

Medium Term Financial Strategy (MTFS)

Cabinet Member for Finance and Commissioning

Date: 11 October 2022

Agenda Item:

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Key Decision? YES

Local Ward All Wards

Members

Lichfield
district council

Cabinet

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 22 February 2022 and this is refreshed each year to:
 - Remove the previous financial year and in this MTFS this is 2021/22
 - Formally add the new financial year and in this MTFS this is 2026/27 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, Earmarked Reserves 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 timetable for the MTFS development is summarised below:

Date	Meeting	Topics
Budget Consultation (June to December)	05/07/2022	Cabinet Budget timetable, Budget principles, MTFS update, Budget consultation and Budget assumptions for 2023/24
	04/10/2022	Overview and Scrutiny Committee To review the Draft Medium Term Financial Strategy
	11/10/2022	Cabinet An update on the Draft Medium Term Financial Strategy
	17/11/2022	Overview and Scrutiny Committee To review the Draft Medium Term Financial Strategy
	06/12/2022	Cabinet Set the Council Taxbase for 2023/24
	19/01/2023	Overview and Scrutiny Committee To review the Draft Medium Term Financial Strategy
	02/02/2023	Audit and Member Standards Committee To review the Treasury Management Strategy Statement
	14/02/2023	Cabinet To recommend the Medium Term Financial Strategy and Council Tax increase to Council
	28/02/2023	Council Approve the Medium Term Financial Strategy, updated Local Council Tax Support Scheme and set the Council Tax

- 1.7 There remains an inherently high level of uncertainty surrounding the Local Government Finance regime with the residual impact of the COVID-19 pandemic, the cost of living crisis 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 The Approved Capital Programme together with a projection for 2026/27 from the longer term capital investment model, is also included for consideration.

2. Recommendations

- 2.1. To note the current position on the development of the Medium Term Financial Strategy and the next steps.
- 2.2. To note the feedback from the Overview and Scrutiny Committee meeting on 4 October 2022.

3. Background

The Medium Term Financial Strategy (MTFS)

- 3.1. Council approved the MTFS (Revenue and Capital) 2021-26 on 22 February 2022 which covers the financial years 2021/22 to 2025/26 (with a further projection for 2026/27 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

MTFS Budget Assumptions

- 3.8. There are a number of Cost and Demand Drivers at a corporate level that are likely to influence the level and cost of services provided and therefore the budgets contained in the MTFS.
- 3.9. The updated Cost and Demand Drivers (with negative changes from the current MTFS shaded in red and positive changes shaded in green) initially identified for development of the MTFS are shown below:

Cost Drivers						
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Full Time Equivalents ¹	321	321	321	321	321	321
Pay Award	1.75%	4.00%	4.00%	2.00%	2.00%	2.00%
Employers National Insurance	8.76%	8.87%	8.97%	9.07%	9.16%	9.16%
Employers Pension (%)	16.20%	16.20%	22.00%	22.00%	22.00%	22.00%
Employers Pension (Past Service)	£1,102,060	£1,206,520	£746,000	£767,000	£788,000	£809,000
Employers Pension (Other)	£109,180	£109,260	£112,540	£115,920	£119,400	£121,790
Non Contractual Inflation (CPI)	3.88%	8.01%	2.36%	1.65%	1.96%	2.00%
Non Contractual Inflation (RPI)	5.71%	10.27%	3.62%	2.38%	2.60%	2.73%
Applicable Fees and Charges	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Council Tax Increase	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Base Rate	0.20%	1.43%	1.85%	1.63%	1.39%	1.25%
Demand Drivers						
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Population Projections	105,293	105,709	106,073	106,432	106,749	107,070
Residential Properties	47,437	47,939	48,488	49,183	49,918	50,420
Business Properties	3,053	3,053	3,053	3,053	3,053	3,053
Number of visitors to the District	2,000,000	2,200,000	2,500,000	2,600,000	2,700,000	2,800,000
					% Increase	
Population Projections					1.69%	
Residential Properties					6.29%	
Business Properties					0.00%	
Number of visitors to the District					40.00%	

¹ Excluding the impact of the Voluntary Severance Policy.

The Approved and Projected Revenue Budget

- 3.10. A balanced revenue budget for 2022/23 was approved by Council based on the delivery of (£2,087,000) of savings and additional income proposals.
- 3.11. The cost drivers above show projections for inflation using both CPI and RPI indexes, the table below shows the current inflation projections being using to develop the MTFs at a more granular level:

	2022/23	2023/24	2024/25	2025/26	2026/27
Salaries & Wages	4.00%	4.00%	2.00%	2.00%	2.00%
Electricity	95.00%	20.00%	10.00%	10.00%	10.00%
Gas	176.00%	9.00%	10.00%	10.00%	10.00%
Water	10.00%	3.00%	3.00%	3.00%	3.00%
Fuel	39.00%	9.40%	5.00%	5.00%	5.00%
Telephone & Mobiles	10.00%	3.00%	3.00%	3.00%	3.00%
Business Rates	3.00%	3.96%	4.12%	4.27%	4.44%
Postage	10.00%	3.00%	3.00%	3.00%	3.00%
Insurances	10.00%	5.00%	5.00%	5.00%	5.00%
Investment Income	1.74%	2.78%	2.89%	2.77%	2.85%

