

WYRE FOREST DISTRICT COUNCIL

COUNCIL
25th FEBRUARY 2015

FINANCIAL STRATEGY 2015-18

AMENDMENT TO BE MOVED BY THE LABOUR GROUP

2. RECOMMENDATIONS

The **LABOUR GROUP** RECOMMENDS TO COUNCIL that it:

2.1 THREE YEAR BUDGET, CAPITAL PROGRAMME AND POLICY FRAMEWORK 2015-18

- 2.1.1 **APPROVES** the updated Medium Term Financial Strategy 2015-18;
- 2.1.2 **APPROVES** the **Labour Group** Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2015-18 as shown in Appendix 3;
- 2.1.3 **APPROVES** the fees and charges in line with this Strategy and the impact on the Council's Revenue Budget for 2015-18, as shown in Appendix 4;
- 2.1.4 **APPROVES** the updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendix 2, Parts 1 and 2;
- 2.1.5 **APPROVES** that the first £244,000 of Right to Buy (RTB) receipts in 2015-16 and subsequent years be allocated to Disabled Facilities Grants (to a maximum Capital budget of £800,000 pa) and any extra RTB Capital Receipts be allocated to general capital reserves;
- 2.1.6 **APPROVES** that any Final Accounts savings arising from 2014-18 over and above the target allowed for in the Council's Financial Strategy, together with surplus Earmarked Reserves, be allocated by the Chief Financial Officer in consultation with the Leader;
- 2.1.7 The General Fund Revenue Budget be APPROVED** including all updates from the position in December 2014 and the **Labour Group Proposals** as set out in Appendix 3.

2.2 COUNCIL TAX

- 2.2.1 **SETS** the Council Tax for Wyre Forest District Council on a Band D Property at £205.36. for 2015-16 (£201.45 2014-15) which represents a 1.94% increase on Council Tax from 2014-15.

2.2.2 **ENDORSES** the provisional Council Tax on a Band D Property in 2016-17 of £209.34 and £213.40 in 2017-18, an increase of 1.94 % per annum over 2015-16.

2.2.3 **NOTES** the Chief Financial Officer's opinion on the budget proposals, recommended by the Cabinet in this report, as detailed in Appendix 5 of this report.

7. FINANCIAL IMPLICATIONS

7.1 The Cabinet Proposals previously considered have now been revised and a new schedule of the Labour Group Proposals is shown in Appendix 3.

7.2 The Council Tax Collection Fund surplus for 2015-16 has now been confirmed at £75k an improvement on the former estimate of £50k. Projections of £50k pa can also now be included for 2016-17 and 2017-18.

7.3 The savings of £40k pa from 2015-16 due to the approval of the IRP and Polling Places recommendations by December Council are also reflected in the updated figures.

7.4 Earmarked reserves of £55k have been identified as no longer required and released into general balances.

7.5 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 £1,098k at the end of 2017-18 (see reserves table in 7.6).

LABOUR PROPOSALS FEBRUARY 2015				
	Revised			
	2014-15	2015-16	2016-17	2017-18
Total Net Expenditure on Services (per Appendix 1)	12,789,130	13,235,590	12,888,360	12,820,510
Add/(Less)				
Cabinet Proposals as revised in Appendix 3		142,560	165,890	96,880
Net Expenditure	12,789,130	13,378,150	13,054,250	12,917,390
Contribution (from)/to Reserves	292,660	(503,490)	(419,940)	(566,340)
Net Budget Requirement	13,081,790	12,874,660	12,634,310	12,351,050
Funded by:				
Revenue Support Grant (inc Bellwin 2014-15)	2,974,200	2,019,010	1,583,940	1,305,530
Business Rates	2,547,170	2,562,620	2,624,420	2,716,200
New Homes Bonus	1,263,170	1,684,610	1,684,610	1,426,190
Community Right to Bid Challenge	16,400	-	-	-
Collection Fund Surplus	50,000	75,100	50,000	50,000
Council Tax Income	6,230,850	6,533,320	6,691,340	6,853,130
WFDC Council Tax @ 1.94% increase 2015-16 onwards	201.45	205.36	209.34	213.40

7.6 Reserves available as part of the three year financial strategy are as shown in the following table. Taking all of the revisions contained in this report into account this shows a reduction of £122k at the end of 2017-18 compared to the December forecast. It is proposed that the net increase in expenditure should be funded from reserves. However, the reduction is not considered to be significant, given that the reserves level remains at over £1m and additional funding for economic regeneration work should result in increased business rates income in the fullness of time.

