Part I – Release to Press

Meeting:	**EXECUTIVE**	**Agenda Item:**	
Portfolio Area:	RESOURCES		

Date: **22 SEPTEMBER 2021**

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY UPDATE (2020/22 – 2025/26)

Author –	Clare Fletcher	Ext.No. 2933
Contributors -	Strategic Leadership Team	
Lead Officer –	Clare Fletcher	Ext.No. 2933
Contact Officer –	Clare Fletcher	Ext.No. 2933

1. PURPOSE

1.1. To update Members on the General Fund MTFS including the on-going COVID impacts.

1.2. To advise Members on the current and future position of the Council's General Fund budget over the next five years, including the projected impact of COVID on the General Funds financial resources in the current and future years.

1.3. To update Members on the 1st quarterly monitoring review for the General Fund.

1.4. To update Members on revised inflation projections and pressures for the General Fund MTFS.

1.5. To update the 'Making Your Money Count' financial targets for the period 2022/23 – 2025/26.

2. RECOMMENDATIONS

2.1 That Members approve the change to the Medium Term Financial Strategy (MTFS) principles, as outlined in paragraph 4.1.6 to this report and amended in paragraph 4.10.9.

2.2 That, for modelling purposes, Council tax increases be set at the threshold of 1.99%, subject to any change in government rules to achieve a balanced budget as set out in paragraph 4.6.9.

2.3 That the updated inflation assumptions used in the Medium Term Financial Strategy as set out in section 4 of the report be approved.

2.4 That the approach to Making Your Money Count budget options as set out in section 4.8 be approved.

2.5 That an amount of £300,000 for 2022/23 be approved for inclusion in the budget setting process to support the Transformation Fund, to help deliver the MYMC Target, as set out in paragraph 4.8.4.

2.6 That a Making Your Money Count Target of £2.14million, (of which £1.91Million is not identified), be approved for the period 2022/23- 2024/25 as set out in section 4.9 of the report.

2.7 That Members approve the potential expansion of the Revenues and Benefits service subject to a full business case as set out in paragraph 4.8.11.

2.8 That the 1st quarter changes to the General Fund, as outlined in section 4.3 and also in Appendix B, of £377,840 net underspend are approved.

2.9 That Members note the changes to business rates and section 31 grants as set out in paragraph 4.5.5.

2.10 That Members note the financial impact of COVID in 2021/22 and future years, as set out on section 4.1 of the report.

2.11 That Members approve the use of £265,930 of COVID finance settlement funding for homeless pressures as set out in paragraph 4.3.10.

2.12 That General Fund growth is only approved for the Council's FTFC priorities and the growth allowance in the 2022/23 budget is £75,000. Growth above that level will need to be funded by further savings in addition to the £2.14Million target identified.

2.13 That a minimum level of balances for the General Fund of £3.46million be approved for 2021/22 as set out in paragraph 4.10.8.

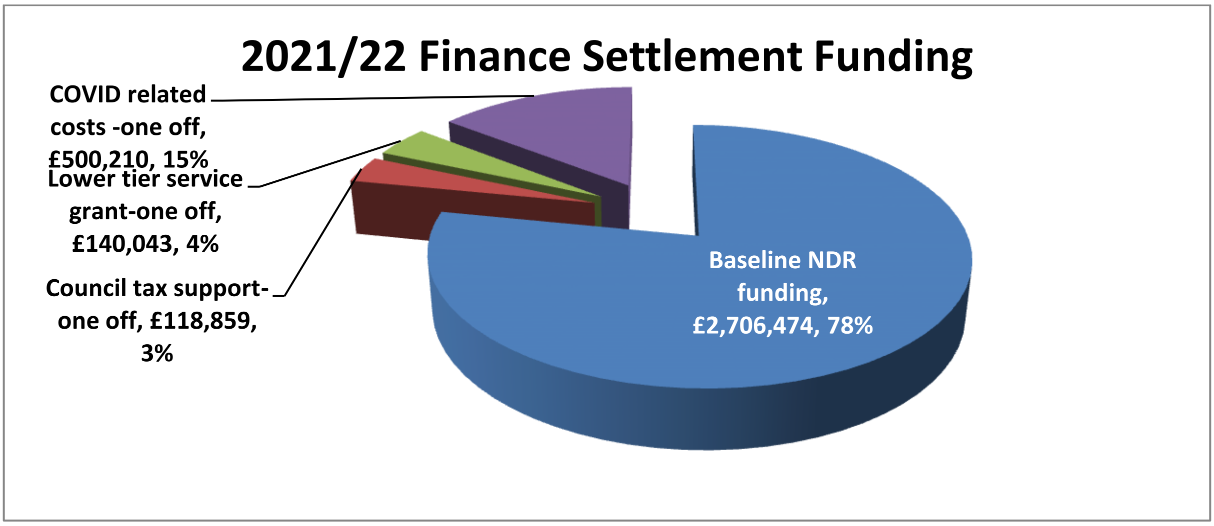
2.14 The MTFS is regularly updated for any material financial pressures so forecasts are updated and is re-presented to the Executive for approval.

2.15 That the Trade Unions and staff be consulted on the key messages contained within the Medium Term Financial Strategies and more specifically when drawing up any proposals where there is a risk of redundancy.

3. BACKGROUND

3.1 An update on the Medium Term Financial Strategy (MTFS) is reported at least annually to the Executive, however in 2020 two updates were completed in June and September, as a result of the financial impact on COVID on the Council's services and finances.

3.2 The 4th quarter revenue report to the August 2021 Executive identified 2020/21net pressure from COVID, (after taking into account government grants of £5.1Million). In addition to the 2020/21 costs, the 2021/22 original budget included £2.6Million of additional COVID pressures, with a further £500,000 assumed in the MTFS for 2022/23. The Government provided some funding support to Councils in 2021/22 within the finance settlement and extended the income guarantee scheme up to and including the 30 June 2021. However, it is probable that the impact of COVID on the Council's finances will go continue beyond this government funding. The 2021/22 finance settlement is summarised in the chart below, of which only 78% will be on-going.

