

Medium Term Financial Strategy (MTFS)

Cabinet Member for Finance, Procurement and Revenues & Benefits

Date: 18 November 2021

Agenda Item: 4

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Key Decision? YES

Local Ward All Wards

Members

Lichfield
district council

**Overview and
Scrutiny
Committee**

1. Executive Summary

- 1.1 The ability to deliver the outcomes set out in the **Lichfield District Council Strategic Plan**, and beyond, is dependent on the resources available in the MTFS.
- 1.2 The MTFS was approved by Council on 16 February 2021 and this is refreshed each year to:
 - Remove the previous financial year and in this MTFS this is 2020/21
 - Formally add the new financial year and in this MTFS this is 2025/26 and;
 - Refresh and update assumptions to reflect the latest information available.
- 1.3 The MTFS is the overall budget framework and consists of the Revenue Budget, Capital Strategy and Capital Programme and General Reserves.
- 1.4 There have been reports to Cabinet and Council that have updated the MTFS since its initial approval.
- 1.5 The Treasury Management Strategy Statement and Annual Investment Strategy are also important components of the MTFS. These components under the Constitution are the responsibility of the Audit and Member Standards Committee and therefore will be considered by that Committee as part of the development of the Draft MTFS.
- 1.6 The updated timetable for consideration of the various elements of financial planning is shown in detail at **APPENDIX A** and the elements related to MTFS development are summarised below:

Date	Meeting	Topics	
06/07/2021	Cabinet	Budget timetable, Budget principles, MTFS update, Budget consultation and budget assumptions for 2022/23	
16/09/2021	Overview and Scrutiny Committee	To review the Draft Medium Term Financial Strategy	
Budget Consultation (Oct to Nov)	05/10/2021	Cabinet (withdrawn)	An update on the Draft Medium Term Financial Strategy
	18/11/2021	Overview and Scrutiny Committee	To review the Draft Medium Term Financial Strategy
	07/12/2021	Cabinet	Set the Council Taxbase for 2022/23
	20/01/2022	Overview and Scrutiny Committee	To review the Draft Medium Term Financial Strategy
	03/02/2022	Audit and Member Standards Committee	To review the Treasury Management Strategy Statement
	08/02/2022	Cabinet	To recommend the Medium Term Financial Strategy and Council tax increase to Council
	22/02/2022	Council	Approve the Medium Term Financial Strategy and set the Council tax

- 1.7 There is an inherently high level of uncertainty surrounding the Local Government Finance regime that has been compounded by the COVID-19 pandemic and other potential Government Policy changes.
- 1.8 The Council has a statutory duty to undertake budget consultation, set a balanced budget and to calculate the level of Council tax for its area.
- 1.9 This report updates forecasts from those provided at the meeting on 16 September 2021 and further develops the planned approach to closing the projected funding gap in the revenue budget.

2. Recommendations

- 2.1. Overview and Scrutiny Committee note the outcome of the Spending Review, the current draft Medium Term Financial Strategy and provide any views to Cabinet in relation to priorities or items for further consideration as part of the development of the MTFS.

3. Background

The Medium Term Financial Strategy (MTFS)

- 3.1. Council approved the MTFS (Revenue and Capital) 2020-25 on 16 February 2021 which covers the financial years 2020/21 to 2024/25 (with a further projection for 2025/26 prepared by Finance for forward planning purposes).
- 3.2. The MTFS includes:
 - **The Revenue Budget** related to the day to day delivery of the Council's services such as waste collection
 - **General Reserves** related to the amount of money available to balance the budget in the short term or fund short term initiatives
 - **The Capital Programme** and its financing for longer term expenditure in relation to the Council's assets, such as property.
- 3.3. The Revenue Budget and Capital Programme are connected by:
 - Any financing of the Capital Programme from the Revenue Budget
 - The repayment of borrowing and the receipt of income from investments
 - Expenditure, income and savings resulting from capital investment.
- 3.4. The Council updates its Budget forecasts at 3, 6 and 8 month intervals.
- 3.5. To assist in understanding the level of uncertainty or risk present in relation to the Local Government Funding Regime, we allocate each financial year a risk rating:
 - **Low** – all significant components of the Local Government Funding Regime are known and understood
 - **Medium** – all significant components of the Local Government Funding Regime are known although there is some uncertainty around how specific elements will operate
 - **High** – there is uncertainty around all significant components of the Local Government Funding Regime.