Reserves Statement - LABOUR Proposals	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Reserves as at 1st April	2,295	2,588	2,084	1,664
Contribution (from)/to Reserves	293	(504)	(420)	(566)
Reserves as at 31st March	2,588	2,084	1,664	1,098

WYRE FOREST DISTRICT COUNCIL

LABOUR PARTY PROPOSALS 2015/16 ONWARDS

Cost Centre	ACTIVITY AND DESCRIPTION OF CABINET PROPOSAL	KEY	CHANGE IN RESOURCES			
			2015/16 £	2016/17 £	2017/18 £	After 2017/18 £
SUCCESSFUL LOCAL ECONOMY						
R705	Economic Regeneration Activities To continue funding for Town Centre Manager post for a further three years when the current funding ceases at the end of March 2015 with 50% funded from the SotAD approved revenue budget.	C R S	- 16,640 1.00	- 16,800 1.00	- 17,000 1.00	- - -
R705	Economic Regeneration Activities The Council is committed to supporting our local economic recovery and through our ReWyre and State of the Area programmes has already supported growth in our local businesses, stimulated inward investment in new jobs and infrastructure, offered new opportunities to improve skills and improved our town centres. We will continue to support these and other essential strategic imperatives including our priority for setting out development plans for Worcester Street and the wider Eastern Gateway in Kidderminster.	C R S	- 100,000 -	- 100,000 -	- - -	- - -
R705	Commercial Activity/External Income In line with Council's current position and in light of alternative budget proposals, to continue to progress the commercial approach in all areas of service activity and seek sponsorship where ever possible. This will include a review of the effectiveness of economic regeneration in respect of Christmas activities.	C R S	- tbc -	- tbc -	- tbc -	- tbc -
R187	Car Parking To consider ideas put forward as part of alternative budget Proposals as part of planned car parking review to be reported in June 2015.	C R S	- - -	- - -	- - -	- - -
R675	Housing Services/Empty Homes Resource To supplement the current work undertaken by the Housing Services team to 1 full time equivalent with scope to undertake work on empty homes and other housing related work.	C R S	- 17,920 0.60	- 19,090 0.60	- 19,880 0.60	- 20,100 0.60
CLEAN, GREEN AND SAFE COMMUNITIES						
R335	Parish Localism Funds To create two Parish Localism funds of £25k each from the balance of the existing fund of C£24k supplemented by Parish Councils and the second for an extended range of Community Groups. There will be revised award criteria for this funding to facilitate easier access and more clarity.	C R S	- 26,000 -	- - -	- - -	- - -
R720	Community Leadership Fund To discontinue the fund of £1,000 per Member from 2015/16 onwards.	C R S	- 33,000 CR -	- - -	- - -	- - -
R002	Waste Collection Services Due to the projected growth in new homes in the District provide additional resources for waste collection crew and vehicle support.	C R S	- 15,000 0.75	- 30,000 1.50	- 60,000 3.00	170,000 120,000 3
Various	Joint Working To continue to explore and consider alternative provision of service delivery by joint working, sharing and or commissioning to protect front-line services. To include continued participation in the county wide Project Optimise initiative. A business case for each proposal will be considered taking into account affordability efficiency and service delivery.	C R S	tbc tbc tbc	tbc tbc tbc	tbc tbc tbc	tbc tbc tbc
	TOTALS	C R S	- 142,560 2.35	- 165,890 3.10	- 96,880 4.60	170,000 140,100 3.60

KEY - Changes in Resources

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