

**WYRE FOREST DISTRICT COUNCIL
CABINET**

**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER
7TH FEBRUARY 2018 (6.30PM)**

Present:

Councillors: M J Hart (Chairman), N J Desmond, I Hardiman, C Rogers, J D Smith and R J Vale.

Observers:

Councillors: N Knowles, F M Oborski MBE and J A Shaw.

CAB.69 Apologies for Absence

Apologies for absence were received from the Chairman of the Overview and Scrutiny Committee, Councillor H Dyke.

CAB.70 Declarations of Interests by Members

No declarations of interest were made.

CAB.71 Minutes

Decision: The minutes of the Cabinet meeting held on 19th December 2017 be confirmed as a correct record and signed by the Chairman.

CAB.72 Call Ins

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

CAB.73 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.74 Public Participation

There was no public participation.

CAB.75 Results of Budget Consultation, Alternative Budgets and Recommendations from the Cabinet Financial Strategy Advisory Panel

A report was considered from the Corporate Director: Resources which fed back the results of the budget consultation exercise which was launched following the presentation of the Financial Strategy 2018/21 to Cabinet on 19th December 2017, alternative budget proposals from the Labour Party and the Independent and Liberal Democrat Group and set out the recommendations from the Cabinet Financial Strategy Advisory Panel from its meeting on 30th January 2018.

The Cabinet Member for Resources presented the report and advised that 260 respondents had been received to the budget consultation. He was delighted to report that overall excellent feedback had been received across the 8 questions which were asked. He added that in response to question 2, 85% of the respondents strongly support / support increasing the target for income generation, and in relation to the question regarding the 1.94% increase in the District Council part of the Council Tax bill in 2018/19 to safeguard front line services, 62% of the respondents strongly support / support the proposal.

The Cabinet Member for Resources thanked the Labour Party and Independent and Liberal Democratic Group for submitting alternative budget proposals for consideration. He thanked all the opposition groups for their participation in the Cabinet Financial Strategy Advisory Panel, and formally moved the recommendations as set out in the report.

The Leader of the Council seconded the recommendations. He said he was disappointed that not more people had responded to the budget consultation. However the 260 responses which had been received were all valid and he thanked those who had responded. He was confident that the proposals the Cabinet were making were supported by the public at large, and was clearly demonstrated through the responses received in terms of supporting and strongly supporting. He added that increasing council tax was never a popular decision to make. However there was a clear majority of support for the modest increase which had been proposed. He thanked the Cabinet Member for Resources for chairing the Cabinet Financial Strategy Advisory Panel and all of the Members from across the political spectrum for playing an active part in the Panel.

Decision: In line with the recommendations of the Cabinet Financial Strategy Advisory Panel the results of the budget consultation exercise and the alternative budget proposals as detailed with the report and appendices be noted.

CAB.76 Medium Term Financial Strategy 2018/21

A report was considered from the Corporate Director: Resources which provided an update on the Medium Term Financial Strategy 2018/21 and made recommendations to Council on the proposed budget decision. It also asked for consideration of the report of the Corporate Director: Resources in respect of statutory duties placed on Local Authority Chief Financial Officers in relation to budget setting and monitoring.

The Cabinet Member for Resources presented the report and outlined the updated position since the December 2017 meeting. He advised Members that the Council Tax base for 2018/19 had been confirmed and was pleased to report that that there had been a rise of 424 properties across Wyre Forest which was an increase of 1.3% on the previous year. He added that this would generate a further additional Council Tax income of £89,000 in 2018/19.

He confirmed that the Central Government's provisional Local Government Finance Settlement figures which had been released in December 2017 had not changed, and the New Homes Bonus threshold had remained at 0.4%

which would benefit the authority to the sum of £73,000. He added that over the Medium Term Financial Strategy, the Council's reserves would increase from £1.6m which was reported in December 2017, to £2m which was very good news.

