

Open

## Council

### **Agenda Item No. 14 – Medium Term Financial Strategy 2021-2024**

**Amendment to Recommendation in Report for adjourned  
meeting on 1<sup>st</sup> March 2021**

To be held remotely  
5.30pm  
Monday 1<sup>st</sup> March 2021



**WYRE FOREST DISTRICT COUNCIL**

**COUNCIL**  
**24<sup>th</sup> FEBRUARY 2021**

**AMENDMENT TO RECOMMENDATION IN REPORT, FOR ADJOURNED MEETING**  
**ON 1<sup>st</sup> MARCH 2021**

**Medium Term Financial Strategy 2021-2024**

<b>OPEN</b>	
<b>CABINET MEMBER:</b>	Councillor G Ballinger, Leader of the Council
<b>RESPONSIBLE OFFICER:</b>	Corporate Director: Resources
<b>CONTACT OFFICER:</b>	Tracey Southall, Ext 2100 tracey.southall@wyreforestdc.gov.uk
Appendices	These were attached to the report originally issued for 24 February 2021 and there is no change to them.

**1. PURPOSE OF REPORT**

- 1.1 To update the adjourned Council meeting on the Medium Term Financial Strategy 2021-2024 and provide an amendment from the Cabinet to the recommendations to Council on the proposed budget decision.

**2. RECOMMENDATIONS**

The **CABINET RECOMMENDS TO COUNCIL** that it:

- 2.1 APPROVES** the updated Medium Term Financial Strategy 2021-2024;
- 2.1.2 **APPROVES** the revised Cabinet Proposals – taking into account the impact on the Council’s Capital and Revenue Budgets for 2021-2024 including:
- a.) **Approval** of a further programme of phased savings for the strategic repositioning of the Council from the Wyre Forest Forward Savings Programme of £0.817m in 2021-22, £1.208m in 2022-23, £1.5m in 2023-24 ongoing after this year;
  - b.) **Confirmation** that the Wyre Forest Forward Savings Programme is expected to reduce management costs as a result of implementing new service delivery models and a holistic review, to be led by the Chief Executive, is planned for implementation by April 2022 at the latest;
  - c.) **Confirmation** that the Council should not seek a review by the Local Government Boundary Commission for England to reduce the number of Councillors but recognising that a review is likely to be necessary to allow redrawing of ward boundaries to take account of future population growth as a result of the local plan;
  - d.) **Approval** of £200k generic capital budget to support expansion of the Council’s income generating activity, to be funded from prudential

borrowing with the revenue costs met from within approved financially viable business cases. The Innovation Fund will be used to fund any one-off revenue business case costs.

- e.) **Approval** of arrangements to withdraw the Community Leadership Fund, with final allocations of £33k being £1000 per Councillor in 2021-22, reduced to £16.5k being £500 per Councillor in 2022-23 and zero thereafter.

2.1.3 **APPROVES** the fees and charges in line with this Strategy and in line with the recommendations of the Licensing and Environmental Committee of 9<sup>th</sup> December 2020, and the impact on the Council's Revenue Budget for 2021-2024, as shown in Appendix 3;

2.1.4 **APPROVES** The amended Corporate Plan as set out in Appendix 5, including removal of the priority about affordable housing.

2.1.5 **APPROVES** the Council's updated Capital Strategy including the following Indicators and limits that have been revised for the February 2021 Council Meeting following any changes to the Capital Programme brought about as a result of the budget process:

a) **Approval** of the Capital Strategy 2021-2031 including the associated non-Treasury Prudential Indicators in Appendix 2 of the December Cabinet report now updated for Cabinet Proposal and inclusion of the Future High Streets Funding (FHSF) as set out in Appendix 2/2 of this report;

b) **Approval** of variations to the Capital Programme and Vehicle, Equipment and Systems Renewals Schedule as set out in Appendix 2 of this report (which updates Appendix 1, Appendices A and B of the Capital Strategy report to December 2020 Cabinet);

c) **Approval** of 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 of the December report now updated for Cabinet Proposals and FHSF as set out in Appendix 2/2 of this report;

d) **Approval** of the limits for loan investments as set out in paragraph 5.1 of the 22<sup>nd</sup> December 2020 report.

2.1.6 **APPROVES** that any Final Accounts savings arising from 2020-2024 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 and Cabinet Member for Strategy and Finance;

2.1.7 The General Fund Revenue Budget be **APPROVED** including all updates from the position in December 2020 as set out in this report.

## 2.2 COUNCIL TAX AND BUSINESS RATES

2.2.1 That the Council Tax increase is confirmed as £5 pa and that Council:

- a. **SETS** the Council Tax for Wyre Forest District Council on a Band D Property at £224.34 for 2021-2022 (£219.34 2020-2021) which represents an increase of 2.28% on Council Tax from 2020-2021.
- b. **ENDORSES** the provisional Council Tax on a Band D Property in 2022-2023 of £229.34 and £234.34 in 2023-2024, being increases of 2.23 % and 2.18% respectively.

2.2.2 **NOTES** the Corporate Director: Resources (as Chief Financial Officer) opinion on the budget proposals, recommended by the Cabinet in this report, as detailed in Appendix 4 of this report.

2.2.3 **NOTES** that the Local Council Tax Support Grant in 2021-22 will initially be added to General Fund Reserves to offset the Collection Fund loss as a result of the reduction in Council Tax Base and **APPROVAL** of delegation to the Corporate Director Resources in liaison with the Cabinet Member for Strategy and Finance to divert any portion of this for Hardship relief if appropriate.

## 3. KEY ISSUES

3.1 On 24<sup>th</sup> February 2021 Council considered a report on proposals for the Budget Strategy for the period 2021-24 but failed to reach a decision and the meeting was adjourned to 1<sup>st</sup> March, when consideration of the issue will resume. This report provides an amended recommendation from the Cabinet following discussions among Group Leaders. Information from the report on the 24<sup>th</sup> February is not repeated, as it has not changed except as set out in this report. The only revisions that affect spending and savings balance each other out and therefore there is no change to the overall financial position within the Medium Term Financial Strategy. Likewise there is no change to the formal council tax resolutions set out in the report at item 15 on the agenda. For transparency, the changes are:

£	2021-22	2022-23	2023-24
Addition to Wyre Forest Forward savings	16,500 CR	8,250 CR	0
Addition to Community Leadership Fund	16,500	8,250	0
Net effect on MTFS	0	0	0

The resultant totals for these lines, in place of the figures given in paragraph 3.11 of the original report for 24 February, are thus:

£	2021-22	2022-23	2023-24
Wyre Forest Forward savings	816,500 CR	1,208,250 CR	1,500,000 CR
Community Leadership Fund	33,000	16,500	0

3.2 The Council must set its Council tax in accordance with all statutory requirements as set out in the Local Government Finance Act 1992, as amended by the

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Localism Act 2011 and Local Audit and Accountability Act 2014. Council Tax for a financial year must be set before the 11<sup>th</sup> March in the preceding financial year. However for this Council, any further delay in taking this decision will mean that the printing and posting of the bills cannot be done in time to give adequate notice of the first direct debit collection date of the 1<sup>st</sup> April so there will be significant administrative reworking and an adverse treasury management cash flow impact.

### **4. CONSULTEES**

- 4.1 Corporate Leadership Team
- 4.2 Cabinet
- 4.3 Group Leaders