

REPORT OF THE LEADER OF THE COUNCIL

MEDIUM TERM FINANCIAL STRATEGY AND COUNCIL TAX 2011/12

1.0 Summary of Report

- 1.1 To recommend to the Council the Medium Term Financial Strategy and council tax for 2011/12 as circulated for scrutiny, now updated to include final figures in respect of precepts.

2.0 Recommendation to Council

- 2.1 That the Council resolves as follows:-

- a) that it be noted that at the meeting on the 22nd February, 2011 the Council approved:-
- (i) the revised revenue estimates for the year 2010/2011 and the revenue estimates for 2011/2012.
 - (ii) the revised capital programme for the year 2010/2011 and the capital programme for 2011/2012.
 - (iii) the Medium Term Financial Strategy covering the period up to and including 2015/16.
 - (iv) the report of the Director of Finance in his capacity as Chief Finance Officer on the robustness of the estimates and the adequacy of the Council's reserves.
- b) that it be noted that the Council's Revenues and Benefits Manager calculated the following amounts for the year 2011/2012 in accordance with regulations made under Section 33(5) of the Local Government Finance act, 1992:
- (i) 39,692.48 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year.
 - (ii) in the following parts of the Council's area:-

PARISH OF:	Tax Base
ACTON TRUSSELL, BEDNALL & TEDDESLEY HAY	609.86
BILBROOK	1,654.71
BLYMHILL & WESTON- UNDER- LIZARD	352.66
BOBBINGTON	254.68
BREWOD & COVEN	3,121.87
CHESLYN HAY	2,326.23
CODSALL	3,105.02
DUNSTON WITH COPPENHALL	253.94
ENVILLE	231.29
ESSINGTON	1,578.85
FEATHERSTONE	1,158.39
GREAT WYRLEY	3,568.95
HATHERTON	262.44
HILTON	65.58
HIMLEY	329.50
HUNTINGTON	1,294.21
KINVER	3,254.25
LAPLEY, STRETTON & WHEATON ASTON	1,025.08
LOWER PENN	486.56
PATTINGHAM & PATSHULL	1,006.77
PENKRIDGE	3,102.24
PERTON	3,660.11
SAREDON	311.39
SHARESHILL	317.19
SWINDON	505.57
TRYSULL & SEISDON	544.34
WOMBOURNE	5,310.80
	39,692.48

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

- c) that the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Sections 32 to 36 of the Local Government Finance Act, 1992, :-
- (i) £50,146,874.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (c) of the Act.
 - (ii) £38,919,200.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act.

- (iii) £11,227,674.00 being the amount by which the aggregate at c(i) above exceeds the aggregate at c (ii) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- (iv) £5,500,906.00 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with directions under Section 98 (4) of the Local Government Finance Act, 1988, made in February 2000.
- (v) £144.28 being the amount at c (iii) above less the amount at (iv) above, all divided by the amount at (b) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.
- (vi) £1,942,374.00 being the aggregate amount of all special items referred to in Section 34(1) of the Act. A list of the parish precepts is set out at Appendix D.
- (vii) £95.34 being the amount at c (v) above less the result given by dividing the amount at c (vi) above by the amount at b (i) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

(viii)

in the following parts of the Council's area

PARISH OF:	<u>Band D</u> £
ACTON TRUSSELL, BEDNALL & TEDDESLEY HAY	120.76
BILBROOK	128.58
BLYMHILL & WESTON- UNDER- LIZARD	107.82
BOBBINGTON	111.05
BREWOD & COVEN	154.65
CHESLYN HAY	161.46
CODSALL	139.76
DUNSTON WITH COPPENHALL	105.18
ENVILLE	121.09
ESSINGTON	141.80
FEATHERSTONE	160.15
GREAT WYRLEY	147.82
HATHERTON	127.73
HILTON	194.46
HIMLEY	102.93
HUNTINGTON	142.47
KINVER	139.81
LAPLEY, STRETTON & WHEATON ASTON	155.33
LOWER PENN	117.95
PATTINGHAM & PATSHULL	142.52
PENKRIDGE	174.32
PERTON	149.98
SAREDON	116.21
SHARESHILL	145.78
SWINDON	130.94
TRYSULL & SEISDON	127.86
WOMBOURNE	132.25

being the amounts given by adding to the amount at c (vii) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the applicable amount at b (ii) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(ix) in the following parts of the Council's area

PARISH COUNCILS	PROPERTY BAND							
	A £	B £	C £	D £	E £	F £	G £	H £
ACTON TRUSSELL, BEDNALL & TEDDESLEY HAY	80.51	93.92	107.35	120.76	147.60	174.43	201.27	241.52
BILBROOK	85.72	100.00	114.30	128.58	157.16	185.72	214.30	257.16
BLYMHILL & WESTON-UNDER- LIZARD	71.88	83.86	95.84	107.82	131.78	155.74	179.70	215.64
BOBBINGTON	74.03	86.37	98.71	111.05	135.73	160.40	185.08	222.10
BREWOD & COVEN	103.10	120.28	137.47	154.65	189.02	223.38	257.75	309.30
CHESLYN HAY	107.64	125.58	143.52	161.46	197.34	233.22	269.10	322.92
CODSALL	93.17	108.70	124.23	139.76	170.82	201.87	232.93	279.52
DUNSTON WITH COPPENHALL	70.12	81.80	93.50	105.18	128.56	151.92	175.30	210.36
ENVILLE	80.73	94.18	107.64	121.09	148.00	174.90	201.82	242.18
ESSINGTON	94.53	110.29	126.05	141.80	173.31	204.82	236.33	283.60
FEATHERSTONE	106.77	124.56	142.36	160.15	195.74	231.32	266.92	320.30
GREAT WYRLEY	98.55	114.97	131.40	147.82	180.67	213.51	246.37	295.64
HATHERTON	85.15	99.34	113.54	127.73	156.12	184.50	212.88	255.46
HILTON	129.64	151.24	172.86	194.46	237.68	280.88	324.10	388.92
HIMLEY	68.62	80.05	91.50	102.93	125.81	148.67	171.55	205.86
HUNTINGTON	94.98	110.81	126.64	142.47	174.13	205.79	237.45	284.94
KINVER	93.21	108.74	124.28	139.81	170.88	201.94	233.02	279.62
LAPLEY, STRETTON & WHEATON ASTON	103.55	120.81	138.07	155.33	189.85	224.36	258.88	310.66
LOWER PENN	78.63	91.74	104.85	117.95	144.16	170.37	196.58	235.90
PATTINGHAM & PATSHULL	95.01	110.85	126.69	142.52	174.19	205.86	237.53	285.04
PENKRIDGE	116.21	135.58	154.95	174.32	213.06	251.79	290.53	348.64
PERTON	99.99	116.65	133.32	149.98	183.31	216.63	249.97	299.96
SAREDON	77.47	90.38	103.30	116.21	142.04	167.86	193.68	232.42
SHARESHILL	97.19	113.38	129.59	145.78	178.18	210.57	242.97	291.56
SWINDON	87.29	101.84	116.39	130.94	160.04	189.13	218.23	261.88
TRYSULL & SEISDON	85.24	99.44	113.66	127.86	156.28	184.68	213.10	255.72
WOMBOURNE	88.17	102.86	117.56	132.25	161.64	191.02	220.42	264.50

being the amounts given by multiplying the relevant amounts as above by the number which, in the proportion set out in Section 5(i) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- d) that it be noted that for the year 2011/2012 the Staffordshire County Council, Staffordshire Police Authority and Stoke-on-Trent and Staffordshire Fire Authority have stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of

dwellings shown below:-

PRECEPTING AUTHORITY	VALUATION BAND							
	A £	B £	C £	D £	E £	F £	G £	H £
STAFFORDSHIRE COUNTY COUNCIL	685.87	800.19	914.50	1,028.81	1,257.43	1,486.06	1,714.68	2,057.62
STAFFORDSHIRE POLICE AUTHORITY	118.41	138.14	157.88	177.61	217.08	256.55	296.02	355.22
STOKE-ON-TRENT & STAFFORDSHIRE FIRE AUTHORITY	45.09	52.61	60.12	67.64	82.67	97.70	112.73	135.28

that having calculated the aggregate in each case of the amount at c(ix) and (d) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, hereby sets the following amounts as the amounts of council tax for the year 2011/2012 for each of the categories of dwellings shown below:-

