

Draft Medium Term Financial Strategy 2019-24

Cabinet Member for Finance and Procurement

Date: 21 November 2019

Agenda Item:

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Key Decision? YES

Local Ward Members Full Council



Strategic (Overview and Scrutiny) Committee

1. Executive Summary

- 1.1 The ability to deliver the outcomes set out in the **Lichfield District Council Strategic Plan 2016-20**, and beyond, is dependent on the resources available in the MTFS.
- 1.2 The MTFS for the period 2018-23 was approved by Council on 19 February 2019 and this is refreshed each year to:
- Remove the previous financial year and in this MTFS this is 2018/19.
 - Formally add the new financial year and in this MTFS this is 2023/24 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 and General Reserves.
- 1.4 There have been a series of reports to Cabinet and Council that have updated the Medium Term Financial Strategy since its initial approval by Council.
- 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 Finance Team and Budget Holders are currently reviewing detailed budgets and therefore the figures provided in this report are still subject to update, including the planned 6 and 8 month projections and the Local Government Finance Settlement.
- 1.7 The timetable for consideration of the various elements of the MTFS is detailed in the table below:

Date	Meeting	Topics
08/10/2019	Cabinet	Budget timetable, Budget Principles, MTFS Update, Budget Consultation and Budget Assumptions for 2020/21
Strategic Plan Consultation including Budget Consultation 13/11/2019 to 13/12/2019		
21/11/2019	Strategic (OS) Committee	To review the MTFS and decisions of Cabinet on 8 October 2019
03/12/2019	Council Taxbase	To set the Council Taxbase for 2020/21
28/01/2020	Strategic (OS) Committee	To review the Draft Medium Term Financial Strategy
05/02/2020	Audit and Member Standards Committee	To review the Treasury Management Strategy Statement
11/02/2020	Cabinet	To recommend the Medium Term Financial Strategy and Council Tax increase to Council
18/02/2020	Council	Approve the Medium Term Financial Strategy and set the Council Tax

2. Recommendations

2.1. The Committee is requested to:

- Note the contents of the Draft MTFS and the timetable for its further development.
- Provide views on the Draft MTFS and identify any additional areas they would like to be considered in more detail as part of its development.

3. Background

The Medium Term Financial Strategy (MTFS)

- 3.1. Council approved the Medium Term Financial Strategy (Revenue and Capital) 2018-23 on 19 February 2019 which covers the financial years 2018/19 to 2022/23 (with a further projection for 2023/24 prepared by Finance for forward planning purposes).
- 3.2. The Medium Term Financial Strategy 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 and therefore work is already underway to determine the Revised Budget for 2019/20 and Original Budgets for future years.
- 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.

The Approved Revenue Budget

- 3.6. The approved Revenue Budget (including a forward projection for 2023/24) is shown in detail at **APPENDIX A** and in summary below:

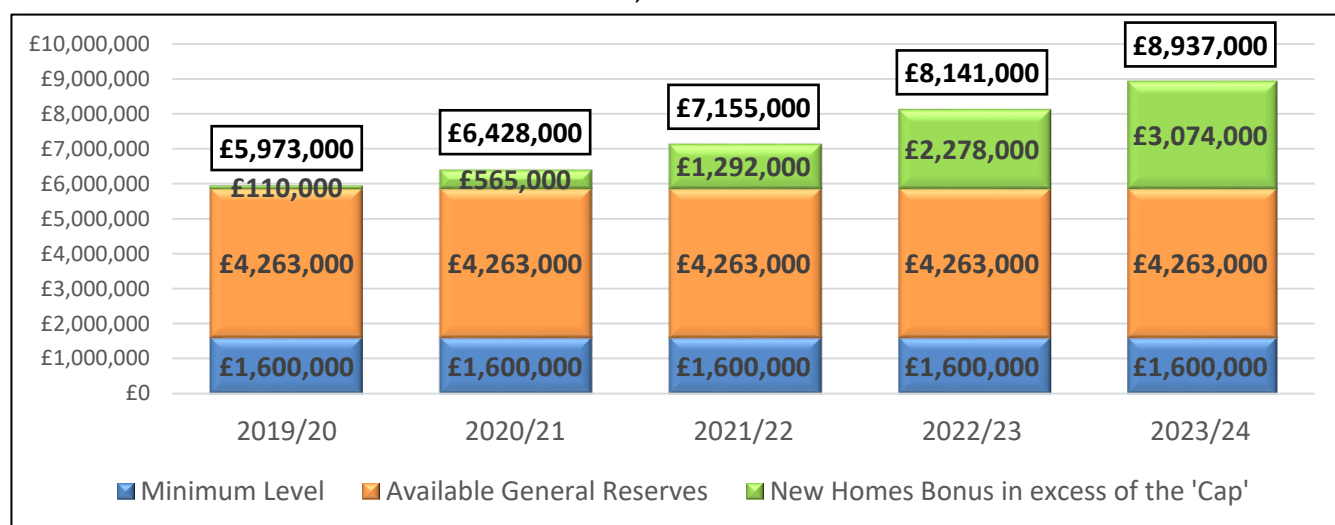
	2019/20		2020/21	2021/22	2022/23	2023/24
	Original Budget £000	Approved Budget Q1 £000	£000	£000	£000	£000
LEVEL OF UNCERTAINTY / RISK	LOW	LOW	MEDIUM	HIGH	HIGH	HIGH
Revenue Expenditure ¹	11,223	10,987	10,815	11,126	11,699	11,976
Revenue Funding	(11,372)	(11,675)	(10,067)	(10,261)	(10,788)	(10,742)
Funding Gap (transfer to General Reserves)	(149)	(688)	748	865	911	1,234

- 3.7. The Council's Band D Council Tax is compared to all District Councils over the last three years at **APPENDIX A**.
- 3.8. There have been a number of changes to the Revenue Budget, approved by Cabinet and Council, which have updated the Original Budget approved by Council on 19 February 2019.
- 3.9. The impact of these approved changes on the Funding Gap is shown below:

	Cabinet Date	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Original Budget Council 19/02/2019		(149)	842	917	1,012	1,339
<u>Approved Changes</u>						
Pension Triennial Valuation	12/03/2019	(58)	4	(72)	(114)	(114)
Money Matters Outturn 2018/19	13/06/2019	(10)	(10)	(10)	(10)	(10)
Jigsaw Funding Agreement	09/07/2019	(7)	(10)	(10)	(10)	(10)
Money Matters 3 Months 2019/20	10/09/2019	(497)	(213)	(95)	(102)	(106)
<u>Friary Grange Leisure Centre</u>						
Replacement Facility (£294k from 2024/25)	07/10/2019					
Short Term Refurbishment	07/10/2019	33	135	135	135	135
Approved Budget - Funding Gap		(688)	748	865	911	1,234

Approved General Reserves and District Council Comparators

- 3.10. The Approved level of General Reserves (including a forward projection for 2023/24), that assumed New Homes Bonus would continue in its current form, is shown below:



- 3.11. To determine how the level of Council's overall reserves compare to other District Councils, the level of General (unallocated) and Earmarked Reserves in relative terms and as a percentage of Revenue Expenditure (as defined in the Revenue Outturn Form) is shown for the last three years in **APPENDIX A**.

¹ Total expenditure plus New Homes Bonus (Transfer to general reserves) contained in Appendix A.

The Approved Capital Programme

3.12. The Approved Capital Programme is shown at **APPENDIX B** and is summarised in the table below:

	2019/20		2020/21	2021/22	2022/23	2023/24
	Original Budget £000	Approved Budget Q1 £000	£000	£000	£000	£000
LEVEL OF UNCERTAINTY / RISK	LOW	LOW	MEDIUM	HIGH	HIGH	HIGH
Capital Expenditure	11,618	12,541	15,972	14,655	19,599	2,260
Capital Funding	(5,618)	(6,473)	(2,808)	(1,466)	(4,250)	0
Borrowing Need	6,000	6,068	13,164	13,189	15,349	2,260
Usable Capital Receipts	(1,618)	(2,663)	(2,079)	(1,675)	(1,465)	(1,474)

3.13. There have been a number of changes to the Capital Programme, approved by Cabinet and Council, which have updated the Original Budget approved by Council on 19 February 2019.

3.14. The impact of these changes on the Capital Programme is shown below:

	Cabinet or Decision Date	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Original Budget Council 19/02/2019		11,618	14,909	14,466	17,250	0
<u>Approved Changes</u>						
Allocation of Community Infrastructure Levy	12/03/2019	255	45			
Multi Storey Car Park Refurbishment	12/03/2019	300				
Slippage from 2018/19	13/06/2019	819				
Quarter 1 Money Matters	10/09/2019	(805)	333			
Birmingham Road Enabling Works	10/09/2019	120				
St. Stephen's School (S106)	24/10/2019	22				
<u>Friary Grange Leisure Centre</u>						
Replacement Facility	07/10/2019	38	164	189	2,349	2,260
Short Term Refurbishment	07/10/2019	174	521			
Approved Budget - Capital Expenditure		12,541	15,972	14,655	19,599	2,260

3.15. As a result of the changes to the Capital Programme detailed above, the revenue implications (including a forward projection for 2023/24) have also been updated and these are shown below:

Revenue Implications	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Original Budget Council 19/02/2019	80	(58)	(254)	(431)	(431)
<u>Approved Changes</u>					
Property Investment Strategy - updated projection					(124)
Interest on Loan to the LA Company	0	(4)	(18)	(22)	(22)
<u>Friary Grange Leisure Centre</u>					
Replacement Facility	0	0	0	0	0
Short Term Refurbishment	33	135	135	135	135
Approved Budget	113	73	(137)	(318)	(442)

MTFS Budget Principles and Assumptions

- 3.16. To assist in preparing the Medium Term Financial Strategy, in common with a number of Councils, a set of principles were established to guide the preparation and management of the MTFS.
- 3.17. Cabinet, at its meeting on 8 October 2019, and 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.
- 3.18. Cabinet and Council also approved the following budget assumptions:

Key Assumptions	Financial Year				
	2019/20	2020/21	2021/22	2022/23	2023/24
Pay Award	2%	2%	2%	2%	2%
Employers National Insurance Rate (average)	9.26%	9.34%	9.44%	9.53%	9.64%
Employers Pension (%)	16.20%	16.20%	16.20%	16.20%	16.20%
Employers Pension (Actuary Past Service Element excluding transfers)	£777,270	£1,000,420	£1,102,060	£1,206,520	£1,316,520
Employers Pension (Other)	£103,820	£106,120	£109,300	£109,950	£110,400
Non contractual inflation	2%	2%	2%	2%	2%
Applicable fees and charges inflation	2%	2%	2%	2%	2%
Base Rate (for borrowing and investment)	0.75%	0.75%	0.75%	0.75%	0.75%

Spending Round and the Local Government Finance Settlement Technical Consultation

- 3.19. The Chancellor announced on 4 September 2019 the results of the 2019 Spending Round. The Spending Round included information on Local Government Core Spending Power for 2020/21. A Technical Consultation was issued on 3 October 2019 with responses due by 31 October 2019.
- 3.20. The Technical Consultation set out the Government's plans for allocating these resources to local authorities. The main points that impact on this Council are identified below:

Key Element	Relevant Technical Consultation questions	Approved relevant MTFS assumption for 2020/21
Local Government Funding Additional funding was made available including: <ul style="list-style-type: none"> £1bn new social care funding; £700m new funding for children and young people; Additional funding to help tackle housing and homelessness. 	Do you agree with the Government's proposals for social care funding in 2020-21? Do you agree with the Government's proposals for iBCF in 2020-21? Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?	Flexible Housing Grant (£0) Previous Financial Years: 2017/18 (£99,178) 2018/19 (£108,711) 2019/20 (£118,023)
Local Government Finance System The Government has delayed the introduction of the Fair Funding Review and the 75% Business Rates retention until 1 April 2021.	Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21? Should central government eliminate negative RSG in full through forgone business rates receipts?	Total (£1,726,700) Business Rates Baseline (£2,125,000) Negative Revenue Support Grant £463,000 Assumed the majority of Business Rate growth would be redistributed. Growth included (£64,700)
New Homes Bonus Funding for legacy payments i.e. payments awarded in previous financial years has been provided for in the spending round. Funding has also been confirmed for a scheme to continue to operate in 2020/21.	Do you agree that there should be a new round of 2020-21 New Homes Bonus allocations for 2020-21, or would you prefer to see this funding allocated for a different purpose, and if so, how should the funding be allocated?	Total (£1,055,000) Base Budget (£600,000) Transfer to General Reserves (£455,000)
Council Tax The referendum threshold is proposed to be 2% which is a lower level than the current higher of 3% or £5 level.	Do you think that there should be a separate council tax referendum principle of 2% or £5, whichever is greater, for shire district councils in 2020-21? Do you have views on the proposed package of council tax referendum principles for 2020-21?	Total (£6,920,000) Modelled Council Tax increase 3% generating (£202,000) of income Projected Council Taxbase growth of 1% generating (£61,000) of income
Business Rates Pilots The Government have indicated that they do not intend to operate or extend any of the current 75% Business Rate Pilots into 2020/21.		Members of the current Pilot have agreed to seek approval to become a Business Rates Pool for 2020/21. This will mean levy that would have been paid to Government can be retained locally.