MTFS Budget Principles

- 3.6. To assist in preparing the MTFS, in common with a number of Councils, a set of principles were established to guide the preparation and management of the MTFS.
- 3.7. Council, on 15 October 2019, approved the budget principles identified below:
- Council will consider the medium term outlook when setting the level of Council Tax to ensure that a sustainable budget position is maintained;
 - Council will prioritise funding for statutory and regulatory responsibilities to ensure these are delivered in a way that meets our legal requirements and customer needs;
 - Council will continue to seek continuous improvement to enable further savings, efficiencies and income gains and provide budgets that are appropriate to service needs;
 - Council will ensure that all growth in the staffing establishment will be fully understood through robust business cases in order to ensure our resources match service and customer needs. Growth will usually be allowed where costs are offset by external funding, savings or additional income;
 - Council will not add to other ongoing revenue budgets unless these are unavoidable costs or corresponding savings are identified elsewhere;
 - Council will use robust business cases to prioritise capital funding so that we have a sustainable Capital Programme that meets statutory responsibilities, benefits the Council's overall revenue budget position, and ensures that existing assets are properly maintained;
 - Council will maintain an overall level of revenue reserves that are appropriate for the overall level of risks that the organisation faces, in order to overcome any foreseeable financial impact.
- 3.8. These MTFS Budget principles will continue to be utilised to guide the development of the draft MTFS.

The Spending Review and an update on Local Government Finance Reform

- 3.9. The Prime Minister has announced the Government's reform **package for social care, and increased funding for the NHS from 2022-23:**
- 3.10. National Insurance Contributions (NICs) for employees and employers will increase by 1.25%. This new "Health and Social Care Levy" will be "hypothecated in law" and will have to be spent on frontline services. There will be further increases in the dividend tax rate (by 1.25%). Together these tax increases will raise £12bn annually.
- 3.11. The additional cost of an increase in employers National Insurance by 1.25% from 1 April 2022 is likely in the region of **£100,000 per annum** although indications are that the Government will reimburse Councils for this additional cost.
- 3.12. The Spending Review 2021 was announced on 27 October 2021 and the key measures for local government are:
- Council tax thresholds will remain at similar levels to recent years, with the threshold for "core" council tax increases remaining at 1.99% and the adult social care precept by a further 1%. Confirmation of the thresholds will be in the provisional settlement.
 - Local government in England will receive an additional £4.8bn increase in grant funding over the next 3 years (£1.6bn in each year).
 - Additional funding will be made available for social care reform (£3.6bn over 3 years to implement "the cap on personal care costs and changes to the means test").
 - From the £5.4bn social care reform funding, a further £1.7bn will be allocated over 3 years "to

improve the wider social care system” and £500m will be made available to “improve” the social care workforce.

- There are various smaller allocations within the core funding announcement, including £200m for the “cross-government Supporting Families programme”, £37.8m for cyber security, and £34.5m to “strengthen local delivery and transparency”.
- These announcements can be summarised in the context of the Government’s preferred measure for Local Government resources known as Core Spending Power (Government’s assessment of Council Tax income, Grants and Retained Business Rates¹):

	2021/22	2022/23	2023/24	2024/25	Increase from 2021/22	Annual average increase	Real Terms annual average increase
	Figures may not sum due to rounding						
	£bn	£bn	£bn	£bn	£bn	%	%
Core Spending Power exc. Social Care	50.4	53.5	55.0	55.3	4.9	3.20%	1.00%
Core Spending Power inc. Social Care	50.4	53.7	56.6	58.9	8.5	5.60%	3.40%
Increase from 2021/22		3.3	6.2	8.5			

	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Local Government Funding	1,500	1,500	1,500	4,500
Family help	40	70	90	200
Cyber resilience	12	13	13	38
Other	48	17	(3)	62
Local Government Grant Funding Increase	1,600	1,600	1,600	4,800
Social Care reform	200	1,400	2,000	3,600
Implied Council Tax increases	1,500	3,200	4,900	
Core Spending Power Increase	3,300	6,200	8,500	

- **There has been no announcement about local government funding reforms (Fair Funding Review or business rates changes) and the assumption is that they will be pushed back to at least 2023-24 if not later.**

3.13. It is important to note that funding allocations for individual local authorities will not be announced until the provisional settlement in December 2021.

¹ This is based on the Government Set Baseline and therefore excludes any growth or decline in Business Rates achieved by the Council.

The Draft Revenue Budget

- 3.14. The Approved Revenue Budget Funding Gap compared to the Original Budget Approved by Council on 16 February 2021 is shown in the table below:

	Cabinet Date	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Projection £000
Original Funding Gap		0	1,324	2,005	2,121	2,309
Payroll Contract	09/02/2021	(3)	(3)	(13)	(13)	(13)
Garrick Theatre	13/04/2021	(40)	(40)	(100)	(150)	(175)
Money Matters 3 Months Report	07/09/2021	(3)	(3)	(4)	(4)	(3)
The introduction of Dual Stream Recycling	07/09/2021		73	76	79	82
Development Management Service	07/09/2021	221	223	225	228	231
Approved Funding Gap		175	1,574	2,189	2,261	2,431

- 3.15. The proposed budgetary growth, emerging pressures and savings/additional income proposals are shown in detail at **APPENDIX B**.
- 3.16. At this stage, Council Tax increases have been modelled at **1.5%** per annum and the Council Tax income levels compared to the approved budget are projected in the table below:

	2021/22	2022/23	2023/24	2024/25	2025/26
OBR CPI Forecast October 2021	3.30%	3.70%	2.30%	2.00%	2.00%
Projected Council Taxbase	38,891	39,695	40,350	41,004	41,695
Modelled Band D Council Tax	£185.07	£187.85	£190.66	£193.52	£196.43
Projected Council Tax Income (£000)	(£7,198)	(£7,456)	(£7,693)	(£7,935)	(£8,190)
Budgeted Council Tax Income	(£7,198)	(£7,551)	(£7,927)	(£8,224)	(£8,493)
Cumulative reduction to Budget (£000)	£0	£95	£234	£289	£303
Each 0.1% annual Council Tax increase generates income of (£000)		(£8)	(£15)	(£24)	(£32)

- 3.17. In the absence of savings or additional income being identified, funding gaps would be funded by available general reserves.
- 3.18. A summary of the current projections in relation to the Revenue Budget are shown in the table below:

	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Projection £000
Central Scenario Funding Gap - Approved Budget	175	1,574	2,189	2,261	2,431
Budgetary Growth including Cabinet Priorities	0	340	602	649	652
Emerging Pressures	150	173	205	233	233
Savings / Additional Income Proposals	(157)	(2,087)	(2,424)	(2,506)	(2,595)
Projected Funding Gap	168	0	572	638	721
Approved Strategy					
2023/24			500	500	500
2024/25				500	500
2025/26					500
Funding Gap / (transfer to General Reserves)	168	0	72	(362)	(779)

	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Projection £000
LEVEL OF UNCERTAINTY / RISK	HIGH	HIGH	HIGH	HIGH	HIGH
Available General Reserves Year Start	5,114	5,357	5,637	5,565	5,927
(Funding Gap) / transfer to General Reserves	(168)	0	(72)	362	779
Revenue Funding of the Capital Programme	0	0	0	0	(490)
New Homes Bonus in excess of the 'Cap'	411	280	0	0	0
Available General Reserves Year End	5,357	5,637	5,565	5,927	6,216
Minimum Level	1,600	1,600	1,600	1,600	1,600
Total Projected General Reserves	6,957	7,237	7,165	7,527	7,816

- 3.19. There are also likely to be further updates to projections moving forward including the details of the Provisional Finance Settlement and these will be incorporated in subsequent versions of the MTFs.

The Draft Capital Programme

3.20. The Approved Capital Programme compared to the Original Budget Approved by Council on 16 February 2021 is shown in the table below:

	Cabinet or Decision Date	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Projection £000
Original Budget Council 16/02/2021		6,530	8,430	4,278	1,608	0
Slippage from 2020/21	08/06/2021	762				
Money Matters Month 3	07/09/2021	(116)	86	20	0	
Introduction of Dual Stream Recycling	07/09/2021	229				
Approved Capital Programme		7,405	8,516	4,298	1,608	0
Approved Borrowing Need		328	2,349	2,260	0	0

3.21. The further changes proposed to the Capital Programme as a result of Service and Financial Planning are shown in detail at **APPENDIX C**.

3.22. In the absence of available resources such as capital receipts, reserves, grants/contributions or the use of the revenue budget, any shortfall in funding related to capital investment will increase the borrowing need.

3.23. A summary of the current projections in relation to the Capital Programme are shown in the table below

Details	2021/22	2022/23	2023/24	2024/25	2025/26
	Budget	Budget	Budget	Budget	Projection
	£000	£000	£000	£000	£000
Approved Capital Programme	7,405	8,516	4,298	1,608	0
Projected Capital Spend	0	126	0	0	1,554
Existing Capital Budgets	0	(126)	0	0	0
Draft Capital Programme	7,405	8,516	4,298	1,608	1,554

Approved Capital Funding	(7,077)	(6,167)	(2,038)	(1,608)	0
External Funding	0	0	0	0	(914)
Existing Revenue Budgets	0	0	0	0	(150)
Council Funding - Revenue Budget	0	0	0	0	(490)
Draft Borrowing Need	328	2,349	2,260	0	0

3.24. There are also emerging pressures in relation to the Capital Programme for the new Leisure Centre, the Greenway, the Birmingham Road/Bird Street development sites and the Council Offices that are currently not included in the Draft Capital Programme.

3.25. The borrowing need will need to be funded through borrowing and this will result in additional costs to the revenue budget. In the absence or savings/additional income, the annual additional borrowing costs will increase the Revenue Budget Funding Gap.

Alternative Options	In the main, the options are focused on the level of resource allocated to Strategic Priorities, the strategy to be utilised to achieve a balanced budget and the level of Council Tax increase. These options are considered in the Report.
Consultation	There is a duty under S65 Local Government Finance Act 1992 to consult ratepayers (or bodies appearing to represent ratepayers) about proposed expenditure, prior to calculating the Council Tax requirement under S31a (England).

The Overview and Scrutiny Committee on 16 September 2021 provided the following views on the following elements of the emerging Medium Term Financial Strategy:

The Approach to Setting Targets and the use of a Theme based Strategy

- There was some support for the approach.
- The Committee referenced the recent announcements on the Spending Review covering the three year period 2022/23 to 2024/25 and the impact that could have on the MTFS.
- A future MTFS report to the Committee is due 18 November 2021 and this may provide more clarity to projections.

