

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 13TH SEPTEMBER, 2022

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No	Item
------------------	-------------

6.	<u>ITEMS REFERRED FROM OTHER COMMITTEES</u> (Pages 3 - 20)
----	---

Any Items referred from other committees will be circulated as soon as they are available.

Please find enclosed:

7A – O&S – 6 Sept – 2022-27 Community Consultation Strategy
7B – FAR – 7 Sept – Council Tax Reduction Scheme 2022/23
7C – FAR – 7 Sept – First Quarter Investment Strategy (Capital and Treasury) Review 2022/23
7D – FAR – 7 Sept – First Quarter Revenue Budget Monitoring 2022/23
7E – FAR – 7 Sept – Medium Term Financial Strategy

This page is intentionally left blank

7a. REFERRAL FROM O&S 6 SEPTEMBER 2022: 2022-27 COMMUNITY CONSULTATION STRATEGY

RECOMMENDED TO CABINET: That Cabinet approve the Community Consultation Strategy for the period 2022-27.

REASONS FOR REFERRAL:

- (1) Consultation is critical to demonstrate that the council is committed to engaging with its community, to help shape the direction of future policies, to inform necessary improvement or refinements to services and to ascertain if current approaches to service delivery are meeting the needs of residents.
- (2) Our most recent District Wide Survey (DWS) highlights a decline in resident views since 2019 on how we consult with them. We need to proactively show that we are a council that listens and wants to engage with our residents by successfully implementing our community-facing strategy.
- (3) Increased forms of digital consultation will enable us to reach a wider audience more frequently

The Communications Manager presented the report entitled '2022-27 Community Consultation Strategy' and advised Members of the following updates:

- The survey results from this year highlighted that residents' views on their involvement and engagement by the Council has gone down since 2019, but this was understandable as much consultation work during this time had been focussed on the pandemic response.
- This proposal is for a resident facing, community-based consultation strategy and will involve explaining the consultation process to residents.
- There was a need to consult residents more regularly and increase the level of digital consultation happening. The pandemic had demonstrated that the local community was capable and willing to use digital means to be consulted.
- It was being explored whether a twice per annum District Wide survey could be launched, to give of the moment attitudes of residents.
- Sharing results and being transparent with these was important and these would be displayed on dedicated webpage.

Councillor Terry Hone noted that it was important to take into account, as this proposal has done, those people who do not have the ability or facilities to use digital technology. It was good to see this included as a consideration.

The following Members asked questions:

- Councillor Claire Strong
- Councillor Adam Compton
- Councillor David Levett

In response to questions, the Service Director – Place advised:

- Funding of £8,000 had been allocated to the Engage Zencity platform, which was a discounted rate for the first two years. This came from the strategic priorities funding initially as a trial, and the effectiveness of this platform would be assessed ahead of a full budget bid.

In response to questions, the Communications Manager advised:

- The strategy regarding social media posts, especially since changes to the Facebook Newsfeed algorithm, was to repeat key messages across posts and to utilise different social media channels. This maximises the potential engagement of residents with key Council messages.
- There was the possibility to use a banner across the top of the Council's website, and currently this space was used by the "Ease the Squeeze" campaign.
- The plan was for each new consultation to be included on the banner on the homepage, with a dedicated page linked to this regarding ongoing and past consultations and outcomes.

Councillor Alistair Willoughby proposed and Councillor Claire Strong seconded and, following a vote, it was:

RECOMMENDED TO CABINET: That Cabinet approve the Community Consultation Strategy for the period 2022-27.

REASONS FOR REFERRAL:

- (1) Consultation is critical to demonstrate that the council is committed to engaging with its community, to help shape the direction of future policies, to inform necessary improvement or refinements to services and to ascertain if current approaches to service delivery are meeting the needs of residents.
- (2) Our most recent District Wide Survey (DWS) highlights a decline in resident views since 2019 on how we consult with them. We need to proactively show that we are a council that listens and wants to engage with our residents by successfully implementing our community-facing strategy.
- (3) Increased forms of digital consultation will enable us to reach a wider audience more frequently

The reports and papers associated with this item can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 6th September, 2022, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

7B. REFERRAL FROM FAR 7 SEPTEMBER 2022: COUNCIL TAX REDUCTION SCHEME 2023/24

RECOMMENDED TO CABINET: That Cabinet:

- (1) Note a full review is well underway and consultation with the public and Major Precepting Authorities will run for six weeks from 05 September 2022
- (2) Note progress made so far on the review and the intention is to introduce a new banded scheme for working age applicants from 01 April 2023
- (3) Note intention of review is to introduce a new scheme that will enable us to increase overall level of support for lowest income families and reduce administrative burden on Council, as well as making the scheme easier for our customers to understand and calculate entitlement
- (4) Note that modelling the new scheme may increase the costs from those of the current scheme

REASON FOR DECISIONS: To ensure that the Council has a fit for purpose Council Tax Reduction Scheme that:

- Provides the greatest support to the lowest income households
- Reduces the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)
- Is simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

Audio recording – 47:00

Ian Couper, Service Director – Resources, presented the report entitled Council Tax Reduction Scheme 2023/24.

- Every year the Council is required to review its Council Tax Reduction Scheme. This year the Council has done a more fundamental review since there has been no major changes since the scheme was introduced.
- This report is to notify Cabinet what is going on but presented to FAR to comment on due to the financial implications.
- The proposal is that it will move to a banded scheme. This means that instead of each person or property being assessed a rate of council tax discount, they'll fall into bands meaning that small changes will have less of an impact and therefore they'll be less administration and less confusion for the residents.
- This scheme will only apply to working age claimants. Anyone who is an older claimant falls under the mandatory scheme and the Council doesn't have the ability to change the council tax reduction for those.
- The consultation will run from the 14th September 2022, which is after the Cabinet meeting next week, not from the 5th September 2022 as detailed in the report.
- The consultation will be with the public, Herts County Council and the Police and Crime Commissioner.

- The current estimate of impact is that it will reduce the number of properties in which we can charge council tax on. Those that are eligible for Council Tax Reduction count as less than one property, therefore if there is a lower council tax base there are more properties that are eligible for the Council Tax Reduction Scheme.
- The overall cost is low and the revenues team has forecast that the costs will go down
- Overall it provides a better experience for residents. People will stay in one band rather than keep moving around, especially those on universal credit
- There is a discretionary element for those who might lose out to aid transition so they will not be as badly affected initially

Ian Couper noted that Councillor Ian Albert has been very involved within this scheme and can also help with any questions Members may have.

The following Members asked questions:

- Councillor Terry Hone
- Councillor Terry Tyler
- Councillor Clare Billing

In response to questions Ian Couper advised:

- North Hertfordshire District Council are the first to make these changes to the Council Tax Reduction Scheme

Also in response to questions, Councillor Albert responded:

- This scheme will be put in place initially for one year, but will look at how it can progress further
- The scheme had been remodelled many times and it is predicted that less than 100 people will be affected. However, there should still be a discretionary scheme.
- The discretionary scheme is aimed at those who might not be entitled. We will identify who is in that situation and proactively contact them and propose the discretionary element of the scheme
- Since we will know their circumstances, we will work through it with them and decide on the discretionary element
- They won't need to fill in loads of forms as they will have completed an application to be on the scheme

Councillor Tyler suggested that we hear more about the scheme in the next session.

RESOLVED: That the Committee note and comment on the Council Tax Reduction Scheme 2023/24

RECOMMENDED TO CABINET: That Cabinet:

- (1) Note a full review is well underway and consultation with the public and Major Precepting Authorities will run for six weeks from 05 September 2022
- (2) Note progress made so far on the review and the intention is to introduce a new banded scheme for working age applicants from 01 April 2023

- (3) Note intention of review is to introduce a new scheme that will enable us to increase overall level of support for lowest income families and reduce administrative burden on Council, as well as making the scheme easier for our customers to understand and calculate entitlement
- (4) Note that modelling the new scheme may increase the costs from those of the current scheme

REASON FOR DECISIONS: To ensure that the Council has a fit for purpose Council Tax Reduction Scheme that:

- Provides the greatest support to the lowest income households
- Reduces the administrative burden that has been placed on the Council since the introduction of Universal Credit (UC)
- Is simple to understand, meaning that customers will be able to calculate entitlement and assess the impact of potential changes in circumstances.