- 3.21. The Council responded to the consultation in advance of the deadline on 24 October 2019. The summary of responses, together with the Government's response, will form part of the Provisional Local Government Finance Settlement due in December 2019.

Projected Revisions to the Approved Revenue Budget

- 3.22. The Council includes estimated **inflation** for pay awards, relevant contracts and relevant fees and charges. The modelled assumptions for the period 2020/21 to 2023/24 are shown in 3.16. It should be noted in terms of pay awards, the current Trade Union claim is 10% or £10 per hour, whichever is the highest then 2% per annum thereafter.
- 3.23. Leadership Team is also requested to identify any **budget variations** that need to be considered in line with the approved Budget Principles. There will be analysis to determine if any of these budget variations can be funded from existing approved budgets.
- 3.24. In addition, known changes to **other funding** such as New Homes Bonus, Council Tax, Retained Business Rates, Negative Revenue Support Grant and specific Government Grants etc. based on Government announcements and updated assumptions are identified.
- 3.25. The current projected revisions to the Approved Revenue Budget are summarised below:

Inflation Changes						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Total Inflation Changes	0	(3)	(2)	0	3	(2)

Budget Variations						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
<u>General Pressures</u>						
Other General Budget Variations		11	4	64	86	165
Local Plan & Related Reviews				90	90	180
Housing Options Service		86	80	81	81	328
Environmental Protection Officer		24	25	25	26	100
Facilities Management	54	55	56	57	58	280
Property Service	106	108	111	114	116	555
Finance and Procurement Restructure	62	(18)	(19)	(19)	(19)	(13)
New Homes Bonus no transfer to reserves (see below)	0	715	(316)	(706)	(796)	(1,103)
Revenue Contributions to Capital Programme	0	182	0	0	213	395
<u>Cabinet Away Day Pressures</u>						
Member Skills Audit	8					8
Community Lottery	13					13
Love Lichfield / Hate Plastic	15					15
<u>Joint Waste Service (LDC Share) Pressures</u>						
Costs of Employment		136	138	141	144	559
Recycling Contract ends 2022				361	380	741
Less : Dry Recycling Contract Reserve				(162)		(162)
Ongoing costs of a new round due to growth				99	99	198
Property Growth assumed in the Base Budget			(72)	(88)	(88)	(248)
Total Budget Variations	258	1,299	7	57	390	2,011

Funding Changes						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
New Homes Bonus change to Budget	0	(715)	316	706	796	1,103
Council Tax – additional property growth	0	(109)	(131)	(191)	(276)	(707)
Retained Business Rates – no full reset	0	(830)	0	0	(78)	(908)
Negative RSG - abatement for 2020/21	0	(463)	0	0	0	(463)
Grant - Business Rates Cap	(18)	(86)				(104)
Grant - Levy Account Surplus	(36)	(49)				(85)
Grant - Returned New Homes Bonus	0	(6)	(51)	(74)		(131)
Collection Fund - Council Tax	35					35
Collection Fund - Business Rates	0					0
Total Funding Changes	(19)	(2,258)	134	441	442	(1,260)

Projected Revisions to the Approved Capital Programme

- 3.26. The Capital Strategy included brief details of our current capital prioritisation process together with a diagram of how the Capital Programme integrates with the Infrastructure Delivery Plan, Regulation 123 List and funding from planning obligations.
- 3.27. The prioritisation process was focused only on capital need and reflected that resources available normally exceeded capital investment proposals. Therefore prioritisation of proposals was not a necessity.
- 3.28. Additionally, as the Council becomes more commercial and Asset Management Plans are developed, it is probable that capital needs will be identified that exceed resources available thus necessitating a more transparent and robust process to inform Members during the development of the MTFS.
- 3.29. This process has been designed to ensure consistency, objectivity, equity and transparency to the prioritisation and allocation of capital funding, while ensuring we get maximum value for money.
- 3.30. A summary of the process is identified below:
- Service identifies a budget requirement and consults with the Finance and Procurement Team.
 - Service requests funding by completing and submitting a funding bid form.
 - Service completes a funding bid financial profile form and submits this with their bid.
 - Service completes a funding bid assessment form and submits this with their bid.
 - The Finance and Procurement Team reviews all bids and assessments and requests clarification where required.
 - The Finance and Procurement Team reviews bids using the assessment criteria and submits a report to Leadership Team.
 - Leadership Team review all bids and recommend changes before recommending the allocation of funding either through a Cabinet Report or through the MTFS.
 - Finance and Procurement monitor funding allocations and spend, reporting to Leadership Team as part of Money Matters Reports.
 - Service completes work / project outlined within the bid and undertakes a review (i.e. post-project review) within 6 months of work being completed, providing this to Finance and Procurement to include in report to Leadership Team.
- 3.31. Leadership Team have been requested to submit Council funded capital bids for consideration in the MTFS. These bids are shown in detail at **APPENDIX C** and are summarised below:

Capital Bids for Funding						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Vehicle Replacement Programme (score 80)			(210)		132	(78)
Property Planned Maintenance (score 72)	104	125	150	180	215	774
Disabled Facilities Grants (score 68)					44	44
New Financial Information System (score 65)		250				250
ICT Hardware (score 59)		202	161	160	174	697
Coach Park - Acquisition (score 55)	50					50
Coach Park - Works (score 55)	575	625				1,200
Total Bids	729	1,202	101	340	565	2,937

Usable Capital Receipts	(161)	(520)	(101)	(340)	(352)	(1,474)
Revenue Budget		(182)			(213)	(395)
External Funding - Coach Park Works		(500)				(500)
Business Rates Pilot	(568)					(568)
Total Funding	(729)	(1,202)	(101)	(340)	(565)	(2,937)
Shortfall in Funding & Borrowing Need	0	0	0	0	0	0

- 3.32. These Capital Bids have revenue implications (excluding any additional cost to finance the borrowing need identified above) and these are shown below:

Capital Bids Revenue Implications						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
<u>Coach Park</u>						
Coach Park Operating Costs		50	50	50	50	200
<u>IT Hardware</u>						
Costs	0	9	9	9	9	36
Income	0	0	0	(5)	(47)	(52)
Sub Total	0	9	9	4	(38)	(16)
<u>New Financial Information System</u>						
Oracle Cloud Solution Option		19	9	25	25	78
<u>Cost of Additional Borrowing</u>						
MRP and Financing Cost						0
Total Revenue Implications	0	78	68	79	37	262

Projected Revisions to Treasury Management

- 3.33. The Approved Property Investment Strategy indicated “where acquisitions are being made, it would be considered unwise to fully fund property investment through borrowing due to the associated risks, and so the proposed approach is for borrowing to be limited to between 65-75% of the cost.”
- 3.34. The approved MTFS was based on a prudent approach until updated Balance Sheet projections were available and modelled financing of the Property Investment Strategy using 100% external borrowing.
- 3.35. The MTFS however did reference the potential to reduce external borrowing for the Property Investment Strategy through the use of internal borrowing (Minimum Revenue Provision is still legally required to be set aside).
- 3.36. Internal borrowing has three advantages:
- It reduces credit risk (i.e. the risk that investments will not be repaid).
 - It has a lower cost than external borrowing (2.83%) with the financing cost being the investment income foregone (0.85%).
 - There is the ability to ‘repay’ the internal borrowing as a result of windfall income without early repayment penalties and therefore no Minimum Revenue Provision is payable thereby increasing the asset’s net return.
- 3.37. Balance Sheet projections indicate that there is the option of **£11m** of internal borrowing being used to fund the Property Investment Strategy of **£45m** and this would result in a lower financing cost. It is important to note, internal borrowing is dependent on both Balance Sheet and interest rate projections.
- 3.38. In addition, the successful investments in the Property Fund, Diversified Income Fund and Invest to Save schemes mean that further investments are planned in these areas to increase income.
- 3.39. The projected changes to the Treasury Management budgets are shown below:

Treasury Management						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Investment Income & Invest to Save		(97)	(97)	(97)	(97)	(388)
Total Change in Treasury Management	0	(97)	(97)	(97)	(97)	(388)
Further Option - Internal Borrowing		(31)	(98)	(164)	(231)	(524)

Projected Revisions and their impact on the Revenue Budget and the Funding Gap

3.40. A summary of the modelled changes and their impact on the Funding Gap is shown below:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Inflation Changes	0	(3)	(2)	0	3	(2)
Budget Variations	258	1,299	7	57	390	2,011
Revenue Implications of Capital Bids	0	78	68	79	37	262
Funding Changes	(19)	(2,258)	134	441	442	(1,260)
Treasury Management	0	(97)	(97)	(97)	(97)	(388)
Sub Total Modelled Changes	239	(981)	110	480	775	623

3.41. The modelled Revenue Budget is shown below:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
LEVEL OF UNCERTAINTY / RISK	LOW	MEDIUM	HIGH	HIGH	HIGH
Revenue Expenditure	11,245	12,092	11,102	11,738	12,309
Revenue Funding	(11,694)	(12,325)	(10,127)	(10,347)	(10,300)
Further Option - Internal Borrowing	0	(31)	(98)	(164)	(231)
Funding Gap (transfer to General Reserves)	(449)	(264)	877	1,227	1,778

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
LEVEL OF UNCERTAINTY / RISK	LOW	MEDIUM	HIGH	HIGH	HIGH
Approved Funding Gap	(688)	748	865	911	1,234
Modelled Changes	239	(981)	110	480	775
Further Option - Internal Borrowing	0	(31)	(98)	(164)	(231)
Funding Gap (transfer to General Reserves)	(449)	(264)	877	1,227	1,778

Projected General Reserves

3.42. The projected General Reserves have been updated to take account of:

- The proposed changes to New Homes Bonus with one year allocated for 2020/21 and then only legacy payments being made until 2022/23 when it ceases or is replaced.
- All other projections shown in addition to those related to New Homes Bonus.