- 3.12. These budget and inflation pressures included in the projections are explained further below:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Shortfall in savings/additional income proposals	618				
Other	69				
Budget Pressures	687	0	0	0	0
Payroll (higher pay award in 2022/23 and 2023/24)	238	503	520	535	553
Utilities	157	173	174	173	170
Fuel	124	155	164	173	182
Telephone & Mobiles	6	6	6	6	6
Postage	5	6	7	7	8
Insurances	18	17	15	13	9
Investment Income	(185)	(535)	(536)	(302)	(324)
Inflation Pressures	363	325	350	605	603

- 3.13. The approved and projected Revenue Budget (including approved changes and a forward projection for 2026/27 from the 25 year model) is shown in detail at **APPENDIX A** and in summary below:

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000				
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	HIGH	HIGH	HIGH	HIGH
Revenue Expenditure	12,551	12,551	10,676	11,030	11,278	12,003
Revenue Funding	(12,551)	(12,551)	(9,982)	(10,415)	(10,818)	(11,088)
Approved Budget Funding Gap	0	0	694	615	460	915
Money Matters 3 months budget pressures	0	687	0	0	(25)	183
Money Matters 3 months inflation pressures	0	363	325	350	605	603
Lichfield Youth Council Policy Proposal	0	10	20	30	0	0
Projected Budget Funding Gap	0	1,060	1,039	995	1,040	1,701
More Optimistic Scenario	0	1,060	35	(6)	63	697
More Pessimistic Scenario	0	1,060	1,767	1,864	2,275	2,936

- 3.14. The table above also shows alternative scenarios where the funding gap varies based on different assumptions utilised primarily in relation to the impact of finance reviews from 2023/24 onwards.
- 3.15. In the absence of savings or additional income being identified, funding gaps would be funded by available general reserves.

The Approved and Projected Revenue Budget in 2023/24

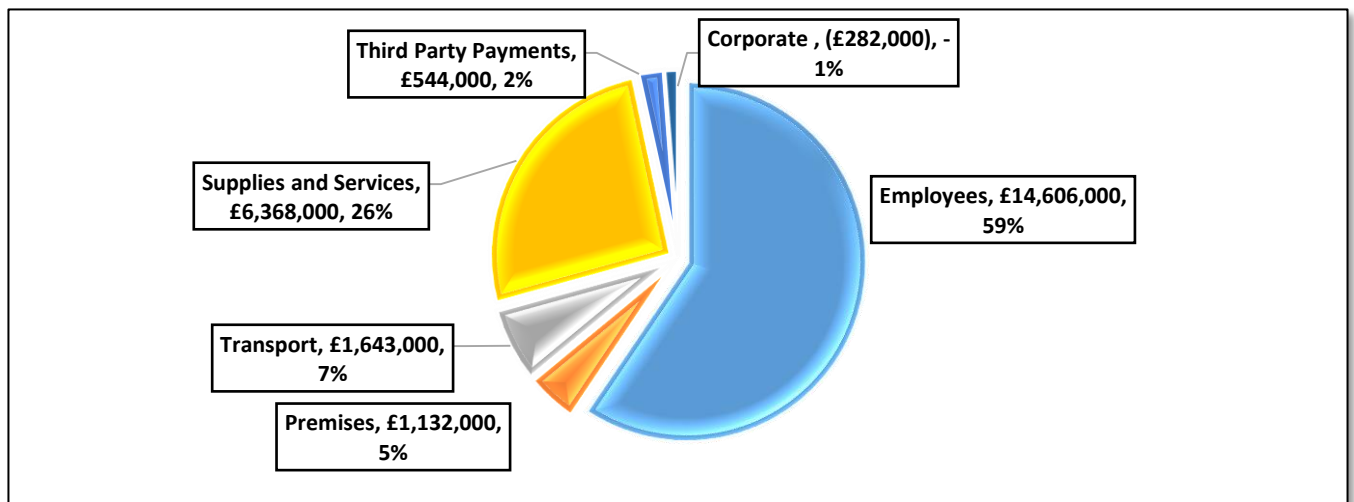
3.16. The Approved and Projected Revenue Expenditure Budget for 2023/24 is further analysed below:

	2023/24 £000
Gross Expenditure (Exc. Housing Benefits)	24,011
External Income (Exc. Housing Benefits)	(13,335)
Net Revenue Expenditure	10,676
Revenue Funding	(9,982)
Approved Budget Funding Gap	694