The level of the District Council's Council tax increase in 2022/23

There was a range of views focussing on:

- The maximum increase should be considered given the level of funding gap projected in later years and;
- Increases should be limited given its impact on residents with increases in National Insurance, inflation and planned Universal Credit reductions.

The Priorities and Budget Consultation was launched on 1 October with a media release, social media posts and an article in the council's e-news that is received by over 19,000 residents. The consultation closes on 30 November. Regular social media activity focusing on different areas of the council's work is being used to encourage engagement with the survey questionnaire and other online engagement opportunities including a poll on priorities and an ideas board. The survey has also been promoted internally to staff. As of 22 October, the Priorities and Budget Consultation web page had received 450 visitors resulting in the completion of 171 questionnaires. Promotion will continue via social media and the e-news throughout November and it is hoped to run a focus group session with representatives from the voluntary and community sector. Data from the business community is being collected via a separate survey being managed by the Economic Development Team.

Financial Implications	These are included in the Report.
Contribution to the Delivery of the Strategic Plan	The report directly links to overall performance and especially the delivery of the Strategic Plan.
Equality, Diversity and Human Rights Implications	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
Crime & Safety Issues	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.

Environmental Impact	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
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GDPR/Privacy Impact Assessment	There are no specific implications related to the Medium Term Financial Strategy.
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	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of finance (Head of Finance and Procurement (Section 151)).				
A	Council Tax is not set by the Statutory Date of 11 March 2022	Likelihood : Green Impact : Red Severity of Risk : Yellow	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements.	Likelihood : Green Impact : Red Severity of Risk : Yellow
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations	Likelihood : Yellow Impact : Red Severity of Risk : Red	To closely monitor the level of appeals. An allowance for appeals has been included in the Business Rate Estimates.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
C	The review of the New Homes Bonus regime	Likelihood : Red Impact : Red Severity of Risk : Red	The Council responded to the recent consultation. Not all of the projected New Homes Bonus is included as core funding in the Base Budget. In 2022/23 £400,000 is included with the balance transferred to general reserves. At this stage, no income is assumed from 2023/24 onwards.	Likelihood : Red Impact : Yellow Severity of Risk : Yellow
D	The increased Localisation of Business Rates and the Review of Needs and Resources	Likelihood : Red Impact : Red Severity of Risk : Red	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Likelihood : Red Impact : Red Severity of Risk : Red
E	The affordability and risk associated with the Capital Strategy	Likelihood : Yellow Impact : Red Severity of Risk : Red	An estates management team has been recruited to provide professional expertise and advice in relation to property and to continue to take a prudent approach to budgeting.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
F	The public sector pay freeze in 2021/22 is not applicable to Local Government	Likelihood : Yellow Impact : Red Severity of Risk : Red	The current MTFS assumes that the pay freeze for those earning more than £24,000 per annum is applicable to Local Government. If this does not prove to be the case, an element of general reserves can be utilised to fund the increase in 2021/22 and projections for later years will be updated in the MTFS.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
G	Sustained higher levels of inflation in the economy	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow	To maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections and where possible ensure income increases are maximised to mitigate any additional cost.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
Strategic Risk SR3: Capacity and capability to deliver / adapt the new strategic plan to emerging landscape (Leadership Team).				
H	The financial impact of COVID-19 is not fully reimbursed by Government and exceeds the reserves available resulting in a	Likelihood : Yellow Impact : Red Severity of Risk : Yellow	The use of general and earmarked reserves to fund any shortfall	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
	Section 114 notice			
I	The Council cannot achieve its approved Delivery Plan for 2022/23	Likelihood : Yellow Impact : Red Severity of Risk : Red	There will need to be consideration of additional resourcing and/or reprioritisation to reflect the ongoing impact of the pandemic	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
J	The resources available in the medium to longer term to deliver the Strategic Plan are diminished	Likelihood : Yellow Impact : Red Severity of Risk : Red	The MTFS will be updated through the normal review and approval process	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
K	Government and Regulatory Bodies introduce significant changes to the operating environment	Likelihood : Red Impact : Red Severity of Risk : Red	To review all proposed policy changes and respond to all consultations to influence outcomes in the Council's favour	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow

Background documents

Medium Term Financial Strategy (Revenue and Capital) 2020-2025 (MTFS) – Cabinet 9 February 2021.

Money Matters: 2020/21 Review of Financial Performance against the Financial Strategy – Cabinet 8 June 2021.

Medium Term Financial Strategy – Cabinet 6 July 2021.

Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 September 2021.