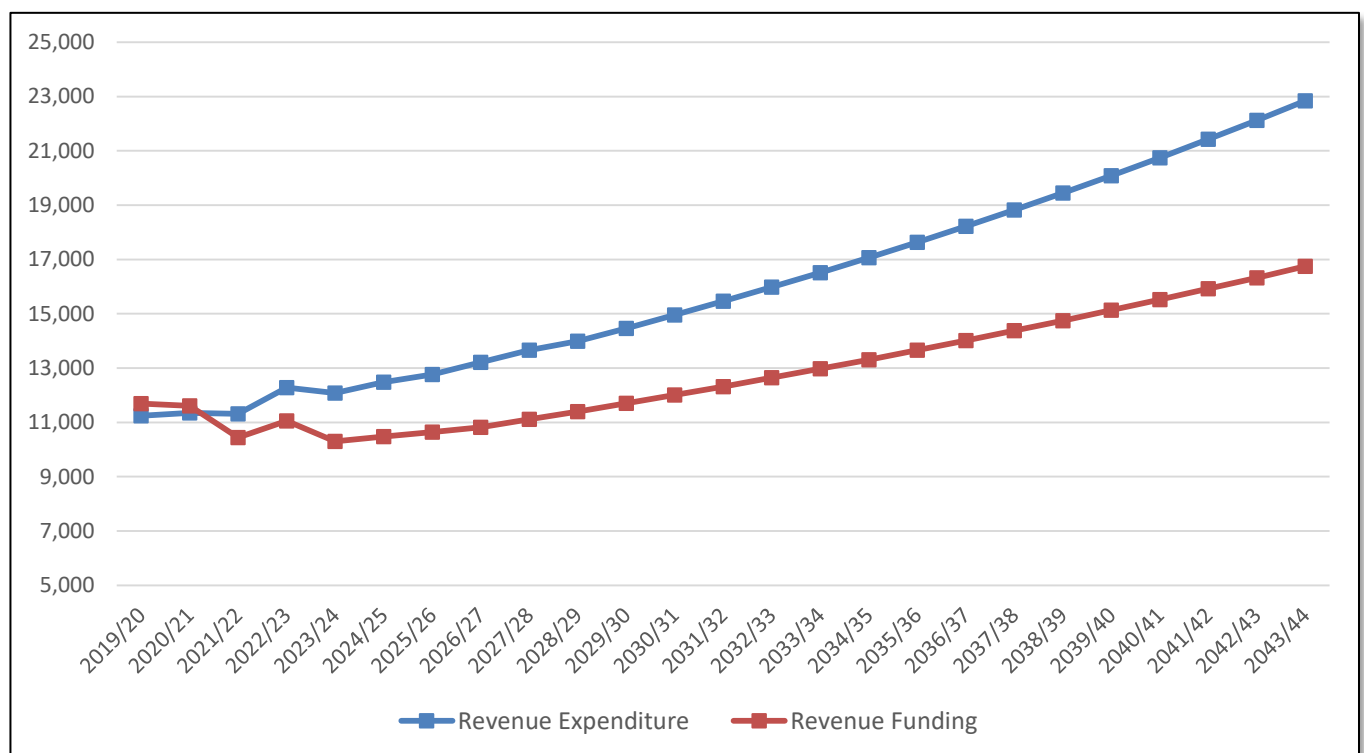
3.43. The projected level of General Reserves, assuming New Homes Bonus ends in 2022/23, is shown below:

	Projected General Reserves					
	2019/20		2020/21	2021/22	2022/23	2023/24
	Original Budget £000	Approved Budget Q1 £000				
Available General Reserves	3,749	4,049	4,315	4,315	4,315	4,315
Cumulative New Homes Bonus in excess of the 'Cap'	110	110	1,280	1,691	1,971	1,971
Available General Reserves	3,859	4,159	5,595	6,006	6,286	6,286
Minimum Level	1,600	1,600	1,600	1,600	1,600	1,600
Total Projected General Reserves	5,459	5,759	7,195	7,606	7,886	7,886

No Savings or Income Identified from 2021/22	4,159	5,595	5,130	4,183	2,405
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Longer Term Financial Planning

- 3.44. The MTFS covers a relatively short period of time (current financial year plus the next four years) and given the potential significant changes to the Local Government Financing Regime, and the more commercial approach being adopted by the Council, it is prudent to begin producing financial plans that cover a longer financial planning horizon such as 25 years.
- 3.45. The potential significant changes to the Local Government Financing Regime mean that whilst there is significant uncertainty beyond 2020/21, there is a benefit for the Council to understand the financial challenges that it could face in the medium to long term.
- 3.46. The following key assumptions have been utilised in producing the longer term financial plan:
- Annual core inflation of **2.5%** and funding increases by **2%**.
 - Residential growth based on **75%** of the Strategic Housing Land Availability Assessment (SHLAA) until 2024/25 and then the Local Housing Need (LHN) assessed figure of **331** per annum.
 - Council Tax increases of **£5** per annum until 2023/24 and then **1.99%** per annum.
 - Service delivery budgetary growth resulting from residential growth is included. The use of the LG Futures nearest neighbours highest Unit Cost for Waste and Council Tax collection of £53 per property in 2019/20 uprated by inflation to **£58** per property in 2024/25.
 - The Past Service element of Pensions increases by **£100,000** per annum from 2024/25 and is also increased annually by inflation of **2%**.
 - Retained Business Rates – a full reset in 2021/22 with the majority of growth above the baseline redistributed and phased resets between full resets. These resets mean growth will only be retained for relatively short periods of time. Therefore at this stage, a prudent annual allowance of **(£100,000)** retained growth is included from 2024/25 with annual inflation increases of **2%**.
 - Negative Revenue Support Grant – the principles used where funding is redistributed from relatively low need authorities that are relatively more able to fund the need through Council Tax, such as Lichfield District Council, are applied in the Fair Funding Review from 2021/22.
 - New Homes Bonus – legacy payments continue to 2022/23 and then the scheme is phased out.
- 3.47. The longer term financial plan is shown in detail at **APPENDIX D** and in the chart below:



Alternative Options	Where alternative options exist, they are identified within the background section of the report.
Consultation	<p>The Budget Consultation will take place as part of the Strategic Plan consultation from 13 November 2019 to 13 December 2019.</p> <p>The results of the consultation will form part of the report to this Committee on 28 January 2020.</p>
Financial Implications	These are included in the background section of the report.
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	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.

	Risk Description	How We Manage It	Severity of Risk
A	Achievement of The Council's key Council priorities	Close monitoring of performance and expenditure; maximising the potential of efficiency gains; early identification of any unexpected impact on costs including Central Government Policy changes, movement in the markets, and changes in the economic climate.	Green - Tolerable
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations	To closely monitor the level of appeals. An allowance of 4.7% (in line with the MHCLG Allowance) for appeals has been included in the Business Rate Estimates.	Red - Severe
C	The review of the New Homes Bonus regime in 2020/21	Not all of the projected New Homes Bonus is included as core funding in the Base Budget. In 2020/21 £600,000 is included and this is then being reduced by £100,000 per annum.	Red - Severe
D	The increased Localisation of Business Rates and the Fair Funding Review in 2021/2022	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Red - Severe
E	The affordability and risk associated with the Capital Strategy		Yellow - Material
E1	Planned Capital Receipts are not received	The budget for capital receipts will be monitored as part of the Council's normal budget monitoring procedures.	Yellow - Material
E2	Slippage Occurs in the Capital Spend	Spend will be monitored through normal budget monitoring procedures with budgets updated to reflect latest plans and projections.	Yellow - Material

	Risk Description	How We Manage It	Severity of Risk
E3	Actual cash flows differ from planned cash flows	Cash flow is monitored on a daily basis through normal Treasury Management processes.	Green - Tolerable
F	The affordability and risk associated with the Property Investment Strategy		Yellow - Material
F1	Slippage occurs in the Capital Spend	Spend will be monitored through normal budget monitoring procedures with budgets updated to reflect latest plans and projections.	Yellow - Material
F2	Change in Government Policy including Regulatory Change	To monitor proposed changes to policy and regulation and seek to influence in the Council's favour.	Red - Severe
F3	The form of exit from the EU adversely impacts on the UK economy including the Property Market and Borrowing Costs	To monitor the situation and where possible identify alternative options.	Red - Severe
F4	There is a cyclical 'downturn' in the wider markets	To monitor the wider markets and where possible adapt plans to minimise the Council's risk exposure.	Yellow - Material
F5	There is insufficient expertise to implement the Property Investment Strategy	An estates management team is being recruited to provide professional expertise and advice in relation to the Property Investment Strategy.	Yellow - Material
F6	Inability to acquire or dispose of assets due to good opportunities not being identified	To utilise Property Agents to identify opportunities for potential acquisitions and disposals.	Red - Severe

Background documents

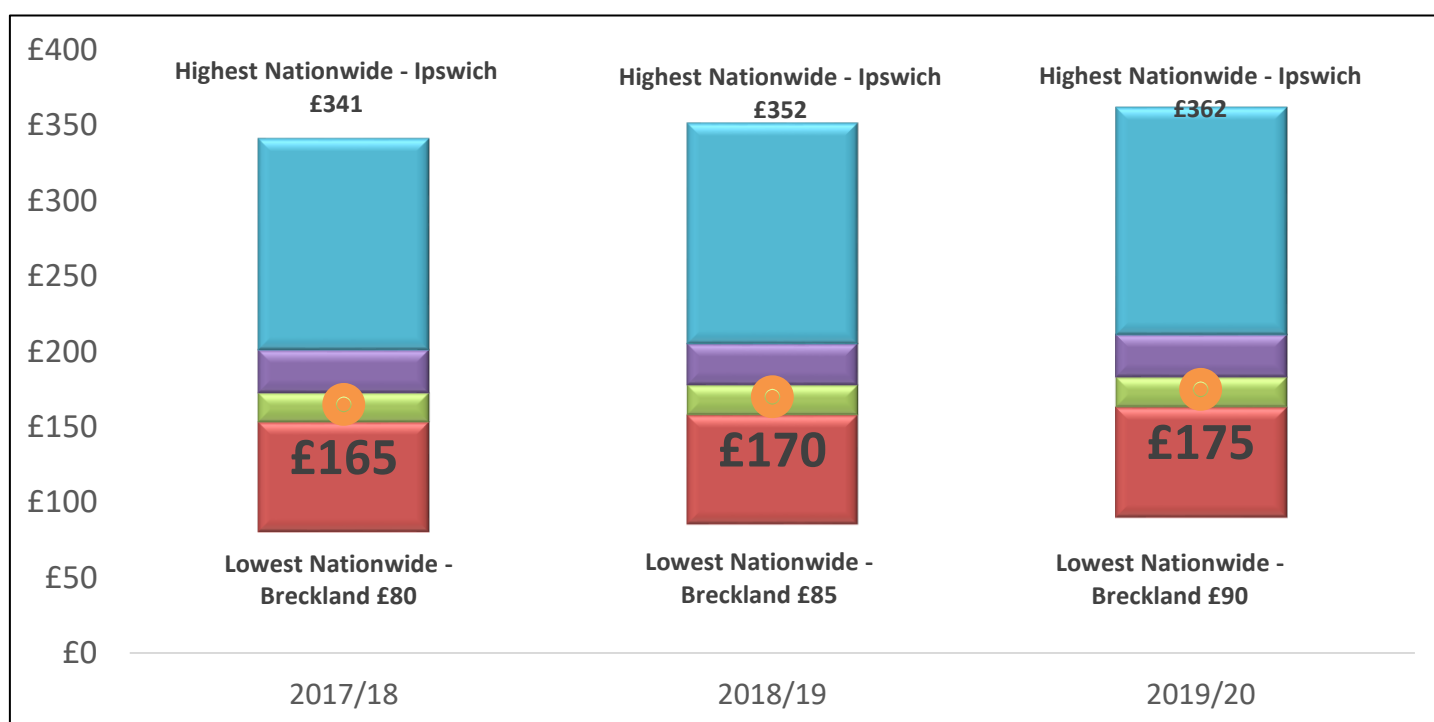
- CIPFA Code of Practice for Treasury Management in the Public Services.
- The Prudential Code for Capital Finance in Local Authorities.
- Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2018-23 – Cabinet 12 February 2019.
- Allocation of Strategic Community Infrastructure Levy (CIL) Funding – Cabinet 12 March 2019.
- Multi Storey Car Park – Cabinet 12 March 2019.
- Money Matters: 2018/19 Review of Financial Performance against the Financial Strategy – Cabinet 13 June 2019.
- Jigsaw Funding Agreement – Cabinet 9 July 2019.
- Money Matters: 2019/20 Review of Financial Performance against the Financial Strategy – Cabinet 10 September 2019.
- Birmingham Road Site Enabling Works – Cabinet 10 September 2019.
- Friary Grange Leisure Centre – Cabinet 7 October 2019.
- Medium Term Financial Strategy 2019-24 – Cabinet 8 October 2019.
- St Stephen's School allocation of Section 106 – Cabinet Member Decision 24 October 2019.

