



Wyre Forest
District Council

Financial Strategy 2022 - 2025

January 2022 | Finance

Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF

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BUDGET REPORTS

THREE YEAR BUDGET AND POLICY FRAMEWORK 2022-2025

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WYRE FOREST DISTRICT COUNCIL

CABINET 21st DECEMBER 2021

Medium Term Financial Strategy 2022-25

OPEN	
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Appendix 1 Appendix 2 Appendix 3 Appendix 4 – Part 1 Appendix 4 – Part 2 Appendix 4 – Part 3 Appendix 5/1 Appendix 5/2 Appendix 6	Corporate Priority Progress Tables Base Budget Projections 2022-25 Variance Analysis Part 1 – Fees and Charges for Noting Part 2 – Fees and Charges - Cabinet Part 3 – Fees and Charges - Council Risk Management Budget Consultation Results <i>The appendices to this report have been circulated electronically and a public inspection copy is available on request. (See front cover for details.)</i>

1. PURPOSE OF REPORT

- 1.1 In accordance with the Council's Budget and Policy Framework Procedure Rules and in line with the Wyre Forest Forward programme, to provide the Cabinet with financial information in order to make proposals for the Budget Strategy for the period 2022-25.

2. RECOMMENDATIONS

The Cabinet is asked to NOTE:

- 2.1 **The fees and charges as set out in Appendix 4 – Part 1.**
- 2.2 **The comments from the Strategic Review Panel at its meeting on the 3rd November 2021;**
- 2.3 **The results of the Budget Consultation survey included in Appendix 6 and summarised in paragraph 9 of this report;**
- 2.4 **The recommendations in the separate Capital Strategy 2022-2032 report that are intrinsically linked to this MTFS report.**

The Cabinet is asked to **ENDORSE** and **RECOMMEND** to the Strategic Review Panel for scrutiny:

2.5 The Council's updated Medium-Term Financial Strategy taking into account the results of the Budget Consultation;

2.5.1 There are two Cabinet Proposals – taking into account the impact on the Council's Capital and Revenue Budgets for 2022-25 (paragraph 10.2) as follows;

- a.) Approval of the closure of the small business grants scheme currently administered by North Worcestershire Economic Development and Regeneration after March 2022. This would save £35k each year from 2022-23 onwards which will be utilised to fund additional resource in the NWEDR team to assist with delivery of the externally funded projects for the Future High Streets Fund (FHSF) and the Levelling up Fund (LUF);**
- b.) Approval of the end of discretionary sport and leisure facilities from April 2023 namely, phasing out involvement in Bewdley Leisure Centre and Stourport Sports Club. This would save £38k each year from 2023-24 onwards**

2.5.2 The level of net expenditure and resultant Council Tax for 2022-25 as per paragraphs 10.1 and 10.4 including the revenue implications of the Capital Strategy report also on this agenda;

2.5.3 The fees and charges in line with this strategy and the impact on the Council's Revenue Budget for 2022-25, as shown in Part 3 of Appendix 4 (paragraph 10.1 also refers) which incorporate decisions taken by Council on 8th December in respect of licensing fees and charges;

2.5.4 The budget neutral change to the Highways Verges service from 1st April 2022, as set out in paragraph 6.21 c) restricting this Council's work to towns only.

2.6 The Cabinet is asked to **APPROVE the fees and charges as set out in Appendix 4 – Part 2.**

3. BACKGROUND

3.1 The medium term financial strategy for 2022-25 has been prepared against a backdrop that remains challenging following 18 months of the COVID pandemic; inflationary and other supply chain issues, at least some of which are related to Brexit; and continued Government uncertainty about future funding for district councils. The backdrop includes:

- (a) Adverse financial impact for the Council as a result of the COVID pandemic. This principally comprises lost income, as Government support covered only 71.25% of eligible losses and came to an end on 30th June 2021. Examples of income streams that remain below pre-pandemic levels include car parking, for Kidderminster,**

compared to pre-pandemic assumptions, and the management fee from the leisure centre operator.

- 3.2 Cabinet on the 9th November considered a report from the Chief Executive setting out the Financial and Strategic Context for this MTFS. The proposals in this report have been subject to public consultation and the results are reported in section 9.

4. THE ROLE OF THE STRATEGIC REVIEW PANEL

- 4.1 The Cabinet Strategic Review Panel was retained to assist with this year's budget process.
- 4.2 The first meeting of the Panel was in early November. The Panel reviewed the challenging financial landscape and considered the forecast position of the Council and estimated Funding Gap particularly in light of the impact of the COVID-19 pandemic. The main focus of meetings to be held in January/February 2022 will be Cabinet Proposals and Alternative Budget Proposals together with the proposed Capital Strategy (this is a separate report on the agenda). The process feeds into key decisions about the shape of the strategy to be approved by full Council in February 2022, when the council tax will also be set.

5. WYRE FOREST DISTRICT COUNCIL – OUR JOURNEY AND WHERE WE WERE HEADING BEFORE THE COVID-19 PANDEMIC

- 5.1 This section of the Medium-Term Financial Strategy provides a narrative about what the Council has been doing, why and what outcomes it has achieved looking backwards. It also looks forward to the period covered by the medium-term financial strategy and so reflects the significant impact the ongoing recovery from the COVID-19 Pandemic is having and is forecast to have on the Council's financial position.

5.2 Looking backwards

Prior to the ongoing coronavirus pandemic, austerity required local government to reshape radically what it does: in the period since 2010 Government funding for the Council (excluding COVID-19 funding) has fallen by over 50% in absolute terms (more in real terms). In Wyre Forest, we have used three main tools as part of our Wyre Forest Forward transformation programme:

- Making ourselves as efficient as we can be internally, including use of “systems thinking” reviews;
- Growing our income;
- Using alternative delivery vehicles, including shared services with other councils, and working with local organisations such as Parish and Town councils, to reduce costs.

- 5.3 Our net revenue budget will have reduced from £16.4m in 2009-10 to £11.3m in 2024-25 based upon current plans. This represents a reduction of around 30% in absolute terms, and more in real terms. The total savings target from the Wyre Forest Forward programme including all Cabinet Proposals has increased significantly as a result of COVID-19 to £4.68m in 2024-25, of which projections show we should achieve £3.67m (78%); forecast as at December 2021. The ongoing target unachieved is extremely challenging; work is already underway to progress savings plans and we still have a large mountain to climb if this is to be achievable. We will need to take bold decisive

action if we are to continue the Council's strong track record in reducing expenditure since 2009. The proposals planned together with the ongoing programme of service reviews go a considerable way towards closing the gap between what we are spending and our income.

- 5.4 Successive medium-term financial strategies, which are approved each February by full Council, have been transparent about the gap between income and expenditure and that this would ultimately have to be closed. The Council has been very successful in putting back the point at which unpalatable decisions might have to be taken. Since 2009, the Council has rationalised its offices and leisure centres, investing significant capital sums to make them happen, but in a way that has produced revenue savings of well over £1m a year. The investment to improve the Green Street depot site importantly means that the site is fit for the future and supports our efforts to grow commercial income, which until the pandemic hit, were going very well.
- 5.5 It is not just the Council's estate that has been transformed since 2009. Many other initiatives have been successfully implemented to save money, to make the Council more efficient or to grow income. They include a range of mature shared services; innovative and successful localism projects with community groups and parish councils to run or meet part of the cost of a range of local assets and services. We are also making strenuous efforts to grow commercial income both by selling services to residents and businesses and by buying assets to make economic and regeneration contributions to the Wyre Forest area whilst also producing a modest revenue contribution through the capital portfolio fund.
- 5.6 All of this good work has though been severely damaged by COVID; it has caused delays in the progression of localism work and some income streams in particular have suffered damage that it may not be possible to recover from, over the term of this Strategy. Thus, despite past successes, this Medium-Term Financial Strategy is heavily influenced by the negative impact of the ongoing pandemic and the consequent increase in uncertainty and risk to the Council's finances.

Reserves

- 5.7 Whilst there is an adequate level of general reserves available towards balancing the budget of £5.600m (including the £1.2m Working Balance) following the 2020-21 Final Accounts savings, the impact of the COVID-19 pandemic has significantly worsened the Council's financial position. It is clear that the future financial position for the Council will continue to be extremely challenging. Given the uncertainty and inherent economic risks this Council, along with the Public Sector generally, faces, a number of key earmarked risk reserves were replenished out of final accounts savings and the overall total increased from £8.752m to £10.061m as at 31st March 2021 to meet future obligations, excluding specific Covid reserves. The tables in Appendix 1 summarises progress the council has made in the delivery of its Corporate Priorities which has been significant to date. The ongoing impact of the Coronavirus pandemic has however caused not only delays but an ongoing negative impact on demand and income, which may prove to represent permanent damage in some areas.

Looking forward

- 5.8 The Council has done exceptionally well in generating additional income and implementing efficiency savings that have put back the date at which it has to bring its expenditure into line with income. However, income has been adversely affected by the COVID-19 pandemic and, in some areas, is not expected to recover to previous levels: an example would be car parking income in Kidderminster which has not recovered as well as the position in the other two towns. If the Council delivers the changes necessary to reduce expenditure and increase income in order to close the funding gap, the latest projections envisage that the Council will have some reserves left at the end of 2025.
- 5.9 While the position is in that respect a little more positive than was reported a year ago, there is still a large mountain to climb. In effect the Council needs to remove the equivalent of about 15% of its net revenue expenditure or 5% of its gross expenditure. The Council will not be able to grow its way out of a financial gap of this scale by increasing commercial income. While opportunities are being exploited in some areas such as trade waste, many other areas of income have been severely impacted by COVID and are not expected to recover, let alone allow scope for growth. In summary, the position in fact remains unchanged from 12 months ago. The Council is going to have to become a much smaller organisation, that seeks to deliver fewer services itself or even at all.

A smaller council, protecting front line services

- 5.10 The thrust of the Cabinet's work on the medium-term financial strategy remains centred on implementing last year's transformation timetable, making the Council a smaller organisation while protecting essential front-line services. Progress with the programme of reviews set out in the MTFS for 2021-24 is mixed: some have been completed or have progressed well, while others are still in progress or have been unable to move forward because of no interest from neighbouring or nearby authorities in further shared services. The table in paragraph 6.12 gives a very brief summary of progress on reviews that have been completed or are under way
- 5.11 The Council's managed available reserves mean there should just about be sufficient time to implement changes to align income with expenditure. This will require the bold decisive plans, set out in the last year's MTFS and further plans set out in the November 2021 Cabinet report on the Financial and Strategic Policy Context for the MTFS and now presented for approval in this report, and also the Capital Strategy report, to be progressed. There is no room for complacency; the approved programme of service reviews must continue at pace, together with prompt implementation of other proposals now made, following approval of the MTFS at Full Council in February. Significant changes will be required which will undoubtedly lead to the Council becoming a smaller organisation. The Corporate Leadership Team is already devoting considerable effort to identifying the opportunities that exist as well as assessing the impact of potential changes. We will continue to focus on driving down cost through efficiency savings, growing income and seeking alternative delivery mechanisms, with the key stream of Localism being a priority. However, it is recognised that the gap will not be closed entirely by such measures and that the Council now needs to approve plans to reduce spending on or even end some services on its journey to becoming a smaller organisation. Appropriate compromises will need to be made on that journey in terms of balancing control against maintaining pace and securing agreements, for example, accepting we cannot always host shared services.

Council tax

- 5.12 The corporate plan's value of "be honest" requires the Council to be candid and direct in explaining its position and the choices it faces. The Council is going to become a smaller organisation but council tax will increase, possibly faster than inflation. People will pay more and receive the same or less. This is a direct consequence of a decade during which the Government has chosen not to make local government a priority. In recent years, the Council's share of council tax has grown much less in absolute and percentage terms than other bodies. The District Council is not responsible for their decisions although local residents see "Wyre Forest District Council" at the top of their council tax bills. Because the District Council collects council tax for the county council, police, fire and parish councils, the public is often misled into thinking that the total average bill at Band D of £1,939 in 2021 is the responsibility of Wyre Forest District Council, when its element is only £224 or 12% of the total bill, the equivalent of £4.31 a week.
- 5.13 Total council tax bills have increased ahead of the rate of inflation in recent years. One of the main reasons has been the introduction of the adult social care precept to help fund social services provided by Worcestershire County Council. It was first payable in 2017 at £21.60 for a Band D property and has since grown to £129.15 in 2021. The county council's element of council tax, including the adult social care precept, increased by £32.78 in 2021. There was a further substantial increase in the precept issued by the Police and Crime Commissioner for West Mercia in 2020, which added £14.99 at Band D: the police element of council tax exceeded the District Council element for the first time in 2019. It will be seen that the county council and police increases in 2021 were both significantly higher in cash terms than the District Council's increase of £5 – the maximum increase allowed by the Government's criteria.
- 5.14 For five of the eleven years between 2011 and 2021, the District Council's element of council tax was frozen. At Band D, the District Council's element of council tax increased from £197.62 in 2010-11 to £224.34 in 2021-22, an increase of £26.72 or 14%, significantly lower than inflation across that period. As can be seen, **the District Council's increase over 11 years is lower than the cash increase decided by the county council for 2021-22 alone.**
- 5.15 While the Government has broken its 2019 manifesto commitment about taxation to introduce the health and social care levy by increasing national insurance in 2022, It is disappointing that it has not accepted that it also needs to move away from its manifesto commitment about constraining council tax. The Government seems not to realise that councils' financial position, including the impact of COVID on their finances, and its apparent commitment to devolution should be reflected in a relaxation of limits on the council tax increases that councils decide. This Strategy proposes increasing the district element of council tax at the rate permissible without triggering a referendum on an "excessive" council tax increase.

Disappointingly, the Spending Review referred only to a 2% threshold although confirmation was given in the provisional local government settlement that the "or £5, whichever is the higher" is included for district councils, which is a below inflation increase. If a higher increase should be permissible in the final settlement the February report we will reflect this. The MTFs assumes an increase of £5 in 2022 and subsequent years. Annual £5 increases represents less than 10p a week at Band D for households

that pay their full council tax bill – most households in the district would pay less than that as the average property is at Band B.

- 5.16 While the Cabinet's proposal is that all residents should be asked to pay a little more than now for the District Council's services, and council tax overall is expected to rise as a result of other bodies' decisions, it does not consider it appropriate at present to add further to the burden of the poorest working age residents. They have to pay a minimum contribution of 20% of council tax. The Cabinet is not changing the minimum contribution for 2022-23 and there was a formal Strong Leader decision not to undertake a review of the scheme for 2022 in late November 2021, in accordance with the legislation. However, council tax reduction support for working age households costs the Council £3.88m a year. As with other areas of the Council's discretionary expenditure this has to be kept under review.
- 5.17 £421 million has been made available to County Councils and Unitary Authorities in England to support those most in need this winter during the final stages of economic recovery. Worcestershire County Council received £3.9m and have passed some of this funding to District Councils. Wyre Forest has received £369,000. The funding covers the period 6th October 2021 to 31st March 2022 inclusive. Local Authorities have discretion on how this funding is used but the expectation is that it should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs.
- 5.18 In addition to the modest change in the contribution that households will be asked to pay for District Council services, the Council will also benefit from improved growth this year in the number of houses. However, this may be stymied by the increased number of residents claiming Council Tax Reduction Support as a result of the ongoing recovery from COVID-19, including the end of the furlough scheme and the increased likelihood of depressed collection rates which reduce our council tax base. The ongoing impact of the pandemic on the economy including the impact on the construction industry is difficult to predict but it is highly likely to be slow down growth. The strategy projects that 33,780 rising to 34,680 dwellings will be paying council tax in the period from 2021 to 2025. The Local Plan was the subject of a second pre-submission consultation prior to expected adoption in early 2022 and will provide for growth of over 5,500 dwellings in the period to 2036. This growth in population is essential, not only to address the district's housing needs and to support economic growth but also to help in closing the Council's financial gap. It is however less than certain that this growth can be secured in this timeframe given the economic recovery required as and when the ongoing pandemic is over.

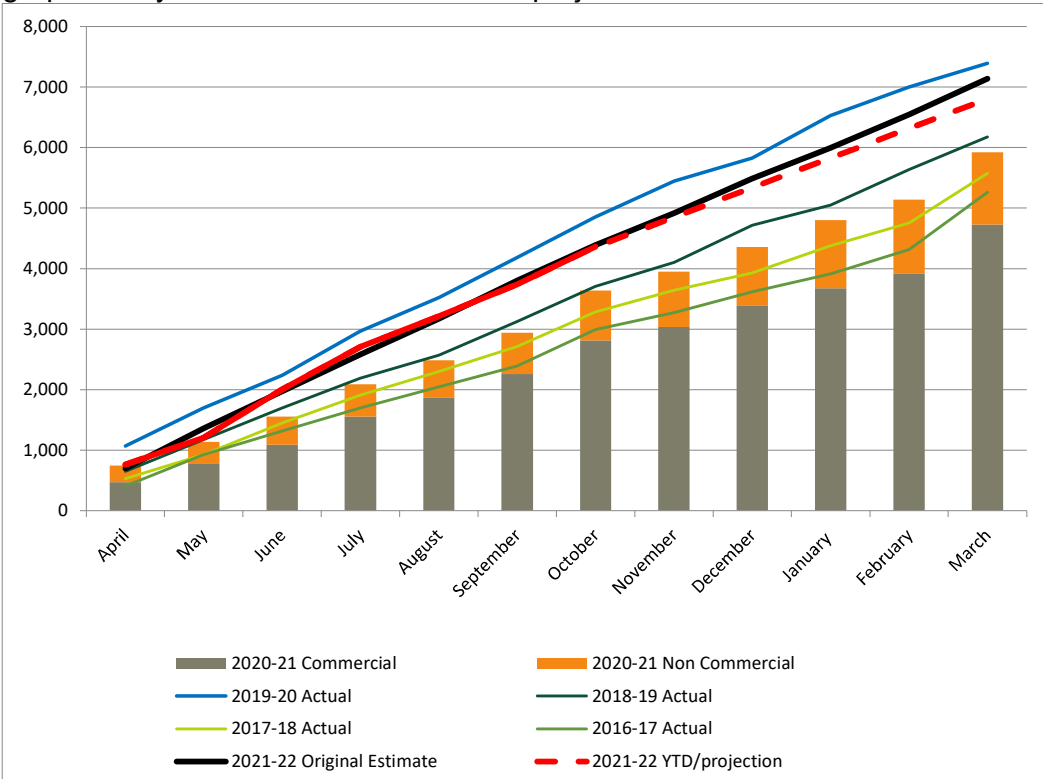
External Income including Fees and Charges

- 5.19 The Council previous excellent track record in generating income has served us well. However COVID has continued to have an adverse impact on some income streams in the current year and meant that future projections have been re-forecast resulted in a revised projection in 2021-22 of £6.805m, compared to a 2021-22 original estimate of £7.137m and an actual of £7.391m in 2019-20 and £5.919m in 2020-21. The Council will continue to increase income from fees and charges where possible but may continue to struggle or even fail to maintain previous estimates whilst the economy recovers. Thus, income generation is set to be a much smaller part of the solution to close the funding gap.

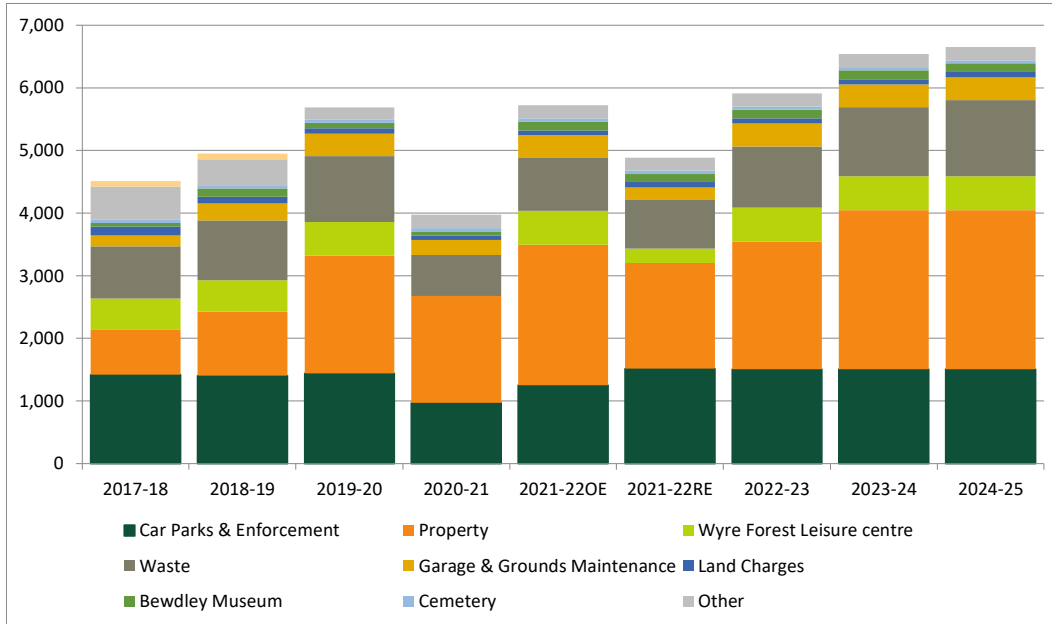
5.20 Nevertheless, the Strategy continues to identify and take advantage of opportunities to grow commercial income beyond existing plans where possible, with business cases for new or expanded services being considered. The generic funding pots of £250k capital and £100k revenue approved a few years ago for allocation to support new proposals have now been largely used and the Innovation Fund is now used for revenue proposals. A Cabinet Proposal was approved last year for the creation of a £200k generic capital pot to support new income generation proposals for speed of decision making. This has not been utilised as at the date of writing. The Development Loan Fund (DLF) of £10m that was operational for 3 years from late October 2018 has now been wound up to align with the end date of the Frontier Development Capital (formerly Finance Birmingham) contract. Unfortunately, only a single loan was progressed. This was for a £1.9m loan approved in March 2020, just before the first lockdown, as part of the Silverwoods Industrial Unit development. This loan agreement has been successfully executed and full repayment with interest has now been received. The separate Capital Strategy Report proposes that the remaining Capital approval from the DLF is reallocated for generic capital expenditure proposals including the Green agenda; such proposals would be subject to financial affordability checks.

5.21 For the Capital Portfolio Fund, £20.459m of the £26.5m has now been spent or committed. In order to take advantage of PWLB borrowing the Council's Section 151 officer has to confirm that there is no intention to buy investment assets primarily for yield at any point in the next three years (no such purchases have been made in recent years and it is not intended to change that stance). Currently the geography for the Capital Portfolio Fund is within district although a proposal to extend this, subject to the latest CIPFA consultation, is included in the Capital Strategy report. No potential opportunities explored have proved financially viable so far this year.

5.22 The improvement in income generation over the past 5 years is shown in the following graph but by contrast the forward lower projections are also shown:



The previous success of the income generation work can be further evidenced through the following graph that analyses growth over key income streams. Again the contrast to projections for the next 3 years is also shown. Income from the Property Portfolio is being carefully monitored as the recovery from COVID continues to unwind and increased voids have been forecast within the proposed budget although BNP Paribas and Jones Valerio will help us to mitigate this as far as possible:



5.23 Whilst this illustrates the excellent progress the Council has previously made in what was a key cornerstone of our strategy, the ongoing impact of the recovery from COVID together with scale of the funding gap means income generation is now a much smaller part of the strategy. We continue to refine estimates of additional commercial income and use innovative thinking to develop new ideas for plans that might be achievable to align with the work of the commercial team at the Depot and of projected net income from the capital property portfolio but this Strategy continues with last year's approach setting a lower level of expectation of net income over the medium term.

Staffing costs and pay

5.24 The Council's workforce is both its greatest asset but also the largest single controllable area of expenditure. Thus, it will be necessary to continue to reshape and redeploy staffing resources of the Council as part of the range of measures to close the financial gap. All services and their staff have contributed to what has been achieved: this is acknowledged and welcomed. However, the Council needs to go further. It is expected that overall staffing levels will fall, except to the extent that additional posts may be created in areas where commercial income can more than meet the cost and depending on whether the District Council hosts any newly created shared services. The further significant management restructure approved in May will save £235k pa (including the deletion of the facilities and asset manager post). But this is not enough: all parts of the Council are scheduled to review their staffing costs. This includes examination of the scope for shared services for the vast majority of services currently provided solely for

the district by WFDC staff. Other service delivery models will also be explored including joint service delivery models for major services such as waste. Only if all other options have been explored and exhausted and it remains necessary to secure cost savings, outsourcing to the private sector is an option for some services.

- 5.25 While staffing numbers will continue to fall, Council agreed on 25th September 2019 that the Council should revert to applying national pay increases with effect from April 2021 and that a pay and grading review should be undertaken. The Pay and Grading review has been successfully completed with implementation from July 2021 and this together with the reversion to national pay increases ensures staff are suitably rewarded. The prospect for higher future pay inflation represents a significant risk to this MTF5.

The Challenges ahead

- 5.26 Virtually every aspect of the Council's services depends on information and communication technology in terms of ensuring efficient delivery, including digital services. The approved phased capital allocation for the ICT strategy is proving to be invaluable to improving the digitisation of the Council. Home working and remote meetings were rolled out successfully as part of the Covid response and continue to work well. The ICT Strategy Board also continues to make good progress to improving the digital offer of this Council, reducing costs where possible.
- 5.27 The core functions of the Council will remain the things that it is required to do by law, such as collecting waste, removing litter, producing a local plan and processing planning applications and administering local taxes and benefits. These activities cost about £4.8m (40%) a year. The remainder of the Council's work is discretionary. While the Council is not obliged to undertake them, they are often services that are highly valued by local communities and businesses. They include such things as parks and toilets, economic development and regeneration and cultural and leisure services. The Council spends about £3.5m (29%) a year on discretionary activities with a further £3.7m (31%) on corporate costs including the costs of the democratic core and pensions deficit funding.
- 5.28 The ongoing programme of change described in this strategy will continue to apply to all services to ensure that the Council is organised to meet the priorities of the Council noting the results of the recent Budget Consultation process, and also future changes and challenges. This is expected to further reduce management costs as a result of implementing new service delivery models.
- 5.29 The strategic issues facing the Council include:
- The COVID-19 pandemic pushed back Government plans for reform of local government finance and whilst extra funding for Councils overall was announced in the Comprehensive Spending Review the Council continues to remain vulnerable to other changes in respect of local government finance, such as the uncertainty over the future for new homes bonus. Whilst the Provisional Settlement provided some clarity further detail is awaited.
 - the full effect of the UK's trade deal with the European Union has been masked by the COVID pandemic to a degree but has begun to emerge more clearly in recent months. Supply chain issues for goods do not generally affect the Council although the construction sector in particular is reporting difficulties with availability of

materials and labour. There is growing evidence of labour shortages in a number of key sectors, such as HGV drivers, social care staff and agricultural and abattoir workers. The Government's strategy - that there should be a shift to a higher wage economy with jobs filled by those with a right to work in the UK – seems likely to translate into faster inflation for goods and services, which ultimately will affect the Council e.g. in competition to recruit staff, in prices paid for goods and services. Continuing tension over the deal that the UK Government agreed with the EU in respect of Northern Ireland might yet result in wider negative impacts on the trading relationship with Europe. And the position has been exacerbated by global factors affecting demand for goods, notably gas where there has been a surge in prices during 2021;

- Adoption of a new Local Plan in early 2022. This is critical to the future development and growth of the district, to protect Wyre Forest from unscrupulous developers and “planning by appeal”;
- Successful progression of the Future High Streets Funding project to securing further positive progress at the major development site including Lionfields, Kidderminster.
- Successful progression of the Levelling up Fund project including the development of the Piano Building in Kidderminster Town Centre.

Government funding, controls over council expenditure and significant policy initiatives

5.30 The summary below highlights the main issues for Wyre Forest District Council and the many areas of uncertainty that remain following the Comprehensive Spending Review Announcement on the 27th October. The Provisional Settlement was published on 16th December 2021.

The key points are:

- The settlement is for a single year only, and further details on proposed funding reform and consultations are due to follow in the new year, and includes an additional £3.5bn over last year's settlement.
- The £1.6bn additional funding announced at the Spending Review has been distributed as follows:
 - £0.8bn to a 2022/23 Services Grant, distributed using the 2013/24 Settlement Funding Assessment formula. The statement highlights that this is a one-off grant and will not be taken into consideration for transitional support when future system changes are made. **Wyre Forest receive £196k.**
 - £0.7bn to social care, with additional Social Care Grant (£0.6bn, distributed using the Adult Social Care Relative Needs Formula, with equalisation for the impact of the 1% social care precept) and an inflationary increase to the Improved Better Care Fund. **No direct impact on Wyre Forest's MTFS.**
 - £0.1bn to provide an inflationary increase to Revenue Support Grant. **No direct impact as the MTFS; already assumed that there would be no negative RSG.**

- In addition, £162m has been allocated to local authorities from the funds raised in the National Insurance Health & Social Care levy. **Included in the new one-off Services grant (£196k).**
- Authorities do not receive separately identified funding for the costs to them of the increase in NI (the funding for this is assumed to be included in the new 2022/23 Services Grant).
- Referendum limits have been confirmed at 2% (or £5 for districts and fire authorities, where this is more than 2%). PCCs will be subject to a £10 referendum limit. No referendum limits are set for Mayoral Combined Authorities (except where these are subject to the police limit) or for town and parish councils. **No change to previous assumptions.**
- An additional 1% social care precept for social care authorities (who will also be able to raise any balance of last year's 3% social care precept). The government estimate that together with the additional grant, the settlement means an over £1bn additional funding for social care. **No direct impact on Wyre Forest's MTFs**
- The New Homes Bonus has been 'rolled over' for another year, with allocations made and the final 2019/20 legacy payment honoured. The lower tier services grant has been 'rolled over' at £111m nationally, and with a new cash terms funding floor. The compensation for under-indexing of the business rates multiplier will continue at RPI, though the settlement figures only include this at CPI. **Additional £400k NHB and additional £28k Lower Tier Services Grant.**
- Local Government Funding Reform – No papers were published with the provisional settlement relating to the Fair Funding Review or the Business Rates Reset. The government have indicated that they intend to make further announcements in the new year before then consulting on any potential changes.

- a. There is a wide-ranging programme of Government policy initiatives that affect the Council. They include significant potential adverse changes to the Council's role in respect of planning arising from the proposals in the planning white paper. The Planning Bill has been delayed and its content is still not certain. At the time of writing, the Environment Act has now completed its progress through Parliament and will demand major changes to the waste collection service, with a requirement for separate, weekly food waste collections by 2025. The Net Zero Strategy has outlined the Government's plans for decarbonising all sectors of the economy to achieve net zero by 2050 but the Budget did not announce any specific additional funding for councils for this purpose.
- b. The picture on devolution remains unclear although the levelling up white paper is expected before the end of the year. This will provide more information about the idea of "county deals" that was unveiled by the Prime Minister in July and on the UK Shared Prosperity Fund. Reorganisations in North Yorkshire, Cumbria and Somerset are planned for 2023. The process in any other areas would take even longer, and there remains no indication that Worcestershire councils are likely to pursue such a course. Thus, the medium-term financial strategy cannot assume that local government reorganisation will intervene in the period before 2025 and obviate the need for the Council to take major steps to address its financial position.
- c. The cessation of additional COVID funding and reliefs from July 2021.

Business rates

- 5.31 This Council is currently participating in a pan-Worcestershire Business Rates Pool 50% Business Rate Retention for 2021-22. Membership includes the Fire Authority. Given the confirmation that the current arrangement will end on the 31st March 2022, an application has been made for a Worcestershire Pool for 2022-23 based on the same membership. This has been confirmed as part of the Provisional Finance Settlement and a final decision then made within 28 days. The ongoing impact and further appeals result in uncertainty about performance of the Pool; this is being managed by the Corporate Director: Resources/S151 Officer in conjunction with the other treasurers within the Pool. Business rates projections included within this report will be reviewed and revised if necessary, before budget recommendations are finalised. It is unknown if Business Rate Pools will cease when the new funding system is introduced in 2022 or later.
- 5.32 On the 9th November the new communities secretary Michael Gove shared his misgivings about plans to allow councils to retain 75% of their business rates as this would not support the levelling up agenda. This reduces the scope for reward but also risk from the business rates system and the impact will depend on the position of each individual council vis a vis funding over baseline and future appeals, business rates performance.

6. KEY ISSUES - BASE POSITION, PRESSURES AND ASSUMPTIONS

- 6.1 Attached at Appendix 2 is the forecast base budget position for the period 2021-22 to 2024-25. The Capital Programme together with the details to support the related recommendations in this report is contained in the separate Capital Strategy report; the revenue implications are included within the MTFS projections.
- 6.2 The Base Budget shown at Appendix 2 includes the financial implications of all previous decisions which reduced costs in areas such as the Wyre Forest Forward Programme. New Cabinet Proposals are considered within this report at paragraphs 10.2 and 10.3.
- 6.3 Inflation has been included in the Base Budget for 2022-25 onwards as follows:

Table 6.3 Inflation Assumptions- including Pay Arrangements

Given the current future forecasts for inflation it is appropriate to include 3% pay inflation for 2022-23; this has added over £300k extra costs across the MTFS:

	2021-22	2022-23	2023-24	2024-25
Consolidated increase	1.75%	3.00%	2.00%	2.00%

Other Inflation Assumptions	2021-22 %	2022-23 %	2023-24 %	2024-25 %
Business rates – forecast CPI (to be confirmed in due course)	2.0	4.0*	2.0*	2.0*
Other contractual commitments	included at actual	included at actual	included at actual	included at actual
Energy		45.0%	-10.0%	3.0%

*to be offset by S31 Grant Funding

- 6.4 Wholesale energy prices have significantly increased this year and continue to be extremely volatile. A 20% increase has been built into service budgets in 2022-23 with a further c.25% held as a corporate contingency. From April 2023 wholesale prices are expected to be lower than the peak in 2022-23 so the contingency in 2023-24 has been significantly reduced (overall year on year reduction of c. 10%)
- 6.5 The Base Budget takes account of the current position in relation to the forecast level of interest that the Council can expect to receive. The rates assumed are as follows.:
- Expected returns in 2021-22 based on investment returns of 0.10%;
 - Expected returns in 2022-23 based on investment returns of 0.25%;
 - Expected returns in 2023-24 based on investment returns of 0.50%;
 - Expected returns in 2024-25 based on investment returns of 1.00%
- 6.6 To create capacity to support the pace and scale of change the Corporate Leadership Team has made various allocations from the **Innovation Fund** to meet the cost of additional resource required to meet the ambitious innovation agenda. The Innovation Fund balance is forecast to stand at £758k as at end November 2021 taking into account commitments. The approved budget includes for the top-up of this reserve by £250k pa in 2021-22 towards future severance costs. Accounting provision will be made in the accounts for severance costs when appropriate. The General Risk Reserve is forecast to stand at £789k as at the end of November taking into account commitments. Note that these balances totaling £1,517k together, are before reductions for severance costs estimated at £798k. CLT are in the process of reviewing all existing earmarked reserves and if it is possible to release any into general reserves this will be included in the February update MTFS report. Both of these key reserves will be kept under review and potentially replenished as part of the final accounts process.
- 6.7 The current projection is that the **annual savings target that needs to be achieved for both Wyre Forest Forward** over the next three years to close the funding gap and to avoid drawing on reserves is around £1.68m.
- 6.8 The Provisional Settlement confirmed the signal in the Spending Review that negative RSG will be deferred for another year. This will be very welcome but unfortunately is more than offset by other new funding pressures; it does though lessen the funding gap forecast in 2022-25.
- 6.9 Significant savings of circa £260k pa from 2022-23 are included in the MTFS following a consultation of proposals for a reduction of staffing for Revenues Benefits, Customer Services, and the Business Support Unit. The impact of these changes, most of which are effective from April 2022 will be monitored.

Priorities

- 6.10 Following a budget consultation last year, the Council now has two Priorities as follows:
 a safe, clean and green living environment
 supporting a successful local economy

A revised version of the corporate plan was formally adopted by Council in February 2021.

Climate Change and Net Zero

- 6.11 The eyes of the world are on the UK for 26th UN Climate Change Conference of the Parties (COP26). The Council declared a climate emergency in May 2019, and the Cabinet’s Green Advisory Panel has done valuable work on examining the case for implementing specific measures by the Council. A report was approved by Council on the 8th December 2021 for investment in electric vehicle charging points in many of the Council’s car parks. In order to support the take up of zero emission vehicles, the Council would have to invest up front in order to produce a return over many years. Locally, the administration believes that the Council’s leadership role in addressing climate change and the move to net zero should be backed with investment in the next MTFS. It is therefore proposed to:

- (a) Moving to green only tariffs for electricity and gas when current contracts expire in 2023 and 2025 respectively. This is expected to add an estimated 5% or less to fuel costs – a relatively small additional price to pay compared to the increase in gas costs that is expected following the surge in global demand in 2021.

Reducing expenditure: alternative service delivery models

- 6.12 Last year the Cabinet agreed to examine the scope for the vast majority of services currently provided solely for the district by WFDC staff to be the subject of shared services with another council or councils in Worcestershire or other organisations. This included the possibility of joint venture vehicles with the private sector and the option of a joint waste collection and disposal authority. The plan agreed included the proviso that outsourcing would only be considered if all other have been considered. Progress against the Plan is summarised as follows:

Service area	Commentary	Timeline
Management review	Savings from 1 January 2022. £57k in 2021-22 rising to £235k from April 2022.	Agreed by Council, May 2021
Revenues, benefits & customer services	Estimated £260k savings from April 2022	Report 9 th November Cabinet agenda. Full Council approved 2 cases of severance costs >£100k 8 th December 2021 Savings from April 2022

Legal services	Internal restructure. £6k savings from April 2022.	Agreed by CLT, October 2021
Waste management, garage, civil and environmental enforcement	Review in progress with Redditch & Bromsgrove councils	Outline business case expected by end January 2022
Development management and forward planning	Unable to secure any interest in joint local plan or shared services Internal review in progress	First stage proposals received late November 2021 for Planning service. This review is cost neutral but savings are expected from a further, more holistic review in March 2022. where savings are expected.
Private Sector Housing	No progress made with any potential partner councils so fallback will be internal review	Proposals expected early 2022
Support services	Tranche 1 of internal review proposals for ICT and finance in development Shared service implemented, 1 st June 2022 12-month trial for specialist support on procurement with West Mercia Police Internal audit: early discussions have taken place and a joint trial is being undertaken for work in quarter 4 2021-22. Tranche 2 (shared services) ICT and finance to be reviewed in 2022, although no potential partners identified from early dialogue on finance.	ICT - Cost neutral changes agreed as part of Tranche 1 to meet business need November 2021. Tranche 1 and indicative Tranche 2 Proposals for finance to be considered in early December 2021. Tranche 1 may result in modest savings but more savings expected in Tranche 2. Business case expected April 2022.
Communications and Engagement Team	Service Review following staffing changes making saving of £2k in 2022-23	Agreed November 2021

	reducing in future years as staff progress through pay grades	
Elections & committee support	No potential partners identified from dialogue so far	
Nature reserves & ranger service	Review not yet commenced	

- 6.13 The Government's Environment Act will require weekly food waste collection. The Government had proposed further consultation on whether councils should offer free garden waste collection and Defra Officials have stated that " We will be reviewing the evidence around a free minimum garden waste service and the alternatives further as we produce our Final Impact Assessment and consultation response for publication in due course". The latter idea is considered a significant retrograde step, as the surplus that the Council generates from charging for garden waste collections helps to sustain other services. The Government has promised to meet all the costs of change, but it is impossible to rely on such a "guarantee" at this stage when detailed estimates of costs and the regime for funding them are not known. This area thus represents a potentially significant funding risk for the council in future.
- 6.14 The changes outlined above will reduce the need for support services such as finance, HR, ICT, audit etc. There will be fewer WFDC staff to recruit, pay or support, there will be many fewer financial transactions to process and so on. While teams in these areas can therefore expect to shrink over time, options to reduce costs and improve resilience will also be sought through internal restructures, shared services with other councils or other delivery models.
- 6.15 During 2021, the administration has reviewed options for Wyre Forest House, which has been too big for the Council's needs ever since it was first occupied in October 2012. The carbon sunk in the construction of the building only a decade ago makes it inappropriate to consider regeneration of the site through demolition or major adjustments to the building – and such steps could be considered in any case only if there was a suitable alternative building where the Council might locate its office-based activities and formal meetings of Councillors. There is no such alternative building available on the market or likely to come to market within the district. Sale of the building has therefore been discounted for now because of market conditions. The review also examined the range of possible alternative uses for WFH, including opportunities presented by change in use class orders. But there was no rationale for making such a change at present, as the Council is achieving higher rentals for office-type uses than other possible uses; and conversion e.g. to residential use or retail would undermine the Council's planning policy position in respect of employment land on the Stourport Road corridor. The review has concluded that there are severe practical obstacles to dividing the building so that the Council would retain and occupy only part of it and dispose of the remainder. Use of space within Wyre Forest House following the COVID pandemic will change, to accommodate hybrid working by the Council's staff and to reflect that the café operator does not wish to continue its operations at the building. The result is that the Council's needs can be met through using a smaller footprint for its own purposes in future. This will allow expansion of the strategy of letting out even more of the building to a range of private and public sector tenants. It is welcome that Brinton have recently taken up a significant proportion of the vacant space, and efforts

will continue to let all remaining vacant areas. It is premature for the MTFs to assume when more or all areas will be let it is better to take additional income that is achieved as windfall gains within the budget when progress is made.

- 6.16 Significant savings have been made from a management review approved at May 2021 Council with implementation from 1st January 2022. Capacity of the remaining Managers is being carefully managed by the Chief Executive in the transitional period and new ways of working to streamline processes and increase efficiency/time available will be introduced.

Localism

- 6.17 Good progress has been made in localism discussions with Bewdley Town Council and Stourport-on-Severn Town Council. A number of asset transfers have taken place, including some parcels of open space, the most significant of which is the Riverside North Park in Bewdley; and the transfer of toilets in both towns is expected to be finalised soon. Further discussions are to take place with both towns about other asset transfers relating to public open space but priority at present is being given to concluding an agreement with Kidderminster Town Council about the transfer of four of the main parks in Kidderminster. In addition, discussions are under way with parish councils about taking on full responsibility for local environmental services, such as bin emptying and litter picking, and the transfer of the few assets that the District Council owns in rural areas. This overall programme of transfers is expected to lead to significant revenue savings for the District Council, either immediately or over time. However more discussions are planned about parks and remaining areas of open space.
- 6.18 Prospective trustees were announced in June for the new trust that will be responsible for running Bewdley Museum, the Guildhall and QEII Jubilee Gardens. A considerable amount of work has been done to support the smooth transfer of these services to the trust, including the preparation of a business plan. A long-term grant offer has been made and involves £50k of savings for WFDC in the first full year rising to £100k by the third year. It is hoped to complete discussions on the funding package in good time for the conclusion of the budget-setting process in February. While the possibility of establishing the new trust by January 2022 had been envisaged, it has become apparent that this will not be achievable, principally because the Council has no control over how long the Charity Commission will take to approve the documentation when submitted. The revised planning assumption is for the new trust to become operational by April 2022 at the latest and therefore the Council to begin to enjoy savings from the first year of the next MTFs.
- 6.19 The table below shows the potential contribution to our funding gap from the ongoing Localism work that was included in last year's MTFs as a Cabinet Proposal. These savings are phased over a number of years to allow the Town and Parish Councils to raise their precepts incrementally. Whilst work is well in progress to progress and agree arrangements with our Town and Parish Council partners on services that could be transferred/shared subject to detailed negotiations, this has moved at a slower pace than anticipated so these savings targets have been rescheduled for 2022-23 as follows and will be updated further as necessary in the February version of the MTFs:

Approved Cabinet Proposal for Generic Localism Savings – re-profiling	Previous MTFS	Latest Position on unachieved savings	Proposed MTFS – rephased	Variance
Year	£	£	£	£
2021-22	14,530	(4,560)	5,440	10,000
2022-23	228,350	196,320	125,000	(71,320)
2023-24	385,770	353,460	353,460	0
2024-25	558,940	526,280	526,280	0

Discretionary services

- 6.20 The work on localism and other changes implemented in recent years have focussed on reducing the scale and cost of the Council's discretionary services – things that it does not have to do. This will continue. However, in some significant aspects of discretionary activity, the Council is constrained in what it can change. For example, the contract for the Wyre Forest Leisure Centre has over 15 years to run; and the Council needs to retain sufficient capacity to deliver major regeneration schemes including the Future High Streets Fund projects and the £17.9m of Levelling Up Fund projects which were announced in the Comprehensive Spending Review. The successful award of £522,750 revenue funding from the Community Renewal for a Betaden Hub at Wyre Forest House to support new businesses has been included in the MTFS revenue budget and will aid regeneration of the district.
- 6.21 The administration has reviewed some more peripheral elements of discretionary services and is minded in the MTFS to take steps to reduce expenditure or phase them out. In some cases, this will present further opportunities for potential transfer of assets and services to town councils that will be pursued through the localism agenda. The particular areas of expenditure that have been identified following the review are detailed below. Items a) and b) are Cabinet Proposals whilst a separate recommendation is included in this report for Highways Verges:
- Small business grants. North Worcestershire Economic Development and Regeneration administers start up and booster grants for small businesses, generally costing about £35k a year. It is intended to close this fund after March 2022; this saving will be utilised to fund additional resource in the NWEDR team to assist with delivery of the externally funded projects for the FHSF and LUF projects;
 - Sport and leisure facilities. The administration intends to focus future WFDC provision and funding on the Wyre Forest Leisure Centre and therefore phase out involvement in Bewdley Leisure Centre which involves gross costs for WFDC (net of depreciation) of £34k a year and net revenue expenditure of £24k a year and the Council's involvement in the Stourport Sports Club Ltd which costs £14k a year;
 - Highways verges. The County Council provides less than 50% of the cost that WFDC incurs on undertaking this work, which is a County Council responsibility. The administration can no longer support this level of subsidy and therefore notice has been given to the County Council that WFDC will no longer undertake verge cutting in the areas outside the three towns – this leaves the County Council free to make arrangements directly with parish councils if it so wishes. This change is assumed to

be budget neutral in this MTFS. The County Council is reviewing agreements with district councils for highway verge cutting during 2022. In light of the outcome of that review and whether the County Council's funding for 2023 onwards would better align with WFDC's costs, the administration will consider whether WFDC would be prepared to continue maintaining the verges in the three towns.

