

# Medium Term Financial Strategy (MTFS)

## Cabinet Member for Finance and Commissioning

Date: 27 June 2023  
Agenda Item: 3  
Contact Officer: Anthony Thomas  
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Key Decision? YES  
Local Ward: All Wards  
Members



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 28 February 2023, and this is refreshed each year to:
- Remove the previous financial year and in this MTFS this is 2022/23
  - Formally add the new financial year and in this MTFS this is 2027/28
  - 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 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	
Budget Consultation (June to December)	04/07/2023	Cabinet	Budget timetable, Budget principles, MTFS update, Budget consultation and Budget assumptions for 2024/25
	14/09/2023	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	03/10/2023	Cabinet	An update on the Draft Medium Term Financial Strategy
	14/11/2023	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	05/12/2023	Cabinet	Set the Council Taxbase for 2024/25
	11/12/2023	Overview and Scrutiny	Meeting to potentially consider Service and Financial Planning Proposals
	30/01/2024	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	01/02/2024	Audit and Member Standards Committee	To review the Treasury Management Strategy Statement
	06/02/2024	Cabinet	To recommend the Medium Term Financial Strategy and Council Tax increase to Council
	27/02/2024	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 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 2027/28 from the longer term capital investment model, is also included for consideration.

## 2. Recommendations

- 2.1. That Cabinet notes the approach to developing the refreshed Medium Term Financial Strategy.
- 2.2. That Cabinet delegates, to the Cabinet Member for Finance and Commissioning, responsibility to agree the form and timetable for the Budget Consultation covering 2024/25.
- 2.3. That Cabinet recommends to Council to update the Capital Programme to include the Rural England Prosperity funding of **£400,000** as shown in the financial implications section.

## 3. Background

### The Medium Term Financial Strategy (MTFS)

- 3.1. Council approved the MTFS (Revenue and Capital) 2022-27 on 28 February 2023 which covers the financial years 2022/23 to 2026/27 (with a further projection for 2027/28 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 several key cost, income 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. These key cost, income, and demand drivers (with significant negative changes shaded in red and significant positive changes shaded in green) initially identified for the refreshed MTFS are:

Key Cost and Income Drivers						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Full Time Equivalents	328	308	308	308	308	308
Pay Award	4.00%	4.00%	2.00%	2.00%	2.00%	2.00%
Employers National Insurance	8.87%	9.36%	9.46%	9.57%	9.66%	9.75%
Employers Pension (%)	16.20%	22.00%	22.00%	22.00%	22.00%	22.00%
Employers Pension (Past Service)	£1,206,520	£697,040	£716,670	£736,290	£1,131,270	£1,181,270
Employers Pension (Other)	£109,260	£108,260	£111,540	£114,920	£118,400	£121,880
Non Contractual Inflation (CPI) (OBR)	9.90%	4.10%	0.60%	0.00%	0.80%	1.70%
Non Contractual Inflation (RPI) (OBR)	12.70%	6.40%	1.20%	1.00%	2.10%	2.90%
Applicable Fees and Charges (minimum)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Council Tax Increase (actual/modelled)	1.50%	0.00%	1.99%	1.99%	1.99%	1.99%
Base Rate	2.34%	4.63%	3.39%	3.00%	3.00%	3.00%
Investment Return	2.55%	4.21%	3.81%	3.50%	3.50%	3.50%
Key Demand Drivers						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Population Projections	105,709	106,073	106,432	106,749	107,070	107,398
Residential Properties	47,939	48,488	49,183	49,918	50,420	50,922
Business Properties	3,040	3,041	3,041	3,041	3,041	3,041
Number of visitors to the district	2,200,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000

	% Increase
Population Projections	1.60%
Residential Properties	6.22%
Business Properties	0.03%
Number of visitors to the district	31.82%

## The Medium Term Financial Strategy (MTFS)

- 3.10. The MTFS was approved by Council on 28 February 2023. It is likely that additional investment needs will be identified as the development of the MTFS progresses throughout the financial year in line with the timetable provided in the Executive Summary.
- 3.11. In addition, as part of the development of the MTFS, potential increases in fees and charges for 2023/24 will be considered both in the context of inflation (see MTFS budget assumptions) and achievement of pricing policy.
- 3.12. Council agreed to the use of earmarked reserves for place shaping investment in the District on the basis that the level would be returned to previous levels. The approach to achieving this objective, will be considered in the development of the MTFS.