Relevant web links

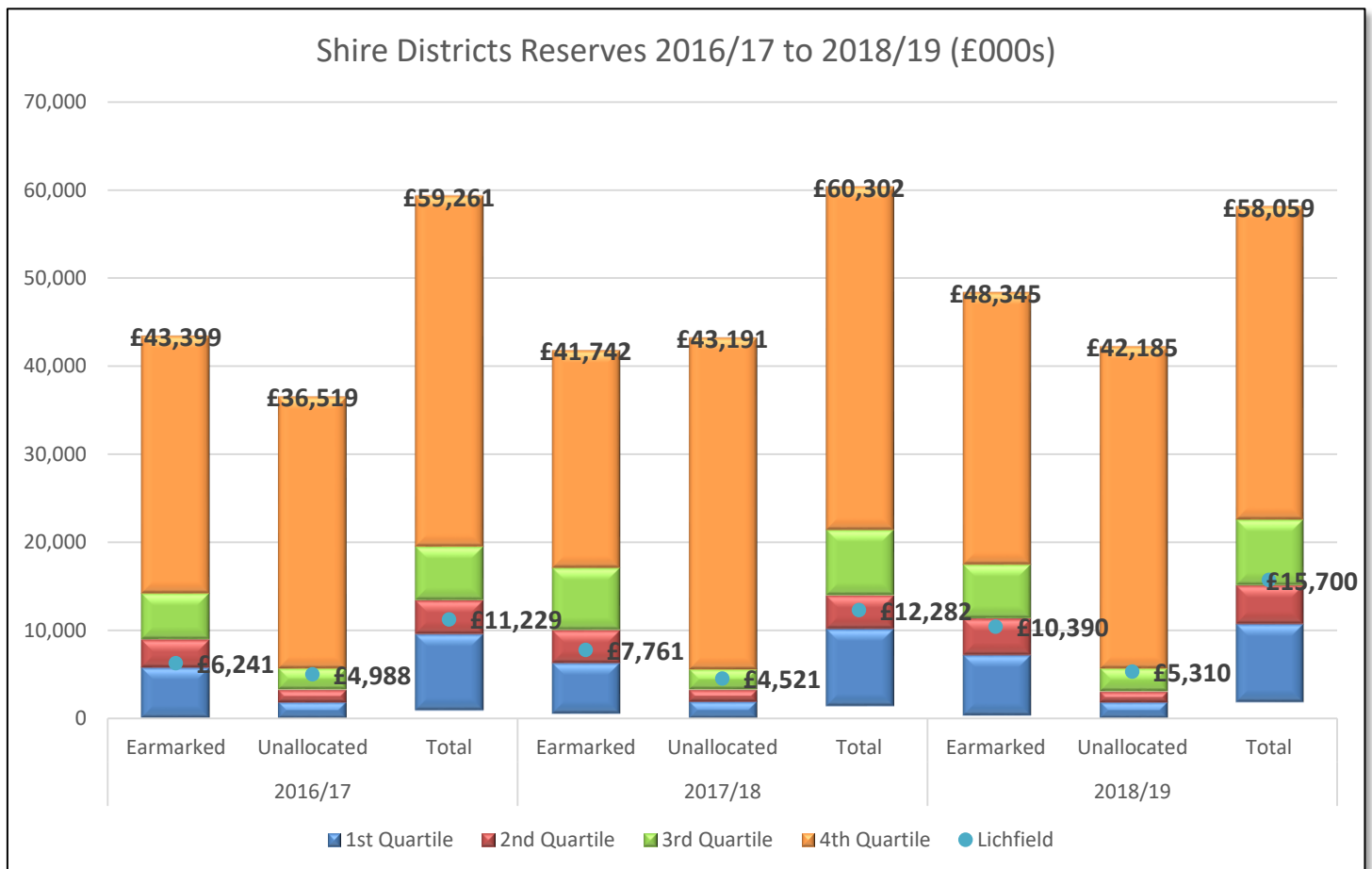
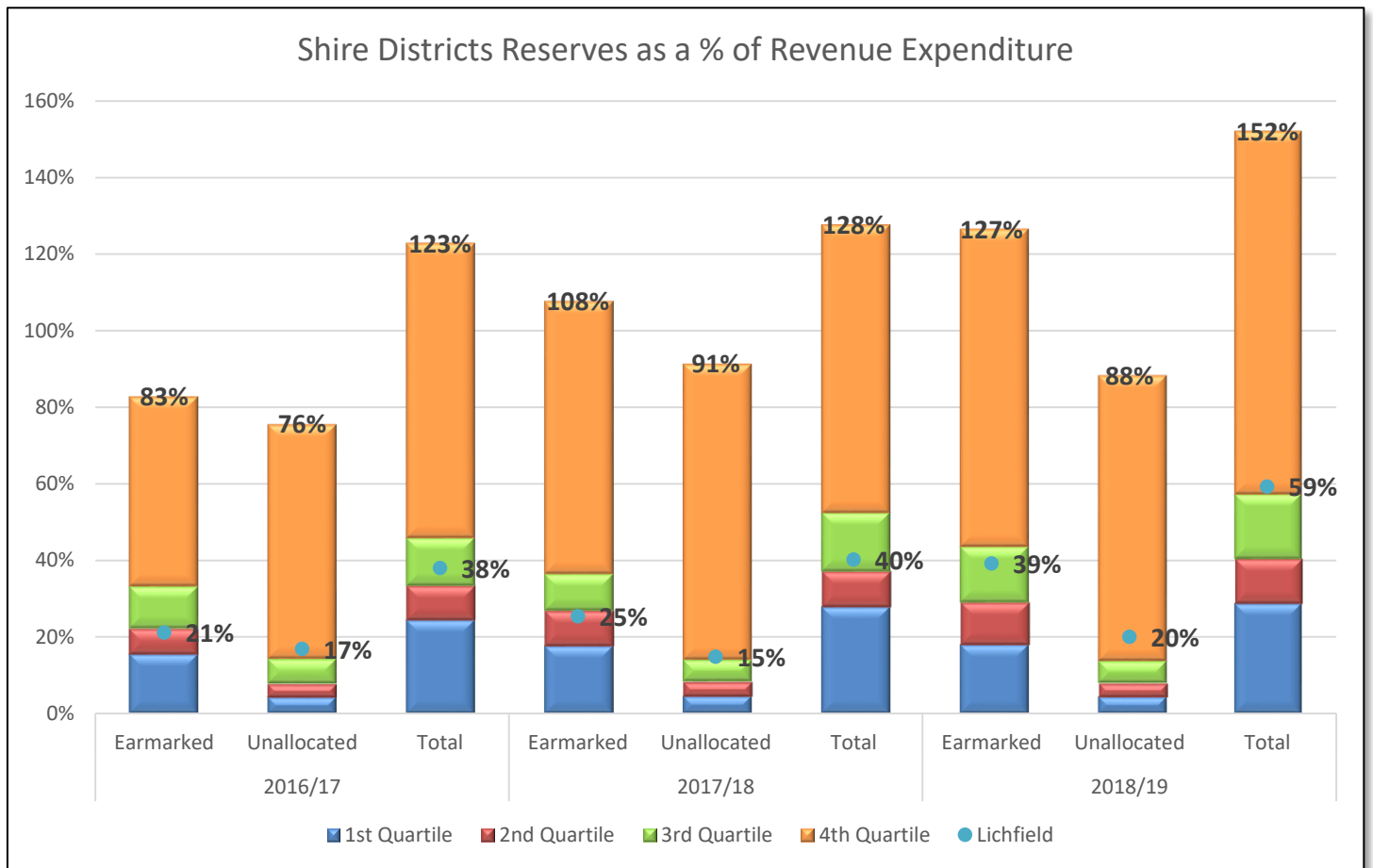
Approved Revenue Budget

	2019/20 Original Budget £000	2019/20 Approved Budget Q1 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
LEVEL OF UNCERTAINTY / RISK	LOW	LOW	MEDIUM	HIGH	HIGH	HIGH
Healthy and safe communities	1,529	1,554	1,491	1,478	1,472	1,497
Clean, green and welcoming places to live	3,259	3,155	3,278	3,510	3,679	3,777
A vibrant and prosperous economy	(1,079)	(997)	(1,242)	(2,026)	(2,764)	(2,695)
A council that is fit for the future	6,185	6,082	6,332	6,473	6,653	6,929
Corporate expenditure	1,329	1,193	501	964	1,673	1,672
Total Expenditure	11,223	10,987	10,360	10,399	10,713	11,180
Retained Business Rates Baseline Funding	(2,083)	(2,083)	(1,662)	(1,691)	(1,720)	(1,680)
Retained Business Rates Growth Allowance	(443)	(746)	(65)	(89)	(116)	(114)
Business Rates Cap	(68)	(68)	0	0	0	0
Business Rates Pilot	(568)	(568)	0	0	0	0
New Homes Bonus - Base Budget	(700)	(700)	(600)	(500)	(400)	(300)
New Homes Bonus - Earmarked Reserve	(468)	(468)	0	0	0	0
New Homes Bonus - General Reserve	(110)	(110)	(455)	(727)	(986)	(796)
Collection Fund (Surplus)/Deficit	(277)	(277)	(365)	(35)	(35)	(35)
Council Tax	(6,655)	(6,655)	(6,920)	(7,219)	(7,531)	(7,817)
Total Funding	(11,372)	(11,675)	(10,067)	(10,261)	(10,788)	(10,742)
Transfer to or (from) general reserves	39	578	0	0	0	0
New Homes Bonus (Transfer to general reserves)	110	110	455	727	986	796
Approved Funding Gap	0	0	748	865	911	1,234

Band D Council Tax for District Councils over the Last Three Years



Reserve Comparisons



Approved Capital Programme

Project	Approved Capital Programme (R=>500k, A=250k to 500k and G=<250k)						
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £001	Total £000	Corporate
Leisure Review: Capital Investment	30	0	0	0	0	30	0
Renovation and Replacement of Play Equipment	30	0	0	0	0	30	0
New Build Parish Office/Community Hub	92	0	0	0	0	92	0
Fradley Village Heating & CCTV	5	0	0	0	0	5	0
Fradley Youth & Community Centre Cladding & Por.	15	0	0	0	0	15	0
Armitage with Handsacre Village Hall heating	5	0	0	0	0	5	0
Armitage with Handsacre Village Hall storage	6	0	0	0	0	6	0
Re-siting/improvement of Armitage War Memorial	120	0	0	0	0	120	0
Replacement of canopy and artificial grass	13	0	0	0	0	13	0
Burntwood LC CHP Unit	235	0	0	0	0	235	0
Westgate Practice Refurbishment (CIL)	120	0	0	0	0	120	0
King Edwards VI School (CIL)	101	0	0	0	0	101	0
Friary Grange - Short Term Refurbishment	174	521	0	0	0	695	0
Replacement Leisure Centre	38	164	189	2,349	2,260	5,000	0
St. Stephen's School, Fradley (S106)	22	0	0	0	0	22	0
Accessible Homes (Disabled Facilities Grants)	1,500	1,398	950	950	0	4,798	352
Home Repair Assistance Grants	28	15	15	15	0	73	0
Decent Homes Standard	197	0	0	0	0	197	0
Energy Insulation Programme	38	10	10	10	0	68	0
DCLG Monies	212	0	0	0	0	212	0
Unallocated S106 Affordable Housing Monies	342	272	0	0	0	614	0
Healthy & Safe Communities Total	3,323	2,380	1,164	3,324	2,260	12,451	352
Darnford Park (S106)	0	13	0	0	0	13	0
Canal Towpath Improvements (Brereton & Ravenhill)	211	0	0	0	0	211	0
Loan to Council Dev Co.	675	0	0	0	0	675	116
Lichfield St Johns Community Link (CIL)	10	25	0	0	0	35	0
Staffordshire Countryside Explorer (CIL)	0	44	0	0	0	44	0
Equity in Council Dev Co.	225	0	0	0	0	225	0
Vehicle Replacement Programme	140	25	0	3,080	0	3,245	0
Vehicle Replacement Programme	286	134	307	20	0	747	210
Shortbutts Park, Lichfield	23	0	0	0	0	23	20
Env. Improvements - St John St & Birmingham Rd	7	0	0	0	0	7	0
Stowe Pool Improvements	50	0	0	0	0	50	5
The Leomansley Area Improvement Project	3	0	0	0	0	3	0
Cannock Chase SAC	40	22	25	0	0	87	0
Clean, Green and Welcoming Places to Live Total	1,670	263	332	3,100	0	5,365	351
Multi Storey Car Park Refurbishment Project	300	0	0	0	0	300	0
Birmingham Road Site - Coach Park	236	0	0	0	0	236	236
Birmingham Road Site - Short Term Redevelopment	473	0	0	0	0	473	0
Car Parks Variable Message Signing (S106)	32	0	0	0	0	32	0
Old Mining College - access and signs (S106)	13	0	0	0	0	13	0
Erasmus Darwin Lunar Legacy (Lichfield City Art)	3	0	0	0	0	3	3
St. Chads Sculpture (Lichfield City Art)	50	0	0	0	0	50	50
A Vibrant and Prosperous Economy Total	1,107	0	0	0	0	1,107	289
Property Investment Strategy	6,000	13,000	13,000	13,000	0	45,000	0
Depot Sinking Fund	0	11	0	0	0	11	11
IT Infrastructure	105	55	35	15	0	210	210
IT Cloud	25	100	0	0	0	125	125
IT Innovation	200	110	50	50	0	410	305
District Council House Repair Programme	111	53	74	110	0	348	310
A Council that is Fit for the Future Total	6,441	13,329	13,159	13,175	0	46,104	961
Approved Budget	12,541	15,972	14,655	19,599	2,260	65,027	1,953