7 SUMMARY OF OTHER MAIN ASSUMPTIONS TO BE USED AND RELEVANT FACTORS

7.1 The key assumptions are:

- a. Government funding – **negative RSG** deferred for 2022-23 then previous level of £357k assumed.
- b. **New Homes Bonus** – a payment of circa £243k for New Homes Bonus in 2021-22 and a final payment of £463,760 in 2022-23 are assumed.
- c. **Increases in Council tax** of £5 pa from 2022-23 onwards. If as part of the Final Settlement flexibility up to a 3% increase is allowed, then the proposed increase will be revised to reflect this. No change to the local council tax reduction scheme for 2022-23 is proposed so the maximum reduction will remain at 20%.
- d. The approach to be taken to **fees and charges** this year will continue to have regard to demand and other market conditions. As a result, some fees and charges may be frozen or increased by less than the average of 5%. Following the freeze in car parking fees last year the proposal is for charges to be increased maintaining the simple banding structure from April 2022. Car parking income has been adversely impacted by the ongoing pandemic, but it has recovered well in Bewdley and Stourport with Kidderminster still struggling to reach pre-pandemic levels. It is hoped that it will continue recover over the next 12 months and this is reflected in the proposed MTFS.
- e. **3% pay increase** assumed in 2022-23 then 2% pa onwards.
- f. So far forecasts for the **Pension Fund** performance taking into account the COVID-19 impact are not adversely impacted as relatively high proportion of funds are held in tech and health companies. The Pension Fund also carries equity protection insurance so it is hoped that losses can be avoided. However, this is far from certain and the actuaries may still be requested to carry out annual reviews of fund performance and, if necessary, fund members will be requested to make additional contributions to protect their position. This does not look likely for 2021-22. A modest level of reserves are held to mitigate this risk with a further £200k contribution to these reserves included in 2021-22 to 2023-24 and £300k in 2024-25.
- g. Wyre Forest Leisure Centre- The Wyre Forest Leisure Centre has performed extremely well since opening and there is a strong partnership between the Council and Places Leisure (PL). The original approved budget for 2021-22 included recovery to a pre pandemic level of £541,520 (£45,127 per month) income from the contract payment from PL to the Council. This helps to defray the Council's costs of borrowing which funded the construction of the building. Given the ongoing recovery from the pandemic and impact on the leisure industry this sum for 2021-22 may not be realised in full. Although 71.25% of the loss should be covered by the DLUCH co-funding scheme for sales, fees and charges until the end of June 2021 and in addition the National Leisure

Relief grant funding of £214k has been a significant help to cover extra costs incurred by the service provider, there may still be a net cost to the council in 2021-22. to the council.

The planning assumption for the MTFS is that the management fee for 2022-23 onwards will be received in full. Discussions continue between council officers and places leisure about the resumption of the Management fee payments.

- h. **Council Tax Base** – There has been an increase between 2021-22 and 2022-23 of 440 Band D equivalent properties, which shows a modest improvement on the previous year which was impacted by increased CTRS awards because of the pandemic. Informed by data from planning applications, an ongoing increase of **300 Band D equivalent properties pa** or circa 0.9% compared to the 2022-23 Council Tax Base will be assumed for the final 2 MTFS years. This is an improvement on last year where for the first time we experienced a reduction as a consequent of low housing growth and an increase in exemptions, discounts and benefit claimants that all contributed to a lower chargeable Council Tax Base for the district for 2021-22. These figures are lower than assumed in the government's figures for Settlement purposes but more realistic for this Council.
- i. Accounting for the **Collection Fund, both Council Tax and Business Rates** changed last year because of the COVID-19 pandemic and this continues to unwind over the next 2 years. The Spending Review last year announced funding in 2021-22 for irrecoverable losses but this was for one year only. Based on the current forecasts of this council's position the following deficits have been assumed in the MTFS, noting that this is only the District Council's proportion of the overall Collection Fund forecast deficit adjusted for the estimated contribution from Government:

Council Tax Deficit – 2022-23 - £95.1k, then a neutral position is assumed.

The position for Business Rates is even more difficult to gauge as it is heavily influenced by decisions on provision for appeals and bad debts not made until year end and also due to uncertainty around the continuation of the Worcestershire Business Rates Pool. Growth of £400k above baseline is assumed for 2021-22 and 2022-23 based on current forecasts of Pool performance is assumed with growth removed for future years.

The estimates detailed above will be kept under review and revised for the February Cabinet and Council reports.

- j. **Homelessness Reduction Act** -the new burdens funding has failed to cover the additional costs of the homelessness service in relation to provision of emergency accommodation under S188 duties.

Since April 2021:

- We have accommodated 63 people in NFNO
- We have accommodated 86 people TA including NS including 9 rough sleepers

Services for Rough Sleepers (funded by Rough Sleeper Initiative and)

- We have accommodated 6 former rough sleepers under the Housing Led model and have a further 3 in temporary accommodation waiting offers
- We have accommodated 6 former rough sleepers under Housing First model, supported by St Pauls

- The Housing Pathway Team are also supporting another 30 households including those accommodated in No First Night Out

Homeless Approaches

These are the total number of households approaching the Council by quarter since 2019

Year	Qtr1	Qtr 2	Qtr 3	Qtr 4
2019/20	181	204	176	236
2020/21	139	255	146	195
2021/22	165	274		

The current average caseload is around 60 cases per officer which is still in excess of the recognised good practise of 30/40 cases but an improvement on the average in February 2021 (90 cases per officer) in part through the recruitment of an additional officer. This illustrates ongoing levels of high demand for the service.

It is not yet clear to what extent the additional funding for homelessness announced in the Spending Review will cover the predicted pressures in this service area.

- k. The revised **capital and revenue implications** of the current Capital Programme have been included in projections.
 - l. Revised estimates for the Capital **Portfolio Fund** taking into account the forecast ongoing impact of COVID of reduced/additional net income compared to the original assumption and is currently forecast to achieve, £84,100 net income in 2022-23, £173,480 in 2023-24 and £171,230 in 2024-25 excluding Forest House and Unity Park. This is after allowance has been made for a generic Planned Property Maintenance Reserve of 20% of the total net income to supplement the service charge sinking fund to help mitigate future risk. These figures will continue to be closely monitored and will be refined as further information emerges.
 - m. Provision of £700k was included in last years approved budget to cover further income reductions and additional costs in relation to COVID-19 in 2021-22. The precise amount to be charged to this provision is yet to be established; the final position will not be known until the end of March,
 - n. In terms of external Prudential Borrowing, the Council is currently under borrowed and the current intention is that internal borrowing will continue to be utilised cash flow permitting but may enter into further external borrowing in 2021-22 and beyond. This will continue over the medium and longer term and an average interest rate of between 2.6% is our assumption for all years within the base budget to fund the cost of this.
- 7.2 Progress to meet the generic Wyre Forest Forward (WFF) savings targets has been affected by the COVID pandemic. The WFF savings in the current budget compared to the revised budget are shown in the table below. This table has been updated for savings achieved including those from the approved management restructure and savings that will almost certainly not now be achieved for 2021-22 have been reprofiled.
- 7.3 The Table below shows the breakdown of unachieved generic savings targets and proposed use of reserves after Cabinet Proposals in the revised budget to illustrate the scale of the financial gap the Council needs to address. The Table shows that the

generic localism savings have also been rescheduled from 2021-22 onwards as set out in paragraph 6.17. This Council has a good track record of achieving target savings. However, the significant use of reserves in 2021-22 and beyond means that further significant change is inevitable. Use of reserves across the MTFs is predicated on achievement of significant generic savings/increased income. Work is underway to agree and implement plans to meet these targets and these are expected to continue to be progressing well by the start of 2022-23.

Table 7.3 How the Strategy addresses the Financial Gap

	2021-22	2022-23	2023-24	2024-25
Financial Gap	£	£	£	£
Wyre Forest Forward Savings not yet achieved	153,310	794,150	1,043,500	1,016,190
Generic Localism Savings	5,440	125,000	353,460	526,280
New Cabinet Proposal for further Savings	0		(38,000)	(38,000)
SUB- Total	158,750	919,150	1,358,960	1,504,470
Use of reserves from proposed 2021-24 Strategy	1,081,770	129,530	601,120	172,070
TOTAL	1,240,520	1,048,680	1,960,080	1,676,540

The Development Plan

- 7.4 The Council is now in the final stages of its review of the Local Plan for the period 2016-2036. If the Council does not plan for further significant growth in population in the medium to long-term, there is a significant risk of losing resources over time as Wyre Forest's population declines relative to the population of England. Significant growth can be delivered through the current review of the local plan which is expected to be adopted in Spring 2022. Several allocations are being carried forward from existing plans and do not need to await the adoption of the new Local Plan before they can be developed. Many of these such as Churchfields and Lea Castle are already on site and are already delivering new homes in 2021/22. These sites, together with other Local Plan allocations are expected to contribute significant numbers of dwellings within the next few years.
- 7.5 Latest population mid-year estimates (2020 MYE) show that there was negative growth in 2019/20. Wyre Forest has seen only 1.2% growth over the last 4 years, with two thirds of this growth occurring in 2016-17. Worcestershire as a whole has seen a 3.5% 2.6% growth 2016-20 compared with 4.4% 2001-11. However, population growth in Wyre Forest is lagging behind the rest of Worcestershire and the country as a whole. A breakdown of the figures from 2019-20 shows that internal migration accounted for an additional 230 people and international migration for 80, but there was negative natural change of -481 people as a result of deaths exceeding births over the 12-month period. It must be remembered that this timeframe involves the start of the Covid pandemic and so the data does not reflect what would normally be expected, with limited migration being possible and an increased death rate.

	2016 MYE	2017 MYE	2018 MYE	2019 MYE	2020MYE	% change
England	55,268,067	55,619,430	55,977,178	56,286,961	56,550,138	2.3%
West Midlands	5,800,734	5,860,706	5,900,757	5,934,037	5,961,929	2.8%

	2016 MYE	2017 MYE	2018 MYE	2019 MYE	2020MYE	% change
Worcestershire	583,053	588,370	592,057	595,786	598,070	2.6%
Wyre Forest	99,902	100,715	101,062	101,291	101,139	1.2%

- 7.6 Latest projections (2018) show a projected increase in population to 112,713 by 2043. This equates to an increase in population of 11.5% over 25 years. This is much higher than the 6.1% growth predicted for 2016-2041 based on the 2016 projections. However, the projected growth is significantly lower than the county and regional but higher than the national projections. These latest projections suggest that the region is growing at a different rate to the nation as a whole. Whereas England is now projected to grow more slowly, Worcestershire as a whole is predicted to grow at a much faster rate. However, that growth is dominated by Wychavon (28.0%), Malvern Hills (18.8%) and Bromsgrove (18.6). In comparison, Redditch is projected to grow by only 1.5% and Worcester by 4.7%.

	2018	2043	% change
England	55,977,178	61,744,098	10.3
West Midlands	5,900,757	6,708,180	13.7
Worcestershire	592,057	678,580	14.6
Wyre Forest	101,062	112,713	11.5

- 7.7 Lockdown meant very little internal movement and no international movement and deaths far outstripped births. This hopefully is a temporary blip. No new population projections have been published as yet. There is however a more positive message given the large amount of housing growth with the 600 at Lea Castle and 246 at Churchfields both progressing well plus Carpets of Worth hoping to start remediation works within a few months. Other large schemes will be coming forward next year. The results of Census 2021 will be published in Spring 2022 and are expected to show growth in population.
- 7.8 Significant growth can continue to help with our income and tax base in the long- term. The Council will have to provide some additional services (e.g. refuse collection) but many others are not elastic in response to population (e.g. museum, economic development, town centre, street cleaning). More people living locally would mean greater competition and demand for some services and provide greater opportunities for external income generation than might otherwise have been the case.

8. **FUNDING: LOCAL AUTHORITY REVENUE FINANCE SETTLEMENT FOR 2022-23, BUSINESS RATES AND NEW HOMES BONUS**

- 8.1 The Provisional Settlement was published on 16th December 2021 and is reflected in this report. Final updates will be included in the February reports if appropriate. The key points from the provisional settlement are set out in paragraph 5.30.
- 8.2 Table 8.2 below identifies the overall estimated position in relation to the Government Grant, Business Rates, New Homes Bonus and Council Tax income – this report is based on the provisional settlement. Negative RSG has been removed for a fourth year in 2022-23 but is assumed to continue thereafter. All figures are subject to confirmation

when the Final Settlement figures are issued. There is a risk that the projections of business rates and council tax taking into the ongoing impact of COVID-19 will prove to be less accurate than for previous years. The table below shows the value of the retained business rates separately for further information.

Table 8.2.1 Total Funding including RSG, New Homes Bonus, Business Rates and Council Tax

Year	Revenue Support Grant £	Business Rates £	New Homes Bonus £	Council Tax £	Total £
2016-17	1,222,300	2,802,660	2,356,450	6,720,820	13,102,230
2017-18	553,290	2,920,240	1,910,300	6,783,860	12,167,690
2018-19	100,680	3,282,070	1,272,700	7,004,100	11,659,550
2019-20	0	3,997,920	906,100	7,234,190	12,138,210
2020-21	0	3,040,723	261,530	7,445,500	10,747,753
2021-22	0	3,243,210	242,510	7,578,210	11,063,930
2022-23	0	3,356,940	463,760	7,848,010	11,668,710
2023-24	(356,790)	3,016,080	0	8,089,420	10,748,710
2024-25	(356,790)	3,076,400	0	8,333,820	11,053,430
Total	1,162,690	28,736,243	7,413,350	67,037,930	104,350,213

This table does not include the collection fund deficit or COVID Tax guarantee grant

New Homes Bonus

8.3 New Homes Bonus grant in 2019-20 was paid on the basis of 4 years' award; there was no grant paid for baseline growth below 0.4% for the annual grant award for 2018-19 to 2020-21. The provisional settlement confirmed that New Homes Bonus funding will not continue in its current form in 2022 and beyond. The table below is based on the provisional settlement.

Table 8.3 NHB Forecast for new MTFs	2019/20 Total Budget £	2020/21 Total Budget £	2021/22 Total Budget £	2022/23 Total Budget £	2023/24 Total Budget £
NHB YEAR 6 2016/17 PAID UNTIL 2019/22 (4 yrs)	673,410				
NHB YEAR 7 2017/18 PAID UNTIL 2020/21 (4 yrs 80%)	30,730	30,730			
NHB YEAR 8 2018/19 PAID UNTIL 2021/22 (4 yrs 50%)	138,570	138,570	138,570		
NHB YEAR 9 2019/20 PAID UNTIL 2021/22 (4 yrs 50%)	63,390	63,390	63,390	63,390	
NHB YEAR 10 2020/21 PAID ONE YEAR ONLY		28,840			
NHB YEAR 11 2021/22 PAID ONE YEAR ONLY			38,000		
NHB YEAR 12 2022/23 PAID ONE YEAR ONLY*				400,370	
	906,100	261,530	239,960	463,760	0

* estimate subject to confirmation

8.4 The arrangements for reallocation of New Homes Bonus (NHB) funding pose a serious challenge to future financial sustainability for this and many other councils as the Council uses the bonus to fund its revenue activities, including important work on economic regeneration and development. This is significant given the (delayed) transition to the new funding model. The impact of the introduction of the national baseline in 2018 of 0.4%, below which funding allocations will not be made, has had a severely detrimental impact on this Council's funding. This was exacerbated by a slowdown in the housing growth within the district in prior years but growth is starting to improve now.

- 8.5 Since introduction of the scheme housing growth has been within a range of 194 to 599 of the council tax base. This has given rise to NHB as shown in Table 8.5:

Table 8.5 Year NHB Paid	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Additional Properties	192	227	227	186	206	403
Change in Long term Empties	2	21	21	14	-2	60
Net New Properties for NHB	194	248	248	200	204	463
Change for 2017/18						
Number of Band D Equivalents	176	244	209	159	187	416
Deduct Baseline 0.40%	163	165	166	167	168	168
Net New Properties for NHB	13	79	43	-8	19	248
NHB fundign Year £000	31	139	63	29	38	400
Cumulative NHB Grant £000	1,910	1,273	906	262	240	464

*For 2017/18 NHB the 0.4% baseline meant that out of total growth of 176 properties only 13 qualified for NHB grant funding

** Payments of NHB grant are based on additional properties in the prior 12 months so additional properties refer to performance in prior year

- 8.6 The amount of NHB (and also council tax) that the Council receives is sensitive to the timing of housing completions and a significant proportion of future income is therefore dependent on receipt of large scale residential applications and the pace at which developers build-out their sites. Housing completions in the district have slowed down in recent years as existing major sites are developed but is showing signs of picking up now. The previous slowdown could also be due to uncertainty created by Brexit and the COVID pandemic. The assumed, optimistic and pessimistic projections presented in Table 8.6 illustrates the potential volatility inherent with this funding stream.

Table 8.6 – Assumed Growth in Housing and Sensitivity of NHB Receivable				
£'000	2019-20	2020-21	2021-22	2022-23
Net additional no of properties	209	159	187	416
NHB Grant Payable (£'000)	63	29	38	400
Cumulative NHB	906	262	240	464
Cumulative NHB (optimistic) + 5%	951	275	252	487
Cumulative NHB (Pessimistic) -5%	861	249	228	441

- 8.7 Business Rate projections based on the 50% revised Worcestershire pooling agreement for 2021-22 continuing into 2022-23 are shown in table 8.8 below. These take into account the Council's share of forecast growth from major redevelopments, appeals, reliefs, economic regeneration work, other Business Rates market intelligence and assume that previously forecast increases in the multiplier for inflation will be met by extra S31 grant. These estimates may require updating following the final confirmation/decision regarding Pool membership and also completion of the statutory 2022-23 estimates for the DLUHC in January 2022. The Table below shows the revised assumptions and growth assumed in this budget report.

Table 8.7.1- Revised Value of Retained Business Rates (before spread of 2020-21 deficit/Covid Tax Guarantee grant)

Year	Value of Retained Business Rates (including future forecasts)	Growth	Average Annual Growth
	£	£	%
2013-14	2,435,300		-
2014-15	2,300,280	(135,020)	-5.5%
2015-16	2,547,610	247,330	10.8%
2016-17	2,802,660	255,050	10.0%
2017-18	2,920,240	117,580	4.2%
2018-19	3,282,070	361,830	12.4%
2019-20	3,997,920	715,850	21.8%
2020-21	3,040,723	(957,197)	-23.9%
2021-22	3,243,210	202,487	6.7%
2022-23	3,356,940	113,730	3.5%
2023-24	3,016,080	(340,860)	-10.2%
2024-25	3,076,400	60,320	2.0%
Total	36,019,433	641,100	1.8%

The government has again deferred progression of the Fair Funding Review until further notice and the introduction of the 75% retention of locally collected rates is not favoured by the new Secretary of State. At this point in time it is not possible to calculate the effects of any change as not enough details are known. This will be covered in a future MTFS. The optimistic view in Table 8.7.2 reflects the limited perceived upside over the period of the MTFS. The downside risk is limited by the membership of the Worcestershire Business Rates Pool.

£'000	2021-22	2022-23	2023-24	2024-25
As Modelled (ASSUMED)	3,243	3,357	3,016	3,076
As Modelled +2.5% (optimistic)	3,324	3,441	3,091	3,153
As Modelled -7.5% (pessimistic)	3,000	3,105	2,790	2,845

Other Key Operational Assumptions

- 8.8 The Council's 'Net Service Expenditure' is the total amount spent on services, offset by income associated with the provision of those services such as planning fees receivable, income generated by the Council's car parks, or service specific grant income. The basis of the Council's projected Net Service Expenditure is the 2021-22 budget. This is adjusted for known 'one-offs' (income or expenditure arising in 2021-22 only) and then appropriate inflation rates are applied. Finally, further allowances are made for material changes in service income or cost on the basis of discussion with the relevant Service Managers. For 2021-22 onwards budgets have also been reviewed in order to identify both one-off and ongoing efficiencies that can be made in order to balance the Council's finances over the medium to long term.
- 8.9 Other key operational assumptions are as follows:

Expenditure Pressures

Additional expenditure may be unavoidable due to the ongoing impact of COVID-19, policy, legislative or commercial pressures. Where material and anticipated at this stage these cost increases (or reductions in income) are incorporated into the MTF5

The projections include amounts relating to benefit subsidies.

Sensitivity of estimates

Many individual elements within the Council's operational income and expenditure can be financially volatile. For example, a relatively few major planning applications can generate the bulk of fee income. However, the demand for services can generally be anticipated and, on a portfolio basis, the cost of services is both relatively stable and manageable. It is therefore considered reasonable to apply an overall sensitivity to Net Service expenditure of 2.5% either way, as set out below:

£'000	2021-22	2022-23	2023-24	2024-25
As Modelled (ASSUMED)	12,305	12,027	11,488	11,364
As Modelled +2.5% (pessimistic)	12,613	12,328	11,775	11,648
As Modelled -7.5% (optimistic)	11,382	11,125	10,626	10,512

9. **BUDGET CONSULTATION RESULTS**

- 9.1 The Budget Consultation survey was launched on the 30th November and ran until the 9th December 2021. The results of this consultation are set out below and have informed the proposals in this report.
- 9.2 A total of 789 responses were received, a little down on the 894 responses last year but the consultation was open for a shorter period of time. A summary of the responses is shown below. A full list of the questions and more detailed analysis is available in Appendix 6.

Question 1: Proposed changes to discretionary services

Question 1A: Small Business Grants

To what extent do you agree that we should close the small business grants and business booster grants fund?

Strongly agree or agree - 49%

Neither agree nor disagree – 17%

Disagree or strongly disagree – 34%

Question 1B: Sports and Leisure facilities

If alternative partners cannot be found, to what extent do you support the council phasing out its involvement with Bewdley Leisure Centre and Stourport Sports Club from April 2023?

Strongly agree or agree – 41%
Neither agree nor disagree – 11%
Disagree or strongly disagree – 48%

Question 1C: Highways verges

After 2022-23 do you think that the district council should continue to maintain the verges in the three towns if WCC does not fully cover the district council's costs?

Yes – 53%
No – 40%
Don't know – 7%

Question 2: Raising income

How strongly do you support introducing charges for the following? Five being fully support and one being do not support.

Introducing car parking charges for blue badge holders (currently blue badge holders can use all WFDC car parks for free) – Average number 3

Introducing car parking charges at our parks, if we do not transfer the parks to town councils – Average number 2

Introducing car parking charges for popular nature reserves (this could include a low-cost daily rate and annual passes) – Average number 2

Introducing a late-night licensing levy for venues licensed routinely to serve alcohol after midnight – Average number 4

Question 3: Council Tax Reduction Scheme

To what extent do you agree Wyre Forest District Council should consider increasing the minimum contribution all working age households pay from 20% to 25% in the future?

Strongly agree or agree – 49%
Neither agree nor disagree – 14%
Disagree or strongly disagree – 37%

Question 4: The green agenda

To what extent do you agree that the council should be seeking to move to a vehicle fleet that does not use fossil fuels?

Strongly agree or agree – 66%
Neither agree nor disagree – 16%
Disagree or strongly disagree – 18%

To what extent do you agree that the council should move to green only tariffs for electricity and gas when current contracts expire in 2023 and 2025 respectively? It is estimated that this would cost the council up to 5% more in fuel costs (about £10-15k a year).

Strongly agree or agree - 47%
Neither agree nor disagree – 24%
Disagree or strongly disagree – 29%

Question 5: Funding our priorities

To what extent do you support the Cabinet’s proposal to reallocate the loan fund for general capital expenditure?

Strongly agree or agree – 62%
Neither agree nor disagree – 15%
Disagree or strongly disagree – 23%

Question 6: Where to invest

To what extent do you agree that the area for investment for the Capital Portfolio Fund should be extended?

Strongly agree or agree – 39%
Neither agree nor disagree – 22%
Disagree or strongly disagree – 39%

- 9.3 The Council continues to engage with the public, staff, other Members and various stakeholders in setting the direction of the Council. In these times of financial uncertainty, difficult choices will be required on selective reductions in costs in line with the Council’s priorities. Ultimately, Councillors have to take decisions even if they are aware that they might not command public support. The consultation undertaken this year has helped to inform the Cabinet’s approach set out in the medium-term financial strategy. The total number of responses in the budget consultation was 789 compared to 894 last year. In addition, the main issues being raised were the subject of social media posts which secured a much higher reach. For example, a Facebook post on car park charges at nature reserves reached almost 15,000 people and prompted a number of comments which revealed a mix of views (including some comments that were not related to facilities run by the Council, such as Wyre Forest, owned by the Forestry Commission). It is a pity that more people who saw the social media posts did not then take time to fill in the on line survey as the higher the number who participate, the more representative sample of overall public opinion it is likely to provide.
- 9.4 This year’s consultation survey revealed strong support for moving the Council’s fleet away from fossil fuels and reallocating the development loans fund for general capital expenditure. On most other questions, there was a higher number of people either strongly agreeing/agreeing or strongly disagreeing/disagreeing although on virtually every question well over 10% were not sure. In future consultations, it might be appropriate to remove the “neither agree nor disagree” option so that people have to express a view – just as Councillors have to reach decisions and cannot “sit on the fence”. It is impossible to be sure but removing the “neither agree nor disagree” option

might have provided clarity of the public's view on where the capital portfolio fund might be invested in future, as the results were otherwise evenly split.

- 9.5 In respect of the proposals in this MTFs, the consultation showed more people supported than opposed the ending of small business grants and using the resource instead to support implementation of major regeneration projects (49% vs 34%). However, while the majority was narrower, the majority of responses (48% vs 41%) opposed the council phasing out its involvement with Bewdley Leisure Centre and Stourport Sports Club if alternative partners cannot be found. Every effort would be made to secure alternative partners, including the town councils, to ensure a viable future for these local facilities. Looking further ahead, the consultation provides indication of support for introducing a late-night licensing levy.
- 9.6 The consultation tested views on a range of other possible changes that might be considered in future years in light of the level of Government funding. No decisions are being sought at this stage. Against the backdrop of an inconclusive view from the public consultation about charging blue badge holders to park, the administration does not intend to progress such a change prior to May 2023; and the question of whether or not to change the minimum council tax contribution for working age households in 2024 would be a matter for the Council and administration elected in 2023 to consider.

10. CABINET PROPOSALS

- 10.1 This section presents the Cabinet's proposed spending plans for the next three years.

Council tax

Inflation as measured by CPI is currently increasing now the economy is starting to recover from the pandemic and was 4.2% in October 2021 but expected to rise further (0.9% as at October 2020). It is expected to continue to rise by the time the Council sets council tax for 2022-23 at the end of February.

It is proposed that the Wyre Forest element of council tax will be increased by £5 pa or 2.23% for 2022-23 and a further £5 pa for 2023-24 onwards. In the probably unlikely event that as part of the Final Settlement greater flexibility for a higher increase is allowed, then the proposed increase will be revised to reflect the highest level that does not trigger a referendum. The increase in the District Council's tax from 2010-11 to 2021-22 taking into account the latest proposal is only 13.5% compared to a CPI increase of 21.3% between 2010 and 2020 demonstrating that households within Wyre Forest have enjoyed sub inflation increases across that period.

Fees and Charges

All services were asked to consider relevant changes to fees and charges and the potential additional income this could generate. The risk of failing to optimise income due to elasticity of demand, changing economic circumstances and the emergence of competition was evaluated. As a result, some fees and charges have been frozen or increased by less than the average of 5%.

Car parking charging policy was reviewed in 2019 and the approved simplified approach that included introduction of a regime of seasonal charging for Stourport and Bewdley

is retained in this report. Proposals for year on year increases from April 2022 are included in the Fees and Charges schedules in Appendix 4 - Part 2.

Spending proposals

- 10.2 The Cabinet Proposals build on the strategic policy context agreed at Cabinet in November 2021 to transform the Council to become a smaller organisation utilising a range of service delivery models that are more financially viable than at present to preserve key services whilst reducing the funding gap. The proposals reflect the fact that, for the most part the Cabinet's focus is on progressing the approved Transformation Timetable. This year there are just two Cabinet proposals as follows:
- 10.2.1 **Approval of the closure of the small business grants scheme currently administered by North Worcestershire Economic Development and Regeneration after March 2022. This would save £35k each year 2022-23 onwards which will be utilised to fund additional resource in the NWEDR team to assist with delivery of the externally funded projects for the Future High Streets Fund (FHSF) and the Levelling up Fund (LUF);**
- 10.2.2 **Approval of the end of discretionary sport and leisure facilities from April 2023 namely, phasing out involvement in Bewdley Leisure Centre and Stourport Sports Club. This would save £38k each year from 2023-24 onwards.**
- 10.3 There are two Cabinet Proposals this year as set out in 10.2.1 and 10.2.2 above, both for modest revenue budget savings with the saving on the former being redeployed to provide essential additional resource.
- 10.4 The following table demonstrates the forecast position for the Council when all of the Cabinet Proposals are incorporated into the Base Budget. The Council is forecast to hold a balance of £2,416k at the end of 2024-25 (see reserves table in 11.2):

Table 10.4 – Revised Forecast Financial Position including Cabinet Proposals (before Finance Settlement)

	Revised 2021-22 £	2022-23 £	2023-24 £	2024-25 £
Net Expenditure on Services	13,102,940	12,026,680	11,487,830	11,363,500
COVID Support grants	(797,800)	0	0	0
Total Net Expenditure on Services (per Appendix 2)	12,305,140	12,026,680	11,487,830	11,363,500
Less:				
Cabinet Proposals	0	0	(38,000)	(38,000)
Net Expenditure	12,305,140	12,026,680	11,449,830	11,325,500
Contribution (from)/to Reserves	(1,081,770)	(129,530)	(601,120)	(172,070)
Net Budget Requirement	11,223,370	11,897,150	10,848,710	11,153,430
Less:				
Revenue Support Grant	0	0	(356,790)	(356,790)
Business Rates	3,243,210	3,356,940	3,016,080	3,076,400
New Homes Bonus	242,510	463,760	0	0
Lower Tier Services Grant	121,190	127,540	100,000	100,000
Collection Fund Deficit	(146,000)	(95,100)	0	0
Local Council Tax Support Grant	184,250	0	0	0
Council Tax Income	7,578,210	7,848,010	8,089,420	8,333,820
One off Services Grant	0	196,000	0	0
WFDC Council Tax: £5 increase per annum	224.34	229.34	234.34	239.34
Percentage increase in Council Tax	2.39%	2.23%	2.18%	2.13%

10.5 The Cabinet proposals identified in Section 10.2 build on the savings identified within all previous Financial Strategies and include cost reduction items to help progress the Council towards financial self-sufficiency.

11. WORKING BALANCES, RESERVES AND PROVISIONS

- 11.1 The Council has adopted the general principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Local Authority Reserves and Balances.
- 11.2 The following Reserves are available to assist the Council in meeting General Fund Expenditure 2022-25 as part of the Financial Strategy predicated on the generic savings shown in table 7.3 being achieved.

Table 11.2 - Reserves (available for the MTFs) table after Cabinet Proposals

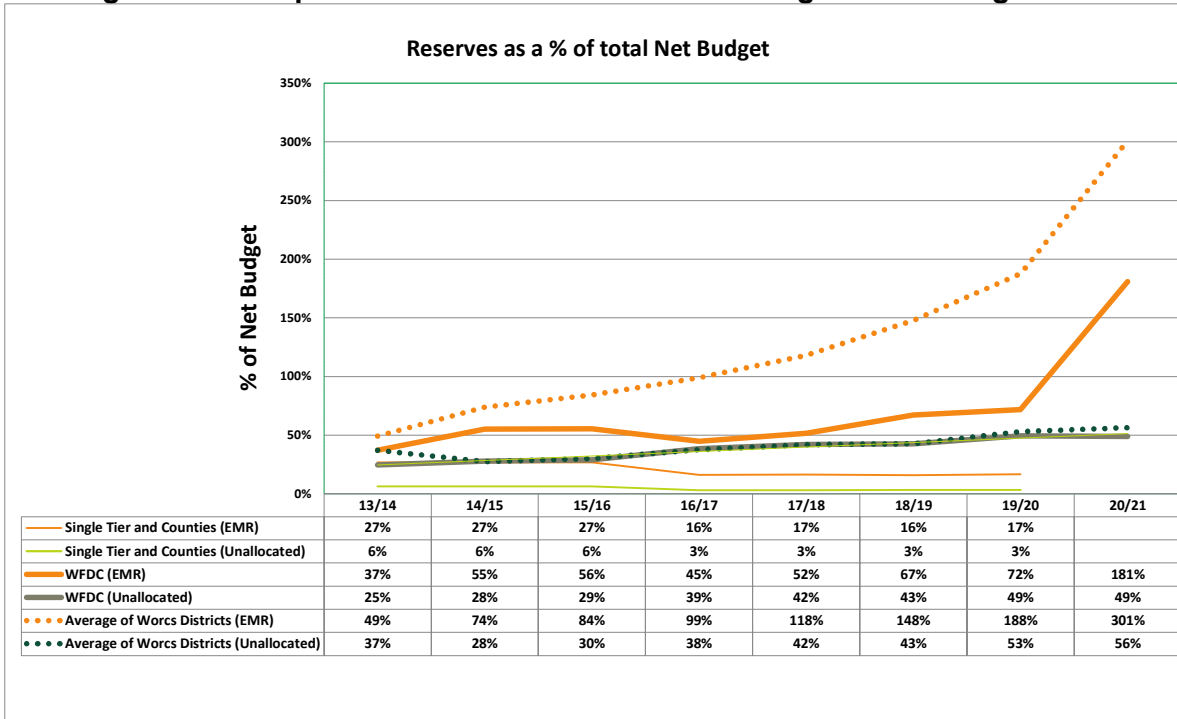
Reserves Statement	Revised 2021-22 £	2022-23 £	2023-24 £	2024-25 £
Reserves as at 1st April	4,400	3,318	3,189	2,588
Contribution to/(from) Reserves	(1,082)	(130)	(601)	(172)
Reserves as at 31st March	3,318	3,189	2,588	2,416

- 11.3 In addition, the Council holds a working balance of £1.2m. An external report by Link Asset Services in late 2018, advised that we considered increasing the working balance up to £1.5m. Currently, £1.2m is considered to be adequate taken together with earmarked reserves held; this may be increased from any easing of cost pressures, should they arise, as part of the Final Accounts process, to provide additional risk mitigation and the position will continue to be kept under review.
- 11.4 The Council also currently holds earmarked reserves of £20.685m (including Covid related one-off reserves as at 30th November 2021). It should be noted that the Council has commitments against such earmarked reserves and the forecast balance after commitments is £10.977m. General Risk and Innovation Fund Reserves are also held. The level of both of these reserves will be reconsidered as part of the Final Accounts process. A Planned Property Maintenance reserve is held taking 20% of the net proceeds from Capital Portfolio purchases to help mitigate future unknown risk.
- 11.5 The following graph shows that both our general unallocated reserves (including the working balance and excluding exceptional COVID reserves) and our levels of earmarked reserves are a relatively small percentage of our annual net revenue budget. It also shows that our reserve levels are falling below those held by other district councils.

The anomalies in accounting for the current Business Rates Retention System caused a spike in the earmarked reserves for 2014-15 and 2015-16 due to increased reserves for appeals, which we have been obliged to allocate at the external auditor's request. We should be mindful that these EMRs are for specific purposes and are likely to be required. In the extremely unlikely event that they were all imprudently released for revenue expenditure they would not cover even 6 months' expenditure.

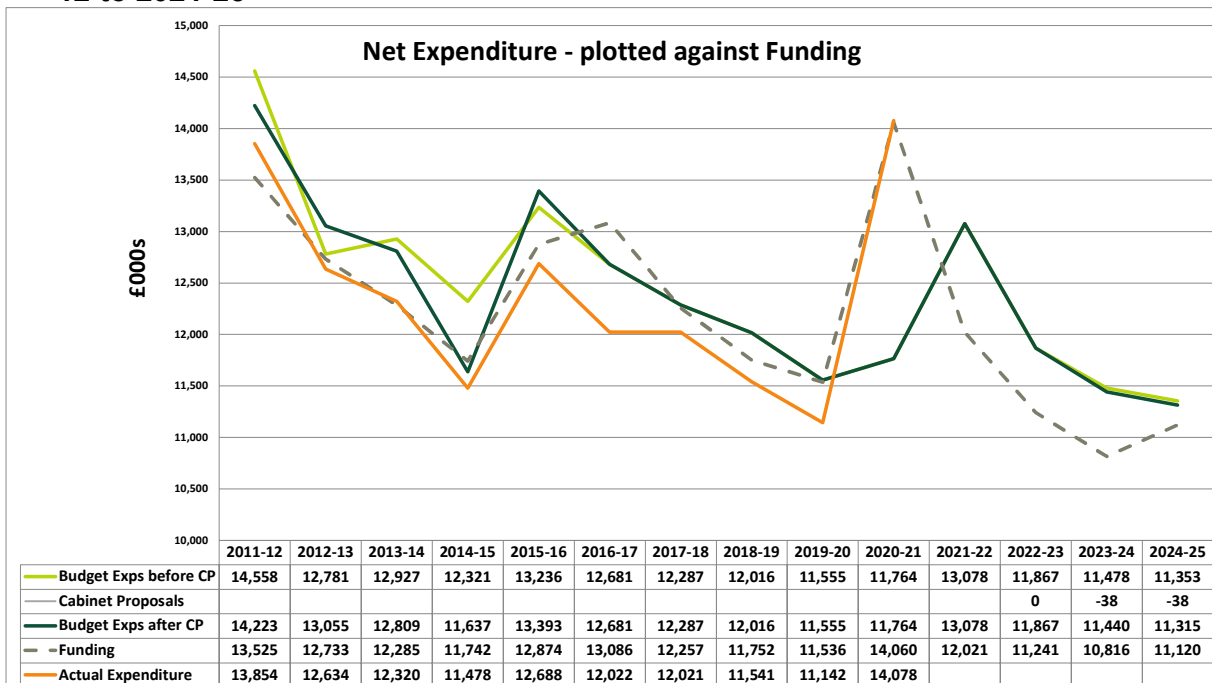
This analysis, together with the diminishing reserves shown in the table in 11.2, means this Council has extremely limited capacity to draw further on reserves to meet extra costs/further funding reductions. Indeed, with increased financial risk there is pressure to hold larger reserves to mitigate the impact of potential service reductions. The higher level of reserves at the end of 2019-20 has been maintained at the end of 2020-21 (excluding COVID reserves) in response to the ongoing uncertainty and risk.

Figure 11.5 Graph to show Reserves as a Percentage of Net Budget Actuals



11.6 The following graph shows the net expenditure against available funding (excluding reserves) and illustrates the increasing funding gap as the years progress.

Figure 11.6 Revised Graph to show Net Expenditure compared to Funding 2011-12 to 2021-25



12. CAPITALISATION OF REVENUE EXPENDITURE

- 12.1 The Chief Financial Officer will apply any unallocated Capital Receipts to fund suitable expenditure at year end in consultation with the Chief Executive in accordance with delegated authority.
- 12.2 No applications have been made for capitalisation directions for 2021-22.
- 12.3 There is an extant Government direction allowing capitalisation of revenue transformation costs that could potentially include severance costs planned to be met from the Innovation Fund as part of this MTFFS proposal. However, this will not be pursued as no capital receipts are available to fund such expenditure.

13. FINANCE STRATEGY

- 13.1 The Council needs a Medium-Term Finance Strategy to maintain a sound financial structure for the future.
- 13.2 The Key Objectives are proposed as follows:
 - a. To reduce expenditure to a sustainable level.
 - b. A balanced budget within resources available identified into the medium term taking into account the ongoing impact of the COVID-19 pandemic.
 - c. To manage the Council's assets in order to achieve maximum efficiency.
 - d. To manage the Council's investments efficiently and effectively to maximise interest generation, whilst protecting principal.
 - e. To make realistic provisions for inflation, pensions, committed growth and legislative requirements whilst securing the Council's financial position.
 - f. To set aside any available balances, initially to be used primarily for "one-offs" (e.g. investment, service or corporate growth) and/or depending on the amount of balances, used in a phased manner beyond one year to avoid fluctuations in the level of the Council Tax.
 - g. To ensure the early recognition of emerging issues associated with assessment of risk and appropriate management of the budget process in relation to the assessment of the degree of risk.
 - h. To direct available financial resources in line with approved service priorities and reallocate from low/nil priority areas in line with Council Policy to maximise achievement of approved Key Commitments.
 - i. For Council Tax increases the aim should be to keep to a maximum increase of about 2% or £5, whichever is the higher, and below the point at which a referendum would be triggered. If as part of the Final Settlement flexibility up above this is allowed, then the proposed increase will be revised to reflect this.
 - j. Maximise external income generation opportunities.
 - k. To adopt new/innovative service delivery options to facilitate a more commercial approach and economic regeneration, utilising capital investment where this is shown to be viable in the relevant business case proposals. This includes continued progression of the capital portfolio fund, subject to future accounting code changes, balancing risk against reward.

14. POWERS TO LIMIT EXCESSIVE INCREASE IN COUNCIL TAX AND REFERENDUMS

- 14.1 The Localism Act abolished the ability for central government to cap the level of Council Tax increase that a local authority can charge. However, to replace these powers government have introduced a 'local tax lock'.
- 14.2 These powers allow local people a vote to stop council tax going up if their local authority increases Council Tax by more than an amount specified by government. If the local electorate votes against that increase, the local authority will have to revert to a council tax level that is compliant. For this report it has been assumed that any increases in 2022-23 above 2% or £5, whichever is the higher, would trigger a referendum. If as part of the Final Settlement flexibility even higher flexibility is allowed, then the proposed increase will be revised to reflect this.
- 14.3 Since Spending Review 2015 a Council's tax raising abilities have been taken into account when determining the balance of Central resources to be allocated. The shortfall in revenue raised by a tax increase below the maximum permissible level has to be wholly funded locally.

15. EQUALITY IMPACT NEEDS ASSESSMENT (EIA)

- 15.1 EIAs will be undertaken as appropriate as part of reviews of service delivery arrangements and implementation of new models. There are no proposals in this report that require an assessment, because of their generic nature.

16. BUDGET RISK MANAGEMENT AND SENSITIVITY ANALYSIS

- 16.1 Achieving ongoing financial sustainability is the most significant risk facing the Council. The work done by the Strategic Review Panel will provide a range of ideas for the Cabinet to consider in making its recommendations on the Medium-Term Financial Strategy.
- 16.2 The Accounts and Audit Regulations 2015 require Local Authorities to fully consider and manage Risk as part of the Budget process. Attached at Appendix 5 is an analysis of the significant financial risks which are affecting the Council.
- 16.3 All local authorities are required to formalise their approach to risk management and evidence it more directly as part of the budgetary process. This requirement has arisen as a result of:-
- a. *Regulation 3 of the Accounts and Audit Regulations 2015 state that:*
"A relevant authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk."

In addition, Regulation 4 of the Accounts and Audit Regulations 2015 also state that:

“The financial control systems determined must include measures to ensure that risk is appropriately managed”.

b. Prudential Framework:-

The assessment of affordability of financial plans requires a judgement about risk. Prudential Indicators are the monitoring tool to assess performance and risk.

c. CIPFA Guidance on Reserves and Balances:-

Highlights the need to consider risks facing the authority; the risks posed by the continuing austerity measures place pressure on the Council to hold higher levels of reserves to ensure ongoing sustainability.

16.4 In late October 2019 CIPFA issued a Financial Management Code (FM Code) which provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively. The first full year of compliance is 2021-22. This reflected the recognition that organisations needed time to reflect on the contents of the code and could use 2020-21 to demonstrate how they were working towards compliance. An assessment against the Code requirement was considered by Audit Committee on May 26th 2021; overall there was found to be a good level of compliance. This links to the Financial Resilience Index information also to be provided by CIPFA. CIPFA issued Guidance on Prudential Property Investment in Mid November 2019 including a detailed methodology on how authorities could calculate whether their property investments are proportional to the size of their revenue budgets. The calculations for the Council will be considered within the reporting on the levels of adequate reserves to cover off risk as part of the S151 Officer's report in February. Further revisions to the Prudential Code Guidance are expected to be introduced following a consultation that ended on November 16th 2021. This is covered further in the Capital Strategy report.

16.5 Assumptions used in this MTFS are as set out in sections 6 and 7 and the overall sensitivity analysis is set out below. The base budget makes no allowance for headroom for additional investment in priorities. In summary, other pressures not yet known and/or not taken into account at this stage are:

- COVID-19 any additional costs of ongoing recovery that are not yet known.
- Leisure Centres – further unknown costs arising from the recovery of this sector on our local contract.
- Exit from the European Union/Brexit – the Strategy assumes a neutral financial impact over the MTFS
- Potential nationalisation of land charge searches – costs to initiate the project to see the transfer of data from Local Land Charges onto the national Local Land Charges Register in accordance with the provisions of the Infrastructure Act 2015, currently anticipated to start in 2022 until 2024.
- Future impact of welfare reforms including rising number of pensioners.
- Pressure to hold higher reserves because of higher risks/decreased funding.
- Emerging/unknown implications of Worcestershire County Council decisions.
- Impact of the Government's Waste Strategy.
- Emerging/unknown impact of the Spending Review

- Pay inflation over 2% after 2022-23
- 16.6 The financial projections suggest deficits in funding across all three years under consideration, leading to an overall projected net deficit over the three years of some £1.68m. In broad terms this can be explained by the combination of ongoing forecast COVID cost pressures and reduced income not met by government grant, and reductions in Revenue Support Grant and New Homes Bonus receipts.
- 16.7 The deferred Business Rates baseline reset, likely to be post 2022, could result in a reduction in the ability to retain business rates growth and therefore there is a risk this will impact adversely on our overall funding position.

