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Dear Sir/Madam

CABINET SUPPLEMENT

Please find attached supplement papers for Cabinet on **TUESDAY, 6TH FEBRUARY, 2024 at 6.00 PM**

Yours faithfully

A handwritten signature in cursive script that reads 'Kerry Dove'.

Kerry Dove
Chief Operating Officer

SUPPLEMENT

4. Medium Term Financial Strategy (Revenue and Capital)

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Consultation

Overview and Scrutiny Committee reviewed the MTFS at their meeting on 30 January 2024 and Audit Committee reviewed the Capital Strategy and Treasury Management Strategy Statement at their meeting on 1 February 2024. The views of the Committees are summarised below:

Overview and Scrutiny Committee

- Consider allocating the additional funding of c£100,000 from the Final Local Government Finance Settlement to Voluntary and Community Sector funding.
- Consider a 0% increase in car parking fees at the next pricing decision point (September 2024 for 2025/26).
- It was clarified that the impact of Local Council Tax Support is accounted for in the Collection Fund as income foregone (Cost c£6m with the Council share c£0.6m) rather than being a specific budget line in the Council's MTFS.
- The allowance for inflation may need to be increased especially for fuel given the attacks on shipping in the Red Sea.
- It was clarified that the latest option related to a tenancy of the Cinema for Lichfield District is not reflected in the MTFS as there had not yet been an approval by Council.
- Clarification was provided on the Housing Investment budget in the Capital Programme with funding provided from Section 106 agreements.
- Clarification was provided on the Electric Vehicle charging budget being related to initial investment contained in the approved Car parking Strategy. Alternative delivery models to deliver further charging points will also be considered.
- Clarification was provided on the reasons for the reduction in value of retail properties, development plans for the Bore Street properties and in some cases the non-financial reasons for their continued ownership.
- The Council should still seek to make savings/efficiencies through a review of base budgets.
- The approach to closing Funding Gaps should not solely be focussed on efficiencies/savings but should also consider revenue and income streams.
- A maximum 2.99% Council Tax increase should be considered given the marginal difference to the proposed £5 increase which is 2.66%.
- To encourage residents struggling with Council Tax, the website should have more focus on encouraging contact.
- The Committee would like to review the Cinema Business Plan.
- The Committee requested the reasons why the Lichfield St Johns Community Link and the Falkland Road Fosseyway Canal Walk have not been able to spend CIL in line with the grant agreement.
- An element or 'quota' of the Voluntary and Community Sector funding should be set aside for Young people based initiatives with a role for the Youth Council in determining priorities.

- The Council should consider providing feedback on the budget consultation exercise to those that responded with comments and views.
- The Council should seek to obtain more qualitative views through the budget consultation.

Audit Committee

- Clarification was provided on the capital receipt budgets and the level of risk in terms of planned capital receipts.
- Clarification of the external loan from the Public Works Loans Board, its maturity date, and its original purpose.
- Clarification was provided on the approach to identifying capital investment need and the involvement of Members in the process for appraisal and approval.
- Clarification was provided on the Leisure Centre Operating Costs budgets and the approach to accounting for income and expenditure in the Council and LWMTS.
- Clarification was provided on the approach to property enhancement in the absence of dedicated sinking funds.
- An explanation was provided on the risk involved where no replacement programme is in place and how this is addressed on an ongoing basis.
- An explanation was provided on the approach to setting investment income budgets and managing the risks given its significant proportion of the budget.
- Clarification was provided on the approach to the budget for the replacement waste fleet (like for like replacement for both Lichfield District and Tamworth Borough) and the impact of changes in the waste strategy and alternative fuel methodologies.
- A clarification was provided that the replacement waste fleet was for both Lichfield District and Tamworth Borough and therefore an alignment of approach was essential.
- An explanation was provided on how the £500,000 threshold for post project appraisals had been determined.
- The approach to condition surveys was explained and further information would be provided to the Committee on areas where there is no recent condition survey.
- An explanation was provided on the approach to budgets for replacement and maintenance of vehicles, plant and equipment and the approach to budgets for leasing.