Funding Source	Approved Capital Programme					
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Capital Receipts	675	593	413	219	0	1,900
Capital Receipts - Statue	53	0	0	0	0	53
Revenue	0	0	0	0	0	0
Corporate Council Funding	728	593	413	219	0	1,953
Grant	1,975	1,159	931	931	0	4,996
Section 106	1,004	460	25	0	0	1,489
CIL	231	69	0	0	0	300
Reserves	2,160	502	97	20	0	2,779
Sinking Fund	235	0	0	0	0	235
Leases	140	25	0	3,080	0	3,245
Total	6,473	2,808	1,466	4,250	0	14,997
Borrowing	6,068	13,164	13,189	15,349	2,260	50,030
Grand Total	12,541	15,972	14,655	19,599	2,260	65,027

Capital Receipts	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Opening Balance	(2,004)	(2,663)	(2,079)	(1,675)	(1,465)	(2,004)
Guardian House Covenant	(329)					(329)
Sale of Beacon Cottage	(365)					(365)
Sale of land at Netherstowe and Leyfields	(527)					(527)
Right to Buy Receipts	(157)					(157)
Other Receipts	(9)	(9)	(9)	(9)	(9)	(45)
Utilised in Year	728	593	413	219	0	1,953
Closing Balance	(2,663)	(2,079)	(1,675)	(1,465)	(1,474)	(1,474)

Capital Bids

Funding Bid Form

This form should be used to submit a bid for revenue (reserves or windfall funding) or capital funding. Assistance on how to complete this form can be obtained by referring to the relevant guidance document. Once completed the form should be returned to: finance@lichfielddc.gov.uk. If required, please seek advice from the finance service.

Lead Officer Details

Name

Gary Brownridge

Job Title

Operational Services Manager

Service

Leisure and Operational Services

Cost Centre

Various

Funding Bid Details

Project or Bid Name (provide a name for your bid or project)

Vehicle Replacement Programme

Description (provide an overview of the bid or project)

The vehicle replacement programme encompasses the replacement plans for vehicles and ancillary equipment (in excess of £10k) for Grounds Maintenance, Street Cleansing, the Joint Waste Service, Trade Waste and Recycling, Parks, Car Parks and Environmental Health.

Most of the Joint Waste Service fleet and one Street Cleansing vehicle procurement is funded by a Contract Hire that includes maintenance. Other services are funded by sinking funds with annual revenue contributions.

Is the bid for revenue (reserves or windfall) or capital funding? (complete all relevant)

☐ Revenue funding

☒ Capital funding

Is this a one-off request or ongoing programme (i.e. maintenance)?

☐ One-off Project (provide duration)¹

☒ Ongoing Programme

¹Duration (if relevant)?

Business Case Details

Does the bid have a return on investment (i.e. invest-to-save)?

☐ Yes (provide yield)²

☒ No

²Yield (if relevant)?

Justification (provide the reasons for the bid, including the outcomes that will be delivered)

This bid is to procure the necessary vehicles in an efficient and effective way to allow the front line services to continue to operate.

Strategic Priorities (how does the bid support delivery of our strategic priorities?)

The vehicle replacement programme provides funding for the scheduled acquisition of vehicles that allow the front line services to operate. These front line services contribute significantly to the Councils strategic priorities to help deliver. Clean, green and welcoming places to live. Healthy and safe communities and Vibrant & prosperous economy.

Statutory Requirements (how does the bid support delivery of our legislative or regulatory requirements?)

Without the front line service vehicles none of the statutory services within Operational Services could be delivered. This includes, Street Cleansing, The Joint Waste Service, Investigation of Abandoned vehicles.

Asset Management (how does the bid contribute to the maintenance or enhancement of our assets?)

Having a vehicle replacement programme allows for proactive budget monitoring, whilst offering flexibility to make in-term adjustments to maximise efficiency of the vehicular assets.

New Opportunity (how does the bid promote an otherwise missed opportunity i.e. obtain external funding?)

We haven't attracted external funding with the current fleet, however, there may be opportunities moving forward to consider electric vehicles that may attract grant funding.

Cost Savings (how does the bid deliver cost savings?)

The vehicle replacement programme will provide the necessary funds to allow for better negotiation and potentially larger discounts of vehicular purchases with suppliers. This will also allow for the replacement programme to be amended where feasible to maximise the serviceable life of each vehicle for more efficiency.

Optimise Income (how does the bid protect or create an incomes stream?)

This will provide the necessary funding to allow the front line services to procure the replacement vehicles as identified in the programme. This will allow the front line services fulfil existing contractual obligations to internal and external customers and protect existing income streams whilst providing the opportunity to bid for additional works to generate further income.

Options Appraisal (what other options were considered and why were they discounted?)

Both contract hire and lease hire options have been considered for the vehicles identified in this vehicle replacement programme, however the overall cost of either contract hire or lease hire for these type of vehicles work out significantly more expensive in the long run.

Additional Information

A completed Funding Bid Finance Profile (a template is provided) and a completed Funding Bid Assessment Form (a template is provided) must be submitted with this form for the bid to be considered.

Declaration

By submitting this form you confirm that the information you have provided is accurate and complete and that you have the necessary approvals to make this bid. You understand that failing to do any of the above can result in disciplinary action.

Please return this form to the finance service.

Funding Bid Assessment Form

This form should be used to assess bids for revenue (reserves or windfall) funding or capital funding, providing comments associated with all assessment criteria to clearly outline the assessment outcome and so help prioritise bids and award funding.

Assessment Details

Project or Bid Name (provide a name for your bid or project)

Vehicle Replacement Programme

Project or Bid Assessment Scoring (provide scores and associated comments for the bid or project. Each criteria should score between 0 for no contribution or negative contribution and 5 for a very positive contribution)

Criteria	Weighting	Score	Comments
Priorities (how does the bid contribute to strategic priorities?)	6 (30 max.)	5	The vehicle replacement programme provides funding for the scheduled acquisition of vehicles that allow the front line services to operate. These front line services contribute significantly to the Councils strategic priorities to help deliver. Clean, green and welcoming places to live. Healthy and safe communities and Vibrant & prosperous economy.
Compliance (how does the bid deliver statutory or regulatory requirements?)	4 (20 max.)	5	Without the front line service vehicles none of the statutory services within Operational Services could be delivered. This includes, Street Cleansing, The Joint Waste Service, Investigation of Abandoned vehicles.
Investment (how does the bid maintain or enhance assets?)	2 (10 max.)	3	Having a vehicle replacement programme allows for proactive budget monitoring, whilst offering flexibility to make in-term adjustments to maximise efficiency of the vehicular assets.
Opportunity (how has the bid attracted external funding?)	2 (10 max.)	0	We haven't attracted external funding with the current fleet, however, there may be opportunities moving forward to consider electric vehicles that may attract grant funding.
Saving (how will the bid reduce costs to the council?)	3 (15 max.)	3	The vehicle replacement programme will provide the necessary funds to allow for better negotiation and potentially larger discounts of vehicular purchases with suppliers. This will also allow for the replacement programme to be amended where feasible to maximise the serviceable life of each vehicle for more efficiency.
Income (how will the bid create or protect income streams?)	3 (15 max.)	5	This will provide the necessary funding to allow the front line services to procure the replacement vehicles as identified in the programme. This will allow the front line services fulfil existing contractual obligations to internal and external customers and protect existing income streams whilst providing the opportunity to bid for additional works to generate further income.
Total (the total score for the bid, 100 max.)		80	

Please note: bids of 76 points and over will be regarded as very high priority, those between 51 and 75 points will be regarded as high priority, those between 26 and 50 points will be regarded as medium priority and those of 25 points and below will be regarded as low priority.

Assessing Officer Details

Name

Gary Brownridge

Job Title

Operational Services Manager

Additional comments and information

The Vehicle replacement programme is reviewed on an annual basis to ensure it meets the service needs. Where a vehicle can be retained beyond its pre-planned replacement date the programme is updated accordingly to maximise efficiency of our assets.

Finance Service Comments

Finance Officer Name

Andrew Nicklin

Detail comments and proposed amendments (where relevant)

No comments – detailed replacement programme spreadsheet updated

Leadership Team Comments

Detail comments and proposed amendments (where relevant)

Discussed at Leadership Team 23/10/2019 no specific comments

Funding To Be Awarded?

☐ Yes

☐ No

Funding Bid Form

This form should be used to submit a bid for revenue (reserves or windfall funding) or capital funding. Assistance on how to complete this form can be obtained by referring to the relevant guidance document. Once completed the form should be returned to: finance@lichfielddc.gov.uk. If required, please seek advice from the finance service.

Lead Officer Details

Name

Billy Webster

Job Title

Assistant Chief Executive

Service

Property Service

Cost Centre

1665/0605

Funding Bid Details

Project or Bid Name (provide a name for your bid or project)

Property Planned Maintenance Programme

Description (provide an overview of the bid or project)

The capital bid aims to establish a budget to proactively maintain our commercial estate to maintain its value, safeguard income and reduce higher reactive repair costs.

Is the bid for revenue (reserves or windfall) or capital funding? (complete all relevant)

☐ Revenue funding

☒ Capital funding

Is this a one-off request or ongoing programme (i.e. maintenance)?

☐ One-off Project (provide duration)¹

☒ Ongoing Programme

¹Duration (if relevant)?

Business Case Details

Does the bid have a return on investment (i.e. invest-to-save)?

☐ Yes (provide yield)²

☒ No

²Yield (if relevant)?

Justification (provide the reasons for the bid, including the outcomes that will be delivered)

A property planned maintenance budget will allow the property service to better maintain existing property assets to ensure they are not subject to larger reactive costs to deal with emerging issues. In addition, such a fund would allow the estate to be maintained in a good state of repair thereby securing asset values and ensuring any future sales would be optimised. Finally, such work would safeguard income by keeping property assets in a fit condition to lease or release should vacancies arise. While it is expected that dilapidation costs would sit with lessees, this is not always seen and there is often a need to invest in property to make them fit for purpose before letting them to another tenant, or bringing them up to lettable standards e.g. making them more energy efficient.

Strategic Priorities (how does the bid support delivery of our strategic priorities?)

The bid will support the council be fit for the future while also supporting a strong and vibrant economy.

Statutory Requirements (how does the bid support delivery of our legislative or regulatory requirements?)

We have statutory responsibilities within our leases to maintain aspects of our estate where we are the landlord. In addition, when looking to let properties we must bring them up to acceptable standards including energy efficiency levels. The bid would allow us to undertake ongoing planned maintenance to ensure these responsibilities are fulfilled.