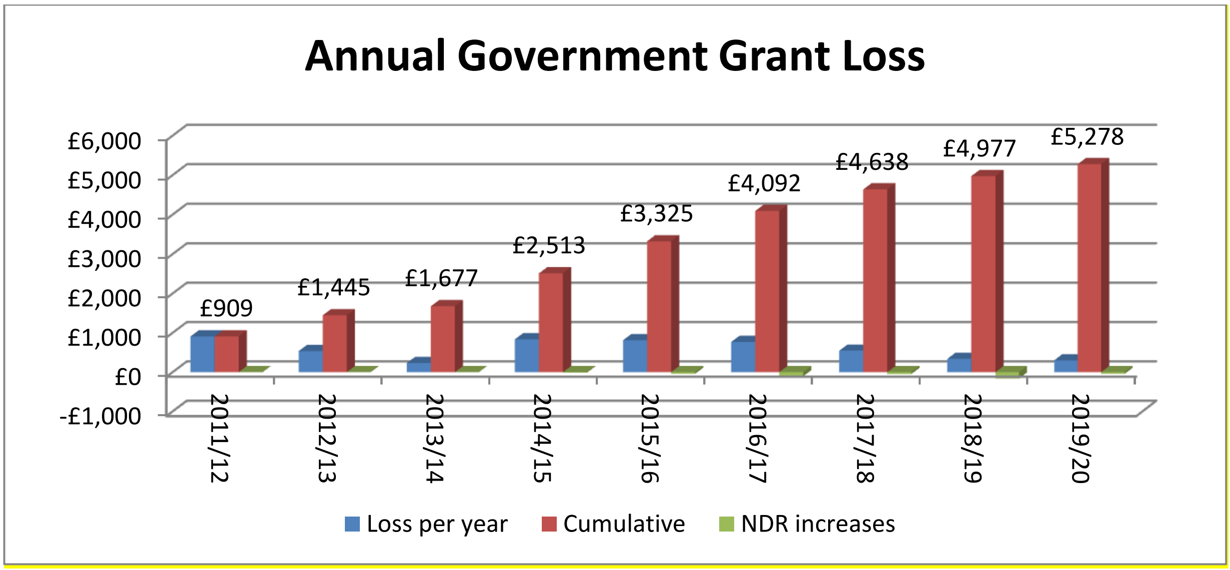


3.3 The MTFS is the mechanism by which the Council uses to assess the financial impact of national and local pressures. Any budget challenges are modelled and the impact reviewed on the draw and level of balances, such as:

- National and local government policy on the five year forecast of resources for the General Fund (and Housing Revenue Account);
- Local pressures emerging from service provision, i.e. homeless costs;
- COVID financial impacts that remain due to changes in customer behaviour and financial impact of COVID on residents.

3.4 Individually, in year or on-going financial pressures may be able to be absorbed through a draw on balances or by a small increase to the level of savings. The impact that the COVID pandemic has had on the Council's reserves is significant, and the current modelling indicates that this will continue to be the case for some time. This, combined with other pressures, increases the risk to setting a balanced budget, particularly as the future years impact of the COVID pandemic on the Council fees and charges is not yet clear.

3.5 The impact of more than a decade of funding cuts as well as having to absorb inflationary pressures has meant the General Fund has had to use balances rather than making a contribution to them; this is clearly not a sustainable position long term. The MTFS has a number of principles, the first of which is not to have a draw on balances by 2023/24, i.e. in two years' time. This is key to ensuring that reserves are not depleted below a minimum level and that any budget gap identified over that medium term is manageable to be met in any one year, without significant disruption to the delivery of Council's services.



3.6 If it appears that forecast MTFS resources are outside that considered prudent, or at the minimum level required by the CFO, corrective action can be recommended and implemented.

3.7 The MTFS principles are set out below.

No	MTFS principles
1	To remove the General Fund's reliance on RSG by 2019/20 when the funding is removed and achieve an on–going balanced budget **by 2023/24** (by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure from 2023/24
2	To consider as part of the budget setting process, and throughout the year as necessary, what support can be given to the community, tenants, leaseholders and businesses in times of particular hardship.
3	To use the Council's reserves in a cost-efficient and planned manner to deliver the Council's priorities.
4	To maximise the Council's income by promptly raising all monies due and minimising the levels of arrears and debt write-offs.
5	To identify alternative means of resourcing the Capital Strategy to minimise the impact of borrowing (GF only).
6	In setting General Fund balances a % for overruns (currently 1.5%), specific known risks, loss of savings & risks associated with new ventures and the cost of borrowing for the capital programme is included.
7	To identify variations to the approved budget via quarterly monitoring and only incur additional on-going spending when matched by increased income or identified savings.
8	To propose Council tax increases in line with inflation for modelling purposes with any increase above inflation used to achieve a balanced budget.
9	To ensure that resources are aligned with the Council's Strategic Plan and FTFC priorities and growth limited to the Council's top priorities
10	The Council does not depend upon short term sources of funding such as New Homes Bonus.

3.8 This report will make assumptions about future Local Government spending reviews, just as in the last two MTFS updates, but the impact of COVID on the governments focus still means there remains considerable financial uncertainty for Local Government. The Fair Funding review implications, (due to be implemented for 2020/21 but subsequently delayed) remain unclear, as does any changes to business rates such as growth resets, level of council tax rises and lastly the future of New Homes Bonus.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