17. LOCAL GOVERNMENT ACT 2003

- 17.1 Local Government Act 2003 (Sections 25-29) places duties on Local Authorities on how they set and monitor budgets.
- 17.2 Sections 25-27 require the Section 151 Officer to report on the robustness of the estimates and the adequacy of its proposed financial reserves. This will be reported to Cabinet on 8th February 2022 and form part of the Council report on 23rd February 2022.
- 17.3 Section 28 places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been deterioration in the Authority's financial position, the authority must take such action as it concludes necessary. The Council currently reviews the Budget on a quarterly basis, with CLT/Cabinet receiving monthly budget monitoring reports, and this practice will continue.

18. CONSULTEES

- 18.1 Corporate Leadership Team
- 18.2 Cabinet

19. BACKGROUND PAPERS

- 19.1 Accounts and Audit Regulations 2015
- 19.2 Agendas and Minutes of the Strategic Review Panel from October 2020 onwards
- 19.3 Cabinet Report on updated Capital Strategy 2022-32 also on this agenda
- 19.4 Budget Consultation Results
- 19.5 Spending Review 2021 27th October 2021: [Autumn Budget and Spending Review 2021: documents - GOV.UK \(www.gov.uk\)](#)
- 19.5 Corporate Plan 2019-23
<https://www.wyreforestdc.gov.uk/media/4734748/CorporatePlanJPEG.JPG>.
- 19.6 Cabinet 9th November 2021 Financial and Strategic Policy Context for the Medium Term Financial Strategy
http://www.wyreforest.gov.uk/council/docs/doc57134_20211109_cabinet_agenda.pdf

APPENDIX 1 – MTF5 – DELIVERY OF CORPORATE PRIORITIES.

1. SUMMARY OF HIGHLIGHTS OF COUNCIL'S PROGRESS IN DELIVERY OF ITS CORPORATE PRIORITIES

These highlights of what has been achieved demonstrate how the Council has been delivering its priorities and strategic actions as set out in the current corporate plan 2019-23. The outcomes we have achieved in the last 12 months or so also feature in the following table:

Priority: Supporting a successful local economy

	What we've done
Working with partners to create the conditions and certainty to foster a growing and sustainable local economy	Worked with Worcestershire partners and both Local Enterprise Partnerships to support businesses through the Coronavirus pandemic, distributing grants and providing access to support and funding opportunities. Enabled the successful establishment of the Kidderminster Business Improvement District (BID). Working as part of River Severn Partnership to develop projects as part of the catchment wide area.
Bringing forward regeneration and development opportunities and the infrastructure to support them	<p>Development Agreement in place with Cordwell to deliver a cinema led leisure development of the Lionsfield site (consisting of the Bromsgrove Street, car park and former Glades leisure centre sites). Successful Expression of Interest submitted to the National Lottery Heritage Enterprise Fund for gap funding to bring the former Magistrate's Court and indoor market building back into a positive use. This also forms part of the successful bid to Future High Streets Fund (FHSF) for Kidderminster town centre for which the full business case of £20.5m external funding was approved and confirmed on 26th December 2020; includes proposals for Crown House site, former Magistrates' Court building and Bromsgrove Street car park. The FHSF project is progressing to pal with several acquisitions of key properties completed as part of the essential land consolidation to facilitate the connectivity the scheme will deliver. Public consultation on proposals for the Former Magistrates Court has also been undertaken. Notification of successful bids for £17.9m of Levelling Up Fund capital funding and also £523k revenue funding for a short term Betaden in WFHouse from the Community Renewal Fund is also very welcome.</p> <p>Successfully supported the demolition of Crown House and surrender of lease which was completed in the first half of 2020.</p> <p>New Railway Station Ticket Office and forecourt works completion in summer 2020 and brought into service in June.</p> <p>Contract completed with Homes England for £2.7m Housing Infrastructure Fund contribution towards Churchfields highways: work is now complete.</p> <p>Disposed of land in Stourport in support of new medical centre facility which began construction in summer 2020.</p>

APPENDIX 1 – MTF5 – DELIVERY OF CORPORATE PRIORTIES.

	What we've done
Creating new job opportunities and improving skills	Continuing to run the successful 'Opening Doors to Business' event for local schools. Monthly updates of District at Worcestershire Business Leaders. Eighth year of support for new apprenticeships to enable employers to cover the costs of employing them. Through the NWEDR team in liaison with GBSLEP Growth Hub a North Worcs Business Advisor appointed to support businesses.
Helping new businesses to start up and existing businesses to grow	<p>In 2020-21:</p> <p>42 entrepreneurs received business start-up advice which has resulted in 4 new business start-ups</p> <p>15 businesses have accessed grants totalling £20,671</p> <p>EU funds:</p> <p>29 businesses accessed £667,093 worth of grant funding including 3 businesses being awarded grants of £100,000 – Beakbane Ltd, TruLine Expanded Products Ltd and D-Zine Furnishing Solutions Ltd.</p> <p>In the first quarter of 2021-22:</p> <p>13 entrepreneurs received business start-up advice. No new business start-ups have been reported this year.</p> <p>12 businesses have accessed grants totalling £60,424</p> <p>EU funds:</p> <p>13 businesses accessed £206,621 worth of grant funding.</p>
Promoting the District as a great place to invest in, live in and visit	<p>Continue to grow the Business Ambassador Scheme.</p> <p>Work in partnership with Worcestershire LEP Inward Investment team to facilitate relevant enquiries from internal and external businesses.</p> <p>Worked successfully with GBSLEP Growth Hub to facilitate a dedicated North Worcestershire Business Growth officer to work alongside NWEDR.</p> <p>Adoption of the North Worcestershire Economic Growth Strategy.</p>

	What outcomes we've achieved
A community with lower unemployment and improved skills	<p>Claimant count 5.9% in March 2021 which is higher than the Worcestershire average (5.3%) but below the regional and average (7.4%) and national average (6.5%).</p> <p>However, it is worth noting that this figure is more than twice the figure at the same time last year.</p>
A diverse and well connected economy with vibrant and successful town centres	<p>Completion of phase 2 of town centre public realm works of £1m opening up of Worcester Street to traffic with on street parking.</p> <p>Approval of final business case to Future High Streets Fund to bring about transformation of Crown House, Magistrates' Court and Bromsgrove Street sites and progression of this major capital scheme to plan.</p> <p>Completion of new Rail Station and forecourt area.</p> <p>Successful establishment of BID for Kidderminster.</p>

APPENDIX 1 – MTFS – DELIVERY OF CORPORATE PRIORTIES.

	What outcomes we've achieved
	Appointment of Hemingway Design to assist the development of a Kidderminster 2040 vision.
Increased visitor opportunities	Bewdley Museum was awarded a Certificate of excellence for the 2019-20 season for the fourth year running. Visitor numbers in 2018-19 and 2019-20 exceeded 200,000. The 2020-21 financial year has been a difficult for the museum, with 2 long periods of lockdown. Phased opening was introduced when restrictions permitted, and the visitor numbers were very good when open but clearly never going to be as high as a normal year. We ended the season at 128,053 visitors.
Redevelopment of redundant and under-used land and buildings	Development Agreement in place with Cordwell to facilitate cinema led leisure development on former Glades leisure centre site but impacted by Covid-19 delaying delivery until 2021 at the earliest. Demolition of Crown House completed in first half of 2020. Construction of new industrial units on former Frenco site due for remains a work-in progress, delayed due to the impact of the pandemic and liquidation of the main contractor. Completion of agreement with development partner to purchase 6 new industrial units off Silverwoods Way with construction due to start in 2021. Supported developer with Development Loan Fund to assist delivery.
Improved infrastructure	Silverwoods Way (Hoobrook link road) opened September 2016. All vacant plots now have residential, food and beverage or employment use proposals. Attracted £2.7m Housing Infrastructure Fund monies to support c£6m highway infrastructure scheme to open up brownfield land at Churchfields for residential development. New Rail Station building, and forecourt completed in June 2020.

Priority: A clean and green living environment

	What we've done
Creating a greener and cleaner local environment	<ul style="list-style-type: none"> • Maintained high levels of street cleansing both mechanical and manual to ensure roads and streets remain clean and litter free • Increased cleansing regimes within the three towns providing specialist cleansing of street furniture for example benches • Undertaken a number of area deep cleans • Worked in partnership with key fast food providers on street clean up initiatives and subway improvements. • Maintain 400 acres of nature reserves and 600 acres of Parks and Open Green Spaces. • Burlish Top nature reserve project 3 new ponds 10 new wildflower areas and the establishment of sustainable ecological management. The cleaning of tipped waste in preparation of opening the land to

APPENDIX 1 – MTF5 – DELIVERY OF CORPORATE PRIORTIES.

	What we've done
	<p>the public late 2020. Development proposal for a masterplan to develop this site to include a café, retail offer, trails and activities, education programme and visitor centre. To market this reserve to local people and tourists to maximise use of the exceptional space and raising awareness and use of our reserve.</p> <ul style="list-style-type: none"> • Burlish Top - A new off-road link for both cyclists and pedestrians has been created along the Kingsway • Stourport master plan project - Planting of over 1600 trees in the Stourport riverside floodplain to support targeted biodiversity goals. • Franche Bike Track - Working with local councillors and the local community to provide an enhanced bike track facility at White Wickets park which can be used to teach local children cycle skills. • Riverside North collaborative project to restore pedestrian access around the wild-life pond • Continue to run the localism fund allocated to parishes and community groups on environmental improvement, projects and activity. • Stourgate Project – The creation of new public access area and the creation of wildflower rich areas of meadow along the river Stour corridor • Jubilee Gardens - Maintenance and development of the gardens by the museum team. Developing a broader offer in the gardens for visitors such as the café and events • Fixed penalty notices continue to increase in relation to environmental crimes for littering and fly tipping offences FPN's issued 2018/19: 171 FPN's issued 2019/20: 202 FPN's issued 2020/21: 243 • Increased the number of cameras to tackle environmental crime such as fly tipping • Undertaken duty of care inspections to ensure businesses are complying with waste regulations • Undertaken SCRAP campaign highlighting issues surrounding fly tipping • Tackling ASB issues. • Revised introduction to tackle dog related issues • Supported local litter picking groups • To maintain high levels of enforcement and education on environmental crime. Increased dedicated team to deal with enviro crime
Supporting the provision and maintenance of high-quality public spaces	<p>Bid and been awarded £2.41m Heritage Lottery Fund grant to improve Brinton Park. Bewdley Museum - worked with volunteers to deliver some of the areas they were previously involved with. Started a new volunteer group for the gardens.</p>

APPENDIX 1 – MTFS – DELIVERY OF CORPORATE PRIORTIES.

	What we've done
<p>Creation of new woodland</p> <p>Creation of state-of-the-art bat habitat in Hurcott wood.</p>	<p>Working with the woodland trust to create a new area of woodland on part of the former golf course.</p> <p>Working with the Local and National branches of the Bat conservation trust and local businesses to create a state of the art bat habitat that demonstrates best practice approaches for bat conservation that can be used as models for bat mitigation in development works.</p> <p>St George's Bike project.</p>
<p>Working with partners to reduce crime and the fear of crime</p> <p>Motor vehicle anti-social behaviour in Stourport</p> <p>Anti-social behaviour</p> <p>Improvements to youth shelter at White Wickets</p> <p>White Ribbon campaign against domestic abuse in November/December</p> <p>PSPOs</p> <p>Nominated neighbour scheme</p> <p>Loan Sharks</p> <p>Hate Crime</p> <p>Community Ambassadors</p>	<p>Working with Police on waste carriers licence checks to ensure they are operating correctly</p> <p>Set up a multi-agency meeting to address the issues and formulate an action plan</p> <p>Action the complaints that are received via the WFDC website ASB form</p> <p>Working with KDYT, WFDC & local councillors to show young people we are listening to them by reinstating the sides of the youth shelter at the park. Balance of funding to go to the new bike track facility</p> <p>Working with partners to deliver the annual campaign</p> <p>Worked with partners to implement PSPOs in Bewdley & Stourport to replace old Alcohol Restriction Zones</p> <p>Working on the implementation of a nominated neighbour scheme to help elderly and vulnerable members of the community feel safer in their homes and reduce the chance of distraction burglars targeting the area</p> <p>Worked with partners to raise awareness of loan sharks</p> <p>Worked with partners to raise awareness to residents of Wyre Forest on what a hate crime is and how to report it</p> <p>Our Community Ambassadors in the high schools are continuing to deliver our key community safety messages</p>
	What outcomes we've achieved
<p>Clean streets and quality open, green public spaces that are enjoyed by all</p>	<ul style="list-style-type: none"> • 2 Green flag parks and 1 Green Pennant Park • An area that is an outstanding example of quality open space with a wide diversity of plant and animal life • Maintained the high levels of street cleaning. • Ongoing liaison and successful joint working with community groups on litter picking • Creation of high-quality bike, scooter and skate facility at St George's park that is used by multiple age demographics
<p>An environment that is respected and cared for, and where local people take pride in their surroundings</p>	<p>Delivered community safety projects including the Community Ambassadors scheme, White Ribbon against Domestic Abuse, Hate Crime Awareness campaign and seasonal crime prevention initiatives.</p> <p>Bewdley Museum - delivery of our education programme and demonstrations on site enhancing the visitor experience.</p>

APPENDIX 1 – MTFS – DELIVERY OF CORPORATE PRIORTIES.

	What outcomes we've achieved
	<p>Management of the site and park to a high standard with volunteer help.</p> <p>Continued to work with partners to tackle Serious and Organised Crime covering CSE, drug related crime, county lines and modern-day slavery</p> <p>Working with partners to establish a new North Worcestershire ASB Complex Case Group and to review the Community Trigger process</p> <p>Continued to co-ordinate the North Worcestershire Community Safety Partnership</p> <p>Undertook a review of the PSPOs for Stourport and Bewdley and extended from October 2020 for 3 years</p> <p>Implementing the externally funded CCTV digital upgrade in partnership across North Worcestershire</p>
Low levels of crime and anti-social behaviour	<p>To ensure anyone who transports waste is compliant and holds the relevant documentation</p> <p>Working with partners to improve perceptions of crime ratings</p> <p>Working with partners to reduce crime and anti-social behaviour</p> <p>Finalising and implementing the North Worcestershire Community Safety Partnership Plan by April 2020</p>

Priority: Good quality and affordable homes for all

	What we've done
Working towards meeting current and future housing needs, with an up-to-date local development plan that provides for growth in the number of houses	The Local Plan was submitted in April 2020 with an examination in January/February 2021 and subject to successful consultation on main notifications in autumn 2021 the council will aim for adoption in early 2022.
Preventing and reducing homelessness	<p>Ongoing implementation of the Homelessness Reduction Act 2017, implementation of the Homelessness and Rough Sleeper Strategy 2019-2022 and housing all those who are rough sleeping or at risk of rough sleeping through "Everyone In".</p> <p>During 2020/21 the Housing Advice Team gave housing advice to over 8.5k households and completed initial assessments under the Homelessness Reduction Act for 417 households.</p>

	What we've achieved
An increased supply of good quality and decent homes that are affordable to individuals and families	567 units of housing were granted planning approval in 2020-21 and of these 286 were for affordable housing.

WYRE FOREST DISTRICT COUNCIL

REVENUE BUDGET TOTAL REQUIREMENTS - DISTRICT COUNCIL PURPOSES

SERVICE	2021/22		2022/23			2023/24			2024/25		
	Original Estimate £	Revised Estimate £	At Nov.21 Prices £	Inflation £	TOTAL £	At Nov.21 Prices £	Inflation £	TOTAL £	At Nov.21 Prices £	Inflation £	TOTAL £
CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL	634,470	1,746,620	886,150	34,430	920,580	491,700	69,050	560,750	246,700	104,560	351,260
COMMUNITY AND ENVIRONMENTAL SERVICES	4,625,710	5,083,650	4,677,190	138,560	4,815,750	4,589,760	280,490	4,870,250	4,538,730	425,870	4,964,600
ECONOMIC PROSPERITY AND PLACE	2,851,180	2,795,540	2,805,360	68,570	2,873,930	2,768,410	135,530	2,903,940	2,734,540	203,800	2,938,340
RESOURCES	4,640,280	3,822,180	3,879,190	38,360	3,917,550	3,674,760	78,940	3,753,700	3,522,350	121,170	3,643,520
LESS: CAPITAL ACCOUNT	12,751,640	13,447,990	12,247,890	279,920	12,527,810	11,524,630	564,010	12,088,640	11,042,320	855,400	11,897,720
REVERSAL OF CAPITAL CHARGES	1,547,170	1,427,210	1,680,920	1,550	1,682,470	1,854,180	3,080	1,857,260	1,899,110	4,800	1,903,910
INTEREST RECEIVED	(1,935,030)	(1,813,310)	(1,881,900)	0	(1,881,900)	(1,884,640)	0	(1,884,640)	(1,731,300)	0	(1,731,300)
CAPITAL PORTFOLIO FUND AND DEVELOPMENT	(20,000)	(28,000)	(55,000)	0	(55,000)	(100,000)	0	(100,000)	(90,000)	0	(90,000)
LOANS FUND	(43,180)	69,050	(92,670)	8,570	(84,100)	(190,720)	17,240	(173,480)	(197,300)	26,070	(171,230)
INCREASES IN FEES AND CHARGES-OTHER	0	0	(162,600)	0	(162,600)	(299,950)	0	(299,950)	(445,600)	0	(445,600)
TOTAL NET EXPENDITURE ON SERVICES	12,300,600	13,102,940	11,736,640	290,040	12,026,680	10,903,500	584,330	11,487,830	10,477,230	886,270	11,363,500
LESS: CONTRIBUTION FROM RESERVES	(503,110)	(1,081,770)			(129,530)			(639,120)			(210,070)
NET BUDGET REQUIREMENT	11,797,490	12,021,170			11,897,150			10,848,710			11,153,430
LESS: REVENUE SUPPORT GRANT	0	0			0			356,790			356,790
BUSINESS RATES INCOME	(2,869,590)	(3,243,210)			(3,356,940)			(3,016,080)			(3,076,400)
BUSINESS RATES - NATIONAL LEVY REDISTRIBUTED	0	0			0			0			0
EXPENDITURE RELATED COVID SUPPORT GRANT	(563,800)	(563,800)			0			0			0
CO-FUNDING COVID SUPPORT GRANT	(383,940)	(234,000)			0			0			0
COLLECTION FUND DEFICIT	146,000	146,000			95,100			0			0
NEW HOMES BONUS	(242,510)	(242,510)			(463,760)			0			0
LOCAL COUNCIL TAX SUPPORT GRANT	(184,250)	(184,250)			0			0			0
LOWER TIER SERVICES GRANT	(121,190)	(121,190)			(127,540)			(100,000)			(100,000)
ONE OFF SERVICES GRANT	0	0			(196,000)			0			0
GENERAL EXPENSES -											
COUNCIL TAX INCOME	7,578,210	7,578,210			7,848,010			8,089,420			8,333,820
COUNCIL TAX LEVY		224.34			229.34			234.34			239.34
COUNCIL TAX BASE		33,780			34,220			34,520			34,820

OVERALL SERVICE BUDGET VARIATIONS
CURRENT APPROVED BUDGET COMPARED TO REVISED BUDGET 2021-22
BEFORE FUNDING

TOTAL REVISED BUDGET 2021-22
CURRENT APPROVED BUDGET 2021-22
INCREASED NET EXPENDITURE ON YEAR

£
13,102,940
12,300,600

802,340

Description of Estimated Major Variances	Extra Costs/ Reduced Income £	Savings/ Additional Income £
Chief Executive and Solicitor to the Council		
1. Members - reduction in costs		(8,000)
2. Election Expenses - irrecoverable costs	33,000	
3. Grant Funding - COVID		(455,050)
4. Wyre Forest Forward and Localism savings achieved and slippage	1,106,420	
Resources		
1. ICT - reduced income from telephone charges and increase Cyber Security costs	15,000	
2. ICT - increase shared services income		(60,000)
3. Revenue and Benefits - additional admin subsidy grant		(9,860)
4. Income reduction - CTAX & NNDR Court Costs	60,000	
5. Business Support Unit - reduced postage costs		(5,000)
6. Finance - unfunded pension benefits - former employees		(24,230)
7. Audit Fee increase	30,000	
8. Reduced contribution to pension risk reserve		(100,000)
9. Release S106 EMR		(31,000)
Environment and Community Services		
1. Car Parks - Site Maintenance - reduction in costs of security collections and increased ticket income		(258,000)
2. Civil and Environmental Enforcement - Increase in fine income		(6,250)
3. Cemetery - External contracts for grave digging service	20,000	
4. Waste - purchase of additional bins for Domestic and Garden refuse	49,000	
5. Waste - increased agency costs for cover during the pandemic (funded from Covid support grant)	30,000	
6. Parks and Green Spaces - increase in external funding		(6,990)
7. Garden Waste - increase in new customers		(35,000)
8. Waste Transfer Station - reduction in skip collections		(5,000)
9. Highways General Cleansing - reduction in external income	20,000	
10. Bulky Waste Collections - increased demand		(8,000)
11. Garage - impact of fuel increase and reduced external income	42,500	
12. Grounds Maintenance - reduction in external income, partially offset by reduction in expenditure	32,000	
13. Arboricultural Services - reduction in external income, partially offset by reduction in expenditure	33,000	
14. Landscaping Services - reduction in external income, partially offset by reduction in expenditure	23,000	
15. Localism savings off-set by short term localism grants	19,360	(6,310)
16. Wyre Forest Leisure Centre - net shortfall against budget after NLRF and before SF&C grants have been applied	315,590	
17. Sports Development - pay and running costs saved		(41,000)
Economic Prosperity and Place		
1. Land Charges - Increase charges for highways and additional income from charges	6,750	(11,200)
2. Housing - increased Housing Enforcement and Street Public Health income		(20,830)
3. Housing - additional costs for Homelessness Emergency Accom		(9,040)
4. Markets - reduced income	14,400	
5. Property - reduced income (partially off-set by reduced cost in Capital account)	510,080	
6. Wyre Forest House - reduced income	14,860	
7. Green Street - Increase in energy costs and business rates	21,740	
8. Planning - increase in fee Income		(99,580)
9. Street Naming - increase in income		(23,450)
10. Homeless prevention grant		(60,000)
Capital Account		
1. Capital Portfolio Fund slippage, reduced external interest off-set by reduced debt charges		(375,000)
	2,396,700	(1,658,790)
Other minor variations		64,430
Increased Net Expenditure on Year		802,340

**OVERALL SERVICE BUDGET VARIATIONS
REVISED BUDGET 2021-22 COMPARED TO BASE BUDGET 2022-23
BEFORE FUNDING**

	£
TOTAL BUDGET 2022-23	11,899,240
ADD: Inflation less Fees and Charges growth	127,440
	12,026,680
2021-22 REVISED BUDGET	13,102,940
	(1,076,260)

Description of Estimated Major Variances	Extra Costs/ Reduced Income £	Savings/ Additional Income £
<u>Chief Executive and Solicitor to the Council</u>		
1. Covid contingency		(244,960)
2. Wyre Forest Forward target		(760,400)
<u>Resources</u>		
1. Net increase in contribution to corporate risk reserves	200,000	
2. Reduction in contribution to bad debt provision		(100,000)
3. Release of Earmarked Reserve to General Reserves (Housing Benefit)		(60,000)
4. Reduction in Admin Subsidy	23,900	
5. Reinstate of Court and legal fee budget		(60,000)
6. One off external funding 2021-22 (Revenues)	50,000	
7. External income growth ICT 2021-22 (non recurring)	60,000	
8. One-off release S106 2021-22	31,000	
9. Insurance contingency	18,750	
10. Energy volatility inflation contingency	49,940	
<u>Community Well Being and Environment</u>		
1. Wyre Forest Leisure Centre Management Fee		(304,780)
2. Reduction in grant funding - Kidderminster TC		(13,440)
3. Community Leadership Fund		(16,500)
4. Increased external income Wyre Forest House		(56,300)
5. Increased energy costs operational buildings (WFH and Depot)	49,000	
6. Reinstate fees and charges budgets - garage, driver training, tree gang and grounds maintenance		(158,500)
7. Trade waste & Highway General Cleansing income growth		(201,630)
8. Trade waste tipping charges increased volumes due to service growth	57,720	
9. Non-recurring funding of trade waste business case	32,430	
10. Reduce revenue bin purchase budgets - transfer to capital		(160,000)
11. Parks repair and maintenance of buildings	10,000	
<u>Economic Prosperity and Place</u>		
1. Capital Portfolio Fund Property - reduction in voids and rent reviews		(122,330)
2. Homeless prevention grant	60,000	
3. Property income/Service Charges		(33,500)
4. Private Sector Housing Fines/Licences	12,100	
<u>Corporate Variations</u>		
1. Pay Inflation	355,000	
2. Net impact of Service Reviews, pay and grading review incremental progression and National Insurance changes	44,780	
3. Non pay inflation (miscellaneous)	94,980	
	1,149,600	(2,292,340)
Other minor variations		66,480
Increased Net Expenditure on Year		(1,076,260)

WYRE FOREST DISTRICT COUNCIL**FEEES AND CHARGES 2022-2023****SUMMARY**

DIRECTORATE	KEY	CHANGES IN INCOME		
		2022-23 £	2023-24 £	2024-25 £
Fees and Charges - Noting Appendix 4 (Part 1)	C	-	-	-
	R	-	-	-
	S	-	-	-
Fees and Charges - Cabinet Appendix 4 (Part 2)	C	-	-	-
	R	161,290 CR	136,040 CR	144,340 CR
	S	-	-	-
Fees and Charges - Council Appendix 4 (Part 3)	C	-	-	-
	R	1,310 CR	1,310 CR	1,310 CR
	S	-	-	-
GRAND TOTAL	C	-	-	-
	R	162,600 CR	137,350 CR	145,650 CR
	S	-	-	-

Key - Changes in Resources

C - Capital

R - Revenue

S - Staffing - Stated in FTE's

Compounded Effect of Fees and Charges**For Summary**

2022-23	2023-24	2024-25
£	£	£

162,600 CR	137,350 CR	145,650 CR
	162,600 CR	137,350 CR
		162,600 CR

162,600 CR	299,950 CR	445,600 CR
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WYRE FOREST DISTRICT COUNCIL**FEEES AND CHARGES 2022-2023****NOTING**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	2022-23	2023-24	2024-25
			£	£	£
R500	<u>CHIEF EXECUTIVE</u> <u>Elections - Sale of Registers</u> Charges in line with The Representation of the people (England and Wales) Regulations 2001.	C	-	-	-
		R	-	-	-
		S	-	-	-
R185 R193	<u>COMMUNITY WELL-BEING AND ENVIRONMENT</u> <u>Civil and Environmental Enforcement</u> To maintain Fixed Penalty Notices and Penalty Charge Notices at statutory levels.	C	-	-	-
		R	-	-	-
		S	-	-	-
R605	<u>ECONOMIC PROSPERITY AND PLACE</u> <u>Development Control</u> Planning application fees are set by statute. They were increased by 20% in 2018-19.	C	-	-	-
		R	-	-	-
		S	-	-	-
R637	<u>Environmental Health - Pollution Control</u> To maintain LAPPC charges at statutory level (revised annually).	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Gambling Act 2005</u> To charge permit fees and certain premises fees as determined by Government.	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Licensing Act 2003</u> To maintain Liquor Licensing fees at statutory levels.	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Pavement Licence</u> A pavement licence was introduced in 2020/21. To maintain the licence fee at statutory levels.	C	-	-	-
		R	-	-	-
		S	-	-	-
	TOTALS	C	-	-	-
		R	-	-	-
		S	-	-	-



Service	Elections and Electoral Registration	Service Manager	Electoral Services Manager
Directorate	Chief Executive	Cabinet Member	Housing, Health, Well-being and Democratic Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Elections and Electoral Registration			
SALE OF EDITED AND FULL ELECTORAL REGISTERS			
Charges for Marked Registers only (per legislation)			
Edited and Full Register			
Data	20.00 plus 1.50 per 1,000 entries	20.00 plus 1.50 per 1,000 entries	No VAT currently charged
Printed	10.00 plus 5.00 per 1,000 entries	10.00 plus 5.00 per 1,000 entries	No VAT currently charged
Overseas Electors			
Data	20.00 plus 1.50 per 1,000 entries	20.00 plus 1.50 per 1,000 entries	No VAT currently charged
Printed	10.00 plus 5.00 per 1,000 entries	10.00 plus 5.00 per 1,000 entries	No VAT currently charged
Marked Registers			
Data	10.00 plus 1.00 per 1,000 or part	10.00 plus 1.00 per 1,000 or part	No VAT currently charged
Printed	10.00 plus 2.00 per 1,000 or part	10.00 plus 2.00 per 1,000 or part	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Civil and Environmental Enforcement			
Fixed Penalty Notices			
Depositing Litter (Section 87/88 - Environmental Protection Act 1990)	150.00* (Maximum penalty 2,500.00)	150.00* (Maximum penalty 2,500.00)	No VAT currently charged
Fly-Posting or Graffiti (Section 43 - Anti-Social Behaviour Act 2003)	150.00* (Maximum penalty 2,500.00)	150.00* (Maximum penalty 2,500.00)	No VAT currently charged
Unauthorised distribution of free printed matter (Schedule 3A, paras. 1(1) and 7 - Environmental Protection Act 1990)	150.00* (Maximum penalty 2,500.00)	150.00* (Maximum penalty 2,500.00)	No VAT currently charged
Nuisance Parking (Section 6(1) - Clean Neighbourhood Act 2005)	100.00 (Maximum penalty 1,000.00)	100.00 (Maximum penalty 1,000.00)	No VAT currently charged
Abandoning a vehicle (Section 2A(1) - Refuse Disposal (Amenity) Act 1978)	200.00 (Maximum penalty 2,500.00)	200.00 (Maximum penalty 2,500.00)	No VAT currently charged
Failure to produce authority - Waste Carrier's Licence (Section 5/5B - Control of Pollution (Amendment) Act 1989)	300.00* (Maximum penalty unlimited)	300.00* (Maximum penalty unlimited)	No VAT currently charged
Failure to produce documentation - Waste Transfer Notes (Section 34(5) and regulations made under it/34(6)/34A - Environmental Protection Act 1990)	300.00* (Maximum penalty unlimited)	300.00* (Maximum penalty unlimited)	No VAT currently charged
Industrial & Commercial Waste Receptacle Offences (Section 47 - Environmental Protection Act 1990)	100.00* (Maximum penalty 1,000.00)	100.00* (Maximum penalty 1,000.00)	No VAT currently charged
Failure to comply with a community protection notice (Section 48/52 Anti-Social Behaviour, Crime and Policing Act 2014)	100.00 (Maximum penalty unlimited)	100.00 (Maximum penalty unlimited)	No VAT currently charged
Depositing Controlled Waste (Fly Tipping) (Section 33(1)(a) and Section 33(Z)(a) - Environmental Protection Act 1990)	400.00* (Maximum penalty unlimited)	400.00* (Maximum penalty unlimited)	No VAT currently charged
Breach of Public Space Protection Order (Section 59 Anti-Social Behaviour, Crime and Policing Act 2014)	100.00 (Maximum penalty 1,000.00)	100.00 (Maximum penalty 1,000.00)	No VAT currently charged
Penalty Charge Notices			
Parking Offences (Fines will be reduced by 50% if paid within 14 days from date of issue)	Minimum 50.00 Maximum 70.00	Minimum 50.00 Maximum 70.00	No VAT currently charged No VAT currently charged

NOTES:

* Environment Enforcement Officers can reduce these fines using their discretion based on individual circumstances



Service	Planning Applications	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Planning Applications - Statutory Fees Set By Central Government	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
OPERATIONS			
New Dwellings			
Outline planning permission			
Site does not exceed 2.5 hectare - rate per 0.1 hectare	462.00	462.00	No VAT currently charged
Site exceeds 2.5 hectares	11,432.00	11,432.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 2.5 hectares	138.00	138.00	No VAT currently charged
Maximum	150,000.00	150,000.00	No VAT currently charged
In other cases			
New Dwellings - dwellings less than 50 houses - rate per dwelling	462.00	462.00	No VAT currently charged
New Dwellings - dwellings exceeds 50 houses	22,859.00	22,859.00	No VAT currently charged
rate per additional dwelling over 50 houses	138.00	138.00	No VAT currently charged
Maximum	300,000.00	300,000.00	No VAT currently charged
Buildings other than dwellings, agricultural building, plant or glasshouses etc.)			
Outline planning permission			
Site does not exceed 2.5 hectares - rate per 0.1 hectare	462.00	462.00	No VAT currently charged
Site exceeds 2.5 hectares	11,432.00	11,432.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 2.5 hectares	138.00	138.00	No VAT currently charged
Maximum	150,000.00	150,000.00	No VAT currently charged
In other cases			
No additional floor space	234.00	234.00	No VAT currently charged
Gross area less than 40 sq metres	234.00	234.00	No VAT currently charged
Gross floor area between 40 and 75 sq metres	462.00	462.00	No VAT currently charged
Rate in excess of 75 sq metres, but less than 3,750 (per 75 sq metres)	462.00	462.00	No VAT currently charged
Gross floor area in excess of 3,750 sq metres	22,859.00	22,859.00	No VAT currently charged
Rate per additional 75 sq metre in excess of 3,750 sq metres	138.00	138.00	No VAT currently charged
Maximum	300,000.00	300,000.00	No VAT currently charged
Agricultural buildings on agricultural land (other than glasshouses)			
Outline planning permission			
Site does not exceed 2.5 hectares - rate per 0.1 hectare	462.00	462.00	No VAT currently charged
Site exceeds 2.5 hectares	11,432.00	11,432.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 2.5 hectares	138.00	138.00	No VAT currently charged
Maximum	150,000.00	150,000.00	No VAT currently charged
In other cases			
Gross area less than 465 sq metres	96.00	96.00	No VAT currently charged
Gross floor area between 465 and 540 sq metres	462.00	462.00	No VAT currently charged
Gross floor area between 540 and 4,215 sq metres	462.00	462.00	No VAT currently charged
Rate per additional 75 sq metres in excess of 540 sq metres	462.00	462.00	No VAT currently charged
Gross floor area in excess of 4,215 sq metres	22,859.00	22,859.00	No VAT currently charged
Rate per additional 75 sq metres in excess of 4,215 sq metres	138.00	138.00	No VAT currently charged
Maximum	300,000.00	300,000.00	No VAT currently charged
Glasshouses on agricultural land			
Gross area less than 465 sq metres	96.00	96.00	No VAT currently charged
Gross floor area in excess of 465 sq metres	2,580.00	2,580.00	No VAT currently charged
Erection, alteration or replacement of plant or machinery			
Gross area less than 5 hectares	462.00	462.00	No VAT currently charged
Gross area in excess of 5 hectares	22,859.00	22,859.00	No VAT currently charged
Rate per additional 0.1 hectare in excess of 5 hectares	138.00	138.00	No VAT currently charged
Maximum	300,000.00	300,000.00	No VAT currently charged



Service	Planning Applications	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Planning Applications - Statutory Fees Set By Central Government	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Enlargement, improvement or alteration of dwellings for domestic purposes			
One dwelling	206.00	206.00	No VAT currently charged
2 or more dwellings	407.00	407.00	No VAT currently charged
Operations within residential curtilage for domestic purposes (including buildings, gates and fences etc.)	206.00	206.00	No VAT currently charged
Car parks, roads and access to serve a single undertaking where associated with existing use	234.00	234.00	No VAT currently charged
Operations not within above categories - rate per 0.1 hectare	234.00	234.00	No VAT currently charged
Maximum	2,028.00	2,028.00	No VAT currently charged
USES			
Change of use of a building to one or more dwellings			
From single dwelling to 50 or fewer dwellings	462.00	462.00	No VAT currently charged
From single dwelling to more than 50 dwellings	22,859.00	22,859.00	No VAT currently charged
Rate per additional dwelling in excess of 50 dwellings	138.00	138.00	No VAT currently charged
Maximum	300,000.00	300,000.00	No VAT currently charged
From other building to 50 or fewer dwellings	462.00	462.00	No VAT currently charged
From other building to more than 50 dwellings	22,859.00	22,859.00	No VAT currently charged
Rate per additional dwelling in excess of 50 dwellings	138.00	138.00	No VAT currently charged
Maximum	300,000.00	300,000.00	No VAT currently charged
Material changes of use on land or building(s) other than above	462.00	462.00	No VAT currently charged
ADVERTISEMENTS			
Advertisements on business premises or other land within the business curtilage relating to nature of business, goods sold, services provides, or name of persons undertaking business	132.00	132.00	No VAT currently charged
Sign relating to business in the locality but not visible from that site	132.00	132.00	No VAT currently charged
All other advertisements	462.00	462.00	No VAT currently charged
OTHER APPLICATIONS			
Certificate of existing use or development	As for a planning application	As for a planning application	
Certificate of proposed use or development	50% of planning application	50% of planning application	
Prior approval application under the General Permitted Development Order			
Application made under parts 6, 7 or 31	96.00	96.00	No VAT currently charged
Application made under part 24	462.00	462.00	No VAT currently charged
Renewal of permission			
Under the Town and Country Planning and Compulsory Purchase Act 2004 you can renew an application that was approved before 1st October 2009 and has not expired.			
Householder	68.00	68.00	No VAT currently charged
Major Development	690.00	690.00	No VAT currently charged
All other cases	234.00	234.00	No VAT currently charged



Service	Planning Applications	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Planning Applications - Statutory Fees Set By Central Government			
Variation or removal of a condition	234.00	234.00	No VAT currently charged
Requests for confirmation that a condition or conditions attached to a grant of planning permission has been complied with			
Householder developments (per request)	34.00	34.00	No VAT currently charged
All other cases (per request)	116.00	116.00	No VAT currently charged
Application for Non-Material Amendments following a grant of planning permission			
Householder developments (per request)	34.00	34.00	No VAT currently charged
All other cases	234.00	234.00	No VAT currently charged
Applications for Certificates of Alternative Development	234.00	234.00	No VAT currently charged
Please note that the following applications are County Matters which should be submitted to Worcestershire County Council:			
a) Operations connected with exploratory drilling for oil or gas			
b) Mineral operations			
c) Use for disposal of refuse or waste material			

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Pollution Control			
LAPPC CHARGES			
Application Fee			
Standard process (includes solvent emission activities)	1,650.00	1,650.00	No VAT currently charged
Additional fee for operating without a permit	1,188.00	1,188.00	No VAT currently charged
PVRI, SWOBs and Dry Cleaners	155.00	155.00	No VAT currently charged
PVR I and II combined	257.00	257.00	No VAT currently charged
VRs and other Reduced Fee Activities	362.00	362.00	No VAT currently charged
Reduced fee activities: Additional fee for operating without a permit	99.00	99.00	No VAT currently charged
Mobile plant	1,650.00	1,650.00	No VAT currently charged
for the third to seventh applications	985.00	985.00	No VAT currently charged
for the eighth and subsequent applications	498.00	498.00	No VAT currently charged
Where an application for any of the above is for a combined Part B and waste application, add an extra £310 to the above amounts			
Annual Subsistence Charge			
Standard process - Low	739.00 (+99.00)*	739.00 (+99.00)*	No VAT currently charged
Standard process - Medium	1,111.00 (+149.00)*	1,111.00 (+149.00)*	No VAT currently charged
Standard process - High	1,672.00 (+198.00)*	1,672.00 (+198.00)*	No VAT currently charged
PVRI, SWOBs and Dry Cleaners - Low	79.00	79.00	No VAT currently charged
PVRI, SWOBs and Dry Cleaners - Medium	158.00	158.00	No VAT currently charged
PVRI, SWOBs and Dry Cleaners - High	237.00	237.00	No VAT currently charged
PVR I and II combined - Low	113.00	113.00	No VAT currently charged
PVR I and II combined - Medium	226.00	226.00	No VAT currently charged
PVR I and II combined - High	341.00	341.00	No VAT currently charged
VRs and other Reduced Fees - Low	228.00	228.00	No VAT currently charged
VRs and other Reduced Fees - Medium	365.00	365.00	No VAT currently charged
VRs and other Reduced Fees - High	548.00	548.00	No VAT currently charged
Mobile plant, for first and second permits - Low**	646.00	646.00	No VAT currently charged
Mobile plant, for first and second permits - Medium**	1,034.00	1,034.00	No VAT currently charged
Mobile plant, for first and second permits - High**	1,506.00	1,506.00	No VAT currently charged
for the third to seventh permits - Low	385.00	385.00	No VAT currently charged
for the third to seventh permits - Medium	617.00	617.00	No VAT currently charged
for the third to seventh permits - High	924.00	924.00	No VAT currently charged
eighth and subsequent permits - Low	198.00	198.00	No VAT currently charged
eighth and subsequent permits - Medium	316.00	316.00	No VAT currently charged
eighth and subsequent permits - High	473.00	473.00	No VAT currently charged
Late payment Fee	52.00	52.00	No VAT currently charged
Where a Part B installation is subject to reporting under the E-PRTR Regulation, add an extra £103 to the above amounts			
Transfer and Surrender			
Standard process transfer	169.00	169.00	No VAT currently charged
Standard process partial transfer	497.00	497.00	No VAT currently charged
New operator at low risk reduced fee activity (extra one-off subsistence charge - see Art 15(2) of charging scheme)	78.00	78.00	No VAT currently charged
Surrender: all Part B activities	0.00	0.00	No VAT currently charged
Reduced fee activities: transfer	0.00	0.00	No VAT currently charged
Reduced fee activities: partial transfer	47.00	47.00	No VAT currently charged
Temporary transfer for mobiles			
First transfer	53.00	53.00	No VAT currently charged
Repeat following enforcement or warning	53.00	53.00	No VAT currently charged
Substantial Change			
Standard process	1,050.00	1,050.00	No VAT currently charged
Standard process where the substantial change results in a new PPC activity	1,650.00	1,650.00	No VAT currently charged
Reduced fee activities	102.00	102.00	No VAT currently charged



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Pollution Control			
LAPPC Mobile Plant Charges (not using simplified permits)			
First and second permits - Application Fee	1,650.00	1,650.00	No VAT currently charged
First and Second permits - Subsistence Fee - Low	646.00	646.00	No VAT currently charged
First and second permits - Subsistence Fee - Medium	1,034.00	1,034.00	No VAT currently charged
First and second permits - Subsistence Fee - High	1,506.00	1,506.00	No VAT currently charged
For the third to seventh permits - Application Fee	985.00	985.00	No VAT currently charged
For the third to seventh permits - Subsistence Fee - Low	385.00	385.00	No VAT currently charged
For the third to seventh permits - Subsistence Fee - Medium	617.00	617.00	No VAT currently charged
For the third to seventh permits - Subsistence Fee - High	924.00	924.00	No VAT currently charged
Eighth and subsequent permits - Application Fee	498.00	498.00	No VAT currently charged
Eighth and subsequent permits - Subsistence Fee - Low	198.00	198.00	No VAT currently charged
Eighth and subsequent permits - Subsistence Fee - Medium	316.00	316.00	No VAT currently charged
Eighth and subsequent permits - Subsistence Fee - High	473.00	473.00	No VAT currently charged
LA-IPPC CHARGES			
Note: every subsistence charge below includes the additional £103 charge to cover LA extra costs in dealing with reporting under the E-PRTR Regulation.			
Application	3,363.00	3,363.00	No VAT currently charged
Additional Fee for operating without a permit	1,188.00	1,188.00	No VAT currently charged
Annual Subsistence - Low	1,446.00	1,446.00	No VAT currently charged
Annual Subsistence - Medium	1,610.00	1,610.00	No VAT currently charged
Annual Subsistence - High	2,333.00	2,333.00	No VAT currently charged
Late Payment Fee	52.00	52.00	No VAT currently charged
Substantial Variation	202.00	202.00	No VAT currently charged
Transfer	235.00	235.00	No VAT currently charged
Partial Transfer	698.00	698.00	No VAT currently charged
Surrender	698.00	698.00	No VAT currently charged

NOTES:

* The additional amounts in brackets must be charged where a permit is for a combined Part B and waste installation
 ** Not using simplified permits

LA-IPPC Charges

KEY

Subsistence charges can be paid in 4 equal quarterly instalments paid on 1st April, 1st July, 1st October and 1st January. Where paid quarterly the total amount payable to the local authority will be increased by £38.

Reduced fee activities are listed in the Schedule to the Part B scheme.

Newspaper Advertisements

Newspaper adverts may be required under EPR at the discretion of the LA as part of the consultation process when considering an application (see Chapter 9 of the General Guidance Manual). This will be undertaken and paid for by the LA and the charging scheme contains a provision for the LA to recoup its costs.

