

# Medium Term Financial Strategy Updates

Cabinet Member for Finance and Commissioning

Date: 15 October 2024

Agenda Item:

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Key Decision? YES

Local Ward Full Council

Members



Lichfield  
District Council

Council

## 1. Executive Summary

- 1.1 The report covers recommended updates to the Medium Term Financial Strategy from Cabinet.

## 2. Recommendations

- 2.1. Council approves an update the Medium Term Financial Strategy to include a project in the Capital Programme of up to **£250,000** for Strategic Priorities within the District funded by the net capital receipt.
- 2.2. Council approves an increase to the Disabled Facilities Grant Capital Budget by **£169,000** from **£1,041,000** to **£1,210,000** in 2024/25.
- 2.3. Council approves an update to the Medium Term Financial Strategy to include a project in the Capital Programme for the implementation of Food Waste Collection for the Joint Waste Service of **£1,766,540** funded by Government Grant (Lichfield DC (£1,131,640) and Tamworth BC (£634,900)).

## 3. Background

### Sale of 29 to 33 Levetts Field, Lichfield

- 3.1. Cabinet on 5 March 2024 recommended to Council to update the Medium Term Financial Strategy to include a project in the Capital Programme of up to **£250,000** for Strategic Priorities within the District funded by the net capital receipt.
- 3.2. The Council has owned 29 to 33 Levetts Field, Lichfield since 1996 and it has until recently been used as the base for Citizens Advice of South-East Staffordshire (CASES) under a 99 year lease.
- 3.3. However following negotiations, the CASES team have been provided with accommodation within the District Council Offices and the Council acquired vacant possession of the building in October 2023.
- 3.4. The CASES team are co-located with the Council's Customer Services Team and therefore the aim is to provide a more customer focussed service to residents.
- 3.5. The Council has no current plans for the asset and has received a speculative offer for the building and is seeking approval from Cabinet to accept the offer and commence with disposal.

### The Introduction of Food Waste Collection

- 3.6. Cabinet on 30 July 2024 recommended to Council to update the Medium Term Financial Strategy to include a project in the Capital Programme for the implementation of Food Waste Collection for the Joint Waste Service of **£1,766,540** funded by Government Grant (Lichfield DC (£1,131,640) and Tamworth BC (£634,900))
- 3.7. It is anticipated that the Joint Waste Service will introduce weekly food waste collections in April 2026.
- 3.8. This will require the introduction of approximately 12 additional vehicles and 170,000 caddies. The vehicles required for the Food Waste service have not been included as part of the fleet procurement.

- 3.9. The Department for Environment, Food and Rural Affairs (Defra) have provided capital transitional costs for the introduction of weekly food waste collections to both Councils.
- 3.10. At present, no Government funding has been provided for project management or the operational costs related to these vehicles.
- 3.11. Therefore, it is recommended at this stage, that the Medium Term Financial Strategy is updated to include a new capital project for the procurement of the additional vehicles and caddies fully funded by Government Grant.
- 3.12. It will be necessary to recommend further changes to the Medium Term Financial Strategy when further funding is announced.

#### Disabled Facilities Grants

- 3.13. Cabinet on 10 September 2024 recommended to Council to increase the Disabled Facilities Grant Capital Budget by **£169,000** from **£1,041,000** to **£1,210,000** in 2024/25 with funding provided through additional grant from the Better Care Fund.

Alternative options	These are considered as part of the ongoing development of the Strategic Plan and the Medium Term Financial Strategy.
Consultation	Consultation is undertaken as part of the Strategic Plan and with Leadership Team.
Financial implications	These are included in the background section of the report.
Approved by Section 151 Officer	Yes
Legal implications	No specific legal implications. Any changes to the Medium Term Financial Strategy that are not part of the approved Budget Framework will be required the approval of Full Council.
Approved by Monitoring Officer	Yes
Contribution to the delivery of the strategic plan	The MTFS underpins the delivery of the Strategic Plan.
Equality, diversity and human rights implications	There are no additional Equality, Diversity or Human Rights implications.
EIA logged by Equalities Officer	No Equalities Officer confirmed not required.
Crime & safety Issues	There are no additional Crime and Safety Issues.
Data assessment	The ability to deliver the outcomes set out in <b>Lichfield District 2050</b> , is dependent on the resources available in the MTFS. The MTFS identifies the level of resources available and spend necessary to deliver the outcomes across the entire District. However, the application of relevant data and the Social Progress Index can be considered for new budget pressures, savings and income proposals as they are developed.
Environmental impact (including	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.

climate change and biodiversity)	
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GDPR / Privacy impact assessment	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.
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	Risk description & risk owner	Original score (RYG)	How we manage it	New 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.	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	In the MTFs, no income is assumed beyond 2025/26.	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	Maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections. Where possible, ensure income increases are maximised to mitigate any additional cost.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
G	Interest Rate Risk if Internal Borrowing is replaced by External Borrowing	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	The level of internal borrowing is a relatively low level at £5.495m and the cost is budgeted at 3.5%.	Likelihood: Yellow Impact: Green Severity of Risk: Green
<b>Strategic Risk SR3: Capacity and capability to deliver / adapt the new strategic plan to the emerging landscape</b>				
H	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
I	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

J	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
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Background documents	<p><b>Background documents</b></p> <ul style="list-style-type: none"> <li>• Medium Term Financial Strategy (Revenue and Capital) – Cabinet 6 February 2024 and Council 27 February 2024</li> <li>• Sale of 29 to 33 Levetts Field Lichfield – Cabinet 5 March 2024</li> <li>• Medium Term Financial Strategy – Cabinet 30 July 2024</li> <li>• Money Matters: 2024/25 Financial Monitoring – Cabinet 10 September 2024</li> </ul>
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Relevant web links	
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