

# The Medium Term Financial Strategy (Revenue and Capital) 2018-23 (MTFS)

Report of Cabinet



Date:	16 October 2018
Agenda Item:	14 (ii)
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Key Decision?	YES
Local Ward Members	Full Council

**Council**

## 1. Executive Summary

- 1.1 To approve updates to the Medium Term Financial Strategy in relation to the extension of the Assistant Chief Executive post for a further year and to create a Major Projects Team that were not part of the budget framework approved by Council on 20 February 2018.

## 2. Recommendations

- 2.1 To approve an update the Medium Term Financial Strategy based on the financial implications identified in the [Cabinet Report](#) (reproduced in the financial implications section) in relation to the extension of the Assistant Chief Executive Post for a further year to Mid-April 2020.
- 2.2 To approve an update the Medium Term Financial Strategy based on the financial implications identified in the [Cabinet Report](#) (reproduced in the financial implications section) for the creation of a Major Projects Team.

## 3. Background

### Assistant Chief Executive

- 3.1 The Assistant Chief Executive Post was created as part of the Management Restructure to operate on a 2 year fixed term contract. The post was created to shape, develop and embed new arrangements, whilst also providing direct support to the Directors and Chief Executive on cross cutting transformation programmes and taking a lead on corporate change initiatives, including of course the commercialisation agenda.
- 3.2 It was intended that by the expiry of the fixed term period and completion of the delivery of this comprehensive transformation programme, the transition to the new organisational structure should be fully embedded, with evidence of positive service and corporate change. The objective being that the retained structure would reflect a significantly strengthened third tier, operating as a single team, providing independent strategic leadership to their respective service portfolios, whilst ensuring a focus on the achievement of corporate priorities and securing overall outcomes as defined by the Council.
- 3.3 The current post holder commenced employment in mid-April 2017 and therefore the initial two year period will expire in mid-April 2019. However, it has become evident that given the complexity of some of the issues to be addressed, the pressures internally of other projects, the sheer volume of work required to transform the council together with the pace of change the Council wishes to see and that is necessary to meet funding gap pressures, a two year period will be insufficient. It has therefore been agreed by Leadership Team that this post is extended for a further year until mid-April 2020. As the post is not currently funded beyond April 2019 it is a change to the MTFS. It is proposed that the full cost will be funded from a combination of earmarked reserves that are no longer required for the stated purpose

and additional treasury management income projected for 2018/19 predominantly as a result of the interest rate rise so will not create a further budget pressure.

### Major Projects Team

- 3.4 Following the demise of the Friarsgate scheme the Council is keen to take forward an alternative plan for the re-development of the Birmingham Road Site.
- 3.5 The Council needs to ensure that resources are available to undertake the formulation and delivery of plans for the short term and longer term re-development and use of the Birmingham Road, site and associated development projects that support economic growth and prosperity in the district.
- 3.6 It is proposed that going forward a dedicated resource is identified and included within the Council's establishment for the purposes of delivering a long term redevelopment for the Birmingham Road Site together with the implementation of appropriate short term uses.
- 3.7 There should be a lead officer responsible for overseeing the above work with suitable support. The lead officer would report to the Head of Economic Growth.
- 3.8 It is recommended that a major projects team is created and the annual cost is funded through a combination of funding sources including an element of the 20% planning fee income, the deletion of an existing vacant post in another service area, existing earmarked reserves (in the short term) and the removal of annual earmarked reserve transfers (in the medium to longer term).

<b>Alternative Options</b>	Where alternative options exist, they are identified within the background section of the report.
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<b>Consultation</b>	Cabinet on 9 October 2018.
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### Financial Implications

#### Assistant Chief Executive

<b>Financial Implications</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Assistant Chief Executive	£79,540	£81,610	£3,440	£0	£0
Less: Existing Post Budget	(£79,540)	(£3,410)	£0	£0	£0
<b>Budgetary Shortfall</b>	<b>£0</b>	<b>£78,200</b>	<b>£3,440</b>	<b>£0</b>	<b>£0</b>

<b>Funding Options</b>					
Earmarked Reserve - Payment Kiosk		(£8,040)			
Earmarked Reserve - Audit Cover		(£6,250)			
Higher Treasury Management Income (rate rise)	(£67,350)				
Earmarked Reserve	£67,350	(£63,910)	(£3,440)		
<b>Total</b>	<b>£0</b>	<b>(£78,200)</b>	<b>(£3,440)</b>	<b>£0</b>	<b>£0</b>
<b>FUNDING SHORTFALL</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

#### Major Projects Team (assumed from 1 December 2018)

<b>Financial Implications</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Major Projects Manager	£15,910	£48,210	£48,690	£49,170	£49,660
Major Projects Officer	£14,620	£44,310	£44,750	£45,200	£45,650
<b>Total Cost</b>	<b>£30,530</b>	<b>£92,520</b>	<b>£93,440</b>	<b>£94,370</b>	<b>£95,310</b>
Less: Existing Post Budget	(£16,990)	(£43,220)	(£43,660)	(£44,110)	(£44,550)
<b>Budgetary Shortfall</b>	<b>£13,540</b>	<b>£49,300</b>	<b>£49,780</b>	<b>£50,260</b>	<b>£50,760</b>

<b>Funding Options</b>					
Cease transfer to earmarked reserve (from year 4)				(£20,000)	(£20,000)
20% Planning Fee Income		(£10,000)	(£10,000)	(£6,610)	(£7,110)
Birmingham Road Earmarked Reserve		(£15,650)	(£16,130)		
Spatial Policy Income		(£7,000)	(£7,000)	(£7,000)	(£7,000)
Delete vacant part time assessors post	(£13,540)	(£16,650)	(£16,650)	(£16,650)	(£16,650)
<b>Total</b>	<b>(£13,540)</b>	<b>(£49,300)</b>	<b>(£49,780)</b>	<b>(£50,260)</b>	<b>(£50,760)</b>
<b>FUNDING SHORTFALL</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

Contribution to the Delivery of the Strategic Plan	The report directly links to overall performance and especially the delivery of Lichfield District Council's Strategic Plan 2016-20 and beyond.
Equality, Diversity and Human Rights Implications	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.
Crime & Safety Issues	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.
GDPR/Privacy Impact Assessment	Not relevant.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Failure to achieve the Council's key Council priorities.	These posts will bring additional capacity and skills to the Council to help deliver the Council's key strategic priorities.	Green - Tolerable

Background documents Report to Cabinet 9 October 2018
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Relevant web links  <a href="https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=138&amp;MId=234&amp;Ver=4">https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=138&amp;MId=234&amp;Ver=4</a>
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