The Cabinet Member for Resources advised that another notable change to the December report was the creation of a one-off £250,000 capital fund to support income generation and commercial activity. He added that income generation had become a key cornerstone in the budget strategy and in order for the authority to become more commercially minded, the creation of the fund would enable Officers to act more swiftly to commercial opportunities when they arise and would speed up the decision making process. He said that the proposal was to set up a Commercial Activity Programme Board which would be chaired by the Corporate Director: Community Well-being and Environment, and would include other appropriate Officers and relevant Cabinet Members. The Board would ratify and approve business cases which would have to demonstrate that they were generating further and better income. He confirmed that all Members of the Council would be fully updated on how the fund were being spent. He formally moved the recommendations as set out in the report.

The Leader of the Council seconded the recommendations and stated he was proud to support the proposals put forward by the administration. He welcomed the news that the authority would have reserves of £2m at the end of the Medium Term Financial Strategy and hoped that the Section 151 Officer agreed that it was a sound financial position for the Council to be in.

In response to question from Councillor Knowles relating to the use of local business rates to help reduce the £1.6m funding gap, the Cabinet Member for Resources said that the authority now had a system where income was received on the growth element over the base line (26p in every £1), and providing the authority continued to attract new businesses into the Wyre Forest District, and the base line was met, any growth above the base line would contribute a small percentage towards reducing the funding deficit.

Decision: The CABINET having re-considered the Financial Strategy 2018-21, the results of the Budget consultation exercise and recommendations of the Cabinet Financial Strategy Advisory Panel RECOMMENDS TO COUNCIL that it:

1.1 THREE YEAR BUDGET, CAPITAL PROGRAMME AND POLICY FRAMEWORK 2018-21

1.1.1 APPROVES the updated Medium Term Financial Strategy 2018-21;

1.1.2 APPROVES the Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2018-21 as shown in paragraph 3.19 including:

- a) Approval of a further tranche of £1.757m capital investment required for the refreshed ICT Strategy to be added to the capital programme as set out in Appendix 3 of the**

December report;

- b) Approval of the Community Leadership Fund for 2018-19 of £33,000;**
 - c) Approval of a further Localism Fund allocation of £50,000 in 2018-19.**
 - d) Approval of funding to allow the current level of Community Safety staffing to be maintained for 2018-19 while a review of all options is undertaken taking into account the Police and Crime Commissioner's (PCC) position regarding future funding strategies.**
 - e) Approval of a further tranche of Wyre Forest Forward Efficiency Savings of £50k in 2018-19, £175k in 2019-20 and £400k in 2020-21.**
 - f) Approval of an additional income generation targets of £50k in 2018-19, £75k in 2019-20 and £100k in 2020-21.**
 - g) Approval of capital funding of £38k for the replacement of the Spennells Valley Boardwalk funded from the unused Leisure Centre contingency.**
 - h) Approval of capital funding of £250k in 2018-19 to support a more commercial approach for income generation. Specific allocations from this generic capital funding pot to be delegated for approval to the Director of Community and Well-Being in consultation with the Commercial Activity Programme Board and Section 151 Officer see paragraphs 3.13 – 3.17 and also paragraph 1.1.6 below.**
- 1.1.3 APPROVES the fees and charges in line with this Strategy and the impact on the Council's Revenue Budget for 2018-21, as shown in Appendix 3- Part 3;**
- 1.1.4 APPROVES the Capital Programme and Vehicle, Equipment and Systems Renewal Schedule as set out in Appendix 2, Parts 1 and 2;**
- 1.1.5 APPROVES that any Final Accounts savings arising from 2017-21 over and above the target allowed for in the Council's Financial Strategy, together with surplus Earmarked Reserves, be allocated by the Corporate Director: Resources in consultation with the Leader;**
- 1.1.6 APPROVES that allocations from the Commercialism Capital Fund proposed at 2.1.2 (h) above is DELEGATED to Director of Community Well- Being and Environment in consultation with the Commercial Activity Programme Board and the Section 151**

Officer to agree the viability of each business case;

1.1.7 The General Fund Revenue Budget be APPROVED including all updates from the position in December 2017 as set out in this report.