Relevant web links

The Financial Planning Timetable and Governance Responsibility				
Service and Financial Planning		July	←	Medium Term Financial Strategy
		August		
	→	September	←	Money Matters as at 30 June
Review Medium Term Financial Strategy	→			
		October	←	Medium Term Financial Strategy
Review Medium Term Financial Strategy	→	November		
Mid Year Treasury Management Report	→			
		December	←	Money Matters as at 30 September
			←	Medium Term Financial Strategy
			←	Set Council Taxbase and approve Collection Fund Projections
Review Medium Term Financial Strategy	→	January		
Review Treasury Management and Capital Strategies	→	February	←	Money Matters as at 30 November
Approve the Medium Term Financial Strategy and set the Council Tax	→		←	Recommend Medium Term Financial Strategy and Council Tax to Council
		March		
		April		
Draft Statement of Accounts	→	May		
		June	←	Money Matters as at 31 March
Annual Treasury Management Report	→	July		
		August		
Statement of Accounts (was 31 July but for 2 years extended to 30 September)	→	September		
Key:				
Pink = internal timelines				
Blue = Cabinet				
Salmon = Cabinet & Overview and Scrutiny Committee				
Amber = Overview and Scrutiny Committee				
Green = Audit & Member Standards Committee				
Purple = Council				

Revenue Budget

Budgetary Growth					
Details	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Service and Financial Planning					
<u>Enterprise for Success</u>			10		
Risk and Recovery Budget			(10)		
<u>Major Development Projects</u>		49	50	51	52
Former Car Park Reserve		(49)	(50)	(51)	(52)
<u>Visitor Economy - Staffordshire Destination Management</u>		12	12	12	
Risk and Recovery Budget		(12)	(12)	(12)	
<u>Visitor Economy - IT licenses</u>		2	2	2	2
Existing Budgets		(2)	(2)	(2)	(2)
<u>Visitor Economy - Design Budget</u>		6	6	6	6
Existing Budgets		(6)	(6)	(6)	(6)
<u>Visitor Economy - Website Health Check</u>		7			
Risk and Recovery Budget		(7)			
<u>Shared Legal Service</u>	0	30	31	31	32
<u>Council Meeting Broadcast Equipment</u>	3	5	5	5	5
Existing Budgets	(3)	(5)	(5)	(5)	(5)
<u>Enhanced Occupational Health Service</u>		20			
<u>Grounds Maintenance and Street Cleansing impact of Housing Growth</u>	85	115	145	175	175
Section 106 commuted sums	(85)	(115)	(85)		
Other Initiatives					
<u>Additional Strategic Capacity</u>		100	102	104	106
<u>Cabinet Priorities</u>	100	440	659	339	339
Cabinet Priorities funded by Former Car Park Reserve	(100)	(250)	(250)	0	0
Total Spend	188	786	1,022	725	717
Risk and Recovery Budget	0	(19)	(22)	(12)	0
Existing Revenue Budgets	(3)	(13)	(13)	(13)	(13)
Section 106 commuted sums	(85)	(115)	(85)	0	0
Former Car Parking Reserve	(100)	(299)	(300)	(51)	(52)
Total Existing Budgets	(188)	(446)	(420)	(76)	(65)
Budgetary Growth Identified	0	340	602	649	652
Emerging Pressures					
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Project	£000	£000	£000	£000	£000
Potential pay award for 2021/22 @ say 2%	150	150	150	150	150
No transfer of parks to Burntwood Town Council		23	55	83	83
Increase of 1.25% in Employers National Insurance projected to be £100k per annum		To be identified			
Emerging Pressures Identified	150	173	205	233	233

Cabinet Priorities

Cabinet Priority	Cabinet Lead	Leadership Team Lead	2021	2022				2023	Existing Budgets	Revenue Growth 2021/22	Revenue Growth 2022/23	Revenue Growth 2023/24	Revenue Growth Ongoing	Capital Growth
			Q4	Q1	Q2	Q3	Q4		£	£	£	£	£	£
Enabling People														
Community mapping exercise undertaken - volunteers	RC	GD							£0	£10,000				
Data driven approach to understanding current voluntary service given vs required	RC	GD/TT												
Reviewed Local Council Tax Support Scheme to be implemented	RS	TT						Q1	£50,000					
DFG Contract	AL	GD												
Groundwork for Area Management Committees	RC	GD/TT/CT							£0		£10,000			
Implement new Active Living Strategy	IE	BP							£0		£25,000	£25,000		
Increase physical activity by 5 percentage points	IE	BP						Q1						
Options for Golf Course	IE	BP							£0					
Deliver a viable Leisure Centre offering	IE	BP						Q2	£5,000,000					£7,000,000
Greenway from Lichfield to Brownhills – if Sustrans suggests viability, lease secured and works begun.	DP	BP							£0					£1,000,000
Shaping Place														
Increase use of council assets for generating place shaping, or economic/social benefits	RS	TT							£262,000					
									Per annum Estates Team					
	AL	TT							£257,000					

