

# Medium Term Financial Strategy (MTFS)

Cabinet Member for Finance and Commissioning

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Agenda Item:

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Key Decision? YES

Local Ward All Wards

Members



## 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 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 consideration of the development is summarised below:

Date	Meeting	Topics
Budget Consultation (June to December)	05/07/2022	Cabinet
	15/09/2022	Overview and Scrutiny Committee
	04/10/2022	Cabinet
	17/11/2022	Overview and Scrutiny Committee
	06/12/2022	Cabinet
	NEW 15/12/2022	Overview and Scrutiny Committee
	19/01/2023	Overview and Scrutiny Committee
	02/02/2023	Audit and Member Standards Committee
	14/02/2023	Cabinet
	28/02/2023	Council

- 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 and wider economic crisis and other potential Government Policy changes.

- 1.8 The Council has a statutory duty to undertake budget consultation, set a balanced budget and 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 specific updates on:
  - The Medium Term Fiscal Plan.
  - Local Government and Wider Finance Issues.
  - Business Rates Revaluation.
  - The financing of a replacement Leisure Centre and the potential impact on the Medium Term Financial Strategy (pending the Local Government Finance Settlement).
- 2.2. To provide views to Cabinet in relation to:
  - The approach to fees and charges increases for 2023/24.
  - The management of financial risk in the Medium Term Financial Strategy.
  - The potential level of the District's Council Tax increase for 2023/24.

## 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

## **Medium-Term Fiscal Plan: Statement on updated Fiscal Measures**

- 3.8. The new Chancellor made a statement on 17 October 2022 bringing forward a range of fiscal measures in advance of the Medium-Term Fiscal Plan, which is due to be announced on 31 October 2022 (subsequently updated to an Autumn Statement that will be provided on 17 November 2022).
- 3.9. The measures announced and over the last couple of weeks will increase tax revenues by £32bn, and will start to offset the deficit in the public finances. The Government's fiscal objective is that debt should be reducing in the medium term. Without an Office for Budget Responsibility (OBR) forecast, we do not have an official estimate of the budget deficit but instead we will have to rely on the Institute for Fiscal Studies (IFS) and their updated Green Budget that they published last week.
- 3.10. In that report, the IFS estimate is that the fiscal shortfall will be some £60bn (in their central case). This is a major turnaround from the OBR's forecast in March 2022 that there would be a surplus of £30bn from 2023-24 onwards.
- 3.11. The IFS also modelled more pessimistic scenarios. Their "dislodged expectations" scenario assumes persistent inflation (5-6%), aggressive monetary tightening (interest rates of 6-7%), and a projected recession. In this scenario, the budget deficit remains at around £130bn over the medium term and public sector net debt would exceed 110% of GDP by 2026-27. The measures announced today make that scenario less likely but it cannot be discounted entirely.
- 3.12. Despite the reversal of tax-cutting measures, even in the IFS' central case, the Government will have to find a further £28bn if it is going to meet its fiscal target of falling debt by the medium term. Some of this might be mitigated by better-than expected growth, or by lower interest rates (the IFS assumes that interest payments will increase to £103bn in 2023-24, up from £51bn in the OBR's March forecast). Even in a best-case scenario, though, spending cuts are going to be required.

- 3.13. In the short term, local authorities will want to know whether the Spending Review 2021 funding allocations will be honoured. The previous Chancellor had confirmed that they would be – but the new Chancellor has not made a similar commitment, and so we have to assume that funding cuts in this spending review period are still on the table. Indications are that capital projects are a more likely target than revenue savings in the short term, and that any efficiency savings would be re-cycled within departments. But we are unlikely to get any confirmation until 31 October at the earliest.
- 3.14. If funding cuts are going to happen within local government in the short term, where would these be most likely to fall:
- The most obvious target is the funding for the new social care charging reforms. Grant funding is £3.6bn over the next two years, with actual costs expected to be higher, and potentially rising to £6bn per year towards the end of the decade.
  - Within the current settlement, the funding streams that are easiest to change are New Homes Bonus, Lower Tier Services Grant, and 22-23 Services Grant. It is more likely that they could be redirected to fund pressures (e.g. social care) rather than cut altogether.
  - Reducing the level of funding for the Business Rate increases cap compensation. Freezing the multiplier and fully compensating authorities on the existing basis would be expensive (based on RPI at 11.8%, the cost would be around £1.5bn). A new Chancellor with a focus on tax raising does change the assumptions here. Freezing the multiplier seems less likely than it did, although a 10% increase in the multiplier does not seem likely either. Compensating authorities at a lower rate might be one of the savings that could be offered up (say, at CPI or at an intermediate rate, such as 5%) – but there is a risk with no prior consultation having taken place.
  - Funding settlements in the next spending review are likely to be very tight indeed. The OBR forecasts increases in Departmental Expenditure Limits (DEL) of 3.9% and 3.7% in 2025-26 and 2026-27 respectively. These uplifts are likely to be reduced and some services (particularly the NHS and Defence) are likely to take the lion's share of increases.