PARISH COUNCILS	PROPERTY BAND							
	A £	B £	C £	D £	E £	F £	G £	H £
ACTON TRUSSELL, BEDNALL & TEDDESLEY HAY	929.88	1,084.86	1,239.85	1,394.82	1,704.78	2,014.74	2,324.70	2,789.64
BILBROOK	935.09	1,090.94	1,246.80	1,402.64	1,714.34	2,026.03	2,337.73	2,805.28
BLYMILL & WESTON- UNDER-LIZARD	921.25	1,074.80	1,228.34	1,381.88	1,688.96	1,996.05	2,303.13	2,763.76
BOBBINGTON	923.40	1,077.31	1,231.21	1,385.11	1,692.91	2,000.71	2,308.51	2,770.22
BREWOD & COVEN	952.47	1,111.22	1,269.97	1,428.71	1,746.20	2,063.69	2,381.18	2,857.42
CHESLYN HAY	957.01	1,116.52	1,276.02	1,435.52	1,754.52	2,073.53	2,392.53	2,871.04
CODSALL	942.54	1,099.64	1,256.73	1,413.82	1,728.00	2,042.18	2,356.36	2,827.64
DUNSTON WITH COPPENHALL	919.49	1,072.74	1,226.00	1,379.24	1,685.74	1,992.23	2,298.73	2,758.48
ENVILLE	930.10	1,085.12	1,240.14	1,395.15	1,705.18	2,015.21	2,325.25	2,790.30
ESSINGTON	943.90	1,101.23	1,258.55	1,415.86	1,730.49	2,045.13	2,359.76	2,831.72
FEATHERSTONE	956.14	1,115.50	1,274.86	1,434.21	1,752.92	2,071.63	2,390.35	2,868.42
GREAT WYRLEY	947.92	1,105.91	1,263.90	1,421.88	1,737.85	2,053.82	2,369.80	2,843.76
HATHERTON	934.52	1,090.28	1,246.04	1,401.79	1,713.30	2,024.81	2,336.31	2,803.58
HILTON	979.01	1,142.18	1,305.36	1,468.52	1,794.86	2,121.19	2,447.53	2,937.04
HIMLEY	917.99	1,070.99	1,224.00	1,376.99	1,682.99	1,988.98	2,294.98	2,753.98
HUNTINGTON	944.35	1,101.75	1,259.14	1,416.53	1,731.31	2,046.10	2,360.88	2,833.06
KINVER	942.58	1,099.68	1,256.78	1,413.87	1,728.06	2,042.25	2,356.45	2,827.74
LAPLEY, STRETTON & WHEATON ASTON	952.92	1,111.75	1,270.57	1,429.39	1,747.03	2,064.67	2,382.31	2,858.78
LOWER PENN	928.00	1,082.68	1,237.35	1,392.01	1,701.34	2,010.68	2,320.01	2,784.02
PATTINGHAM & PATSHULL	944.38	1,101.79	1,259.19	1,416.58	1,731.37	2,046.17	2,360.96	2,833.16
PENKRIDGE	965.58	1,126.52	1,287.45	1,448.38	1,770.24	2,092.10	2,413.96	2,896.76
PERTON	949.36	1,107.59	1,265.82	1,424.04	1,740.49	2,056.94	2,373.40	2,848.08
SAREDON	926.84	1,081.32	1,235.80	1,390.27	1,699.22	2,008.17	2,317.11	2,780.54
SHARESHILL	946.56	1,104.32	1,262.09	1,419.84	1,735.36	2,050.88	2,366.40	2,839.68
SWINDON	936.66	1,092.78	1,248.89	1,405.00	1,717.22	2,029.44	2,341.66	2,810.00
TRYSULL & SEISDON	934.61	1,090.38	1,246.16	1,401.92	1,713.46	2,024.99	2,336.53	2,803.84
WOMBOURNE	937.54	1,093.80	1,250.06	1,406.31	1,718.82	2,031.33	2,343.85	2,812.62

- 2.2 That the reports of the Leader of the Council to the meetings of the Executive on the 11th January 2011 and 8th February 2011, a copy of each having been circulated to each member of the Council together with the recommendations contained therein and subsequent amendments made in accordance with those recommendations be approved and adopted; that the calculations set out above be approved and adopted.

3.0 Background Information

- 3.1 The Council is required by law to set the Council Tax for all parts of its District by 11th March each year.
- 3.2 The Medium Term Financial Strategy (Appendix A) is a comprehensive document which details the service and financial planning process that was undergone in order to produce the budgetary proposals.
- 3.3 Sections 25 to 28 of the Local Government Act 2003 place a personal responsibility on the Chief Finance Officer to report to the Council on two matters, namely the robustness of the estimates used when calculating the budget requirement and the adequacy of the reserves for the Council's purposes. The full report is attached at Appendix E.

4.0 Alternative Options Considered

- 4.1 Many options were considered in respect of the detailed budget figures before arriving at these recommendations.
- 4.2 The process itself is set out in the Constitution and statute.

5.0 Reasons for Decision

- 5.1 Recommendation of a prudent, balanced budget and medium term financial strategy by the statutory deadline is part of the agreed Budget process.

6.0 Links to Corporate Aims and Objectives

- 6.1 The proposed decision supports the Council's aims and objectives and in particular aim 5, to be a well managed Council.

7.0 Scrutiny Powers

- 7.1 The Executive's budget proposals and Medium Term Financial Strategy were circulated for scrutiny in accordance with the Council's approved Budget and Policy Framework.
- 7.2 The Draft Medium Term Financial Strategy and 2011/2012 Budget Proposals were considered by the Joint Meeting of the Overview and Scrutiny Committee and Audit Committees at a meeting on 18th January, 2011 which supported the proposals.

8.0 Financial Implications

8.1 The financial implications are set out in the budget proposals.

9.0 Legal Powers for Proposed Action

9.1 Section 151 - Local Government Act, 1972
Part 1 - Local Government Act, 1992
Local Government Finance Acts 1988 and 1999
Secs. 10 and 13, Local Government Act, 2000
and all other powers in that behalf

10.0 Crime and Disorder Implications

10.1 Section 17 of the Crime and Disorder Act, 1998, places a duty on local authorities to consider crime and disorder implications and to exercise its various functions with due regard to the likely effect of the exercise of those functions on and to do all that it reasonably can to prevent crime and disorder in its area.

10.2 Unless otherwise stated below this proposed decision is not considered to have any adverse impact for the purposes of the Crime and Disorder Act and all matters have been considered in relation thereto.

11.0 Equal Opportunities / Diversity implications

11.1 All directors have completed an Equality Impact Assessment on all areas affected by the budget reduction proposals. In the majority of cases there is not an adverse impact on residents. This takes into account the equality strands as defined by equality legislation.

11.2 Where a potential negative impact has been acknowledged, appropriate action has been identified to mitigate the effects. Appropriate monitoring and review mechanisms will also be established by every director.

11.3 We will shortly be commencing a dialogue with the Local Strategic Partnership to consider proposed budget reductions across the public, private and voluntary sector in South Staffordshire.

12.0 Sustainability Issues

12.1 South Staffordshire Council is committed to the principles of sustainability. Tackling climate change is a strategic priority and protection and enhancement of our local environment is at the heart of our vision for local communities. As such the Council is committed to:

- use resources efficiently;
- minimise pollution and waste;
- protect and enhance the local natural and built environments;
- provide services, which meet current local needs whilst ensuring our local environment is protected for future generations;

- lead by example; and
- consider the environmental impact of our decisions.

Unless otherwise stated below the proposed decision is not considered to result in any significant adverse impact on sustainability or substantially contribute to the causes of climate change.

13.0 Health and Wellbeing Implications

- 13.1 There are no significant risk health and wellbeing implications arising directly from this report.

14.0 Risk Assessment

- 14.1 None of the elements of either the base budget or the new proposals that members have agreed to include in either the capital or revenue estimates result in the exposure of the Council to increased financial risk. All current capital developments have been assessed and full revenue implications taken into account. It is considered that the current and projected future levels of revenue and capital reserves as set out in the Medium Term Financial Strategy are adequate to cover any unforeseen cost overruns that may arise from current and future operations.

15.0 Consultation Undertaken

- 15.1 In the construction of the budget relevant officers and executive members have been consulted.
- 15.2 A public consultation was carried out via the website using a specially designed tool that enabled residents and members of staff to scrutinize current services and their budgets and tell us what they would cut in order to save £1,000,000. In all 73 responses were received which is far more than were achieved by the previous practice of using the council's newspaper the South Staffs Review but not a significantly large response to dictate policy.
- 15.2 Public and business consultation was undertaken on the original proposals through the medium of the Local Strategic Partnership and the posting of the budget proposals in a prominent position on the Council's website. One response was received as a result.
- 15.3 The Draft Medium Term Financial Strategy and 2011/2012 Budget Proposals were considered at a joint meeting of the Overview and Scrutiny Committee and Audit Committees on 18th January, 2011. The Joint Meeting of the Overview and Scrutiny Committee and Audit Committees supported the Draft Medium Term Financial Strategy and 2011/2012 Budget Proposals.

16.0 Category of Exempt Information (where applicable)

- 16.1 This matter is not exempt information for the purposes of Part 1 of Schedule 12(A) to the Local Government Act, 1972.

17.0 Background Documents (Schedule)

17.1 These include:-

- Budget Working Papers, detailed for all services and portfolios.
- Communications from parish councils, Staffordshire County Council, Staffordshire Police Authority and Stoke-on-Trent and Staffordshire Fire Authority, notifying their precept requirements.