## The Approved Revenue Budget and General Reserves

- 3.13. The Revenue Budget is shown in detail at **APPENDIX B** and the Approved Funding Gap based on approved updates is summarised below:

	2023/24		2024/25	2025/26	2026/27	2027/28
	Original £000	Approved £000	Budget £000	Budget £000	Budget £000	Projection £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Revenue Expenditure	13,815	13,815	13,368	12,369	13,000	13,133
Revenue Funding	(13,815)	(13,815)	(13,368)	(10,752)	(11,097)	(11,363)
<b>Original MTFS Funding Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,617</b>	<b>1,903</b>	<b>1,770</b>
Approved Updates	0	0	0	0	0	0
<b>Approved MTFS Funding Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,617</b>	<b>1,903</b>	<b>1,770</b>

<b>More Optimistic Scenario</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(39)</b>	<b>139</b>	<b>261</b>
<b>More Pessimistic Scenario</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,952</b>	<b>3,485</b>	<b>3,546</b>

- 3.14. The projected level of general reserves based on the Approved MTFS Funding Gap is also shown below:

	2023/24		2024/25	2025/26	2026/27	2027/28
	Original £000	Approved £000	Budget £000	Budget £000	Budget £000	Projection £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
<b>Available General Reserves Year Start</b>	<b>4,175</b>	<b>4,085</b>	<b>4,085</b>	<b>4,085</b>	<b>2,468</b>	<b>565</b>
Approved MTFS Funding Gap	0	(0)	(0)	(1,617)	(1,903)	(1,770)
<b>Available General Reserves Year End</b>	<b>4,175</b>	<b>4,085</b>	<b>4,085</b>	<b>2,468</b>	<b>565</b>	<b>(1,205)</b>
Minimum Level	1,900	1,900	1,900	1,900	1,900	1,900
<b>Total Projected General Reserves</b>	<b>6,075</b>	<b>5,985</b>	<b>5,985</b>	<b>4,368</b>	<b>2,465</b>	<b>695</b>

<b>More Optimistic Scenario</b>	<b>6,075</b>	<b>5,985</b>	<b>5,985</b>	<b>6,024</b>	<b>5,885</b>	<b>5,624</b>
<b>More Pessimistic Scenario</b>	<b>6,075</b>	<b>5,985</b>	<b>5,985</b>	<b>3,033</b>	<b>(452)</b>	<b>(3,998)</b>

- 3.15. The minimum level of reserves is currently set at **£1,900,000** and this level will be reviewed as part of the development of the Medium Term Financial Strategy. The minimum level will need to take account the risk of high inflation being persistent for a prolonged period. This would increase pressure not only on the delivery of existing services, but also on construction and asset management costs of projects in the Capital Programme. In addition, monetary policy counter measures to reduce inflation by increasing interest rates will also impact on the cost of any future external borrowing.
- 3.16. The level of uncertainty together with the level of total general reserves available, mean 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 Approved Capital Programme

3.17. The Capital Programme is shown in detail at **APPENDIX C** and in summary below:

Strategic Priority	Capital Programme					
	2023/24		2024/25	2025/26	2026/27	2027/28
	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>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Enabling People	9,222	9,772	6,762	939	959	939
Shaping Place	819	1,029	397	6,367	150	357
Developing Prosperity	4,931	5,763	2,186	0	10	0
Good Council	448	549	111	365	405	405
<b>Capital Expenditure</b>	<b>15,420</b>	<b>17,113</b>	<b>9,456</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>
Capital Funding	13,087	14,754	7,031	7,671	1,524	1,064
Borrowing Need	2,333	2,359	2,425	0	0	637

General Capital Receipts	(481)	(199)	(156)	(186)	0	(2)
Housing Capital Receipts	(663)	(821)	(821)	(821)	(821)	(821)
<b>Total Capital Receipts</b>	<b>(1,144)</b>	<b>(1,020)</b>	<b>(977)</b>	<b>(1,007)</b>	<b>(821)</b>	<b>(823)</b>

3.18. 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 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.