## An Update on Local Government and Wider Finance Issues

- 3.15. The national picture both politically and economically is incredibly uncertain and volatile at present. There have been a number of announcements that could be superseded, changed or reversed.
- 3.16. However the main ones are summarised below:
- On 5 October 2022, the Minister of State for Local Government and Building Safety announced that there will be no fair funding review during the current spending review period.
  - On 6 October 2022, it was confirmed that the Government will not uplift the public spending budgets announced in the October 2021 Spending Review as shown below – when inflation was less than half of what it is now:

	2021-22	2022-23	2023-24	2024-25
Settlement Funding Assessment (SFA)	14,809.7	14,882.2	14,882.2	14,882.2
Improved Better Care Fund	2,077.0	2,139.8	2,139.8	2,139.8
Social Care Grant	1,710.0	2,346.4	2,346.4	2,346.4
Lower Tier Services Grant (LTSG)	111.0	111.0	111.0	111.0
22-23 Services Grant		822.0	822.0	822.0
Rural Services Delivery Grant	85.0	85.0	85.0	85.0
New Homes Bonus	622.3	556.0	556.0	556.0
<b>Grant funding within Core Spending Power</b>	<b>19,415.0</b>	<b>20,942.4</b>	<b>20,942.4</b>	<b>20,942.4</b>
		7.9%	0.0%	0.0%

- The Government's Core Spending Power based Council Tax income assumptions (assuming maximum increases and Taxbase growth) in the October 2021 Spending Review were:

	2021/22 £bn	2022/23 £bn	2023/24 £bn	2024/25 £bn
Government assumed Council Tax Income	£30,327	£31,742	£33,171	£34,663
% Annual Change		4.7%	4.5%	4.5%

- On 11 October 2022, there were reports that financial uncertainty had split opinion over whether local government should push for a multi-year settlement or another single year deal.

## Business Rates Revaluation

- 3.17. A Business Rate revaluation will be implemented on 1 April 2023 with a draft list in December 2022.
- 3.18. A revaluation is assumed at a national level to be revenue neutral. This is achieved by adjusting the rate in the pound (multiplier) depending on whether total Rateable Value reduces or increases.
- 3.19. For a local authority, revenue neutrality is achieved by changing the Business Rate tariff over three years.
- 3.20. One further consequence of a revaluation is that businesses will appeal against Rateable Values that increase and therefore if these appeals are successful the level of business rate income will reduce.
- 3.21. To manage this risk, an allowance is included in the rate in the pound (multiplier) and local authorities also include risk budgets as part of Business Rate Estimates within Collection Funds.
- 3.22. In addition, the revaluation in 2023 will also involve the transfer of some infrastructure assets from local authority lists to the central list and this will result in further adjustments to Business Rate Tariffs.

## An Update on the financing of a Replacement Leisure Centre

- 3.23. The Approved Medium Term Financial Strategy includes provision for a replacement leisure centre in Lichfield City based on the following assumptions:
- A capital contribution of **£5,000,000** funded entirely by external borrowing.
  - The life of the asset was estimated to be **25 years**.
  - External borrowing would use a Public Works Loans Board Equal Instalment of Principal (EIP) loan.
  - The loan is budgeted to cost **1.87%** and would be repaid over **25 years**.
  - The loan would be drawn down at the start of the 2024/25 financial year.
- 3.24. The current economic climate and the challenges it presents, mean a number of these assumptions will need to be revisited to ensure estimates continue to remain robust.
- 3.25. The key risks are summarised below:
- The level of interest rates being used by the Bank of England to reduce inflation to 2%.
  - The level of inflation especially raw materials and construction inflation.
  - The operating costs and income of leisure centres.

### The Impact of Inflation and the Level of Interest Rates

- 3.26. The impact of the increase in interest rates (rate on 20/10/2022 and a higher level of 10%) on the cost of borrowing **£5,000,000** whilst assuming all other assumptions remain as budgeted would be:

	Debt Repayment 1.87%	Operating Cost	Total	Debt Repayment 4.98%	Debt Repayment 10.00%	Additional Cost	
						4.98%	10.00%
1 - 2024/25	£294,000	£0	£294,000	£447,000	£695,000	£153,000	£401,000
2 - 2025/26	£290,000	£0	£290,000	£437,000	£675,000	£147,000	£385,000
3 - 2026/27	£286,000	£0	£286,000	£427,000	£655,000	£141,000	£369,000
4 - 2027/28	£282,000	£0	£282,000	£417,000	£635,000	£135,000	£353,000
Later years	£5,040,000	£0	£5,040,000	£6,447,000	£8,715,000	£1,407,000	£3,675,000
<b>Total - 25 years</b>	<b>£6,192,000</b>	<b>£0</b>	<b>£6,192,000</b>	<b>£8,175,000</b>	<b>£11,375,000</b>	<b>£1,983,000</b>	<b>£5,183,000</b>

- 3.27. The impact of higher levels of capital expenditure and external borrowing in excess of the budgeted level of **£5,000,000** using the rates above would be:
- At **4.98%**, each £1m of additional external borrowing would cost an additional **£90,000** in year 1 and an extra £5m would cost an additional **£447,000** in year 1.
  - At **10.00%**, each £1m of additional external borrowing would cost an additional **£139,000** in year 1 and an extra £5m would cost an additional **£695,000** in year 1.

#### The Operating Costs and Income of Leisure Centres

- 3.28. The current assumption is that a replacement leisure centre would break even. The impact of COVID-19 and the current economic climate mean it is highly likely that this assumption will need to be revisited.
- 3.29. There is also a relationship between the activities, capital cost and the operating cost of a leisure centre and the optimum solution is to achieve a centre that remains financially sustainable over its life.
- 3.30. In terms of financial modelling:
- **A leisure centre costing £17.5m** – the second Levelling Up Fund bid included business plan modelling provided by Max Associates. This modelling in a mature year 5, projects an operating surplus of **(£13,000)**, capital replacement (lifecycle) costs of **£180,000** and a net deficit of **£167,000**.
  - **A leisure centre costing £10.0m** – this option has not specifically been modelled. However as part of the Max Associates modelling, a scenario where income is 10% lower was modelled and can be used as a proxy for a smaller centre. This modelling in a mature year 5, projects an operating deficit of **£140,000** excluding capital replacement (lifecycle) costs.
  - The aim continues to be that the replacement leisure centre will operate on a breakeven basis and therefore options are currently being identified to achieve this aim.