17.2 A copy of the above documents may be inspected by contacting Lin Robinson, on 01902 696108.

18.0 Policy/Budgetary Compliance

18.1 This proposed decision is in compliance with and being recommended pursuant to the Council's Budget and Policy Framework.

19.0 Key Decision Information

19.1 This is not a Key Decision as it is a decision taken by Council rather than by the Executive.

20.0 Conflicts of Interest Declared

20.1 None declared.

21.0 Dispensations granted by the Standards Committee

21.1 None granted.

22.0 Appendices

- A - Medium Term Financial Strategy Document
- B - Overall Summary Income and Expenditure Account and Summary Pages for each Portfolio and Committee
- C - Capital Programme
- D - List of Parish Precepts in £ amounts and in Band D Tax Equivalentents
- E - Assurance Statement by the Director of Finance

Councillor B.R.Edwards
Leader of the Council

COUNCIL TAX RESOLUTION EXPLANATORY NOTES

At item 2.1 above;

Paragraph b) refers to the Council Taxbase at Band D at b(i) and to the taxbase at Band D for the parishes at b(ii).

Paragraph c)(i) refers to the total spending to be met from Council Tax and Exchequer support, in respect of Parish and District Services.

Paragraph c)(ii) refers to the income, grossed up from the approved estimates, to be deducted from the expenditure at c(i) to arrive at:-

Paragraph c)(iii) which is the net sum to be met from Council Tax and Exchequer support, in respect of District and Parish Services.

Paragraph c)(iv) is the total Exchequer Support to be received in the form of Revenue Support Grant and contributions from the Non-Domestic Rate Pool.

Paragraph c)(v) is the average Council Tax at Band D for District and Parish Services.

Paragraph c)(vi) is the total of the Parish precepts.

Paragraph c)(vii) is the Council Tax for District services only.

The Table at c)(viii) shows the Council Tax applicable to Band D for each parish, for District and Parish services.

The Table at c)(ix) shows the Council Tax applicable to each band, for each parish, for District and Parish services.

Paragraph d) shows the Council Tax for each band to be added to meet Staffordshire County Council's and Staffordshire Police Authority's precepts.

Paragraph e) gives the net result of these calculations.

THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

Background

The Council must by law set a Council Tax for the financial year 2011/12 by 11th March, 2011. The approved timetable of events leading up to this is set out below.

<u>Date</u>	<u>Event</u>
11 th January 2011	Executive Meeting - Agree draft Medium Term Financial Strategy for consultation
18 th January 2011	Joint meeting of the Overview and Scrutiny Committee and Audit Committee on the draft Medium Term Financial Strategy
8 th February 2011	Executive Meeting – Agree final Medium Term Financial Strategy
22 nd February 2011	Budget Approved by Council

This Medium Term Financial Strategy is concerned with those services provided by South Staffordshire Council either by itself or in partnership with other agencies and paid for by local taxpayers. It covers the period from 2010/11 until 2015/16.

All council tax due in South Staffordshire is collected, for reasons of efficiency and economy, by this Council, which is known as the "Billing Authority". The money received is required by law to be paid into a "Collection Fund" administered by this Council. From here are paid the shares due to Staffordshire County Council, Staffordshire Police Authority, Stoke-on-Trent & Staffordshire Fire Authority and the twenty-seven parish councils, all of which are termed "precepting authorities", in accordance with the budgets that they have set. This Council's share is also paid from the Collection Fund in the same way.

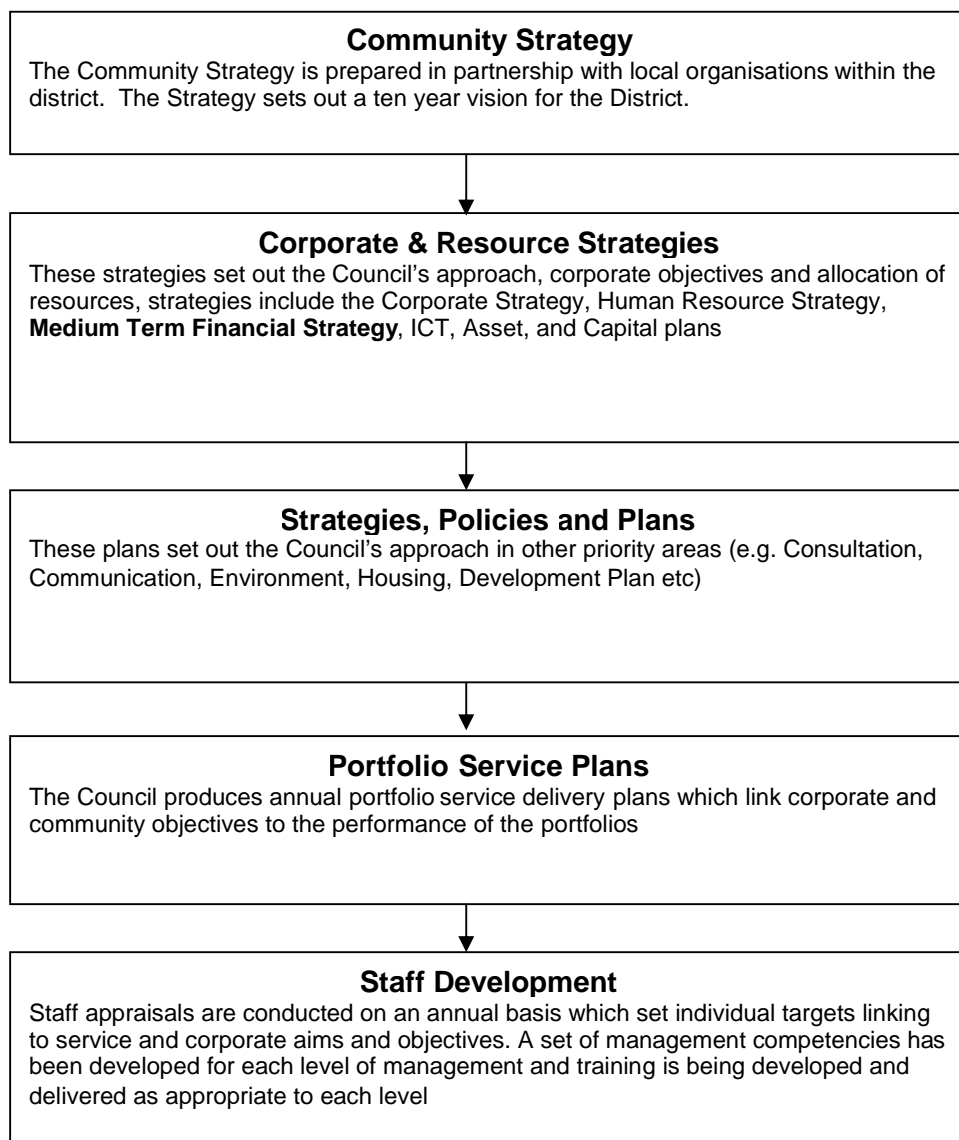
The Collection Fund account ensures that surpluses or deficits on council tax collection are taken into account when setting future tax rates. A summary of this account can be found in the Council's published accounts. The aim is to ensure that the balance on this account is as close to zero as possible at the end of each financial year. In practice there is generally a balance, but not one that is significant in overall terms.

The money from the Collection Fund is transferred into the General Fund, and all the services provided by this Council are paid for out of the General Fund. The Council used to operate a Housing Revenue Account but this was wound up when the housing stock was transferred to South Staffordshire Housing Association.

The General Fund and Collection Fund are statutory accounts. The annual audit of the accounts ensures that only those transactions required by law have been made between the two.

The position of the Medium Term Financial Strategy within the Service and Financial Planning Framework

South Staffordshire Council produces a number of plans and strategies which ensure the Council's overall aims and objectives are achieved. The diagram below demonstrates how the Medium Term Financial Strategy fits into the context of other Council strategies.



All of these plans and strategies are linked and are dependent on one another. The MTFS looks at major funding issues over the medium term (in the case of our plan 5 years), and identifies scope to develop services.

Local Context for the Strategy

The Council's spending plans, whether revenue or capital, statutory or discretionary, are informed by the Corporate Strategy, which has been developed by the Council based on the vision of members and officers, the defining features of the district and the views and observations of residents, stakeholders and partners.

The overarching Council Vision states:

“As a well-managed Council, we will strive to make South Staffordshire a safe and healthy place to live, with prosperous villages and thriving communities where everyone can develop their abilities to the full, and pass on to future generations a better environment.”

Supporting this are five aims and objectives. All plans for new spending, whether revenue or capital, are assessed against these aims and objectives using the service challenge process (see below) to ensure that they contribute to, rather than work against, these aims.