APPENDIX B

Cabinet Priority	Cabinet Lead	Leadership Team Lead	2021	2022				2023	Existing Budgets	Revenue Growth 2021/22	Revenue Growth 2022/23	Revenue Growth 2023/24	Revenue Growth Ongoing	Capital Growth
			Q4	Q1	Q2	Q3	Q4	£	£	£	£	£	£	
Identify polices which can contribute towards our Net Zero ambitions								Local Plan Reserve						
Deliver Action Plan for Carbon Offset/Reduction for LDC	AY	TT					Q1	£99,000 Reserve			£50,000			
Implementation of Dual Stream Recycling	AY	BP						£229,000 capital £68,000 transition £73,000 per annum revenue						
Increase recycling to 65%	AY	BP					Q2	£65,000 per annum two recycling officers			£50,000			
Deliver a robust design code covering development density, design, public open space	AL	CJ						£257,000 Local Plan Reserve						
Work to ameliorate effects of roadworks in District	AL	CJ												
Make Local Plan (date dependant on PINS)	IE	CJ						£257,000 Local Plan Reserve						
Maximise opportunities for Carbon Capture through parks and public open spaces	IE	BP/TT												
Baseline for Climate Change	AY	TT						£99,000 Reserve						

APPENDIX B

Cabinet Priority	Cabinet Lead	Leadership Team Lead	2021	2022				2023	Existing Budgets	Revenue Growth 2021/22	Revenue Growth 2022/23	Revenue Growth 2023/24	Revenue Growth Ongoing	Capital Growth
			Q4	Q1	Q2	Q3	Q4	£	£	£	£	£	£	
Developing Prosperity														
Economic Strategy Developed	IE	CJ							£0					
Ensure all ARG monies paid out	IE	TT/CJ							£404,000					
							Reserve							
							£835,000							
							New Grant							
Ensure all Risk & Recovery monies paid out	IE	AT						Q1	£1,141,000					
Demonstrable growth in short break economy across the District	IE	CJ						Q1	£0					
Initiate Burntwood AAP	IE	CJ							£257,000					
							Local Plan Reserve							
Collaborative approach with events to increase visitors to District and support new events to come forward - new post	IE	CJ/BP/GD							£20,000 per annum	£50,000	£50,000	£50,000		
BRS vision and funding in place, construction work started.	DP	DM							£94,000 per annum major projects team	£100,000	£250,000	£250,000		
							£75,000 interim lead							
Bird Street vision and funding in place – construction work started if no Leisure on BRS.	DP	DM							BRS Budget £400,000					
Lichfield Housing Company	AS	SF												

APPENDIX B

Cabinet Priority	Cabinet Lead	Leadership Team Lead	2021	2022				2023	Existing Budgets	Revenue Growth 2021/22	Revenue Growth 2022/23	Revenue Growth 2023/24	Revenue Growth Ongoing	Capital Growth
			Q4	Q1	Q2	Q3	Q4	£	£	£	£	£	£	
Deliver Digital Strategy	AS	TT						£1,391,000 per annum ICT Team						
								£336,000 per annum Service ICT						
								Capital Budgets repurposed to a Better Council Budget						
Total Projected Growth									£100,000	£440,000	£659,000	£339,000	£8,000,000	
Potential Funding from Car Park Reserve for BRS/Bird Street Support									(£100,000)	(£250,000)	(£250,000)	£0	£0	
Residual Growth for the MTFS									£0	£190,000	£409,000	£339,000	£8,000,000	

Savings / Income Proposals

Initiative	Income/ Savings	Year 1 2021/22 £'000s	Year 2 2022/23 £'000s	Year 3 2023/24 £'000s	Year 4 2024/25 £'000s	Year 5 2025/26 £'000s
Finance and Procurement						
Savings Strategy year 1 - Treasury Management	Income	0	(300)	(300)	(300)	(300)
Finance and Procurement Total		0	(300)	(300)	(300)	(300)
Governance and Performance						
Remove civic car	Savings	0	(3)	(3)	(3)	(3)
Remove civic function	Savings	0	(2)	(2)	(2)	(2)
No refreshments at elections	Savings	0	0	(1)	(1)	(1)
Governance and Performance Total		0	(5)	(6)	(6)	(6)
Operational Services						
Restructure of teams	Savings	0	(62)	(62)	(62)	(62)
Garden Waste Price increase from £36 to £40 in 2023	Income	0	(25)	(84)	(81)	(79)
Review of Existing Pricing Discounts	Income	0	(45)	(45)	(45)	(45)
Closure of the Lichfield Shop mobility Service.	Savings	0	(4)	(4)	(4)	(4)
Cease the Operational Services Standby Service. Consider operating a system similar to how Environmental Health Officers work.	Savings	0	(9)	(9)	(9)	(9)
Closure of the three Burntwood Public Conveniences.	Savings	0	(7)	(7)	(7)	(7)
Operational Services Total		0	(152)	(211)	(208)	(206)
Regulatory Services, Housing and Wellbeing						
Salary savings due to short vacancy	Savings	(16)	0	0	0	0
Grant funding for homelessness	Income	0	(35)	(36)	(38)	(40)
Fusion Credit savings	Savings	(10)	(10)	(10)	(10)	(10)
Savings on Salary due to COVID work being funded by Government Grant	Savings	(5)	0	0	0	0
Savings on Void Loss budget	Savings	(2)	(2)	(2)	(2)	(2)
Property Income (1.5 Properties 21/22, 4 Properties 22/23, 5 Properties 23/24)	Income	(5)	(12)	(16)	0	0
Savings on Salary due to COVID work being funded by Government Grant	Savings	(40)	0	0	0	0
Regulatory Services, Housing and Wellbeing Total		(78)	(59)	(64)	(50)	(52)
Economic and Development Services						
Introduce Sunday Charging (replace £1 flat fee with normal tariffs). Based on Sunday 10 October 2021 LDC car parks had 1,800 cars. Calculations based on an average spend of £2.50 per driver. From mid 2022/23.	Income	0	(93)	(188)	(188)	(188)
Introduce an evening charge in LDC car parks of £1. Based on 29 September 2021 at 8.00pm, the CCTV observations estimate approximately 250 cars in total in the car parks. From mid 2022/23.	Income	0	(38)	(75)	(75)	(75)
Introduce a departure charge to all bus companies using Lichfield Bus Station. Based on 1000 departures per week (from 2016/17 figures) at say £1.40 per departure. From mid 2022/23.	Income	0	(21)	(43)	(43)	(43)
Introduce an administration charge of £100 for supplying CCCTV footage to insurance companies. Say 10 requests per annum. From mid 2022/23.	Income	0	(1)	(1)	(1)	(1)
Introduce an administration charge of £200 for coning off bays in car parks. Say 6 requests per annum. From mid 2022/23.	Income	0	(1)	(1)	(1)	(1)
Visitor Economy Service	Savings	43	(28)	(32)	(41)	(42)