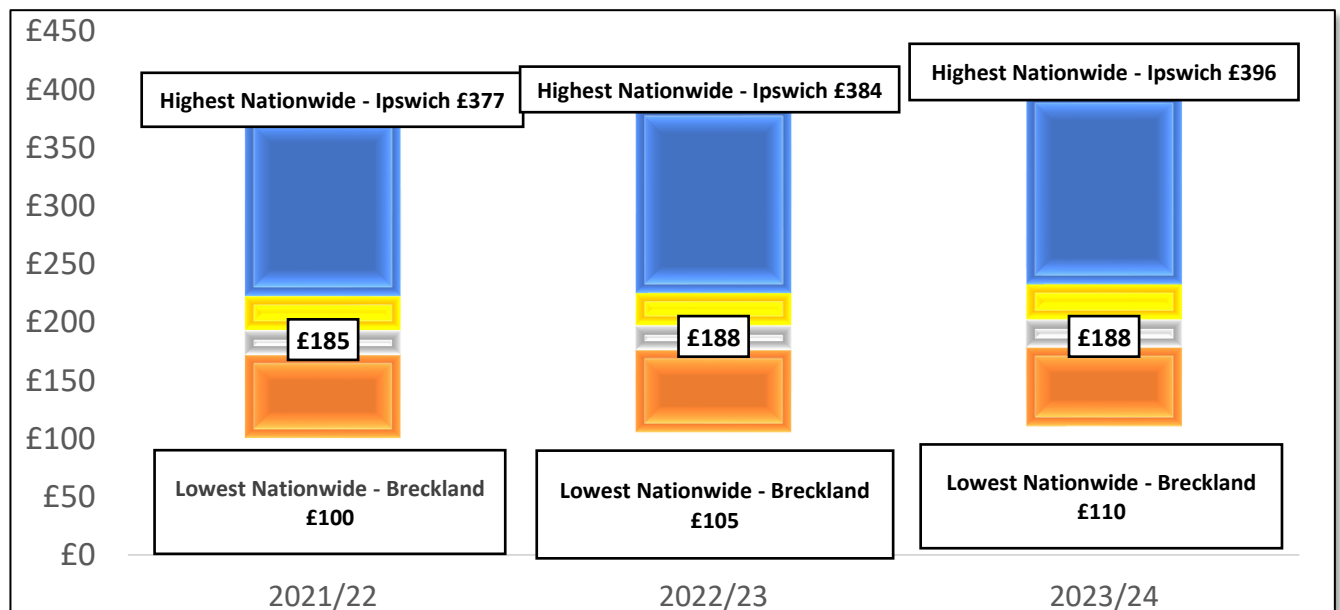
### The Rural England Prosperity Fund

3.19. In addition to the main allocation from the United Kingdom Shared Prosperity Fund, the Council received an additional allocation of **£400,000** from the Rural England element. A submission was made to the Government on how this allocation is to be spent that is focused on capital grants for:

- Rural Business - small scale investment in micro and small enterprises - **£200,000**.
- Rural Business - development and promotion of the visitor economy - **£100,000**.
- Rural Communities – active travel enhancements in the local area - **£100,000**.

## Council Tax

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



3.21. The Approved MTF5 modelled that Council Tax would increase annually by **1.99%**.

3.22. In determining the level of Council Tax increase for 2024/25 and beyond, Cabinet and Council will need to take into consideration the following key factors:

- The relevant budget principles approved by Council
- The projected funding gap from 2025/26 onwards, the significant level of uncertainty related to Local Government Finance Reform and the legal requirement to set a balanced budget (taking into consideration 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 2024/25