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Gambling Permits - Statutory Fee Set By Central Government			
Club Gaming			
New Application	200.00	200.00	No VAT currently charged
Renewal Application	200.00	200.00	No VAT currently charged
Grant (Club Premises Cert Holder)	100.00	100.00	No VAT currently charged
Renewal (Club Premises Cert Holder)	100.00	100.00	No VAT currently charged
Annual Fee	50.00	50.00	No VAT currently charged
Change of Name	100.00	100.00	No VAT currently charged
Copy of Permit	15.00	15.00	No VAT currently charged
Existing Operator	100.00	100.00	No VAT currently charged
Club Gaming Machine			
New Application	200.00	200.00	No VAT currently charged
Renewal Application	200.00	200.00	No VAT currently charged
Grant (Club Premises Cert Holder)	100.00	100.00	No VAT currently charged
Renewal (Club Premises Cert Holder)	100.00	100.00	No VAT currently charged
Annual Fee	50.00	50.00	No VAT currently charged
Variation of Permit	100.00	100.00	No VAT currently charged
Change of Name	25.00	25.00	No VAT currently charged
Copy of Permit	15.00	15.00	No VAT currently charged
Existing Operator	100.00	100.00	No VAT currently charged
Transfer of Permit	25.00	25.00	No VAT currently charged
Prize Gaming			
New Application	300.00	300.00	No VAT currently charged
Renewal Application	300.00	300.00	No VAT currently charged
Transitional Application Fee	100.00	100.00	No VAT currently charged
Change of Name	25.00	25.00	No VAT currently charged
Copy of Permit	15.00	15.00	No VAT currently charged
Existing Operator	100.00	100.00	No VAT currently charged
Family Entertainment Gaming Machines			
New Application	300.00	300.00	No VAT currently charged
Renewal Application	300.00	300.00	No VAT currently charged
Change of Name	25.00	25.00	No VAT currently charged
Copy of Licence	15.00	15.00	No VAT currently charged
Existing Operator	100.00	100.00	No VAT currently charged
Licensed Premises less than 2 Gaming Machines			
New Application	50.00	50.00	No VAT currently charged
Licensed Premises more than 2 Gaming Machines			
New Application	150.00	150.00	No VAT currently charged
Annual Fee	50.00	50.00	No VAT currently charged
Change of Name	25.00	25.00	No VAT currently charged
Copy of Permit	15.00	15.00	No VAT currently charged
Existing Operator	100.00	100.00	No VAT currently charged
Transfer of Permit	25.00	25.00	No VAT currently charged
Variation of Permit	100.00	100.00	No VAT currently charged
Small Society Lottery			
Lottery Application (New)	40.00	40.00	No VAT currently charged
Lottery Application (Renewal)	20.00	20.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Gambling Premises License Fees - Statutory Fee Set By Central Government			
Notification of Change			
Adult Gaming Centre	50.00	50.00	No VAT currently charged
Betting Premises (excluding Tracks)	50.00	50.00	No VAT currently charged
Betting Premises (Tracks)	50.00	50.00	No VAT currently charged
Bingo Club	50.00	50.00	No VAT currently charged
Family Entertainment Centre	50.00	50.00	No VAT currently charged
Copy of Licence			
Adult Gaming Centre	25.00	25.00	No VAT currently charged
Betting Premises (excluding tracks)	25.00	25.00	No VAT currently charged
Betting Premises (tracks)	25.00	25.00	No VAT currently charged
Bingo Premise	25.00	25.00	No VAT currently charged
Family Entertainment Centre	25.00	25.00	No VAT currently charged
Copy of Notice			
Temporary Use Notices	25.00	25.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Licensing Act 2003 - Statutory Fee Set By Central Government	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Club Premise Certificate (New & Variation)			
Band A - (rateable value £0 to £4,300)	100.00	100.00	No VAT currently charged
Band B - (rateable value £4,301 to £33,000)	190.00	190.00	No VAT currently charged
Band C - (rateable value £33,001 to £87,000)	315.00	315.00	No VAT currently charged
Band D - (rateable value £87,001 to £125,000)	450.00	450.00	No VAT currently charged
Band E - (rateable value over £125,000)	635.00	635.00	No VAT currently charged
Club Premises Certificate Annual Fee			
Band A - (rateable value £0 to £4,300)	70.00	70.00	No VAT currently charged
Band B - (rateable value £4,301 to £33,000)	180.00	180.00	No VAT currently charged
Band C - (rateable value £33,001 to £87,000)	295.00	295.00	No VAT currently charged
Band D - (rateable value £87,001 to £125,000)	320.00	320.00	No VAT currently charged
Band E - (rateable value over £125,000)	350.00	350.00	No VAT currently charged
Copy of Certificate	10.50	10.50	No VAT currently charged
Notification of change of name or alteration of club rules	10.50	10.50	No VAT currently charged
Change of relevant registered address of club	10.50	10.50	No VAT currently charged
Personal Licence			
Application	37.00	37.00	No VAT currently charged
Copy	10.50	10.50	No VAT currently charged
Premises Licence Application and Variation			
Band A - (rateable value £0 to £4,300)	100.00	100.00	No VAT currently charged
Band B - (rateable value £4,301 to £33,000)	190.00	190.00	No VAT currently charged
Band C - (rateable value £33,001 to £87,000)	315.00	315.00	No VAT currently charged
Band D - (rateable value £87,001 to £125,000)	450.00	450.00	No VAT currently charged
Band E - (rateable value over £125,000)	635.00	635.00	No VAT currently charged
Dx2	900.00	900.00	No VAT currently charged
Ex3	1,905.00	1,905.00	No VAT currently charged
Application for making of a provisional statement	315.00	315.00	No VAT currently charged
	10.50	10.50	No VAT currently charged
Vary a Designated Premises Supervisor	23.00	23.00	No VAT currently charged
Transfer a Premises Licence	23.00	23.00	No VAT currently charged
Notification of Interest in a Premises	21.00	21.00	No VAT currently charged
Notification of Change of name or address (holder of premises licence)	10.50	10.50	No VAT currently charged
Interim authority notice following death etc of Licence Holder	23.00	23.00	No VAT currently charged
Right of freeholder etc to be notified of licensing matters	21.00	21.00	No VAT currently charged
Premises Licence Annual Fee			
Band A - (rateable value £0 to £4,300)	70.00	70.00	No VAT currently charged
Band B - (rateable value £4,301 to £33,000)	180.00	180.00	No VAT currently charged
Band C - (rateable value £33,001 to £87,000)	295.00	295.00	No VAT currently charged
Band D - (rateable value £87,001 to £125,000)	320.00	320.00	No VAT currently charged
Band E - (rateable value over £125,000)	350.00	350.00	No VAT currently charged
Dx2	640.00	640.00	No VAT currently charged
Ex3	1,050.00	1,050.00	No VAT currently charged
Temporary Events Notice			
Temporary Events Notice	21.00	21.00	No VAT currently charged
Copy of Temporary Events Notice	10.50	10.50	No VAT currently charged
Premises Licence Annual Fee - Large Venues			
Number of Persons Present :-			
5,000 to 9,999	500.00	500.00	No VAT currently charged
10,000 to 14,999	1,000.00	1,000.00	No VAT currently charged
15,000 to 19,999	2,000.00	2,000.00	No VAT currently charged
20,000 to 29,999	4,000.00	4,000.00	No VAT currently charged
30,000 to 39,999	8,000.00	8,000.00	No VAT currently charged
40,000 to 49,999	12,000.00	12,000.00	No VAT currently charged
50,000 to 59,999	16,000.00	16,000.00	No VAT currently charged
60,000 to 69,999	20,000.00	20,000.00	No VAT currently charged
70,000 to 79,999	24,000.00	24,000.00	No VAT currently charged
80,000 to 89,999	28,000.00	28,000.00	No VAT currently charged
90,000 and over	32,000.00	32,000.00	No VAT currently charged



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Licensing Act 2003 - Statutory Fee Set By Central Government	TO 31-03-2022 £	FROM 01-04-2022 £	FROM 01-04-2022 £
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Premises Licence Additional Fee - Large Venues			
Number of Persons Present :-			
5,000 to 9,999	1,000.00	1,000.00	No VAT currently charged
10,000 to 14,999	2,000.00	2,000.00	No VAT currently charged
15,000 to 19,999	4,000.00	4,000.00	No VAT currently charged
20,000 to 29,999	8,000.00	8,000.00	No VAT currently charged
30,000 to 39,999	16,000.00	16,000.00	No VAT currently charged
40,000 to 49,999	24,000.00	24,000.00	No VAT currently charged
50,000 to 59,999	32,000.00	32,000.00	No VAT currently charged
60,000 to 69,999	40,000.00	40,000.00	No VAT currently charged
70,000 to 79,999	48,000.00	48,000.00	No VAT currently charged
80,000 to 89,999	56,000.00	56,000.00	No VAT currently charged
90,000 and over	64,000.00	64,000.00	No VAT currently charged
Minor Variation	89.00	89.00	No VAT currently charged
Pavement Licence			
Every 6 Months	100.00	100.00	No VAT currently charged

NOTES:

* A multiplier of twice the fee and annual charge applies where use of the premises is exclusively or primarily for the carrying on, on the premises of the supply of alcohol for consumption on the premises.

** A multiplier of three times the fee and annual charge applies where use of the premises is exclusively or primarily for the carrying on, on the premises of the supply of alcohol for consumption on the premises.

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>

WYRE FOREST DISTRICT COUNCIL**FEES AND CHARGES 2022-2023****CABINET**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2022-23 £	2023-24 £	2024-25 £
R500	<u>CHIEF EXECUTIVE</u>	C	-	-	-
	<u>Elections - Sale of Stationery</u>	R	10 CR	10 CR	10 CR
	Fees and charges reviewed and commercial judgement used.	S	-	-	-
R505	<u>Committee Administration - Sale of Agendas</u>	C	-	-	-
	Increase charges by 5% in line with Council Policy.	R	-	-	-
		S	-	-	-
R515	<u>Legal Services - Road Closure Orders</u>	C	-	-	-
	Increase charges by 5% in line with Council Policy.	R	100 CR	100 CR	100 CR
		S	-	-	-
R515	<u>Legal Services - fees</u>	C	-	-	-
	Fees and charges reviewed and commercial judgement used.	R	-	-	-
		S	-	-	-
R002	<u>COMMUNITY WELL-BEING AND ENVIRONMENT</u>	C	-	-	-
	<u>Domestic Waste - Extra Capacity Bins</u>	R	-	-	-
	Fees and charges reviewed and commercial judgement used.	S	-	-	-
R003	<u>Trade Waste</u>	C	-	-	-
	Fees and charges reviewed and commercial judgement used.	R	-	-	-
		S	-	-	-
R005	<u>Garden Waste</u>	C	-	-	-
	Fees and charges reviewed and commercial judgement used.	R	-	-	-
		S	-	-	-
R040	<u>Cemeteries</u>	C	-	-	-
	Increase charges by 5% in line with Council Policy.	R	2,520 CR	2,520 CR	2,520 CR
		S	-	-	-
R065	<u>Bewdley Museum</u>	C	-	-	-
	Fees and charges reviewed and commercial judgement used.	R	-	-	-
		S	-	-	-
R160	<u>Parks and Green Spaces</u>	C	-	-	-
	Fees and charges reviewed and commercial judgement used.	R	-	-	-
		S	-	-	-
R163	<u>Rangers Services</u>	C	-	-	-
	Fees and charges reviewed and commercial judgement used.	R	-	-	-
		S	-	-	-
R185	<u>Car Parks - Meter income, Season Tickets, Parking</u>	C	-	-	-
	<u>Dispensations</u>	R	143,800 CR	119,700 CR	128,000 CR
	Fees and charges reviewed.	S	-	-	-

WYRE FOREST DISTRICT COUNCIL**FEES AND CHARGES 2022-2023****CABINET**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2022-23 £	2023-24 £	2024-25 £
R189	<u>Car Parks</u> Management Fee only - increase charges by 4.5%.	C	-	-	-
		R	7,460 CR	7,460 CR	7,460 CR
		S	-	-	-
R200	<u>Bulky waste - Domestic and Trade</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	2,000 CR	2,000 CR	2,000 CR
		S	-	-	-
R200	<u>Cleansing - Contract Work</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R229	<u>Garage</u> Class 4 MOT only. No Increase proposed	C	-	-	-
		R	-	-	-
		S	-	-	-
R236	<u>Grounds Maintenance - Traffic Island Sponsorship</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R236	<u>Grounds Maintenance</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R252	<u>Grounds Maintenance - Arboricultural Services</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R253	<u>Driver Training</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R253	<u>Landscaping</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R251	<u>ECONOMIC PROSPERITY AND PLACE</u> <u>Wyre Forest House - Room Hire</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R510	<u>Land Charges</u> To propose an increase of 5% on the WFDC proportion of the fee. The Highways proportion of the fee is set by Worcestershire County Council and has been increased by 4%.	C	-	-	-
		R	3,450 CR	3,450 CR	3,450 CR
		S	-	-	-
R625	<u>Building Control</u> To Implement charges as set by North Worcestershire Building Control	C	-	-	-
		R	-	-	-
		S	-	-	-
R631	<u>Street Naming and Numbering</u> Increase charges by 5% in line with Council Policy	C	-	-	-
		R	1,750 CR	600 CR	600 CR
		S	-	-	-

WYRE FOREST DISTRICT COUNCIL**FEES AND CHARGES 2022-2023****CABINET**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2022-23 £	2023-24 £	2024-25 £
R675	<u>Private Sector Housing</u> Licence fees and penalty charges for houses in multiple occupation. Increase some charges by 5% in line with Council Policy.	C	-	-	-
		R	130 CR	130 CR	130 CR
		S	-	-	-
R679	<u>Housing Strategy & Enabling</u> Custom and self build register charges. An Annual Charge is being Implemented	C	-	-	-
		R	70 CR	70 CR	70 CR
		S	-	-	-
R703	<u>Property Services</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
R704	<u>Regeneration and Economic Development</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	-	-	-
		S	-	-	-
	TOTALS	C	-	-	-
		R	161,290 CR	136,040 CR	144,340 CR
		S	-	-	-



Service	Elections and Electoral Registration	Service Manager	Electoral Services Manager
Directorate	Chief Executive	Cabinet Member	Housing, Health Well-being and Democratic Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Elections			
ELECTIONS STATIONERY			
The Occupier Address Labels (per property)	0.10	0.10	No VAT currently charged
Political Party Address Labels (per 1000 or part thereof)	21.00	22.00	No VAT currently charged
Street Index (each)	21.00	22.00	No VAT currently charged
Printed copies of maps Election results (per sheet)	0.10	0.10	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Committee Administration	Service Manager	Principal Committee and Member Services Officer
Directorate	Chief Executive	Cabinet Member	Housing, Health Well-being and Democratic Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Committee Administration			
SUPPLY OF MINUTES / AGENDAS TO OUTSIDE BODIES / COMPANIES			
Cabinet and Full Council Agendas (per annum)	111.00	117.00	No VAT currently charged
Scrutiny Committees Agendas (per annum)	105.00	110.00	No VAT currently charged
Development Control Agendas (per annum)	128.00	134.00	No VAT currently charged
Other Committee Agendas - individual (per annum)	22.00	23.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Road Closures	Service Manager	Principal Solicitor
Directorate	Chief Executive	Cabinet Member	Strategy and Finance

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Road Closure Orders			
Charitable / community events (if the application received less than 6 weeks in advance of the event)	154.00	162.00	No VAT currently charged
Charitable / community events (if the application received more than 6 weeks in advance of the event)	117.00	123.00	No VAT currently charged
Remembrance Day Parades	Free	Free	No VAT currently charged
National Royal Celebrations	Free	Free	No VAT currently charged
All other events / reasons for road closure, including commercial events (if application received less than 6 weeks in advance of the event)	194.00	204.00	No VAT currently charged
All other events / reasons for road closure, including commercial events (if application received more than 6 weeks in advance of the event)	154.00	162.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Legal Services	Service Manager	Principal Solicitor
Directorate	Chief Executive	Cabinet Member	Strategy and Finance

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
Legal Services Administration	TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Recoverable fees relating to legal services	Price on Application	Price on Application	Price on Application

NOTES:

Pricing decisions delegated to the Service Manager
 Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
LGV Courses			
Practical driving test on a 1 to 1 basis (2 to 1 price on application) <i>Course includes: 1 hour assessment, 5 day course, drive time and classroom based. Use of vehicle for test included.</i>	1,200.00	Price on application	No VAT currently charged
<i>Practical driving: Module 4 only</i>	TBC	Price on application	No VAT currently charged
As above on a 2:1 basis (each)	850.00	Price on application	No VAT currently charged
Theory / hazard perception course <i>1 day course includes loan of materials (books, DVD): 4 hour practice classroom based and the booking of an official test in Worcester.</i>	99.00	Price on application	No VAT currently charged
2 day course CPC theory / CPC practical course <i>Course includes: loan of materials (books and DVD) and the use of a vehicle for the practical test if taken in conjunction with HGV test.</i>	250.00	Price on application	No VAT currently charged
2 Day course (as above) not in conjunction with HGV test	350.00	Price on application	No VAT currently charged
CPC Course per 7 hour module	70.00	Price on application	No VAT currently charged

NOTES:

Pricing decisions delegated to the Head of Service



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Domestic Waste Collections Trade and Domestic Bulky Collections			
BULKY CHARGES – DOMESTIC			
1-2 items	25.00	30.00	No VAT currently charged
3-4 items	45.00	50.00	No VAT currently charged
5-6 items	Price on application	Price on application	No VAT currently charged
7-8 items			No VAT currently charged
9-10 items			No VAT currently charged
11+ items			No VAT currently charged
Charges for the Supply of a Replacement Wheelie Bin	38.00	40.00	No VAT currently charged
Developers / RSL's bin charge for delivery			
240 litre	36.00	31.67	38.00
1100 litre	480.00	416.67	500.00
Unscheduled waste collection fee	50.00	52.50	No VAT currently charged
Garden Waste Contracts*			
Annual collection contract - 240ltr bin	52.00	55.00	No VAT currently charged
Annual collection contract - 140ltr bin	36.00	38.00	No VAT currently charged
Annual collection contract - 660ltr bin	Price on application	Price on application	No VAT currently charged
Annual collection contract - 1100ltr bin	Price on application	Price on application	No VAT currently charged
Administration / set-up fee	20.00	20.00	No VAT currently charged

NOTES:

Additional capacity bins will only be provided in circumstances where:-
 A family consists of 6 or more members or a family member produces medical waste.
 There is an overriding proviso that all households actively participate in the Recycling Scheme

*No admin / set-up fee is payable on additional bins.

Replacement bins are only provided where proven damage has occurred, and only after the first instance. Subsequent bins are replaced at the rates stipulated above.



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Business Waste Collections - Refuse			
WEEKLY COLLECTION			
COUNCIL OWNED WHEELIE BINS - Cat 1 - liable to landfill tax			
140 litre (one lift per week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
240 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
360 litre (one lift per week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
660 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
1100 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
COUNCIL OWNED WHEELIE BINS - Cat 2 - not liable to landfill tax			
140 litre (one lift per week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
240 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
360 litre (one lift per week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
660 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
1100 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
1100 litre Schools (40 weeks)	Price on Application	Price on Application	No VAT currently charged
ALTERNATE WEEKLY COLLECTION			
COUNCIL OWNED WHEELIE BINS - Cat 1 - liable to landfill tax			
140 litre (one lift every other week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
240 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
360 litre (one lift every other week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
660 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
1100 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
COUNCIL OWNED WHEELIE BINS - Cat 2 - not liable to landfill tax			
140 litre (one lift every other week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
240 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
360 litre (one lift every other week) - existing customers only	Price on Application	Price on Application	No VAT currently charged
660 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
1100 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
1100 litre Schools (40 weeks every other week)	Price on Application	Price on Application	No VAT currently charged
PLASTIC SACKS			
Pack of 25	Price on Application	Price on Application	No VAT currently charged
Pack of 50	Price on Application	Price on Application	No VAT currently charged
Additional One-Off Collections - Single Lift Fee			
140 litre - 360 litre	Price on Application	Price on Application	No VAT currently charged
600 litre - 1100 litre	Price on Application	Price on Application	No VAT currently charged
Multiple Collections as above	Price on Application	Price on Application	No VAT currently charged
Trade Waste Bulky Collections	Price on Application	Price on Application	No VAT currently charged

NOTES:

Free 240 litre bin collections are provided to institutions eligible for maximum National Non Domestic Rate relief (e.g. Places of Worship), a second bin will attract an annual charge based. Price on Application.



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Business Waste Collections -Recycling			
WEEKLY COLLECTIONS			
COUNCIL OWNED WHEELIE BINS - Cat 1 - liable to Recycling gate Fee			
240 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
660 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
1280 litre (one lift per week)	Price on Application	Price on Application	No VAT currently charged
ALTERNATE WEEKLY COLLECTION			
COUNCIL OWNED WHEELIE BINS - Cat 1 - liable to Recycling gate Fee			
240 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
660 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
1280 litre (one lift every other week)	Price on Application	Price on Application	No VAT currently charged
Additional One-Off Collections - Single Lift Fee			
240 litre - 360 litre	Price on Application	Price on Application	No VAT currently charged
660 litre - 1280 litre	Price on Application	Price on Application	No VAT currently charged
Multiple Collections as above	Price on Application	Price on Application	No VAT currently charged
Business Waste Bulky Collections	Price on Application	Price on Application	No VAT currently charged

NOTES:

Free 240 litre bin collections are provided to institutions eligible for maximum National Non Domestic Rate relief (e.g. Places of Worship), a second bin will attract an annual charge based. Price on Application.



Service	Parks and Open Spaces	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Cemetery Fees			
CHARGES ONLY APPLY TO KIDDERMINSTER CEMETERY			
INTERMENTS - RESIDENTS ONLY **			
Child under 18*	No Charge	No Charge	N/A
Persons over 18 years*	605.00	635.00	No VAT currently charged
Burial of cremated remains*	245.00	255.00	No VAT currently charged
INTERMENTS - NON-RESIDENTS OF WYRE FOREST			
Child under 18*	No Charge	No Charge	N/A
Persons over 18 years*	1,210.00	1,270.00	No VAT currently charged
Burial of cremated remains*	440.00	460.00	No VAT currently charged
PURCHASED GRAVES - RESIDENTS ONLY **			
Purchase of burial rights - Child under 18*	No Charge	No Charge	N/A
Purchase of burial rights - Persons over 18 years*	690.00	725.00	No VAT currently charged
Purchase of burial rights for cremated remains - Child under 18*	No Charge	No Charge	N/A
Purchase of burial rights for cremated remains - Persons over 18 years*	355.00	375.00	No VAT currently charged
PURCHASED GRAVES - NON-RESIDENTS OF WYRE FOREST			
Purchase of burial rights	1,365.00	1,435.00	No VAT currently charged
Purchase of burial rights for cremated remains	715.00	750.00	No VAT currently charged
MISCELLANEOUS CHARGES			
Maintenance of grave, Planting with Spring and Summer bedding per annum (specified areas of the Cemetery only)	157.00	137.50	165.00
CHARGES OF USE OF STAFF/FACILITIES			
For attendance of Registrar other than between 9:00am and 10:00am (weekdays other than Bank/Public Holidays)	79.00	69.17	83.00
Premium to be applied to cost of burials taking place wholly or partially outside normal working hours	10%	10%	
Assessing suitability of grave for additional burials	58.00	50.83	61.00
MONUMENTS / GRAVE STONES ETC			
The right to place or erect a memorial including first inscription	305.00	266.67	320.00
The right to place or erect a commemorative plaque or kerb stone	152.00	133.33	160.00
Each additional inscription	58.00	50.83	61.00
Vase	58.00	50.83	61.00
Certified copy of entry in Register of Burials / Burial Grant	37.00	32.50	39.00
Transfer of exclusive Right of Burial	95.00	83.33	100.00
Surrender of exclusive Right of Burial	63.00	55.00	66.00

NOTES:

* Subject to attendance charge for Registrar

** These fees are also charged if the deceased lived in the District for the majority of their life and took up a place in full time care outside the District within 2 years of their death. The family is to provide the relevant information for demonstrating this to the burial authority.



Service	Cultural Services	Service Manager	Museum Manager
Directorate	Community Well-Being and Environment	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Museum			
MUSEUM			
Bewdley Museum			
Adults	Free	Free	N/A
Senior Citizen	Free	Free	N/A
Accompanied Children	Free	Free	N/A
Unaccompanied Children	Free	Free	N/A
Residents' Season Ticket	Free	Free	N/A
School Parties Admission Charge	Free to commercial judgement	Price on Application	No VAT currently charged
General Enquiries (per hour)	20.00	Price on Application	Price on Application
Weddings and Special Occasions	Commercial Judgement	Price on Application	No VAT currently charged
Hire of Education Room			
Minimum Charge	Free	Free	N/A
Maximum Charge (per half day)	Commercial Judgement	Price on Application	No VAT currently charged
Commercial Bookings	Commercial Judgement	Price on Application	No VAT currently charged
Hire of Wyre Forest Gallery			
Charge for local organisations & emerging community artists (per week)	Free	Free	N/A
Commercial Bookings	Commercial Judgement	Price on Application	No VAT currently charged
Hire of Sawyard Gallery			
Charge for local organisations & emerging community artists (per week)	Free	Free	N/A
Commercial Bookings	Commercial Judgement	Price on Application	No VAT currently charged
Hire of Guild Hall			
Minimum Charge	Free	Free	N/A
Maximum Charge	Commercial Judgement	Price on Application	No VAT currently charged

NOTES:

Pricing decisions delegated to the Head of Service.
 Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Parks and Open Spaces	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Parks Events			
GREEN SPACES - Parks and Green Spaces (not Nature Reserves)			
Fund Raising/Charity Events Ground Hire per day (refundable deposit applies)	Price on application	Price on application	No VAT currently charged
Commercial Events (refundable deposit applies)	Price on application	Price on application	No VAT currently charged
Grounds maintenance - external contracts			
Based upon an hourly rate			
Arborists	Price on application	Price on application	VAT charged at current rate
Grounds Maintenance	Price on application	Price on application	VAT charged at current rate
Landscaping	Price on application	Price on application	VAT charged at current rate
Advertising and Sponsorships			
Refuse vehicle banners	Price on application	Price on application	VAT charged at current rate
Traffic Island Sponsorship	Price on application	Price on application	VAT charged at current rate

NOTES:

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Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Rangers Services and Nature Reserves			
RANGER SERVICES			
Young Rangers (per term)	28.00	Price on Application	No VAT currently charged
NATURE RESERVES			
Small charitable or community events (less than 20 people)			
up to 3 hrs	Price on Application	Price on Application	No VAT currently charged
over 3 hrs	Price on Application	Price on Application	No VAT currently charged
Medium charitable or community events (more than 20 people less than 100)			
up to 3 hrs	Price on Application	Price on Application	No VAT currently charged
over 3 hrs	Price on Application	Price on Application	No VAT currently charged
Large charitable or community events (more than 100 people)			
up to 3 hrs	Price on Application	Price on Application	No VAT currently charged
over 3 hrs	Price on Application	Price on Application	No VAT currently charged
Commercial and fund raising events	Price on Application	Price on Application	No VAT currently charged

NOTES:

Pricing decisions delegated to the Head of Service.
Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Parking Dispensations and Event Support			
Parking Dispensations			
Charge per application - daily rate	15.00	15.00	No VAT currently charged
Charge per application - up to 7 days	100.00	Price on application	No VAT currently charged
Charge per application - more than 7 days	Price on application	Price on application	No VAT currently charged
EVENTS SUPPORT			
Trailer cabin unit - charge per unit	Price on Application	Price on Application	VAT charged at current rate
The provision of above, but on a more permanent basis	Price on Application	Price on Application	VAT charged at current rate
Facilitating access or removing bollards - charge per hour	Price on Application	Price on Application	VAT charged at current rate
Car Boot events	Price on Application	Price on Application	No VAT currently charged
Private Cleansing work	Price on application	Price on application	VAT charged at current rate

NOTES:

Pricing decisions delegated to the Head of Service



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Environmental and Community Services	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Maximum Stay	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Car Parks Fees and Charges				
Short Term				
Bewdley	1 hour	1.00	0.92	1.10
Load Street Surface Vehicle Park (Upper)	2 hours	2.00	1.83	2.20
Kidderminster				
Market Street Surface Vehicle Park				
Bull Ring				
Stourport-on-Severn				
Bridge Street Surface Vehicle Park				
Long Term				
Kidderminster	1 hour	1.00	0.92	1.10
Aldi Store Surface Vehicle Park	2 hours	2.00	1.83	2.20
Batemans Yard Surface Vehicle Park	3 hours	3.00	2.75	3.30
Pike Mills Surface Vehicle Park	24 hours	5.00	4.58	5.50
Bromsgrove Street	48 hours	10.00	9.17	11.00
Castle Road				
Comberton Place				
St Mary's				
Blakedown				
The Avenue Surface Car Park				
Long Term				
Bewdley	1 hour	1.00	0.92	1.10
Dog Lane Surface Vehicle Park	2 hours	2.00	1.83	2.20
Gardners Meadow Surface Vehicle Park	3 hours	4.00	3.67	4.40
Load Street Surface Vehicle Park (Lower)	24 hours	6.00	5.50	6.60
Stourport-on-Severn	48 hours	10.00	9.17	11.00
Raven Street Surface Vehicle Park				
Riverside Meadows Surface Vehicle Park				
Severn Meadows No. 1 Surface Vehicle Park				
Severn Meadows No. 2 Surface Vehicle Park				
Severn Meadows No. 3 Surface Vehicle Park				
Vale Road Surface Car Park				
(Applied 1st April - 30th September)				
Long Term				
Bewdley	1 hour	1.00	0.92	1.10
Dog Lane Surface Vehicle Park	2 hours	2.00	1.83	2.20
Gardners Meadow Surface Vehicle Park	3 hours	3.00	2.75	3.30
Load Street Surface Vehicle Park (Lower)	24 hours	5.00	4.58	5.50
Stourport-on-Severn	48 hours	10.00	9.17	11.00
Raven Street Surface Vehicle Park				
Riverside Meadows Surface Vehicle Park				
Severn Meadows No. 1 Surface Vehicle Park				
Severn Meadows No. 2 Surface Vehicle Park				
Severn Meadows No. 3 Surface Vehicle Park				
Vale Road Surface Car Park				
(Applied 1st October - 31st March)				

NOTES:

Charges apply Monday-Sunday between 08:00 and 21:00.



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Environmental and Community Services	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Ticket Length	Current Charge	Proposed Charge	Proposed Charge
		TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Car Parking Season Tickets				
Wyre Forest Ticket	1 month	45.00	54.17	65.00
All car parks	6 months	250.00	291.67	350.00
	12 months:	400.00	500.00	600.00
	payable in 11 instalments*			
Senior Citizen Ticket	12 months:	175.00	166.67	200.00
All car parks	payable in 11 instalments*			
Bromsgrove St Ticket	1 month	36.00	33.33	40.00
Bromsgrove Street Surface Vehicle Park	6 months	170.00	158.33	190.00
Note - All season tickets are valid on this car park	12 months:	300.00	291.67	350.00
	payable in 11 instalments*			

NOTES:

*First month paid in advance. Remainder payable as 10 monthly Direct Debit payments.



Service	Operational Services	Service Manager	Head of Community and Environment
Directorate	Community Well-Being and Environment	Cabinet Member	Operational Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Fleet Management			
External contracts based upon	Price on Application	Price on Application	VAT charged at current rate
Staff and Members Servicing			
Fixed service charges Std A	120.00	100.00	120.00
Fixed service charges Full B	192.00	160.00	192.00
All servicing excludes parts - which will be an additional charge			
Car Inspection	54.00	50.00	60.00
Staff / Members Cars			
Labour charges per hour based upon	61.20	51.00	61.20
PLUS additional material at cost*			
MOT			
Class 4	54.85	54.85	No VAT currently charged
Class 4 - Staff Only	35.00	40.00	No VAT currently charged
Class 7	58.00	58.60	No VAT currently charged
Taxi Fees & Charges			
Taxi Inspection - Single Recovery Charges to WRS	48.00	48.00	No VAT currently charged
Taxi Reinspection - Direct Charge - Floor	34.00	34.00	No VAT currently charged
Taxi Reinspection - Direct Charge - Ramp	41.00	41.00	No VAT currently charged
Taxi Missed Inspection (Less than 24hrs) - Direct Charge	41.00	41.00	No VAT currently charged
Taxi MOT (as part of above scheduled inspection) - Direct Charge	35.00	35.00	No VAT currently charged
Taxi MOT Independently Booked - Direct Charge	49.00	49.00	No VAT currently charged

NOTES:

Pricing decisions delegated to the Head of Service
 * Work undertaken is dependant upon workload capacity and the need to maintain the operational fleet



Service	Facility Hire	Service Manager	Facilities and Asset Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Hire of Facilities			
WYRE FOREST HOUSE			
Partnership and Commercial rate (hourly)			
Council Chamber	Price on Application	Price on Application	Price on Application
Stourport on Severn & Bewdley rooms combined	Price on Application	Price on Application	Price on Application
Stourport-on-Severn & Bewdley rooms separately	Price on Application	Price on Application	Price on Application
Kidderminster & Rock rooms combined	Price on Application	Price on Application	Price on Application
Kidderminster & Rock rooms separately	Price on Application	Price on Application	Price on Application

NOTES:

Pricing decisions delegated to the Facilities and Asset Manager
 Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Property Services	Service Manager	Director
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Property Services			
Fees relating to surveys prior to lettings	Price on Application	Price on Application	Price on Application
NOTE			
Pricing decisions delegated to the Service Manager			

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Land Charges	Service Manager	Head of Strategic Growth
Directorate	Economic Prosperity and Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION		Current Charge	Proposed Charge	Proposed Charge
Land Charges		TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
LAND CHARGES - RESIDENTIAL & COMMERCIAL				
Basic Land Charges Search Fee	LLC1	26.00	27.00	No VAT currently charged
	Con 29 Part 1	98.40	86.11	103.33
Highway Information Payable to Worcs County Council	Con 29 Highway	43.92	38.06	45.67
	Total	168.32	151.17	176.00
Each additional residential/commercial property/parcel of land	LLC1	26.00	27.00	No VAT currently charged
	Con 29 Part 1	22.75	19.92	23.90
	Total	48.75	46.92	50.90
Each Optional Enquiry - Residential and Commercial				
Questions answered by WFDC		25.25	22.00	26.40
Question 4 WFDC		11.69	10.25	12.30
Question 4 payable to Worcs County Council Highways		13.56	11.75	14.10
Total		25.25	22.00	26.40

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Building Control	Service Manager	Building Control Manager - North Worcestershire
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Building Control - Fees Set By North Worcestershire Building Control Shared Service			
STANDARD CHARGES FOR THE CREATION OR CONVERSION TO NEW HOUSING			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Additional Charge *	Price on application	Price on application	VAT Charged at Current Rate
DOMESTIC EXTENSIONS TO A SINGLE BUILDING			
Conversion of attached garage into habitable room:			
Application Charge	375.00	312.50	375.00
Regularisation Charge	450.00	450.00	No VAT Currently Charged
Additional Charge *	Price on application	Price on application	VAT Charged at Current Rate
Extension where floor area is less than 10m ² :			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Additional Charge *	Price on application	Price on application	VAT Charged at Current Rate
All Other Extensions:			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Additional Charge *	Price on application	Price on application	VAT Charged at Current Rate
Loft Conversions:			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Additional Charge *	Price on application	Price on application	VAT Charged at Current Rate
Detached Garage over 30m ² :			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Additional Charge *	Price on application	Price on application	VAT Charged at Current Rate
Electrical Works by Non-Qualified Electrician:			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Renovation of Thermal Element:			
Application Charge	231.00	192.50	231.00
Regularisation Charge	275.00	275.00	No VAT Currently Charged
Installing Steel Beams(s) within an Existing House:			
Application Charge	225.00	187.50	225.00
Regularisation Charge	270.00	270.00	No VAT Currently Charged
Window Replacement:			
Application Charge	225.00	187.50	225.00
Regularisation Charge	270.00	270.00	No VAT Currently Charged
Installing New Boiler or Wood Burner, etc:			
Application Charge	440.00	366.67	440.00
Regularisation Charge	530.00	530.00	No VAT Currently Charged
ALL OTHER WORK - ALTERATIONS			
Application Charge	Price on application	Price on application	VAT Charged at Current Rate
Regularisation Charge	Price on application	Price on application	No VAT Currently Charged
Supplementary Charges			
Archived plans			
Re-open archived file and issue completion certificate	55.44	46.20	55.44
Site Visit relating to archived case - per site visit	72.34	60.28	72.34



Service	Building Control	Service Manager	Building Control Manager - North Worcestershire
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Building Control - Fees Set By North Worcestershire			
Building Control Shared Service			
Withdrawn Applications			
Process request - Admin Charge	55.44	46.20	55.44
Building Notice - No inspection having taken place	refund fee less admin charge	refund fee less admin charge	refund fee less admin charge
Building Notice - Inspections having taken place	refund fee less admin charge less £66.90 per visit	refund fee less admin charge less £55.75 per visit	refund fee less admin charge less £66.90 per visit
Full Plans - not checked, no inspections	refund fee less admin charge	refund fee less admin charge	refund fee less admin charge
Full Plans - checked, no inspections	refund inspection fee less admin charge	refund inspection fee less admin charge	refund inspection fee less admin charge
Full Plans - checked, with site inspections	refund fee less admin charge less £66.90 per visit	refund fee less admin charge less £55.75 per visit	refund fee less admin charge less £66.90 per visit
Redirected Inspection fees/issue copy documents			
Re invoice to new address	55.44	46.20	55.44
Optional Consultancy Services	Price on application	Price on application	VAT Charged at Current Rate

NOTES:

For Quotations by Telephone Please Ring North Worcestershire Building Control on 01527 881402

* The additional charge is payable on deposit if the electrician is not specified on the application form, or the person / company specified is not a Part P registered electrician

These charges have been set on the following basis:

1. That the building work does not consist of, or include innovative or high risk construction techniques and / or the duration of the building work from commencement to completion does not exceed 12 months.
2. That the design and building work is undertaken by a person or company that is competent to carry out the relevant design and building work. If they are not, the building control service may impose supplementary charges.

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Planning	Service Manager	Head of Strategic Growth
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Street Naming and Numbering			
Existing Properties			
Renaming an existing street	317.00	333.00	No VAT currently charged
Additional charge per premise	79.00	83.00	No VAT currently charged
Renaming (where the premise is NOT also numbered) or renumbering a premise	158.00	166.00	No VAT currently charged
Additional charge per premise	30.00	32.00	No VAT currently charged
Adding a name to or renaming a premise (where the premise is also numbered)	30.00	32.00	No VAT currently charged
Additional charge where this includes naming of a building (e.g. a block of flats)	79.00	83.00	No VAT currently charged
New Developments			
Naming a New Street	317.00	333.00	No VAT currently charged
Naming and Numbering a new Premises	158.00	166.00	No VAT currently charged
Additional charge for each adjoining premise	30.00	32.00	No VAT currently charged
Additional Charge where this includes naming of a building (e.g. a block of flats)	79.00	83.00	No VAT currently charged
Confirmation of address to solicitors/conveyancers/occupiers or owners	30.00	32.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Housing	Service Manager	Head of Strategic Growth
Directorate	Economic Prosperity & Place	Cabinet Member	Housing, Health, Well-Being and Democratic Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Private Sector Housing			
HMO Licence - 5 year licence	825.00	800.00	No VAT currently charged
HMO Licence additional charge for incomplete or late application	600.00	250.00	No VAT currently charged
Residential Caravan Site New Application	820.00	800.00	No VAT currently charged
Residential Caravan Site additional charge for incomplete or late application	600.00	250.00	No VAT currently charged
Residential Caravan Site Annual Inspection Fee	220.00	220.00	No VAT currently charged
Residential Caravan Site Fit and Proper Person 5 year Registration	N/A	800.00	No VAT currently charged
Smoke & CO Regulations Penalty Charges as per Published Statement of Principles*			
Penalty fee where no previous action has been taken	630.00	662.00	No VAT currently charged
Penalty fee for landlords who have had previous single action taken against them under Housing Act 2004 or other housing legislation	1,906.00	2,001.00	No VAT currently charged
Penalty fee for landlords who have had previous multiple actions taken against them under Housing Act 2004 or other housing legislation	3,883.00	4,077.00	No VAT currently charged
Officer time spent to enforce the regulations	Charged at Cost	Charged at Cost	No VAT currently charged
Purchase and Equip Property with Alarms	Charged at Cost	Charged at Cost	No VAT currently charged
Recovery Costs**	630.00	662.00	No VAT currently charged
Administration Costs	320.00	336.00	No VAT currently charged

NOTES:

* The amount of Penalty Charge shall be a maximum of £5,000.

** The penalty charge shall be reduced by the £500 cost recovery element if paid within 14 days of the issue of the penalty charge notice. Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Housing	Service Manager	Head of Strategic Growth
Directorate	Economic Prosperity & Place	Cabinet Member	Housing, Health, Well-Being and Democratic Services

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Housing Strategy and Enabling			
Custom and self build register charges	28.00	40.00	No VAT currently charged

NOTES:

This is a charge made to individuals or groups for registering on the Council's self-build register.
 Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Regeneration	Service Manager	Head of Economic Development and Regeneration for North Worcestershire
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Regeneration and Economic Development			
Town Centre Promotions			
National brand - Bus, van or marquee per day	120.00	126.00	No VAT currently charged
National brand - Bus, van or marquee per week	600.00	630.00	No VAT currently charged
Established local business - Bus, van or marquee per day	120.00	126.00	No VAT currently charged
Established local business - Bus, van or marquee per week	600.00	630.00	No VAT currently charged
New local business or start-up - first occasion	Free	Free	
New local business or start-up - second occasion	N/A	N/A	No VAT currently charged
New local business or start-up - thereafter - per day	30.00	32.00	No VAT currently charged
New local business or start-up - thereafter - per week	150.00	158.00	No VAT currently charged
Leafleting only (without stall or table) per day	30.00	32.00	No VAT currently charged
Registered charities (local) - first occasion	Free	Free	
Registered charities (local) - second occasion	N/A	N/A	No VAT currently charged
Registered charities (local) - thereafter - per day	60.00	63.00	No VAT currently charged
Registered charities (local) - thereafter - per week	300.00	315.00	No VAT currently charged
Registered charities (national) per day	100.00	105.00	No VAT currently charged
Registered charities (national) per week	400.00	420.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>

WYRE FOREST DISTRICT COUNCIL**FEEES AND CHARGES 2022-2023****COUNCIL**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2022-23 £	2023-24 £	2024-25 £
R605	<u>ECONOMIC PROSPERITY AND PLACE</u> <u>Development Management - Planning Advice</u> Increase charges by 5% in line with Council Policy.	C	-	-	-
		R	60 CR	60 CR	60 CR
		S	-	-	-
R605	<u>Development Management - High Hedges</u> Increase charges by 5% in line with Council Policy.	C	-	-	-
		R	-	-	-
		S	-	-	-
R605	<u>Development Management - Pre-application Advice</u> Fees and charges reviewed and commercial judgement used.	C	-	-	-
		R	1,050 CR	1,050 CR	1,050 CR
		S	-	-	-
R625	<u>Building Control - Decision Notices</u> To increase charges by 5% for copies of decision notices held by the Council prior to the formation of the North Worcestershire Building Control Shared Service.	C	-	-	-
		R	10 CR	10 CR	10 CR
		S	-	-	-
R605	<u>Development Management - Sale of Documents</u> Increase charges by 5% in line with Council Policy.	C	-	-	-
		R	190 CR	190 CR	190 CR
		S	-	-	-
R637	<u>Environmental Health - Water Sampling</u> Water sampling and analysis charges are set by Worcs Regulatory Services. No increase is being proposed in 2022/23	C	-	-	-
		R	-	-	-
		S	-	-	-
R637	<u>Environmental Health - Control of Dogs</u> The charges levied for the Control of stray dogs are set by Worcs Regulatory Services on a cost recovery basis. Charges are consistent across all authorities within the Shared Service. No increase is being imposed in 2022/23	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Hackney Carriages</u> No increase are being proposed in 2022/23 to Hackney Carriage licences.	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Animal Activity Licensing</u> The Animal Activity licensing charges were introduced in October 2018, covering animal boarding, dog breeding, pet shops, riding establishments and performing animals. WRS are not proposing an increase in 2022/23	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Other General Licensing</u> No increase is being proposed in 2022/23	C	-	-	-
		R	-	-	-
		S	-	-	-
R638	<u>Licensing Activities - Gambling Act 2005 (Premises)</u> No increase is being proposed in 2022/23	C	-	-	-
		R	-	-	-
		S	-	-	-

WYRE FOREST DISTRICT COUNCIL**FEES AND CHARGES 2022-2023****COUNCIL**

Cost Centre	ACTIVITY AND DESCRIPTION OF SERVICE OPTION	KEY	CHANGES IN RESOURCES		
			2022-23 £	2023-24 £	2024-25 £
R638	<u>Licensing Activities - Scrap Metal Dealers Licence</u> Scrap metal dealers licence is a 3 year licence which was introduced in 2014. Level of charges are recommended by Worc's Regulatory Services. No increase is being proposed in 2022/23 across all Districts	C R S	- - -	- - -	- - -
R310	<u>RESOURCES</u> <u>Council Tax and NNDR</u> Summons Costs £50 Liability Order Costs £30 £80 Bi-annual review of summons costs and liability orders to reflect inflation and additional Magistrates Court costs.	C R S	- - -	- - -	- - -
	TOTALS	C R S	- 1,310 CR -	- 1,310 CR -	- 1,310 CR -



Service	Planning	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
High Hedge Applications			
High Hedge Applications			
Householder	420.00	450.00	No VAT currently charged
Other	420.00	450.00	No VAT currently charged
Concession (for those in receipt of housing or council tax benefits)	184.00	200.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Planning & Building Control	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Planning Advice			
Building Control Decision Notices (Pre 01-01-2012)			
Sale of Copy Documents			
Reply to general individual queries, Planning or Building Control for up to 6 questions (after that the full Local Land Charge Search fee will be charged)	29.00 per Question	30.00 per Question	No VAT currently charged
If any query requires a site visit to be made (e.g. compliance with conditions)	83.00	87.00	No VAT currently charged
Charges for Copy Documents			
See Note 2 below			
Monthly Decision List - Emailed	Free	Free	Free
Weekly Planning Application List - Emailed	Free	Free	Free
Decision Notices	24.00	20.83	25.00
Decision Notices Additional Copies	1.60	1.42	1.70
A4 - For each copy	1.60	1.42	1.70
A3 - For each copy	1.60	1.42	1.70
A2 - For each copy	4.20	3.67	4.40
A1 - For each copy	5.70	5.00	6.00
A0 - For each copy	7.00	6.17	7.40

NOTES:

Note 1 - Copies, where appropriate, are available free up to a cumulative single transaction value of £10 for individuals (the discretion of Head of Service to be applied in cases of multiple separate transactions) and charged at full cost to representatives of professional and/or commercial companies.