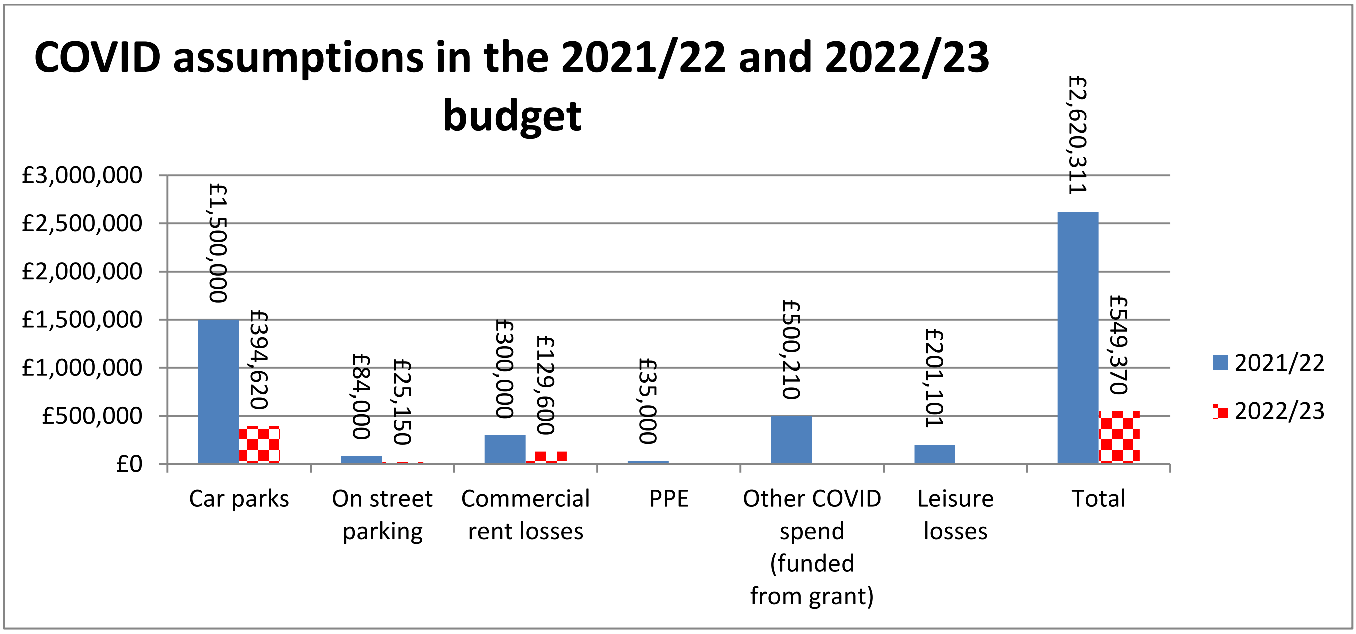
4.1 General Fund pressures

4.1.1 Included within the MTFS modelling are a number of pressures which are:

- COVID related fees and charges losses (section 4.1)
- Inflationary pressures (section 4.2)
- Quarterly Monitoring pressures (section 4.3)
- Homeless increased costs and use of bed and breakfast (paragraph 4.3.5-4.3.11)

This section of the report will summarise the current assumptions and pressures in the MTFS for COVID.

4.1.2 **COVID related fees and charges losses** - In the 4th quarter monitoring report an estimate was made of the impact of COVID on the 2020/21 General Fund finances. This estimated additional costs of £2.42Million, after taking onto account £5.27Million of government COVID funding. The MTFS also assumed that losses would continue right through and into 2022/23 as fee income streams gradually returned to normal. A summary of the modelling of losses in the MTFS is shown below.



4.1.3 The current year projections have now been revised as part of the 1st quarter monitoring update (section 4.3 and Appendix B) and for future years in the MTFS

(Appendix B). The revised projections for this and next year have been revised based on lower parking income.

- August parking levels, for both commuter and shopping parking are below pre-COVID levels. With commuters working from home this undoubtedly has contributed to lower parking income in 2021/22 and September 2021 is going to a key date to review how people return to the office after the summer holidays. There is anticipated to be longer lasting impact on season ticket sales with changing more flexible working patterns.
- Non-commuter parking is also below pre-COVID levels but is steadily increasing as the economy and town centre has reopened.
- On-street parking is below pre-COVID levels, however an increase in the current year levels has been projected.

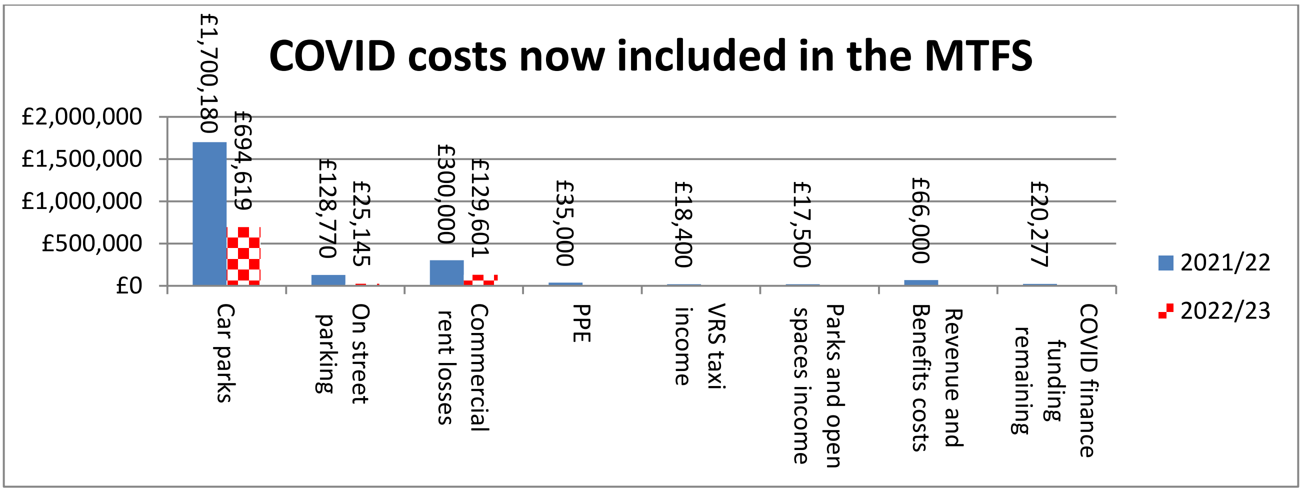
4.1.4 It may take some considerable time to determine the level of commercial rent arrears as there are a number of factors to consider and this means the current projections shown in the chart above have not been changed. Considerations include:

- The Council agreed some payment plans with businesses that were closed during the COVID pandemic and is monitoring the level of arrears. As at 31 March 2021 there were £434,000 of arrears (over 90 days) and increased debt provision of £151,000, (to a total of £426,000). As at 30 June 2021 commercial rent arrears stood at £409,000 (over 90 days).
- There is a moratorium on evictions due to rent arrears which the government has legislated for up to and including 31 March 2022. This means no enforcement action can be implemented regardless of how well capitalised a business is.
- A number of businesses are receiving business rate reliefs which taper off during 2021/22. When business rates become fully payable for all businesses, (subject to any further government interventions) this may see more company failures.

4.1.5 The budget also included a sum for unspecified additional COVID costs of £500,210, this was included as grant in the 2021/22 finance settlement and Members have already agreed to use £214,000 for the 'Housing First' initiative, with the remainder proposed to be used to be used to cover part of the increased cost of bed and breakfast as recommended in paragraph 4.3.10 in this report.

4.1.6 The 2021/22 budget also assumed a cost of £201,100 for the impact of COVID on the Council's leisure facilities. However based on the amount already set aside in 2020/21 and resources currently included in the 2021/22 budget, the additional sum is no longer projected to be required and has been removed as aprt of the quarterly monitoring review.