#### Options available to ensure the Leisure Centre Financing is Sustainable

- 3.31. The Council's operating costs and projected funding gap has increased significantly due to the current economic climate which means in the absence of additional funding/savings/additional income that current General Reserves will be required to provide a sustainable Medium Term Financial Strategy.
- 3.32. Any construction project that involves long term external borrowing in the current economic climate involves significant financial risk.
- 3.33. In addition, where the leisure centre business plan is based on income assumptions involving usage in the current economic climate and increasing costs such as energy, this adds further significant risk to financial sustainability.
- 3.34. There are a number of areas the Council will need to consider to ensure the replacement leisure centre remains financially sustainable:
- There needs to be a sustainable balance between the activities provided in the centre, the capital cost and the annual operating cost.
  - The use of fixed rate long term external borrowing in the current climate needs to be minimised. This could be achieved by initiatives including external funding, the use of 'windfall' income from the Finance Settlement and the use of an element of reserves through internal borrowing which is currently a lower cost option than external borrowing.
  - The identification of savings/additional income within the Revenue base budget that can be repurposed to finance any additional borrowing and operating costs.
- 3.35. The management of these risks will need to be a key consideration in terms of the financing for a replacement leisure centre.

## The Approved and Projected Revenue Budget

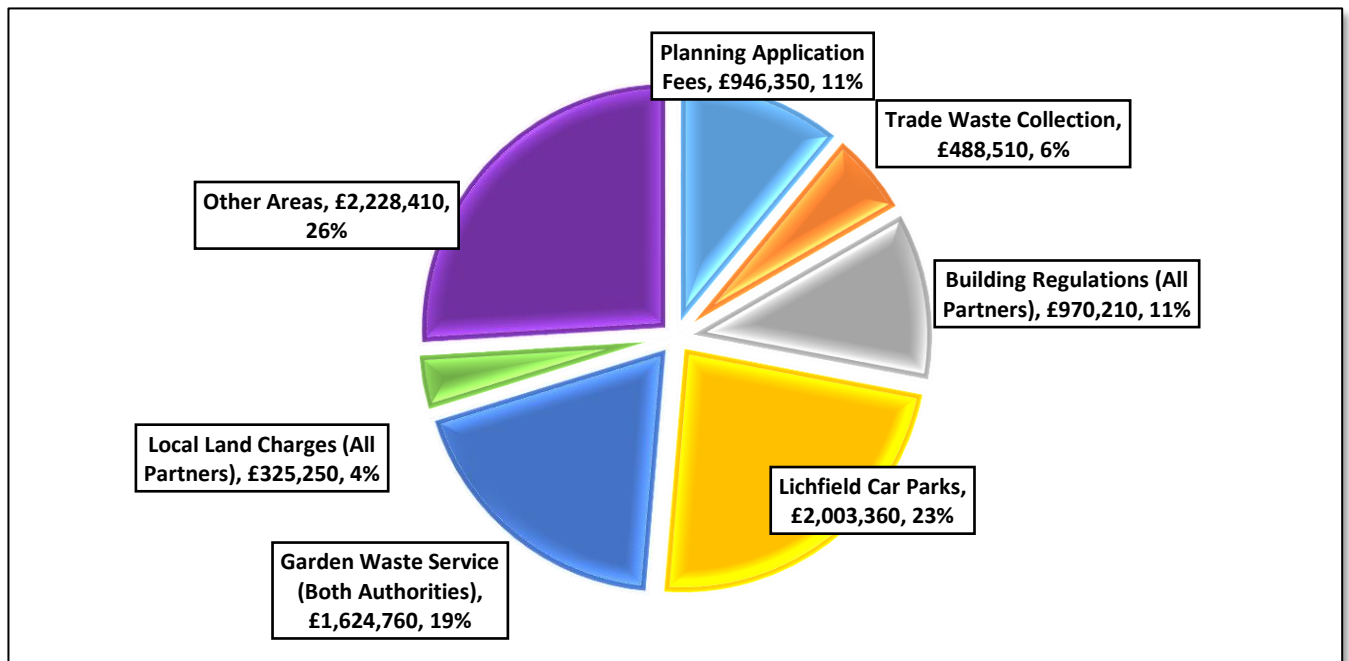
- 3.36. In the current economic climate, projections are being updated regularly to reflect changes within the Council and in the external environment.
- 3.37. Projections provided to the Committee on 4 October 2022 have been updated in relation to:
- Inflation pressures specifically the completion of more detailed pay award modelling based on the new Target Operating Model.
  - The cost of external borrowing in light of increasing interest rates.
  - The impact of the decision to underwrite the rent on the former Debenhams building for a 12 month period.
  - Projected external audit increases of **150%** from 2023/24 following the conclusion of the Public Sector Audit Appointments procurement.
  - Transitional protection for salary reductions in the Target Operating Model.
  - Further budget pressures and savings.
  - Projected additional grant income for Business Rates as a result of the higher level of inflation.
- 3.38. 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	£000	£000	£000	£000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Revenue Expenditure	12,551	12,561	11,021	11,410	11,858	12,789
Revenue Funding	(12,551)	(12,551)	(9,982)	(10,415)	(10,818)	(11,088)
<b>Approved Budget Funding Gap</b>	<b>0</b>	<b>10</b>	<b>1,039</b>	<b>995</b>	<b>1,040</b>	<b>1,701</b>
<b>Updated Projections</b>						
Updated inflation pressures	0	247	104	100	74	80
Additional cost of £5m borrowing - leisure centre	0	0	0	153	147	141
Underwriting rent for former Debenhams	0	138	12	0	0	0
External Audit projected fee increase	0	0	86	86	86	86
Transitional protection related to the TOM	0	10	20	10	0	0
Budget pressures less savings	0	(70)	(75)	(93)	(4)	(4)
Additional business rates cap grant - inflation	0	(300)	0	0	0	0
<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>35</b>	<b>1,186</b>	<b>1,251</b>	<b>1,343</b>	<b>2,004</b>
<b>More Optimistic Scenario</b>	<b>0</b>	<b>35</b>	<b>182</b>	<b>250</b>	<b>366</b>	<b>1,000</b>
<b>More Pessimistic Scenario</b>	<b>0</b>	<b>35</b>	<b>1,914</b>	<b>2,120</b>	<b>2,578</b>	<b>3,239</b>