AIM 1 - To be a Council which protects and enhances South Staffordshire's distinctive environment

- We will protect and enhance the quality of South Staffordshire's distinctive built and natural environment and conserve the character of the green belt.
- We will ensure that each community has access to quality open spaces that are fit for purpose.
- We will reduce pollution and waste to landfill, increase recycling and reduce emissions arising from our own operations, thus contributing to the wider climate change agenda.
- We will aim to ensure that our District is clean, free from litter, fly tipping and other forms of environmental crime.

AIM 2 - To be a healthy and safe district in which to live, work, and visit

- We will make a positive contribution to the health and wellbeing of all the people in South Staffordshire by promoting and supporting healthy lifestyles, being mindful of the most vulnerable, including the increasing number of elderly people.
- We will reduce crime and disorder and make South Staffordshire feel safer.
- We will support and enable people in South Staffordshire, who choose to do so, to remain within their own homes.

AIM 3 - To be a District of thriving and sustainable communities

- We will aim to meet more of our housing needs by providing affordable housing, preventing homelessness and delivering a balanced mix of house types.
- We will support the retention of local services and facilities in the interests of sustainable communities, and seek to improve access to high level services such as hospitals.

- We will promote the provision and retention of accessible employment opportunities within the District and the wider West Midlands Region.
- We will support appropriate localities working, particularly through enabling Parish Councils to undertake improvement activities.
- We will promote tourism that is appropriate to South Staffordshire.

AIM 4 - To be a District recognised for strong community leadership and partnership working

- We will lead an efficient and effective multi-agency approach to improving services and enhancing quality of life.
- We will encourage the innovative use of community facilities for lifelong learning and other service provision.
- We will ensure that there is visibly strong community leadership and scrutiny via the elected members.

AIM 5 - To be a well-managed Council

- We will be viewed by residents, partners and employees as an excellent, responsive, and accessible authority.
- We will plan and manage the Council's finances and resources with the aim of delivering value for money whilst achieving high quality services in line with our stated aims and objectives.
- We will continuously review services in line with the aspirations of residents and stakeholders, delivering the national agenda in a local context.
- We will invest in our workforce to ensure that we have sufficient skills and capacity to meet our aims and objectives, both now and in the future.
- Where appropriate we will use innovative technology and approaches to improve efficiency, effectiveness and accessibility to key services.

Components of the Medium Term Financial Strategy

This section briefly explains some of the other processes and key components that underpin the medium term financial plan.

Budgetary and Policy Framework

The Council's Constitution sets out how the budget and policy framework operates. Each year the Executive proposes a draft revenue budget. A period of consultation follows. The Executive considers the outcome of the consultation process and recommends a budget requirement to Council for approval. The approved annual revenue budget and projections for the following five years are regularly monitored and updated with reports being presented to the relevant portfolio holders each month. Formal reports to the Executive are also made during the year. These are subject to the usual scrutiny process.

Fees and Charges

An important part of the budget process is the annual review of fees and charges. Fees and charges take a number of factors into account such as demand, trends, future expectations, market comparisons, pricing to complement policy objectives, cost of providing the service, legislative guidance and the rate of inflation. Fees and charges help keep down the net cost of services to be funded by Government grant and taxpayers. The general objective

is to ensure that the recipient of the service pays the cost of providing the service. A charging policy has been adopted by the Council that guides service managers through the issues they need to consider when setting or reviewing charges.

External Funding

Financial contributions towards Council services, whether revenue or capital, are important and are pursued wherever possible. The funds may come in the form of grants for specific projects from Central Government or contributions from partner organisations.

Capital Strategy and Asset Management Plan

Both of these key documents have been assessed as 'good' by the Government Office for the West Midlands. This means that they no longer have to be submitted for assessment but they remain as important internal documents guiding the Council's capital investment and asset management activities. The Executive considers forward projections of capital expenditure and funding during the budget setting process. Options appraisal and risk management assessments are used when the Council considers a new project. The Capital Programme and Asset Management Working Group meets every three months to monitor the capital programme. Minutes of the meetings are reported to the Executive. The Capital Strategy and Asset Management Plan will be reviewed and approved by Members.

Treasury Strategy

The Chartered Institute of Public Finance and Accountancy has published a Code of Practice on Treasury Management in the Public Services, which the Council has adopted. The Treasury Strategy sets out the parameters for borrowing, investment and management of the Council's cash flows commensurate with risk and return. It sets out the key reports that will be made to members each year. The Treasury Strategy for the year ahead, containing the prudential indicators required under the Prudential Code, is approved by Council at the same time as the Medium Term Financial Strategy. The Audit Committee receives a report on the previous year's performance each year.

Construction of the Medium Term Financial Strategy

The construction of the MTFS involves several processes. These are

- Establishment of the Base Budget
- Assembly of savings and efficiencies through the Service Challenge process
- Decision on Draft Budget – Executive 11th January 2011
- Consultation with Stakeholders
- Joint Meeting of the Overview and Scrutiny Committee and the Audit Committee - 18th January 2011
- Decision on Final Budget – Executive 8th February 2011

Budget preparations followed their established course with the service challenge process being conducted while the job of building up the base budget was carried out by service managers and the accountancy team in the background. The aims

of the base budget exercise are to provide revised estimates for the current year, based on current and emerging trends in income and expenditure patterns, and to project these forward into next year and the following four. A separate exercise is also carried out on investment income, taking into account the current disposition of the Council's investments and using the latest predictions of future interest rates.

The line-by-line budget review of each service using a report that enables expenditure over each of the last three years to be compared with current budget and spending levels which was introduced into the service challenge process last year was repeated. Once again a consistent pattern of low or zero spending in the past led to the reduction or elimination of the budget in question. For the second year running over £300,000 of annual budget savings were identified and removed from the base budget.

Central Government Support

When the budget and MTFS was prepared last year it was assumed that Government support would be cut by 20% in real terms over a three year period. Annual cuts of 5% in cash received each year were therefore assumed for 2011/12, 2012/13 and 2013/14. As we now know just two years worth of figures have been released rather than the expected three and the cuts for this Council amount in total to 35.3% by 2012/13. Assuming inflation at 2% this amounts to a real terms cut of 37.9%. Further cuts have been assumed in the following two years in line with the overall reduction in funding for the Department for Communities and Local Government. A rise of 2% has been assumed for 2015/16. The figures are set out in the table below.

<u>Year</u>	Grant £	Reduction £	Reduction %
2010/11	7,198,799		
2011/12	5,240,219	-1,958,580	-27.21
2012/13	4,654,393	-585,826	-11.18
Total		-2,544,406	-35.34
<u>Estimates</u>			
2013/14	4,412,364	-242,029	-5.20
2014/15	4,182,921	-229,443	-5.20
2015/16	4,266,580	+83,659	+2.00

Council Tax Freeze

The Coalition Government has announced that it would like to see no increases in council tax levels next year and has made £650m available to compensate councils for the loss of income that would have been raised through a rise of 2.5%. This council will receive approximately £93,500 next year and for the following three years.

Key Budget Assumptions

Certain key assumptions also have to be made about significant items such as interest rates, inflation rates, the level of pay wards, impact of staff vacancies

and the timing of the end of the current recession. These are discussed in more detail below.

Interest Rates

The Bank of England base rate remains at an historic low of 0.5% and is set, according to economic forecasters, to remain there until next summer. Thereafter, and in contrast to what was assumed last year, rises are expected to be slow and modest with a rise to 4% by 2013/14, remaining there for 2014/15. Rising future rates are however seriously undermined by the projected running down of the Council's reserves, both revenue and capital. Investment returns have been calculated based on a mixture of future 3, 6 and 12 month money market rates as projected by Sector, the Councils treasury advisors. These are set out in the table below.

<u>Year</u>	3mth %	6mth %	12mth %
Forecast 2011/12	1	1.4	1.8
Forecast 2012/13	2	2.4	2.8
Forecast 2013/14	3.2	3.5	3.7
Forecast 2014/15	4.2	4.3	4.5
Forecast 2015/16	4.2	4.3	4.5

Inflation Rates

Where applicable general inflation has been assumed at 2% for the duration of the MTFs as this is the Government's target for CPI. Specific contracts may vary from this depending on the measure of inflation to which they are linked. No general provision has been made for inflation on budgets for office supplies, equipment etc.

Pay Awards

It has been assumed that there will be a freeze on local government pay next year, given the state of both the economy and the public finances. Provision has been made for a 1% increase in 2012/13 and 2013/14 followed by rises of 2% in the following two years.

Employers' Pension Fund Contributions

Following the latest actuarial review of the pension fund which was carried out over the last few months the agreed increases for this authority amount to 1% per year. These rates will be reviewed at the next valuation in 2013.

<u>Year</u>	<u>Rate %</u>
2010/11	17.3
2011/12	18.3
2012/13	19.3
2013/14	20.3
2014/15	21.3

Vacancy Allowance

Vacancies occur as staff leave the Council to take up posts elsewhere. When this happens there is generally a gap during which the post remains unoccupied before a replacement can be appointed, producing a saving on the budget. These can be significant and an allowance should therefore be made in the budget. 4.5% has been assumed for the duration of the MTFS, consistent with the average over the last four years.

