

**WYRE FOREST DISTRICT COUNCIL
CABINET**

**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER
18TH DECEMBER 2018 (6PM)**

Present:

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

Observers:

Councillors: H E Dyke and F M Oborski MBE.

CAB.52 Apologies for Absence

Apologies for absence were received from Councillor I Hardiman.

CAB.53 Declarations of Interests by Members

No declarations of interest were made.

CAB.54 Minutes

Decision: The minutes of the Cabinet meeting held on 13th November 2018 be confirmed as a correct record and signed by the Chairman.

CAB.55 Call Ins

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

CAB.56 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.57 Public Participation

There was no public participation.

CAB.58 Financial Strategy 2019 – 2022

A report was considered from the Corporate Director: Resources which provided Cabinet with financial information in order to make proposals for the Budget Strategy for the period 2019-2022.

The Cabinet Member for Resources presented the report and formally moved the recommendations for approval. He said that this was a balanced proposal for the Council's future spending and set out a clear and strategic way of taking

the Council forward over the next 3 years. In relation to the Council's financial context he advised that the net expenditure on services was set to fall by circa 3% from just over £12m to £11.7m. He said the key driver for this had been the severe reduction in government grant which was due to be phased out completely next year. He added that despite the further reduction in the government grant and New Homes Bonus (NHB), the Council had a rich history of not only balancing the books but also driving out savings. He said this gave a firm strategic direction that allowed the Council to continue to invest in services that residents depend upon.

The Cabinet Member for Resources continued that the Council would proceed in a determined and pragmatic way and would continue with its transformation journey in future years. He said the budget set out 3 main levers to help close the financial gap namely; making the Council internally as efficient as possible, using alternative delivery models for services and assets and finally growing income. He added that income from commercial activity had grown from £3.9m to £5.7m, and the medium term financial strategy provided for an additional £325k over a 3 year period.

The Cabinet Member for Resources concluded that, like previous budgets, it was very much strategic in its outlook and continued to invest in the Council's future. He said that over 3 years the Council would have general reserves of just over £1.6m at the end of the strategy term. He said he was very grateful to the Chief Executive, Corporate Director: Resources and Corporate Leadership Team for their continued advice and professionalism. He added that the Administration looked forward to working with all political parties in January 2019 to try and reach a consensus before the final strategy was presented to Council in February 2019.

The Leader of the Council seconded the recommendations. He reminded people that the Council was the billing authority for the precepting authorities, but Wyre Forest District Council only made up 12% of the overall council tax bill. He said that the modest increase would allow a substantial amount of extra income to the Council's base budget which would enable the authority to continue to provide vital services for our communities. He added that the consultation on the strategy would commence on 19th December and urged everybody to take part in it.

Decision:

- 1.1 The fees and charges as set out in Appendix 3 – Part 1 of the report to Cabinet be noted.**

The Cabinet ENDORSE and RECOMMEND to the Cabinet Financial Strategy Advisory Panel for scrutiny:

- 1.2 The Council's updated Medium Term Financial Strategy;**

- 1.2.1 Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2019-22 (paragraph 7.3 of the report to Cabinet) including;**

- a. Approval of the Community Leadership Fund for 2019-20 of £33k;
 - b. Approval of a further Localism Fund allocation of £50k in 2019-20.
 - c. Approval of the allocation of £30k in 2019-20 to preserve service standards of highways verge maintenance;
 - d. Approval of additional staffing resource for Planning Enforcement of 1 FTE for a 2 year fixed term at a cost of £25.9k in 2019-20 and £27.1k in 2020-21 funded from a combination of the 20% increase in Planning Fees previously approved and service efficiency savings as a result of the new system implementation;
 - e. Approval of additional staffing resource for Environmental Protection and Enforcement team of 1 FTE for a 2 year fixed term. Funded in part from additional fine income at a net cost of £17,540k in 2019-20, and £18,780 in 2020-21;
 - f. Approval of additional income generation targets of £75k in 2019-20, £100k in 2020-21 and £150k in 2021-22;
- 1.2.2 The level of net expenditure and resultant Council Tax for 2019-22 as per paragraphs 7.1 and 7.4 including the revenue implications of the Capital Strategy report also on the Cabinet agenda;
- 1.2.3 To increase the Council Tax charge for long-term empty dwellings to the maximum possible level with effect from 1st April 2019 and in future years, in accordance with section 11B of the Local Government Finance Act 1992 as amended by section 2 of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 (see paragraph 5.11);
- 1.2.4 The fees and charges in line with this strategy and the impact on the Council's Revenue Budget for 2019-22, as shown in Part 3 of Appendix 3 (paragraphs 4.14 and 7.1 also refer);
- 1.3 The fees and charges as set out in Appendix 3 – Part 2 be approved:
- 1.4 Decisions in relation to the setting of new fees and charges arising in-year be delegated to the Corporate Director: Community Well-Being and Environment in consultation with the Commercial Activity Programme Board (CAPB) and Corporate Director: Resources (paragraph 4.7 refers).

