



Report to: Policy and Resources Committee, 5th February 2019

**Report of: Chairs of the Place and Economic Development Sub-Committee,
Environment Committee and Communities Committee**

**Subject: DRAFT MEDIUM TERM FINANCIAL PLAN 2019-2024 AND DRAFT
BUDGET 2019/20 – CONSULTATION WITH POLICY COMMITTEES**

1. Recommendation

- 1.1 That the Committee consider the proposed amendments to the draft budget for the Council for the financial year 2019/20 and Medium Term Financial Plan 2019-2024, as set out in Appendix 1; and**
- 1.2 That the Committee consider the proposed fees for Street Naming and Numbering, as set out in Appendix 2.**

2. Background

- 2.1 At its meeting of 11 December 2018, the Policy and Resources Committee referred the draft Medium Term Financial Plan 2019-2024 and the proposed Draft Budget and Council Tax for 2019/20 for consultation with a request for feedback to the next meeting of the Policy and Resources Committee on 5 February 2019.
- 2.2 Under the Council's Budget and Policy Framework in Part 7 of the Council's Constitution, the development of the budget is based on the principle that the Policy and Resources Committee will develop the Budget in consultation with the relevant committees. The consultation period runs from 11 December 2018 until 5 February 2019. During the consultation period the Council's Policy Committees (namely the Place and Economic Development Sub-Committee, the Environment Committee and the Communities Committee) may respond to the draft budget.
- 2.3 The above committees have considered the draft budget as presented on 11 December 2018 and has forwarded the proposals in the attached schedule for consideration (Appendix 1). The Committee is asked to consider these and make recommendations accordingly to Full Council at its meeting of 19 February 2019.
- 2.4 In addition to the above proposals, the Place and Economic Development Sub-committee approved a new policy on Street Naming and Numbering which included proposals for the introduction of fees. The potential income to be derived has been included in estimates within the Income and Efficiency Plan. If approved by this Committee, the final report to Council on 19 February will include the proposed schedule of fees and charges shown at Appendix 2, for Council approval.

3. Section 151 Officer Comments

- 3.1 The proposals cumulatively recommend an addition to budgets of £345k in 2019/20. Of these, £225k represents one-off charges that can be funded from an appropriate reserve, while £120k represents recurring costs.

3.2 The cumulative impact of each of the proposals is shown in the following table. Additions to revenue budgets are shown as funded from New Homes Bonus, in the absence of proposed alternative reductions in cost or increases in income. The one-off items are charged to the City Plan Fund reserve pending an agreed alternative source.

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|----------------|------------------|
| Forecast Draft Net Budget | 10,360 | 10,453 | 10,750 | 11,192 | 11,796 |
| Grant & Taxation Financing | | | | | |
| Revenue Support Grant | 0 | 0 | 0 | 0 | 0 |
| New Homes Bonus for Budget | 911 | 712 | 638 | 750 | 1,013 |
| Business Rates | 3,455 | 3,574 | 3,697 | 3,769 | 3,842 |
| Council Tax | 5,930 | 6,167 | 6,415 | 6,673 | 6,941 |
| Council Tax Surplus | 91 | 0 | 0 | 0 | 0 |
| Net Transfer (to)/from General Fund | (27) | 0 | 0 | 0 | 0 |
| Forecast Budget Financing | 10,360 | 10,453 | 10,750 | 11,192 | 11,796 |
| Forecast Budget GAP | 0 | 0 | 0 | 0 | 0 |
| Required General Fund | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Forecast General Fund | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| NHB - Notified/Forecast grant Used for Budget (above) | 1,527 (911) | 1,265 (712) | 1,110 (638) | 1,233 (750) | 1,395 (1,013) |
| Transferred to City Plan Fund | 616 | 553 | 472 | 483 | 382 |
| % NHB allocated to City Plan | 40% | 44% | 43% | 39% | 27% |

3.3 It can be seen from the table that there is sufficient New Homes Bonus to meet all of the proposals. However the following needs to be taken into account:

- The City Plan Fund is fully allocated, except for a balance of £221k as set out in the budget report. The cumulative proposals shown in the Appendix 1 would mean that £124k of existing City Plan proposals would remain unfunded in 2019/20. It would take until 2020/21 to fund all existing proposals, assuming that income streams remain as expected.
- The budget report highlights continuation of New Homes Bonus as an area of significant risk. There is currently no assurance that this funding will continue after 2019/20. It was indicated in the final settlement for 2019/20 published on 29 January, that a full review of New Homes Bonus will be undertaken during this coming financial year.