Recession

Income across some areas of the Council has been hit badly by the recession, particularly Development Control, Building Control and Industrial Unit rents. Due allowance has been made for these falls in income within the estimates. However it is assumed that the end of the recession will fall well within the span of the MTFS and that income will return to something approaching previous levels once the economy returns to normal.

Reserves

A number of earmarked reserves are maintained for specific purposes. At the 31st March 2010 the value of these was a total of £1,188,509, see the table below. The most significant items relate to

- "Section 106" monies paid by developers in respect of the future costs of grounds maintenance or other more specific biodiversity works;
- the Insurance reserve which is a contingency against claims arising from the period when the Council had no insurance following the collapse of MMI some years ago;
- the Leisure Centre Refurbishment Reserve which was created from the additional income generated by the leisure centres last year. It is intended to be used to keep the centres refurbished and equipped in order to maintain their appeal to the paying public;
- the Rural Transport Project reserve. The Council remains committed to this project which will see substantial sums invested in rural transport. Last year was the first year of the scheme and it was slow to start, hence the underspend which was carried forward in the reserve;
- a reserve was created from the underspend on the waste and recycling account during 2009/10 and is designed to be used to fund the costs of replacement wheelie bins, particularly as capital resources are becoming scarcer;
- the Planning Public Inquiries reserve created from the underspend on this account during 2009/10 and designed to be used to fund the costs of future public inquiries;
- the Leisure Development Fund built up from the profits on confectionery sales and used for facilities improvements;

There are also various other reserves to cover approved grants and other expenses which have not been expended at 31st March 2010 but which were contractually agreed.

Reserve	Balance at 31 st March 2010
	£
Section 106 Agreements	539,225
Insurance	100,000
Leisure Centre Refurbishment Reserve	75,000
Rural Transport Partnership	74,870
Wheelie Bins	59,801
Planning Public Inquiries	50,000
Leisure Centre Development Fund	43,095
Others	246,518
Total	£1,188,509

The VAT refund for £591,000 that the Council received during the year as a result of a Fleming claim will be used to cover the one-off costs of the voluntary redundancy exercise to be carried out in early 2011. The balance will be used to establish a Restructuring Reserve that will be used to cover the one-off costs of any further redundancies next year.

In addition to these there is the General Fund Reserve which is available for the purposes of supporting the revenue account by ensuring that the required levels of service can be provided whilst ensuring that demands on local council taxpayers are kept to reasonable levels. The level of this reserve is reviewed twice a year, at budget setting time and again when the accounts are closed. As at 31st March 2010 this reserve stood at £4,398,000. This is in excess of the Council's desired minimum level of balance which is currently set at £1,000,000.

This minimum figure is calculated by carrying out a risk assessment of the budget which models the effect of variations from budgeted levels of expenditure and income and assesses the level of reserves required should all the worst case scenarios occur together.

	Gross Value £	Risk Factor %	Reserve Amount £
Waste Collection	2,527,000	5.0%	126,350
Housing Benefits subsidy	25,700,000	2.0%	514,000
Staff Pay Award	8,700,000	1.0%	87,000
Fees and Charges	4,468,400	5.0%	223,420
Interest Receipts	228,000	10.0%	22,800
			<u>973,570</u>

It should be noted that the Council's Capital Receipts Reserve, which stood at £8.25m at the start of the year, cannot be used to support revenue spending.

Collection Fund

Each year the Council is required to make an estimate as to whether that part of this statutory account that deals with council tax will finish the year in surplus or deficit or whether it will be broadly in balance. Deficits and surpluses have to be shared amongst the major precepting authorities in the following year. In the

past few years a very prudent view has been taken of council tax receipts, particularly as the country headed into recession, and no surplus or deficit has been reported. It is clear however that council tax receipts are holding up well and that the Council will be able to declare a surplus in each of the next five years, approximately 10% of which will come to this Council and be available for transfer into the General Fund.

Projected General Fund Reserve

Working within the parameters of the current plan for the restriction of year on year rises in council tax to 3%, and taking into account the council tax freeze for next year, the base budget is then balanced by drawing on the general fund reserve. The objective in the first instance is to ensure that, at the end of the five year Medium Term Financial Strategy (MTFS), there is £1million remaining in the reserve.

The culmination of the initial run through of this year's exercise was that the projected amount remaining in the reserve at the end of 2013/14, the initial three year period of our 5 year MTFS, would be a negative figure of **£2.192 million**, which is clearly unworkable.

The projections for years four and five show increasing negative figures of £4.933m and £7.835m.

Savings

The reductions in government grant future years have meant that further cuts in spending, over and above those identified via the line-by-line budget scrutiny process during Service Challenge, have had to be made. Those cuts approved by members are:

Introduction of Charges for Evening Meals

Currently members of Regulatory Committee receive a free hot meal before the meeting. It is proposed to start charging for this service. Based on 16 meetings per year and average attendance of 38 members per meeting a charge of £3 would yield just over £1,800.

Increase in Charges for Court Costs

To increase the charges that we make for court costs when undertaking prosecutions to a higher but demonstrably reasonable level. £31,000 per year.

End to Revenues and Benefits Visiting Role

To change the role of the Revenue Visiting Officer to incorporate an increased back office function and to streamline the necessity for external visits by maximising the functions of corporate visiting officers. The removal of the essential car user allowance will also provide a saving. £13,800 per year.

Reduced Opening Hours in Solutions

To end the practice of opening until 8pm on Tuesday evenings and on Saturday mornings due to the small numbers of residents who take advantage of this. £40,000 per year.

Review of Pest Control

A revision of the charging structure and the outsourcing of the service. £107,200 in a full year.

Revisions to Grounds Maintenance Contract

A reduction in the highways verge cut per year from 3 to 2. These cuts are provided in addition to the verge cuts by the County Council. A reduction in the amount of non-scheduled work. £30,000 per year.

Energy Conservation Officer

A proposal to enter into a Service Level Agreement with the County Council to support South Staffordshire Council to meet its obligations for promoting Energy conservation in the district. £17,400 per year.

Membership Support

A proposal to delete from the Leisure Centre establishment the clerical support for the Membership officers. £10,300 in a full year.

Performance Related Pay

The removal of Performance Related Pay for Duty Managers at the four Leisure Centres. £18,000 per year.

Young People's Activity Centre

Following the demise of the Crèche facility at Wombourne Leisure Centre the room lends itself for the installation of a young people's activity centre. The initial funding, circa £45,000 will come from an earmarked reserve created at the end of the previous financial year. £10,000 per year.

Fees and Charges

For 2011/12 to increase the casual fees for the four leisure centres by 5% above the rate of inflation. Membership rates will be unaffected by this proposal. £54,000 per year.

Environmental Management System (EMS) Accreditation

From 2011/12 onwards move to a system of self certification (BS 8555) rather than seeking formal Accreditation for EMS. Joint Review with Director of Environmental Services regarding future resourcing of Council's handling of its energy conservation responsibilities/measures to tackle climate change through EMS. £5,000 per year from 2012/13.

Reduced Manning For CCTV

A proposal to cut the hours that operators are on site to between 10.00am and 2.00am daily (16 hours out of 24 per day). The camera's would still be operating and recording during the unmanned hours. £32,000 per year.

Review of Localities

Review of current service priorities and consequential staffing demands following the restructure and development of the localities and community development service, incorporating the health and wellbeing team. £60,300 per year.

The cuts detailed above amount to sum £430,000 per year. It is important to note that no account has been taken of any potential savings that might arise as

a result of the voluntary redundancy initiative that is currently underway. These are not capable of being finalised until after the budget has been set and probably not until part way through the next financial year. It is clear however that the voluntary redundancy policy is going to be a very important factor in contributing towards the further £2m savings necessary to balance the budget in the new financial environment.

Future Considerations

Much depends on the voluntary redundancy initiative although it is inevitable that there will be some compulsory redundancies to follow as the Council restructures itself in the new financial environment. These processes will unfold over the coming year. Regarding council tax increases it has been assumed that rises of 3% per year will take place although these will be subject to the strictures of the new and tougher capping regime.