1.2 **COUNCIL TAX**

1.2.1 SETS the Council Tax for Wyre Forest District Council on a Band D Property at £209.34 for 2018-19 (£205.36 2017-18) which represents an increase of 1.94% on Council Tax from 2017-18.

1.2.2 ENDORSES the provisional Council Tax on a Band D Property in 2019-20 of £213.40 and £217.54 in 2020-21, being an increase of 1.94 % in both years.

1.2.3 APPROVES the proposal to increase Council Tax charge for dwellings empty for more than 2 years from 100% to 150% with effect from 1st April 2018 as per paragraph 5.3;

1.2.4 NOTES the Director of Resource's (as Chief Financial Officer) opinion on the budget proposals, recommended by the Cabinet in this report, as detailed in Appendix 4 of this report.

1.3 The Cabinet APPROVED:

1.3.1 Delegated authority be given to the Corporate Director: Resources, in consultation with the Cabinet Member for Resources and Leader of the Council, to make any appropriate adjustments to the General Fund Revenue Budget recommended under paragraph 1.1.7 above, as a result of Central Government confirming the final Local Government Finance Settlement, including final New Homes Bonus Allocations and associated Specific Grants for 2018-19.

1.3.2 The additional schedules of Fees and Charges as set out in Appendix 4- Parts 1 and 2.

CAB.77 Evaluation of Measured Term Contract(s) for Building Maintenance

A report was considered from the Corporate Director: Economic Prosperity and Place which sought approval for the tender evaluation model proposed for the procurement of Measured Term Contracts for General Building Maintenance, Electrical Services and Civil Engineering works.

The Cabinet Member for Planning and Economic Regeneration led Members through the report and advised that the Council's existing Building Maintenance Contract for planned and reactive maintenance of the Council's property portfolio expired on the 31st August 2018.

He said that in order to ensure that the Council's property assets continued to

be maintained it was essential that new repairs and maintenance contract(s) were entered into. He added that the scope of the contract(s) would cover planned and reactive maintenance and would now provide inclusion for civil engineering work which was previously procured on an 'as required' basis.

He confirmed that as the as the combined contract value was estimated to be approximately £1,000,000, the procurement was being carried out in accordance with the Public Contracts Regulations 2015, which was subject to a strict procurement timetable. The Tender would be advertised on the Official Journal of the European Union (OJEU).

The Cabinet Member for Planning and Economic Regeneration said it was essential for the new contract(s) to be in place to commence on 1st September 2018 to enable continuity of provision of a repairs and maintenance service to the Council's property portfolio. He formally moved the recommendations as set out in 2.1 of the report.

The Leader of the Councillor seconded the recommendations. He said that it was a timely reminder of how important it was for the authority to procure this type of services in a proper manner. He was pleased by the proposal to split the procurement of building maintenance services into 4 lots which would provide competitiveness of costs and generate maximum interest in the tender and encourage large or smaller companies to submit a tender for their specialist area.

Decision: The procurement and tender evaluation model contained in Appendix 1 of the report be approved and delegated authority be given to the Director of Economic Prosperity & Place in consultation with the Cabinet Member for Planning & Economic Regeneration the award of the contract(s), in line with the approved evaluation model.

CAB.78 Community Led Housing Pledge

The Cabinet Member for Planning and Economic Regeneration presented a report which shared the progress on the Community Led Housing (CLH) and asked for agreement to the CLH Pledge and related policy.

He advised that in December 2016 and March 2017 the Council received a grant of £191,250 from the then Department for Communities and Local Government (dCLG) called the Community Housing Fund, which was paid in two tranches. The fund was paid to 148 local authorities where there were issues of affordability and/ or a high density of second homes. Within Worcestershire, Malvern Hills and Wychavon District Councils also received an allocation.