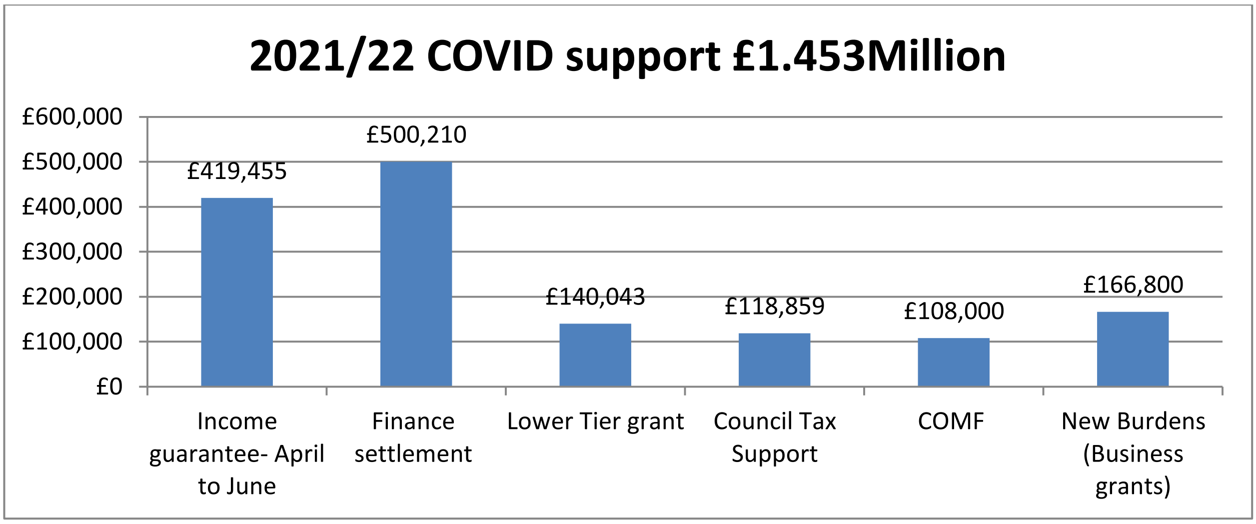
4.1.7 The revised COVID projections for 2021/22 (and the impacts included in section 4.3 and Appendix B to this report) and the 2022/23 included in the MTFS are summarised below.



4.1.8 The estimated level of parking income loses for 2021/22 and 2022/23 have increased by £244,950 (quarterly monitoring) and £300,000 (MTFS), based on the level of actual losses to date. The 2022/23 losses will need to be kept under monthly review.

4.1.9 As a result of higher fees and charges income losses identified in paragraph 4.1.6 above, the projection for the Income Guarantee Scheme (IGS) has increased from £255,000 to £419,450 and included in the 1st quarterly monitoring variances in section 4.3 and Appendix B. The government extended the IGS scheme for 2021/22 but only for the period April to June 2021.

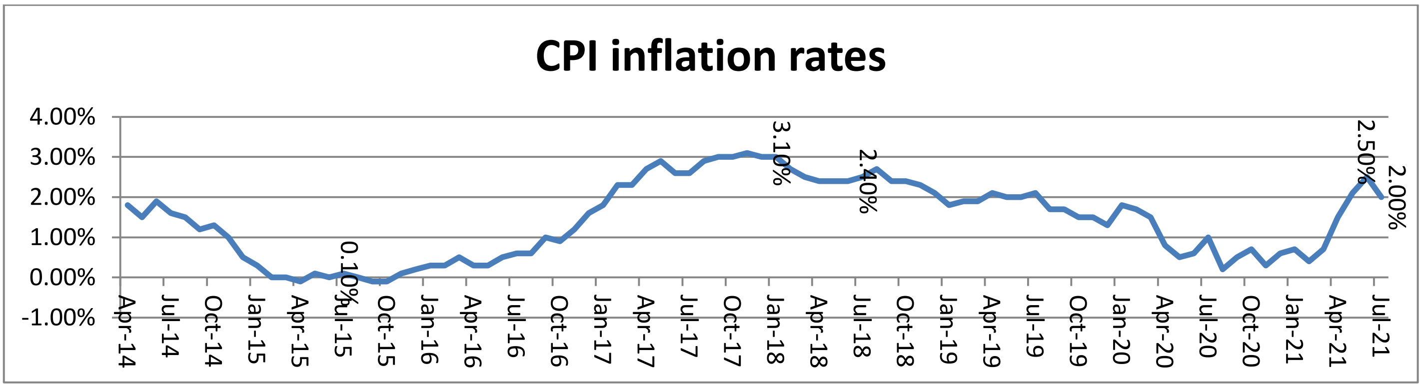
4.1.10 In addition the Council has also received more COVID funding for (new burdens) administering business COVID grants (£130,000) and a further £108,000 for Contain Outbreak Management Funding (COMF). These are also included in section 4.3 and Appendix B. A summary of the COVID grants included in the MTFS for 2021/22 are shown below.



4.2 Inflation Pressures

4.2.1 It is difficult to predict inflationary increases due to the uncertainty about the lasting impact of COVID and the Bank of England has predicted (August 2021) that CPI is could increase in the short term to 4%.

4.2.2 CPI is the tracked measure for inflation used by the government and for increases to retained business rates and housing rents, (September CPI). The historic CPI trend is shown below, with the peak in June of 2.5% reducing to 2% in July 2021.



4.2.3 It is difficult to determine what will happen with inflationary pressures in 2021/22 and beyond due to the complexity of COVID and BREXIT and the supply issues and losses that entail. The projections for monetising inflationary pressures are summarised in the charts below.

	2022/23	2023/24	2024/25	2024/25	2024/26
Inflation-Applied to:					
September CPI for business rate increases	2.30%	2.00%	2.00%	2.00%	2.00%
Salaries - % increase	2.00%	2.00%	2.00%	2.00%	2.00%
CPI indices increases	2.50%	2.25%	2.00%	2.00%	2.00%
RPI indices increases	4.00%	3.75%	3.25%	3.00%	3.00%
BCIS	8.00%	8.00%	5.00%	5.00%	5.00%
Fuel Increases	7.00%	5.00%	5.00%	5.00%	5.00%
Gas (unit charge only)	8.00%	8.00%	8.00%	8.00%	8.00%
Electricity (unit charge only)	10.00%	10.00%	10.00%	10.00%	10.00%