Note 2 - Copies of all planning application plans and decision notices made from 2006 onwards are available online at zero cost at <http://www.wyreforestdc.gov.uk/planning-and-buildings.aspx>

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Planning	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Permitted Developments and Pre-application Advice			
Permitted Development enquiries			
Proposed development type			
Householder	Free	Free	Free
Other	Free	Free	Free
Pre-Application advice			
Householder	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Residential Development including Conversions (see note 1)			
1 dwelling	105.00	91.67	110.00
Cost of each additional meeting	47.00	40.83	49.00
2-3 dwellings	294.00	257.50	309.00
Cost of each additional meeting	126.00	110.00	132.00
4-5 dwellings	394.00	345.00	414.00
Cost of each additional meeting	184.00	160.83	193.00
6-7 dwellings	578.00	505.83	607.00
Cost of each additional meeting	263.00	230.00	276.00
8-9 dwellings	788.00	689.17	827.00
Cost of each additional meeting	368.00	321.67	386.00
10-24 dwellings	1,050.00	919.17	1,103.00
Cost of each additional meeting	578.00	505.83	607.00
25-49 dwellings	1,680.00	1,470.00	1,764.00
Cost of each additional meeting	735.00	643.33	772.00
50 - 74 dwellings	2,100.00	1,837.50	2,205.00
Cost of each additional meeting	945.00	826.67	992.00
75 - 99 dwellings	2,730.00	2,389.17	2,867.00
Cost of each additional meeting	1,260.00	1,102.50	1,323.00
100 - 149 dwellings	3,360.00	2,940.00	3,528.00
Cost of each additional meeting	1,365.00	1,194.17	1,433.00
150 - 199 dwellings	3,675.00	3,215.83	3,859.00
Cost of each additional meeting	1,575.00	1,378.33	1,654.00
200 - 299 dwellings	4,410.00	3,859.17	4,631.00
Cost of each additional meeting	1,890.00	1,654.17	1,985.00
300 - 499 dwellings	5,040.00	4,410.00	5,292.00
Cost of each additional meeting	2,100.00	1,837.50	2,205.00
500+ dwellings	5,460.00	4,777.50	5,733.00
Cost of each additional meeting	2,625.00	2,296.67	2,756.00
Non Residential/Commercial Development (see note 1)			
Gross floor area up to 75m2	Free	Free	Free
Cost of each additional meeting	Free	Free	Free
Gross floor area 76m2 - 249m2	158.00	138.33	166.00
Cost of each additional meeting	79.00	69.17	83.00
Gross floor area up to 250m2 - 499m2	315.00	275.83	331.00
Cost of each additional meeting	158.00	138.33	166.00
Gross floor area 500m2 - 999m2	683.00	597.50	717.00
Cost of each additional meeting	341.00	298.33	358.00
Gross floor area 1,000m2 - 2,499m2	1,680.00	1,470.00	1,764.00
Cost of each additional meeting	756.00	661.67	794.00
Gross floor area 2,500m2 - 4,999m2	2,625.00	2,296.67	2,756.00
Cost of each additional meeting	893.00	781.67	938.00
Gross floor area 2,500m2 - 9,999m2	3,570.00	3,124.17	3,749.00
Cost of each additional meeting	1,155.00	1,010.83	1,213.00
Gross floor area +10,000m2	5,040.00	4,410.00	5,292.00
Cost of each additional meeting	1,575.00	1,378.33	1,654.00



Service	Planning	Service Manager	Development Manager
Directorate	Economic Prosperity & Place	Cabinet Member	Economic Regeneration, Planning and Capital Investments

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
	£	£	£
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Permitted Developments and Pre-application Advice			
Other Categories			
Advertisements	79.00	69.17	83.00
Cost of each additional meeting	26.00	22.50	27.00
Change of Use	158.00	138.33	166.00
Cost of each additional meeting	79.00	69.17	83.00
Telecommunications	236.00	206.67	248.00
Cost of each additional meeting	121.00	105.83	127.00
Glasshouses/Poly Tunnels	84.00	73.33	88.00
Cost of each additional meeting	21.00	18.33	22.00
Others (see note 2)	79.00	69.17	83.00
Cost of each additional meeting	26.00	22.50	27.00
Historic Environmental and Tree related enquiries			
Separate Listed Building and Conservation Area Advice (Up to 3 Separate Matters - see note 3)	63.00	55.00	66.00
Cost per additional matter to be considered	16.00	14.17	17.00
Cost of each additional meeting	26.00	22.50	27.00
Separate Tree related Advice - number of trees not exceeding 10	63.00	55.00	66.00
Cost of each additional meeting	26.00	22.50	27.00
Separate Tree related Advice - number of trees over 10 but not exceeding 30	126.00	110.00	132.00
Cost of each additional meeting (see Note 4)	26.00	22.50	27.00
Exemptions			
As set out in Guidance Note (e.g. Parish Councils, etc)			

NOTES:

Note 1 - If only principle to be discussed developer to provide indicative capacity

Note 2 - Includes other development proposals such as variation or removal of conditions-proposed changes of use, car parks and certificates of lawfulness.
Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Water Sampling and Analysis Charges - Fees Recommended By Worcestershire Regulatory Services			
POLLUTION CONTROL			
Water Sampling Charges			
The Regulations allow local authorities to charge a fee, to enable reasonable costs of services (lab fees etc) to be recovered			
Proposed Fees and Charges			
Risk Assessment	55.00 per hour	56.00 per hour	No VAT currently charged
Sampling (each visit)	55.00 per hour	56.00 per hour	No VAT currently charged
Investigation	55.00 per hour	56.00 per hour	No VAT currently charged
Analysing a sample			
taken under regulation 10 (small supplies)	lab analysis cost	lab analysis cost	No VAT currently charged
(Plus extra lab costs for additional parameters where required)			
taken during monitoring for Group A parameters	lab analysis cost	lab analysis cost	No VAT currently charged
taken during audit monitoring	lab analysis cost	lab analysis cost	No VAT currently charged

NOTES:

Where the request is made by the Owner/Occupier and the Authority is not the only service provider - VAT will be added.
Where the authority instigates the testing under regulations i.e. Periodic tests, assessments - VAT is not applicable in this instance.
Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	FROM 01-04-2022 £ Charges before VAT	FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Hackney Carriage/Private Hire Fees			
Hackney Carriage Vehicle (includes renewal plates and twice yearly vehicle inspections)	430.00	430.00	No VAT currently charged
Private Hire Vehicle (includes renewal plates and twice yearly vehicle inspections)	430.00	430.00	No VAT currently charged
Change of Business (Sell Car and Transfer Plate)	108.00	108.00	No VAT currently charged
Temporary Replacement HC & PH vehicle (excluding plates & decals)	107.00	107.00	No VAT currently charged
Initial or Replacement Licences/Plates (if lost or damaged)			
External Car Plate	50.00	50.00	No VAT currently charged
Internal (Executive Vehicles) Car Plate	22.00	22.00	No VAT currently charged
Vehicle Decals - Replacements	20.00	20.00	No VAT currently charged
Exemption Notice (Executive Vehicles)	30.00	30.00	No VAT currently charged
Vehicle Testing			
Vehicle Retest Fee (if re-tested within 48 hours of failure)	32.00	32.00	32.00
Vehicle Retest Fee (if re-tested after 48 hours of failure)	61.00	61.00	61.00
Hackney Carriage/Private Hire Drivers Licence (valid for 3 years)	426.00	426.00	No VAT currently charged
Disclosure and Barring Service check	64.00	64.00	No VAT currently charged
Drivers Badge	26.00	26.00	No VAT currently charged
Drivers' Knowledge Test	56.00	56.00	No VAT currently charged
Private Hire Operators (valid for 1 year)	477.00	477.00	No VAT currently charged
Private Hire Operators (valid for 5 years)	1,810.00	1,810.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Licensing and Registration - Animal Activity Licence			
Animal Activity Licence			
Animal Boarding, Dog Breeding, Pet Shops, Riding Establishments			
Application Fee	329.00	329.00	No VAT currently charged
1 Year Licence Fee	184.00	184.00	No VAT currently charged
2 Year Licence Fee	364.00	364.00	No VAT currently charged
3 Year Licence Fee	546.00	546.00	No VAT currently charged
Variation Fee	240.00	240.00	No VAT currently charged
Inspection Fee	163.00	163.00	No VAT currently charged
Vet Fees	Charged at Cost recovery	Charged at Cost recovery	
Animal Activity Licence			
Performing Animals (No Risk Assessment)			
Application Fee	219.00	219.00	No VAT currently charged
1 Year Licence Fee	N/A	N/A	No VAT currently charged
2 Year Licence Fee	N/A	N/A	No VAT currently charged
3 Year Licence Fee	300.00	300.00	No VAT currently charged
Variation Fee	158.00	158.00	No VAT currently charged
Inspection Fee	163.00	163.00	No VAT currently charged
Vet Fees	Charged at cost recovery	Charged at Cost recovery	

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION		Current Charge	Proposed Charge	Proposed Charge
		TO 31-03-2022	FROM 01-04-2022	FROM 01-04-2022
		£	£	£
		Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Licensing and Registration				
Dangerous Wild Animals	Initial	432.00	432.00	No VAT currently charged
	Renewal	285.00	285.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)			
Zoo Licences	Initial	2,075.00	2,075.00	No VAT currently charged
	Renewal	1,866.00	1,866.00	No VAT currently charged
	Vet fees/Animal welfare visit (if applicable)	Charged at Cost	Charged at Cost	
Acupuncture, Tattooing, Electrolysis, Ear Piercing, Skin Piercing & Semi-Permanent Skin				
Colouring -				
Certificate of Registration: (a) Person		210.00	210.00	No VAT currently charged
(b) Premise		302.00	302.00	No VAT currently charged
(c) Persons & Premises		No Longer Available	No Longer Available	
Sex Establishments	Initial	5,487.00	5,487.00	No VAT currently charged
	Renewal	2,107.00	2,107.00	No VAT currently charged
	Transfer	421.00	421.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Gambling Premises Licence Fees			
Gambling Premises Licence - New Application			
Adult Gaming Centre	1,765.00	1,765.00	No VAT currently charged
Betting Premises (excluding Tracks)	2,648.00	2,648.00	No VAT currently charged
Betting Premises (Tracks)	2,205.00	2,205.00	No VAT currently charged
Bingo Club	3,085.00	3,085.00	No VAT currently charged
Family Entertainment Centre	1,765.00	1,765.00	No VAT currently charged
Temporary Use Notices	449.00	449.00	No VAT currently charged
Gambling Premises Licence - Annual Fee			
Adult Gaming Centre	883.00	883.00	No VAT currently charged
Betting Premises (excluding Tracks)	530.00	530.00	No VAT currently charged
Betting Premises (Tracks)	883.00	883.00	No VAT currently charged
Bingo Club	883.00	883.00	No VAT currently charged
Family Entertainment Centre	660.00	660.00	No VAT currently charged
Provisional Statement Application			
Adult Gaming Centre	1,765.00	1,765.00	No VAT currently charged
Betting Premises (excluding Tracks)	2,648.00	2,648.00	No VAT currently charged
Betting Premises (Tracks)	2,205.00	2,205.00	No VAT currently charged
Bingo Club	3,085.00	3,085.00	No VAT currently charged
Family Entertainment Centre	1,765.00	1,765.00	No VAT currently charged
Licence Application (Provisional Statement Holders)			
Adult Gaming Centre	837.00	837.00	No VAT currently charged
Betting Premises (excluding Tracks)	1,061.00	1,061.00	No VAT currently charged
Betting Premises (Tracks)	837.00	837.00	No VAT currently charged
Bingo Club	1,061.00	1,061.00	No VAT currently charged
Family Entertainment Centre	837.00	837.00	No VAT currently charged
Application to Transfer			
Adult Gaming Centre	837.00	837.00	No VAT currently charged
Betting Premises (excluding Tracks)	1,061.00	1,061.00	No VAT currently charged
Betting Premises (Tracks)	837.00	837.00	No VAT currently charged
Bingo Club	1,061.00	1,061.00	No VAT currently charged
Family Entertainment Centre	837.00	837.00	No VAT currently charged
Application to Vary			
Adult Gaming Centre	883.00	883.00	No VAT currently charged
Betting Premises (excluding Tracks)	1,322.00	1,322.00	No VAT currently charged
Betting Premises (Tracks)	1,101.00	1,101.00	No VAT currently charged
Bingo Club	1,546.00	1,546.00	No VAT currently charged
Family Entertainment Centre	883.00	883.00	No VAT currently charged
Reinstatement of Licence			
Adult Gaming Centre	837.00	837.00	No VAT currently charged
Betting Premises (excluding Tracks)	1,061.00	1,061.00	No VAT currently charged
Betting Premises (Tracks)	837.00	837.00	No VAT currently charged
Bingo Club	1,061.00	1,061.00	No VAT currently charged
Family Entertainment Centre	837.00	837.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Street Trading			
Single Unit up to 12 x 12 (max 5m length) Food - Initial	2,575.00	2,575.00	No VAT currently charged
- Renewal	2,450.00	2,450.00	No VAT currently charged
Single Unit up to 12 x 12 (max 5m length) Non-Food - Initial	2,145.00	2,145.00	No VAT currently charged
- Renewal	1,935.00	1,935.00	No VAT currently charged
For every additional 12 x 12 or part thereof or length more than 5m	1,060.00	1,060.00	No VAT currently charged
Mobile Traders - Initial	1,010.00	1,010.00	No VAT currently charged
Mobile Traders - Renewal	1,010.00	1,010.00	No VAT currently charged
Street Amenities (Control of Street Furniture)	405.00	405.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Scrap Metal Dealers Act 2013 - Fees Recommended By Worcestershire Regulatory Services			
Site Licence - Initial (3 year licence)	296.00	296.00	No VAT currently charged
Site Licence - Renewal (3 year licence)	245.00	245.00	No VAT currently charged
Collectors Licence - Initial (3 year licence)	148.00	148.00	No VAT currently charged
Collectors Licence - Renewal (3 year licence)	97.00	97.00	No VAT currently charged
Variation of Licence	67.00	67.00	No VAT currently charged
Copy of licence (if lost or stolen)	26.00	26.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Worcestershire Regulatory Services	Service Manager	Worcestershire Regulatory Services Officer
Directorate	Economic Prosperity & Place	Cabinet Member	Culture, Leisure and Community Protection

PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge	Proposed Charge	Proposed Charge
	TO 31-03-2022 £	FROM 01-04-2022 £	FROM 01-04-2022 £
	Charges inclusive of VAT (if applicable)	Charges before VAT	Charges inclusive of VAT (if applicable)
Control of Dogs - Fees Recommended By Worcestershire Regulatory Services			
Stray Dogs			
Statutory Fine per dog seized	25.00	25.00	No VAT currently charged
Kennelling charge per dog per day	15.00	17.00	No VAT currently charged
Kennelling of Dangerous Dogs charge per dog per day	25.00	25.00	No VAT currently charged
Administration Fee per stray dog seized	15.00	15.00	No VAT currently charged
Out of Hours Charge	40.00	45.00	No VAT currently charged
Repeat stray charge	30.00	40.00	No VAT currently charged
Treatment Costs (wormer, flea treatment)	10.00	10.00	No VAT currently charged
Vet fees/treatment charges (if applicable)	Charged at Cost	Charged at Cost	VAT Charged at Current Rate
Commercial Animal Services			
Dog Training Facility Welfare Assessment Check (upon request)	n/a	140.00	168.00
Dog Kennelling per dog per day (excluding any hospitalisation)	n/a	19.00	22.80
Dog Kennelling of dangerous dogs per dog per day (excluding any hospitalisation)	n/a	22.00	26.40
Boarding of non-canine animals charges quoted at time	n/a	Upon Request	VAT Charged at Current Rate
Administration Charge	n/a	15.00	18.00
Veterinary Fees including Hospitalisation	n/a	Charged at Cost	VAT Charged at Current Rate
Transportation charge to include Collection, transport to vets if required and return of Dog/Animal to include travel time per hour	n/a	40.00	48.00
Transportation charge to include Collection, transport to vets if required and return of Dangerous Dog to include travel time per hour	n/a	50.00	60.00
Rehoming of animal	n/a	45.00	54.00

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>



Service	Revenues	Service Manager	Revenues, Benefits and Customer Services Manager
Directorate	Resources	Cabinet Member	Finance and Capital Portfolio

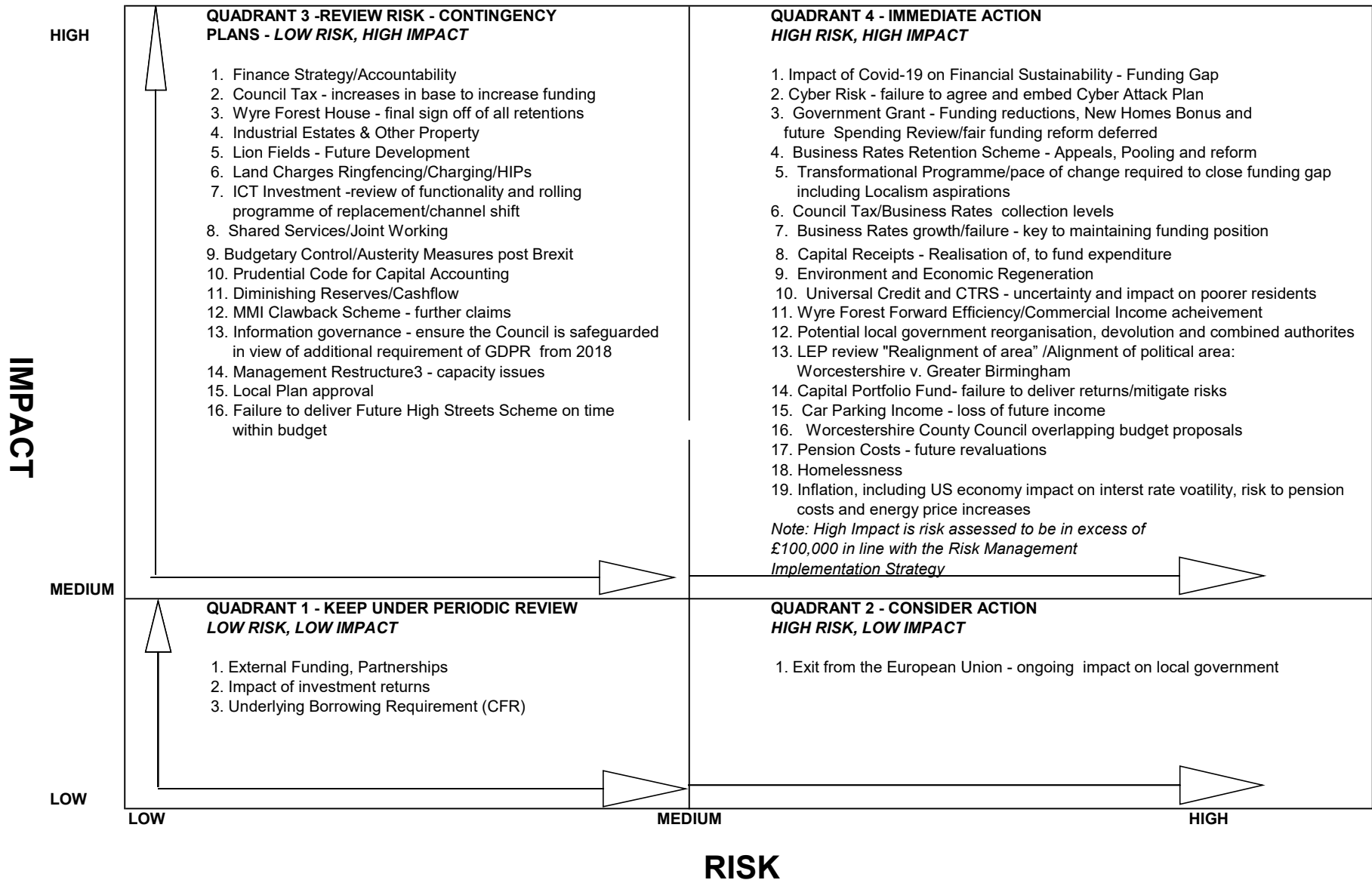
PROPOSAL OF SCALE OF FEES AND CHARGES

INCOME DESCRIPTION	Current Charge TO 31-03-2022 £ Charges inclusive of VAT (if applicable)	Proposed Charge FROM 01-04-2022 £ Charges before VAT	Proposed Charge FROM 01-04-2022 £ Charges inclusive of VAT (if applicable)
Council Tax and NNDR			
Council Tax and NNDR			
Summons costs	50.00	50.00	No VAT currently charged
Liability Orders	30.00	30.00	No VAT currently charged

NOTES:

Customers may be able to order and pay for some services online – please refer to <http://www.wyreforestdc.gov.uk>

BUDGET RISK MATRIX 2022-25



Budget Risk Matrix

ISSUE	BUDGETARY RESPONSE
<p>Quadrant 1 - Low Risk, Low Impact</p> <p>1. External Funding, Partnerships</p> <p>2. Impact of Investment Returns</p> <p>3. Underlying Borrowing Requirement (CFR)</p>	<p>Keep under periodic review</p> <p>Continue to evaluate sustainability of each scheme as part of project appraisal.</p> <p>Continue to monitor reductions due to COVID-19 and report as appropriate. Balances available for investment are reducing over the MTFP but further rate reductions mean lower levels of investment income will be achieved. We continue to work with Link Asset Services in this area.</p> <p>The rising CFR over the term of the Budget Strategy will be carefully monitored in close liaison with Link Asset Services to gauge both the timing and type of external borrowing.</p>
<p>Quadrant 2 - High Risk, Low Impact</p> <p>1. Exit from the European Union</p>	<p>Consider Action</p> <p>To-date the impact has not been significant but this will be closely monitored.</p>
<p>Quadrant 3 - Low Risk, High Impact</p> <p>1. Finance Strategy/Accountability (see Q4 Risk 1 also)</p> <p>2. Council Tax – increase in base</p> <p>3. Wyre Forest House final sign off of all retentions</p> <p>4. Industrial Estates and Other Property</p> <p>5. Lion Fields Gateway - Future Development</p> <p>6. Land Charges Ring fencing/Charging/HIPs</p> <p>7. ICT Investment/channel shift</p> <p>8. Shared Services Joint working</p> <p>9. Budgetary Control/Austerity Measures</p> <p>10. Prudential Code for Capital Accounting,</p> <p>11. Diminishing Reserves/Cashflow</p>	<p>Review Risk - Contingency Plans</p> <p>Council are required to adopt a three year Balanced Budget Strategy.</p> <p>Assumptions to be verified with Planning Officer and Revenues Manager</p> <p>Managed closely by Chief Executive and CLT/Cabinet</p> <p>Managed through Property Disposal Strategy</p> <p>Development opportunities continue to be explored.</p> <p>Reduced income allowed for within Base Budget reduces the scale of any challenge.</p> <p>ICT Strategy Group oversee/enhance the governance, planning and delivery arrangements of the strategy between ICT and council service areas.</p> <p>Shared Services partnerships continue to contribute to collaborative efficiencies but will be monitored to ensure risk is managed and mitigated.</p> <p>Continue to discourage non-essential expenditure, monthly budget monitoring reports provide more management information.</p> <p>External borrowing currently £37m, PWLB consultation paper on likely changes to code/rules. Link Asset Services continue to provide technical advice and are looking for alternative sources of cheaper borrowing.</p> <p>Cash flow management will be tighter given reduction in capital and revenue reserves and use of the Link Cash flow model is being used to improve management information to help mitigate any risk in this area</p>

ISSUE	BUDGETARY RESPONSE
<p>12. MMI Claw Scheme</p> <p>13. Information Governance</p> <p>14. Management Restructure – capacity issues</p> <p>15. Local Plan approval</p> <p>16. Failure to deliver FHSF project on time and within budget</p>	<p>Further claim received and settled, ear marked reserve held.</p> <p>Internal working group chaired by the DOR is reviewing this area to ensure the Council continues to be safeguarded.</p> <p>To be managed by the Chief Executive and Cabinet</p> <p>Managed by Chief Executive, review of duties and slim-lining where possible to achieve business need more efficiently.</p> <p>Managed by Cabinet CLT</p> <p>Project Group meet regularly to manage this complex highly significant project.</p>
<p>Quadrant 4 - High Risk, High Impact</p> <p>1. Impact of Covid-19</p> <p>2. Cyber Risk</p> <p>3. Government Grant –Funding Changes, further Spending Reviews and New Homes Bonus</p> <p>4. Business Rates Retention Scheme, appeals, Pooling and revision of funding arrangements. Baseline reset (timing uncertain), impact on growth</p> <p>5. Impact of Transformational Programme, Localism agenda</p> <p>6. Council Tax Collection levels including impact of CTRS Scheme</p> <p>7. Government’s Waste Strategy</p> <p>8. Capital Receipts - Realisation of to fund expenditure</p>	<p>Immediate Action</p> <p>Managed by Cabinet/CLT reports to Cabinet/Council as appropriate.</p> <p>Managed by ICT Strategy Board, treated as priority for resource allocation</p> <p>Significant issue given the scale of the Spending deficit. The Strategic Review Panel process will assist Wyre Forest Forward Coordinating Councils Future Plans.</p> <p>Application for pan-Worcestershire Pool (including Fire Authority) agreed for 2022-23. Proposed changes to funding arrangements and delays continue to cause uncertainty and risk. The Baseline reset could also result in a decrease in this key funding stream. Our regeneration programme is a mitigation factor.</p> <p>Monitored by Cabinet/CLT and reported in Cabinet Budget Monitoring Reports</p> <p>Monitored by Cabinet/CLT and reported in Cabinet Budget Monitoring Reports</p> <p>Impact will be monitored as more information emerges and reported as appropriate.</p> <p>Capital Programme funding reflects realistic timescale for the realisation of asset disposal receipts. Temporary borrowing will be used when necessary.</p>
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ISSUE	BUDGETARY RESPONSE
9. Environment and Economic Regeneration	The Council continues to be proactive in this area and this is closely monitored by Cabinet/CLT
10. Changes to Housing Benefit Scheme – universal credit/localisation of support for Council Tax	Universal Credit impact monitored
11. Wyre Forest Forward Efficiency savings	Progress continues albeit slower during 2021-22 due to ongoing COVID-19 impact, monitored and reported regularly to members.
12. Potential Local Government Reorganisation, Devolution debate and Combined Authorities	Macroeconomic area strategically assessed and managed by the Leadership team. Communication and liaison with town and parish councils.
13. Realignment of LEP area/political area	Kept under strategic review by the Leadership team in liaison with two LEPS. The three LEP footprint proposals are also within our radar.
14. Capital Portfolio Income	Key performance metrics included in quarterly Cabinet Budget Monitoring reports
15. Car parking income	Income levels usages closely monitored, new simplified policy is proposed. Earlier timetable for scrutiny.
16. WCC overlapping budget proposals – adverse impact	Liaison with WCC to work to minimise/mitigate the impact of any overlapping proposals to protect the financial position of both parties as far as possible.
17. Pension costs – future Revaluations	Managed by Worcestershire Treasurers jointly with actuaries
18. Homelessness Reduction Act	Rising demand requiring extra resource managed by housing team with extra funding secured where possible.
19. Inflation, including risk to interest rates from volatility in the US and potential impact on pensions and energy price increases	S151 Officer to maintain a watching, brief, work with Pensions Fund Administrators to minimise the impact of any economic shocks to the pension fund. Extra provision for energy inflation already included in proposed MTFS.

BUDGET CONSULTATION QUESTIONS AND RESULTS

The Budget Consultation survey was launched on the 30th November and ran until the 9th December 2021. The results of this consultation are set out below and have informed the proposals in this report.

Text of Introduction

Budget consultation – a smaller council, protecting front-line services

Wyre Forest District Council provides a wide range of public services to more than 100,000 residents each year.

From emptying bins to supporting the local economy, from dealing with planning applications to cleaning the streets, our services have a huge impact on your day-to-day life.

Over the last few years we have successfully reduced the amount of money we spend on running services. We have achieved this by improving efficiency and changing the way we do things, cutting out waste, generating income and finding innovative ways to fund the services our residents say they want and need.

But 2021 has been another extremely challenging financial year. Many households are feeling the financial pinch and so is Wyre Forest District Council. It is currently predicted that we will have a funding gap of about £2.3million a year by 2024-25.

Why is the council in this position?

The way the council is funded changed. General Government grant to the council reduced from £1.02m in 2010 to zero in 2020. Government changes to new homes bonus saw this grant fall from £2.4m in 2016-17 to £0.243m in 2021-22. Costs are rising and we have incurred substantial additional costs and lost income due to COVID-19: these have not been fully covered by the Government.

How we've been working to close the financial gap

We have implemented efficiency savings. This includes things like our management review and the localism strategy. Over the last 8 years, we have achieved savings of more than £3.3m a year but, despite that hard work, we still have an estimated funding gap of over £2m . We are continuing to carry out service reviews and we're looking to work with other organisations to deliver services and facilities. We are doing well at generating additional income from services too, including our garden waste and bulky waste collections. Despite the progress made, the large financial gap still remains.

What this means for the council

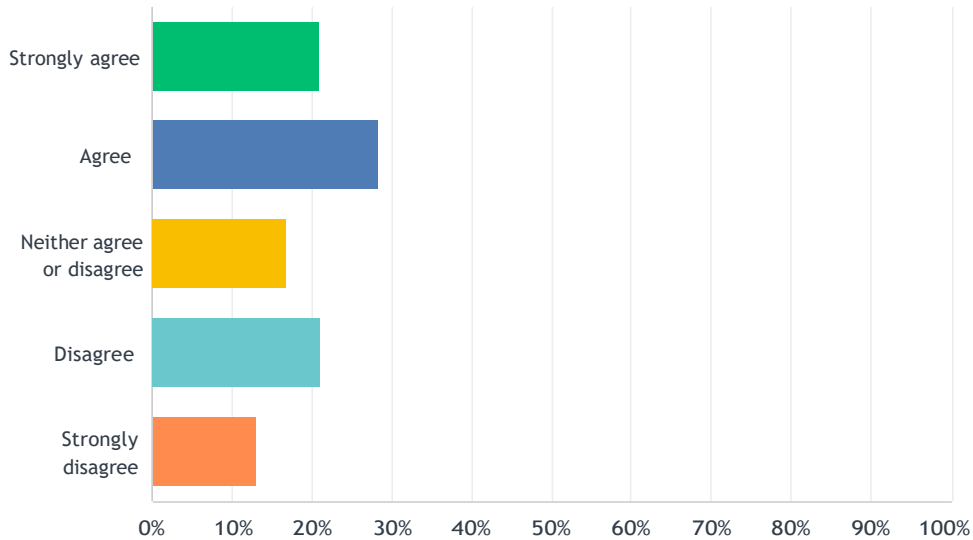
The financial situation facing the council remains stark and fundamental changes are necessary. Further difficult decisions have to be made. We are proposing a smaller council that protects front-line services. The Cabinet is planning that the district council's share of your Council Tax bill will go up by less than 10p a week in 2022 (Band D and below) - but we need to make other savings and changes too.

The Cabinet is asking for your comments as it finalises its draft budget proposals. Councillors have to take decisions based on a wide range of factors, but they would like to hear local residents' views on the options that they are having to consider.

APPENDIX 6

Q1 The council contributes to a number of business support programmes, one of which is start-up grants and business booster grants. The Cabinet is proposing to close this £35k fund, which has mainly benefitted businesses that sell products and services to consumers. It is planning to use the money to make sure that the council can deliver its Future High Streets Fund and Levelling Up Fund projects, which are worth £40m. To what extent do you agree that we should stop giving small business grants and use the funding instead to help deliver major regeneration projects?

Answered: 775 Skipped: 14



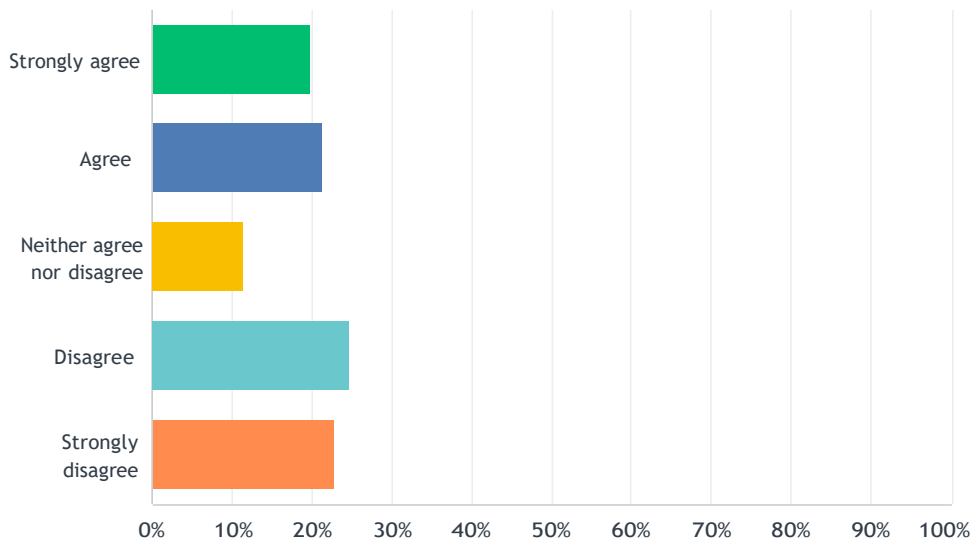
ANSWER CHOICES	RESPONSES	
Strongly agree	20.90%	162
Agree	28.26%	219
Neither agree or disagree	16.77%	130
Disagree	21.16%	164
Strongly disagree	12.90%	100
TOTAL		775

APPENDIX 6

Q2 Sports and Leisure facilities This is a discretionary service. The council does not have to provide any sports or leisure facilities. Wyre Forest Leisure Centre opened in 2016 and now attracts 42,000 customers a month. It provides a range of quality facilities for the whole district, such as a 25m pool, fully equipped gym and outdoor all-weather pitches. The leisure centre costs the council £205,510 a year, which provided a significant saving of more than £0.5 million a year compared to the period before 2016. The council has a 25-year contract with the operators. The council also incurs some costs in respect of Bewdley Leisure Centre and Stourport Sports Club.

It is exploring ways for these to continue to be operated without funding from Wyre Forest District Council, to save the council £38k each year. If alternative partners cannot be found, to what extent do you support the council phasing out its involvement with Bewdley Leisure Centre and Stourport Sports Club?

Answered: 780 Skipped: 9

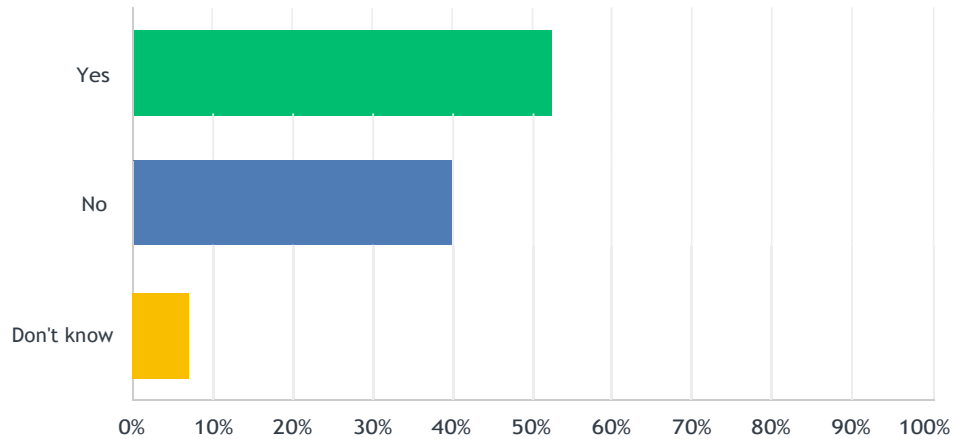


ANSWER CHOICES	RESPONSES	
Strongly agree	19.74%	154
Agree	21.28%	166
Neither agree nor disagree	11.41%	89
Disagree	24.74%	193
Strongly disagree	22.82%	178
TOTAL		780

APPENDIX 6

Q3 Highways verges Maintaining the highway verges is the responsibility of Worcestershire County Council (WCC). We carry out the work on their behalf, but the County Council gives us less than half of the cost that we actually incur. From April 2022 we are only going to be cutting the verges in the three towns. WCC can make its own arrangements for maintaining the verges outside the towns, working with parish councils if it wishes. In the following years do you think that the district council should continue to maintain the verges in the three towns if WCC does not fully cover the district council's costs?

Answered: 780 Skipped: 9

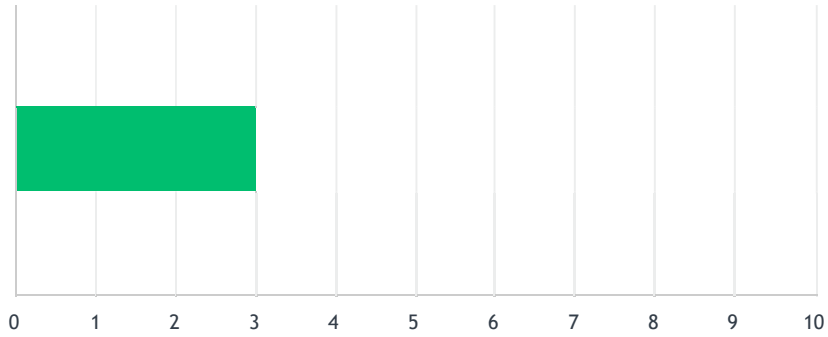


ANSWER CHOICES	RESPONSES	
Yes	52.69%	411
No	40.13%	313
Don't know	7.18%	56
TOTAL		780

APPENDIX 6

Q4 Introducing car parking charges for blue badge holders (currently blue badge holders can use all WFDC car parks for free)

Answered: 741 Skipped: 48

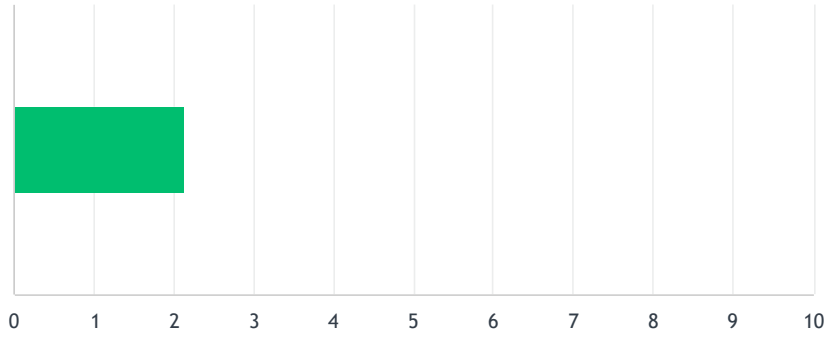


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	3	2,260	741
Total Respondents: 741			

APPENDIX 6

Q5 Introducing car parking charges at our parks

Answered: 684 Skipped: 105

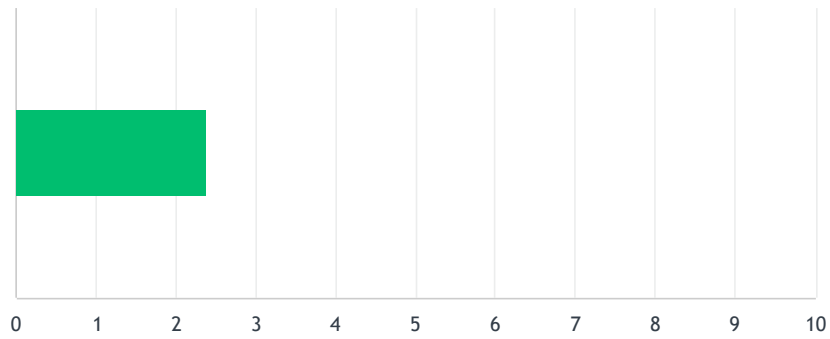


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	2	1,452	684
Total Respondents: 684			

APPENDIX 6

Q6 Introducing car parking charges for nature reserves (this could include a low-cost daily rate and annual passes)

Answered: 687 Skipped: 102

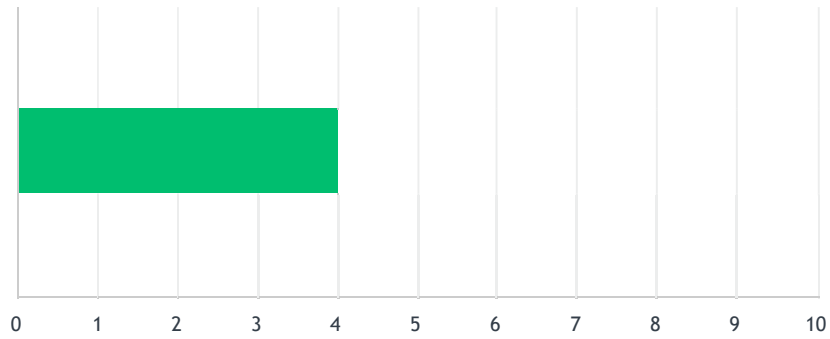


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	2	1,635	687
Total Respondents: 687			

APPENDIX 6

Q7 Introducing a late night licensing levy for venues licensed to routinely service alcohol after midnight

Answered: 747 Skipped: 42

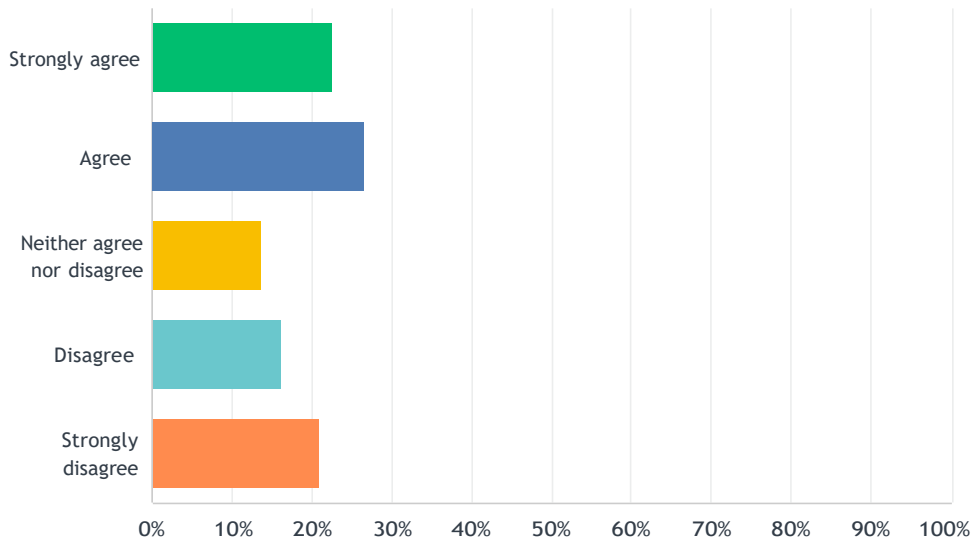


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	4	3,048	747
Total Respondents: 747			

APPENDIX 6

Q8 To what extent do you agree Wyre Forest District Council should consider increasing the minimum contribution all working age households pay?

Answered: 767 Skipped: 22

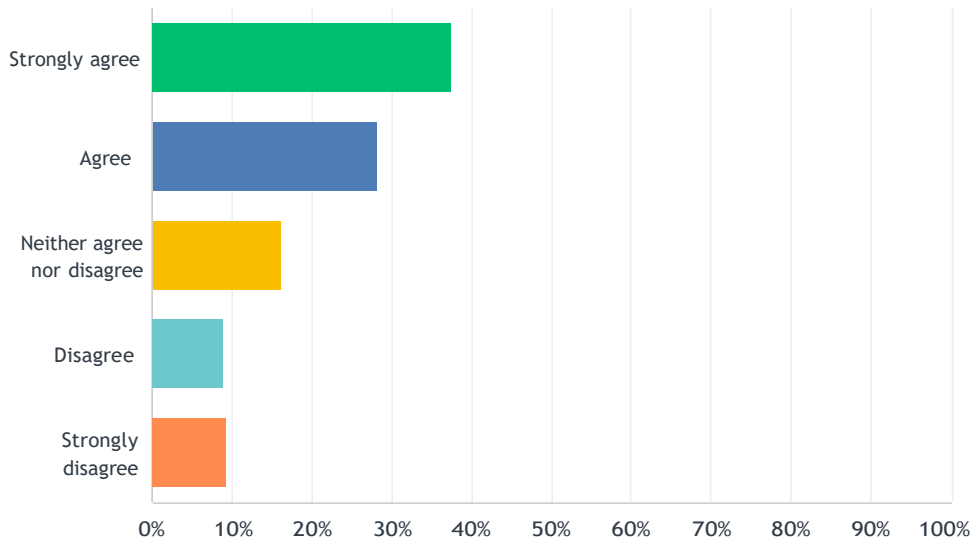


ANSWER CHOICES	RESPONSES	
Strongly agree	22.56%	173
Agree	26.60%	204
Neither agree nor disagree	13.56%	104
Disagree	16.30%	125
Strongly disagree	20.99%	161
TOTAL		767

APPENDIX 6

Q9 To what extent do you agree that the council should be seeking to move to a vehicle fleet that does not use fossil fuels?