<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 and these will be considered as part of the refresh of the Medium Term Financial Strategy.
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<b>Consultation</b>	<p>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).</p> <p>It is proposed that consultation project will commence in July 2023 running through to December 2023 with the key objectives of:</p> <ul style="list-style-type: none"> <li>• Reaching wide demographics to encourage contributions from as many groups as possible</li> <li>• Raising awareness of the engagement campaign to demonstrate that this is an open and credible opportunity for people to share their views.</li> <li>• Achieving best ever response rates by deploying tailored messaging to key audiences</li> </ul> <p>It is intended that the campaign will facilitate rapid analysis of the results of the consultation in mid December before detailed analysis takes place in January 2024. It is proposed that the consultation be delivered through a combination of both online, printed and face-to-face activities to reach as many people as possible. The online promotion will link to online surveys and questionnaires aimed at residents, businesses and the community/voluntary sector.</p> <p>A series of engagement events/discussions hosted by Cabinet members and council officers with stakeholder audience groups to discuss specific themes e.g. business support, health, sustainability and/or stakeholder issues e.g. businesses, young people will be held over the next six months to garner responses from numerous demographic profiles.</p> <p>Running through the publicity of the consultation will be a narrative to engage stakeholders on the budget setting and funding process for Lichfield district Council to raise awareness of the realities of funding sources, funding levels and the decisions that have to be made to deliver a budget for the district.</p> <p>The detailed proposals are shown at <b>APPENDIX D</b>.</p>
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<b>Financial Implications</b>	<p>The Rural England Prosperity Fund Allocation and project allocations contained in the submission are shown below and must be spent by 31 March 2025:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2023/24</th> <th style="text-align: center;">2024/25</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Rural business allocation</td> <td style="text-align: center;">75,000</td> <td style="text-align: center;">225,000</td> <td style="text-align: center;">300,000</td> </tr> <tr> <td>Rural communities</td> <td style="text-align: center;">25,000</td> <td style="text-align: center;">75,000</td> <td style="text-align: center;">100,000</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>100,000</b></td> <td style="text-align: center;"><b>300,000</b></td> <td style="text-align: center;"><b>400,000</b></td> </tr> </tbody> </table>		2023/24	2024/25	Total	Rural business allocation	75,000	225,000	300,000	Rural communities	25,000	75,000	100,000	<b>Total</b>	<b>100,000</b>	<b>300,000</b>	<b>400,000</b>
	2023/24	2024/25	Total														
Rural business allocation	75,000	225,000	300,000														
Rural communities	25,000	75,000	100,000														
<b>Total</b>	<b>100,000</b>	<b>300,000</b>	<b>400,000</b>														



Approved by Section 151 Officer	Yes
Legal Implications	No specific legal implications. The recommended Medium Term Financial Strategy, is part of the Budget Framework and will therefore 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 (including Climate Change and Biodiversity).	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)
<b>Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2024</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: Green Impact: Green Severity of Risk: Green
C	The review of the New Homes Bonus regime	Likelihood: Red Impact: Red Severity of Risk: Red	The Council responded to the consultation. In the MTFs, no income is assumed beyond 2024/25.	Likelihood: Red Impact: Yellow Severity of Risk: Yellow
D	The increased Localisation of Business Rates, Business Rate Reset 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	Likelihood: Yellow Impact: Red Severity of Risk: Red	There will need to be consideration of additional resourcing and/or reprioritisation.	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) 2023-27 and the addendum – Cabinet 14 February 2023
- Insourcing Leisure Provision – Cabinet 14 February 2023
- New Leisure Facility at Stychbrook Park – Cabinet 14 February 2023
- Community Infrastructure Levy (CIL) Allocation – Cabinet 14 February 2023
- Medium Term Financial Strategy (Revenue and Capital) 2023-27 – Council 28 February 2023
- Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 27 June 2023

**Relevant web links**



The Financial Planning Timetable

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		
<b>Key:</b> Pink = internal timelines Blue = Cabinet Salmon = Cabinet & Overview and Scrutiny Committee Amber = Overview and Scrutiny Committee Green = Audit & Member Standards Committee Purple = Council				

## The Approved Revenue Budget

(Includes a projection for 2027/28)