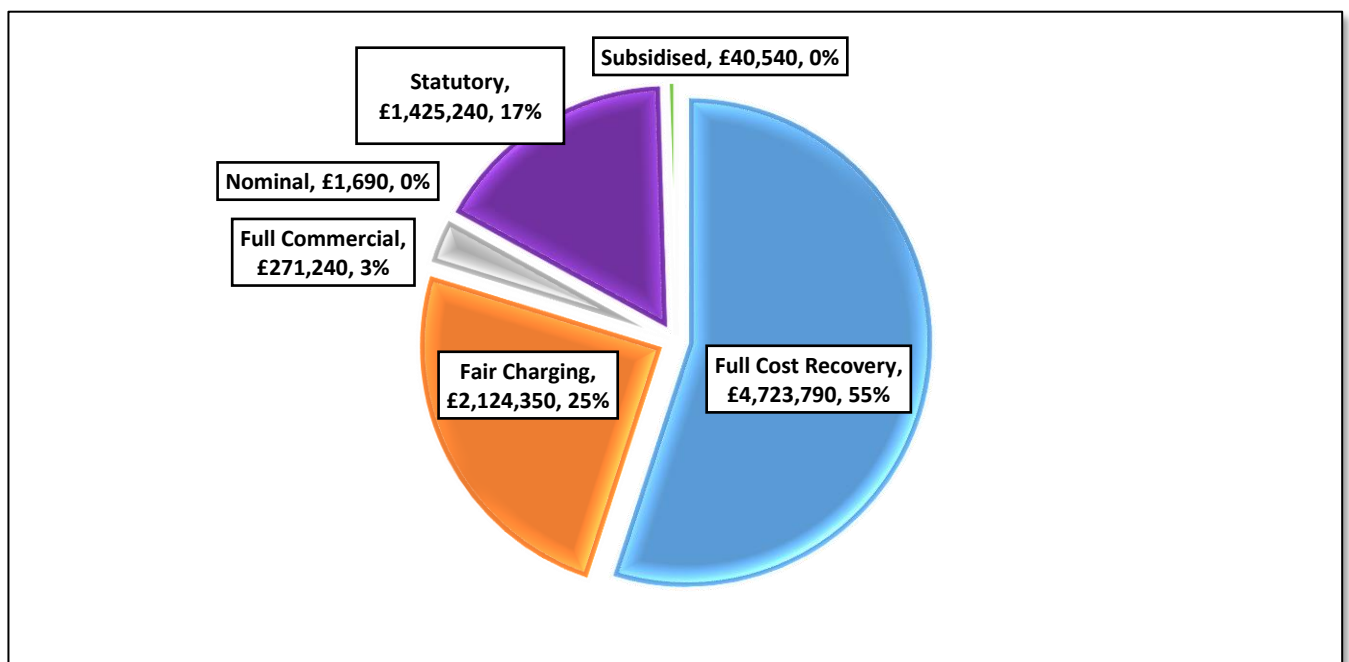


## Fees and Charges

3.39. The current approved budgets in relation to income from fees and charges is provided in detail at **APPENDIX B** and in summary for 2023/24 below:



3.40. The pricing policy for fees and charges in 2023/24 is assessed to be:



3.41. In line with the approved corporate fees and charges policy, the level of inflation should be taken into account when setting fees and charges for the year ahead in order to maintain the level of income in real terms.

3.42. It is important to highlight that Section 93 of the Local Government Act 2003, limits non statutory prices to a full cost recovery pricing policy.

3.43. The Approved Medium Term Financial Strategy assumed that a number of fees and charges would be increased in 2023/24 to ensure that prices reflect higher operating costs.

3.44. The budget assumptions presented to this Committee on 4 October 2022 identified a minimum price increase for 2023/24 of **2.50%** (excluding the garden waste service) to ensure that fees and charges remain affordable and do not significantly impact on use in the current economic climate.



## The Approved and Projected MTFs and General Reserves

- 3.45. 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	£000	£000	£000	£000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
<b>Available General Reserves Year Start</b>	<b>5,246</b>	<b>5,246</b>	<b>4,441</b>	<b>3,560</b>	<b>2,309</b>	<b>965</b>
Money Matters Quarter 1	0	(1,050)	0	0	0	0
(Funding Gap) / transfer to General Reserves	0	(35)	(1,186)	(1,251)	(1,343)	(2,004)
Collection Fund Surplus	0	0	305	0	0	0
New Homes Bonus in excess of the 'Cap'	280	280	0	0	0	0
<b>Available General Reserves Year End</b>	<b>5,526</b>	<b>4,441</b>	<b>3,560</b>	<b>2,309</b>	<b>965</b>	<b>(1,039)</b>
Minimum Level	1,600	1,600	1,600	1,600	1,600	1,600
<b>Total Projected General Reserves</b>	<b>7,126</b>	<b>6,041</b>	<b>5,160</b>	<b>3,909</b>	<b>2,565</b>	<b>561</b>
<b>More Optimistic scenario</b>	<b>7,126</b>	<b>6,041</b>	<b>6,164</b>	<b>5,914</b>	<b>5,547</b>	<b>4,547</b>
<b>More Pessimistic scenario</b>	<b>7,126</b>	<b>6,041</b>	<b>4,432</b>	<b>2,312</b>	<b>(267)</b>	<b>(3,506)</b>

- 3.46. At present, the minimum level of general reserves is approved at **£1,600,000**. However this level was approved prior to increased level of risk presented by the current economic climate.