APPENDIX B

Initiative	Income/ Savings	Year 1 2021/22 £'000s	Year 2 2022/23 £'000s	Year 3 2023/24 £'000s	Year 4 2024/25 £'000s	Year 5 2025/26 £'000s
Introduce LED lighting at Debenhams Multi Storey and Lombard St. to reduce electricity costs. From mid 2022/23.	Savings	0	(2)	(5)	(5)	(5)
Economic and Development Services Total		43	(184)	(345)	(354)	(355)
Corporate Services						
Savings in excess of Savings Strategy year 1	Savings	(122)	(44)	(46)	(48)	(51)
Savings Strategy year 1 - Transformation	Savings	0	(150)	(150)	(150)	(150)
Corporate Services Total		(122)	(194)	(196)	(198)	(201)
Corporate						
Being a Better Council	Savings	0	(979)	(979)	(979)	(979)
Realign Relevant Budgets to reflect Hybrid Working	Savings	0	(100)	(100)	(100)	(100)
Savings Strategy year 1 - Vacancy Allowance	Savings	0	(50)	(50)	(50)	(50)
Annual increase in relevant fees and charges of 2.5%	Income	0	(64)	(173)	(260)	(346)
Corporate Total		0	(1,193)	(1,302)	(1,389)	(1,475)

Total
Savings
Income

(157)	(2,087)	(2,424)	(2,506)	(2,595)
(152)	(1,452)	(1,462)	(1,473)	(1,476)
(5)	(635)	(962)	(1,032)	(1,118)

Relevant Fees and Charges subject to the Proposed Annual Increase

Cost Centre	Pricing	Actuals			Budgets				
	Objective	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Corporate Debt Recovery	Cost Recovery	(213,763)	(221,661)	(154,358)	(206,000)	(206,000)	(206,000)	(206,000)	(206,000)
Democratic Services	Cost Recovery	0	(2,247)	(1,386)	0	0	0	0	0
Legal Services	Cost Recovery	0	0	(100)	0	0	0	0	0
Customer Services	Cost Recovery	(240)	(283)	(502)	0	0	0	0	0
Lichfield Tourism Information	Full Commercial	(12,796)	(9,530)	(52)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)
Guided Tours	Full Commercial	(3,734)	(5,084)	(231)	(5,030)	(5,070)	(5,110)	(5,150)	(5,190)
Promotion of District	Full Commercial	0	(2,982)	(13)	(5,900)	(6,540)	(6,540)	(6,540)	(6,540)
District Council House	Cost Recovery	(99)	(108)	0	0	0	0	0	0
Bus Station	Cost Recovery	(217)	(217)	(217)	0	0	0	0	0
Lichfield Car Parks	Fair Charging	(2,108,850)	(2,018,519)	(722,824)	(1,836,530)	(1,836,530)	(1,836,530)	(1,836,530)	(1,836,530)
Sports Development	Full Commercial	(5,270)	(8,576)	(222)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)
Positive Futures	Cost Recovery	(3,520)	(7)	0	0	0	0	0	0
Food Safety	Cost Recovery	(16,092)	(24,701)	(14,142)	(16,390)	(16,390)	(16,390)	(16,390)	(16,390)
Beacon Park	Full Commercial	(165,940)	(108,044)	(55,443)	(88,810)	(88,810)	(88,810)	(88,810)	(88,380)
Burntwood Parks	Full Commercial	(4,325)	(4,199)	(39)	(4,540)	(4,540)	(4,540)	(4,540)	(4,540)
Lichfield Parks	Full Commercial	(1,885)	(3,331)	(4,852)	(3,000)	(2,990)	(2,980)	(2,970)	(2,960)
Stowe & Minster Pools	Full Commercial	(4,253)	(2,249)	(1,516)	(880)	(880)	(880)	(880)	(1,310)
Waste Shared Service	Cost Recovery	(911,872)	(899,469)	(1,000,763)	(915,421)	(915,421)	(915,421)	(915,421)	(915,421)
Grounds Maintenance	Cost Recovery	(217,120)	(263,938)	(253,428)	(225,390)	(225,390)	(225,390)	(225,390)	(225,390)
Street Cleansing	Cost Recovery	(128,997)	(134,799)	(120,943)	(109,170)	(109,170)	(109,170)	(109,170)	(109,170)
Spatial Policy and Delivery Service	Fair Charging	(7,051)	(11,080)	(9,177)	(1,510)	(11,510)	(11,510)	(11,510)	(11,510)
Woodlands and Tree Preservation Orders	Cost Recovery	0	(118)	(200)	0	0	0	0	0
Street Naming and Numbering	Cost Recovery	(54,350)	(78,483)	(29,850)	(16,290)	(16,290)	(16,290)	(16,290)	(16,290)
Total Income in Scope		(3,860,372)	(3,799,625)	(2,370,258)	(3,449,411)	(3,460,081)	(3,460,111)	(3,460,141)	(3,460,171)
Annual Minimum 2.5% Price Increase						(64,000)	(173,000)	(260,000)	(346,000)