	2023/24 Approved Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 Projection £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
A Good Council	9,571	9,157	7,265	7,821	8,018
Developing Prosperity	(975)	(1,007)	(832)	(1,002)	(999)
Enabling People	1,593	1,594	1,606	1,638	1,670
Shaping Place	4,288	4,430	4,559	4,655	4,830
<b>Net Cost of Services</b>	<b>14,476</b>	<b>14,173</b>	<b>12,598</b>	<b>13,113</b>	<b>13,519</b>
Corporate expenditure	(661)	(805)	(230)	(112)	(386)
<b>Net Operating Cost</b>	<b>13,815</b>	<b>13,368</b>	<b>12,369</b>	<b>13,000</b>	<b>13,133</b>
Retained Business Rates Baseline Funding	(2,196)	(2,359)	(1,881)	(1,899)	(1,917)
Business Rates Growth	(1,268)	(1,132)	0	0	0
Rolled in Grants	(106)	(114)	0	0	0
Business Rates Cap Grant	(680)	(671)	0	0	0
Services Grant	(82)	(82)	0	0	0
Funding Guarantee Grant	(561)	(582)	0	0	0
Transitional Funding	0	0	(747)	(782)	(764)
New Homes Bonus	(992)	(570)	0	0	0
Council Tax Grant	(11)	0	0	0	0
Council Tax Collection Fund (Surplus)/Deficit	(63)	0	0	0	0
Business Rates Collection Fund (Surplus)/Deficit	(242)	0	0	0	0
Council Tax	(7,614)	(7,858)	(8,124)	(8,416)	(8,682)
<b>Total Funding</b>	<b>(13,815)</b>	<b>(13,368)</b>	<b>(10,752)</b>	<b>(11,097)</b>	<b>(11,363)</b>

<b>Original MTFS Funding Gap</b>	<b>0</b>	<b>0</b>	<b>1,617</b>	<b>1,903</b>	<b>1,770</b>
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<b>Approved Updates:</b>					
No Updates					
<b>Approved MTFS Funding Gap</b>	<b>0</b>	<b>0</b>	<b>1,617</b>	<b>1,903</b>	<b>1,770</b>

<b>Business Rates</b>					
Business Rates Reset/Fair Funding Review	No	No	Yes	Yes	Yes
Transitional Funding	No	No	Yes	Yes	Yes
<b>New Homes Bonus</b>					
Band D Housing Growth above the Baseline	558	343	321	402	496
Affordable Housing growth	413	107	103	119	139
<b>Council Tax</b>					
Modelled Council Tax Increase	0.00%	1.99%	1.99%	1.99%	1.99%
Band D Housing Growth	507	489	567	659	489

## The Approved Capital Programme

(Assuming slippage is approved and includes a projection for 2027/28)

