the Cabinet Report on the 21st January 2014, further amended to incorporate all approved Cabinet Proposals and final amendments detailed in this report. The revised Capital Programme for approval is contained in Appendix 2 (Parts 1 and 2); updated Prudential Indicators are also presented in the separate Treasury Management report on this agenda. In doing so, Capital Budgets for 2014-17 are approved.

2.2.3 **APPROVAL** 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). That all future RTB Capital Receipts, over and above the top-up to £800,000 for Disabled Facilities Grants, are ring-fenced for Housing purposes.

2.2.4 **APPROVAL** 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.

2.2.5 **APPROVES** that any Final Account savings arising from 2013-17 over and above the target allowed for in the Council's Finance Strategy, together with surplus Earmarked Reserves, be allocated by the Chief Financial Officer in consultation with the Leader.

2.2.6 **The General Fund Revenue Budget be APPROVED including updated LABOUR GROUP PROPOSALS (Appendix 3) and updated FEES AND CHARGES (Appendix 1) and related amendments** as set out in paragraph 3 of this report.

2.3 **COUNCIL TAX**

2.3.1 **RECOMMENDS** a Council Tax for Wyre Forest District Council on a Band D Property of £201.45 for 2014-15 (£197.62 2013-14) which represents a 1.94% increase on Council Tax from 2013-14.

2.3.2 **RECOMMENDS** a provisional Council Tax on a Band D Property in 2015-16 of £205.36 and £209.34 in 2016-17, an increase of 1.94 % per annum over 2014-15.

2.3.3 **APPROVES** 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 calendar month and zero per cent thereafter, with any occupation for any period of less than 6 weeks being ignored. The period for which any discount under Class C applied to a dwelling immediately before 1 April 2014 shall count towards the period of one calendar month in awarding any discount for the period commencing on 1 April 2014.

2.4 **MEMBER ALLOWANCES**

2.4.1 **HAVE REGARD** to the conclusions and recommendations of the Independent Review Panel (IRP) in making any amendments to the Members' Allowances Scheme for 2014-15;

2.4.2 **DECIDE** to implement the IRP recommendations for the scheme of allowances in full, as set out in Appendix 4 – Part 2, for the financial year 2014-15 and all subsequent years of the Financial Strategy.

2.4.3 **AUTHORISE** the Solicitor to the Council to amend the Constitution as appropriate to give effect to the Council's decisions.

3. **FINANCIAL IMPLICATIONS**

3.1 The Cabinet Proposals previously approved by Council on 27th November 2013 have now been supplemented and revised where appropriate, and a new schedule as proposed by the Labour Group is shown in Appendix 3.

3.2 The following table demonstrates the updated position for the Council when all the revisions included in this report are incorporated into the Base Budget. The Council is forecast to hold a balance of £1,536k at the end of 2016-17 see reserves table in 5.4).

LABOUR GROUP PROPOSED BUDGET AMENDMENT				
	Revised			
	2013/14	2014/15	2015/16	2016/17
Net Expenditure on Services	12,560,830	12,320,590	12,390,310	12,295,510
Less				
Cabinet Proposals as revised		(675,450)	(1,156,780)	(1,441,250)
Net Expenditure	12,560,830	11,645,140	11,233,530	10,854,260
Contribution (from)/to Reserves	(275,910)	96,480	(224,890)	(227,370)
Net Budget Requirement	12,284,920	11,741,620	11,008,640	10,626,890
Less				
Government Support	6,179,120	5,337,340	4,499,870	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		50,000	50,000	0
Council Tax Transition Grant	28,630	0	0	0
Council Tax Income	5,952,120	6,230,850	6,351,780	6,474,890
WFDC Council @ just under 2% increase 2014/15 onwards	197.62	201.45	205.36	209.34

3.3 The final Government Grant figures were published on 5th February 2014; they were very close to the Provisional Settlement. The table below identifies the final position in relation to total Government grant. The table includes all specific grants such as the Council Tax Freeze Grant, and Homelessness Prevention Grants. The total funding position is £2,420 worse than originally predicted for the Strategy overall, 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			
2014-15	5,440,650	5,444,370		843,400	13.41
2015-16	4,613,000	4,606,860		837,510	15.38
2016-17	4,152,000	No figure		454,860	9.87
	Total Variance	Less Grant	2,420		

3.4 Reserves available as part of the three year financial strategy are as follows:

RESERVES STATEMENT	Revised 2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Reserves as at 1 April	2,168	1,892	1,988	1,763
Contribution (from)/to Reserves	(276)	96	(225)	(227)
Reserves as at 31 March	1,892	1,988	1,763	1,536

3.5 The recommendation to fully implement the recommendations from the IRP across all years of the Financial Strategy is included within Appendix 3 to this report.