## The Management of Financial Risk

- 3.47. The specific risk activities considered as part of the risk assessment in the Approved Medium Term Financial Strategy to establish the minimum level of general reserves are identified below:

Activity Area	Severity of Risk 22/02/2022	2022/23 Reserve Amounts £000
Capital Strategy	Material	5
Business Rates	Severe	0
Partnerships and Outsourcing	Material	153
High Risk Streams of Income including Fees and Charges	Severe	794
Inflation Assumptions	Severe	288
Demand Led Services	Material	90
Collection of Income Performance	Material	135
Civil Contingency	Tolerable	127
Other	Tolerable	8
<b>Total Minimum Reserves</b>		<b>1,600</b>

- 3.48. It is highly likely that the severity of risk focused on Partnerships and Outsourcing, Inflation Assumptions and Collection of Income Performance will need to increase. This increase in risk severity will result in the minimum level of general reserves being set at a higher level whilst the current economic conditions persist.
- 3.49. Any increase in the minimum level of general reserves will reduce the level of available general reserves that can be used to balance the revenue Budget or fund capital or revenue projects.

- 3.50. More specific financial/volatility risks are managed through earmarked reserves and these are identified below:

	Actual 01/04/2022 £000	Projected	
		31/03/2023 £000	31/03/2024 £000
Zurich Insurance	29	25	21
Lichfield District Council Elections	205	233	261
Judicial Review/Planning Appeals	201	201	201
Community Infrastructure Levy Volatility	108	0	0
Business Rates Volatility Reserve	1,745	1,353	1,353
Strategic Investments Volatility	329	740	814
Dry Recycling Contract - LDC Share	104	104	104
Freedom Pensions Guarantee	114	141	168
Homeless & Repossession Prevention Fund	29	29	29
<b>Earmarked Reserves - Specific Risks</b>	<b>2,864</b>	<b>2,826</b>	<b>2,951</b>

- 3.51. In addition to the minimum level of general reserves and the risk based earmarked reserves, given the fluid and volatile economic climate, it may also be necessary to include a contingency revenue budget within the approved Medium Term Financial Strategy.
- 3.52. A contingency revenue budget would enable emerging budget pressures or mitigations to be approved up to the level of the contingency budget without the need for approval by Council.

### The Projected Capital Programme

- 3.53. The current Projected Capital Programme is shown in summary below and in detail at **APPENDIX C**:

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
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Enabling People	4,792	5,946	3,826	1,315	939	959
Shaping Place	421	1,230	3,127	280	300	315
Developing Prosperity	1,676	3,083	3,702	2,329	0	10
Good Council	1,064	1,356	363	340	465	405
<b>Capital Expenditure</b>	<b>7,953</b>	<b>11,615</b>	<b>11,018</b>	<b>4,264</b>	<b>1,704</b>	<b>1,689</b>
Capital Funding	5,604	9,091	8,758	4,264	1,704	1,689
Borrowing Need	2,349	2,524	2,260	0	0	0

- 3.54. This projected Capital Programme has increased by **£11,419,000** compared to the Original Capital Programme. The detailed changes are shown in detail at **APPENDIX C** with the main changes summarised below:
- Slippage from 2021/22 - **£1,650,000**.
  - Money Matters Quarter 1 including UK Shared Prosperity Fund - **£1,944,000**.
  - Review of Reserves - **£1,077,000**.
  - A Cinema for Lichfield District - **£4,019,000**.
  - Long Term Model Projection for 2026/27 - **£1,659,000**.
- 3.55. Further capital investment including priorities identified by this Committee at the meeting on 4 October 2022, will be considered as the Medium Term Financial Strategy develops and the outcome of the Local Government Finance Settlement is provided by Government in December 2022.
- 3.56. 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.

## The Level of Council Tax

- 3.57. The Approved MTFS modelled that Council Tax would increase annually by **1.50%**.
- 3.58. There are, however, alternative approaches available and two options requested by the Committee on 4 October 2022 are provided below, together with potential maximum increase and freeze scenarios (projections are based on the Draft 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
<b>Approved MTFS Council Tax Income</b>	<b>(£7,456)</b>	<b>(£7,693)</b>	<b>(£7,935)</b>	<b>(£8,190)</b>	<b>(£8,407)</b>
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
Draft Council Taxbase	39,695	40,534	41,016	41,579	42,233
<b>Draft MTFS Council Tax Income</b>	<b>(£7,456)</b>	<b>(£7,728)</b>	<b>(£7,937)</b>	<b>(£8,167)</b>	<b>(£8,420)</b>
<b>Cumulative change in Council Tax Income</b>	<b>£0</b>	<b>(£35)</b>	<b>(£37)</b>	<b>(£15)</b>	<b>(£28)</b>
Modelled options and the impact on Council Tax income:					
£5 increase in all years					
<b>Freeze in 2023/24 and then 1.50%</b>					
<b>Freeze in 2023/24 and then 1.99%</b>					
Freeze in all years					

(£124)	(£180)	(£244)	(£371)
<b>£79</b>	<b>£115</b>	<b>£143</b>	<b>£111</b>
<b>£79</b>	<b>£77</b>	<b>£65</b>	<b>(£10)</b>
<b>£79</b>	<b>£230</b>	<b>£379</b>	<b>£474</b>

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

<b>Alternative Options</b>	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.
<b>Consultation</b>	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 consultation project commenced in June 2022 and will run through to December 2022. This could facilitate rapid analysis of the results of the consultation before a final feedback report is submitted in January 2023.
<b>Financial Implications</b>	These are contained in the background section of the report.
<b>Approved by Section 151 Officer</b>	Yes
<b>Legal Implications</b>	No specific legal implications.  The recommended changes to the Medium Term Financial Strategy are not part of the approved Budget Framework and will require the approval of Full Council.