[The reports and papers associated with this item can be found here.](#)

This page is intentionally left blank

7C. REFERRAL FROM FAR 7 SEPTEMBER 2022: FIRST QUARTER INVESTMENT STRATEGY (CAPITAL AND TREASURY) REVIEW 2022/23

RECOMMENDED TO CABINET: That the Committee:

- (1) Notes forecast expenditure of £12.252M in 2022/23 on the capital programme
- (2) Approves the adjustments to the capital programme for 2022/23 onwards, increasing the estimated spend in 2023/24 by £2.048M
- (3) Notes the position of the availability of capital resources and requirement to keep the capital programme under review for affordability
- (4) Note the position of Treasury Management activity as at the end of June 2022

REASON FOR DECISIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk

Audio recording – 57:02

Ian Couper, Service Director – Resources, presented the report entitled First Quarter Investment Strategy (Capital and Treasury) Review 2022/23

- This report shows the investment strategy which is the combination of our capital programme and our treasury investments.
- The history of our capital budget since it was set in February 2022 and the changes that have happened since then. It takes us to a starting budget for this year £12.252M
- Some schemes are detailed within the report, the biggest one being John Barker Place. An amount was agreed a couple years back however it is clear now that we will not get to the right point of the construction phase to give that grant to them this year. Building work has made good progress but the grant is linked to the delivery of new affordable social housing in that area.
- IFRS is an international financial reporting standard that was supposed to be implemented within local authorities this year which would require us to put leased vehicles onto our balance sheet and so we need a capital provision to do that. This makes it easier for Councils to see the continuing impact on the financial statements and work of auditors. This has been delayed again so we won't do the adjustments this year and the impact will be felt next year
- There are schemes around the Newark Close Road in Royston and the Lairage Car Park both of which have been delayed.
- There are new spends in relation to the capital projects.
- The Park Homes insulation spend which will be £341,000 and is fully funded from a grant. This helps with the Councils green agenda and also those living in the houses.

- As we get Section 106 projects that are eligible, we bring the project and funding into the capital budget. We have identified £169,000 of that fund that will be used in the current year
- There are some projects with overspends and we are looking for Cabinet approval to continue with those in line with financial regulations.
- In playground renovations there was some carry forward from last year in relation to interactive play and whilst that has progressed to being finalised and was within the available budget initially, it was more than had been budgeted for and combined with the other planned works for the playgrounds, it means the variance will be higher the allowable tolerance in the financial regulations
- It has been identified, we have some funding so the actual impact on the Council is less than the £110,000. We can use £81,000 of Section 106 funding here
- The Royston Leisure Centre solar thermal is also an overspend. We got some quotes and they were £20,000 more than budget, which is outside tolerance so it has been put on hold until Cabinet decision
- The outdoor pool boilers in Hitchin and Letchworth weren't originally overspends and the initial quotes were above budget and within tolerance, but as work progressed they found a few extra things that pushed it over budget. However, it made no sense to abort the work at that stage. The tolerance is outside financial regulations but for good reason.
- The acquisition of Churchgate has finally been completed in terms of due diligence process and purchase and the final price we paid was lower than the budget
- The forecast of additions to capital seats from the year is 5.5M and a couple have already progressed this year. We continue to fund all of our capital programme from capital reserves.
- Capital is a big factor of how much cash we have, but all the other revenue reserves and provisions we have contribute to that
- We need to invest that surplus money somewhere to make sure its safe and diversified, but also to generate return
- At the moment, government are giving good returns in terms of short term cash deposits and this is why we have 45% of our money with government at the moment
- Last year good returns were 0.1% but now we're looking at returns 1.5% or above.
- There are some old treasury deals, which is why there are some lower returns, but when it gets put back in it'll come back at a higher rate
- The forecasts from Treasury advisors who are link asset services cover the amount of outstanding debt which we are slowly repaying
- The maturity structure of our investment is quite short which is deliberate due to the interest rates going up. This will change in the future and we will look at putting out money for a longer period

In response to questions from the Independent Person, Ian Couper advised:

- The funding is from government and therefore is linked to grants we are already aware of and are certain of
- The plan for Churchgate is to spend capital but we are working through a plan currently to set out a strategy and important public consultation around the site. Until we have something certain it won't be in the capital programme, we are looking at holding it for at least 2/3 years

Councillor Tyler commented that Churchgate would require some investment in the future.