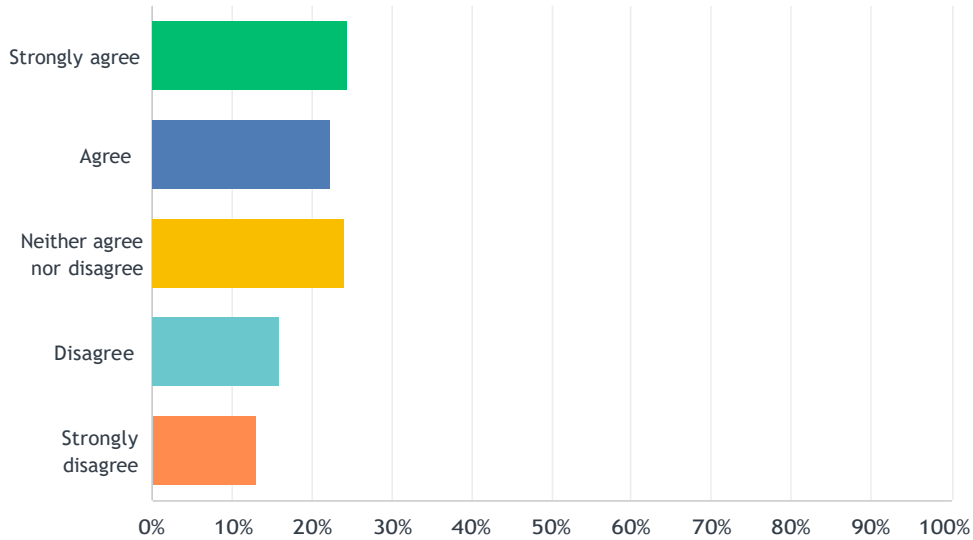
Answered: 757 Skipped: 32



ANSWER CHOICES	RESPONSES	
Strongly agree	37.52%	284
Agree	28.14%	213
Neither agree nor disagree	16.12%	122
Disagree	8.85%	67
Strongly disagree	9.38%	71
TOTAL		757

Q10 To what extent do you agree that the council should move to green only tariffs for electricity and gas when current contracts expire in 2023 and 2025 respectively? It is estimated that this would cost the council upto 5% more in fuel costs (about £10-15k a year).

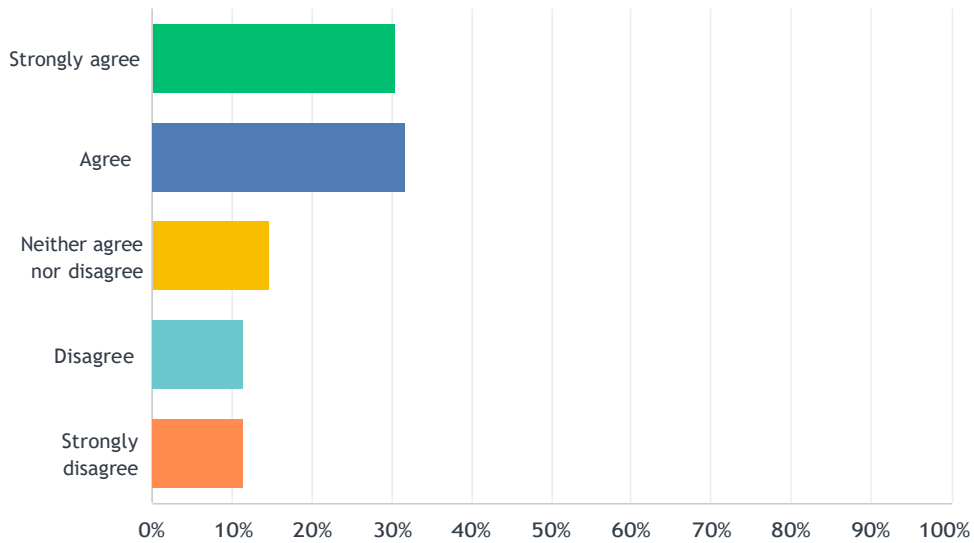
Answered: 758 Skipped: 31



ANSWER CHOICES	RESPONSES	
Strongly agree	24.54%	186
Agree	22.30%	169
Neither agree nor disagree	24.01%	182
Disagree	16.09%	122
Strongly disagree	13.06%	99
TOTAL		758

Q11 To what extent do you support the Cabinet's proposal to use the £8m for general capital expenditure?

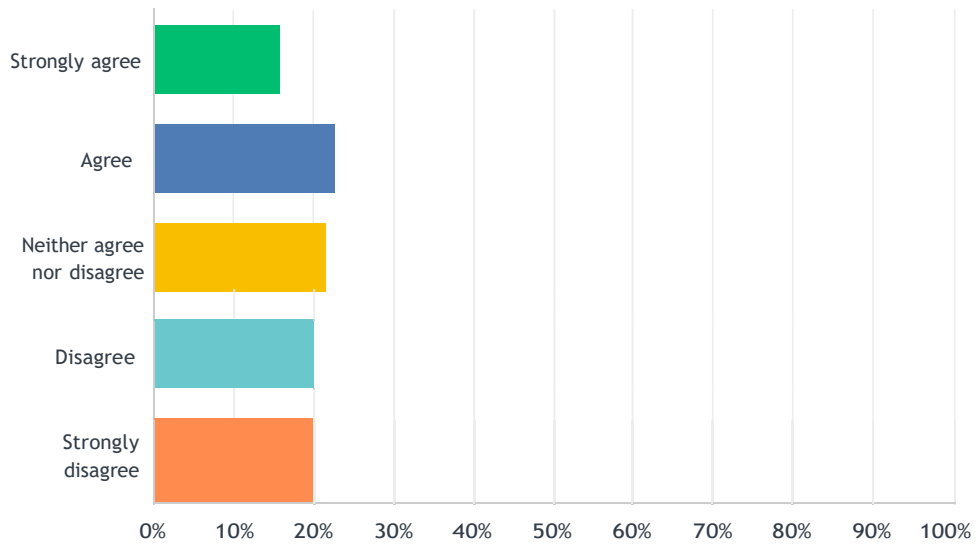
Answered: 751 Skipped: 38



ANSWER CHOICES	RESPONSES	
Strongly agree	30.49%	229
Agree	31.82%	239
Neither agree nor disagree	14.78%	111
Disagree	11.45%	86
Strongly disagree	11.45%	86
TOTAL		751

Q12 To what extent do you agree that the area for investment for the Capital Portfolio Fund should be extended?

Answered: 744 Skipped: 45



ANSWER CHOICES	RESPONSES	
Strongly agree	15.99%	119
Agree	22.85%	170
Neither agree nor disagree	21.77%	162
Disagree	20.70%	154
Strongly disagree	18.68%	139
TOTAL		744

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING
21st DECEMBER 2021

CAPITAL STRATEGY 2022-32

OPEN	
CABINET MEMBERS:	Councillor Mary Rayner
RESPONSIBLE OFFICERS:	Tracey Southall: Corporate Director: Resources and Mike Parker, Head of Economic Development & Regeneration
CONTACT OFFICERS:	Tracey Southall Ext 2100 e-mail tracey.southall@wyreforestdc.gov.uk Helen Ogram Ext 2907 helen.ogram@wyreforestdc.gov.uk Mike Parker Ext 2500 e-mail mike.parker@wyreforestdc.gov.uk Ostap Paparega Ostap.paparega@wyreforestdc.gov.uk
APPENDIX 1 APPENDIX 2 APPENDIX 3 APPENDIX 4	Capital Programme 2021-22 onwards Quantitative Indicators for assessment of risk exposure Capital Strategy/Scheme of Delegation The Role of the Section 151 Officer Capital Portfolio Fund Strategy 2022 onwards

1. PURPOSE OF REPORT

- 1.1 To seek Council approval of a Capital Strategy for 2022-32.
- 1.2 To consider the Capital Programme 2021-22 onwards and set out the detail to support the recommendations within the separate Medium-Term Financial Strategy also on this agenda.
- 1.3 To seek approval of set limits for non-financial investments.
- 1.4 To fulfil the key requirements of the DLUHC Investment Guidance.
- 1.5 To agree a change in the geography for the acquisition of Capital Portfolio Fund properties.
- 1.6 To note that the Development Loans Fund initiative is ceased and the balance of the £10m funding of £8.268m is allocated to a new Capital Fund for the Green agenda, housing and other suitable capital projects subject to affordability.
- 1.7 To seek approval for a minor change to delegations to officers, to delegate the recycling of capital receipts up to the value of any proceeds from sales of Capital

Portfolio Properties to be applied back to the Capital Portfolio Fund, to finance further financially viable acquisitions in line with corporate priorities.

- 1.8 To seek approval of a delegation to Cabinet to make amendments to the Capital Programme where 100% of the cost of expenditure will be met by external grants or funding sources (this replaces the extant delegation of 12th May 2021 to make amendments to the Capital Programme in instances where the Council receives external capital grants and the full amount of the grants to be distributed is met from the external funding source).

2. **RECOMMENDATIONS**

- 2.1 The CABINET is asked to **ENDORSE** and **RECOMMEND** to the Strategic Review Panel for scrutiny:

The Council's updated Capital Strategy:

- a) Approve the Capital Strategy 2022-32 including the associated Quantitative Indicators in Appendix 2, the updated Capital Portfolio Strategy in Appendix 4;
- 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 Capital Portfolio Fund as a percentage of net service expenditure as set out in Appendix 2;
- d) Approve the revised geography for the Capital Portfolio Fund as set out in paragraph 4.2
- e) Note that the Development Loans Fund initiative is ceased and Approve that the balance of the £10m funding of £8.268m is allocated to a new generic Capital Fund that will follow the same principles for approval and affordability as the Capital Portfolio Fund as set out in paragraph 4.3.
- f) Approve delegation to the S151 Officer in consultation with the Cabinet Member for Finance and Capital Portfolio to allocate capital receipts up to the value of any proceeds from sales of Capital Portfolio Properties to be recycled/applied back to the Capital Portfolio Fund, to finance further financially viable acquisitions in line with corporate priorities. See paragraph 4.4.1.
- g) Approve that the extant delegation to Cabinet to make amendments to the Capital Programme in instances where the Council receives external capital grants and the full amount of the grants to be distributed is met from external funding sources be replaced with a delegation to Cabinet to make amendments to the Capital Programme in instances where 100% of the cost of expenditure will be met by external grants or funding sources. See paragraph 4.4.2

3. **CAPITAL STRATEGY 2022-2032**

3.1 The proposed Capital Strategy is set out towards the beginning of the report: a mass of background material and information follows later. The wording may need to be revised for the reports in February 2022 in light of the expected revisions to CIPFA guidance: see paragraphs 3.5.6, 9.34 and 12.3.

CAPITAL STRATEGY 2022-2032

The Council will undertake **capital expenditure** in support of the priorities in the Corporate Plan for the following purposes:

- To discharge statutory duties (examples include homelessness, disabled facilities grants and environmental requirements, including the Environment Act 2021)
- To support discretionary functions including economic regeneration and development;
- To facilitate the operational delivery of the Council's duties and functions, including the buildings, vehicles and ICT infrastructure on which they rely.

Capital expenditure includes contributions made by the Council towards capital expenditure by third parties.

The Council will **finance capital expenditure** by a mixture of grants provided by Government and third parties, capital receipts, borrowing and contributions from revenue.

The Council's **financial contributions to the Capital Strategy are expected to be delivered primarily by means of borrowing**, which can include internal borrowing, borrowing from the Public Works Loan Board and borrowing from other third parties.

The Council's borrowing will be undertaken in accordance with the Local Government Act 2003 and current statutory guidance.

In order to maintain access to borrowing from the PWLB, the Council does not intend to purchase any investment assets primarily for yield.

The Council sets limits for borrowing at least annually in accordance with the 2003 Act. The Council plans to keep **its total borrowing in broad terms to no more than about five times its net revenue expenditure**.

The **Capital Programme** is the delivery plan for the Corporate Strategy and sets out the proposed capital expenditure for a three-year period. It is approved by Council annually. Amendments between the annual approval by Council are approved either by Council or (under delegated powers) by Cabinet.

The Capital Strategy and Programme are under-pinned by the borrowing strategy contained in the Treasury Management Strategy Statement, the Property Disposal Strategy and the Capital Portfolio Strategy.

The Council will comply with the **disclosure and reporting requirements required by the Statutory Guidance on Local Government Investments**.

Core Principles of Capital Strategy Including Non-Financial Investments

Core principles of this Council's Capital Strategy can be summarised as follows:

Table 1 – Core Principles

Principle 1 – Managing the impact of capital investment decisions on our revenue budgets
We will do this by:
<ul style="list-style-type: none"> • Ensuring capital investment decisions do not place unnecessary additional pressure on Council Tax or our MTFS
<ul style="list-style-type: none"> • Taking property-related that generate an appropriate rate of return to cover costs of funding within an acceptable risk range as set out in the Capital Portfolio Strategy, whilst also meeting Corporate Priorities
<ul style="list-style-type: none"> • Purchase rather than leasing vehicles such as the refuse fleet with programmes for replacement that maximise efficiency and minimise revenue budget costs
<ul style="list-style-type: none"> • Promote capital investment which allows invest to save outcomes and which contribute to the Council's Corporate priorities and complement the Wyre Forest Forward Transformation programme.
<ul style="list-style-type: none"> • Focus on resources and spending programmes the Council will use to maximise the use and financial return on assets within an acceptable. risk
<ul style="list-style-type: none"> • Have a defined framework for the management of risk for investments that applies the Security, Liquidity, Yield principles and considers longer term risks and opportunities.
<ul style="list-style-type: none"> • Have appropriate exit strategies and contingency plans in place to protect the Council's long term position including maintaining appropriate risk reserves
Principle 2 – Optimise the availability of capital funding where that funding supports the priorities of WFDC
We will do this by:
<ul style="list-style-type: none"> • Disposal of surplus assets and use receipts generated to reinvest via the Evergreen Investment Fund, using them to supplement prudential borrowing to expedite delivery of capital schemes in line with Corporate priorities.
<ul style="list-style-type: none"> • Effective working relationships with potential funders including the Worcestershire and GBS LEPs and through our Limited Liability Partnership with Public Sector Plc (PSP)
<ul style="list-style-type: none"> • Listening to and support effective partnering arrangements
<ul style="list-style-type: none"> • Generating capacity within the services' revenue budgets to deliver ongoing contributions towards necessary capital investment.
<ul style="list-style-type: none"> • Have clear policies for the consumption of our reserves

Principle 3 – Ensure we have effective pre and post project appraisal

We will do this by:

- Developing projects that fully support the council's Corporate Priorities and Wyre Forest Forward Programme
- Ensuring a system of competition exists for project approval
- Build into project appraisal recognition of environmental sustainability
- Fully consider project risk
- Carefully consider Value for Money and Efficiency of every project
- Only adding schemes once an affordable business plan is in place

Principle 4 – Performance manage our capital programme

- Integrating the capital programme into our performance management framework
- Ensure our capital schemes use appropriate project management tools
- Expect responsibility for the delivery of the capital programme to be clearly defined
- Make sure our assets perform at an optimal level through effective ongoing asset management, consistent with levels of investment
- Reporting regularly on the performance of our property and non-treasury portfolios including updates on risk and recommendations for appropriate mitigation measures.

Key Objectives for non-treasury capital portfolio property acquisitions

- Acquire properties or fund developments that provide value in accordance with the Council's corporate and financial objectives,
- Maximise return whilst minimising risk through the management processes as outlined in this strategy,
- Prioritise properties that yield optimal rental growth and stable income whilst meeting Corporate priorities,
- Protect capital invested in acquired properties
- Work within the developed governance framework that enables the Council to move at a timely pace in line with the market
- Build a balanced property portfolio that is proportionate to the overall financial position of the Council

BACKGROUND

- 3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.
- 3.3 Ownership of the Capital Strategy sits at the highest level - corporately with members and key officers. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.
- 3.4 This Capital Strategy includes all capital expenditure and capital investment decisions, not only as an individual local authority but also those entered into under group arrangements. It sets out the longer-term context in which decisions are made with reference to the life of the projects/assets.

3.5 Capital vs. Treasury Management Investments

- 3.5.1 Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
- 3.5.2 For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Policy and the Annual Investment Strategy.
- 3.5.3 The current CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside of normal treasury management activity. These may include service and multiple objective investments. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party.
- 3.5.4 Treasury Management investments are covered in the Treasury Management Strategy Statement approved annually by Council each February. This Capital Strategy clearly links to, and is complementary, to the TMSS. The non-treasury investments (the Capital Portfolio Fund and Development Loans Fund approved by Council on 22nd February 2017) are included in the Capital Financing Requirement (CFR) and within the Operational Boundary and statutory Authorised Limit for prudential borrowing in the TMSS. The quantum capital allocation of the Capital Portfolio Fund is £26.5m. The separate strategies for the Capital Portfolio Fund and Development Loans Fund set out specific detail including reporting, risk and governance of these non-treasury investments. The Capital Portfolio Fund Strategy 2022 onwards revises and replaces the previous policy and is included as Appendix 4 for approval. The key principles of the current strategy have been retained. As set

out later in this report, the Development Loans Fund is being brought to an end and replaced by a generic Capital Fund.

- 3.5.5 This Council has fully complied with code requirements and did so ahead of the formal timeline due to the significant Capital Portfolio Fund activity in 2018-19 and 2019-20. In accordance with approved policies and strategies, these property acquisitions are not investments. The property purchases completed so far are classified as operational assets. However, the full suite of prudential indicators is included in this report for full transparency. Currently these are reported for the full £26.5m Capital Portfolio Fund only, although this may be refined in future reports as the portfolio management continues to develop.
- 3.5.6 CIPFA issued Guidance on Property Investment on the 15th November 2019 in response to the recent growing trend for authorities to acquire land and buildings with the effect of supplementing their revenue budgets with rental income. In terms of our current governance, processes and procedures, we already largely comply with the guidance. There were some minor additional best practice disclosures that were included and approved as part of last year's Capital Strategy and are also covered in this report. The most notable addition to the guidance was a detailed model for how authorities could calculate whether their property acquisitions are proportional to the size of their revenue budgets, and this will be included within the February reporting on the levels of adequate reserves to cover off risk.
- 3.5.7 CIPFA has recently closed further consultation on proposals for change to its prudential code guidance, the consultation ended on 16th November 2021. Following this consultation most of the proposals now look likely to proceed with revisions to DLUHC Guidance and the Prudential Code expected to be issued in late December. The introduction of a Liability Benchmark being the most notable change. The implications of the potential restrictions this could impose are set out in section 9.3.4. Whilst the exact timing of the publication of these changes is not known, it is expected that there will be a "soft launch" for 2022-23, with full adoption from April 2023. Notwithstanding these further changes, it is clear that borrowing for out of area acquisitions is only permitted if the acquisitions are for economic regeneration or other statutory purposes (and because it is not simply borrowing for the primary purpose of financial return). Our acquisitions so far have been for economic regeneration.
- 3.5.8 The July 2020 report from the Public Accounts Committee and last year's consultation on Future Lending Terms from the PWLB all signalled change. The clear message is that 'debt for yield' schemes will not be able to be financed through the PWLB moving forward. Following consultation, it is now clear that the legislation and Code Guidance will be further tightened up with effect from April 2022, (a soft launch is anticipated) which look set to bring in measures to further restrict PWLB or other external borrowing and increase reporting requirements.
- 3.5.9 A summary of the key changes from the PWLB review effective from 26th November 2020 and still current are summarised below:
- PWLB rate lowered 100bps for all new Standard Rate and Certainty Rate loans
 - Government has no plans for novation of debt.
 - As a condition to access PWLB, LAs asked to submit high level description of capital spending for 3years

- Finance Director of LA to confirm no intention to buy investment assets primarily for yield any time in next 3years
- The PWLB will not lend to an LA that plans to buy investment assets primarily for yield anywhere in their capital plans, regardless of whether the transaction would notionally be financed from a source other than the PWLB.

For full details of the conclusion see below:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938043/Response_to_consultation_Public_Works_Loan_Board_future_lending_terms_1.pdf

3.6 Strategic Context

- 3.6.1 The strategy provides a high-level summary of WFDC's approach to capital investment in the interests of the district. It guides the development of service capital plans and sets out the policies and practices that the authority uses to establish monitor and manage the Council's capital programme, in line with the Medium Term Financial Strategy also on this agenda. The Capital Strategy will take account of both local improvement priorities and national priorities that are established through effective consultation with residents and our partners; as well as recognising the contribution the Council makes within the Local Enterprise Partnership (LEP) geographies of which it is a member and its functional economic geography (FEG) which also covers the Black Country. These priorities inform resource allocation. Progress on achieving these objectives is closely monitored in accordance with the performance framework.
- 3.6.2 The report to Cabinet on the Financial and Strategic Policy Context for the MTFs on 9th November, supplemented by additional detail set out in the separate MTFs report on this agenda, sets out the Wyre Forest Forward transformation programme for the period 2022-2025. The net financial impact of the recovery from the COVID-19 pandemic is a worsening of the Council's financial position and the approved transformation programme includes bold and decisive plans that will result in the Council becoming a smaller organisation. Its key objectives are to make the council a smaller organisation while protecting essential front-line services, continuing to protect its most vulnerable residents and attracting investment to deliver economic growth in the District.
- 3.6.3 The non-treasury Capital Portfolio Fund Strategy is part of the transformation Programme and formed a key part of the MTFs from 2017-18. Whilst it is accepted that this will not alone close the funding gap the Council continues to face, it can make a proportionate contribution to achieving ongoing financial sustainability in addition to supporting operational objectives. The original modest assumptions were exceeded before the COVID pandemic, contributing circa £250k pa (average over early years) to the Funding Gap. However, it is hoped that performance will start to improve, although modest assumptions have been included in the MTFs. The forecast income from 2021-22 onwards has been adversely impacted by COVID-19 and the Council is monitoring this area closely. Whilst there is undoubtedly risk attached to the progression of the strategy, with the COVID pandemic having an impact on the property markets including on the level of arrears, the greater risk to our financial future would be to do nothing.

Risk analysis is set out and explored in detail as part of this report.

- 3.6.4 The diagram below shows how this Capital Strategy fits into the overall Strategic Planning Model for the Council.

Simple Strategic Planning Model



3.7 Strategic Links

This report links to a number of other key strategies and approvals including the Medium Term Financial Strategy and Treasury Management Strategy Statement. A full list of all linked strategic documents is given in Section 18 – Background Papers.

3.8 Reporting Requirements

- 3.8.1 The Council is required to receive and approve a Capital Strategy report at least once a year to meet the requirements of the DLUHC Guidance. The Strategy will be considered by the Strategic Review Panel before presentation to Cabinet and then onward recommendation to Council in February 2022. The Treasury Management Review Panel will continue to oversee treasury management investments, but the separate reporting and governance arrangements approved by Cabinet on the 20th September 2017 will be followed for non-treasury investments. These are summarised in the diagram below:

Process Flow for Governance Process for Non-Treasury Investments - Capital Portfolio Fund and former Development Loans Fund



3.8.2 The Strategy sets out core principles that underpin the current ten-year capital programme to provide a longer-term context particularly in relation to the capital expenditure funding from prudential borrowing for the Capital Portfolio Fund. It has regard to the requirements of the DLUHC Investment Guidance, therefore including investments that are not managed as part of normal treasury management processes or under treasury management delegations. The report gives a position statement with regards to capital expenditure and the resources available in terms of funding for these non-treasury policies. It also focuses on the key issues and risks that will impact on the delivery of the Capital Programme including the Capital Portfolio Fund and the future of the unspent capital for the Development Loans Fund and the governance framework required to ensure the overall Capital Strategy is delivered.

Disclosure and reporting requirements required by the Statutory Guidance on Local Government Investments

3.8.3 The Council will continue to comply with relevant disclosure and reporting requirements of the Local Government Act 2003 and the current DLUHC Guidance on Local Authority Investments, listed below. Treasury Management Prudential Indicators (PIs) will continue to be reported within the Treasury Management Strategy Statement and for completeness property PIs will also be included.

- Limits for non-treasury investments;
- Agreement of the types of property acquisitions to be made and self-assessed limit for total exposure to these purchases;
- Definition of types of contribution non-financial investments can make for this Council;
- Processes and procedures for how risk assessment will be managed including security, debt recovery, liquidity and performance monitoring;
- How balance is achieved between Security, Liquidity and Yield based on risk appetite and contributions of investment activities;
- Quantitative Indicators to help measure total risk exposure in terms of proportionality;
- Capacity, skills and culture including policy on use of external service providers.

3. KEY ISSUES

4.1 Capital Programme Update

4.1.1 The Cabinet recommends approval of the Base Capital Programme and the Vehicle, Equipment and Systems Renewal Schedule, as part of the budget setting process for the Authority. The Capital Programme proposed in Appendix 1 provides high-level projections over a longer framework of 10 years. This extended timeframe is to provide information over an extended period for additional transparency, particularly in relation to movements in the Balance Sheet, Capital Financing Requirements and

Minimum Revenue Provision. Any final adjustments to the Capital Programme 2022-32 and associated Prudential Indicators will be updated in the February 2022 reports to Council.

- 4.1.2 The Council's external borrowing has been maintained at a level of £37m over the last 12 months. Internal borrowing has been utilised as a more cost-effective funding option for the CFR. The majority of these loans were with the PWLB, except for £4m with two other Councils (£2m of this now repaid). The Council will continue to enter into further borrowing arrangements in accordance with the Medium Term Financial Strategy (MTFS) as capital schemes progress. The further progression of the Capital Portfolio Fund will increase the future borrowing requirement. Progress in respect of these schemes is detailed in section 9.2.7. External borrowing is scheduled within the MTFS as the Council's cash balances continue to reduce and there is limited scope to support further capital expenditure without external borrowing. However, the current adverse impact of the ongoing recovery from COVID-19 pandemic on treasury investment rates compared to steady borrowing rates means that internal borrowing, where possible within cash flow, is more financially favourable. Internal borrowing may therefore continue to be utilised until the economic recovery kicks in and hopefully investment rates start to improve.
- 4.1.3 The Council share of right to buy (RTB) receipts, that are being shared with The Community Housing Group in accordance with the agreement from 2019-20 to 2024-25, are reported at £236k in the first half of 2021-22. From 2018-19, RTB receipts are allocated to the Evergreen Investment Fund to support new regenerative development proposals including new residential development undertaken by the Council or through its companies as approved by Council 21st February 2018.
- 4.1.4 The capital allocation passported from Worcestershire County Council from the Better Care Fund increased from just over £1m in prior years to circa £1.4m for 2021-22. This was allocated to support Disabled Facilities Grants (DFGs) without the need for top-up from Council funding. The assumed ongoing allocation for this activity is circa £1m per annum but this is subject to confirmation each year.
- 4.1.5 Good progress has been made on a number of corporate priorities allied to the Capital Strategy this year. Following a successful application for £20m Future High Streets funding for Kidderminster town centre, the project group is progressing well with these major redevelopments. A number of property acquisitions have been made for the initial land consolidation essential before construction work can commence. This includes proposals to re-connect the town from Weavers Wharf to Bromsgrove Street, linking Bullring (including the former Crown House site, Lionfields and the former Magistrates' Court building). The successful negotiation for the demolition of Crown House and surrender of lease facilitated the opening of the new temporary car park on the remaining slab. The Covid pandemic has meant that the new Railway Station Ticket Office and forecourt works was not fully utilised last year but the recovery process has seen increased use of this much improved facility. Finally, the highways work at Churchfields using funding from both LEPs and the Housing Infrastructure Fund is also complete.

4.1.6 The successful award of £17.9m from the first tranche of Levelling Up Fund allocations is another major boost for Kidderminster town centre. This Council will be directly responsible for delivering the Piano Building project element of this award.

4.1.7 The funding of replacement waste bins (trade and domestic) has been transferred to the Capital Renewals Schedule in Appendix 1B from 2022-23 onwards. This expenditure is £111,720 pa can be classed as capital expenditure and funding by borrowing over the life of the bins is a more cost effective than a one-off charge to the revenue account.

4.2 Proposal for change in the Geographical area for Capital Portfolio Fund Purchases

4.2.1 A report approved by Cabinet on 10th November 2020 temporarily revised the geography in relation to acquisitions for the Council's Capital Portfolio Fund. The current policy is that, until further notice, only within district purchase proposals are considered. Previously, whilst it was always the Council's preference to invest within the district area to support regeneration and local economic development, the policy also allowed the Council to consider opportunities within the wider geographical area of the two Local Enterprise Partnerships, (LEP) of which the district is a member i.e. Worcestershire plus the area of the Greater Birmingham and Solihull LEP, stretching as far as the southern Staffordshire LEP member areas. The temporary revised approach was made in view of the prevailing property market uncertainty given the ongoing COVID-19 pandemic and also expected changes, that were subsequently made, to the PWLB Lending Arrangements. The Government has ended lending for purposes of yield and CIPFA and DLUHC have made it clear that debt for yield is not allowable and CIPFA have continued to refine the Code Guidance: the latest Consultation ended on 16th November 2021 and further restrictions will follow, the most significant of which is the introduction of the Liability Benchmark.

4.2.2 Now that is clear that borrowing for out of area acquisitions is permitted if the acquisitions are for economic regeneration or other statutory purposes (and because it is not simply borrowing for the primary purpose of financial return), it would be appropriate to consider whether the footprint should be aligned with Wyre Forest's functional economic geography, subject to the latest guidance. This is covered in recommendation 2.1 d.) As part of this year's Budget Consultation the administration sought views on whether the footprint for the Capital Portfolio Fund should be aligned with Wyre Forest's functional economic geography which is Worcestershire, Birmingham, Solihull & the Dudley and Wolverhampton areas in the Black Country.

4.2.3 The Capital Portfolio Fund Strategy advises that, to mitigate risk to the portfolio, it should comprise acquisitions across a balance of sectors and locations in order to build in resilience to market changes, without this spread the portfolio is at greater risk of impact on value, both rental and capital, from market changes. The current policy of limiting the search to within the boundaries of the district only has severely limited the opportunities coming forward. Wyre Forest does not have a strong industrial sector in quality buildings on key highway networks, nor does it have an office sector of significance.

4.2.4 Members will also be aware of the ongoing review of LEP memberships which may result in the Council no longer being able to be a member of two LEP areas concurrently. While the administration recognises concerns about acquiring assets outside Wyre Forest, the Council has been proportional in its acquisitions and in each case has been able to demonstrate a robust business case revolving around supporting the local economy for the benefit of Wyre Forest residents and businesses. It would continue to be prudent in the choice of assets that could be justified on that basis. By adding the local authority areas of Wolverhampton and Dudley and removing Cannock Chase, Tamworth, Lichfield and East Staffordshire the Council would better reflect the functional economic geography over which local businesses and residents conduct their business, receive and supply goods and services and travel to and from work. This would open up options that would allow potentially greater reinvestment of recycled Capital Portfolio Fund moneys in Wyre Forest and benefit the local economy from the capital growth potential in some sectors which can be greater in other areas.

4.3 Development Loans Fund and reallocation of unspent Capital Allocation

4.3.1 The Development Loans Fund was launched with up to £10m of borrowing in 2017. Interest from businesses and development partners has been limited and only one loan has been approved. The administration has reviewed the performance of the fund and concluded that, with the expiry of the contract with Frontier Development Capital (previously known as Finance Birmingham) at the end of October 2021, it should now be discontinued. This will not affect the terms of the one approved loan, which has recently been repaid.

4.3.2 Long-term assets on the Council's balance sheet were valued at £70.141m at 31st March 2021. Total external borrowing stood at £37.28m at the same date although, if extant borrowing approvals within the capital programme were exploited in full, the Council's debt could rise to about £62m. This represents about the same multiple of its net revenue income (5x) as individuals can borrow for a mortgage, which is often up to five times a household's salaries and is reflected in the Capital Strategy's approach to the total level of borrowing. However CIPFA has issued recent guidance about proportionality in borrowing and the Council will need to be mindful of this and consider the risks in deciding how to use the headroom in borrowing freed up by the closure of the Development Loans Fund (approximately £8.268m).

4.3.3 The administration has sought views through consultation on whether this should be reallocated as a Generic Capital Fund. This could support generic capital projects in a wide range of areas such as projects to deliver net zero as part of the green agenda (so long as it is capital expenditure, this could comprise such things as vehicles that do not use fossil fuels and a solar farm); housing; or further interventions to support regeneration. Approval of expenditure would be subject to affordability and follow the same business case requirements as for the Capital Portfolio Fund. This report includes a recommendation in 2.1e) that the balance of the £10m funding of £8.268m is allocated to a new Generic Capital Fund.

4.4 Recycling of Receipts and Delegation to Cabinet to amend the Capital Programme

4.4.1 To expedite decision making and provide funding for replacement/new Capital Portfolio acquisitions, paragraph 2.1f) seeks delegation for the S151 Officer in consultation with the Cabinet Member for Finance and Capital Portfolio to allocate

capital receipts up to the value of any proceeds from sales of Capital Portfolio Properties to be recycled/applied back to the Capital Portfolio Fund, to finance further financially viable acquisitions in line with corporate priorities.

- 4.4.2 The recommendation in paragraph 2.1g) include a proposal to widen the extant delegation of 12 May 2021 to Cabinet to make amendments to the Capital Programme in instances where the Council receives external capital grants and the full amount of the grants to be distributed is met from external funding sources. The proposed revised delegation to Cabinet would allow it to make amendments to the Capital Programme where 100% of the cost of expenditure will be met by external grants or funding sources. This will be conditional on the final shape of the CIPFA Code.

4.5 Climate Change and net Zero

- 4.5.1 The eyes of the world have been on the UK for 26th UN Climate Change Conference of the Parties (COP26). The Council declared a climate emergency in May 2019, and the Cabinet's Green Advisory Panel has done valuable work on examining the case for implementing specific measures by the Council. A report to Cabinet in November, approved by December Council, set out a costed plan for investment in electric vehicle charging points in many of the Council's car parks. In order to support the take up of zero emission vehicles, the Council would have to invest up front in order to produce a return over many years.
- 4.5.2 Locally, the administration believes that the Council's leadership role in addressing climate change and the move to net zero should be backed with investment in the MTFS. It is therefore proposed to purchase the first electric vehicles within the current capital programme, with a review to be undertaken during 2022 to establish whether funding for future years is adequate to move to a fleet that is not dependent on fossil fuels by 2030. This will also need to factor in potentially major changes to waste collection requirements as a result of the Environment Act. The results of the review will be reported back as part of the Capital Strategy and Programme for 2023 onwards.
- 4.5.3 The outcome of the Council's bid for Community Renewal Funding for a business case for a solar farm was unfortunately unsuccessful so this project cannot proceed at present.

5 LIMITS FOR NON-TREASURY INVESTMENTS FOR 2022-2032

5.1 Loan Types and Self Assessed Limit for Such Third-Party Loans

Council on the 22nd February 2017 approved a £10m Development Loans Fund as part of the MTFS funded in full by prudential borrowing. As set out earlier in the report, this Fund is now being brought to an end. The only loan made under the fund has been repaid in full.

5.2 Types of Property Business Cases to be Considered and Self Assessed Limit/for Total Exposure

Council on the 22nd February 2017 approved the Capital Portfolio Fund, with a funding limit of £26.5m approved in March 2020, to be funded in full from prudential borrowing.

The detailed Strategy for the Capital Portfolio Fund was updated in subsequent editions of the Capital Strategy. Appendix 4 of this report sets out a further revision of the detail in relation to this Strategy. The Strategy in Appendix 4 is supported by the Facilities Asset Management Plan and Enterprise for Growth Strategy which was refreshed in 2021. The DLUHC recommended limit for debt compared to net service expenditure is presented below, together with debt compared to gross service expenditure. These ratios are based on the current expenditure profiling for Capital Portfolio purchases included in the Capital Programme.

A number of other quantitative indicators to provide additional transparency and a better indicator of the potential risk of this policy are also provided in Appendix 2 and Section 7.4.1.

Capital Portfolio Fund		2021-22	2022-23	2023-24	2024-25
DEBT TO GROSS SERVICE EXPENDITURE RATIOS					
Non treasury property investments debt to gross service expenditure (GSE) ratio	<i>Gross debt of non treasury property investments as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.</i>	55.75%	59.86%	60.35%	60.18%
DEBT TO NET SERVICE EXPENDITURE RATIOS					
Non treasury property investments debt to net service expenditure (NSE) ratio	<i>Gross debt of non treasury property investments as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	195.69%	211.36%	218.12%	217.73%

The limit for debt compared to NSE looks high since this is comparing the total potential gross debt of £26.5m for the Capital Portfolio Fund to the net revenue budget. This limit is considered to be acceptable as the financing costs in relation to such debt would be borne by the revenue budget rather than 100% of the debt at any one time, and debt will only be taken subject to affordability, with due regard to risk exposure in each business case proposal.

6 DETERMINATION OF TYPES OF CONTRIBUTION OF NON- FINANCIAL INVESTMENTS TO CORPORATE PRIORITIES

6.1 Non- financial investments can be categorised in accordance with the different types of contribution they make to the corporate priorities of the Council recognising that each investment can have more than one type of contribution.

Types of contribution the Council will consider are summarised in the Strategy and include:

- Regeneration including provision of housing
- Economic benefit/business rates growth
- Support for local business objectives (eg fulfilling demand for key target sectors); ReWyre led initiatives
- Enabling Enterprise and Business Growth in line with Wyre Forest strategic aims
- Creation or protection of social value in the local area
- Safeguarding or creation of local jobs
- Supporting neighbourhood strategy
- Responding to local market failure/gaps in market supply of eg certain types of funding

- Regeneration, economic growth across the area of the district.
- Investment in Local Authority Trading Company or associates, Joint Ventures or to other third parties
- Income generation
- Mix of the above

6.2 Ethical considerations for Property Acquisitions

Business case proposals for the council to invest in property by direct acquisition will include the consideration of ethical issues and will exclude investment in the following types of activity:

- Violence
- The Sex Industry
- Gambling or betting except where adult gambling is incidental to the overall offer of the property
- Material that may be regarded as offensive or discriminatory
- Political Parties
- Organisations opposed to or campaigning against council policies
- Companies or organisations providing services in competition to WFDC except where, at the discretion of the council, these are partner organisations that are considered complementary to the WFDC services.

7 RISK ASSESSMENT FOR ONGOING MANAGEMENT OF PROPERTY PORTFOLIO

- 7.1 Processes and procedures for how risk assessment will be managed including security, debt recovery, liquidity and performance monitoring were set out in the Capital Portfolio Strategy contained in Appendix 2 of the 2018-2021 report http://www.wyreforest.gov.uk/council/docs/doc53006_20180327_cabinet_agenda.pdf and are updated in Appendix 4 of this report. Currently, Jones Valerio will continue to work in close liaison with BNP Paribas Real Estate Advisory and Property Management Ltd who have been appointed to undertake the day to day operational property management of the multi tenanted Capital Portfolio properties. This ensures that there is appropriate, ongoing monitoring and management of the properties.
- 7.2 The balance between security, liquidity and yield based on risk appetite and contributions of investment activities has been achieved by use of the more sophisticated Risk Matrix included in Appendix 2 of the 2018-2021 report that continues to be refined. An updated version is presented in Appendix 4 that takes into account the proposed new geography for Capital Portfolio Fund Acquisitions. This sets out a refreshed scoring threshold system. It allows the Council to have a robust means of comparing multiple opportunities whilst taking into account balance between security, liquidity and yield.
- 7.3 Quantitative Indicators to help measure total risk exposure in terms of proportionality are as set out in full in Appendix 2 – key indicators around proportionality are detailed in Section 7.4 below and Section 9 Financial Implications provides further explanation and detail.

7.4 Proportionality

7.4.1 Capital Portfolio Fund

The £26.5m total approval for the Capital Portfolio Fund is shown below as a proportion of the total CFR, together with the proportion of total Balance Sheet Fixed Assets (i.e. Property Plant and Equipment).

Capital Portfolio Fund		2021-22	2022-23	2023-24	2023-24
LOAN TO VALUE RATIOS					
Loan to PPE value ratio (property)	<i>The amount of non treasury property investment debt compared to the total asset value (Long term assets - PPE).</i>	39.22%	39.22%	39.22%	39.22%
Loan to value ratio (property only)	<i>The amount of property debt compared to the total property asset value (property portfolio only).</i>	110.36%	110.36%	110.36%	110.36%
CFR RATIOS					
CFR - Property	<i>Property CFR as a proportion of the gross CFR</i>	41.60%	42.23%	44.78%	42.09%
FINANCING COSTS TO NET SERVICE EXPENDITURE RATIOS					
Property investments financing costs to net service expenditure (NSE) ratio	<i>Non treasury property investments financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	5.53%	9.01%	10.56%	10.55%
INCOME/INVESTMENT COVER RATIOS					
Property investment cover ratio	<i>The total net income from property investments, compared to the interest expense.</i>	-15.45%	14.45%	24.20%	23.88%
Property target income returns (excluding financing costs)	<i>Net revenue income (excluding financing costs) compared to equity. This is a measure of achievement of the portfolio of properties.</i>	2.82%	5.07%	6.09%	6.08%
Property target income returns (including financing costs)	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>	-0.30%	0.36%	0.75%	0.74%
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>	2.86%	4.58%	5.34%	5.33%

Whilst this shows that the Capital Portfolio Fund is a relatively high proportion of the total CFR and Fixed Assets, risk will be mitigated by the robust due diligence included as part of each individual business case as proposals are progressed. The objective is to hold a balanced portfolio to spread risk that is proportionate to the overall financial position of the Council. As shown in section 9.4.2 for future expenditure, the MTFs only assumes a modest net return on these acquisitions leaving scope for a proportion of actual net yield achieved to be set aside as a Risk Reserve if appropriate. For acquisitions already completed 20% of the net yield is being set aside in a Planned Property Maintenance reserve.

8 CAPACITY, SKILLS AND CULTURE, INCLUDING POLICY ON USE OF EXTERNAL SERVICE PROVIDERS

8.1 The Council recognises that it needs to resource this complex policy area appropriately. It has procured the independent asset portfolio management services of Jones Valerio and BNP Paribas Real Estate Advisory Property Management UK Ltd for operational property management services. The Jones Valerio contract expires in March 2022 and this service will be subject to a procurement exercise. Property acquisition opportunities often arise unexpectedly and/or 'off market' and it is important to have appropriate professional networking contacts and to be nimble in order to take advantage of opportunities when they arise. The Council's external advisors are responsible

for identifying suitable opportunities. The Head of Economic Development & Regeneration has the necessary delegations to negotiate conditional offers and, in conjunction with the Council's Financial Services Manager to develop the viability appraisal and business case for the Council to acquire property.

- 8.2 The Council has commissioned external experts to support its decision-making process and has established a framework of suitably qualified valuers and building surveyors to ensure that decisions taken by the Council are based on appropriate valuations and building condition surveys. This framework was recently reviewed in 2021 and only experts that hold the appropriate and current qualifications will be used. Further, the Council has retained the services of KPMG, to provide an external independent health check reporting on the property evaluation model and process, to further develop the viability modelling and also to provide advice on specific property acquisitions proposals at competitive call-off rates. During 2018-19, this advice was used on the more complex acquisitions and the viability model has been developed further to cover a wider range of potential scenarios and also to expedite use of the model. So far in 2021-22 it has been possible to utilise the approved viability model together with the advice of Jones Valerio to inform potential property acquisition decisions.
- 8.3 External advisors engaged to work with the Council on delivering the Capital Portfolio Fund are briefed both before and during their appointment to ensure they are fully cognisant of the context of the authority's corporate values. Copies of all relevant Strategic documents including the Corporate Plan and key governance documents in relation to these activities are provided together with links to the Council's website to ensure updates can be sourced. An overview of the technicalities of the accounting and external auditor requirements is also provided regularly to ensure that advisors appreciate that the prime objective is to deliver statutory services to residents rather than commercial gain. A balance is then established to utilise essential external expertise and advice whilst maintaining good governance and the Council's public sector ethos and values.
- 8.5 Member training has been provided regularly. The external Fund Managers prepared reports for development loan proposals and presented to Overview and Scrutiny to provide full explanation to members. For particularly complex proposals external specialist advice may be taken and advisors may attend member meetings for additional assurance and explanation.

9 FINANCIAL IMPLICATIONS

9.1 Base Capital Programme

9.1.1 The Revised Capital Programme of approved schemes, including details of actual expenditure, prior to 1st April 2021 and technical officers' estimates of projected costs, is set out in Appendix 1A.

9.2. Capital Schemes

9.2.1 The Capital Programme is detailed at Appendix 1

9.2.2 The Council was successful in its bid for Heritage Lottery Funding for works to Brinton Park and was awarded £2.41m in July 2020. This is now included in the proposed Capital Programme together with £200k pump-priming funding. Initial works to develop the design up to the main

procurement stage have taken place in 2021 but further progression of the scheme to procurement is awaiting agreement of the final points of detail with the HLF in respect of the planned localism transfer of the park to Kidderminster Town Council. It is hoped this will be able to proceed shortly.

- 9.2.3 Following demolition of the former Wyre Forest Glades Leisure Centre (WFGLC) the first land parcel of Lion Fields has been marketed and a preferred partner Cordwell, appointed from bids received. The Development Agreement has been renegotiated with Cordwell to deliver a cinema led leisure development of the site.
- 9.2.4 The successful award of £20.51m Future High Streets Funding is the largest external funding award ever made to this Council. This bold and innovative scheme has been included in the Capital Programme and so far is proceeding to timetable.
- 9.2.5 It is proposed that the £8.268m balance of Development Loans Fund is transferred to a new Generic Capital Fund, as set out earlier in the report.
- 9.2.6 The successful award of £17.9m from the first tranche of Levelling up Fund awards has been included in the Capital Programme. This Council will deliver the Piano Building project and funding for Kidderminster Town Hall and the Canal Towpath will be passported to Kidderminster Town Council and Worcestershire County Council respectively.
- 9.2.7 The Capital Portfolio Fund supports both regeneration and economic growth. This is in accordance with the corporate plan priority “to support you to contribute to a successful local economy”, whilst also potentially generating modest future net income streams.

