

Council – 27 February 2014

Item No 10 (1) – Corporate Budget Plan and Treasury Management and Investment Strategy 2014/15

The budget report referred on from Cabinet on 5 February 2014 mentioned in 2.2 (l) that delegated authority be given to the Chief Finance Officer to make any necessary amendments, in consultation with the portfolio holder for finance and personnel and the Leader, to take account of the final levies and precepts which have not yet been notified, any changes arising from final technical guidance or legislation on the budget, and to make any necessary amendments to the statutory determinations and council tax bands to take account of those changes and the resulting final analysis of the budget for 2014/15 and for amendments to those to be submitted and therefore recommended to Council at its meeting on 27 February 2014.

Walsall Council has accepted the council tax freeze grant and has not increased council tax for 2014/15.

West Midlands Police and Crime Commissioner and West Midlands Fire and Rescue Authority have both increased their element of the council tax by 1.99% for 2014/15.

The attached is the revised recommendation that includes changes to levies, precepts and changes to the statutory determinations (mainly as a result of revised grant notifications / predictions).

James Walsh
Chief Finance Officer

Council – 27 February 2014

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Recommendation

That the following be approved:

1. Revenue

- a) The recommendations of the Chief Financial Officer (CFO) in respect of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of reserves, including the levels of central contingency and an opening general reserves of not less than £11.2m, as set out in **Annex 3**.
- b) The levies below for outside bodies:

LEVY	AMOUNT (£)
West Midlands Passenger Transport Authority	13,601,528
Environment agency	71,853

- c) The following statutory determinations (references are to the Local Government Finance Act, 1992 as amended):
- I. **£634,275,320** being the aggregate gross expenditure, which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act.
 - II. **£547,511,699** being the aggregate income which the council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
 - III. **£86,763,621** being the amount, by which the aggregate at (c) (I) above exceeds the aggregate at (c) (II), calculated by the council in accordance with Section 31A(4) of the Act, as its council tax requirement for the year.
 - IV. **£1,410.26** being the amount at (c) (III) above, divided by the council tax base of **61,523.32**, calculated by the council in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (average council tax at band D).
 - V. Valuation bands

Being amounts given by multiplying the amount at (c) (iv) above by the number which, in the proportion set out in Section 5 (1) of the Local Government Act 1992, is applicable to dwellings listed in valuation band D, calculated by the council in accordance with Section 30 and 36 of the Act as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

A	B	C	D
£940.17	£1,096.87	£1,253.56	£1,410.26
E	F	G	H
£1,723.65	£2,037.04	£2,350.43	£2,820.51

- d) The precept from the Fire and Rescue Authority and the precept for the Police and Crime Commissioner, issued to the council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwelling shown below:

PRECEPTING AUTHORITY	VALUATION BANDS			
Police And Crime Commissioner	A	B	C	D
	£69.65	£81.25	£92.86	£104.47
	E	F	G	H
	£127.69	£150.90	£174.12	£208.94
Fire & Rescue Authority	A	B	C	D
	£35.91	£41.90	£47.88	£53.87
	E	F	G	H
	£65.84	£77.81	£89.78	£107.73

- e) That having calculated the aggregate in each case of the amounts at (c) (v) and (d) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts of council tax for 2014/15 for each of the categories of dwellings shown below:

A	B	C	D
£1,045.73	£1,220.02	£1,394.30	£1,568.60
E	F	G	H
£1,917.18	£2,265.75	£2,614.33	£3,137.18

- f) That notice **be given** of the council tax within twenty one days of it being set by publishing details of the same in the “Walsall Advertiser” newspaper circulating in the Authority’s area.
- g) That the Chief Financial Officer **be instructed** to take all necessary action in relation to council tax, community charge and national non-domestic rates, including, where appropriate, the signing of all documents, the giving of notices and the taking of necessary steps to ensure collection thereof.
- h) That the budget plan be approved, including the opening cash limits, savings and investment proposals set out in the annexes, subject to any changes within this recommendation and the amendment by Cabinet on 5 February 2014 as follows:

“That the proposal to close the Walsall Museum building with a saving of £70,000 (Annex 10c, page 147) be removed from the budget for 2014/15 whilst the service reviews all options available. The removal of £70,000 to be funded as a one-off in 2014/15 from reserves”.

- i) That, pursuant to Section 52ZB and 52ZC of the Local Government Finance Act 1992, the relevant basic amount of council tax for the Council is not excessive in relation to determining whether a referendum is required.
- j) That, pursuant to Section 52ZB and 52ZC of the Local Government Finance Act 1992, the relevant basic amount of council tax for both the Police and Crime Commissioners and the Fire and Rescue Authority is not excessive in relation to determining whether a referendum is required.