Project	Approved Capital Programme (R=>500k, A=250k to 500k and G=<250k)						
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000	Corporate
New Build Parish Office/Community Hub	92	0	0	0	0	92	0
Burntwood Leisure Centre Sinking Fund Projects	144	0	0	0	0	144	59
Friary Grange - Short Term Refurbishment	134	0	0	0	0	134	0
Replacement Leisure Centre	5,123	4,647	0	0	0	9,770	400
Accessible Homes (Disabled Facilities Grants)	1,796	1,272	914	914	914	5,810	0
Decent Homes Standard	97	0	0	0	0	97	0
Energy Insulation Programme	22	22	25	25	25	119	0
Unallocated S106 Affordable Housing Monies	264	21	0	0	0	285	0
Vehicle Replacement Programme - Env Health	0	0	0	20	0	20	0
Conversion of 36a Bore Street	492	0	0	0	0	492	360
Streethay Community Centre	600	0	0	0	0	600	0
Changing Places Fund	36	0	0	0	0	36	0
Zip Wire in Burntwood	30	0	0	0	0	30	0
Burntwood Community Hub	250	0	0	0	0	250	0
Climbing Wall at Burntwood Leisure Centre	50	50	0	0	0	100	0
Pre-school soft play at Burntwood Leisure Centre	50	50	0	0	0	100	0
Adventure Golf at Beacon Park	150	150	0	0	0	300	0
Obstacle Course at Beacon Park	0	150	0	0	0	150	0
Paddle Tennis courts	200	200	0	0	0	400	0
New 3G Pitch in Lichfield	200	200	0	0	0	400	0
Mavesyn Ridware Village Hall Play Area	5	0	0	0	0	5	0
Fradley BMX Pumptrack	33	0	0	0	0	33	0
Upgrading heating in St Stephens Church, Fradley	4	0	0	0	0	4	0
<b>Enabling People Total</b>	<b>9,772</b>	<b>6,762</b>	<b>939</b>	<b>959</b>	<b>939</b>	<b>19,371</b>	<b>819</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
Lichfield Public Conveniences	40	0	0	0	0	40	40
Vehicle Replacement Programme (Waste)	0	0	6,000	0	0	6,000	0
Bin Purchase	150	150	150	150	150	750	0
Dual Stream Recycling	31	0	0	0	0	31	0
Vehicle Replacement Programme (Other)	318	247	217	0	207	989	255
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>1,029</b>	<b>397</b>	<b>6,367</b>	<b>150</b>	<b>357</b>	<b>8,300</b>	<b>295</b>
Vehicle Replacement Programme (Car Parks)	0	0	0	10	0	10	0
Coach Park	349	0	0	0	0	349	288
Car Parks Variable Message Signing	130	0	0	0	0	130	0
Pay on Exit System at Friary Multi Storey	2	0	0	0	0	2	0
Pay on Exit System at Lombard Street	150	0	0	0	0	150	0
Electric Vehicle Charge Points	80	0	0	0	0	80	0
BRS Enabling Works	1,070	0	0	0	0	1,070	0
Cinema Development	3,502	1,783	0	0	0	5,285	828
Incubator Space	0	403	0	0	0	403	(143)
New 3G Pitch at Chasetown Football Club	100	0	0	0	0	100	0
Incubator Phase 3	380	0	0	0	0	380	80
<b>Developing Prosperity Total</b>	<b>5,763</b>	<b>2,186</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>7,959</b>	<b>1,053</b>
Property Planned Maintenance	133	61	190	230	230	844	614
IT Infrastructure	254	50	175	175	175	829	554
Building a Better Council	77	0	0	0	0	77	77
Committee Audio-Visual Hybrid Meeting Platform	85	0	0	0	0	85	85
<b>Good Council Total</b>	<b>549</b>	<b>111</b>	<b>365</b>	<b>405</b>	<b>405</b>	<b>1,835</b>	<b>1,330</b>
<b>Approved Capital Programme</b>	<b>17,113</b>	<b>9,456</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>37,465</b>	<b>3,497</b>

Funding Source	Approved Capital Programme					
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Capital Receipts	1,821	73	0	222	0	2,116
Capital Receipts - Housing	360	0	0	0	0	360
Revenue - Corporate	173	100	565	183	0	1,021
<b>Corporate Council Funding</b>	<b>2,354</b>	<b>173</b>	<b>565</b>	<b>405</b>	<b>0</b>	<b>3,497</b>
Grant	2,739	2,261	939	939	914	7,792
Section 106	432	133	0	0	0	565
CIL	1,645	800	0	0	0	2,445
Reserves	7,434	3,514	17	30	0	10,995
Revenue - Existing Budgets	150	150	150	150	150	750
Sinking Fund	0	0	0	0	0	0
Leases	0	0	6,000	0	0	6,000
Internal Borrowing	2,359	2,425	0	0	0	4,784
<b>Total</b>	<b>17,113</b>	<b>9,456</b>	<b>7,671</b>	<b>1,524</b>	<b>1,064</b>	<b>36,828</b>
External Borrowing	0	0	0	0	637	637
<b>Total Funding</b>	<b>17,113</b>	<b>9,456</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>37,465</b>

### Reconciliation of the Original Capital Programme to this Approved Capital Programme

	Cabinet or Decision Date	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<b>Original Budget Council 28/02/2023</b>		<b>15,420</b>	<b>9,728</b>	<b>7,671</b>	<b>1,524</b>	<b>0</b>	<b>34,343</b>
<b>Approved Changes</b>							
Slippage from 2022/23	27/06/2023	1,566	(272)				1,294
Allocation of S106 Monies	24/02/2023	42					42
Burntwood Leisure Centre	27/06/2023	85					85
<b>Projections for 2027/28</b>							
Long Term Model	28/02/2023					1,701	1,701
<b>Approved Capital Programme</b>		<b>17,113</b>	<b>9,456</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>37,465</b>