Allocations that have been approved so far from the Capital Portfolio Fund are shown in the table below.

Capital Portfolio Fund	£'000	£'000
Capital approval (all years)		25,000
Council approval headroom		1,500
Spend to date:		
17-18 High Street and 77-84 Worcester Street Kidderminster	1,085	
Stratford Court	6,544	
1 The Courtyard, Buntsford Gate Business Park, Bromsgrove B60 3DJ	1,574	
Riverside	2,555	
Frenco `	756	
Forest House Industrial Estate	767	
Goldthorn Rd	4,340	
<i>Total Spend to Date</i>		<i>17,621</i>
Allocated Schemes:		
Temporary Accommodation Building	2,838	
		<i>2,838</i>
Unallocated balance		6,041

Note: Balances include transactions and commitments to date.

9.2.8 The revenue impact of the Capital Portfolio Fund on the MTFs is shown in 9.4.2 below.

9.2.9 Capital Expenditure on Wyre Forest House remains at £9.58m so expenditure remains within the allocated project budget of £10m. The final account remains outstanding and the subject of ongoing consideration. The consolidation of buildings and staff has generated significant revenue savings reflected in the base budget. A significant proportion of the building is now let to external tenants and for meeting room bookings and income levels are starting to pick up following a drop as a result of the impact of COVID-19.

9.2.10 Any future capital receipts from asset disposals together with RTB receipts (from 2018-19) will be allocated to the Evergreen Investment Fund (EIF). The approval of the EIF initiative by Council in September 2014 was to provide a sustainable source of capital funding for future projects. This fund will help the Council to realise the regenerative benefits of some of its

vacant and underused assets as well as securing some longer term returns from working in partnership with developers. The aim is to help the district grow in housing, business or general economic terms. Total unallocated funding held in the EIF is currently £410k; this is included in the Capital programme ready for allocation to specific schemes once proposals are approved. Officers continue to actively consider how to utilise this to maximise the benefit for the district. Each business case will be considered by Overview and Scrutiny Committee and Cabinet.

9.2.11 It should also be noted that the future funding of the Capital Programme includes an estimated underlying Capital Financing Requirement (CFR) of £58.660m (as at 31/03/2025 – the end of the Finance Strategy). The CFR is currently estimated to be £46.314m at the end of the 10-year Capital Strategy; 31/03/32).

9.3 Prudential Borrowing/the introduction of the Liability Benchmark Prudential Indicator

9.3.1 In accordance with the Prudential Borrowing Code, the Council is able to borrow for capital projects, subject to demonstrating that spending plans are affordable, prudent and sustainable. Prudential Borrowing has been assumed for the Vehicle, Equipment and System Renewals Schedule, the Capital Portfolio Fund and the proposed Generic Capital Fund, the Leisure Centre and other relevant approvals. These assumptions result in a Capital Financing Requirement (CFR) (taking into account MRP repayments) summarised in the Table in paragraph 9.4.1.

9.3.2 The Council had £37m external borrowing as at 30th November 2021, as detailed in paragraph 4.1.2. It is certain that the Council will need to consider entering into further external borrowing in the near future although this may not be taken from the PWLB given the increase in interest rates. A combination of internal borrowing and third party borrowing from cheaper sources than the PWLB is likely to be used. The assumptions included in the budget for the utilisation of External Borrowing are shown in 9.4.1 below.

9.3.3 The use of temporary borrowing continues for bridging finance for the Leisure Centre project, pending the receipt of sales proceeds from the former Wyre Forest Glades site. These interim costs are included in the base budget funded from project reserves set aside for this purpose.

9.3.4 The imminent introduction of a new prudential indicator namely the liability benchmark following CIPFA consultation could result in further restrictions on borrowing. The liability benchmark is effectively the net borrowing requirement of a local authority plus a liquidity allowance.

In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.

CIPFA recommends that the optimum position for external borrowing should be at the level of the liability benchmark (i.e., all balance sheet resources should be used to maximise internal borrowing).

If the outputs show future periods where external loans are less than the liability benchmark, then this indicates a borrowing requirement thus identifying where the authority is exposed to interest rate, liquidity and refinancing risks.

Conversely, where external loans exceed the liability benchmark then this will highlight an overborrowed position which will result in excess cash in the organisation requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry.

The treasury strategy should explain how the treasury risks identified by the liability benchmark are to be managed over the coming years.

There are concerns within the sector about the extent to which this new initiative has been back tested to ensure it will deal with actual treasury activity. For example, how would holding a very large net borrowing position have been impacted by a credit crunch and would an authority face a liquidity shortage due to reliance on such a long dated model that may not flex to cope with unforeseen events. Officers are currently working with Treasury Advisors, the Link Group, to understand the potential impact for this Council.

9.4 Forecast Capital Financing Requirement (CFR)

- 9.4.1 The CFR is calculated from the Council's balance sheet and is the underlying need to borrow for capital purposes – in effect the debt liability. It represents the cost of the Council's assets, less any capital receipts and allowable adjustments. Borrowing is undertaken for the CFR as a whole rather than being specific to individual capital programme items or individual property acquisitions.

Once calculated, the S151 Officer then decides how the debt liability is to be funded. It can be funded either from internal resources on a temporary basis (internal borrowing), or from the market (external borrowing). Internal borrowing is often an effective method of reducing funding costs whilst also avoiding counterparty risk (i.e. when investing reserves and balances). Whether to use internal or external borrowing is purely an operational decision based on current market conditions and cash balances available. In future such decisions will also consider the liability benchmark.

The timing and source of external borrowing is carefully considered in liaison with The Link Group our Treasury Management advisors who are also now investigating other less costly funding options with us. In the short-term, for the balance of the Capital Portfolio Fund, it should be possible to manage this risk by a combination of internal and short-term borrowing. The position will continue to be monitored and reported to members as appropriate but we are in a fortunate position as we have taken most of the borrowing rate risk off the table in relation to the Capital Portfolio Fund by taking tranches of borrowing at the historically low rates. The current CFR and the elements attributable to the Capital Portfolio Fund and former Development Loans Fund/proposed Generic Capital Fund are shown in the table that follows:

Description	2020-21 (and prior to 01/04/2020)	2021-22	2022-23	2023-24	Closing CFR (at 31/03/2025)
	£'000	£'000	£'000	£'000	£'000
CFR - General Capital Programme	23,095	28,219	27,935	27,112	24,391
CFR - Capital Portfolio Fund	17,224	25,800	26,269	25,686	26,269
CFR - Development Loans Fund		8,000	8,000	8,000	8,000
Current estimated Capital Financing Requirement as at 31st March	40,319	62,019	62,204	60,798	58,660

A more detailed analysis of the impact of planned capital expenditure, the CFR and Minimum Revenue Provision giving forward balance sheet projections can be found in the Treasury Management Strategy, that will be revised for February 2022 Council.

- 9.4.2 The financial implications for the Council arising from this report are included in the MTFs also being considered by December 2021 Cabinet. The final set of Prudential Indicators will be updated for the February 2022 report. The very modest net returns assumed previously for the Capital Portfolio Fund have now been revised to reflect actual returns for completed acquisitions. The net income for the Development Loans Fund has been removed from the MTFs and a neutral position is assumed for the proposed Generic Capital Fund. A modest approach has been retained for the balance of the approvals yet to be spent to mitigate the risk of underachieving the forecasts within the MTFs. A summary of the latest forecasts for the Capital Portfolio Fund is shown in the following table:

	2021-22	2022-23	2023-24	2024-25
All CPF Property Acquisitions/Developments	£	£	£	£
Revenue Budget Net Income	69,050	(84,100)	(173,480)	(171,230)
NET INCOME IN REVISED MTFs	69,050	(84,100)	(173,480)	(171,230)

As known returns are confirmed these will be reported as each business case is approved and revisions reflected in the annual MTFs.

9.4.3 Forecast Future Prudential Borrowing

Based upon current estimates of cashflow there is a potential requirement for the Council to externally borrow up to a further £22m within the period of the current Finance Strategy, based upon the latest estimate of the Capital Financing Requirement detailed above. This is mainly in respect of the two major capital schemes detailed for the Capital Portfolio Fund and the former Development Loan Fund/proposed Generic Capital Fund. However, this is before consideration of the new liability benchmark and how this will impact on external debt.

9.4.4 **Vehicle, Equipment and Systems Renewal Schedule**

A revised Schedule has been prepared and set out as Appendix 1B. This includes the proposed purchase of the Council's first electric vehicle in 2022. Under capital rules vehicles, equipment and systems may be purchased out of Loan, Leasing, Capital Receipts or Revenue. The Corporate Director: Resources/S151 Officer currently recommends that the Council use Prudential Borrowing where Capital Receipts or Direct Revenue Funding is not available.

9.4.5 **Looking Forwards**

In accordance with the Government's waste strategy, the Environment Act 2021 introduces a requirement for weekly food waste collections and the November 2021 Budget announced funding on the basis that all council in England would introduce such collections by 2025. Whilst the Government has promised to meet all the costs of change, it is impossible to rely on such a "guarantee" at this stage when detailed estimates of costs and the regime for funding them are not known. This area thus represents a potentially significant funding risk for the council in future.

9.5 **Reserves and Balances**

The Council held £5.600m in General Reserves at the 1st April 2021 including a £1.2m Working Balance. It also held £10.061m (excluding specific Covid related reserves) in Earmarked Reserves as at 1st April 2021, including a General Risk Reserve. It is recognised that there may be limited scope within the current levels of Reserves to mitigate the risk arising from the Capital Portfolio Fund. We therefore started to build up these reserves from 2018-19 as part of the business case for each Capital Portfolio Fund proposal, with 20% of the net yield being taken to a Planned Property Maintenance Reserve. This approach is considered to be commensurate with assessed future risk, and if necessary will be supplemented by transfers from future final accounts savings that this Council has a strong history of achieving.

As proposals are being progressed, each business case proposal includes an assessment of cumulative risk in terms of the level of reserves required to mitigate such risk. If the Council is unable to maintain appropriate levels of reserve to mitigate risk, proposals will not be recommended for approval. Ongoing quarterly reporting of Portfolio Performance led by Jones Valerio will include a review of risk vis-a-vis reserve levels. Paragraph 12.2 refers to the latest CIPFA Guidance and the relevance to the consideration of the adequacy of proportional risk reserves.

9.6 **Fair Values – Implications of Proposals**

In accordance with the most recent DLUHC Guidance, an allowed "expected credit loss" model for loans and receivables as set out in International Financial Reporting Standing (IFRS) 9, was used to measure the credit risk of the £10m Development Loans Fund portfolio. With the closure of the Fund, this is no longer relevant.

9.7 **IFRS 16 – Implications of change in accounting for leases**

IFRS 16 (International Financial Reporting Standard) is a new standard for lease accounting which has been deferred until April 2022. It will replace the existing **IAS 17** lease accounting standard. The exact impact of this new accounting is currently being assessed and will be reported as part of the Final Accounts process, but this is currently not significant.

10 LEGAL AND POLICY IMPLICATIONS

- 10.1 The legislative regime for capital expenditure is set out primarily in the Local Government Act 2003 and statutory guidance issued under it. The Capital Strategy complies with the legislation and guidance. Individual capital schemes must comply with legislation such as the Equality Act, and also Council policies, Contract Procedure Rules and Financial Regulations.
- 10.2 The Council has adopted policies for the Capital Portfolio Fund including legal considerations which were originally set out in depth in the 20th December 2016 medium term financial strategy Cabinet Report. The Capital Portfolio fund policy is refreshed and included for approval in this report as Appendix 4.
- 10.3 The latest DLUHC Guidance on investments that should be read in conjunction with the latest Prudential Code introduces the requirement for additional disclosures with increased emphasis on transparency, accountability, proportionality and the risk management framework. The Solicitor to the Council is satisfied that the underlying legal powers for these policies remain unchanged and can still be relied upon and that this new Capital Strategy has appropriate regard to the latest Code Guidance.
- 10.4 Further revisions are also expected to DLUHC Guidance, Prudential and Treasury Codes and Capital Financing framework: MRP, but as yet these have not been published. Appropriate updates will be included in the February MTFS report if required.
- 10.5 In accordance with approved policies and strategies, this Council's property acquisitions are not investments; property purchases completed so far are classified as operational assets. However, the full suite of prudential indicators is included in this report for full transparency.

11 STRATEGIC RISK MANAGEMENT

- 11.1 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 11.2 It is important to identify the risk appetite for each scheme and for the capital programme as a whole, especially when considering the purchase of property assets to be acquired for multiple objectives including a financial return. The Capital Portfolio Fund assets acquired so far are not defined as non-treasury investments under the CIPFA Prudential Code but rather are held as operational assets as they contribute to the Council's corporate priorities. The key principle of control of risk and considering returns consistent with the level of risk still applies. It is clear that the ongoing recovery from COVID-19 has increased risk

associated with existing property portfolios and also made the assessment of risk for new potential purchases more problematical. The full suite of Prudential Indicators is reported in this Capital Strategy for full transparency as they are funded from prudential borrowing. Currently these are reported for the full £26.5m although this may be refined in future reports as the portfolio management continues to develop.

11.3 The Corporate Director: Resources/S151 Officer will work in liaison with Service Managers to report explicitly on the affordability and risk associated with the Capital Strategy. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.

11.4 An assessment of risk should therefore be built into every capital project and major risks recorded in a Risk Register.

11.5 **Credit Risk**

This is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot pay us our investment returns or complete the agreed contract. Accordingly, the Council will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

11.6 **Liquidity Risk**

11.6.1 This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. There is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation or interest rates. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes.

11.6.2 Capital Portfolio Fund

Property acquisitions and developments are by their very nature illiquid but regular valuation refreshes, structured property management and ongoing analysis of market conditions will enable risk to be continuously monitored. The weekly economic market analysis that Link Asset Services provide as part of retained Treasury Management Services contract will be useful as an overall indicator of market confidence and this will be supplemented with specific property market intelligence gathered regularly by our appointed independent advisors.

A longer term view will be taken on property market risk with the intention to “ride-out” any downward spikes in the property market as a result of dynamic property market conditions; this is particularly important given the potential for volatility as a result of Brexit and the ongoing COVID-19 pandemic and resultant changes to the way people work that may prove to be permanent for some sectors.

Subject to regular advice including updates on market conditions, we may adopt a “recycling” approach to the Capital Portfolio Fund investments. This could involve the disposal of assets once, for example, regeneration objectives have been met and the private sector is willing to take on the

investments, to recycle resource by either the repayment of debt or use of capital receipts for further portfolio purchases. Decisions would be dependent on prevailing market conditions, consideration of each business case proposal and appropriate capital approvals.

12 STRATEGIC RISK MANAGEMENT- CAPITAL PORTFOLIO

- 12.1 The risks associated with the Capital Portfolio Fund and proposed new Generic Capital Fund and the steps to be adopted to mitigate them are updated for the Capital Portfolio Fund in Appendix 4 of this report and will be mirrored for the Generic Capital Fund as any projects will be assessed for affordability. The DLUHC Investment Guidance sets out controls to ensure proportionality and to prevent purely commercial investments that are out of the area. Our current temporary policy for the Capital Portfolio Fund is that it will invest within the district area to support regeneration and local economic development, but the policy is being reconsidered in this report. Due regard is evidenced in this Capital Strategy to proportionality and a transparent approach adopted to ensure Members are fully aware of the potential impact of these plans.
- 12.2 CIPFA issued Guidance on Prudential Property Investment in Mid November 2019 including a detailed methodology on how authorities could calculate whether their property investments are proportional to the size of their revenue budgets. The calculations for the Council will be considered within the reporting on the levels of adequate reserves to cover off risk as part of the S151 Officer's report in February.
- 12.3 Any new changes to the PWLB lending terms and expected further revisions to CIPFA Prudential/Treasury Code Guidance and Capital Financing Framework: MRP will be carefully considered against the proposals for extending the geography and also transferring the unspent Development Loans Fund allocation to a new generic capital fund as set out in this report.
- 12.4 The latest version of the CIPFA Prudential Code that must be read alongside the DLUHC Investment Guidance requires the chief financial officer to report explicitly on the risks associated with the capital strategy. The risks associated with the Capital Strategy are summarised in the Risk Matrix that follows:

RISK REGISTER FOR CAPITAL PORTFOLIO FUND (CPF)	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
External challenge that proposals do not satisfy DLUHC Investment Guidance/other statutory requirements	H	L	G	<p>Identification of objectives – links to corporate priorities/income generation – this will include determination of whether or not proposals meet regeneration and economic objectives; each proposal will be considered on a case by case basis.</p> <p>Due Diligence – including check against statutory</p>

RISK REGISTER FOR CAPITAL PORTFOLIO FUND (CPF)	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
				<p>powers i.e. legal basis for proposal.</p> <p>To date external Final Accounts audits have not challenged the operational asset classification assigned to the property purchases based on the substantial evidence provided.</p>
<p>Market/economic conditions deteriorate from initial risk assessment and the Council is tied into long term borrowing costs that cannot be covered by future income. This risk is increased by COVID-19.</p>	M	M	A	<p>Risks will be refreshed as part of regular reporting on Property Portfolio Fund and any “red flags” raised with mitigating actions proposed on a case by case basis. Risk assessments will be considered over the short, medium and longer term as part of due diligence. External borrowing will be profiled so there will be structural options for the future management of overall debt. The transparency of limits for this fund means the Council is fully cognisant of proportionality.</p>
<p>100% prudential borrowing due to lack of capital receipts available for funding reduces net yield and means the return is too low compared to the relative risk. This could lead to greater risks being taken to increase yields.</p>	H	M	A	<p>Due Diligence processes in place will ensure risk is fully assessed in each business case proposal. Funding by 100% prudential borrowing, particularly taking into account changes in PWLB rates may reduce the number of viable opportunities but so far evidence shows this can still work and provide useful income streams whilst also meeting corporate priorities of regeneration etc, increasing business rates, council tax and potentially new homes bonus.</p>

RISK REGISTER FOR CAPITAL PORTFOLIO FUND (CPF)	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
Lack of internal capacity, commercial knowledge and skills; both officers and members.	M	L	A	Successful procurement of external specialist advice. Member training has been provided. For CPF external advice has been taken and provided as appropriate.
Borrowing costs fluctuate and could increase; Council is unable to making ongoing costs of refinancing debt.	M	L	A	Each business case proposal will consider forecasts for the costs of borrowing and build in headroom to allow for reasonable movement. External debt will be taken in different tranches taking advice from Link Asset Services (to give a spread of maturity dates) to spread this risk and internal borrowing used where possible to reduce costs. An appropriate level of reserves will be held and regularly reviewed to help mitigate this risk.
Bad debts as a result of tenant rental default. This risk is increased as a result of COVID-19.	M	L	A	A proactive approach will be taken to debt management with advice and assistance offered by the Council's retained external consultants as part of the Property Portfolio Management team and early legal action where necessary to realise security/collateral taken.
Management costs are excessive	M	L	A	For CPF the Council's retained professional property service teams and the internal team work together to manage portfolio with other options considered and evaluated as part of each business case, costs to be covered by income generated.
Minimum Revenue Provision Policy is not sufficiently flexible. Further changes to	M	L	G	Policy change to introduce further flexibility approved as part of TMSS Council from February 2018. Changes to code guidance to be

RISK REGISTER FOR CAPITAL PORTFOLIO FUND (CPF)	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
Prudential Code for MRP.				monitored and reported if relevant.
Capital values and rental values can fall as well as rise.	M	M	A	Regular asset valuations will be undertaken and reported with Fair Value adjustments reflected in annual accounts as per accounting requirements. Historically, property investments have performed well and generally values increased over time. Our adopted MRP policy ensures that debt is repaid over the asset life and our evaluation model does not assume capital appreciation when determining viability.
Vacancies (voids) in the portfolio will reduce average yield. As well as lost rental income on vacant units, the Council could find itself liable for a share of on-going costs which a tenant would normally pay such as empty property rates. COVID-19 increases this risk	M	M	A	Proactive Property Portfolio by our external specialists who work closely with BNP Paribas and maintenance of appropriate risk reserves will mitigate this.
Disputes with tenants. Common disputes include ongoing maintenance and repair costs of buildings and the ability to recover those costs from tenants	M	L	A	Proactive Property Portfolio Management and maintenance of appropriate risk reserves will mitigate this.
External factors. Property performance is subject to factors the Council cannot control, e.g. failure of tenants, poor building management, changes in perception of what is a good location, economic downturn etc. Note	H	L	A	External investment advisors will scan external horizon and report as part of regular monitoring reports.

RISK REGISTER FOR CAPITAL PORTFOLIO FUND (CPF)	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
ongoing negative impact of COVID-19.				
Ease of market exit (sale). Note potential negative impact of COVID-19.	H	M	R	To be assessed on a case by case basis as part of initial business case and ongoing property portfolio management reports.
Further changes in government policy. New CIPFA Guidance on Prudential Property Investment looks set to be revised further by CIPFA and DLUHC, until then the Council will continue to have regard to the current editions. Proposed extension to CPF geography	H	L	A	<p>Latest DLUHC Investment Guidance will be fully taken into account. The imminent further changes including the introduction of a new liability benchmark indicator which could constrain external borrowing, will be considered, and revisions made to the Capital Strategy if appropriate.</p> <p>Current CIPFA Guidance already complied with, new detailed model for how authorities could calculate whether their property investments are proportional to the size of their revenue budgets will be included within the reporting on the levels of adequate reserves to cover off risk; ideally this year if time permits.</p> <p>Temporary change to acquisition geography in November 2020 mitigated risk of PWLB/ external audit challenge if potential changes are introduced at short notice. Proposed extension of geography could lead to increased challenge.</p>

12.5 The Council is further protected since as more proposals are progressed the Detailed Business Case /Due Diligence reports will include a review of specific risks and also consider the cumulative risks of the Capital Portfolio Fund strategy with particular emphasis on proportionality.

- 12.6 A schedule setting out risk exposure will be maintained as proposals are progressed and presented to Members as part of the ongoing Property Portfolio reporting process.

13 SCHEME OF DELEGATION

- 13.1 The Council's Capital Strategy and Non-Treasury Investments Scheme of Delegation is detailed in Appendix 3.

14 ROLE OF SECTION 151 OFFICER

- 14.1 The Treasury Management Role of the Section 151 Officer is detailed in Appendix 3. The revision of the Treasury Management Code of Practice in 2017 significantly extended the specific role of this officer to include a series of new roles in respect of the capital strategy and also a specific role in respect of investment in non-financial assets.

15 EQUALITY IMPACT ASSESSMENT

- 15.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment

16 CONCLUSION

- 16.1 This Capital Strategy, sets out the Capital Plans for 2022-32 including the Capital Portfolio Fund and the proposed new Generic Capital Fund and has due regard to the latest DLUHC Guidance on Investments. The Strategy also identifies and cross-references the various policies and strategies of the Council that are linked and together form the overall Corporate Governance Framework. It is useful to have this in a single document for transparency of assurance around what is recognised to be an area where risk needs to be carefully managed in the short, medium and longer term.

17 CONSULTEES

- 17.1 CLT
17.2 Cabinet

18 BACKGROUND PAPERS

- The annual Medium-Term Financial Strategy including the revenue implications of this Capital Strategy is to be considered by Cabinet on 21st December 2021 and 8th February 2022 and proposed to Full Council on 23rd February 2022, together with this report
- the Treasury Management Strategy Statement (TMSS) 2019-20 approved by Council on 27th February 2019 that covers financial investments
- The Asset Management Strategy Report – Cabinet 16th July 2019 and Council 24th July 2019 now updated as part of this report
- The Medium Term Financial Strategy 2018-21 including the Capital Programme Report Appendix 6 considered by Cabinet on 19th December 2017 and 7th February 2018 and approved by Full Council on 21st February 2018

- Approval of Cabinet Proposals for a £25m Capital Portfolio Fund and £10m Loans to Third Parties (now renamed Development Loans Fund) by Council as part of the MTFS 2016-19 on 22nd February 2017
- The Strategies for the Capital Portfolio Fund and Loans to Third parties approved by Cabinet on 14th June 2017 now updated as part of this report
- Approval Process for Capital Portfolio and Loans to Third Parties approved by Cabinet 20th September 2017 and process for Scrutiny of business cases in respect of the capital portfolio fund and development loan fund approved by Overview and Scrutiny Committee 5th October 2017
- The Strategic Asset Management Plan (SAMP) approved by Council 2016
- The Enabling Enterprise and Business Growth in Wyre Forest strategy adopted in 2016
- ReWyre Initiative and Kidderminster Regeneration Prospectus adopted in 2009 and ReWyre ReNewed adopted in 2014.
- Greater Birmingham & Solihull LEP Strategic Economic Plan 2016-30 'A Greater Birmingham for a Greater Britain' 2016
- Worcestershire LEP Strategic Economic Plan 2014-2024 'World Class Worcestershire' 2014star
- Corporate Plan 2019-2023 – Council February 2021
- Local Plan Core Strategy 2006-2026
- DLUHC Statutory Guidance on Local Government Investments (3rd edition) 2nd February 2018
- Asset Management Strategy – Cabinet 16th July 2019 - http://www.wyreforest.gov.uk/council/docs/doc54727_20190716_cabinet_agenda.pdf (agenda item 8.1) now updated as part of this report
- Cabinet approval of Right to Buy Receipts 19th September 2019 http://www.wyreforest.gov.uk/council/docs/doc53628_20180919_cabinet_agenda.pdf
- Overview and Scrutiny 23rd July 2020 - Capital Portfolio Fund Quarterly Fund Report http://www.wyreforest.gov.uk/council/docs/doc55963_20200723_special_and_s_agenda.pdf
- CIPFA Guidance on Prudential Property Investment – November 2019
- Cabinet Report 10th November 2020- Capital Portfolio Fund Temporary Arrangements for Acquisition Geography http://www.wyreforest.gov.uk/council/docs/doc56166_20201110_cabinet_agenda.pdf
- Cabinet Report 9th November 2021- Financial and Strategic Policy Context for the MTFS
- CIPFA consultation on changes to the Treasury Management and Prudential Codes [Treasury Management Code of Practice Consultation | CIPFA 24 06 21 CIPFA consultation response - The Prudential Code for Capital Finance in Local Authorities.pdf](https://www.cipfa.org.uk/consultation/treasury-management-code-of-practice-consultation)
- DLUHC Consultation on changes to the Capital Financing Framework: MRP: <https://www.gov.uk/government/consultations/changes-to-the-capital-framework-minimum-revenue-provision>

CAPITAL PROGRAMME 2022 TO 2032

APPENDIX 1/A

Detail	2021-22		2022-23 Estimate £	2023-24 Estimate £	2024-25 Estimate £	2025-26 Estimate £	2026-27 Estimate £	2027-28 Estimate £	2028-29 Estimate £	2029-30 Estimate £	2030-31 Estimate £	2031-32 Estimate £	Prior to 01/04/2021 £	Total £
	Original £	Revised £												
1. COMMITTED EXPENDITURE														
1. CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL														
New Headquarters - Office Accommodation	413,610	-	413,610	-	-	-	-	-	-	-	-	-	9,586,390	10,000,000
SUB TOTAL	413,610	0	413,610	0	0	0	0	0	0	0	0	0	9,586,390	10,000,000
2. COMMUNITY AND ENVIRONMENTAL SERVICES														
Parking Facilities: Improvement to Car Parks	54,530	-	54,530	-	-	-	-	-	-	-	-	-	419,970	474,500
Green Street Depot Investment	70,000	153,410	-	-	-	-	-	-	-	-	-	-	3,746,590	3,900,000
Stourport Riverside	78,500	119,770	20,000	-	-	-	-	-	-	-	-	-	10,230	150,000
Community Safety CCTV Upgrade (Grant Funded)	-	24,860	-	-	-	-	-	-	-	-	-	-	-	24,860
Brinton Park HLF Scheme (subject to successful HLF bid)	1,086,520	1,116,870	887,520	582,240	-	-	-	-	-	-	-	-	13,370	2,600,000
Commercial Activity Capital Funding*	385,000	-	395,390	-	-	-	-	-	-	-	-	-	54,610	450,000
* Subject to Business Cases & approval by the Commercial Activity Board														
SUB TOTAL	1,674,550	1,414,910	1,357,440	582,240	0	0	0	0	0	0	0	0	4,244,770	7,599,360
3. ECONOMIC PROSPERITY AND PLACE														
Housing Strategy:														
Disabled Facilities Grants (subject to confirmation 22-23 onwards)	1,000,000	1,200,000	2,055,460	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	14,697,760	26,953,220
BCF Energy Efficiency	-	50,000	150,000	-	-	-	-	-	-	-	-	-	-	200,000
BCF Disabled Adapted Units	-	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000
Property Flood Grants	450,000	602,340	-	-	-	-	-	-	-	-	-	-	47,660	650,000
Property Conversion, Stourport	-	19,110	-	-	-	-	-	-	-	-	-	-	40,890	60,000
Castle Road Development	-	100,000	3,353,360	-	-	-	-	-	-	-	-	-	-	3,453,360
Housing Assistance - Private Sector Measures (including Decent Homes Grant)	33,950	100,200	106,000	106,000	-	-	-	-	-	-	-	-	1,934,110	2,246,310
Flood Relief	-	28,410	-	-	-	-	-	-	-	-	-	-	170,590	199,000
Flood Recovery Support (expenditure is conditional upon receipt of grant)	-	190,000	-	-	-	-	-	-	-	-	-	-	-	190,000
Green Homes Grants Phase 1	-	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000
Green Homes Grants Phase 2	-	525,000	-	-	-	-	-	-	-	-	-	-	-	525,000
Carbon Management Plan	-	-	20,000	-	-	-	-	-	-	-	-	-	83,150	103,150
Future Investment Evergreen Fund (unallocated balance)*	639,660	466,250	-	-	-	-	-	-	-	-	-	-	-	466,250
Acquisition of Land at Horsefair, Kidderminster	-	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Crown House Car Park	-	3,180	-	-	-	-	-	-	-	-	-	-	24,220	27,400
Industrial Units Development - Silverwoods	1,930,040	1,960,020	-	-	-	-	-	-	-	-	-	-	190,020	2,150,040
Industrial Units Frenco Development - Silverwoods	-	409,930	-	-	-	-	-	-	-	-	-	-	636,260	1,046,190
Churchfields Development (Grant Funded)	-	166,520	-	-	-	-	-	-	-	-	-	-	2,533,480	2,700,000
Electric Vehicle Chargepoints	-	271,000	-	-	-	-	-	-	-	-	-	-	-	271,000
Levelling Up Fund	-	3,000,000	14,900,000	-	-	-	-	-	-	-	-	-	-	17,900,000
Capital Portfolio Fund*	3,175,620	6,050,830	-	-	-	-	-	-	-	-	-	-	16,754,620	22,805,450
Development Loans Fund*	8,000,000	2,000,000	8,000,000	-	-	-	-	-	-	-	-	-	-	10,000,000
Future High Streets Fund**	21,760,600	4,571,420	7,201,110	9,751,920	-	-	-	-	-	-	-	-	236,150	21,760,600
* Subject to Business Cases & Due Diligence														
** Co-funding subject to full Business Case following the principles of the Capital Portfolio Fund														
SUB TOTAL	36,989,870	22,214,210	35,785,930	10,857,920	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	37,348,910	114,206,970
4. RESOURCES														
ICT Strategy	488,000	556,290	325,000	-	-	-	-	-	-	-	-	-	4,053,490	4,934,780
SUB TOTAL	488,000	556,290	325,000	0	0	0	0	0	0	0	0	0	4,053,490	4,934,780
5. VEHICLE, EQUIPMENT & SYSTEMS RENEWAL SCHEDULE														
Vehicles & Equipment & Systems Renewal Schedule	1,004,000	1,002,130	482,720	606,720	506,720	1,158,720	1,494,720	266,720	842,220	136,720	295,720	111,720	7,708,940	14,613,770
SUB TOTAL	1,004,000	1,002,130	482,720	606,720	506,720	1,158,720	1,494,720	266,720	842,220	136,720	295,720	111,720	7,708,940	14,613,770
TOTAL COMMITTED EXPENDITURE	40,570,030	25,187,540	38,364,700	12,046,880	1,506,720	2,158,720	2,494,720	1,266,720	1,842,220	1,136,720	1,295,720	1,111,720	62,942,500	151,354,860

CAPITAL PROGRAMME 2022 TO 2032

APPENDIX 1/A

Detail	2021-22		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Prior to 01/04/2021	Total
	Original £	Revised £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	£
2. FINANCING														
Capital Receipts: Funding Approved	1,609,080	1,240,670	1,075,520	106,000	-	-	-	-	-	-	-	-	-	2,422,190
Prudential Borrowing for Carbon Management Scheme	-	-	20,000	-	-	-	-	-	-	-	-	-	-	20,000
Prudential Borrowing for Industrial Units Development	1,430,040	1,460,020	-	-	-	-	-	-	-	-	-	-	-	1,460,020
Prudential Borrowing for Development Loans Fund	8,000,000	2,000,000	8,000,000	-	-	-	-	-	-	-	-	-	-	10,000,000
Prudential Borrowing for Capital Portfolio Fund	3,175,620	6,050,830	-	-	-	-	-	-	-	-	-	-	-	6,050,830
Prudential Borrowing for additional Capital Portfolio Fund allocation (Future High Streets Fund Scheme)	1,250,000	-	-	1,250,000	-	-	-	-	-	-	-	-	-	1,250,000
Prudential Borrowing for Castle Road Development	-	100,000	2,738,360	-	-	-	-	-	-	-	-	-	-	2,838,360
Prudential Borrowing for Green Street Depot Investment	-	24,460	-	-	-	-	-	-	-	-	-	-	-	24,460
Prudential Borrowing for Brinton Park HLF Scheme	-	-	-	186,630	-	-	-	-	-	-	-	-	-	186,630
Prudential Borrowing for ICT Strategy	488,000	556,290	325,000	-	-	-	-	-	-	-	-	-	-	881,290
Prudential Borrowing for Commercial Activity Capital Funding	385,000	-	395,390	-	-	-	-	-	-	-	-	-	-	395,390
Prudential Borrowing for Stourport Riverside	-	26,420	20,000	-	-	-	-	-	-	-	-	-	-	46,420
Prudential Borrowing for Frenco Site	-	328,000	-	-	-	-	-	-	-	-	-	-	-	328,000
Prudential Borrowing for Electric Vehicle Chargepoints (scheme subject to Council approval)	-	271,000	-	-	-	-	-	-	-	-	-	-	-	271,000
Better Care Fund Grant (from Worcestershire County Council - subject to confirmation 20/21 onwards)	1,000,000	1,400,000	2,081,160	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	12,481,160
HLF Partner External Funding	1,086,520	1,116,870	887,520	395,610	-	-	-	-	-	-	-	-	-	2,400,000
Future High Street Property Acquisition External Funding	20,510,600	4,571,420	7,201,110	8,501,920	-	-	-	-	-	-	-	-	-	20,274,450
Levelling Up Fund	-	3,000,000	14,900,000	-	-	-	-	-	-	-	-	-	-	17,900,000
DEFRA Flood Grant Funding	450,000	602,340	-	-	-	-	-	-	-	-	-	-	-	602,340
S.106 Funding (Parking - Contractual Agreement)	52,670	-	52,670	-	-	-	-	-	-	-	-	-	-	52,670
S.106 Funding (Castle Road Development)	-	-	185,250	-	-	-	-	-	-	-	-	-	-	185,250
Department of Business, Energy and Industrial Strategy (BEIS) Funding	-	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000
Department of Business, Energy and Industrial Strategy (BEIS) Fundingm(Phase 2)	-	525,000	-	-	-	-	-	-	-	-	-	-	-	525,000
S.106 Funding for Stourport Riverside Scheme	78,500	93,350	-	-	-	-	-	-	-	-	-	-	-	93,350
Flood Relief Grant (from DCLG)	-	28,410	-	-	-	-	-	-	-	-	-	-	-	28,410
Flood Support Grant	-	190,000	-	-	-	-	-	-	-	-	-	-	-	190,000
CCTV Grant (PCC)	-	24,860	-	-	-	-	-	-	-	-	-	-	-	24,860
Churchfields Development Grant (from Housing Infrastructure Fund)	-	166,520	-	-	-	-	-	-	-	-	-	-	-	166,520
Vehicles, Equipment & Systems (Prudential Borrowing)	1,004,000	1,002,130	482,720	606,720	506,720	1,158,720	1,494,720	266,720	842,220	136,720	295,720	111,720	-	6,904,830
<u>Direct Revenue Funding:</u>														
Green Street Depot Investment	50,000	108,950	-	-	-	-	-	-	-	-	-	-	-	108,950
	40,570,030	25,187,540	38,364,700	12,046,880	1,506,720	2,158,720	2,494,720	1,266,720	1,842,220	1,136,720	1,295,720	1,111,720		88,412,380

**VEHICLE, EQUIPMENT AND SYSTEMS
RENEWALS SCHEDULE 2022 TO 2032**

APPENDIX 1/B

DETAIL	Fleet Number	2021-22		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
		Original £	Revised £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £
1. VEHICLES													
EMS & BIN LIFTS		13,500	13,500	-	-	-	-	-	-	-	-	-	-
GARAGE EQUIPMENT		-	17,680	-	-	-	-	-	-	-	-	-	-
REFURBISHMENT FUND		-	30,000	-	-	-	-	-	-	-	-	-	-
BIN STOCK RENEWALS		-	-	111,720	111,720	111,720	111,720	111,720	111,720	111,720	111,720	111,720	111,720
TIPPER 3500kg	AV063	-	-	-	-	-	-	30,000	-	-	-	-	-
TIPPER 3500kg	AV223	-	30,000	-	-	-	-	30,000	-	-	-	-	-
TRACTOR	AV070	40,000	-	-	40,000	-	-	-	-	-	-	-	-
LIGHT VAN	AV218	-	-	-	-	-	-	-	-	-	-	25,000	-
LIGHT VAN	AV230	-	-	-	-	-	-	-	-	-	-	25,000	-
LIGHT VAN	AV229	-	-	-	-	-	-	-	-	-	-	25,000	-
MIDI TRACTOR	AV189	30,000	-	-	30,000	-	-	-	-	-	-	-	-
MOWING MACHINE	AV240	35,000	23,000	-	-	-	-	-	-	-	-	-	-
TIPPER 3500kg	AV255	-	-	-	-	-	-	-	35,000	-	-	-	-
TIPPER 3500kg	AV256	-	-	-	-	-	-	-	35,000	-	-	-	-
JCB DIGGER	AV183	60,000	-	-	60,000	-	-	-	-	-	-	-	-
PAVEMENT SWEEPER	AV258	-	-	-	-	-	-	-	-	-	-	80,000	-
SMALL REFUSE FREIGHTER 7500kg RCV	AV261	-	-	-	-	-	-	-	85,000	-	-	-	-
ROAD SWEEPER 15000kg	AV184	-	140,000	-	-	-	-	130,000	-	-	-	-	-
REFUSE FREIGHTER 26000kg	NEW	-	-	-	-	-	-	175,000	-	-	-	-	-
CAR	AV279	10,000	-	-	12,000	-	-	-	-	10,000	-	-	-
CAR	AV272	15,000	-	-	15,000	-	-	-	-	15,000	-	-	-
FORK LIFT	FORKLIFT	15,000	17,000	-	-	-	-	-	-	-	-	-	-
PAVEMENT SWEEPER	AV275	67,000	75,000	-	-	-	-	67,000	-	-	-	-	-
PAVEMENT SWEEPER	AV276	67,000	75,000	-	-	-	-	67,000	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV186	180,500	180,000	-	-	-	-	-	-	170,500	-	-	-
REFUSE FREIGHTER 26000kg	AV187	180,500	180,000	-	-	-	-	-	-	170,500	-	-	-
REFUSE FREIGHTER 18000kg	AV185	180,500	165,000	-	-	-	-	-	-	170,500	-	-	-
LIGHT VAN	AV285	-	-	-	26,000	-	-	-	-	20,000	-	-	-
3500KG VAN	AV281	-	-	-	30,000	-	-	-	-	23,000	-	-	-
LIGHT VAN	AV282	-	-	-	30,000	-	-	-	-	23,000	-	-	-
LIGHT VAN	AV283	-	-	30,000	-	-	-	-	-	23,000	-	-	-
RIDE ON MOWER AND FLAIL	AV273	-	-	28,000	-	-	-	-	-	17,500	-	-	-
RIDE ON MOWER AND FLAIL	AV274	-	-	28,000	-	-	-	-	-	17,500	-	-	-
PAVEMENT SWEEPER	AV289	-	-	85,000	-	-	-	-	-	70,000	-	-	-
TRAILER	AV278	-	-	-	4,000	-	-	-	-	-	-	3,000	-
RIDE ON MOWER	AV287	-	-	-	28,000	-	-	-	-	-	25,000	-	-
CHIPPER	AV277	-	-	-	30,000	-	-	-	-	-	-	26,000	-
TRACTOR	AV225	-	-	-	60,000	-	-	-	-	-	-	-	-
ROAD SWEEPER 15000kg 4x4	AV280	-	-	-	130,000	-	-	-	-	-	-	-	-
TIPPER 3500kg	AV288	-	-	-	-	30,000	-	-	-	-	-	-	-
TIPPER 3500kg	AV292	-	-	-	-	35,000	-	-	-	-	-	-	-
TIPPER 3500kg	AV286	-	-	-	-	35,000	-	-	-	-	-	-	-
TIPPER 7500kg	AV284	-	-	-	-	55,000	-	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV290	-	-	-	-	110,000	-	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV291	-	-	-	-	110,000	-	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV241	-	-	-	-	-	110,000	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV237	-	-	-	-	-	110,000	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV238	-	-	-	-	-	110,000	-	-	-	-	-	-
REFUSE FREIGHTER 24000kg	AV234	-	-	-	-	-	110,000	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV268	-	-	-	-	-	110,000	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV239	-	-	-	-	-	110,000	-	-	-	-	-	-
TIPPER 3500kg	AV177	-	-	-	-	-	35,000	-	-	-	-	-	-
TIPPER 3500kg	AV193	-	-	-	-	-	35,000	-	-	-	-	-	-
TIPPER 3500kg	AV200	-	-	-	-	-	35,000	-	-	-	-	-	-
TIPPER 3500kg	AV201	-	-	-	-	-	35,000	-	-	-	-	-	-
TIPPER 3500kg	AV202	-	-	-	-	-	35,000	-	-	-	-	-	-
TIPPER 3500kg	AV214	-	-	-	-	-	35,000	-	-	-	-	-	-
TIPPER 3500kg	AV216	-	-	-	-	-	35,000	-	-	-	-	-	-
MEDIUM REFUSE FREIGHTER 12000kg RCV	AV211	-	-	-	-	-	110,000	-	-	-	-	-	-
RIDE ON MOWER	AV212	-	-	-	-	-	32,000	-	-	-	-	-	-
TIPPER 7000kg	AV181	-	-	-	-	-	-	48,000	-	-	-	-	-
REFUSE FREIGHTER 24000kg	AV245	-	-	-	-	-	-	170,500	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV246	-	-	-	-	-	-	170,500	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV083	-	-	-	-	-	-	175,000	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV084	-	-	-	-	-	-	175,000	-	-	-	-	-
RIDE ON MOWER	AV226	-	-	-	-	-	-	25,000	-	-	-	-	-
4x4	AV252	-	-	-	-	-	-	30,000	-	-	-	-	-
TIPPER 3500kg	AV220	-	-	-	-	-	-	30,000	-	-	-	-	-
TIPPER 3500kg	AV221	-	-	-	-	-	-	30,000	-	-	-	-	-
TIPPER 3500kg	AV222	-	-	-	-	-	-	30,000	-	-	-	-	-
2. OTHER													
Financial Management System Replacement	FMS001	-	45,950	-	-	-	-	-	-	-	-	-	-
Flail Equipment replacement	R476	-	-	-	-	20,000	-	-	-	-	-	-	-
Zip Boilers replacement (Wyre Forest House)		10,000	10,000	-	-	-	-	-	-	-	-	-	-
Lighting system upgrade (Wyre Forest House)		100,000	-	200,000	-	-	-	-	-	-	-	-	-
		1,004,000	1,002,130	482,720	606,720	506,720	1,158,720	1,494,720	266,720	842,220	136,720	295,720	111,720

NB. A fundamental review of all fossil fuel powered vehicles & equipment will be undertaken during the next year.