WYRE FOREST DISTRICT COUNCIL

LABOUR PROPOSALS 2014/2015 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL	KEY	CHANGE IN RESOURCES			
			2014/15 £	2015/16 £	2016/17 £	After 31/03/2017 £
	SUMMARY FINANCIAL IMPLICATIONS OF CABINET PROPOSALS APPROVED BY COUNCIL ON NOVEMBER 27TH 2013	C	-	5,000,000	-	-
		R	828,390 CR	1,345,390 CR	1,631,890 CR	1,650,890 CR
		S	14.75 CR	16.75 CR	22.75 CR	22.75 CR
SECURING THE ECONOMIC PROSPERITY OF THE DISTRICT						
R705	Economic Regeneration Activities Seek funding from the single local growth fund from 2015/16 for economic regeneration activities. <i>Reverse this proposal now the Government have confirmed there will be no New Homes Bonus top slice</i>	C R S	- - -	- 200,000 -	- 200,000 -	- 200,000 -
R670	Right to Buy Receipts That all future capital receipts in relation to Right to Buy over and above the proposed top-up to £800,000 for Disabled Facilities Grants are ring-fenced for Housing purposes.	C R S	- - -	- - -	- - -	- - -
DELIVERING TOGETHER, WITH LESS						
Various	WFF further tranche of savings - Revised Wording only - no change to figures As part of the Wyre Forest Forward Transformation Programme, the Council's Appointments Panel will commission external advice to inform a review of the structure of the Council's Leadership team. The Appointments Panel will consider the external advice and report to Council, with a view for the implementation of any changes in Spring 2015. *(Staffing Implications TBC)	C R S*	- - -	- - -	- - -	- - -
R310 R320 R325 R295 R299	Internal Reform of Revenues, Benefits and Customer Services - Revised wording and adjustment of savings for Internal Option To reform the service to improve the service to the customer, drive out efficiencies and reduce costs.	C R S	- 103,050 3.5 CR	- 13,850 CR 7 CR	- 13,850 CR 7 CR	- 13,850 CR 7 CR
Various	Staff Terms and Conditions To preserve existing staff terms and conditions for 2014/15 and engage external consultants to advise on a new senior management structure to be effective from April 2015. An allowance of £20,000 in 2014/15 has been made for this work. Then in 2015/16 to continue to preserve staff terms and conditions as far as possible by the forecast extraction of savings of around £130,000pa (from the senior management review). This will allow more time to agree the lower level of savings with unions. Severance Costs to be met from Transformation Fund. It also includes facilitation of a Skills Audit for all staff to ensure the optimal deployment of resources.	C R S	- 90,000 -	- - -	- - -	- - -
R405	Implement IRP Full Recommendation Reduce Members Allowances in line with the recommendations from the latest Independent Remuneration Panel for 2014 dated 10/12/2013, to fund the new Marketing and Tourism Post	C R S	- 47,000 CR -	- 40,300 CR -	- 40,300 CR -	- 40,300 CR -
IMPROVING COMMUNITY WELL-BEING						
R735	Marketing and Tourism To create the post of Marketing and Tourism Officer to be within a three-person Media and Marketing team. To promote the district, generate additional external income from January 2015, to take over the role of the Town Centre Manager when funding for this post ceases. Additional income streams should more than fund this post once it is established but full funding has been assumed as worst case scenario at pay Band L.	C R S	- 11,890 0.25	- 47,760 1.00	- 49,790 1.00	- 50,720 1.00
R735	Media and Communications To reduce the Media and Communications Team by 5 hours to create one 20 hour post and one 30 hour post to deliver a saving to reduce the savings required from Staff Terms and Conditions. To discontinue the team apprenticeship after March 2015 (no saving as not projected in base budget).	C R S	- 5,000 CR 0.14 CR	- 5,000 CR 0.14 CR	- 5,000 CR 0.14 CR	- 5,000 CR 0.14 CR

WYRE FOREST DISTRICT COUNCIL**LABOUR PROPOSALS 2014/2015 ONWARDS**

Cost Centre	ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL	KEY	CHANGE IN RESOURCES			
			2014/15 £	2015/16 £	2016/17 £	After 31/03/2017 £
R035	Public Conveniences - Revised wording To carry out the review approved by November Council, to cease or reduce revenue funding for the remaining toilets in the District in consultation with Members.	C R S	- - -	- - -	- - -	- - -
		C	-	5,000,000	-	-
	TOTALS	R	675,450 CR	1,156,780 CR	1,441,250 CR	1,459,320 CR
		S	18.14 CR	22.89 CR	28.89 CR	28.89 CR

KEY - Changes in Resources

- C Capital
- R Revenue
- S Staffing - Stated in FTEs