2. Capital

- a) That the capital programme for 2014/15 set out in the following tables **be approved** bearing in mind the principle that unless affordable from within current resources, specific projects funded by unsupported borrowing will not be commenced until a payback agreement is in place. Schemes funded from grant will commence when final allocations are published. Reserve list items will only commence should funding become available during the financial year.

CAPITAL PROGRAMME 2014/15	
MAINSTREAM (COUNCIL FUNDED) SCHEMES	ESTIMATED VALUE £
<i>Prior Year Approvals</i>	
Walsall Arboretum – Illuminated Park	108,000
Willenhall Memorial Park	60,000
Primark / Coop Development	5,527,113
<i>New Capital Bids</i>	
ICT Essential Maintenance – Virtual Server infrastructure	74,000
Increase Council Internet Security	14,500
ICT Essential Software License changes	46,000
Improvements to ICT security (Protection of council information)	18,000
ICT requirements to cater for blending transitioned services	445,680
Social IT Systems Review & Enhancement	550,000
Replenish Smarter Workplaces capital pot	152,200
New Car Park Provision – Lucknow Road	168,000
Highway Maintenance Programme	1,700,000
Public Lighting ‘Invest to save’ for replacement LED lighting	250,000
Traffic signals infrastructure – conversion to LED signals	45,000
Aids & Adaptations – statutory element	400,000
Supporting Independence & Preventative adaptations	500,000
Health through warmth and related retro-fit schemes	500,000
Shop Maintenance	120,000
Replacement Development Management, Building Control & Land Charge ICT system	98,700
Replace the heating & ventilation system within the First Stop Shop	100,000
Replace the existing heating & ventilation system in link block	100,000
Solar PV Panels for Civic Centre	425,000
Walsall Market – permanent relocation	250,000

CAPITAL PROGRAMME 2014/15 continued ...	
MAINSTREAM (COUNCIL FUNDED) SCHEMES	ESTIMATED VALUE £
Retained Housing Land Inspection/Maintenance of LSVT sites	50,000
Remodelling of Rushall Primary School and Education Development Centre	3,000,000
Memorial Safety Management in Walsall cemeteries	80,000
Libraries Universal Digital Offer – a 21 st century Public Library service	67,540
Broadway West Playing Fields	75,000
Forest Arts Centre – Renovation of Sports Hall	198,800
<i>Capital Investment Earmarked Reserves</i>	
Funding to support essential works including Health & Safety, and other projects that cannot be guaranteed at start of year	1,000,000
Capital Contingency – provision to manage unforeseen expenditure	669,413
Provision for match funded external schemes	250,000
Total	17,042,946

NON-MAINSTREAM CAPITAL PROGRAMME – SCHEMES FUNDED FROM EXTERNAL SOURCES 2014/15	
NON MAINSTREAM SCHEMES	ESTIMATED VALUE £
Basic Need	1,160,396
Devolved Formula Capital	564,917
Capital Maintenance	2,784,688
Universal Infant Free School Meals Capital	697,816
Highways Maintenance / Additional Local Funding	184,000
LTP Highway Maintenance Programme	1,832,000
A461 Corridor Highway Improvement Scheme / Major Transport Schemes Programme	155,000
Disabled Facilities Grant	1,632,000
Integrated Transport Block / Local Transport Plan 2014/15	2,119,000
Black Country Business Property Investment Programme	4,562,173
Darlaston Strategic Development Area Access	7,144,000
Community Capital Capacity Grant	797,000
Total	23,632,990

LEASING PROGRAMME 2014/15	
PORTFOLIO	EXPENDITURE £
Environment portfolio	3,653,104
Total	3,653,104

CAPITAL PROGRAMME RESERVE LIST ITEMS 2014/15	
MAINSTREAM (COUNCIL FUNDED) SCHEMES	ESTIMATED VALUE £
Aids & Adaptations	600,000
Supporting Independence & Preventative Adaptations	500,000
Health Through Warmth & Related Retro-Fit Schemes	500,000
Traffic Signals Infrastructure – replace obsolete control equipment	200,000
Promotion of Community Health & Safety	240,000
Retained Housing Land Inspection & Maintenance of LSVT sites	50,000
Residential Parking – Construction of new residential parking facilities (verge parking)	250,000
Carbon Management Programme	280,000
Open Space associated with retained housing land	25,000
Enable the Local History Centre & New Art Gallery to develop their collections	63,000
Funding to support essential works including Health & Safety, and other projects that cannot be guaranteed at start of year	500,000
Total	3,208,000

3. Treasury Management

- a) The 2014/15 treasury management and investment strategy document set out in **Section 2**, including the council's borrowing requirement and the adoption of the prudential indicators set out in **Annex 6, be approved**.
- b) That decisions to effect movements between conventional borrowing and other long term liabilities, such as leases, **be delegated** to the Chief Finance Officer.
- c) That decisions to use capital receipts or unsupported borrowing within the framework of approved prudential indicators **be delegated** to the Chief Finance Officer.