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 <b>11 March 2023</b>	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 consultation. 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	A property team has been recruited via the Company 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 2023/24	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
	<b>Background documents</b> <ul style="list-style-type: none"> <li>• Medium Term Financial Strategy (Revenue and Capital) 2021-2026 (MTFS) – Cabinet 8 February 2022</li> <li>• Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 June 2022</li> <li>• Local Council Tax Support Scheme Review – Cabinet 5 April 2022</li> <li>• Medium Term Financial Strategy (MTFS) – Cabinet 11 July 2022</li> <li>• Local Council Tax Support Scheme Permission to Consult – Cabinet 11 July 2022</li> <li>• Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 6 September 2022</li> <li>• Money Matters: Review of Reserves – Cabinet 6 September 2022</li> <li>• Lichfield District Youth Council – Policy Proposal – Cabinet 6 September 2022</li> <li>• Joint Venture – A cinema for Lichfield District – Cabinet 11 October 2022</li> <li>• Medium Term Financial Strategy (Revenue and Capital) 2023-27 – Cabinet 11 October 2022</li> </ul>			
	<b>Relevant web links</b>			

## Approved and Projected Revenue Budgets

	2022/23 Original Budget £000	2022/23 Approved Budget £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Enabling people	1,527	1,339	1,421	1,416	1,423	1,453
Shaping place	4,083	4,215	4,353	4,492	4,591	4,719
Developing prosperity	(436)	(126)	(639)	(659)	(699)	(606)
A good council	6,919	8,644	5,824	5,993	6,195	6,744
COVID-19 (assigned to car parking in the Approved Budget)	377	0	0	0	0	0
Money Matters 3 Months	0	0	325	350	605	603
Lichfield District Youth Council	0	10	20	30	0	0
<b>Net Cost of Services</b>	<b>12,470</b>	<b>14,082</b>	<b>11,304</b>	<b>11,622</b>	<b>12,115</b>	<b>12,913</b>
Corporate expenditure	(198)	(751)	(282)	(213)	(232)	(307)
<b>Net Operating Cost</b>	<b>12,272</b>	<b>13,331</b>	<b>11,022</b>	<b>11,409</b>	<b>11,883</b>	<b>12,606</b>
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)
<b>Total Funding</b>	<b>(12,551)</b>	<b>(12,551)</b>	<b>(9,982)</b>	<b>(10,416)</b>	<b>(10,818)</b>	<b>(11,088)</b>
Transfer to or (from) general reserves	0	(1,050)	0	0	0	0
New Homes Bonus (Transfer to general reserves)	280	280	0	0	0	0
<b>Approved Funding Gap</b>	<b>0</b>	<b>10</b>	<b>1,040</b>	<b>993</b>	<b>1,065</b>	<b>1,518</b>
Other Projected Changes		25	146	258	278	486
<b>Projected Budget Funding Gap</b>		<b>35</b>	<b>1,186</b>	<b>1,251</b>	<b>1,343</b>	<b>2,004</b>

## 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
<b>Original Budget Council 22/02/2022</b>		<b>0</b>	<b>726</b>	<b>765</b>	<b>732</b>	<b>905</b>
<b>Approved Changes</b>						
Pension Contributions	05/04/2022	0	(32)	(151)	(272)	10
Money Matters 3 Months	06/09/2022	1,050	326	350	605	603
Lichfield District Youth Council	06/09/2022	10	20	30	0	0
Transfer from General Reserves	06/09/2022	(1,050)	0	0	0	0
Previously Projected Updates	This Report				(25)	183
<b>Approved Funding Gap</b>		<b>10</b>	<b>1,040</b>	<b>994</b>	<b>1,040</b>	<b>1,701</b>
<b>Projections</b>						
Updated inflation pressures	This Report	247	104	100	74	80
Additional cost of £5m borrowing - leisure centre		0	0	153	147	141
Underwriting rent for former Debenhams		138	12	0	0	0
External Audit projected fee increase		0	86	86	86	86
Transitional protection related to the TOM		10	20	10	0	0
Budget pressures less savings		(70)	(76)	(91)	(4)	(4)
Additional Business rates cap grant - inflation		(300)	0	0	0	0
<b>Projected Budget Funding Gap</b>		<b>35</b>	<b>1,186</b>	<b>1,251</b>	<b>1,343</b>	<b>2,004</b>