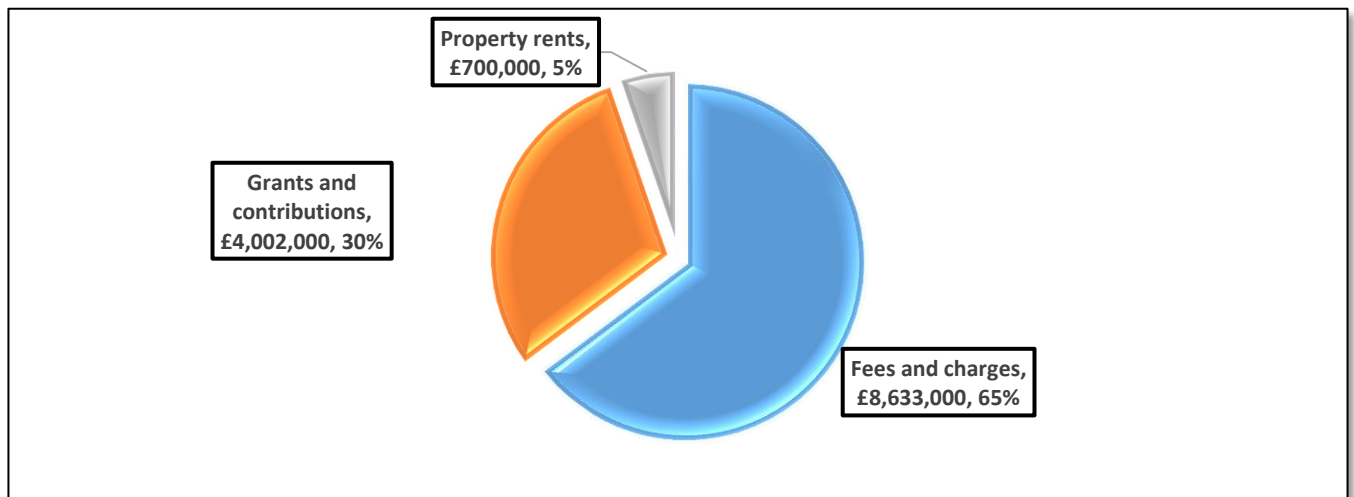
Payroll	503
Utilities	173
Fuel	155
Telephone & Mobiles	6
Postage	6
Insurances	17
Investment Income	(535)
Sub Total Projected Inflation Pressures	325

Lichfield Youth Council Policy proposal	20
Projected Funding Gap	1,039

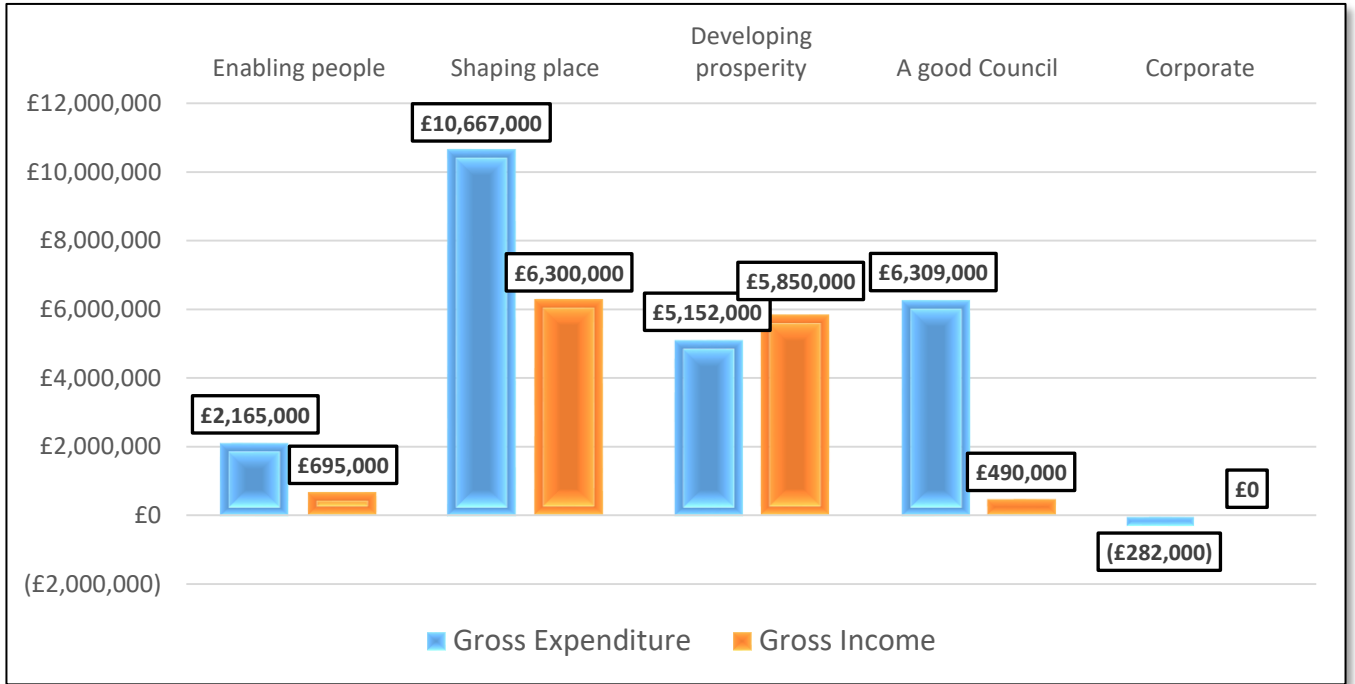
3.17. The gross revenue expenditure for 2023/24 of **£24,011,000** is analysed by type of expenditure below:



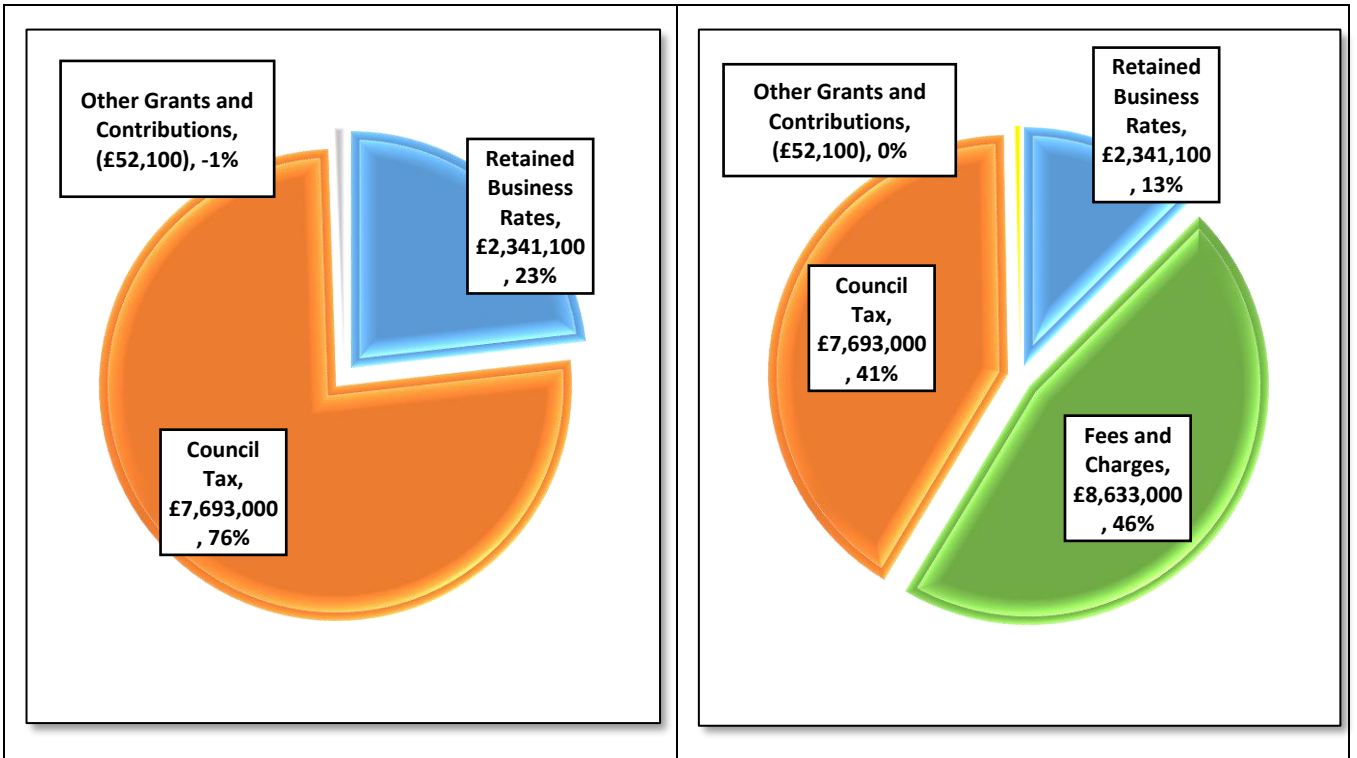
3.18. The External Income Budget from grants, contributions, sales, fees and charges for 2023/24 of **(£13,335,000)** is analysed below:



- 3.19. The detailed schedule of fees and charges Approved Budgets for 2023/24 is shown at **APPENDIX B**.
- 3.20. An analysis of the gross expenditure and gross income in 2023/24 that constitutes the net expenditure of **£10,676,000** by Strategic Priority is shown below:



- 3.21. An analysis of revenue funding excluding fees and charges of **(£9,982,000)** and including fees and charges of **(£18,615,000)** is shown in detail at **APPENDIX B** and in summary below:



The Approved and Projected MTFS and General Reserves

3.22. The current projected funding gaps are shown in the table below:

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000				
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	HIGH	HIGH	HIGH	HIGH
Original Funding Gap	0	0	726	765	732	905
Approved Updates						
Pension Contributions - Cabinet 05/04/2022	0	0	(32)	(151)	(272)	10
Approved Funding Gap	0	0	694	614	460	915
Budget Monitoring in 2022/23						
Other pressures	0	69	0	0	(25)	183
Inflation pressures	0	363	325	350	605	603
Under achievement of savings/additional income proposals	0	618	0	0	0	0
Lichfield District Youth Council Policy Proposal	0	10	20	30	0	0
Projected Funding Gap	0	1,060	1,039	994	1,040	1,701

Revenue funding to the Capital Programme	100	100	313	100	515	183
Underlying Funding Gap	(100)	960	726	894	525	1,518

3.23. The Council has total general reserves available based on the central scenario, to manage the impact of Local Government Finance Reform and other risks such as the inflationary economic environment:

	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000				
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	HIGH	HIGH	HIGH	HIGH
Available General Reserves Year Start	5,246	5,246	4,466	3,719	2,725	1,685
(Funding Gap) / transfer to General Reserves	0	(1,060)	(1,039)	(994)	(1,040)	(1,701)
Share of Projected Collection Fund Surplus	0	0	292	0	0	0
New Homes Bonus in excess of the 'Cap'	280	280	0	0	0	0
Available General Reserves Year End	5,526	4,466	3,719	2,725	1,685	(16)
Minimum Level	1,600	1,600	1,600	1,600	1,600	1,600
Total Projected General Reserves	7,126	6,066	5,319	4,325	3,285	1,584

More Optimistic Scenario	7,126	6,066	6,323	6,329	6,266	5,569
More Pessimistic Scenario	7,126	6,066	4,591	2,727	452	(2,484)

3.24. The minimum level of reserves currently set at **£1,600,000** will be reviewed as part of the development of the Medium Term Financial Strategy. The minimum level will need to take into account the current inflationary environment and the impact this is likely to have on the cost and demand for Council services and the level of income that is received.

3.25. The level of uncertainty together with the level of total general reserves available, mean that the Council will be able to implement a sustainable approach to balancing the budget. The approach can be adapted as more information on Local Government Finance Reform and its impact on the Council becomes available, including any transitional funding.

The Projected Capital Programme

3.26. The Projected Capital Programme (plus a projection for 2026/27) is shown at **APPENDIX C** and below:

Strategic Priority	Projected Capital Programme					
	2022/23		2023/24	2024/25	2025/26	2026/27
	Original Budget £000	Approved Budget £000	Budget £000	Budget £000	Budget £000	Projection £000
LEVEL OF UNCERTAINTY / RISK	HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH
Enabling People	4,792	6,061	3,846	1,315	939	939
Shaping Place	421	1,230	3,127	280	300	315
Developing Prosperity	1,676	2,700	1,493	946	0	0
Good Council	1,064	1,356	363	340	465	405
Projected Capital Programme	7,953	11,347	8,829	2,881	1,704	1,659
Capital Funding	5,604	8,823	6,569	2,881	1,704	1,659
Borrowing Need	2,349	2,524	2,260	0	0	0

3.27. The Capital Strategy approved by Council on 22 February 2022 included a risk assessment by the Chief Finance Officer.

3.28. This risk assessment identified a significant risk that the Capital Programme did not include investment to realise all of the Council's Strategic aims including the provision of a new Leisure Centre in Lichfield City and planned redevelopment of the Birmingham Road Site.

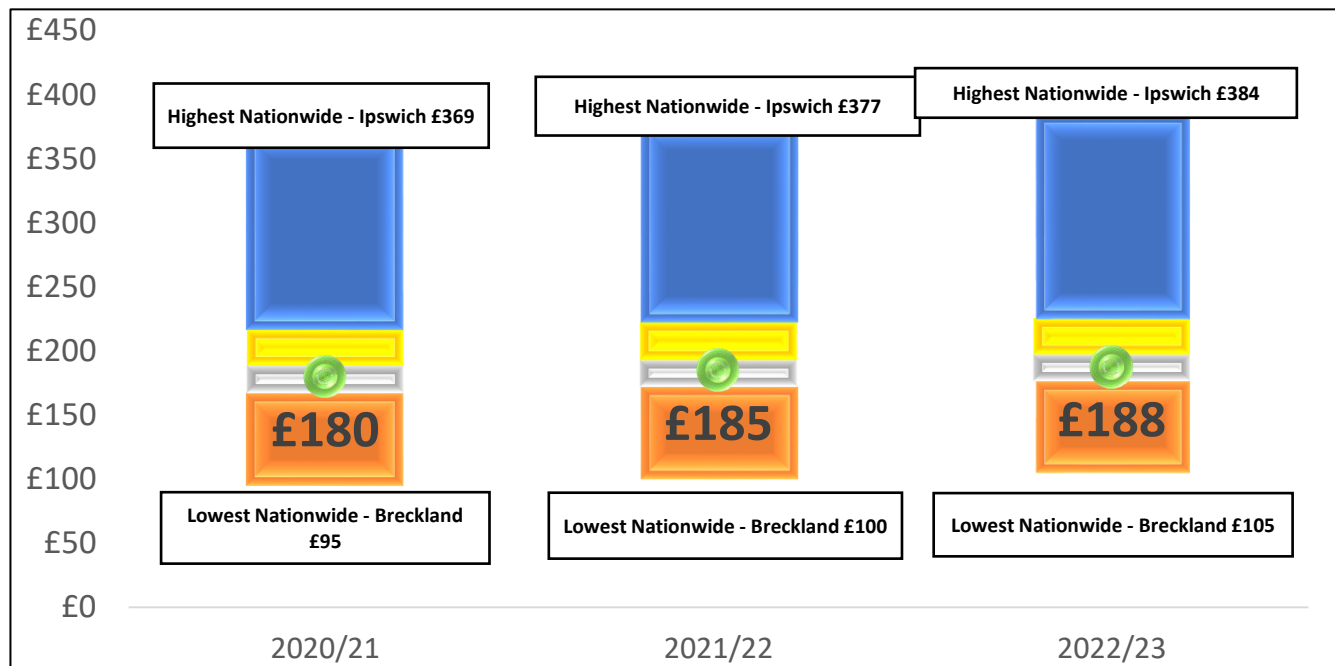
3.29. A number of options have been identified for potential additional capital investment including:

- **The New Community Leisure Centre** – additional investment by the Council in addition to the approved £5m should the bid of £15.8m to the Levelling Up Fund prove to be unsuccessful.
- **The Birmingham Road Site** – investment to enable the regeneration of the Birmingham Road Site potentially with a cinema delivered using a joint venture with Evolve in line with the Lichfield City Masterplan.
- **Burntwood Town Centre** – investment to enable regeneration.
- **A New Depot** – a new depot to support an enhanced waste collection service in line with the aims of the National Waste Strategy.
- **Bird Street Regeneration** – investment to enable the regeneration of this site.
- **Climate Change** – investment to support the Council's Climate Change Pledge.
- **Greenway** – investment to enable the enhancement of the former railway line between Lichfield and Burntwood.
- **CCTV** – investment to upgrade and enhance the current Closed Circuit Television system.
- **ICT** – investment to upgrade and enhance the current ICT infrastructure and service.

3.30. Any capital investment that cannot be funded by capital receipts, revenue, grants, contributions or reserves will result in a borrowing need. Any borrowing need will need to be financed through borrowing and this will result in additional capital financing costs together with any costs of operation being incurred in the revenue budget.

Council Tax

3.31. The Council's Band D Council Tax compared to all District Councils over the last three years is:



3.32. The Approved MTFs modelled that Council Tax would increase annually by **1.50%**.

3.33. There are, however, alternative approaches available and a selection of options have been identified for consideration (projections are based on the Approved Council Taxbase and additional income is enclosed by brackets):

	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Projection £000
Approved / Modelled Increase	1.50%	1.50%	1.50%	1.50%	1.50%
Council Tax Band D	£187.85	£190.66	£193.52	£196.43	£199.37
Approved Council Taxbase (subject to review)	39,695	40,350	41,004	41,695	42,167
Approved MTFs Council Tax Income	(£7,456)	(£7,693)	(£7,935)	(£8,190)	(£8,407)

A selection of options available and the impact on Council Tax income is shown below:	
£5 increase in all years	(£88)
1.5% increase in 2023/24 and 2024/25 and then £5	£0
1.5% increase in 2023/24 and 2024/25 and then 1.99%	£0
1.0% increase in all years	£37
Freeze in all years	£113

(£88)	(£178)	(£268)	(£357)
£0	£0	(£88)	(£175)
£0	£0	(£40)	(£82)
£37	£78	£120	£164
£113	£232	£358	£486

3.34. In determining the level of Council Tax increase for 2023/24 and beyond, Cabinet will need to take into consideration the following key factors:

- The relevant budget principles approved by Council
- The projected funding gap from 2023/24 onwards, the significant level of uncertainty related to Local Government Finance Reform and the legal requirement to set a balanced budget (taking into account the level of general reserves)
- The Council's Band D Council Tax and comparisons to other similar authorities
- The assumptions the Government utilises to calculate Core Spending Power in the Finance Settlement and Council Tax Referendum Principles for 2023/24

Alternative Options	In the main, the options are focused on 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	<p>The budget consultation using a new interactive approach will commence on 19 September 2022 and will end on 16 December 2022.</p> <p>The views of the Overview and Scrutiny Committee were requested at the meeting on 4 October 2022 on the following areas:</p> <ul style="list-style-type: none"> • The policy related to any ‘windfalls’ or additional resources from further delays in Local Government Finance Reform • The review of reserves • Capital investment priorities • The Review of the Local Council Tax Support Scheme • The potential level of the District’s Council Tax increase for 2023/24 <p>Any views will be reported to Cabinet following the Overview and Scrutiny Committee meeting on 4 October 2022.</p>
Financial Implications	These are included in the background section of the report.
Approved by Section 151 Officer	Yes
Legal Implications	<p>No specific legal implications.</p> <p>The recommended changes to the Medium Term Financial Strategy not part of the approved Budget Framework will be required the approval of Full Council.</p>
Approved by Monitoring Officer	Yes
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.
GDPR/Privacy Impact Assessment	There are no specific implications related to the Medium Term Financial Strategy.

	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				
A	Council Tax is not set by the Statutory Date of 11 March 2023	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	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 / strategic plan to the emerging landscape				
G	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
H	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
I	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) 2021-2026 (MTFS) – Cabinet 8 February 2022
- Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 June 2022
- Local Council Tax Support Scheme Review – Cabinet 5 April 2022
- Medium Term Financial Strategy (MTFS) – Cabinet 11 July 2022
- Local Council Tax Support Scheme Permission to Consult – Cabinet 11 July 2022
- Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 6 September 2022
- Money Matters: Review of Reserves – Cabinet 6 September 2022
- Lichfield District Youth Council Policy proposal – Cabinet 6 September 2022

Relevant web links

Approved and Projected Revenue Budget (plus a projection for 2026/27)