RESOLVED: That the Committee note and comment on the First Quarter Investment Strategy (Capital and Treasury) Review 2022/23

RECOMMENDED TO CABINET: That Cabinet:

- (1) Notes forecast expenditure of £12.252M in 2022/23 on the capital programme
- (2) Approves the adjustments to the capital programme for 2022/23 onwards, increasing the estimated spend in 2023/24 by £2.048M
- (3) Notes the position of the availability of capital resources and requirement to keep the capital programme under review for affordability
- (4) Note the position of Treasury Management activity as at the end of June 2022

REASON FOR DECISIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk

[The reports and papers associated with this item can be found here.](#)

This page is intentionally left blank

7D. REFERRAL FROM FAR 7 SEPTEMBER 2022: FIRST QUARTER REVENUE BUDGET MONITORING 2022/23

RECOMMENDED TO CABINET: That Cabinet:

- (1) Note this report
- (2) Approves the changes to the 2022/23 General Fund budget, a £559k decrease in net expenditure
- (3) Notes the changes to the 2023/24 General Fund budget, a £414k increase in net expenditure
- (4) Delegates to the Service Director: Resources authority to enter in to a Business Rate Pooling arrangement (if available).

REASON FOR DECISIONS: Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.

Audio recording – 1:11:45

Ian Couper, Service Director – Resources, presented the report entitled First Quarter Revenue Budget Monitoring 2022/23.

- This report is on revenue budget and is what we spend on the day-to-day things, such as staffing
- Following the end of year position, we did notice one adjustment that needed to be made. This was put through the statement of accounts and it does affect the closing balance at the end of the year.
- Another thing to highlight is the amount of transfers to and from earmarked reserves wasn't quite there yet and we are still waiting for the final decision on the collection fund account
- The current plan from our external auditors is that they'll commence the audit of the 21/22 financial statements in November
- Our draft accounts have been published in line with the requirements and they are on our website.
- We have now gone through the public inspection of accounts period and we've had no feedback to directly to us and we will check with auditors if there has been any feedback with them. This process gives members of the public and residents a chance to ask questions and seek out documents we hold in relation to the statement of accounts
- In relation to table 3 of the report, the impact of these numbers is much lower than it could've been. The variances are moving in the right direction in terms of reducing our spend or increasing our income.
- This relates to our treasury investment income, we have a current forecast of an underspend of £589,000. This is predicted to have a continuing impact of half a million in future years
- A big provision was set within the budget at the start of the year in relation to the impact of covid-19 continuing. The amount we set aside seems to be right and a lot of variances within this relate to the provisions set aside to balance this
- Recycled materials is an area where the budget is moving in the right direction. At the moment, the value is very high compared to what we forecast it would be,

but these vary. Although there has been a £341,000 underspend this year, there's nothing in the forecast for next year as it may move by then

- Many areas of overspend are covered by the amount set aside for the impact of covid-19
- The only one that isn't, is in relation to staff costs. This forecast is based on the current employer offer to the unions which is a £1925 increase for all pay grades. This is being considered by unions at the moment, two have gone out with no recommendations, one is recommending employees don't take the offer. This is due back in September/October.
- For a number of years we have set a number of areas of income and the more significant areas of income for the Council. This has changed from last year, for example land charge has been taken out and bigger numbers have been put in.
- There are colour targets, red being if they will miss the forecast, amber they are uncertain if it will reach forecast and green when they are on track or exceed forecasts. These significant areas include garden waste charging, planning fees, and car parking
- We also have some activity linked to the areas which will give them context, for example number of bin subscribers for the garden waste charge.
- We have recently received an email from the Department of Levelling Up Housing and Community about interest in business rate pooling.
- We collect business rates and are able to retain a small portion of them. If there is any growth, we get to retain some of this. Business rate pooling allows the authorities in an area to join together to retain a higher amount of business rates. In order to do this, you must have the County Council and then usually four or five districts.
- In previous years it's been definite however this year it is more uncertain if it will happen. However, we are looking at doing it with Hertfordshire County Council. We are seeking delegation from Cabinet to commit to a pool if it looks beneficial for us.
- We have already commissioned some work as a joint group of chief finance officers across the county to look at if it makes sense and if we will be part of the pool.
- Our general fund is the Councils core pot of money, and the current projection is that we will be slightly ahead of where we were forecast to be. This is good news in relation to planning for the future.

The following Members asked questions:

- Councillor Clare Billing
- Councillor Terry Hone

In response to questions, Ian Couper advised:

- None of our estates income are in the report. Our estates portfolio generates income around £1M a year. We would expect that the income we used to get from Churchgate which was around £140,000 from the head lease will go up to reflect that we will be getting income directly from the tenants. In future maybe we will put our commercial income in the report in terms of our estates. Although there is a lot of income to be generated from Churchgate, there is also a lot of risk, especially in the medium term. We may need to set some aside in reserves to mitigate the impacts that may be coming down the line.
- I think the gas expenditure is realistic this year. On the Medium Term Plan Strategy, which is the next item, there is a further increase within that report.