## Approved Fees and Charges Budgets

Area	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Full Cost Recovery</b>	<b>£4,502,840</b>	<b>£4,723,790</b>	<b>£4,832,350</b>	<b>£4,913,590</b>	<b>£4,937,260</b>
Abandoned Vehicles	£500	£500	£500	£500	£500
Beacon Park	£70,910	£73,130	£75,350	£77,530	£77,530
Building Regulations	£948,300	£970,210	£991,560	£1,013,330	£1,035,560
Burntwood Leisure Centre	£10,890	£10,890	£10,890	£10,890	£10,890
Burntwood Parks	£4,650	£4,770	£4,880	£4,990	£4,990
Bus Station	£21,000	£43,000	£43,000	£43,000	£43,000
Civic Services	£3,100	£3,100	£3,100	£3,100	£3,100
Closed Circuit Television	£1,000	£1,000	£1,000	£1,000	£1,000
Community Lottery	£12,000	£12,000	£12,000	£12,000	£12,000
Corporate Debt Recovery	£211,150	£216,300	£221,450	£226,600	£226,600
Corporate Management	£1,540	£2,020	£1,510	(£670)	(£1,240)
Democratic Services	£18,750	£18,750	£18,750	£18,750	£18,750
District Council House	£3,400	£3,400	£3,400	£3,400	£3,400
E-Business & Information Strategy	£4,500	£4,500	£4,500	£4,500	£4,500
Environmental Protection Act Consents	£7,230	£7,230	£7,230	£7,230	£7,230
Food Safety	£16,800	£17,210	£17,620	£18,030	£18,030
Grounds Maintenance	£265,140	£291,660	£325,290	£330,930	£330,930
Guided Tours	£5,200	£5,370	£5,540	£5,710	£5,750
Health & Safety	£190	£190	£190	£190	£190
Homelessness Service	£9,000	£9,000	£9,000	£9,000	£9,000
Housing Enforcement & Licensing	£1,500	£1,500	£1,500	£1,500	£1,500
Licensing	£211,920	£211,920	£211,920	£211,920	£211,920
Lichfield Car Parks	£1,000	£1,000	£1,000	£1,000	£1,000
Lichfield Parks	£3,070	£3,140	£3,200	£3,270	£3,260
Lichfield Tourism Information	£13,840	£14,180	£14,510	£14,850	£14,850
Local Land Charges	£305,030	£310,740	£316,600	£322,620	£322,620
Local Land Charges-LDC EIR	£14,510	£14,510	£14,510	£14,510	£14,510
Operational Services - Invest to Save	£59,670	£61,940	£63,030	£64,160	£65,320
Other Land and Property	£10,920	£10,920	£10,920	£10,920	£10,920
Planning Applications	£68,860	£58,860	£58,860	£58,860	£58,860
Plant Lane Depot	£6,900	£6,900	£6,900	£6,900	£6,900
Promotion of District	£0	£6,870	£7,030	£7,190	£7,190
Spatial Policy and Delivery Service	£11,800	£12,090	£12,370	£12,660	£12,660
Sports Development	£1,080	£1,080	£1,110	£1,140	£1,140
Stowe & Minster Pools	£900	£920	£950	£1,010	£1,010
Street Cleansing	£124,250	£122,130	£124,860	£127,590	£127,590
Street Naming and Numbering	£36,700	£37,100	£37,510	£37,920	£37,920
Trade Waste Collection	£364,720	£364,720	£364,720	£364,720	£364,720
Trade Waste Collection -Recycling	£79,630	£80,430	£81,230	£82,040	£82,860
Waste Shared Service	£1,571,290	£1,708,610	£1,742,860	£1,778,800	£1,778,800
<b>Fair Charging</b>	<b>£1,758,820</b>	<b>£2,124,350</b>	<b>£2,170,770</b>	<b>£2,216,170</b>	<b>£2,216,170</b>
Beacon Park	£34,000	£34,000	£34,000	£34,000	£34,000
Lichfield Car Parks	£1,636,830	£2,002,360	£2,048,780	£2,094,180	£2,094,180
Other Land and Property	£7,960	£7,960	£7,960	£7,960	£7,960
Waste Shared Service	£80,030	£80,030	£80,030	£80,030	£80,030
<b>Full Commercial</b>	<b>£171,240</b>	<b>£271,240</b>	<b>£271,240</b>	<b>£271,240</b>	<b>£271,240</b>
Leisure Centre Management (Freedom)	£171,240	£171,240	£171,240	£171,240	£171,240
Local Authority Company (LWMTS)	£0	£100,000	£100,000	£100,000	£100,000
<b>Nominal</b>	<b>£1,690</b>	<b>£1,690</b>	<b>£1,690</b>	<b>£1,690</b>	<b>£1,690</b>
Other Land and Property	£1,500	£1,500	£1,500	£1,500	£1,500
Public Conveniences	£190	£190	£190	£190	£190
<b>Statutory</b>	<b>£1,425,240</b>	<b>£1,425,240</b>	<b>£1,425,240</b>	<b>£1,425,240</b>	<b>£1,425,240</b>



## APPENDIX B

Area	2022/23	2023/24	2024/25	2025/26	2026/27
Civil Parking Enforcement	£84,260	£84,260	£84,260	£84,260	£84,260
Community Infrastructure Levy Administration	£39,060	£39,060	£39,060	£39,060	£39,060
Electoral Registration	£1,760	£1,760	£1,760	£1,760	£1,760
Environmental Protection Act Consents	£12,280	£12,280	£12,280	£12,280	£12,280
Housing Enforcement & Licensing	£5,000	£5,000	£5,000	£5,000	£5,000
Planning Applications	£741,490	£741,490	£741,490	£741,490	£741,490
Planning Applications 50%	£146,000	£146,000	£146,000	£146,000	£146,000
Trade Waste Collection -Recycling	£4,820	£4,820	£4,820	£4,820	£4,820
Waste Shared Service	£390,570	£390,570	£390,570	£390,570	£390,570
<b>Subsidised</b>	<b>£40,540</b>	<b>£40,540</b>	<b>£40,540</b>	<b>£40,540</b>	<b>£40,540</b>
Public Conveniences	£2,000	£2,000	£2,000	£2,000	£2,000
Trade Waste Collection	£38,540	£38,540	£38,540	£38,540	£38,540
<b>Grand Total</b>	<b>£7,900,370</b>	<b>£8,586,850<sup>1</sup></b>	<b>£8,741,830</b>	<b>£8,868,470</b>	<b>£8,892,140</b>