INCOME AND EXPENDITURE ACCOUNT AND MEDIUM TERM FINANCIAL PLAN

	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
	RESTATED ESTIMATE	REVISED	ESTIMATE	PROJECTED	PROJECTED	PROJECTED	PROJECTED
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Portfolio Expenditure							
Support Services	2,613	1,922	1,946	1,919	1,929	1,956	1,979
Direct Services	1,899	1,687	1,730	1,758	1,797	1,856	1,880
Public Health Protection Services	1,204	1,147	1,042	1,024	1,033	1,048	1,066
Environmental Services	5,301	5,297	4,825	4,873	4,917	5,014	5,118
Strategic Services	1,092	987	1,044	975	957	970	990
Partnership Services	1,348	1,388	1,126	1,081	1,088	1,055	1,069
Regulatory Committee	1,381	1,212	1,334	1,279	1,267	1,267	1,310
Licensing Committee	15	-18	-13	-11	-10	-8	-6
Total Service Expenditure	14,853	13,622	13,034	12,898	12,978	13,158	13,406
Investment Income	-553	-363	-228	-283	-341	-347	-296
Asset Management Revenue Account							
Depreciation included in Portfolio estimates	-1,512	-1,409	-1,350	-1,350	-1,350	-1,350	-1,350
Asset Rentals included in Portfolio estimates	-770	-724	-733	-733	-733	-733	-733
Asset Management Revenue Account	-2,282	-2,133	-2,082	-2,082	-2,082	-2,082	-2,082
Deferred Charges							
Deferred Charges	770	3,410	340	340	340	340	340
Transfer from Capital Financing Reserve	-770	-3,410	-340	-340	-340	-340	-340
	0	0	0	0	0	0	0
Transfers to/from reserves							
Transfer to/from Earmarked Revenue Reserves	-21	-105	0	0	0	0	0
Transfer to/from General Revenue Reserves	-970	35	-1,439	-1,772	-1,944	-2,203	-2,366
	-991	-70	-1,439	-1,772	-1,944	-2,203	-2,366
Amount to be met from Government Grants and Local Taxpayers	11,027	11,056	9,285	8,761	8,611	8,525	8,662
Transfer from Collection Fund	-102	-101	-102	-100	-50	-50	-50
Council Tax Freeze grant	0	0	-93	-94	-94	-95	0
Area based grants	0	-30	-30	0	0	0	0
Revenue Support Grant	-913	-913	-1,246	0	0	0	0
Distribution from Non Domestic Rate Pool	-6,286	-6,286	-4,030	-4,650	-4,412	-4,183	-4,267
	-7,301	-7,330	-5,501	-4,844	-4,556	-4,328	-4,317
Demand on Collection Fund	3,726	3,726	3,784	3,917	4,055	4,197	4,345
Council Tax Requirement							
General Revenue Reserves							
Opening Balance 1st April	3,915	4,398	4,433	2,994	1,222	-721	-2,925
Surplus/Deficit for Year	-970	35	-1,439	-1,772	-1,944	-2,203	-2,366
Closing Balance 31st March	2,945	4,433	2,994	1,222	-721	-2,925	-5,290
Taxbase	39,079.54	39,079.54	39,692.48	39,890.94	40,090.39	40,290.84	40,492.29
Council Tax at Band D	95.34	95.34	95.34	98.20	101.15	104.18	107.31
Increase	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%

SUPPORT SERVICES PORTFOLIO	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
ELECTORAL AND CONCESSIONARY SERVICES													
Electoral and Concessionary Services	231	227	226	-231	-227	-226	0	0	0	0	0	0	0
Emergency Planning	47	46	47	0	0	0	47	46	47	47	48	49	49
Concessionary Fares	964	855	0	-146	-150	0	818	705	0	0	0	0	0
	1,242	1,128	273	-377	-377	-226	865	751	47	47	48	49	49
ACCOUNTANCY AND FINANCIAL SERVICES													
Accountancy and Financial Services	887	890	845	-887	-890	-845	0	0	0	0	0	0	0
Treasury Management	48	48	48	0	0	0	48	48	48	49	49	49	50
Members' Expenses	551	536	532	0	0	0	551	536	532	536	540	544	546
Corporate Management	1,096	1,097	1,033	-339	-840	0	757	257	1,033	1,004	1,009	1,030	1,051
Pensions (Former Employees)	114	114	114	0	0	0	114	114	114	113	113	114	113
Charitable Rate Relief	75	75	75	0	0	0	75	75	75	75	75	75	75
	2,771	2,760	2,647	-1,226	-1,730	-845	1,545	1,030	1,802	1,777	1,786	1,812	1,835
INFORMATION & COMMUNICATION TECHNOLOGY													
Information & Communication Technology	808	766	773	-808	-766	-773	0	0	0	0	0	0	0
Printing	194	191	190	-194	-191	-190	0	0	0	0	0	0	0
Telephony	63	63	58	-63	-63	-58	0	0	0	0	0	0	0
Geographical Information System	161	164	204	-161	-164	-204	0	0	0	0	0	0	0
	1,226	1,184	1,225	-1,226	-1,184	-1,225	0	0	0	0	0	0	0
LEGAL AND LICENSING SERVICES													
Legal Services	162	177	203	-162	-177	-203	0	0	0	0	0	0	0
HUMAN RESOURCES													
Human Resources	412	424	421	-412	-424	-421	0	0	0	0	0	0	0
Trainee Clerical scheme	102	41	0	0	0	0	102	41	0	0	0	0	0
Training and Awards	90	87	86	-33	-34	-34	57	53	52	50	50	50	50
	604	552	507	-445	-458	-455	159	94	52	50	50	50	50
ARCHITECTURAL & FACILITIES MANAGEMENT													
Catering Contract	132	136	131	-132	-136	-133	0	0	-2	-2	-2	-2	-2
Public Offices	971	935	928	-971	-935	-928	0	0	0	0	0	0	0
	1,103	1,071	1,059	-1,103	-1,071	-1,061	0	0	-2	-2	-2	-2	-2
OFFICE OF THE DEPUTY CHIEF EXECUTIVE													
Communications (Inc. Council Newspaper)	44	47	47	0	0	0	44	47	47	47	47	47	47
Internal Audit	180	186	175	-180	-186	-175	0	0	0	0	0	0	0
	224	233	222	-180	-186	-175	44	47	47	47	47	47	47
STRATEGIC MANAGEMENT TEAM													
Strategic Management Team	951	913	889	-951	-913	-889	0	0	0	0	0	0	0
SUPPORT SERVICES TOTAL	8,283	8,018	7,025	-5,670	-6,096	-5,079	2,613	1,922	1,946	1,919	1,929	1,956	1,979

DIRECT SERVICES PORTFOLIO	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
CUSTOMER SERVICES													
Solutions and Contact Centre	876	765	757	-876	-765	-757	0	0	0	1	0	0	1
	876	765	757	-876	-765	-757	0	0	0	1	0	0	1
REVENUES AND BENEFITS SERVICES													
Council Tax and Housing Benefit Payments	24,273	25,695	25,715	-24,091	-25,521	-25,521	182	174	194	198	201	206	209
Benefit Administration	1,388	1,352	1,347	-627	-631	-595	761	721	752	791	832	875	894
Local Tax Collection	900	832	782	-313	-309	-330	587	523	452	460	467	480	491
	26,561	27,879	27,844	-25,031	-26,461	-26,446	1,530	1,418	1,398	1,449	1,500	1,561	1,594
HOUSING SERVICES (OPERATIONS)													
Homelessness	415	390	382	-119	-113	-95	296	277	287	290	293	297	304
Housing Advice & RSLs	53	55	56	0	0	0	53	55	56	57	58	58	58
	468	445	438	-119	-113	-95	349	332	343	347	351	355	362
COMMERCIAL DEVELOPMENT SERVICES													
Industrial Estates	779	777	762	-869	-799	-804	-90	-22	-42	-55	-68	-82	-95
Hinksford Mobile Home Park	238	191	179	-186	-276	-206	52	-85	-27	-30	-35	-32	-43
	1,017	968	941	-1,055	-1,075	-1,010	-38	-107	-69	-85	-103	-114	-138
GOVERNANCE AND SCRUTINY													
Land Charges	56	49	66	-80	-63	-65	-24	-14	1	0	1	0	0
ENGINEERING SERVICES													
Building Control	392	418	367	-310	-360	-310	82	58	57	46	48	54	61
DIRECT SERVICES TOTAL	29,370	30,524	30,413	-27,471	-28,837	-28,683	1,899	1,687	1,730	1,758	1,797	1,856	1,880

PUBLIC HEALTH AND PROTECTION	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
ENVIRONMENTAL HEALTH & LICENSING													
Service Unit Management/Support	117	107	106	-117	-107	-106	0	0	0	0	0	0	0
Food Safety Enforcement Services	283	282	281	-1	-2	-3	282	280	278	281	284	289	294
Pest Control and Stray dog Services	265	236	154	-46	-47	-48	219	189	106	79	80	80	82
Corporate Health and Safety	73	71	70	0	0	0	73	71	70	71	71	73	73
	738	696	611	-164	-156	-157	574	540	454	431	435	442	449
PLANNING ENFORCEMENT & ENVIRONMENTAL PROTECTION													
Planning Enforcement	191	183	161	0	0	0	191	183	161	161	163	165	169
Environmental crime & Enforcement	89	75	76	0	-2	-2	89	73	74	75	75	76	77
Pollution Control	216	220	219	-18	-18	-18	198	202	201	204	206	210	213
Other Public Health Services	86	86	87	-1	-3	-2	85	83	85	85	86	86	88
Housing Standards	87	86	87	-20	-20	-20	67	66	67	68	68	69	70
	669	650	630	-39	-43	-42	630	607	588	593	598	606	617
DIRECTOR OF PUBLIC HEALTH AND PROTECTION													
Portfolio Admin support	102	102	102	-102	-102	-102	0	0	0	0	0	0	0
	102	102	102	-102	-102	-102	0	0	0	0	0	0	0
COMMUNITY SERVICES TOTAL	1,509	1,448	1,343	-305	-301	-301	1,204	1,147	1,042	1,024	1,033	1,048	1,066