- Yes we have benefit from business rate pooling in the past. It can vary between pooling gains between £300,000 up to about £600,000 on year.
- We account for AFM in arrears, so this is the number from last year so this would have been confirmed by now. Not sure what it is for this year as we will get it next year. It is a slow gradual rate of recovery, but it isn't back to where it used to be yet.

RESOLVED: That the Committee note and comment on the First Quarter Revenue Budget Monitoring 2022/23

RECOMMENDED TO CABINET: That Cabinet:

- (1) Note this report
- (2) Approves the changes to the 2022/23 General Fund budget, a £559k decrease in net expenditure
- (3) Notes the changes to the 2023/24 General Fund budget, a £414k increase in net expenditure
- (4) Delegates to the Service Director: Resources authority to enter in to a Business Rate Pooling arrangement (if available).

REASON FOR DECISIONS: Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process

[The reports and papers associated with this item can be found here.](#)

This page is intentionally left blank

7E. REFERRAL FROM FAR 7 SEPTEMBER 2022: MEDIUM TERM FINANCIAL STRATEGY

RECOMMENDED TO CABINET:

- (1) That the Committee note and comment on the Medium Term Financial Strategy, including the recommendations that will be made to Cabinet.
- (2) That Cabinet recommends to Full Council the adoption of the Medium Term Financial Strategy 2023-28

REASON FOR DECISIONS: Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2023/24 to 2027/28. This will support the Council in setting a budget that is affordable and aligned to Council priorities.

Audio recording – 1:27:32

Ian Couper, Service Director – Resources, presented the report entitled Medium Term Financial Strategy.

- This report will go to Cabinet next week and will be recommended to full Council.
- The purpose of this report is to set out the Service Director – Resources view of where the budget is meant to be in future years. This is used to set a strategy of how we will manage that.
- We now have the double impact of covid-19, which we still haven't recovered from, and now inflation as well.
- A positive in the report is that we start out with a high general fund balance. We also have some other reserves which are safe to release into the general fund. This gives some mobility to smooth some bumps that may come along the way
- Page 176 of the report covers the covid-19 impacts and we're still going to set an amount aside in 23/24 to help with the continued recovery of covid-19. This will be roughly half the amount of the 22/23 amount.
- Some areas are recovering well. Short stay car parks have recovered, but season tickets and long stay car parks have taken a hit in ongoing income. Leisure has increase but may decrease with the cost of living crisis. Recycled materials has been doing well as mentioned in the last report and there has been some provisions made for future years as it is highly varied
- There is a section looking at the impacts of inflation. We have costs of providing our contractor services, pay inflation for staff, policies around fees and charges, eligibility for Council Tax Reduction Scheme (CTRS), and the interest rate increases.
- We are looking at just under 10% increase in waste contracts moving into this current year – May 2022. There has been a forecast of a similar increase for next year. The increase this year has been driven primarily by fuel inflation. We are expecting this to go back to normal levels from May 2024 and settling around 2%.
- Pay inflation is the offer from employers to the unions. There is a forecast of another 4% increase in 23/24. This could be a fixed rate for all rates or it could be more evened out. By 24/25 we may get back to more normal rates at around 2% inflation.
- With the inflation, our old policies around fees and charges no longer work. We are looking at what to model here. This is linked to staff costs in terms of the cost of providing those services. We are looking at increases of around 4%. It is fair to

continue with a cost recovery basis for our fees and charges and therefore modelling a 4% increase on those.