The Council developed a proposal of how to utilise the funding, which was agreed by the dCLG and recruited a Community Led Housing Co-ordinator in 2017 to develop a range of approaches to support the growth of CLH within the District. The resources are primarily aimed at promoting CLH, helping communities to undertake housing schemes and to equip them with the support they may need.

He added that delivery of increased housing numbers is a key priority for the Government with the current target of 250,000 likely to rise in the coming years. The Government is keen to see the CLH supply grow over future years and make a contribution towards the overall target. Within Wyre Forest, the Local Plan Review and Worcestershire Housing Partnership Plan are both supporting a rise in housing numbers to meet housing need.

Crucially, for Local Authorities, there will not be any more grants directly allocated. However Officers understand that it would be possible for Councils to bid for funding alongside other organisations such as Registered Providers. Therefore it is important that the Council can demonstrate its on-going commitment to CLH and take up opportunities to work collaboratively and so the Pledge was an appropriate mechanism for doing this.

He noted that the Overview and Scrutiny Committee recommended approval of the report at its meeting on 1st February 2018 and formally moved the recommendations, which were seconded by the Leader of the Council.

Decision: In line with the recommendations from the Overview and Scrutiny Committee, 1st February 2018:

1.1 The principles of Community Led Housing be supported; and

1.2 the Community Led Housing Pledge and related policy be agreed.

CAB.79 Establishing a Group Structure of Local Authority Trading Companies

A report was considered from the Corporate Director: Economic Prosperity and Place with set out the Final Business Case (FBC) for establishing a group structure of Local Authority Trading Companies (LATCs).

The Leader of the Council presented the report and moved the recommendations for approval. He advised that the LATC concept was being adopted by Local Authorities across the Country. He added that the Council continued to look at new and innovative ways of working to support its corporate objectives to support the regeneration of the District, create job opportunities and to diversify and support the supply of new housing.

He said that to enable the Council to reinvest in the District and provide revenue generating schemes, the Council needed to be pro-active and look at the best way to do that from a financially and tax efficient way. It was unlawful for the Council to make a profit on its activities. Setting up a LATC is the legitimate structure to achieve this and he outlined the governance arrangements for the group structure.

The Cabinet Member for Resources was delighted to second the recommendations. He said that as a Council this had been discussed over many years and he was pleased that it was now progressing as it was the vehicle to enable the Council to achieve its corporate objectives and maximise the funds available.

Decision: In line with the recommendations from the Overview & Scrutiny Committee, 1st February 2018:

- 1.1 The Full Business Case for establishing a Group Structure of Local Authority Trading Companies and to proceed to the formation of the proposed Holding and Development Companies at Companies House under the Companies Act 2006 be agreed;**
- 1.2 The finalisation of the Articles of Association and Shareholders Agreements for all the trading companies, be delegated to the Corporate Director: Economic Prosperity & Place in consultation with the Solicitor to the Council, the basis of which is contained in Appendices 5 & 6 of Appendix 1 to the report.**
- 1.3 Delegated authority be given to the Corporate Director: Economic Prosperity & Place in consultation with the Solicitor to the Council and the Leader of the Council to make appointments to the Boards of the companies in accordance with the Articles of Association and Shareholder Agreement and to appoint an Independent Chairman to the Holding Company;**
- 1.4 The schedule of responsibilities for decision taking set out in Appendix 7 of Appendix 1 to the report be agreed;**
- 1.5 Delegated authority be given to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources and the Solicitor to the Council authority to agree and/or implement any other matter expedient to the establishment of the companies.**
- 1.6 All future Right to Buy receipts received from The Community Housing Group are directed to the Evergreen Investment Fund for use in supporting investments and the development of new residential properties either by the Council or through the companies be agreed.**

RECOMMEND TO Council:

- 1.7 That the allocation of Right to Buy receipts identified at 1.6 above be agreed for use through the Evergreen Investment Fund to support investments and new residential developments undertaken by the Council or through its companies.**

There being no further business, the meeting ended at 6.47pm.