Capital Programme Bids

Capital Programme Bid	Assessed Score	Total Spend £	Corporate Council Funding £
Car Park Barriers - to install bespoke entrance and exit barriers to all car parks in order to prevent Travellers entering the car parks. This avoids: a loss in car park revenue, inconvenience to customers, increased Officer and Legal costs to remove the Travellers.	70	£36,000	£36,000
Council Meeting Broadcast Equipment - funding to enable the installation of AV equipment to support continuation of broadcasting of meetings and hybrid meeting aspirations.	54	£90,000	£90,000
Bin Replacement for 2025/26 - to fund the purchase of new bins, to replace existing damaged bins, new bins for new developments and additional recycling bins for residents who request them. Funding is included in service revenue budgets.	25 year model	£150,000	£0
Disabled Facilities Grant (DFG) for 2025/26 - DFGs provide adaptations for older and disabled people within our communities to enable them to remain living independently in the community for longer. The Council has a statutory duty to provide DFGs. Funding is provided by the Better Care Fund.	25 year model	£914,000	£0
Energy Insulation Programme for 2025/26 - EIP grants supports the delivery of the council's Warmer Homes, Greener District initiative, which focuses on addressing fuel poverty and cold homes. The grant will be available to the project to provide match funding for domestic heating, hot water and insulation measures to low income households who are unable to fully or partially fund these.	25 year model	£25,000	£25,000
IT Hardware for 2025/26 - adds a further year to the ICT replacement programme aimed at continuing with a standardised hardware offering to all staff that will enable all working styles which reduces the procurement costs, management costs and risk associated with a diversified ICT estate.	25 year model	£175,000	£175,000
Property Maintenance for 2025/26 - budget to proactively maintain our estate to maintain its value, safeguard income and reduce higher reactive repair costs	25 year model	£140,000	£140,000
Vehicles for 2025/26 - adds a further year to the vehicle replacement programme to ensure regular replacement of vehicles used in service delivery focussed on waste, grounds maintenance and street scene services.	25 year model	£150,000	£150,000
Total		£1,680,000	£616,000

The 25 year model includes forward projections of ongoing capital investment needs.

APPENDIX C

Details	Assessed Score / Source	2021/22	2022/23	2023/24	2024/25	2025/26
		Budget	Budget	Budget	Budget	Projection
		£000	£000	£000	£000	£000
<u>Car Park Barriers</u>	70		36			
Property Planned Maintenance Budget			(36)			
<u>Council Meeting Broadcast Equipment</u>	54		90			
Property Planned Maintenance Budget			(90)			
<u>IT Hardware</u>	25 year					175
Council Funding	model					(175)
<u>Property Maintenance</u>	25 year					140
Council Funding	model					(140)
<u>Bin Purchases</u>	25 year					150
Existing Revenue Budgets	model					(150)
<u>Vehicles</u>	25 year					150
Council Funding	model					(150)
<u>Disabled Facilities Grants</u>	25 year					914
External Funding	model					(914)
<u>Energy Insulation Programme</u>	25 year					25
Council Funding	model					(25)
Total Spend		0	126	0	0	1,554
External Funding						(914)
Existing Revenue Budgets						(150)
Corporate Council Funding – Revenue Budget						(490)
Corporate Council Funding - Existing Capital Budgets			(126)			
Increase in Borrowing Need		0	0	0	0	0

Emerging Pressures	
Replacement Leisure Centre in Lichfield City > £5m	To be identified – c£7m
Greenway	To be identified – c£1m
Major Projects BRS, Bird Street and Council Offices	To be identified