- In some areas we have previously made decisions to keep those fees and charges at a different rate, this is for parking and the garden waste charges which is currently paid at a 2% increase per year so the modelling assumes this will continue
- We think that the market can bear a 10% increase in line with the increase in our contract costs on trade waste. We are proposing in the modelling that's what will happen moving into the next year
- We have talked about the new CTRS scheme coming into place. There is a risk of increase due to the amount of people eligible rising due to the recession.
- In terms of waste cost, there are some government changes to the way waste is collected in terms of what bins districts are required to put out and collect. Additionally the possible positive returns scheme where people would take things like glass bottles and cans back to shops rather than putting them in waste bins. These are uncertain changes as of now. We are looking at our waste contract retendering and making sure it is fit for purpose in terms of what may come out of the government. There is risks here at what the costs may be for this.
- Page 180 looks at our various projects in the Council Delivery Plan. This sets out where these stand, which ones will continue in future years, where we stand resources wise, and some risks highlighted in terms of budgeting being set aside for things to continue.
- There is future funding from the government which is direct funding and rules around how we do funding. We are expecting constraint from government around council tax to be around 1.99%. Council tax makes around 70% of our funding, this adds to our pressures as it's not changing with inflation
- There is uncertainty around the amount of money we will get from governments medium term. There is a prospect of a new funding formula, possibly around 25/26. The impact of a new funding formula could be a cut of around £1M we have to use the assumption and model on that basis.
- In terms of future funding and future plans, we have healthy levels of general reserves and the plan should be to use that to mitigate the early impacts
- If we get to the stage where we have to cut services, they must be discretionary services and ones that are more likely to benefit residents.
- If we want to balance our budget in the next five years we have to budget the balance in the medium term. There will be a need in the current forecasts of substantial savings in the order of £2.6M currently. Over the last ten years we have probably saved around £11M against our services in that time. We are looking at redesigning how we do this, income generation and potentially some service cuts to deliver that level of savings. We are trying to use what we can before we get to that stage – more funding certainty, hopefully our residents to be in a better place to deal with any changes to our services and also time to plan what those will look like and do some public consultations on this.
- The scope for cost increases and investments in new service areas is limited.
- This mainly focuses on the revenue budget, capital budgets are a key component of our budgets and do have revenue impact. At the moment we managed to fund all our capital programme from capital receipts, but there is a cost of this and it is less money sitting in our investments so we will lost the interest on that money as we spend. Additionally when we run out of capital receipts, we will have to charge a minimum revenue provision which is a minimum amount we will have to charge the revenue account each year to reflect we're in a borrowing position. In the long term we have to start funding money from external borrowing and this comes at an interest cost. Last year it was around 2.5% but now it is around 4% and is continuing to go upwards.

The following Members and Independent Persons asked questions:

- Councillor Terry Hone
- John Cannon

In response to questions, Ian Couper advised:

- There isn't anything currently on the mention of refugees and the impact on the budget. This will be considered in the budget process in the end of February at what these costs will be. There is an emerging impact on the housing team around where we are in placement breakdowns under the refugee schemes. This is another risk that should be flagged in the report.
- The amount given to Parish Councils is a historic arrangement and was first introduced to offset the impact they had. It isn't directly subsidising a service they're required to provide, its providing funding that was taken away from them. If there is a new funding formula and it does lead to significant reductions in our funding we will look to withdraw the support to Parishes.
- Yes we are allowing enough time in the saving scale. The place we will be is that at some point next financial year, we will get notified by the government about what our future funding will look like. This will allow us to start the process of significant work with service managers and service directors around looking at the spend of the Council and where we could make savings if we had to. This will lead to public consultation around areas residents value and how they think we can make savings and then bring that together into a plan of what it looks like. This will allow us time to deliver those savings. We do still have our enterprise team which look at commercial opportunities. Our transformation work still continues looking at our processes, particularly AI and automation and how this can manage levels of staffing and take away admin work
- Current forecasts of Churchgate are that we would expect income surplus. We've funded the capital from capital receipts and will now get the income from the shopping centre rather than just from the head lease income so this will go up slightly. The current centre as it is has some costs associated with it, such as minor works, but these aren't forecasted to be significant or excessive. This may change and it will be necessary that we redo the centre because it will come with significant costs. The longer term is that we will borrow money, as a Council we can borrow from the government. We have capital receipts to do that and when we have a project plan we will use some of that surplus money to help seed the investment into the area. There isn't a detailed plan yet but we can cover a plan that will work for the area and the finances. It's worth highlighting in the report that there is a risk there, but it is a risk we will have control of.

RESOLVED: That the Committee note and comment on the Medium Term Financial Strategy, including the recommendations that will be made to Cabinet.

RECOMMENDED TO CABINET: That Cabinet recommends to Full Council the adoption of the Medium Term Financial Strategy 2023-28

REASON FOR DECISIONS: Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2023/24 to 2027/28. This will support the Council in setting a budget that is affordable and aligned to Council priorities.

[The reports and papers associated with this item can be found here.](#)

This page is intentionally left blank