Asset Management (how does the bid contribute to the maintenance or enhancement of our assets?)

The bid will provide an ongoing planned maintenance budget to undertake a programme of works in line with the requirements identified through condition surveys on our estate. This would maintain the assets and so retain the value of the assets for future lease or sale.

New Opportunity (how does the bid promote an otherwise missed opportunity i.e. obtain external funding?)

Not applicable.

Cost Savings (how does the bid deliver cost savings?)

It is well established that a proactive planned maintenance programme is much cheaper than undertaking reactive repairs and maintenance. As such, the bid would provide the ability to reduce ongoing costs for maintaining our property assets in the most cost effective way.

Optimise Income (how does the bid protect or create an incomes stream?)

The bid would allow the organisation to plan the potential refit of any properties which are to be vacated and promote faster re-letting by removing any delays in seeking reactive funding for this work e.g. B&M etc. In addition, it would maintain the estate in a condition that protects existing leases and so the income associated with them, through ensuring all landlord responsibilities are undertaken in a timely manner and avoiding any associated costs e.g. keeping the properties water tight.

Options Appraisal (what other options were considered and why were they discounted?)

The existing position can be maintained and funding sought when issues are raised. This would likely increase the overall costs as issues would be handled reactively and could be delayed due to the approvals process, the latter often meaning additional costs.

A sinking fund could be established to undertake the work, however this would need a proportion of the rental income to be set aside which would reduce rental income levels and therefore turn revenue in to capital, which would have an impact on the general fund. As this work can largely be capitalised, it would seem more appropriate for it to come from capital budgets.

The council could seek to undertake no planned maintenance or sell property assets. However, this would reduce revenue incomes and impact on the general fund while also rising the overall costs or decreasing the value of the assets.

Additional Information

A completed Funding Bid Finance Profile (a template is provided) and a completed Funding Bid Assessment Form (a template is provided) must be submitted with this form for the bid to be considered.

Declaration

By submitting this form you confirm that the information you have provided is accurate and complete and that you have the necessary approvals to make this bid. You understand that failing to do any of the above can result in disciplinary action.

Please return this form to the finance service.

Funding Bid Assessment Form

This form should be used to assess bids for revenue (reserves or windfall) funding or capital funding, providing comments associated with all assessment criteria to clearly outline the assessment outcome and so help prioritise bids and award funding.

Assessment Details

Project or Bid Name (provide a name for your bid or project)

Property Planned Maintenance

Project or Bid Assessment Scoring (provide scores and associated comments for the bid or project. Each criteria should score between 0 for no contribution or negative contribution and 5 for a very positive contribution)

Criteria	Weighting	Score	Comments
Priorities (how does the bid contribute to strategic priorities?)	6 (30 max.)	4 / 24	It will support our council being fir for the future by bringing in good practice planned maintenance while also maintain assets that can support us achieve a vibrant and prosperous economy.
Compliance (how does the bid deliver statutory or regulatory requirements?)	4 (20 max.)	5 / 20	We have clear responsibilities to meet under landlord liabilities within our leases and also have to maintain certain standards when letting properties such as environmental efficiency.
Investment (how does the bid maintain or enhance assets?)	2 (10 max.)	5 / 10	The planned maintenance will maintain the value of our property assets by stopping them falling in to disrepair.
Opportunity (how has the bid attracted external funding?)	2 (10 max.)	0 / 0	Not applicable
Saving (how will the bid reduce costs to the council?)	3 (15 max.)	3 / 9	Planned maintenance is less expensive than reactive repairs and maintenance hence will provide savings in the works undertaken.
Income (how will the bid create or protect income streams?)	3 (15 max.)	3 / 9	Planned maintenance will maintain the property assets in a lettable condition and so protecting income levels while seeking to reduce vacancy durations to re-let and generate income faster.
Total (the total score for the bid, 100 max.)		72	

Please note: bids of 76 points and over will be regarded as very high priority, those between 51 and 75 points will be regarded as high priority, those between 26 and 50 points will be regarded as medium priority and those of 25 points and below will be regarded as low priority.

Assessing Officer Details

Name

Billy Webster

Job Title

Assistant Chief Executive

Additional comments and information

See bid form for further details.

Finance Service Comments

Finance Officer Name

Andrew Nicklin

Detail comments and proposed amendments (where relevant)

No comments

Leadership Team Comments

Detail comments and proposed amendments (where relevant)

Discussed at Leadership Team on 23/10/2019. Issues raised around the approach to maintenance for all property assets not just those managed by the Property Service and the basis of the calculation and the need for evidence from condition surveys.

Funding To Be Awarded?

☐ Yes ☐ No

Funding Bid Form

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Lead Officer Details

Name

Lucy Robinson

Job Title

Housing & Wellbeing Manager

Service

Regulatory Services, Housing & Wellbeing

Cost Centre

9000 9150

Funding Bid Details

Project or Bid Name (provide a name for your bid or project)

Accessible Homes (Disabled Facilities Grants)

Description (provide an overview of the bid or project)

DFGs provide adaptations for older and disabled people within our communities to enable them to remain living independently in the community for longer. The Council has a statutory duty to provide DFGs.

Is the bid for revenue (reserves or windfall) or capital funding? (complete all relevant)

☐ Revenue funding

☒ Capital funding

Is this a one-off request or ongoing programme (i.e. maintenance)?

☐ One-off Project (provide duration)¹

☒ Ongoing Programme

¹Duration (if relevant)?

Business Case Details

Does the bid have a return on investment (i.e. invest-to-save)?

☐ Yes (provide yield)²

☒ No

²Yield (if relevant)?

Justification (provide the reasons for the bid, including the outcomes that will be delivered)

Adaptations for older and disabled people will be provided, enabling the council to fulfil its statutory obligation to provide DFGs.

Strategic Priorities (how does the bid support delivery of our strategic priorities?)

Healthy and safe communities priority is supported by enabling people to remain living independently within their communities for longer.

Vibrant & prosperous economy is supported as the majority of the works are carried out by smaller locally based contractors ensuring the money is spent within the local Staffordshire economy.

Statutory Requirements (how does the bid support delivery of our legislative or regulatory requirements?)

The Council has a statutory duty to provide DFGs. This funding enable the council to fulfil this obligation.

Asset Management (how does the bid contribute to the maintenance or enhancement of our assets?)

The funding does not maintain council assets but it does help maintain and improve some housing assets within the community for use by their occupants.

New Opportunity (how does the bid promote an otherwise missed opportunity i.e. obtain external funding?)

The funding comes from the Better Care Fund.

Cost Savings (how does the bid deliver cost savings?)

No current cost savings

Optimise Income (how does the bid protect or create an incomes stream?)

No current income for LDC is generated through DFG

Options Appraisal (what other options were considered and why were they discounted?)

The Council participated in a County-wide DFG service review in 2017 and entered into a long-term contract arrangement to commission an external Home Improvement Agency Service to deliver DFGs.

Additional Information

A completed [Funding Bid Finance Profile](#) (a template is provided) and a completed [Funding Bid Assessment Form](#) (a template is provided) must be submitted with this form for the bid to be considered.

Declaration

By submitting this form you confirm that the information you have provided is accurate and complete and that you have the necessary approvals to make this bid. You understand that failing to do any of the above can result in disciplinary action.

Please return this form to the finance service.

Funding Bid Assessment Form

This form should be used to assess bids for revenue (reserves or windfall) funding or capital funding, providing comments associated with all assessment criteria to clearly outline the assessment outcome and so help prioritise bids and award funding.

Assessment Details

Project or Bid Name (provide a name for your bid or project)

Accessible Homes (Disabled Facilities Grants)

Project or Bid Assessment Scoring (provide scores and associated comments for the bid or project. Each criteria should score between 0 for no contribution or negative contribution and 5 for a very positive contribution)

Criteria	Weighting	Score	Comments
Priorities (how does the bid contribute to strategic priorities?)	6 (30 max.)	5	Statutory responsibility and Healthy & Safe Communities and Vibrant & Prosperous economy through supporting local contractors to complete the works via our partner HIA Service
Compliance (how does the bid deliver statutory or regulatory requirements?)	4 (20 max.)	5	Statutory responsibility to provide DFG
Investment (how does the bid maintain or enhance assets?)	2 (10 max.)	1	Maintains housing assets across the District
Opportunity (how has the bid attracted external funding?)	2 (10 max.)	5	We receive better care funding – in 2019/20 we received £977,562 and it is likely that this will increase in future years
Saving (how will the bid reduce costs to the council?)	3 (15 max.)	2	Potentially reduces homelessness and TA costs. Reduces costs to public sector , incl. NHS, SCC Social Care
Income (how will the bid create or protect income streams?)	3 (15 max.)	0	Doesn't currently generate income for LDC
Total (the total score for the bid, 100 max.)		68	

Please note: bids of 76 points and over will be regarded as very high priority, those between 51 and 75 points will be regarded as high priority, those between 26 and 50 points will be regarded as medium priority and those of 25 points and below will be regarded as low priority.

Assessing Officer Details

Name

Lucy Robinson

Job Title

Housing & Wellbeing Manager

Additional comments and information

DFG funding is essential to deliver the Council's statutory duty to provide Disabled facilities Grants to older and vulnerable people within our communities.

Finance Service Comments

Finance Officer Name

Andrew Nicklin

Detail comments and proposed amendments (where relevant)

No comments.

Leadership Team Comments

Detail comments and proposed amendments (where relevant)

Discussed at Leadership Team on 23/10/2019 no specific comments.

Funding To Be Awarded?

☐ Yes

☐ No

Funding Bid Form

This form should be used to submit a bid for revenue (reserves or windfall funding) or capital funding. Assistance on how to complete this form can be obtained by referring to the relevant guidance document. Once completed the form should be returned to: finance@lichfielddc.gov.uk. If required, please seek advice from the finance service.

Lead Officer Details

Name

Anthony Thomas

Job Title

Head of Finance & Procurement

Service

Finance & Procurement

Cost Centre

0602

Funding Bid Details

Project or Bid Name (provide a name for your bid or project)

Financial Information System

Description (provide an overview of the bid or project)

Our shared service partner Solihull MBC are upgrading their Financial Information System to a cloud based version with a go live date of April 2021. We need to either continue our arrangement with Solihull or procure a new system. At this stage capital costs are expected to be similar whichever option is chose.

Is the bid for revenue (reserves or windfall) or capital funding? (complete all relevant)

☒ Revenue funding

☒ Capital funding

Is this a one-off request or ongoing programme (i.e. maintenance)?

☐ Ongoing Programme

☒ One-off Project (provide duration)¹

¹Duration (if relevant)?

1-2 years although
licence fees will be
annual

Business Case Details

Does the bid have a return on investment (i.e. invest-to-save)?

☐ Yes (provide yield) ²

☒ No

²Yield (if relevant)?

Justification (provide the reasons for the bid, including the outcomes that will be delivered)

A Financial Information System is required to record all financial data and to provide information and support to other internal departments to enable them to run their service.

Strategic Priorities (how does the bid support delivery of our strategic priorities?)

The FIS enables the Finance team to deliver the council priority of being fit for the future. Recording and monitoring of all the Council's financial data, supporting all services to manage their financial performance, payment of suppliers and collection of sundry debt.

Statutory Requirements (how does the bid support delivery of our legislative or regulatory requirements?)

The FIS data is used for completion of the statutory financial accounts, transparency agenda requirements, and freedom of information requests.

Asset Management (how does the bid contribute to the maintenance or enhancement of our assets?)

N/A

New Opportunity (how does the bid promote an otherwise missed opportunity i.e. obtain external funding?)

N/A

Cost Savings (how does the bid deliver cost savings?)

Potential for ongoing revenue savings dependent on which option is used.

Optimise Income (how does the bid protect or create an incomes stream?)

N/A

Options Appraisal (what other options were considered and why were they discounted?)

There is no option to remain on the current system version and any change of Financial Information System will incur implementation costs due to the work required.

Additional Information

A completed Funding Bid Finance Profile (a template is provided) and a completed Funding Bid Assessment Form (a template is provided) must be submitted with this form for the bid to be considered.