ENVIRONMENTAL SERVICES PORTFOLIO	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
SERVICE UNIT/SERVICE													
LANDSCAPE AND BEREAVEMENT SERVICES													
Landscape Management	837	874	763	-56	-67	-107	781	807	656	638	620	634	649
Sytch Lane Cemetery	148	114	102	-169	-98	-98	-21	16	4	3	1	-1	-1
	985	988	865	-225	-165	-205	760	823	660	641	621	633	648
ENGINEERING SERVICES													
Engineering Services	230	224	229	-230	-224	-229	0	0	0	0	0	0	0
Operational Services	459	468	460	-73	-73	-65	386	395	395	398	401	407	413
Environmental Services (Engineers)	72	67	78	0	0	0	72	67	78	79	80	81	83
Flood Protection and Land Drainage	49	41	43	0	0	0	49	41	43	43	44	45	46
Highways and Lighting	117	104	108	-6	-6	-6	111	98	102	104	104	105	106
Car Parking	92	135	141	-16	-46	-52	76	89	89	91	92	93	94
Council Depot	28	28	29	-28	-28	-29	0	0	0	0	0	0	0
Fleet Account	153	152	153	-153	-152	-153	0	0	0	0	0	0	0
	1,200	1,219	1,241	-506	-529	-534	694	690	707	715	721	731	742
WASTEMANAGEMENT SERVICES													
Refuse & Recycling	3,505	3,568	3,468	-982	-1,078	-1,099	2,523	2,490	2,369	2,429	2,492	2,556	2,622
Public Conveniences	9	9	9	0	0	0	9	9	9	9	9	9	9
Energy Conservation	46	57	27	0	0	0	46	57	27	26	27	27	28
	3,560	3,634	3,504	-982	-1,078	-1,099	2,578	2,556	2,405	2,464	2,528	2,592	2,659
ENVIRONMENTAL PORTFOLIO ADMIN SUPPORT													
Admin Support	146	123	119	-146	-123	-119	0	0	0	0	0	0	0
LANDSCAPE PLANNING													
Environmental Improvements	14	14	14	0	0	0	14	14	14	14	14	14	14
LEISURE FACILITIES MANAGEMENT													
Baggeridge and Railway Walk	276	263	254	-69	-88	-77	207	175	177	178	179	181	183
Cheslyn Hay Leisure Centre	647	639	639	-446	-446	-486	201	193	153	151	148	149	150
Codsall Leisure Centre	614	593	616	-383	-394	-450	231	199	166	161	159	159	161
Penkridge Leisure Centre	412	407	405	-198	-222	-223	214	185	182	187	186	188	188
Wombourne Leisure Centre	859	843	825	-634	-614	-641	225	229	184	182	178	179	180
Facilities Development	409	380	370	-232	-203	-193	177	177	177	180	183	188	193
Leisure Development Fund	0	76	0	0	-20	0	0	56	0	0	0	0	0
	3,217	3,201	3,109	-1,962	-1,987	-2,070	1,255	1,214	1,039	1,039	1,033	1,044	1,055
ENVIRONMENTAL SERVICES TOTAL	9,122	9,179	8,852	-3,821	-3,882	-4,027	5,301	5,297	4,825	4,873	4,917	5,014	5,118

STRATEGIC SERVICES PORTFOLIO	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
DEVELOPMENT PLANS & CONSERVATION													
Development Planning	411	338	402	-51	-1	-1	360	337	401	355	331	337	341
Conservation	197	166	163	-13	-13	-10	184	153	153	154	156	157	161
	608	504	565	-64	-14	-11	544	490	554	509	487	494	502
HOUSING STRATEGY & REGENERATION													
Housing Strategy	169	169	168	-26	-22	-22	143	147	146	142	143	145	153
District Inspectors	120	118	115	0	0	0	120	118	115	116	117	119	121
Economic Development	25	22	22	0	0	0	25	22	22	22	22	22	22
Tourism	69	69	67	-1	-1	-1	68	68	66	66	67	67	68
	383	378	372	-27	-23	-23	356	355	349	346	349	353	364
LANDSCAPE PLANNING													
Landscape Planning	304	276	275	-112	-134	-134	192	142	141	120	121	123	124
STRATEGIC SERVICES TOTAL	1,295	1,158	1,212	-203	-171	-168	1,092	987	1,044	975	957	970	990

PARTNERSHIP SERVICES PORTFOLIO	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
OFFICE OF THE CHIEF EXECUTIVE													
Policy and Partnership	537	630	490	0	-10	0	537	620	490	493	496	454	460
Local Strategic Partnership	28	194	25	0	-169	0	28	25	25	25	25	26	26
Social Media Project	0	74	6	0	-74	-6	0	0	0	0	0	0	0
Community Safety	55	56	55	-50	-51	-51	5	5	4	5	4	4	4
Community Safety (Grant Funded)	0	115	0	0	-115	0	0	0	0	0	0	0	0
Grants to Voluntary Bodies	95	93	93	0	0	0	95	93	93	93	93	93	93
	715	1,162	669	-50	-419	-57	665	743	612	616	618	577	583
OFFICE OF THE DEPUTY CHIEF EXECUTIVE													
Localities	575	525	369	-91	-80	-28	484	445	341	288	289	294	299
ENGINEERING SERVICES													
CCTV	203	204	177	-4	-4	-4	199	200	173	177	181	184	187
PARTNERSHIP SERVICES TOTAL	1,493	1,891	1,215	-145	-503	-89	1,348	1,388	1,126	1,081	1,088	1,055	1,069

REGULATORY COMMITTEE	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Restated Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
ELECTORAL AND CONCESSIONARY SERVICES													
Electoral Registration and Elections	198	206	278	-1	-6	-18	197	200	260	219	220	223	270
	198	206	278	-1	-6	-18	197	200	260	219	220	223	270
ARCHITECTURAL AND LANDSCAPE SERVICES													
Statutory Landscape Duties	112	112	112	0	0	0	112	112	112	113	114	117	119
DEVELOPMENT CONTROL													
Development Control	912	899	906	-257	-387	-330	655	512	576	558	540	528	516
GOVERNANCE AND SCRUTINY SERVICES													
Governance and Scrutiny Services	298	285	289	-298	-286	-289	0	-1	0	0	-1	0	0
Democratic Representation and Management	212	211	210	0	0	0	212	211	210	212	215	218	222
	510	496	499	-298	-286	-289	212	210	210	212	214	218	222
ENVIRONMENTAL HEALTH AND LICENSING													
Health and Safety	205	178	176	0	0	0	205	178	176	177	179	181	183
REGULATORY COMMITTEE TOTAL	1,937	1,891	1,971	-556	-679	-637	1,381	1,212	1,334	1,279	1,267	1,267	1,310

LICENSING COMMITTEE	Expenditure			Income			Net Expenditure			Net Expenditure			
	2010/11		2011/12	2010/11		2011/12	2010/11		2011/12	2012/13	2013/14	2014/15	2015/16
SERVICE UNIT/SERVICE	Restated Original £000's	Revised £000's	Estimate £000's	Original £000's	Revised £000's	Estimate £000's	Original £000's	Revised £000's	Estimate £000's	Projection £000's	Projection £000's	Projection £000's	Projection £000's
ENVIRONMENTAL HEALTH & LICENSING SERVICES													
Licensing	201	188	194	-216	-241	-241	-15	-53	-47	-46	-45	-44	-42
Environmental Health Licensing	35	42	41	-5	-7	-7	30	35	34	35	35	36	36
LICENSING COMMITTEE TOTAL	236	230	235	-221	-248	-248	15	-18	-13	-11	-10	-8	-6