NON TREASURY PRUDENTIAL INDICATORS 2021-25

APPENDIX 2

Capital Portfolio Fund as at 1st December 2021		2021-22	2022-23	2023-24	2024-25	
DEBT TO GROSS SERVICE EXPENDITURE RATIOS						
<input type="checkbox"/>	Non treasury property investments debt to gross service expenditure (GSE) ratio	<i>Gross debt of non treasury property acquisitions as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.</i>	38.34%	41.17%	41.51%	41.39%
DEBT TO NET SERVICE EXPENDITURE RATIOS						
	Non treasury property investments debt to net service expenditure (NSE) ratio	<i>Gross debt of non treasury property acquisitions as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	134.59%	145.36%	150.01%	149.74%
LOAN TO VALUE RATIOS						
	Loan to PPE value ratio (property)	<i>The amount of non treasury property debt compared to the total asset value (Long term assets - PPE).</i>	26.98%	26.98%	26.98%	26.98%
	Loan to value ratio (property only)	<i>The amount of property debt compared to the total property asset value (property portfolio only).</i>	122.23%	122.23%	122.23%	122.23%
CFR RATIOS						
<input type="checkbox"/>	CFR - Property	<i>Property CFR as a proportion of the gross CFR</i>	37.52%	37.36%	39.02%	42.09%
FINANCING COSTS TO NET SERVICE EXPENDITURE RATIOS						
<input type="checkbox"/>	Property investments financing costs to net service expenditure (NSE) ratio	<i>Non treasury property acquisitions financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	5.53%	7.19%	10.56%	10.55%
INCOME/INVESTMENT COVER RATIOS						
	Property investment cover ratio	<i>The total net income from property acquisitions, compared to the interest expense.</i>	(15.45%)	14.45%	24.20%	23.88%
<input type="checkbox"/>	Property target income returns (excluding financing costs)	<i>Net revenue income (excluding financing costs) compared to equity. This is a measure of achievement of the portfolio of properties.</i>	4.54%	6.63%	9.80%	9.80%
<input type="checkbox"/>	Property target income returns (including financing costs)	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>	(0.48%)	0.58%	1.20%	1.19%
	Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>	2.86%	3.95%	5.34%	5.33%
TRENDS						
	Gross income	<i>The income received from the property portfolio at a gross level over time.</i>	(£1,104,280)	(£1,399,980)	(£1,872,330)	(£1,875,850)
<input type="checkbox"/>	Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio expands.</i>	£449,380	£444,730	£458,880	£463,310
<input type="checkbox"/>	Financing costs	<i>The trend in financing costs of the non-financial property portfolio over time, as the portfolio expands.</i>	£723,950	£871,150	£1,239,970	£1,241,310
	Net income	<i>The income received from the property portfolio at a net level (less costs) over time.</i>	£69,050	(£84,100)	(£173,480)	(£171,230)

Local quantitative indicators

CAPITAL STRATEGY SCHEME OF DELEGATION**(i) Full Council**

- receiving and reviewing reports on Capital Strategy policies, practices and activities
- approval of annual strategy and strategies for Capital Portfolio Fund and Development Loans Fund.

(ii) responsible body - Cabinet after receiving recommendation from Overview and Scrutiny Committee

- recommending approval of/amendments to the organisation's Capital Strategy
- receiving and reviewing regular monitoring reports and acting on recommendations

(iii) Body/person(s) with responsibility for scrutiny – Overview and Scrutiny Committee

- reviewing the Capital Strategy policy and procedures and making recommendations to the responsible body.

Note: Cabinet on the 20th September 2017 delegated to a sub-committee its decisions on individual Capital Portfolio investments and on Loans from the Development Loans Fund.

The Overview and Scrutiny Committee decided on the 5th October 2017 to establish a sub-committee with terms of reference to scrutinise, and make recommendations upon business cases in respect of the capital portfolio fund and development loan fund.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER (with revisions to include non-treasury investments)

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term (20 year) timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (*TM Code p54*): -
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*

- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*

- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

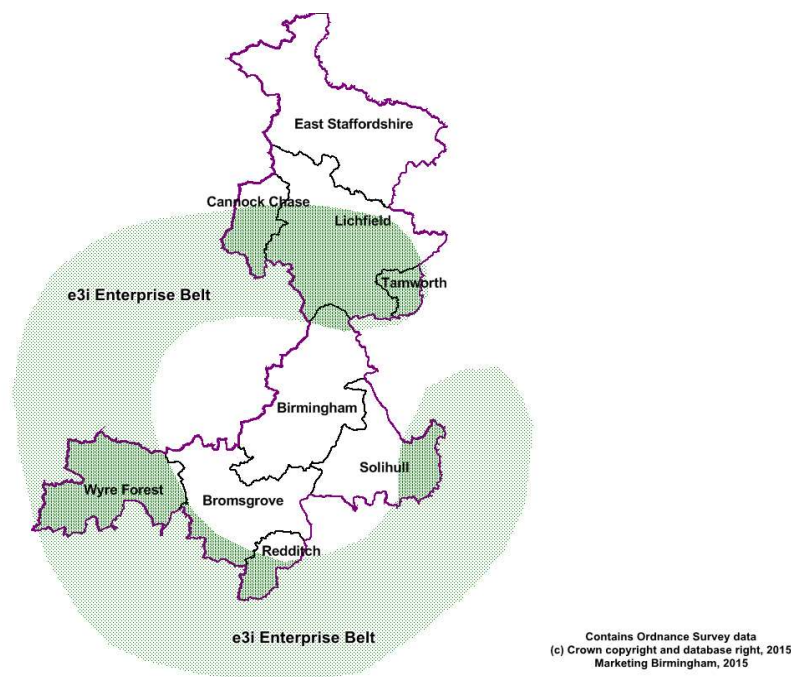
Capital Portfolio Fund Strategy

Background

1. As part of the Council's Medium Term Financial Strategy 2017-2020 the Council established a Capital Portfolio Fund, initially of £25m sourced through borrowing from Public Works Loan Board (PWLB), to acquire and develop assets that support its priority for regeneration and economic growth and to develop additional income streams. This has since been increased to £26.5m.
2. One of the Council's Corporate Plan priorities for 2019-23 is "supporting a successful local economy" and the Council sees its acquisition and development of assets through the Capital Portfolio Fund as one of the means by which it can actively deliver on this priority.
3. In 2021 the Council refreshed its Strategic Asset Management Plan (SAMP) to 2026; of the stated objectives of the SAMP for the next 5 years, one is "to support business growth and economic development" which it is envisaged would include "using all property more efficiently, effectively economically and collaboratively" and another is to "maximise revenue potential from non-operational assets" including "enhancement of the [property] portfolio through property acquisition and development". The Capital Portfolio Fund is a key vehicle to deliver these objectives.
4. Also, in 2021 the Council refreshed its strategic approach to "Enabling Enterprise and Business Growth in Wyre Forest" to 2026 which re-affirmed its strategic ambitions to "nurture existing businesses and retain them within the district" and "to encourage new inward investment into the district" where the availability of suitable land and premises will be key to achieving those ambitions. The Capital Portfolio Fund will enable the Council to support local businesses and help them to grow, attract new business into the district and support the long term growth of the Functional Economic Geography (FEG) of North Worcestershire and the West Midlands Conurbation of which it is part.
5. The Council's plans to acquire and develop economically beneficial assets also sits alongside its longstanding ReWyre regeneration initiative which has been the cornerstone of the Council's support of regeneration of the district since its adoption in 2009.
6. In establishing the geography within which the Capital Portfolio Fund will be actively engaged in, the Council has previously determined that this would be the wider FEG from which it derives strategic economic benefit and to which the Council therefore has a vested interest in ensuring the success of. In 2011 the Council was instrumental in developing the North Worcestershire Economic Development and Regeneration (NWEDR) service which brings together the functions of all three North Worcestershire councils including Redditch and Bromsgrove in a shared service hosted by Wyre Forest District Council. North Worcestershire has a strong FEG with links north into the West Midlands conurbation. This has enabled the Council to become a member of two Local Enterprise Partnerships – Worcestershire and Greater Birmingham & Solihull. The Council is an active LEP member and has successfully attracted funding

from both through the Local Growth Fund for key regeneration projects such as Hoobrook Link Road, Kidderminster Railway Station and Churchfields Urban Village; latterly the Council has also received funding of just under £40m through the Future High Streets Fund and Levelling Up Fund both of which have been supported by the LEPs. The Council has a vested interest in the successful growth of the LEP areas where it has a functional economic geography and supports the delivery of their respective Strategic Economic Plans (SEP) as this will benefit the district as a whole. The Council also has a FEG which extends into the western edges of the Black Country where travel to work patterns remain strong.

7. This FEG capturing Worcestershire, parts of the Black Country, North Worcestershire and Birmingham and Solihull is reinforced through the transport infrastructure network such as the Snow Hill rail line, the M5 corridor and the main arterial road network connecting Wyre Forest to its wider geography. This geography has long been recognised and featured in the original 'e3i belt' concept conceived in 2006 in a study undertaken by the former West Midlands Observatory on behalf of Advantage West Midlands. The 'belt' recognised that the spatial patterning of the West Midlands was moving away from Birmingham and the Black Country to a 'belt' encircling the conurbation. The geography of the 'belt' reflected an inverted 'C' shape from southern Staffordshire around the west of the conurbation and wrapping in Wyre Forest, through to Solihull (see figure below). It combined economic, entrepreneurial, environmental and innovation factors (hence e3i). A 2015 refresh undertaken by Marketing Birmingham further developed the concept in the context of the Local Enterprise Partnership as an 'Enterprise Belt'. The report identified that the 'belt was still driven by a range of manufacturing, business and professional service activities, distribution/logistics related activities and also construction, a variety of skills, in particular technical and creative skills, and hotspots of innovation and entrepreneurial activity but also proximity to Birmingham and other key urban areas, easy access to markets and its ability to meet the requirements of a range of personal and professional lifestyles.'



8. Consistent with its FEG and its LEP membership, the Council has therefore decided that it will apply its Capital Portfolio Fund across this wider FEG geography comprising Worcestershire, Birmingham, Solihull, Wolverhampton and Dudley .
9. In February 2018 the Council agreed to establish a group structure of local authority trading companies (LATC) with the purpose at this time to establish a development company that would undertake new residential developments or would hold residential units purchased by the Council through the Capital Portfolio Fund. The holding company, Wyre Forest Holdings Ltd and the sub company, ReWyre Developments Ltd have now been established and registered as companies in readiness for the Council to use for this residential development agenda.
10. The Department of Levelling Up Housing And Communities (DLUHC) continue to work with the Chartered Institute of Finance and Accountancy (CIPFA) to consider revisions to the Treasury Management and Prudential Codes and also to the Capital Financing framework: Minimum Revenue Provision (MRP) and changes are expected shortly. The Council will consider if this strategy and the parallel Asset Management Strategy will require further updates when the guidance is published. The current code guidance prevents the use of the PWLB for buying property as an investment with the primary aim of generating yield. The Council has always made clear in its strategies that the Capital Portfolio Fund was designed to enable the Council to deliver its ambitions to support economic growth and promote regeneration opportunities across the functional economic geography from which the district benefits.

The Acquisition Strategy

11. The Council originally adopted its strategy as part of its Capital Strategy for 2018/19 with a commitment that it would be reviewed annually; the strategy

review last year was more fundamental than previous reviews brought about by the Coronavirus pandemic as well as the potential ongoing changes to the CIPFA Code Guidance for borrowing from the Public Works Loan Board (PWLB) following the report of the Public Accounts Committee. Further changes are expected to be in place from April 2021, the most significant of which is the introduction of a liability benchmark. This is covered in section 9.3.4 of the main Capital Strategy Report. The strategy will be revised as appropriate to meet the latest Statutory and Code Guidance. This Capital Portfolio Fund Strategy forms part of a series of documents that support the Capital Strategy.

12. The purpose of this Strategy is to guide the use of the Capital Portfolio Fund to make property acquisitions and to invest in the development of the Council's own assets (or the acquisition of assets) to support economic redevelopment or regeneration in the District or within the FEG from which the Council derives economic benefit and which is anticipated in turn to generate income to support the continued delivery of Council services.
13. Currently the Council holds no assets for investment purposes under the current accounting procedures; going forward any assets supported through the Capital Portfolio Fund will be held for the benefit of regeneration and economic development purposes.
14. The Council has appointed Asset Development and Property Acquisition specialists to support both the acquisition of assets and fundamentally to help grow the capital and revenue value of acquired assets to maximise their financial and economic value. Currently Jones Valerio are appointed to this role. Quarterly Performance Reports are produced for informal meetings of Cabinet and bi annually reports are made to the Council's Overview and Scrutiny Committee by Jones Valerio to explain to members how the portfolio is performing as a whole and asset by asset what plans are in place to grow their value. The Council has also appointed Property managers for the majority of its assets acquired thus far through the Capital Portfolio Fund where properties are multi-tenanted. Currently this appointment is with BNP Paribas who oversee the day to day management of the properties.
15. Jones Valerio work in conjunction with the Council's Financial Services Manager, developing the viability appraisal and business case for the Council to determine whether to acquire assets; this Strategy is important to provide a framework to guide the Council in identifying appropriate acquisition opportunities. The Council is mindful that in some circumstances it will need to respond without delay when opportunities arise and to be in a position to assess acquisition opportunities in a systematic manner but should also be able to move quickly when a compelling opportunity arises. The Council has been careful to balance this against the need for robust decisions to be made, involving its Members; the Council has decided that all proposals involving funding from the Capital Portfolio Fund will be considered by its Overview and Scrutiny Committee and by its Cabinet before any final decisions are taken and it has established the ability to call a sub committee meeting of either or both of these committees if the need for timely decisions means that the normal scheduled meetings would not be suitable. The Council's process for determining opportunities for the Capital Portfolio Fund is set out in Appendix 2 below

16. The Council has commissioned external experts to support its decision making process and has established a framework of suitably qualified valuers and building surveyors to ensure that decisions taken by the Council are based on appropriate valuations and building condition surveys. This framework will be renewed every three years and experts will only be used that hold the appropriate and current qualifications. Further, the Council has retained the services of KPMG to ensure that its procedures are adhered to when it carries out any investments.
17. The Council is already well underway in assessing the development potential of its own assets and in developing business cases where there are opportunities to use its already established Evergreen Investment Fund (comprising capital receipts from asset disposals for reinvestment to support income generating proposals) and/or the Capital Portfolio Fund. What has become apparent in the preparation of the early business cases is that viability is marginal if these proposals are viewed only through the commercial lens i.e. they would be unlikely to appeal to the private investor as the returns are too low. However, the Council's interest also lies in supporting economic regeneration and improving housing opportunities for its residents and has therefore accepted that lower returns than would normally be expected by a private investor are a trade-off for addressing market failure where the private investor fails to act. However, as a minimum all the business cases agreed to date (including the use of Evergreen Investment Fund monies) have covered the costs of the Council's borrowing and minimum revenue provision and generated a predicted small revenue receipt.
18. In considering the use of the Capital Portfolio Fund going forward it is the Council's intention to continue to consider development propositions within the district and within the FEG geography in its existing assets, in assets it might wish to acquire or working with partners where the principal consideration is to support economic regeneration in its widest sense which includes supporting new housing opportunities. Such proposals will need to be justified on a business case by case basis and will need to generate a return for the Council which is determined on a case by case basis (see later).
19. Indeed not all asset acquisition proposals fit neatly within the Council's potential portfolio of assets set out below and there may be occasions that propositions fall outside the generalised type of asset this strategy covers e.g. a proposal falls short of the criteria threshold, but there is an overriding explicit justification for still considering it, a property may be vacant when purchased but have alternative use potential or the acquisition may involve land or property which is past its useful economic life but which has significant redevelopment potential. These would all be required to have a fully developed supporting business case which is agreed by Members, but would not be automatically rejected initially because they don't fit the expected 'norm' of a tenanted property with more than 30 years of remaining economic life.
20. Whilst it will always be the Council's preference to acquire and use the Fund within the district area to support regeneration and local economic development, the Council recognises that it has an interest in the success of the wider FEG, as outlined above, of which the district functions economically. The Council has an interest in supporting the growth of the wider functional economic geography

including the LEP areas on the basis that it will benefit locally from the wider City-Region success. To that end therefore the Council will consider using the Capital Portfolio Fund to support this wider economic benefit covering the local government administrative areas within Worcestershire, Birmingham, Solihull, Dudley and Wolverhampton. The Council may also consider investing in capital property investment funds in order to broaden the portfolio, spread risk and utilise the expertise of fund managers. Any such proposals will involve a careful choice of fund to ensure the Council's objectives are met.

21. Each acquisition opportunity will be supported by the external 'Red Book' valuation and building condition survey information including where appropriate asbestos and mechanical and electrical and will be required to demonstrate through a robust business case and financial modelling that is proportionate to the cost of acquisition and that it meets or ideally exceeds the Council's minimum expectations for net return. Each business case will also recommend whether the acquisition is to be held by the Council or through the group structure, recognising that returns to the Council on any asset held in the group structure will be through interest payments on loans made to it by the Council and/or in profit distribution by way of a dividend payment to the Council as sole shareholder.
22. It is necessary for the Council to take a prudent approach to the management of its financial affairs and when assessing proposals for the Fund the Council will need to carefully consider the balance of risk and reward and in doing so will consider such factors as the security against loss, the liquidity of the acquisition, the yield, affordability of the loan repayments, change in interest rates and property values (see Appendix 1 below). As part of this approach the Council will consider each proposal carefully in terms of the ability of the underlying asset to provide security for the capital outlay.
23. Returns from acquisition or development of property can be by way of both income (rent) received and appreciation of the underlying value (capital growth) and consideration will need to be given to both of these factors to understand the total return on any proposal. The Council also recognises that by acquiring property it can have direct benefits such as Business Rates or Council Tax income as well indirect benefits through increased confidence in the local economy. Property prices are a function of property type, location, age etc together with the lease arrangements and the covenant strength of tenants. Within the property investment market there can be a wide spread of returns (yields) relating to the characteristics of the asset investment in question. The yield reflects the risk that investors associate with securing a long-term income, including the potential for growth. So, in Appendix 1 below, those investments on the left hand side of the table will be associated with lower yields and those on the right with higher yields. The range might be anything from 4%-6%% in prime locations to 9%+ in secondary and tertiary locations. Indicatively, good quality office and industrial property acquisitions will provide a gross income return of 6%+, (lower for modern single let industrial/distribution), whilst equivalent retail property income yields will be in excess of 6% (food retail at c.5%+). The Council accepts that there isn't a strong office market within the district, nor are its town centres capable of commanding many national retailers and that new build

industrial units are few; consequently, it may have to consider carefully selected secondary and tertiary investment opportunities within the district.

24. The experience of the Council's acquisition business case development so far indicates that a gross yield of upwards of 6% on the value of the acquisition may be necessary for the asset to be of interest to the Council, taking into account its borrowing costs and other overheads. The Council will consider whether returns from asset opportunities are acceptable on a case by case basis taking into account the criteria set out in Appendix 1 below and the location of the opportunity. More risky proposals (with a higher yield) should produce a higher return than less risky proposals with a lower yield. All proposals will initially be screened against the pass/fail criteria of whether the costs of borrowing can be met and using Net Present Value (NPV) and Internal Rate of Return (IRR) calculations; schemes that produce a positive NPV and an IRR in excess of the cost of capital will then be assessed against the criteria set out in Appendix 1. Table 1 in section 30 illustrates scenarios and how this could make a contribution towards closing the funding gap of between £331,250 to £530,000 per annum.
25. In considering its costs against a gross return the Council will need to consider some or all of the following when developing the business case for proceeding:
- Finders' Fees approx. (1%)
 - Legal Fees approx. (0.5%)
 - Survey and Valuation and due diligence fees approx. (0.5%)
 - Stamp Duty Land Tax (5% on freehold purchases over £250K)
 - Finance Costs including minimum revenue provision (circa 5%)
 - Marketing and other rent incentives
 - Agents' letting fees
 - Void Business Rates/Council Tax (tenants should be covering these in occupied units)
 - Repairs and maintenance (depending on lease type (probably covered in a service charge)
 - Running costs of building, including building management (depending on lease type again probably covered in a service charge)
 - Opportunity cost of alternative use or sale of the asset
 - Costs to manage the portfolio and properties (non-recoverable)
 - Conversion or fit out costs
 - Dilapidations
26. The Council may hold property assets either directly or indirectly. Direct property holding gives the Council full control over the property and responsibility for its management and the business cases brought forward so far for acquisitions are envisaged to be held in this way. Indirect property holding is where the asset is held through the group structure and will be necessary primarily where the Council is to act in the private rented housing market.

The Criteria For Using the Capital Portfolio Fund

27. The Council will select potential assets for the purpose of regeneration or economic development (including housing) or a mixture of both, that meet the tests of viability that the Council has set. The Council may acquire and hold properties directly or through the group structure; all of these factors will be determined on a business case by case basis. The Council will prioritise opportunities within the district but will also retain the discretion to pursue proposals outside the district within the functional economic geography from which the district benefits economically. The Council may use the Fund in the development of its own assets, acquire assets for development or invest in existing assets or consider investing via capital property investment funds.
28. Officers will continue to monitor prevailing market conditions to enable the Council to reserve discretion to acquire assets that may fall outside the criteria outlined above if a strong case can be made that the proposal provides an exceptional opportunity to promote the Council's main priorities and values as described in this report. The Council will seek advice from its advisors to support its market analysis.
29. Having assessed opportunities against their ability to cover borrowing costs by calculating NPV and IRR of the proposed opportunity, further evaluation will then be undertaken against a comprehensive set of defined property specific criteria as set out in Appendix 1 below. The Council will consider these criteria and seek to achieve the appropriate balance of risk and reward proportionate to the size of the proposal being considered. The Council will score each proposal using the matrix (unless the proposal is unique and does not fit the usual evaluation methodology); any proposal will need to score a minimum of 250 to be considered acceptable as a suitable opportunity. Those proposals scoring 250 and above will then be subject to further appraisal including building survey and formal valuation work. The ideal property acquisition would be a freehold in a town centre, let to a tenant with a strong financial covenant for a long term on a full repairing and insuring lease, but the Council also recognises that this ideal asset will have variations and that alternatives can also be justified on a case by case basis.
30. Any direct asset acquisition would be subject to purchaser's costs, typically these would include legal fees, agent valuation and survey fees together with Stamp Duty Land Tax (SDLT), typically these will amount to 6-7% of the asset purchase price. In addition, the Council will have to take into account the cost of borrowing through PWLB and an amount for minimum revenue provision. The following table illustrates the summary financial modelling that could be applicable to the Capital Portfolio Fund taking into account the outline financing and purchase costs as indicated above:

Table 1

Simplistic Modelling of the Minimum Return Required from Capital Portfolio Fund Proposals assuming 2.6% PWLB rate (average over term) - Full Year Revenue	Eventual Borrowing 2% return	Eventual Borrowing 1.25% net return	Eventual Borrowing 1.625% (average) net return
	£26.5 million	£26.5 million	£26.5 million
Basic investment before Stamp Duty and costs	£24,711,250	£24,711,250	£24,711,250
Acquisition Costs @6.75%	£1,788,750	£1,788,750	£1,788,750
Total Capital Expenditure	£26,500,000	£26,500,000	£26,500,000
Minimum Return Required to Cover Funding Costs			
Cost of PWLB Interest @ 2.6%	£689,000	£689,000	£689,000
Loss on investment interest	£4,472	£4,472	£4,472
MRP 50 year basis	£530,000	£530,000	£530,000
Total Funding annual costs	£1,223,472	£1,223,472	£1,223,472
Administration Costs	£90,000	£90,000	£90,000
Total Costs	£1,313,472	£1,313,472	£1,313,472
Net Revenue Income potential @ 2%, 1.25% & 1.625%	£530,000	£331,250	£430,625
Total Rent Required to meet return £	£1,843,472	£1,644,722	£1,744,097
% Total gross return on £26.5m expenditure	6.956%	6.206%	6.581%
Total Return required to Break even as % of £26.5m	4.96%	4.96%	4.96%
Difference is % Potential Net Return	2.000%	1.250%	1.625%

31. In terms of management of risk it is understood that there are inherent risks associated with the use of the Fund and each business case will be required to identify the risks associated with that individual proposal and the Council will need to balance risk and reward proportionate to the scale of the proposal. It is to be expected that some of the risks the Council will be expected to consider will be:
- Capital values and rental values can fall as well as rise.
 - Borrowing costs fluctuate and could increase.
 - Vacancies (voids) in the portfolio will reduce average yield. As well as lost rental income on vacant units, the Council could find itself liable for a share of on- going costs which a tenant would normally pay such as empty property rates.
 - Disputes with tenants. Common disputes include ongoing maintenance and repair costs of buildings and the ability to recover those costs from tenants.
 - Tenant default, and that financing costs could rise.
 - External factors. Property acquisition is subject to factors the Council cannot control, e.g. failure of tenants, poor building management, changes in perception of what is a good location, economic downturn etc.
 - Ease of market exit (sale)
 - Changes in government policy
 - Sectoral changes
32. The overall portfolio value and range of assets acquired using the Capital Portfolio Fund needs to represent a good mix and spread of risk, size, sector and location across differing sectors to ensure that the portfolio is resilient to

change that might lie outside the Council's control. It is important that the Council maintains an adequate level of reserves and balances to ensure it can manage any downturn in the property market and limit the impact it will have on revenue income. The Council will also consider favourably opportunities which allow for growth in rental income and overall capital value of assets. It is the Council's overall intention to grow the capital value of the Capital Portfolio Fund by acquiring some assets to which value can be added quickly and the asset recycled for disposal at an enhanced capital return; the capital return being re-invested and recycled in the Fund.

33. The Council aims to hold a mix of the following as its target portfolio:
- I. Retail Investments that:
 - i. Are located in vibrant town centre or local centre locations; or
 - ii. Are located in out of town retail parks; or
 - iii. Are located on key transport corridors where there are local regeneration benefits; and
 - iv. Are let to tenants with a good covenant and a minimum of five years unexpired lease term; or
 - v. Are let to tenants with lesser terms where the Council has alternative regeneration/re-purposing reasons for investing; and
 - vi. Produce a gross return on investment that meets agreed viability criteria; and
 - vii. Are in lot sizes of £250k - £5m.
 - II. Office Investments that:
 - i. Are in vibrant town centre or local centre locations; or
 - ii. Are located on business parks; and
 - iii. Are let to tenants with a good covenant and ideally at least five years unexpired lease term; and
 - iv. Produce a gross return on investment that meets agreed viability criteria and
 - v. Are in lot sizes of £1m - £5m.
 - III. Industrial/Warehouse Investments that:
 - i. Are located on good highway routes; or
 - ii. Are located on vibrant industrial estates; and
 - iii. Are of modern construction and capable of flexible layouts; and

- iv. Are let to tenants with a good covenant and ideally a minimum of five years unexpired lease term; or
 - v. Are let to tenants with lesser terms where the Council has alternative regeneration reasons for investing; and
 - vi. Produce a gross return on investment that meets agreed viability criteria and
 - vii. Are in lot sizes of £250k - £5m.
- IV. Leisure/ Food & Beverage Investments that:
- i. Are located in vibrant town centre or local centre locations; or
 - ii. Are located in out of town retail parks; or
 - iii. Are let to tenants with a good covenant and ideally at least five years unexpired lease term; and
 - iv. Produce a gross return on investment that meets agreed viability criteria and
 - v. Are in lot sizes of £500k - £5m.
- V. Mixed Use Investments:
- i. The Council will consider combinations of mixed residential, retail, leisure and office investments that meet a blend of the criteria set out above.
34. It is also important that the Council actively manages the Fund portfolio. At an operational level this will be undertaken by the appointed Property Manager (BNP Paribas at the time of writing). Such work will include matters such as rent collection, service charge calculation and collection, building maintenance, security, dealing with tenants, re-letting empty units, negotiating terms of rent reviews, dilapidation claims and the general miscellany of property management. In terms of strategic management this will fall to the Asset and Investment Managers (Jones Valerio at the time of writing) to ensure that the portfolio is delivering the revenue and capital growth returns that were envisaged and to always act in the Council's financial interest which will also include appropriate disposal of assets that are underperforming or no longer meet the Council's objectives or are for strategic purposes to enhance the overall portfolio value, as well as acquisition. As part of this management of the portfolio the Managers in conjunction with the Financial Services Manager will consider the liquidity needs of the Council and form a view of the prevailing market conditions to determine whether it would be necessary and/or advantageous to dispose of any of its assets. The Council has developed its oversight of the management of the portfolio through the Quarterly Reporting procedure.
35. The Asset & Investment Managers will also be responsible for providing regular

reports on management issues and the performance of the Council's Fund portfolio. The Council's Cabinet and Corporate Leadership Team will receive a report from the Asset & Investment Manager quarterly with bi-annual reporting to the Council's Overview and Scrutiny Committee which will update on the individual asset management plans, the overall asset portfolio against expectations at the time of purchase and performance against prevailing market conditions. This will then feed into the indicators established within the Capital Strategy. If any asset is failing to perform as expected it will be necessary to consider whether such an asset should continue to be held (and whether the performance is expected to change) or whether it should be disposed of. These reports can be made available to other meetings of the Council as required. It should always be remembered though that such decisions will not be made in response to short term market fluctuations and the Council will always adhere to its long term objectives of building capital and revenue growth, accepting that external factors will affect this from time to time.

Appendix 1

Criteria	score weight	5	4	3	2	1
		Excellent/ very good	Good	Acceptable	Marginal	Poor*
Location	20	Major prime	Micro prime	Major secondary	Micro secondary	Tertiary
Tenancy strength	20	Single tenant with strong financial covenant	Single tenant with good financial covenant	Multiple tenants with strong financial covenant	Multiple tenants with good financial covenant	Tenants with poor financial covenant strength
Tenure	10	Freehold	Lease 125 years plus	Lease between 75 & 125 years	Lease between 10 & 75 years	Lease less than 10 years
Occupiers lease length	20	Greater than 15 years	Between 10 and 14 years	Between 9 & 6 years	Between 3 & 5 years	Less than 2 years or vacant
Repairing terms*	10	Full repairing & insuring	Internal repairing - 100% recoverable	Internal repairing - partially recoverable	Internal repairing - non recoverable	Landlord
Building Quality/ Obsolescence	15	Newly Built	Recently Refurbished	Average condition and likely to continue to be fit for current use for 25+ years	Aged property with redevelopment potential	Nearing end of useful life/ use unlikely to continue when lease expires
Investment size	5	Up to £5m	From £5m to £10m	From £10m to £15m	From £15m to £20m	Above £20m

** unless there is an overwhelming case for investment that exceeds the Council's expectations*

Criteria Explained:

Location

Major Prime	Micro Prime	Major Secondary	Micro Secondary	Tertiary
Central Birmingham	Edge of Central Birmingham	Worcester, Solihull, Kidderminster, Lichfield, Tamworth, Burton, Cannock	Market and smaller Towns	Local Centres

Tenancy Strength

Single tenant with strong financial covenant	Single tenant with good financial covenant	Multiple tenants with strong financial covenant	Multiple tenants with good financial covenant	Tenants with poor financial covenant strength
All tenant covenants are considered in terms of their financial strength, risk of business failure, length of building occupancy and whether there are rent or rates arrears. The Council will use the conventional means of assessing tenant covenants which might for example include Dun and Bradstreet.				

Tenure:

Freehold	Lease 125 years plus	Lease between 75 & 125 years	Lease between 10 & 75 years	Lease less than 10 years
This is the best interest in the property and would be in perpetuity.	Leasehold interests can vary considerably in length, the longer the better.			

Lease Length:

Greater than 15 years	Between 10 and 14 years	Between 9 & 6 years	Between 3 & 5 years	Less than 2 years or vacant
The length of the tenant/s lease will determine the guarantee of rental income; the longer the term remaining, the better and more secure the income may be. Most leases will have break and review options and these will need to be considered in the context of length of time the income can be guaranteed and also the potential for uplift in rent.				

Repairing Terms:

Full repairing & insuring	Internal repairing - 100% recoverable	Internal repairing - partially recoverable	Internal repairing - non recoverable	Landlord
The tenant has responsibility for all external and internal maintenance, decoration and repair as well as liability for insuring the building.	The tenant will have lesser obligations for maintenance, decoration, repairs and insurance confined to the parts they occupy. Some costs are recoverable by the landlord through a service charge. The landlord retains responsibility for structural and external repairs.			The landlord is responsible for all external and internal repairs.

Building Quality/Obsolescence:

Newly Built	Recently Refurbished	Average condition and likely to continue to be fit for current use for 25+ years	Aged property with redevelopment potential	Nearing end of useful life/ use unlikely to continue when lease expires
Consideration will be given to building age and quality in determining the repairs and maintenance that might be required immediately to comply with statutory requirements through to the likely general maintenance required from year to year.				

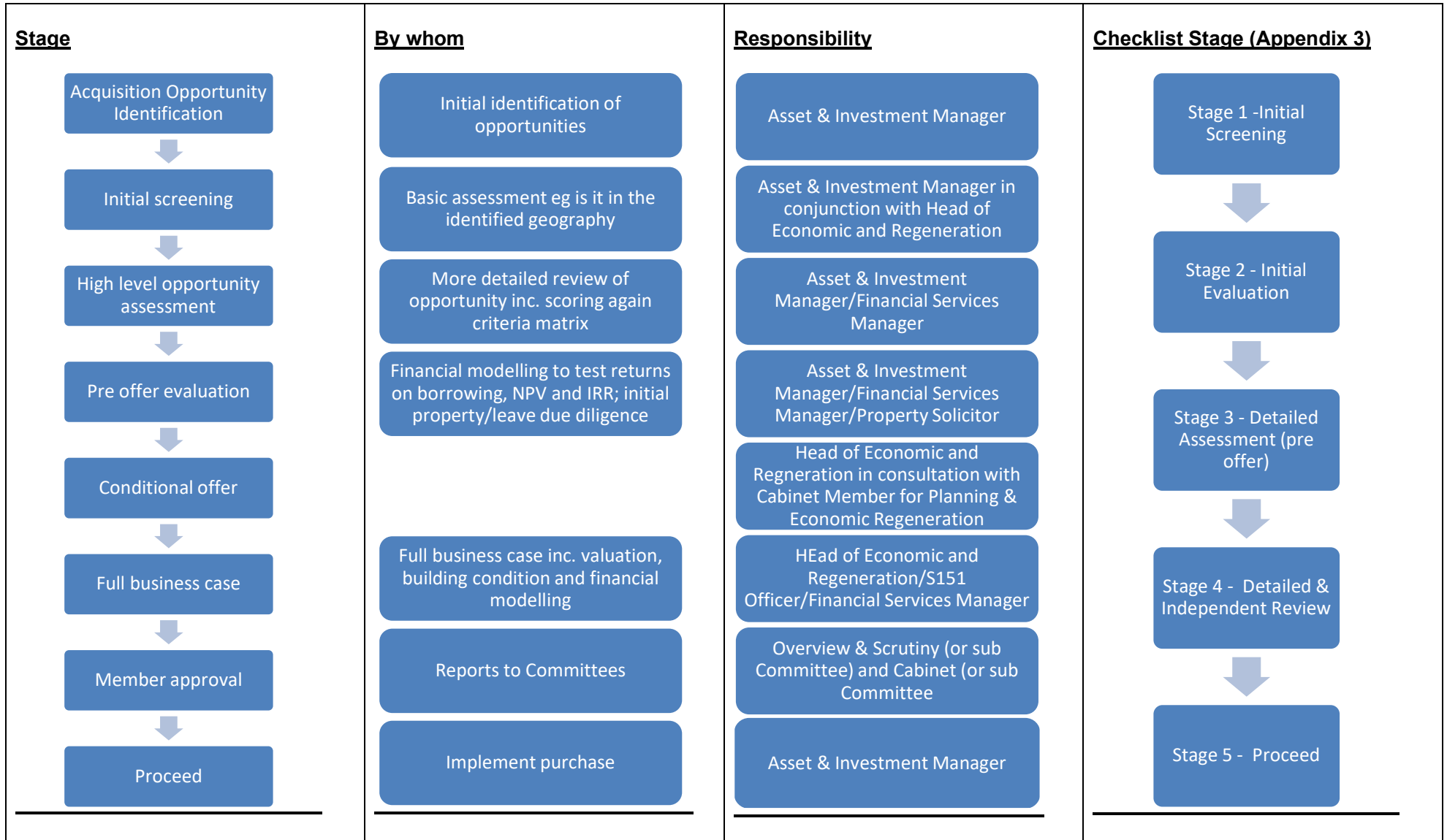
APPENDIX 4

Newly Built	Recently Refurbished	Average condition and likely to continue to be fit for current use for 25+ years	Aged property with redevelopment potential	Nearing end of useful life/ use unlikely to continue when lease expires
The building condition surveys will advise on these elements.				

Investment Size:

Up to £5m	From £5m to £10m	From £10m to £15m	From £15m to £20m	Above £20m
The lot size will be considered as part of the overall offer. The Council plans to develop a balanced portfolio of lot sizes.				

APPENDIX 2



Asset Acquisition Checklist (Note: This checklist may be updated from time to time as appropriate)

Property Details
Address:
Guide Price:

Asset Acquisition Strategy - Workflow	
Stage 1	Acquisition Screening
Stage 2	Initial Evaluation
Stage 3	Detailed Assessment (pre-offer)
Stage 4	Detailed Analysis & Independent review
Stage 5	Proceed

Stage 1: Acquisition Screening

Date:

Ref	Action	Responsibility	Y/N	Comments
1.1	Have we received sufficient investment details (include price, passing rent,) to screen investment?	Asset and Investment Manager		
1.2	Is the property within district or within the wider boundary set by the strategy?	Asset and Investment Manager		
1.3	Is the investment consistent with our Asset Investment Strategy?	Asset and Investment Manager		
1.4	Has a ' Property Acquisition Summary ' been prepared (and passed to Finance) to include:	Asset and Investment Manager		
	a. Asking price			
	b. Location			
	c. Construction and Size			

	d. Basic Tenancy details			
	e. Timescales for Submission of Bids			
	f. Key contacts			
	g. Unique reference number			
	h. Initial (internal) assessment of asset life			
1.5	Has initial high-level financial appraisal been completed?	Financial Services Manager		
1.6	Does the investment meet base requirements? (IRR & NPV show that investment returns cover the cost of borrowing)	Financial Services Manager		
1.7	Does the Corporate Director: Economic Prosperity and Place support the investment being evaluated further	Corporate Director: Economic Prosperity & Place		

Stage2: Initial Evaluation

Date:

Ref	Action	Responsibility	Y/N	Comments
2.1	Has the legal title been considered?	Property Solicitor		
2.2	Does the asset have planning permission/meet planning conditions?	Asset and Investment Manager		
2.3	Have we assessed the tenancy strength/length?	Asset and Investment Manager/ Financial Services Manager		
2.4	Have we modelled different asset lives?	Financial Services Manager		
2.5	Have we determined whether an option to tax has been taken?			
2.6	Have we included SDLT, agent fees and legal fees, survey fees, capital expenditure?	Financial Services Manager		
2.7	Have we modelled lease events – voids, reversion (note assumptions)?	Financial Services Manager		
2.8	Have we identified an exit strategy (explain)?	Asset and Investment Manager		

2.9	Have we confirmed that this falls within the available approved budget?	Financial Services Manager		
2.10	Based on the above is the recommendation to proceed to detailed assessment?	Asset and Investment Manager /Financial Services Manager Head of Economic and Regeneration/ S151 Officer		

Stage 3: Detailed Assessment (Pre-Offer)

Date:

Ref	Action	Responsibility	Y/N	Comments
3.1	Has a site visit been undertaken?	Asset and Investment Manager		
3.2	Has an evaluation been undertaken of underlying economics?	Asset and Investment Manager		
3.3	Has consideration of the prevailing property market been undertaken (to assess if rents are over rented and position if reversion)?	Asset and Investment Manager		
3.4	Have the existing lease(s) been reviewed (breaks, rent review clause, alienation, tenant obligations) and lease summary completed for finance?	Asset and Investment Manager		
3.5	Has consideration of prevailing capitalisation been undertaken?	Asset and Investment Manager		
3.6	Is this a TOGC?	Financial Services Manager		
3.7	Has the risk matrix been completed and does the opportunity pass the 250 point threshold set by the strategy?	Head of Economic and Regeneration/ Asset and Investment Manager		
3.8	Has a ' <i>detailed financial assessment</i> ' been undertaken to provide a range of offer values?	Financial Services Manager		

<p>a. Have assumptions been reviewed / tested?</p>	<p>Financial Services Manager/ Asset and Investment Manager</p>		
<p>b. rental income (include comment / explain outcome)</p>	<p>Financial Services Manager/ Asset and Investment Manager</p>		
<p>c. asset lives (include comment / explain outcome)</p>	<p>Financial Services Manager/ Asset and Investment Manager</p>		
<p>d. void rates (include comment / explain outcome)</p>	<p>Financial Services Manager/ Asset and Investment Manager</p>		
<p>e. management costs (include comment / explain outcome)</p>	<p>Financial Services Manager/ Asset and Investment Manager</p>		
<p>f. Have we modelled different offer prices MV, MV+-5%, MV+-10%?</p>	<p>Financial Services Manager/ Asset and Investment Manager</p>		

	g. Have we considered repairing and insuring liabilities?	Asset and Investment Manager		
3.9	Does the detailed analysis confirm that the financial return from the opportunity is sufficiently robust to constitute a viable opportunity given the assessed risk score?	S151 Officer		
3.10	Have we confirmed that this still falls within the available approved budget?	Financial Services Manager		
3.11	Have the non-treasury prudential indicators been updated to provide a draft set of results?	Financial Services Manager (Principal Accountant)		
3.12	Based on all of the above does the "Officer Panel" recommend making an offer?	Head of Economic and Regeneration/ Asset and Investment Manager S151 Officer/Financial Services Manager		
3.13	Have the S151 Officer and the Monitoring Officer agreed to proceed based on being provided with all the updated information and completed checklist?	S151 Officer/Solicitor to the Council		

Stage 4: Detailed Analysis & Independent review

Date:

Ref	Action	Responsibility	Y/N	Comments
4.1	When was a financial offer submitted, level and what is the associated conditionality?	Asset and Investment Manager		
4.2	Was the offer accepted?	Asset and Investment Manager		
4.3	What are the timescales associated with the transaction? Have we agreed an exchange/completion date? (details)	Asset and Investment Manager /Property Solicitor		
4.4	Will a deposit be paid on exchange? If so has the treasury management team been notified for cashflow purposes?	Asset and Investment Manager /Property Solicitor		
4.5	If a deposit is payable on exchange of contract have we ensured that a tax point will not be created upon transfer (TOGC)?	Financial Services Manager		
4.6	Have dates been set for Cabinet and Scrutiny sub-committee consideration? (details)	Asset and Investment Manager/ Head of Economic and Regeneration		
4.7	Have we appointed a solicitor? (details)	Property Solicitor		
4.8	Have all tax implications been considered and appropriate advice sought (including TOGC)?	Financial Services Manager		

4.9	Has the timeline for opting to tax (OTT) been prepared?	Financial Services Manager		
4.10	Have we done an Environmental Check (Enviro Search)	Asset and Investment Manager		
4.11	Have we received a Structural Survey (Incl M&E) to be undertaken by an independent third party?	Asset and Investment Manager		
	a. Are our detailed assumptions correct?	Asset and Investment Manager		If No, revised ' detailed financial assessment ' required
4.12	Have we received the Market Valuation (to be undertaken by an independent third party)?	Asset and Investment Manager		
	a. Are our detailed assumptions correct? (Asset value, market rent etc.)	Asset and Investment Manager		If No, revised ' detailed financial assessment ' required
4.13	Have we considered lease characteristics (include but limited to):	Asset and Investment Manager		
	a. Rent review >5 years for lease renewal/tenant break option	Asset and Investment Manager/ Financial Services Manager		If No, revised ' detailed financial assessment ' required
	b. Rent review – upward only	Asset and Investment Manager/		If No, revised ' detailed financial assessment ' required

		Financial Services Manager		
	c. OTT and TOGC clauses within the contract	Asset and Investment Manager/ Financial Services Manager		If No, revised ' <i>detailed financial assessment</i> ' required
4.14	Have we sent the insurance clauses in the contract to insurers for review?	Asset and Investment Manager		
	Action	Responsibility	Y/N	Comments
4.15	Have we obtained details of the Energy Performance Certificate?	Property Solicitor/ Asset and Investment Manager		
	a. Is this at category D or above?	Property Solicitor/ Asset and Investment Manager		
	b. If no to 4.15a. please provide further details to be considered	Property Solicitor/ Asset and Investment Manager		
	c. If no to 4.15a. are there increased costs to be taken into account or future work to bring up to standard?	Asset and Investment Manager		If Yes, revised ' <i>detailed financial assessment</i> ' required
4.16	Have we undertaken Land searches? Please provide details.	Property Solicitor		

4.17	Have we adequately assessed tenant strength/covenants (external advice/opinion if required)?	Asset and Investment Manager /Financial Services Manager		
4.18	Has the risk matrix been reviewed and updated and does the opportunity still pass the 250/200 threshold?	Head of Economic Development and Regeneration/ Asset and Investment Manager		
4.19	Have the non-treasury prudential indicators been updated to provide a revised draft set of results?	Financial Services Manager (Principal Accountant)		
4.20	In light of the due diligence undertaken do officers wish to proceed?	Head of Economic and Regeneration/ S151 Officer		
	If yes to 4.19			
4.21	Have we prepared a 'Full Business Case'	Asset and Investment Manager		
4.22	Has independent scrutiny of the governance and due diligence checks been sought and report received?	S151 Officer		
4.23	Have all sections of the checklist above been completed?	S151 Officer/Solicitor to the Council		

4.24	Has the 'Full Business Case' been circulated to delegated Cabinet and Scrutiny sub-committees?	Asset and Investment Manager/ Head of Economic and Regeneration		
4.25	Have members agreed to proceed following scrutiny and consideration of the business case	Head of Economic and Regeneration		

Stage 5: Proceed

Date:

Ref	Action	Responsibility	Y/N	Comments
5.1	When was member approval given to proceed (O&S & Cabinet dates)	Asset and Investment Manager		
5.2	Have we exchanged contracts? Date	Property Solicitor		
5.3	Have we paid a deposit on exchange? Attach CHAPS form	Property Solicitor/ Financial Services Manager		
5.4	Has the treasury management team been notified of the intended completion date for cashflow purposes?	Financial Services Manager		
5.5	Have we notified insurers of the acquisition and is insurance in place?	Financial Services Manager		
5.6	Have we notified HMRC of decision to OTT and/or TOGC where applicable?	Financial Services Manager		
5.7	Has the instruction to pay been passed to the treasury team?	Property Solicitor/ Asset and Investment Manager		

5.8	Completion Date	Property Solicitor/ Asset and Investment Manager		
5.9	Have we paid SDLT?	Financial Services Manager		
5.10	Have we created an individual management plan?	Asset and Investment Manager/ Estates Surveyor		
5.11	Has the Management plan been completed and circulated?	Asset and Investment Manager /Estates Surveyor		

Checklist Complete:

Date: _____

Authorised: _____