Declaration

By submitting this form you confirm that the information you have provided is accurate and complete and that you have the necessary approvals to make this bid. You understand that failing to do any of the above can result in disciplinary action.

Please return this form to the finance service.

Funding Bid Assessment Form

This form should be used to assess bids for revenue (reserves or windfall) funding or capital funding, providing comments associated with all assessment criteria to clearly outline the assessment outcome and so help prioritise bids and award funding.

Assessment Details

Project or Bid Name (provide a name for your bid or project)

Financial Information System

Project or Bid Assessment Scoring (provide scores and associated comments for the bid or project. Each criteria should score between 0 for no contribution or negative contribution and 5 for a very positive contribution)

Criteria	Weighting	Score	Comments
Priorities (how does the bid contribute to strategic priorities?)	6 (30 max.)	5/5 (30)	The FIS enables the Finance team to deliver the council priority of being fit for the future. Recording and monitoring of all the Council's financial data, supporting all services to manage their financial performance, payment of suppliers and collection of sundry debt.
Compliance (how does the bid deliver statutory or regulatory requirements?)	4 (20 max.)	5/5 (20)	The FIS data is used for completion of the statutory financial accounts, transparency agenda requirements, and freedom of information requests.
Investment (how does the bid maintain or enhance assets?)	2 (10 max.)	0/5 (0)	Not applicable
Opportunity (how has the bid attracted external funding?)	2 (10 max.)	0/5 (0)	Not applicable
Saving (how will the bid reduce costs to the council?)	3 (15 max.)	0/5 (0)	Potential for ongoing revenue savings dependent on which option is used.
Income (how will the bid create or protect income streams?)	3 (15 max.)	5/5 (15)	By allowing all sundry debtor invoices to be raised and debt collected.
Total (the total score for the bid, 100 max.)		65	

Please note: bids of 76 points and over will be regarded as very high priority, those between 51 and 75 points will be regarded as high priority, those between 26 and 50 points will be regarded as medium priority and those of 25 points and below will be regarded as low priority.

Assessing Officer Details

Name

Anthony Thomas

Job Title

Head of Finance and Procurement

Additional comments and information

Finance Service Comments

Finance Officer Name

Andrew Nicklin

Detail comments and proposed amendments (where relevant)

No comments – based on a briefing note to Leadership Team using the Oracle Cloud option.

Leadership Team Comments

Detail comments and proposed amendments (where relevant)

Discussed at Leadership Team on 23/10/2019 no specific comments.

Funding To Be Awarded?

☐ Yes

☐ No

Funding Bid Form

This form should be used to submit a bid for revenue (reserves or windfall funding) or capital funding. Assistance on how to complete this form can be obtained by referring to the relevant guidance document. Once completed the form should be returned to: finance@lichfielddc.gov.uk. If required, please seek advice from the finance service.

Lead Officer Details

Name

Kevin Sleeman

Job Title

Information and Communications Technology Manager

Service

Information and Communications Technology

Cost Centre

TBC

Funding Bid Details

Project or Bid Name (provide a name for your bid or project)

ICT Hardware Capital Bid

Description (provide an overview of the bid or project)

The bid is designed to introduce an ICT replacement programme aimed at rolling out a standardised hardware offering to all staff that will enable all working styles which reducing the procurement costs, management costs and risk associated with a diversified ICT estate.

Is the bid for revenue (reserves or windfall) or capital funding? (complete all relevant)

☐ Revenue funding

☒ Capital funding

Is this a one-off request or ongoing programme (i.e. maintenance)?

☐ One-off Project (provide duration)¹

☒ Ongoing Programme

¹Duration (if relevant)?

Business Case Details

Does the bid have a return on investment (i.e. invest-to-save)?

☐ Yes (provide yield) ²

☒ No

²Yield (if relevant)?

Justification (provide the reasons for the bid, including the outcomes that will be delivered)

The bid will provide the council with the ability to continually update our ICT hardware and mobile devices, allowing us to ensure staff have fast and secure devices that meet all existing legislation while meeting their ongoing and ever increasing demands. The devices being proposed would allow the hardware and mobile devices to be replaced more regularly and so retain value that could be obtained when they are replaced and so offsetting some of the costs. In addition, the devices would be standardised thereby allowing one type of device to meet all potential needs while at the same time reducing the burden on ICT to continually manage a diversified estate –

which in itself will save financially as well as through the release of resources (staff time). Finally, the use of modern devices will standardise workplace requirements and support a culture change to a more modern, flexible and agile workforce and promote modern ways of working. Finally, this approach, which has been successful in other organisations, will allow us to make much faster decisions around the future decisions related to ICT hardware, software and organisational change.

Strategic Priorities (how does the bid support delivery of our strategic priorities?)

The bid will support the council in being fit for the future, while enabling services to deliver the outcomes across all other strategic objectives by giving them the require equipment to effectively deliver their own services.

Statutory Requirements (how does the bid support delivery of our legislative or regulatory requirements?)

The replacement of our computer and mobile device estate is required in order to ensure we have the means to support the ongoing safety and security of ICT estate and infrastructure, meeting our legislative requirements while also offering protection against cyber security threats. Outdated ICT hardware can lead to software issues that can jeopardise the maintenance of our cybersecurity and personal data.

Asset Management (how does the bid contribute to the maintenance or enhancement of our assets?)

The continual upgrade of devices will not only ensure we have a modern ICT estate but will also ensure that we have less downtime for staff across the council. In addition, regular replacement means the hardware will retain a value and enable the council to obtain a return when replacing devices and so offsetting a proportion of the costs.

New Opportunity (how does the bid promote an otherwise missed opportunity i.e. obtain external funding?)

Not applicable.

Cost Savings (how does the bid deliver cost savings?)

The main savings will be in staff time both in ICT and also those using the devices. In addition, there will be some savings from the reduction in maintenance of a diversified ICT estate as well as potentially through larger volume procurement routes (economies of scale).

Optimise Income (how does the bid protect or create an incomes stream?)

Not applicable.

Options Appraisal (what other options were considered and why were they discounted?)

Do nothing – this would mean that one off purchases would be made as and when requested or required with no coordinated approach and no large scale upgrades, leading to some computers and mobile devices being slow and not fit for purpose. This could also pose a problem when deploying hardware and software changes e.g. compatibility issues.

Invest in different devices – this would lead to a similar issue to above but would at least modernise the ICT estate in a managed way. However, we would lose some of the benefits of being able to promote modern and flexible working as the compatibility of device power and accessories may lead to us being unable to have true hot-desking and flexible working practices and may also lead to issues in the ability for chosen devices to offer the flexibility being proposed.

Additional Information

A completed [Funding Bid Finance Profile](#) (a template is provided) and a completed [Funding Bid Assessment Form](#) (a template is provided) must be submitted with this form for the bid to be considered.

Declaration

By submitting this form you confirm that the information you have provided is accurate and complete and that you have the necessary approvals to make this bid. You understand that failing to do any of the above can result in disciplinary action.

Please return this form to the finance service.

Funding Bid Assessment Form

This form should be used to assess bids for revenue (reserves or windfall) funding or capital funding, providing comments associated with all assessment criteria to clearly outline the assessment outcome and so help prioritise bids and award funding.

Assessment Details

Project or Bid Name (provide a name for your bid or project)

ICT Hardware Capital Bid

Project or Bid Assessment Scoring (provide scores and associated comments for the bid or project. Each criteria should score between 0 for no contribution or negative contribution and 5 for a very positive contribution)

Criteria	Weighting	Score	Comments
Priorities (how does the bid contribute to strategic priorities?)	6 (30 max.)	30	The bid helps us be more 'fit for the future' but also enables modern and flexible working and so enabling all services to deliver better services for the customer.
Compliance (how does the bid deliver statutory or regulatory requirements?)	4 (20 max.)	15	Standard hardware will allow us to implement more control over data and access to our systems and services, leading to increased levels of compliance.
Investment (how does the bid maintain or enhance assets?)	2 (10 max.)	5	It will maintain our ICT estate and ensure these are renewed regularly to help people undertake their duties, retain speed etc.
Opportunity (how has the bid attracted external funding?)	2 (10 max.)	0	Not applicable
Saving (how will the bid reduce costs to the council?)	3 (15 max.)	10	There will be a cost saving from the management and procurement costs. In addition, there are other related savings which cannot currently be quantified (see bid).
Income (how will the bid create or protect income streams?)	3 (15 max.)	0	Not applicable
Total (the total score for the bid, 100 max.)		60	

Please note: bids of 76 points and over will be regarded as very high priority, those between 51 and 75 points will be regarded as high priority, those between 26 and 50 points will be regarded as medium priority and those of 25 points and below will be regarded as low priority.

Assessing Officer Details

Name

Kevin Sleeman

Job Title

Information and Communications Technology Manager

Additional comments and information

Finance Service Comments

Finance Officer Name

Andrew Nicklin

Detail comments and proposed amendments (where relevant)

No specific comments.

Leadership Team Comments

Detail comments and proposed amendments (where relevant)

Discussed at Leadership Team on 23/10/2019 and concerns were raised that ICT hardware budgets were centralised and how the use of these budgets was prioritised. In addition, this investment is to enable more agile working and the Business Case for this approach should form part of the case for capital investment.

Funding To Be Awarded?

☐ Yes

☐ No

Funding Bid Form

This form should be used to submit a bid for revenue (reserves or windfall funding) or capital funding. Assistance on how to complete this form can be obtained by referring to the relevant guidance document. Once completed the form should be returned to: finance@lichfielddc.gov.uk. If required, please seek advice from the finance service.

Lead Officer Details

Name

Craig Jordan

Job Title

Head of Economic Growth

Service

Economic Growth

Cost Centre

Funding Bid Details

Project or Bid Name (provide a name for your bid or project)

University Coach Park

Description (provide an overview of the bid or project)

To deliver a dedicated permanent coach park providing spaces for visitor coaches serving Lichfield.

The project would be to acquire the necessary land and confirm a specific proposal (building upon plans and drawings previously commissioned and costed) for a coach park on land at the Friary, obtain the necessary planning consent and procure a contractor to undertake the works.

Is the bid for revenue (reserves or windfall) or capital funding? (complete all relevant)

☐ Revenue funding

☒ Capital funding

Is this a one-off request or ongoing programme (i.e. maintenance)?

☒ One-off Project (provide duration)¹

☐ Ongoing Programme

¹Duration (if relevant)?

12-18 months

Business Case Details

Does the bid have a return on investment (i.e. invest-to-save)?

☐ Yes (provide yield)²

☒ No

²Yield (if relevant)?

Justification (provide the reasons for the bid, including the outcomes that will be delivered)

The Council has long maintained a plan to improve coach parking facilities in Lichfield as part of its approach to promoting the city as a tourism destination. At present the availability of coach parking facilities is a limitation on the extent to which the city can capture more of the visitor coach market. This is an ever growing and important

market and therefore it is appropriate to seek to enhance the capacity of coach parking and in doing so improve the customer experience too.

Existing provision is located at the bus station on Birmingham Road. Here are located c3 number of spaces. Under previous proposals to re-develop land at Birmingham Road which included the bus station for a retail-led mixed use city centre scheme, the existing spaces would have been lost. A plan was therefore developed to provide a new dedicated coach parking facility on land at the University in Lichfield located off the Friary adjacent to the city centre. Work started on implementing this plan as the proposals for the city centre scheme ('Friarsgate') were finalised ready for implementation.

In July 2018 a decision by the District Council not to fund Friarsgate led to a scheme agreement with a partner falling and the scheme not progressing.

Work has commenced on formulating new proposals for the Birmingham Road site including land occupied by the bus station as part of a wider master planning exercise looking at the whole of Lichfield city centre. This work should be completed by the end of this calendar year with the Council – as the landowner – deciding what it wants to see come forward.

Although the master planning might result in plans for Birmingham Road incorporating facilities for bus operators and passengers, it is unlikely that there will be scope to include the same for visitor coaches other than possibly replicating existing provision. This would not address the concerns the District Council and partner organisations have about the need for more and better coach parking provision.