CAPITAL PROGRAMME - SUMMARY OF CAPITAL INVESTMENT PLANS	Budget 2010/11	Revised Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Total
	£	£	£	£	£	£	£	£
Support Services								
Replacement of Old PC's	45,000	70,489	45,000	45,000	45,000	45,000	45,000	295,489
Electronic Document Management		26,020						26,020
New Financial Software		14,074						14,074
E Forms for Internet		9,215						9,215
Personnel and Payroll System		34,585						34,585
Total Land Charges Closure Programme	130,186	122,525						122,525
Civica EDM/CRM Interface		66,000						66,000
	175,186	342,908	45,000	45,000	45,000	45,000	45,000	567,908
Direct Services								
Hinksford Bank Protection Works		90,000						90,000
Hinksford - Site Office Extension	37,500	37,500						37,500
CRM System		100,000						100,000
New Revenues and Benefits System	630,000	594,503						594,503
	667,500	822,003	0	0	0	0	0	822,003
Partnership Services								
Grants and Loans	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Environmental Services								
Additional Bins/Boxes	35,000	0	0	35,000	35,000	35,000	35,000	140,000
Upper Lake, Perton		7,539						7,539
Kinver High Street	277,550	285,590						285,590
Public Lighting	20,000	30,891	20,000	20,000	20,000	20,000	20,000	130,891
Municipal Cemeteries - Concrete Infrastructure	25,000	0	10,000	10,000	10,000	10,000	10,000	50,000
Brick Bridge Lane Open Space, Wombourne	40,000	42,263						42,263
Swimming Pool Covers		34,300						34,300
Wombourne Toning Suite and Spinning Studio	82,000	82,000						82,000
Cheslyn Hay Artificial Pitch/Courts	75,000	75,000						75,000
Codsall Fitness Suite	200,000	200,000						200,000
	754,550	757,583	30,000	65,000	65,000	65,000	65,000	1,047,583
Strategic Services								
Social Housing Grant and Other Hsg	2,150,000	2,289,160		0	0			2,289,160
Cocksparrow Lane, Huntington	18,790	18,790						18,790
Laches Close, Four Ashes		9,000						9,000
Renovation and Disabled Facilities Grants	556,000	696,551	556,000	556,000	556,000	556,000	556,000	3,476,551
Additional Renovation and DFGs	44,000	44,000	44,000	44,000	44,000	44,000	44,000	264,000
	2,768,790	3,057,501	600,000	600,000	600,000	600,000	600,000	6,057,501
Regulatory Committee								
Planning Portal Public Access System	23,000	23,000						23,000
Office of the Deputy Chief Executive								
Photovoltaic Cell Installation on Council Offices	460,400	90,000	370,400					460,400
Improvements to Council Offices	18,000	10,000	0	53,000	0	12,000		75,000
	478,400	100,000	370,400	53,000	0	12,000	0	535,400
GRAND TOTAL	4,917,426	5,152,995	1,095,400	813,000	760,000	772,000	760,000	9,353,395
Financing								
Capital Receipts	4,564,426	4,654,995	765,400	483,000	430,000	442,000	430,000	7,205,395
Capital Grants - Planning Delivery Grant	23,000	23,000						23,000
Capital Grants - Disabled Facilities Grant	330,000	330,000	0	0	0	0	0	330,000
Capital Grants - Disabled Facilities Grant (not ring fenced)			330,000	330,000	330,000	330,000	330,000	1,650,000
Capital Grants - Regional Housing Board		145,000						145,000
Walk Lane Wombourne S.106								
	4,917,426	5,152,995	1,095,400	813,000	760,000	772,000	760,000	9,353,395
Useable Capital Receipts								
Balance brought forward	-8,254,610	-8,254,610	-3,599,615	-2,834,215	-2,351,215	-1,921,215	-1,479,215	-8,254,610
Additions in year	0	0	0	0	0	0	0	0
Applied in year	4,564,426	4,654,995	765,400	483,000	430,000	442,000	430,000	7,205,395
Balance carried forward	-3,690,184	-3,599,615	-2,834,215	-2,351,215	-1,921,215	-1,479,215	-1,049,215	-1,049,215

PARISH PRECEPTS 2011 / 2012

PARISH	TAXBASE	PRECEPT	BAND D CHARGE
		£	£
ACTON TRUSSELL, BEDNALL & TEDDESLEY HAY	609.86	15,500	25.42
BILBROOK	1,654.71	55,000	33.24
BLYMHILL & WESTON- UNDER- LIZARD	352.66	4,400	12.48
BOBBINGTON	254.68	4,000	15.71
BREWOD & COVEN	3,121.87	185,159	59.31
CHESLYN HAY	2,326.23	153,800	66.12
CODSALL	3,105.02	137,922	44.42
DUNSTON WITH COPPENHALL	253.94	2,500	9.84
ENVILLE	231.29	5,955	25.75
ESSINGTON	1,578.85	73,356	46.46
FEATHERSTONE	1,158.39	75,076	64.81
GREAT WYRLEY	3,568.95	187,303	52.48
HATHERTON	262.44	8,500	32.39
HILTON	65.58	6,500	99.12
HIMLEY	329.50	2,500	7.59
HUNTINGTON	1,294.21	61,000	47.13
KINVER	3,254.25	144,709	44.47
LAPLEY, STRETTON & WHEATON ASTON	1,025.08	61,494	59.99
LOWER PENN	486.56	11,000	22.61
PATTINGHAM & PATSHULL	1,006.77	47,500	47.18
PENKRIDGE	3,102.24	245,000	78.98
PERTON	3,660.11	200,000	54.64
SAREDON	311.39	6,500	20.87
SHARESHILL	317.19	16,000	50.44
SWINDON	505.57	18,000	35.60
TRYSULL & SEISDON	544.34	17,700	32.52
WOMBOURNE	5,310.80	196,000	36.91
TOTAL	39,692.48	1,942,374	
Average Band D Parish Charge is £48.94			

REPORT OF THE DIRECTOR OF FINANCE

- 1 I am making this report in compliance with the personal responsibilities placed upon me as Chief Finance Officer by s25 to s28 of the Local Government Act 2003. The legislation requires me to report to the authority on two matters.
 - The robustness of the estimates it makes when calculating its budget requirement.
 - The adequacy of the authority's reserves, taking into account the experience of the previous financial year.

Robustness of Estimates

- 2 The process for preparing the budgets started in the summer of 2010. The detailed budget preparation was overseen by an experienced qualified accountant, supported by other finance staff, both qualified and unqualified, familiar with the requirements of the budget preparation process. The basis of the estimates included the following elements which are in my view crucial to setting realistic budgets.
 - Staffing budgets are prepared on a zero base approach, and are built up based on the actual staffing establishment and its current costs.
 - The budgets reflect as far as can be determined costs of major contracts including likely cost increases
 - The budgets are informed by the results of the 2010/11 budget monitoring and recognise those issues that are unavoidable and would carry through into 2011/12.
 - The budget identified the on-going cost of council decisions taken since March 2010.
- 3 The detailed budgets have been scrutinised by:
 - Heads of service and service managers
 - Directors
 - Portfolio Holders
 - Overview and Scrutiny Committee
 - Audit Committee
- 4 In particular proposals for growth and savings have been carefully reviewed in order to be satisfied of their robustness and for their relationship to the priorities of the Council. The budget does not contain any unspecified or unrealistic savings proposals or contingencies.
- 5 The budgets have been assessed as part of the authority's approach to risk management and the major financial risks identified.

- 6 Taking all these factors into account I am satisfied that the estimates have been prepared on a robust basis.

Adequacy of Reserves

- 7 The Chartered Institute of Finance and Accountancy (CIPFA) has produced guidance on local authority reserves and balances. As a member of this accounting body and the authority's Chief Finance Officer, I am bound to give my advice in the context of this guidance. The guidance does not consider it appropriate or practical to be prescriptive on the minimum level of reserves. It does outline the factors that must be weighed in coming to the view on the level of reserves appropriate at a point in time.
- 8 In considering the level of general reserves in addition to the cash flow requirements CIPFA recommends that the following factors are considered: -

Budget assumptions	Financial standing and management
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates)
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures
The treatment of efficiency savings/productivity gains	The strength of financial information and reporting arrangements
The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level
The availability of other funds to deal with major contingencies	The adequacy of the authority's insurance arrangements to cover major unforeseen risks.

- 9 At the start of the financial year 2010/11 the Council's general reserve stood at £4,398,000. This is in excess of the Council's desired minimum level of £1,000,000. However, the huge reductions in government grant that have been handed down in the latest local

government financial settlement coupled with the continuing poor levels of investment income will see apparently healthy levels of reserves quickly consumed. Even allowing for the savings that have been identified in the current budget process the prediction is for the balance on the General Fund Reserve to be a minus figure by March 2014. It is clear that further substantial savings, in the order of a £2m reduction in our annual expenditure, must be found in order that the Council can arrive at a position where it is operating a balanced budget.

- 10 Regarding the issue of risk, none of the elements of either the base budget or the savings proposals that members have agreed to include in either the capital or revenue budget result in the exposure of the Council to increased financial risk over and above those already identified in the budget papers considered by members. There are currently no plans to enter into any significant new funding partnerships or major outsourcing deals. All current capital developments have been assessed and full revenue implications taken into account. I consider that the current and projected future levels of revenue and capital reserves as set out in the Medium term Financial Strategy are adequate to cover any unforeseen cost overruns that may arise from current and future operations.
- 11 I am of the opinion that, for a Council of this size and with our record of prudent spending, careful budgeting and effective budgetary control, a general reserve level of £1,000,000 is adequate and that the actions described above and those which will be brought before members in the next budget round will ensure that predicted reserves will be restored to this level.

P A Cooper
Director of Finance