CAB.59 Capital Strategy

A report was considered from the Corporate Director: Resources and the Corporate Director: Economic Prosperity and Place which provided Members with information to support the recommendations within the Medium Term Financial Strategy and sought approval of a Capital Strategy for 2019-22 including prudential indicators which set limits for non financial investments

and to fulfil the key requirements of the MHCLG Investment Guidance.

The Cabinet Member for Resources presented the report and moved the recommendations for approval. He said that the strategy simply pulled together all the Council's existing strategies for capital and investments into one overarching strategy. He added that the updated strategy now included ethical considerations for development loans and property investments.

Councillor F M Oborski MBE left the meeting at 6.37pm and returned at 6.39pm.

The Leader of the Council seconded the recommendations and said that the strategy showed how open and transparent the authority was in how it was spending Council tax payers' money in terms of the £25m capital portfolio investment fund and the £10m loans to third parties fund.

Decision:

- 1.1 The Cabinet ENDORSE and RECOMMEND to the Cabinet Financial Strategy Advisory Panel for scrutiny:**
- 1.2 The Council's updated Capital Strategy:**
 - a) Approve the Capital Strategy 2019-22 including the associated Quantitative Indicators in Appendix 2 of the report to Cabinet;**
 - b) Approve variations to the Capital Programme and Vehicle, Equipment and Systems Renewals Schedule as set out in Appendix 1, Appendices A and B;**
 - c) Approve the limits for gross debt of non treasury investments compared to net service expenditure and for commercial income as a percentage of net service expenditure as set out in Appendix 2;**
 - d) Approve the limits for loan investments as set out in Section 5.1.**
- 1.3 The Cabinet APPROVED:**
 - 1.3.1 That delegation be given to the Corporate Director: Economic, Prosperity and Place in consultation with the Corporate Director: Resources and Solicitor to the Council and the Cabinet Member for Resources to update the Development Loans Fund and Capital Portfolio Strategy Policies.**

CAB.60 Exclusion of Press and Public

Decision: "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 items of business on the grounds that they involve the likely disclosure of "exempt information" as defined in paragraphs of Part 1 of Schedule 12A to the Act.

CAB.61 Investment Proposal

A report was considered from the Corporate Director: Economic Prosperity and Place which provided a business case to support an investment proposal for the Capital Portfolio Fund.

The Corporate Director: Economic Prosperity & Place presented the report. He gave a comprehensive and thorough explanation of the proposed transaction and the consideration of key matters consistent with the Council's Capital Strategy and the Government Statutory Guidelines for Local Authority Investments, covering the background to the investment opportunity including its location, condition, valuation and tenancy details.

Having outlined the justification for the investment and highlighted the potential risks, he confirmed that the proposal was in line with the Council's adopted Capital Portfolio Fund Strategy and met the Government Statutory Guidelines for Local Authority Investments.

The Corporate Director: Resources gave an explanation of the financial implications of the transaction.

The Cabinet Member for Resources formally moved the recommendations for approval. He said that the proposed purchase was subject to further checks being undertaken by Officers, but felt this was an exciting opportunity for the authority.

The Chair of the Overview and Scrutiny Committee, Councillor H Dyke, presented the recommendations from the Committee and said there had been unanimous support for the proposal. The Leader of the Council seconded the recommendations.

Decision: In line with the recommendations from the Overview and Scrutiny Sub-Committee from its meeting on 17th December 2018:

- 1.1 The business case for the purchase of the Freehold property known as ("the Property") subject to the existing leases, be approved.**
- 1.2 Delegated authority be given to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources, the Solicitor to the Council and the Cabinet Member for Resources to conclude the purchase of the Property once the outstanding matters and documentation set out in the confidential report have been received and deemed satisfactory by the Council's officers.**

There being no further business, the meeting closed at 7.13pm.