Notwithstanding the issues around development of the Birmingham Road site as described, the Council continues to pursue its plans for delivering a coach park on land at the Friary. This land is owned by the university and operates as a public car park under an agreed arrangement with the District Council. Negotiations between the District Council and the University for the former to purchase the site are on-going and it is hoped to finalise these shortly. Once the purchase is completed it is the intention to progress the delivery of the coach park.

Nb. Whilst the master planning takes place, the Council is bringing forward some interim/enabling works to address estate management issues and take advantage of short term opportunities with land being available at Birmingham Road prior to it being re-developed. These proposals include the provision of additional temporary visitor coach parking spaces as part of the project.

Strategic Priorities (how does the bid support delivery of our strategic priorities?)

The project of delivering a coach parking facility would align with the strategic plan objectives of promoting a vibrant and prosperous local economy. In particular it would reflect one of the key actions set out in the strategic plan under this heading which refers to encouraging increased visitor numbers and increased spend. If implemented the development would also complement other planned activities which together would provide for a regenerated and thriving Lichfield city centre. In addition by increasing trips to the city via coaches this potentially lowers the demand for access by private car and hence contributing to less congestion and lower carbon emissions. This would be in line with the strategic objective of providing for healthier and safer communities.

Statutory Requirements (how does the bid support delivery of our legislative or regulatory requirements?)

There are no statutory requirements on the part of the Council to deliver coach parking spaces or related facilities. Good practice guidance published by the British Parking Association does however recommend a standard of coach parking infrastructure over and above and what is now provided for including dedicated toilet facilities.

Asset Management (how does the bid contribute to the maintenance or enhancement of our assets?)

Delivering this project would assist in enhancing the District Council's assets by improving the scope for more commercial development opportunities to come forward on the Birmingham road site and also help to improve the viability and sustainability of Lichfield city centre and in doing so improve the value of other Council assets located in or directly adjacent this area.

New Opportunity (how does the bid promote an otherwise missed opportunity i.e. obtain external funding?)

Previously and linked to delivery of the Friarsgate scheme funding towards this project was confirmed by the Greater Birmingham and Solihull Local Enterprise Partnership (c£500,000). However on the cessation of the Friarsgate scheme this funding offer was withdrawn by the LEP. A bid to the Government's Future High Streets Fund earlier this year included an 'ask' for both capital and revenue funding to help deliver this particular project as part of a wider package of proposals aimed at protecting and safeguarding Lichfield city centre as a primary destination for residents and visitors. The bid was unsuccessful. There is a potential opportunity to bid again in a future Round 2 of the FHSF and seek separate funding from the GBSLEP and Stoke and Staffordshire LEP. The former has recently launched an initiative aimed at supporting towns and local centres through various policy and funding interventions and the Council is in dialogue with the GBSLEP.

Cost Savings (how does the bid deliver cost savings?)

The bid would not deliver cost savings as costs associated with existing coach parking provision are far less than would be involved in the delivery of this project and including longer term income streams.

Optimise Income (how does the bid protect or create an incomes stream?)

Whilst charges would apply to coaches using the new facility the income stream would not be significant and the intention of the project is not to generate income per se but to enhance the attractiveness of Lichfield city centre as a visitor destination. In this sense the project is more likely to protect existing income streams to the Council which flow from business rates and Council tax with people wishing to visit and live in Lichfield.

Options Appraisal (what other options were considered and why were they discounted?)

As stated above, it is unlikely that the existing Birmingham road site will be able to accommodate the needs of the city for a dedicated coach parking facility given competing needs and the commercial value of this area. The Council has a number of car parks located across the city centre and the potential to re-configure one or more of these to provide for parking spaces was considered but discounted as not being able to meet the requirements for a single, clearly defined and accessible location. For the same reasons, the idea of dedicated coach parking drop-off and lay up facilities at locations around the city centre was discounted.

Additional Information

A completed Funding Bid Finance Profile (a template is provided) and a completed Funding Bid Assessment Form (a template is provided) must be submitted with this form for the bid to be considered.

Declaration

By submitting this form you confirm that the information you have provided is accurate and complete and that you have the necessary approvals to make this bid. You understand that failing to do any of the above can result in disciplinary action.

Please return this form to the finance service.

Funding Bid Assessment Form

This form should be used to assess bids for revenue (reserves or windfall) funding or capital funding, providing comments associated with all assessment criteria to clearly outline the assessment outcome and so help prioritise bids and award funding.

Assessment Details

Project or Bid Name (provide a name for your bid or project)

University Coach Park

Project or Bid Assessment Scoring (provide scores and associated comments for the bid or project. Each criteria should score between 0 for no contribution or negative contribution and 5 for a very positive contribution)

Criteria	Weighting	Score	Comments
Priorities (how does the bid contribute to strategic priorities?)	6 (30 max.)	5	The project of delivering a coach parking facility would align with the strategic plan objectives of promoting a vibrant and prosperous local economy. In particular it would reflect one of the key actions set out in the strategic plan under this heading which refers to encouraging increased visitor numbers and increased spend. If implemented the development would also complement other planned activities which together would provide for a regenerated and thriving Lichfield city centre
Compliance (how does the bid deliver statutory or regulatory requirements?)	4 (20 max.)	0	No statutory requirement to provide coach parking facilities
Investment (how does the bid maintain or enhance assets?)	2 (10 max.)	5	Delivering this project would assist in enhancing the District Council's assets by improving the scope for more commercial development opportunities to come forward on the Birmingham road site and also help to improve the viability and sustainability of Lichfield city centre and in doing so improve the value of other Council assets located in or directly adjacent this area.
Opportunity (how has the bid attracted external funding?)	2 (10 max.)	0	The scheme when linked with the Friarsgate project previously attracted funding of c£500,000. This offer was withdrawn with the demise of this scheme. No external funding offers are currently available though approaches are being made to the two LEP's to see if funding could be made available.
Saving (how will the bid reduce costs to the council?)	3 (15 max.)	0	The bid would not deliver cost savings as costs associated with existing coach parking provision are far less than would be involved in the delivery of this project and including longer term income streams.
Income (how will the bid create or protect income streams?)	3 (15 max.)	5	Delivery of this project will help to maintain and hopefully increase income flows with more coach operators attracted to the new facility. A dedicated coach parking facility will also Complement other city centre infrastructure necessary to support a thriving local economy and place for investment and good financial returns.
Total (total score for the bid, 100 max.)		55	

Please note: bids of 76 points and over will be regarded as very high priority, those between 51 and 75 points will be regarded as high priority, those between 26 and 50 points will be regarded as medium priority and those of 25 points and below will be regarded as low priority.

Assessing Officer Details

Name

Craig Jordan

Job Title

Head of Economic Growth

Additional comments and information

The bid includes a request for additional funding to secure acquisition of the land then for delivery of the project. An existing budget of £300,000 has been used to date to fund project costs including legal fees, the cost of acquiring the land to facilitate the project is likely to mean the budget is exceeded and therefore part of this bid includes a request for additional funds to secure the site (purchase price plus related legals).

The capital works are estimated at £1m based on a specification prepared previously. The specification and costings would need to be reviewed. The bid consequently builds in a contingency element to cover for any required design changes and project costings.

Finance Service Comments

Finance Officer Name

Andrew Nicklin

Detail comments and proposed amendments (where relevant)

No specific comments.

Leadership Team Comments

Detail comments and proposed amendments (where relevant)

Discussed at Leadership Team on 23/10/2019 – a £500k Bid for funding to the LEP will be undertaken and if this is successful it would reduce the cost to the Council.

Funding To Be Awarded?

☐ Yes

☐ No

Revenue Budget – 25 Year Model (1 to 10 years, 15 years, 20 years and 25 years)

Key Assumptions													
Year	1	2	3	4	5	6	7	8	9	10	15	20	25
Council Tax Base	38,011	39,032	39,717	40,627	41,487	41,999	41,999	42,330	42,661	42,992	44,647	46,302	47,957
Projected Residential Growth - LHN							331	331	331	331	331	331	331
Projected Council Tax Base							42,330	42,661	42,992	43,323	44,978	46,633	48,288
Council Tax Band D	£175	£180	£185	£190	£195	£199	£203	£207	£211	£215	£238	£262	£289
Modelled Council Tax Increase	£5.00	£5.00	£5.00	£5.00	£5.00	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
LG Futures Property Based Unit Cost	£53	£54	£55	£56	£57	£58	£59	£61	£62	£63	£70	£77	£85
Core Budget Inflation Allowance						2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Funding and Pension Inflation Allowance						2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

	Medium Term Financial Strategy					Additional Projections							
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2033/34	2038/39	2043/44
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Year	1	2	3	4	5	6	7	8	9	10	15	20	25
Modelled Total Expenditure	10,987	10,813	11,125	11,698	11,976	12,078	12,484	12,769	13,210	13,660	15,981	18,824	22,121
<u>Inflation and Budget Variations</u>													
Provision for Pay and Other Inflation	0	(3)	(2)	0	3	302	302	320	328	339	397	467	550
Budget Pressure - Residential Growth						30	20	20	20	21	23	25	28
Budget Variations	258	1,299	7	57	390	(362)							
Revenue Implications of Capital Bids	0	78	68	79	37	42							
Sub Total	11,245	12,187	11,198	11,834	12,406	12,090	12,806	13,109	13,558	14,020	16,400	19,317	22,699
<u>Other Projections</u>													
Annual Increase in Past Service Pensions						100	102	104	106	108	120	132	146
Treasury Management	0	(97)	(97)	(97)	(97)								
Further Option - Internal Borrowing	0	(31)	(98)	(164)	(231)					(136)			
MRP for Burntwood LC completed							(135)						
FGLC short term running costs end						294	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Replacement for FGLC Debt Costs													
Total Modelled Expenditure	11,245	12,059	11,003	11,573	12,078	12,484	12,769	13,210	13,660	13,988	16,516	19,445	22,841

	Medium Term Financial Strategy					Additional Projections							
	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2033/34 £000	2038/39 £000	2043/44 £000
Modelled Funding: <u>Retained Business Rates</u>													
Baseline Funding Level	(2,083)	(2,125)	(2,168)	(2,211)	(2,255)	(2,300)	(2,346)	(2,393)	(2,441)	(2,490)	(2,749)	(3,035)	(3,351)
Fair Funding - Negative RSG principles	0	0	477	491	506	516	526	537	548	559	617	681	752
Retained Growth - full & phased resets	(746)	(895)	(89)	(116)	(123)	(100)	(102)	(104)	(106)	(108)	(120)	(132)	(146)
<u>New Homes Bonus / Replacement</u>													
New Homes Bonus - total receipt	(1,278)	(1,770)	(911)	(680)									
New Homes Bonus - Replacement					(300)	(200)	(100)	0	0	0	0	0	0
<u>Council Tax and Other Funding</u>													
Collection Fund and one off funding	(932)	(506)	(86)	(109)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)
Council Tax	(6,655)	(7,029)	(7,350)	(7,722)	(8,093)	(8,356)	(8,589)	(8,829)	(9,074)	(9,326)	(10,685)	(12,225)	(13,969)
Total Modelled Funding	(11,694)	(12,325)	(10,127)	(10,347)	(10,300)	(10,475)	(10,646)	(10,824)	(11,108)	(11,400)	(12,972)	(14,746)	(16,749)

Modelled Funding Gap/(General Reserves)	(449)	(266)	876	1,226	1,778	2,009	2,123	2,385	2,552	2,588	3,544	4,700	6,092
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Memorandum Item	Legacy Payments					New Scheme		
New Homes Bonus - Base Budget	(700)	(600)	(500)	(400)	(300)	(200)	(100)	0

	Medium Term Financial Strategy					Additional Projections							
Available General Reserves Year Start	3,710	4,159	5,595	6,006	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286
Contributions from Revenue Account	339	266	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus in excess of the 'Cap'	110	1,170	411	280	0								
Available General Reserves Year End	4,159	5,595	6,006	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286

Available General Reserves assuming no Savings/income identified	4,159	5,595	5,130	4,183	2,405	396	0
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