	2022/23 Original Budget £000	2022/23 Approved Budget £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
LEVEL OF UNCERTAINTY / RISK	MEDIUM	MEDIUM	HIGH	HIGH	HIGH	HIGH
Enabling people	1,527	1,411	1,471	1,466	1,423	1,453
Shaping place	4,083	4,070	4,367	4,506	4,605	4,733
Developing prosperity	(436)	(283)	(697)	(717)	(707)	(614)
A good council	6,919	7,583	5,819	5,988	6,190	6,739
COVID-19 ²	377	0	0	0	0	0
Net Cost of Services	12,470	12,781	10,960	11,243	11,511	12,311
Corporate expenditure	(198)	(511)	(282)	(213)	(232)	(307)
Net Operating Cost	12,272	12,270	10,678	11,030	11,279	12,004
Retained Business Rates Baseline Funding	(2,306)	(2,306)	(1,714)	(1,857)	(2,055)	(2,181)
Retained Business Rates Growth Allowance	(1,005)	(1,005)	(627)	(624)	(573)	(500)
Business Rates Cap	(174)	(174)	0	0	0	0
Lower Tier Services Grant	(95)	(95)	0	0	0	0
Services Grant	(146)	(146)	0	0	0	0
New Homes Bonus - Contingency Budget	(721)	(721)	0	0	0	0
New Homes Bonus - Base Budget	(400)	(400)	0	0	0	0
New Homes Bonus - to General Reserve	(280)	(280)	0	0	0	0
Collection Fund (Surplus)/Deficit	32	32	52	0	0	0
Council Tax	(7,456)	(7,456)	(7,693)	(7,935)	(8,190)	(8,407)
Total Funding	(12,551)	(12,551)	(9,982)	(10,416)	(10,818)	(11,088)
Transfer to or (from) general reserves	0	0	0	0	0	0
New Homes Bonus (Transfer to general reserves)	280	280	0	0	0	0
Approved Funding Gap	0	0	694	614	460	915

Reconciliation of the Original Budget Funding Gap to the Projected Funding Gap

	Cabinet or Decision Date	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Original Budget Council 22/02/2022		0	726	765	732	905
Approved Changes						
Pension Contributions	05/04/2022	0	(32)	(151)	(272)	10
Approved Budget		0	694	614	460	915
Budget Monitoring in 2022/23						
Money Matters	06/09/2022	1,050	325	350	605	603
Other projected changes					(25)	183
Lichfield District Youth Council Policy Proposal ³	06/09/2022	10	20	30	0	0
Projected Budget		1,060	1,039	994	1,040	1,701

² Allocated to car parking income in the Approved Budget.

³ Subject to Full Council Approval.

Sales, Fees and Charges Approved Budgets for 2023/24

Cost Centre	Fees & Charges Income Budget
A good council	
Corporate Debt Recovery	216,300
Electoral Registration	1,760
Corporate Management	2,020
Civic Services	3,100
Health & Safety	190
E-Business & Information Strategy	4,500
A good council total	227,870
Developing prosperity	
Lichfield Car Parks (an element is payable to partners)	2,003,360
Building Regulations (all partners)	970,210
Planning Applications	946,350
Trade Waste Collection	403,260
Local Land Charges	310,740
Trade Waste Collection –Recycling element	85,250
Civil Parking Enforcement	84,260
Promotion of District	6,870
Guided Tours	5,370
Plant Lane Depot	6,900
Lichfield Tourism Information	14,180
Bus Station	43,000
Other Land and Property	20,380
Property Company	100,000
Local Land Charges-LDC EIR	14,510
Developing prosperity total	5,014,640
Enabling people	
Licensing	211,920
Leisure Centre Management (including contract fee)	171,240
Operational Services - Invest to Save	61,940
Environmental Protection Act Consents	19,510
Housing Enforcement & Licensing	6,500
Sports Development	1,080
Burntwood Leisure Centre	10,890
Housing Register	63,500
Homelessness Service	9,000
Food Safety	17,210
Closed Circuit Television	1,000
Enabling people total	573,790
Shaping place	
Waste Shared Service (includes garden waste and Tamworth BC income)	2,195,210
Grounds Maintenance	291,660
Street Cleansing	122,130
Beacon Park	107,130
Community Infrastructure Levy Administration	39,060
Street Naming and Numbering	37,100
Burntwood Parks	4,770
Lichfield Parks	3,140
Public Conveniences	2,190
Stowe & Minster Pools	920
Abandoned Vehicles	500
Spatial Policy and Delivery Service	12,090
Shaping place total	2,815,900
Total	8,632,200

Projected Capital Programme (includes a projection for 2026/27 and assumes approval by Council of recent Cabinet Recommendations)

