

WYRE FOREST DISTRICT COUNCIL

CABINET

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

9TH NOVEMBER 2023 (6PM)

Present:

Councillors: M J Hart (Chairman), I Hardiman (Vice-Chairman), B Brookes, D Morehead, T L Onslow and D Ross.

Observers:

Councillors: F M Oborski MBE.

Observed remotely: Councillors J F Byng and L Whitehouse.

CAB.37 Apologies for Absence

There were no apologies for absence.

CAB.38 Declarations of Interests by Members

No declarations of interest were made.

CAB.39 Minutes

Decision: The minutes of the Cabinet meeting held on 12th September 2023 be confirmed as a correct record and signed by the Chairman.

CAB.40 Call Ins

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

CAB.41 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.42 Public Participation

There was no public participation.

CAB.43 Budget and Performance Monitoring Q2 update

A report was considered from the Head of Resources and Section 151 Officer that summarised the Council's financial and service performance for Quarter 2 ending 30 September 2023. The report also presented the current projected outturn position for the 2023-24 financial year.

The Cabinet Member for Finance and Capital Portfolio presented the report and formally moved the recommendations for approval. He thanked the Head of Resources and Section 151 Officer for providing the very detailed and comprehensive report.

The Cabinet Member gave a summary of the background and key issues detailed in the report.

He advised that, after application of risk and contingency reserves, the forecast on the outturn is a negative variance of £330k. The risk to the MTFs is inflation across all service areas, together with any slippage to the Capital programme, plus any external shocks and not achieving unidentified savings within the MTFs. The cost of the current national pay offer, which has been accepted, added £750k for the year. The current forecast shows an overspend of £330k which is partially offset by a transfer from earmarked reserves of £150k from savings made last year and savings made on a number of unfilled vacancies.

With regards to reserves, he advised that without any further savings, income, or increased funding the reserves position for 2025-2026 would prevent a balanced budget being set. But the increase in interest rates is proving beneficial for treasury management, with a positive variance of a little over £1m expected. The General Risk Reserve has a current balance of £1.176m, following allocation of £682K for the Future High Streets Fund and pay costs of £150k.

With reference to revenue, he advised that the target for the capital portfolio fund in 2023-024 is unlikely to be achieved. The council has a good record of identifying and making savings, but this is proving more difficult to achieve, hence the use of unidentified savings targets.

With reference to collection rates, as of 30th September 2023, he advised that for council tax they were at 57.47% compared to 57.84% last year and business rates at the end of Quarter 2 were behind those achieved last year, at 56.67% compared to 63.56%.

With reference to treasury management, he advised that for investments, the average interest rate achieved in Quarter 2 was 4.78% compared to 4.715% previously. He explained that the impact on interest received is likely to be a surplus of around £1m compared to the original assumptions in the MTFs. The additional interest achieved from investing the FHSF and Levelling Up Fund grants was estimated to be £560k and would be earmarked to bolster the revenue contingencies for those projects.

In conclusion he advised that this administration would be focusing on growing commercial income and investing in opportunities for which a good business case could be made.

The Leader of the Council seconded the proposals.

The Vice-Chairman of the Overview and Scrutiny Committee, Councillor F Oborski MBE, presented the recommendations from its meeting on 6 November 2023.

Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 6 November 2023:

Cabinet NOTED:

- 1.1 The projected budget variations and comments within the report and appendices 1 to 5.**
- 1.2 The performance against measures and actions as set out in the report and appendix 6.**

There being no further business, the meeting closed at 6.15pm.

The meeting is available for viewing on the Council's website
<https://wyreforestdc.public-i.tv/core/portal/webcasts>