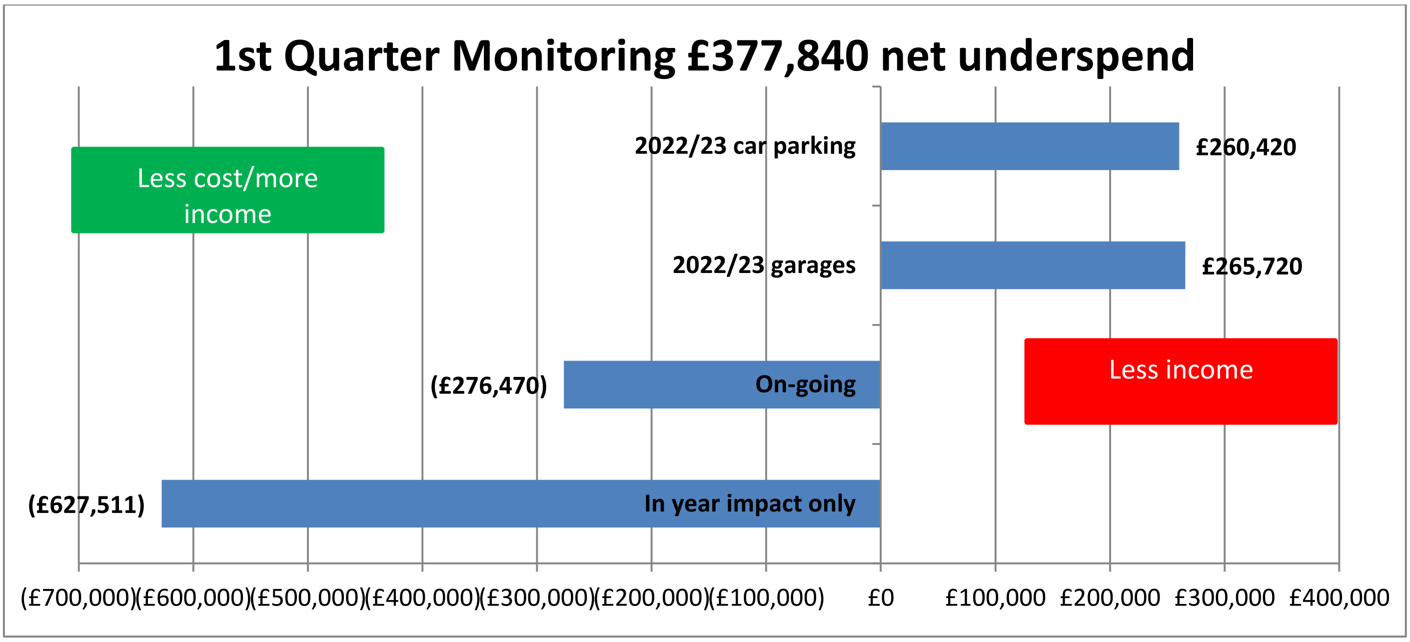
Rationale for inflation assumption	
Salaries - % increase	Salary inflation is estimated at 2% for the period 2022/23 onwards. Councils will face the financial challenge of balancing the budget with less resources due to pressures as set in this report. The average pay award over the period 2018/19-2021/22 offered and/or accepted is 2.13%. An additional 0.5% in 2022/23 would add circa £91,000 pressure to the General Fund.
Pension Increase	An assumption has been made that as a result of the impact of COVID and BREXIT the next actuary's projection will mean an increase in the employer's contribution of 1%. This would be for 2023/24 at the next revaluation date.
Consumer Price Index (CPI) indices increases	The July CPI is 2% and has been modelled as rising to 2.3% in September and then averaging about 2.5% for 2022/23. This is the percentage that is applied to contract costs (which use a number of different CPI date points depending on the start of the contract).
Retail Price	The 1% differential between CPI and RPI has increased and is

Rationale for inflation assumption	
Index (RPI) indices increases	reflected in the forecasts above. However RPI has been largely replaced by CPI in contracts.
Fuel Increases	Fuel prices have been low and have seen an increase over the last year. The contract price the Council obtains is typically 32% lower than the retail price. The fuel costs for 2022/23 are modelled to increase on average by 8% falling back to 5% in future years.
Gas/Electricity (unit charge only)	This has proved difficult to forecast and the MTFS contains the average increase annually which the council has experienced in addition to the current forecasts

4.2.4 The amount of inflation projected in the MTFS is shown in Appendix A for each year and is estimated to be £746,107 for 2022/23 before any recharges to the Housing Revenue Account.

4.3 General Fund pressures and underspends from 1st Quarter Monitoring

4.3.1 A review of the 1st quarter monitoring has been undertaken for the General Fund and there a number of revisions to budgets as outlined in this section of the report and also in Appendix B. There is a net underspend of £377,840, of which the majority relates to one off in-year impacts, (£627,510) and £331,000 relating to salary underspends, (after the contribution from the Regeneration Reserve to meet increased regeneration staff costs).



4.3.2 There are some on-going net spend reductions that are modelled in the MTFS and these relate to an increase in refuse and recycling income as set out in Appendix B (£207,000) and the impact of the lower 2021/22 pay award, net of other pay changes, (£66,000). Although Members should note this has not been agreed by the unions at the time of publishing the report.

4.3.3 The increase in 2021/22 income losses relating to car parks is £260,420 over an above that already assumed in the 2021/22 budget as set out in paragraph 4.1.7.

4.3.4 Garage income projections for 2021/22, also are projected to have an adverse impact in 2022/23 and have been included in the updated MTFS. Reduced rental income is being impacted by asbestos identified as being present in approximately 442 garages or 6.5% of the stock. Officers are currently looking at potential solutions to deal with the issue, however this will take some time and therefore the MTFS models a similar loss in 2022/23.

4.3.5 The Quarterly monitoring update also includes information on homeless cost projections for 2021/22. Currently there are 207 placements in Temporary Accommodation of which 75 cases are placed into bed and breakfast (at the time of writing). Those cases that need to be placed in bed and breakfast are, by statute, a General Fund and not a HRA cost.

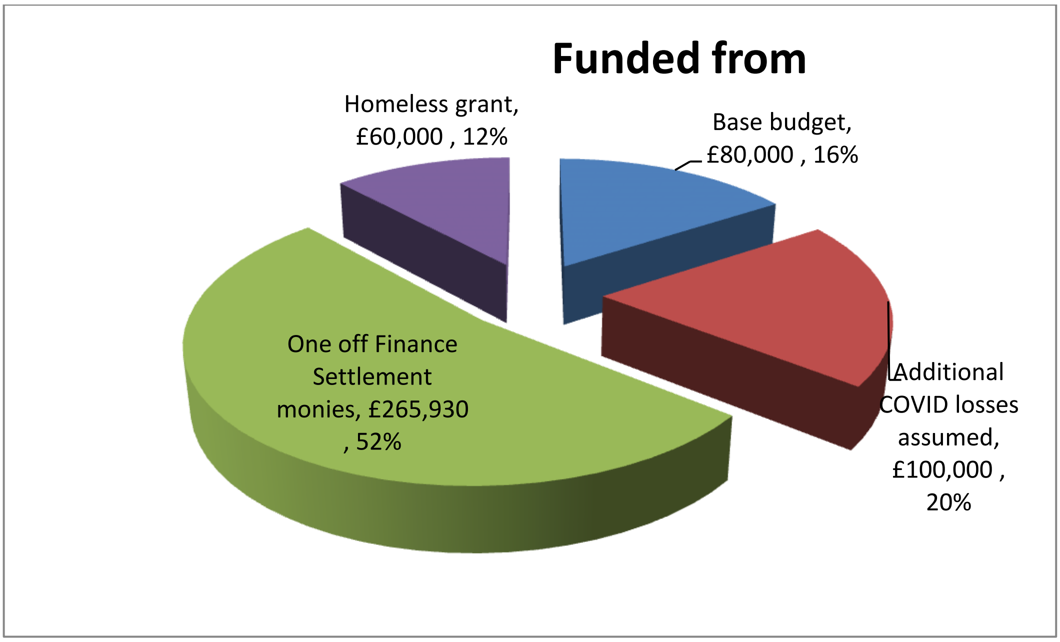
4.3.6 There had been a net budget of £180,000 for bed and breakfast use in 2020/2021 (net of housing subsidy claimed) but, due to the factors below, costs have increased:

- Increasing homeless presentations to the Authority
- Reduced prevention options,
- Pressures placed on Local Authorities under the Everyone In directive
- Challenges of operating services throughout the pandemic.