Project	Projected Capital Programme (R=>500k, A=250k to 500k and G=<250k)						
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000	Corporate
New Build Parish Office/Community Hub	92	0	0	0	0	92	0
Canopy and installation of artificial grass	3	0	0	0	0	3	0
Burntwood Leisure Centre Sinking Fund Projects	69	0	0	0	0	69	0
Friary Grange - Short Term Refurbishment	158	0	0	0	0	158	0
Replacement Leisure Centre	2,524	2,260	0	0	0	4,784	0
Burntwood Leisure Centre - Decarbonisation	18	0	0	0	0	18	0
Accessible Homes (Disabled Facilities Grants)	1,343	1,272	1,272	914	914	5,715	0
Decent Homes Standard	97	0	0	0	0	97	0
Energy Insulation Programme	0	22	22	25	25	94	0
Unallocated S106 Affordable Housing Monies	382	22	21	0	0	425	0
Burntwood Community Hub	0	250	0	0	0	250	0
Conversion of 36a Bore Street	576	0	0	0	0	576	360
Vehicle Replacement Programme - Env Health	0	20	0	0	0	20	0
Streethay Community Centre	600	0	0	0	0	600	0
Changing Places Fund	94	0	0	0	0	94	0
Burntwood Park Play Equipment	75	0	0	0	0	75	0
Zip Wire in Burntwood	30	0	0	0	0	30	0
Enabling People Total	6,061	3,846	1,315	939	939	13,100	360
Loan to Council Dev Co.	150	0	0	0	0	150	0
Lichfield St Johns Community Link	35	0	0	0	0	35	0
Staffordshire Countryside Explorer	44	0	0	0	0	44	0
Lichfield Public Conveniences	40	0	0	0	0	40	40
Vehicle Replacement Programme (Waste)	0	2,818	0	0	0	2,818	0
Bin Purchase	150	150	150	150	150	750	0
Dual Stream Recycling	267	0	0	0	0	267	0
Vehicle Replacement Programme (Other)	229	159	130	150	165	833	315
Upper St John St & Birmingham Road	7	0	0	0	0	7	0
The Leomansley Area Improvement Project	3	0	0	0	0	3	0
Falkland Road Fosseyway Canal Walk	260	0	0	0	0	260	0
Burntwood Public Conveniences	45	0	0	0	0	45	0
Shaping Place Total	1,230	3,127	280	300	315	5,252	355
Vehicle Replacement Programme (Car Parks)	10	0	0	0	0	10	0
Coach Park	807	43	0	0	0	850	194
BRS Enabling Works	1,000	1,000	0	0	0	2,000	650
Car Parks Variable Message Signing	150	0	0	0	0	150	0
Old Mining College - Refurbish access and signs	13	0	0	0	0	13	0
Cinema Development	0	0	400	0	0	400	0
Incubator Space	354	300	546	0	0	1,200	0
Pay on Exit System at Friary Multi Storey	150	0	0	0	0	150	0
Card Payment in All Car Parks	100	0	0	0	0	100	0
Pay on Exit System at Lombard Street	0	150	0	0	0	150	0
Electric Vehicle Charge Points	80	0	0	0	0	80	0
Car Park Barriers	36	0	0	0	0	36	36
Developing Prosperity Total	2,700	1,493	946	0	0	5,139	880
Property Planned Maintenance	206	213	190	190	230	1,029	1029
IT Infrastructure	300	50	50	0	175	575	475
ICT Hardware	0	0	0	175	0	175	175
Building a Better Council	665	0	0	0	0	665	665
Committee Audio-Visual Hybrid Meeting Platform	85	0	0	0	0	85	85
Construction Inflation Contingency	100	100	100	100	0	400	400
Good Council Total	1,356	363	340	465	405	2,929	2,829
Projected Capital Programme	11,347	8,829	2,881	1,704	1,659	26,420	4,424

Funding Source	Projected Capital Programme					
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Receipts	1,483	693	190	50	387	2,803
Capital Receipts - Housing	360	0	0	0	0	360
Revenue - Corporate	100	313	100	565	183	1,261
Corporate Council Funding	1,943	1,006	290	615	570	4,424
Grant	2,846	1,866	2,261	939	939	8,851
Section 106	308	0	0	0	0	308
CIL	939	0	0	0	0	939
Reserves	2,568	729	180	0	0	3,477
Revenue - Existing Budgets	150	150	150	150	150	750
Sinking Fund	69	0	0	0	0	69
Leases	0	2,818	0	0	0	2,818
Internal Borrowing	0	0	0	0	0	0
Total	8,823	6,569	2,881	1,704	1,659	21,636
External Borrowing	2,524	2,260	0	0	0	4,784
Projected Capital Programme	11,347	8,829	2,881	1,704	1,659	26,420

Reconciliation of Original Capital Programme to this Projected Capital Programme

	Cabinet or Decision Date	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Original Budget Council 22/02/2022		7,953	7,247	1,926	1,745	0	18,871
Approved Changes							
Slippage from 2021/22	07/06/2022	1,650					1,650
Allocation of CIL Monies	08/02/2022	860					860
36A Bore Street Briefing note	20/12/2021	360					360
MTFS	05/07/2022	(37)	50	50			63
Burntwood Zip Line	25/07/2022	30					30
Money Matters Qtr 1	06/09/2022	548	532	905	(41)		1,944
Updated Projections		(94)					(94)
Money Matters Review of Reserves	06/09/2022	77	1,000				1,077
Projections for 2026/27							
Long Term Model	22/02/2022					1,659	1,659
Projected Capital Programme		11,347	8,829	2,881	1,704	1,659	26,420