Ward(s): All wards
Contact Officer: Shane Flynn, tel: 01905 722536, email: shane.flynn@worcester.gov.uk
Background Papers: None

APPENDIX 1

Recommendations from policy committees for inclusion in the budget 2019/20 and Medium Term Financial Plan 2019 – 2024

| Committee | Proposal | Proposed allocation | Officer comments |
|--|---|---------------------|--|
| <p>Planning and Economic Development Sub-Committee</p> | <p>New pedestrian bridge The County Council has published a budget which includes a draft capital contribution of approximately £3m for the development of a new pedestrian bridge in Worcester City. The City Council has set aside £500k for the initial stages of the work to support this initiative but further capital contributions will be required to continue the development, design and building of the bridge.</p> | <p>£225,000</p> | <p>This is a one-off item which can be charged to the City Plan Fund and brought into the capital programme in due course. The projected balance on the City Plan Fund is £2.836m, of which all but £221k is allocated to specific proposals. The remaining £4k can be identified from revenues.</p> <p>As this is a capital spend item, where future capital receipts arise, these will be used in preference to the City Plan Fund which is a revenue reserve.</p> |
| <p>Environment Committee</p> | <p>Environmental Sustainability Officer The Intergovernmental Panel on Climate Change’s 2018 Special Report on Global Warming warned of the dire consequences of a 1.5 degree rise in global temperatures. It warned that we have 12 years in which to reduce our dependency on fossil fuels and develop more sustainable ways of living. More than 20 cities in England and around the world have declared a ‘climate emergency’. Green councillors on Oxford City Council had unanimous, cross party support for their climate emergency motion at the full council meeting last night.</p> <p>The Council will create one full-time Environmental Sustainability Officer post within the council that works across all departments. Their role will be to support the council to work with all stakeholders to achieve a carbon neutral city of Worcester by 2030. The gross annual salary would be approximately £50k</p> | <p>£50,000</p> | <p>This is an ongoing expenditure which will be charged to revenue budgets. The proposal is based on an estimated salary of £30-£35,000 plus oncosts. A job evaluation exercise will be needed to identify the actual salary to be applied to the post.</p> |

| | | | |
|------------------------------|---|----------------|--|
| <p>Environment Committee</p> | <p>Out-of-hours street cleansing In some areas of the city, it is difficult to operate street cleansing to the desired standard because of cars parked on the street during working hours. As there is adequate parking for residents the road is clear in the evening and at weekends. This is not common throughout Worcester but there are a number of 'hot spots' where it is the case.</p> <p>This budget amendment will seek to create a new additional "out of working week hours" street cleansing crew to be able to do a separate sweep in areas affected in the City by parked cars during the normal working week on a rota basis every 3 months or so. This would mean 12 dedicated "zones" (allowing for Xmas, New Year and Easter breaks, though these would be good times time to do a proper sweep).</p> | <p>£15,000</p> | <p>This is an ongoing expenditure which will be charged to revenue budgets. The proposed cost is an estimate and will be finalised as the project is developed.</p> |
| <p>Environment Committee</p> | <p>Adjustment to Income and Efficiency Plan - Retained CEO posts The Budget report to the Environment Committee includes a proposal to delete four vacant Civil Enforcement Officer posts with a budget saving of £110,000. The proposal was considered in detail by the Environment Committee as part of a report on car parking management presented at its meeting of 23 October 2018.</p> <p>The proposal is to retain two of the posts and recruit to them to enable increased enforcement activity to address known parking enforcement issues outside of the city centre.</p> | <p>£55,000</p> | <p>A reduction in costs of £110k per annum has been included in the Income and Efficiency Plan for 2019-22. The actual level of cashable savings resulting from this change will depend on the posts deleted and the salary applied to the retained posts.</p> <p>This is an ongoing expenditure which will be charged to revenue budgets.</p> |

Worcester City Council

STREET NAMING & NUMBERING SCHEDULE OF FEES

| New Development or Conversion/Change of Use Scheme | | |
|---|---|--|
| Naming a New Street | Naming a new street | £280 |
| Naming and Numbering premises | Naming and Numbering premises | £140 + £27 for each additional adjoining premise |
| | Additional Charge where naming a building (e.g. block of flats) | £70 |
| Development Re-plan | | |
| Renumbering of a scheme following developer's re-plan of site layout (after the notification of numbering issued). | Amendment to a Street Name | £280 |
| | Amendment to Naming and Numbering of premises | £140 + £27 for each additional adjoining premise |
| | Additional Charge where naming a building (e.g. block of flats) | £70 |
| Existing Properties | | |
| Naming, Renaming or Renumbering existing property <i>(e.g. Change or add a name to an existing residential or commercial property)</i> | *Adding a name to or renaming a premise where the premise is also numbered [adding an 'alias name'] – see footnote | £27 |
| | Renaming a premise where the premise is not also numbered | £140 + £27 for each additional adjoining premise |
| | Renumbering a premise | £140 + £27 for each additional adjoining premise |
| | Additional Charge where renaming a building (e.g. a block of flats) | £70 |
| Renaming an existing Street | Renaming an existing street | £280 + £70 for each premise |
| Confirmation of Addresses | | |
| Confirmation of address to solicitors/ conveyancers /occupiers or owners | Confirmation of an official address allocated by Worcester City Council | £27 |

These charges are **not** subject to VAT.

*If a property is already numbered, a property owner can additionally name their property. The property number must still be displayed and referred to in any correspondence.