Pricing Policy	Policy Objective
Full commercial	The Council seeks to maximise income within an overall objective of generating surpluses to offset related overheads e.g. trading companies for property and investment and trade refuse collection.
Fair charging	The Council seeks to maximise income, but subject to a defined policy constraint e.g. charges for car parking. Alternatively, a full commercial rate may not be determinable or the Council may be a monopoly supplier of services.
Full Cost recovery	A Council wishes to make the service generally available, but does not wish to subsidise the service e.g. street naming. Therefore prices are based on the direct cost and overheads related to the activity.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources e.g. leisure charges.
Nominal	The Council wishes the service to be fully available, but sets a small user charge e.g. confirmation of residency letter.
Free	Council policy is to make the service fully available and funded through corporate resources, rather than specific fees e.g. free access to parks/public open spaces.
Statutory	Charges are set in line with national legal requirements and there is no local discretion over the level of the charge e.g. planning application fees. In some instances, there might be statutory constraints, whereby there is some limited, but not complete, and discretion over the level of the charge.

<sup>1</sup> Updated from the information presented to this Committee on 4 October 2022 based on Money Matters quarter 1 and latest projections.

## Projected Capital Programme

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
Replacement of 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 Scheme	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	242	22	21	0	0	285	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	0	0	0	20	20	0
Streethay Community Centre	600	0	0	0	0	600	0
Changing Places Fund	94	0	0	0	0	94	0
Play Equipment at Chase Terrace Park	25	0	0	0	0	25	0
Burntwood Park Play Equipment	75	0	0	0	0	75	0
Zip Wire in Burntwood	30	0	0	0	0	30	0
<b>Enabling People Total</b>	<b>5,946</b>	<b>3,826</b>	<b>1,315</b>	<b>939</b>	<b>959</b>	<b>12,985</b>	<b>360</b>
Loan to Council Dev Co.	150	0	0	0	0	150	0
Lichfield St Johns Community Link (CIL)	35	0	0	0	0	35	0
Staffordshire Countryside Explorer (CIL)	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
Env. Imps - 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
<b>Shaping Place Total</b>	<b>1,230</b>	<b>3,127</b>	<b>280</b>	<b>300</b>	<b>315</b>	<b>5,252</b>	<b>355</b>
Vehicle Replacement Programme (Car Parks)	0	0	0	0	10	10	0
Coach Park	807	43	0	0	0	850	288
BRS Enabling Works	535	535	0	0	0	1,070	0
Car Parks Variable Message Signing	150	0	0	0	0	150	0
Old Mining College - Refurbish access and signs (S106)	13	0	0	0	0	13	0
Cinema Development	892	2,674	1,783	0	0	5,349	850
Incubator Space	354	300	546	0	0	1,200	0
Pay on Exit System at Friary Multi Storey	93	0	0	0	0	93	0
Card Payment in All Car Parks	123	0	0	0	0	123	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
<b>Developing Prosperity Total</b>	<b>3,083</b>	<b>3,702</b>	<b>2,329</b>	<b>0</b>	<b>10</b>	<b>9,124</b>	<b>1174</b>
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
<b>A Good Council Total</b>	<b>1,356</b>	<b>363</b>	<b>340</b>	<b>465</b>	<b>405</b>	<b>2,929</b>	<b>2,829</b>
<b>Projected Capital Programme</b>	<b>11,615</b>	<b>11,018</b>	<b>4,264</b>	<b>1,704</b>	<b>1,689</b>	<b>30,290</b>	<b>4,718</b>

Funding Source	Projected Capital Programme					
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Receipts	2,427	43	190	50	387	3,097
Capital Receipts - Housing	360	0	0	0	0	360
Revenue - Corporate	100	313	100	565	183	1,261
<b>Corporate Council Funding</b>	<b>2,887</b>	<b>356</b>	<b>290</b>	<b>615</b>	<b>570</b>	<b>4,718</b>
Grant	2,716	1,866	2,261	939	939	8,721
Section 106	323	0	0	0	0	323
CIL	939	0	0	0	0	939
Reserves	2,007	3,568	1,563	0	30	7,168
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
<b>Total</b>	<b>9,091</b>	<b>8,758</b>	<b>4,264</b>	<b>1,704</b>	<b>1,689</b>	<b>25,506</b>
<b>External Borrowing</b>	<b>2,524</b>	<b>2,260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,784</b>
<b>Projected Capital Programme</b>	<b>11,615</b>	<b>11,018</b>	<b>4,264</b>	<b>1,704</b>	<b>1,689</b>	<b>30,290</b>

### 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
<b>Original Budget Council 22/02/2022</b>		<b>7,953</b>	<b>7,247</b>	<b>1,926</b>	<b>1,745</b>	<b>0</b>	<b>18,871</b>
<b>Approved Changes</b>							
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
Money Matters Review of Reserves	06/09/2022	77	1,000				1,077
Play Equipment at Chase Terrace Park	06/10/2022	25					25
A Cinema for Lichfield District	11/10/2022	427	2,209	1,383			4,019
<b>Projections</b>							
Updated Projections <sup>2</sup>	This Report	(50)					(50)
Money Matters Qtr 2 (Provisional)	06/12/2022	(228)	(20)			30	(218)
Long Term Model	22/02/2022					1,659	1,659
<b>Projected Capital Programme</b>		<b>11,615</b>	<b>11,018</b>	<b>4,264</b>	<b>1,704</b>	<b>1,689</b>	<b>30,290</b>

<sup>2</sup> The Energy Insulation project of £50k in the final two years can be funded from an existing grant.