4.3.7 It is worth noting that prior to 2019/20 there was little or no budget provision required. The problem of placing homeless families has been exacerbated by a moratorium of evictions for arrears during 2020/21 and into 2021/22 and would have provided some means to move households on from Temporary Accommodation and into settled accommodation. There has been a 66% increase in placements in the last three years from 2018 to 2021 (an average of 16.5% increase per year).

4.3.8 The main increase took place in 2020/21 due to the pandemic, which has been compounded by the introduction of the Homelessness Reduction Act in 2018 which has caused cases to remain in temporary accommodation for a much more substantial period. Based on projections for 2021/2022 a 10% increase in placements number is expected before the end of the 3rd quarter of this financial year.

4.3.9 The current projections are projected to cause a further pressure of £325,930, above the additional £100,000 already included for 2021/22. To meet the in year net cost (£505,930) of bed and breakfast costs, it is proposed to use the following funding to mitigate the impact on the General Fund, as summarised in the pie chart below.



4.3.10 A proportion of the COVID grant funding included in the finance settlement is recommended for utilisation (£265,930) to fund the shortfall and a review of flexible homeless grant has meant a further £60,000 is available to fund additional costs. Officers are also exploring other funding streams via Hertfordshire County Council. However Members should note that the net cost is dependent on achieving a 40% housing subsidy on gross housing costs - which still has to be realised. The cost of providing bed and breakfast accommodation is not fully covered by benefit income as room rates are typically above the cost threshold allowed through regulation; in addition some costs are excluded such as food and utilities.

4.3.11If this trend continues there will be an adverse impact in following financial years. This update of the MTFS includes an assumption that there is a net cost of £280,000 in 2022/23. This is significantly lower than the 2021/22 projections and remains a live high risk for the MTFS. The lower impact is based on the following mitigations:

- Recruitment of a fixed term post to focus on Housing Benefit claims to maximise benefit recovery and closer liaison with the Shared Revenues service to speed up the claims process for cases placed.

- Continued block booking of hotel accommodation until December 2021 to ensure access to the number of units required and at a preferential rate.

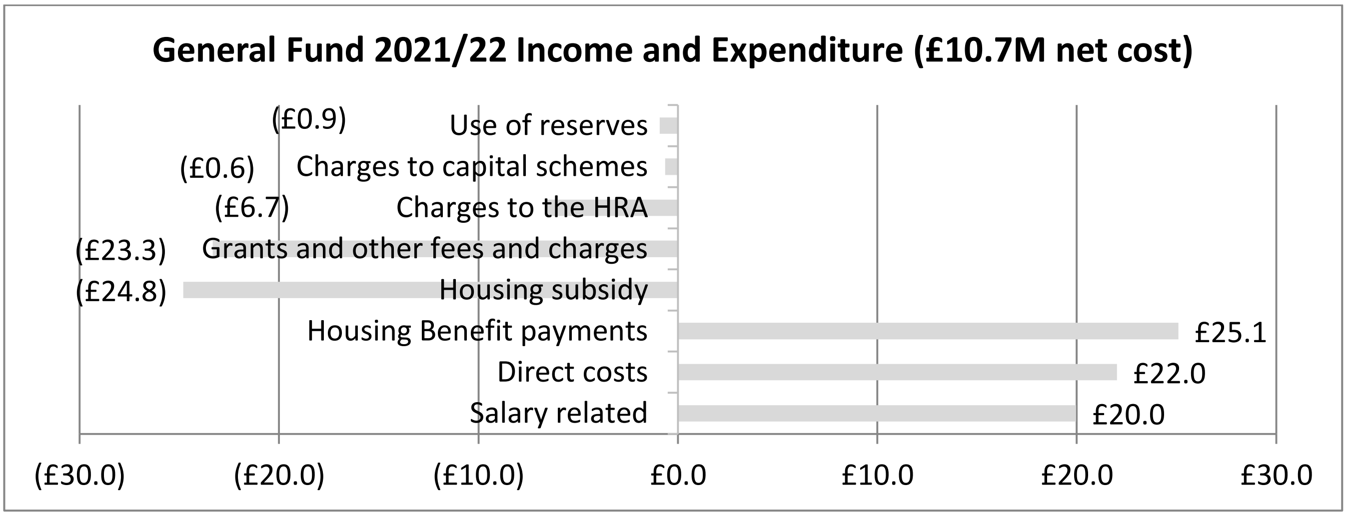
- Housing Development and Housing and Investment working in partnership to identify future accommodation opportunities to secure additional units (30) from January 2022 - to reducing the need to use bed and breakfast.

- Taking steps identified in the temporary accommodation action plan, including the provision of a pipeline of additional units coming on board over this financial year and financial year 2022/2023.

- Review other Hertfordshire homeless trends which are currently lower than in Stevenage in order to understand the drivers in Stevenage and review SBC processes.

4.4 General Fund Income and Expenditure and Resources available to fund net cost pressures

4.4.1 The General Fund original net budget, (before core resources) was £10.7Million for 2021/22. This includes gross costs of circa £67Million and grants and fees and other income of £56Million.



4.4.2 The cost of all the General Fund services the Council provides is not fully funded through the fees and charges, grants from central government and other income (i.e. flexible homeless grant and NDR and Council tax admin and housing subsidy grants). This means there is a net expenditure budget annually for the General Fund.

4.4.3 The General Fund does then only have two other 'core resources' to meet the annual cost of providing services, these are council tax and business rates retained by the Council, (as determined by the government). The ability to fund services has been adversely impacted during the period 2011/12- 2021/22, where there was a significant decline in government funding.

4.4.4 This decline in resources saw Revenue Support Grant (RSG) cut to zero (2019/20) and a move towards less certainty around future income streams. This has meant increase risk to achieving consistent funding levels and made it difficult to depend on for funding core services, on an on-going basis, increasing the risk to planning for budget gaps. The MTFS principle ***number 10*** recognises this point. The following paragraphs give examples of such funding.

4.4.5 New Homes Bonus (NHB) – the government has revised this scheme, making achieving and retaining income both much more difficult to predict and ultimately realise. The amendments to scheme included: only allowing for an annual gain to be kept for four rather than six years, gains in 2021/22 to be retained for one year only and a threshold increase in the tax base that must be met before any payment is due. This means NHB has reduced from a high of £1.54Million in 2016/17 to an estimated £8,400 for 2022/23.

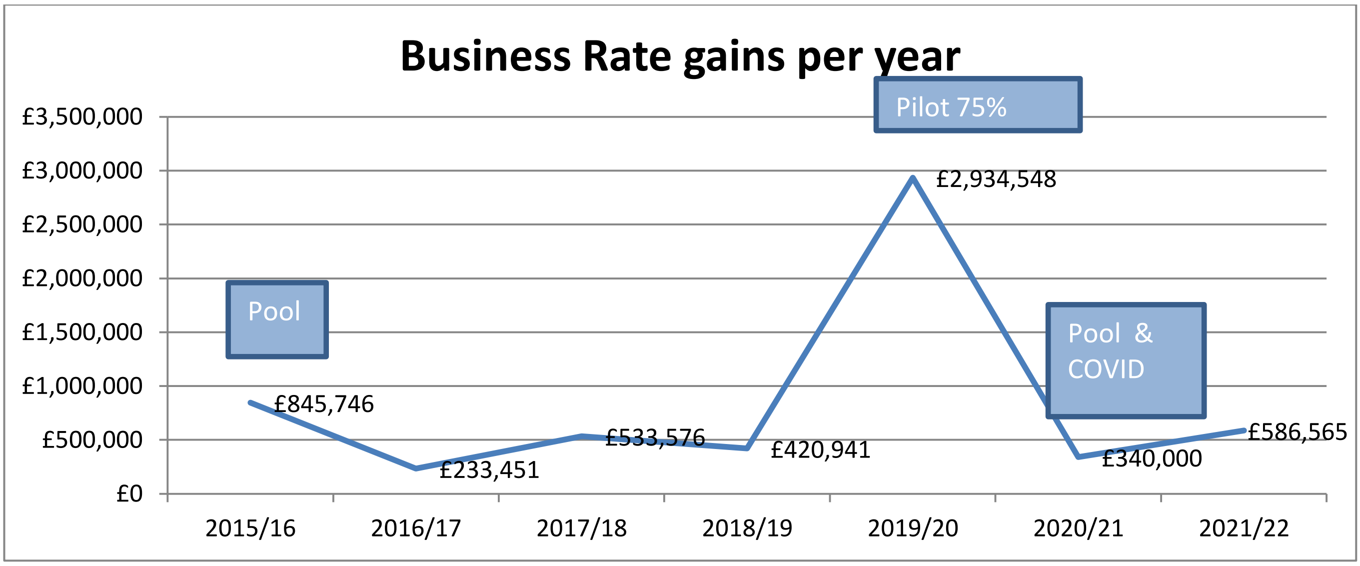
4.4.6 Retained business rates are the amount above which the government allows Councils to keep business rates generated in their boundary. This is calculated by:

Step one - The government sets a baseline need value - this is assessed as the amount needed based on the funding formula.
Step two – The Council collects business rates in Stevenage, net of reliefs, and keeps a notional 40%, (50% is sent to the government and 10% to Hertfordshire County Council).
Step three - The government applies a tariff which then reduces the collected 40% share of business rates (based on the last revaluation on rates) so that it is closer to the baseline need (as identified in step 1).
Step four - If there are still gains after step 3, a further levy is applied at 50% so effectively any gains above baseline need are split 50:50 with the government

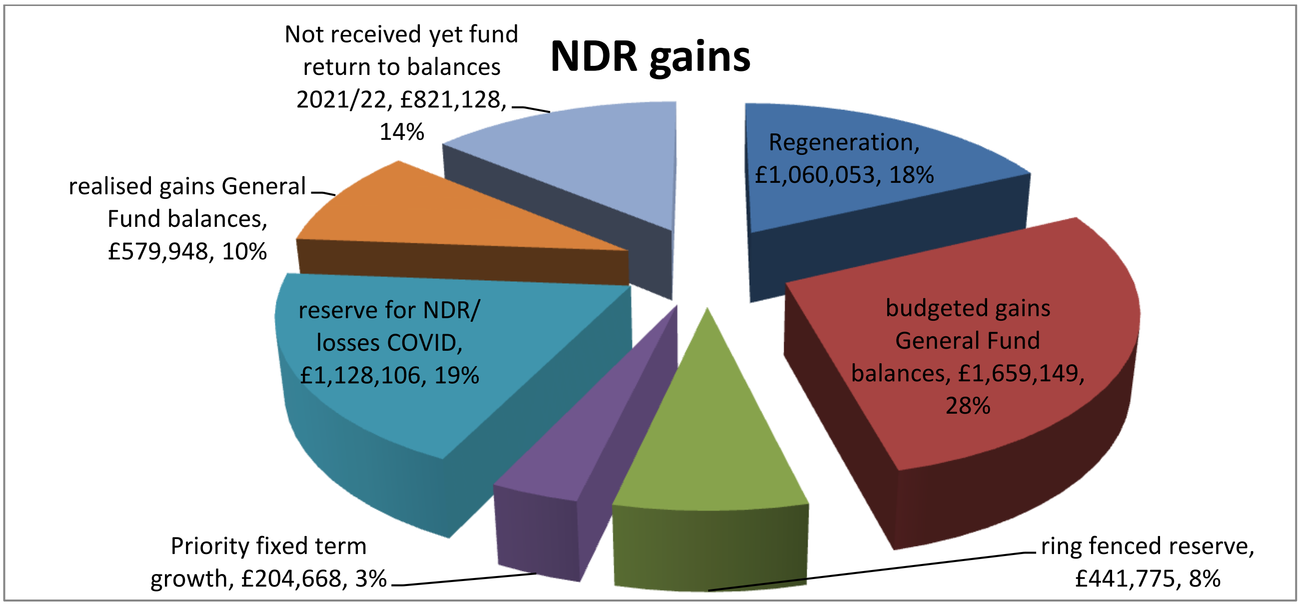
Or In the event that there are in fact losses (i.e. less business rate income was received than the baseline) SBC must fund the first 7.5% below the base line need (approximately £180,000). The rest of the losses are funded by the government via the 'safety net'

Step five - The levy, safety net and section 31 grants are paid based on the amount due in year, all other payments are paid based on estimate with gains and losses due/paid in future years.

4.4.7 Stevenage has benefited from business rate gains which have been influenced by a number of factors such as opportunities to pool gains among councils or the pilot where Hertfordshire Councils kept 75% of all business rates in Hertfordshire. However SBC has only been in the 'Hertfordshire pool' twice and the government has only allowed Hertfordshire Councils to be in one pilot scheme. This adds complexity to projecting income and, in addition to this complexity, gains are not realised in the year they were achieved but are based on the prior year estimates.



4.4.8 This business rate system, whilst allowing SBC to benefit from gains - and in 2019/20 significantly, means that it is difficult to 'bank' on receiving any gains and therefore its availability to fund on-going services; because of this business rate gains have been used to increase balances, fund time limited or one off growth pressure. The majority has in fact been transferred to the NDR allocated reserve until realised in the following year.



4.4.9 In terms of the future of business rates, the Government has delayed the fair funding review and business rates reset for the last few years. The Government had announced that the next revaluation of non-domestic property in England will take effect on 1 April 2023, so that it better reflects the impact of COVID19. The Government is currently consulting on the introduction of a central list whereby some types of businesses are accounted for nationally.

4.4.10 Continuing uncertainty makes medium term financial planning difficult, particularly for Councils that have realised business rate gains such as SBC. A full reset would see those gains disappear with an adjustment to the tariff payable. In addition a one year rather than multi-year deal makes medium term planning difficult

4.4.11 Government policy has also impacted on the ability to have discretion at a local level on the amount of council tax raised locally. Increases in council tax have been capped so that a referendum has been required for any increase above the threshold set by the government (ranging from 2% or £5 on a band D which was 2.32% in 2021/22). This has limited the Council's ability to raise funding shortfalls though council tax.

4.4.12 The government has also curtailed Councils raising income through commercial investments by prohibiting any use of Public Works Loan Board (PWLB) if the Council has commercial investment in their Capital Strategy, (this excludes investment in housing). The Council's HRA plans to take significant borrowing from PWLB to support its housing development ambitions. The prohibition outlined immediately above has prevented SBC from investing in commercial property to support service delivery.

4.4.13 In summary, the resourcing challenge for Councils is significant, with more inherent risk in forecasting a consistent level of funding and uncertainty about future levels of funding, (through the fair funding review and business rates retained). There have also been curtailments to alternative methods of funding by preventing borrowing for commercial investment and limits on the level of council tax rises.

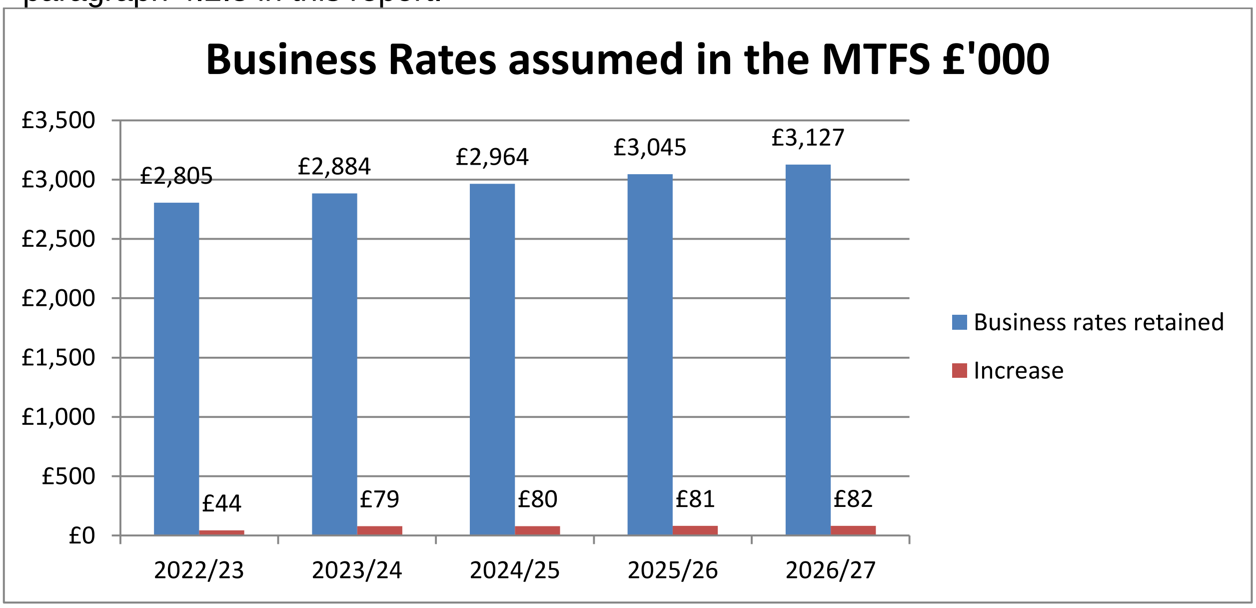
4.4.14 The Original 2021/22 net General Fund budget, even with business rate and council tax income still requires a use of General Fund reserves, meaning that fees and charges, business rates and grants do not equate to the cost of the services the Council provides. This means that there is a need to reduce the cost base through the 'Making Your Money Count initiative' as set out in section 4.8.

4.5 Business Rates Projections

4.5.1 Future income projected from retained business rates is based on only an inflation increase, for the reasons outlined in section 4.4 above. When the budget is set for the year any business rate gains are then estimated based on the latest data; the CFO then recommends that the majority of gains are not built into the General Fund budget due to the risks of: not achieving the level, government policy changes or business failures and appeals. The NDR reserve is used to hold a proportion of gains until they are in fact realised and then their use, where appropriate, is recommended through MTFS updates or budget setting proposals.

4.5.2 In 2020/21 SBC was in the Hertfordshire Pool and there was an estimated countywide £1.2Million of business rate gains, although this relied on the relative gains for other pool members and the Hertfordshire LA's outside the pool. There could be a pool constituted (subject to government policy for 2022/23), but no assumptions have been made in the MTFS about any gains, pooling or otherwise.

4.5.3 The MTFS business rate projections for 2022/23 onwards, built into the MTFS, are summarised in the chart below and based on the inflation assumptions shown in paragraph 4.2.3 in this report.



4.5.4 These estimates also include an assumption about Section 31 grants, which are paid by the government for reductions to the collectable business rates, and which are paid, for example:

- Freezing NDR increases (2021/22)
- Changes to small business rate reliefs
- Incorrect indexing of reliefs

4.5.5 In 2020/21, and again in 2021/22, the government regulated for COVID reliefs after Councils set business rates for both years. This means because Section 31 grants are paid in the year they relate too, (unlike business rate income), too much business rate income will be taken in the current year, resulting in a ‘loss’ to repay to the collection fund in 2022/23.

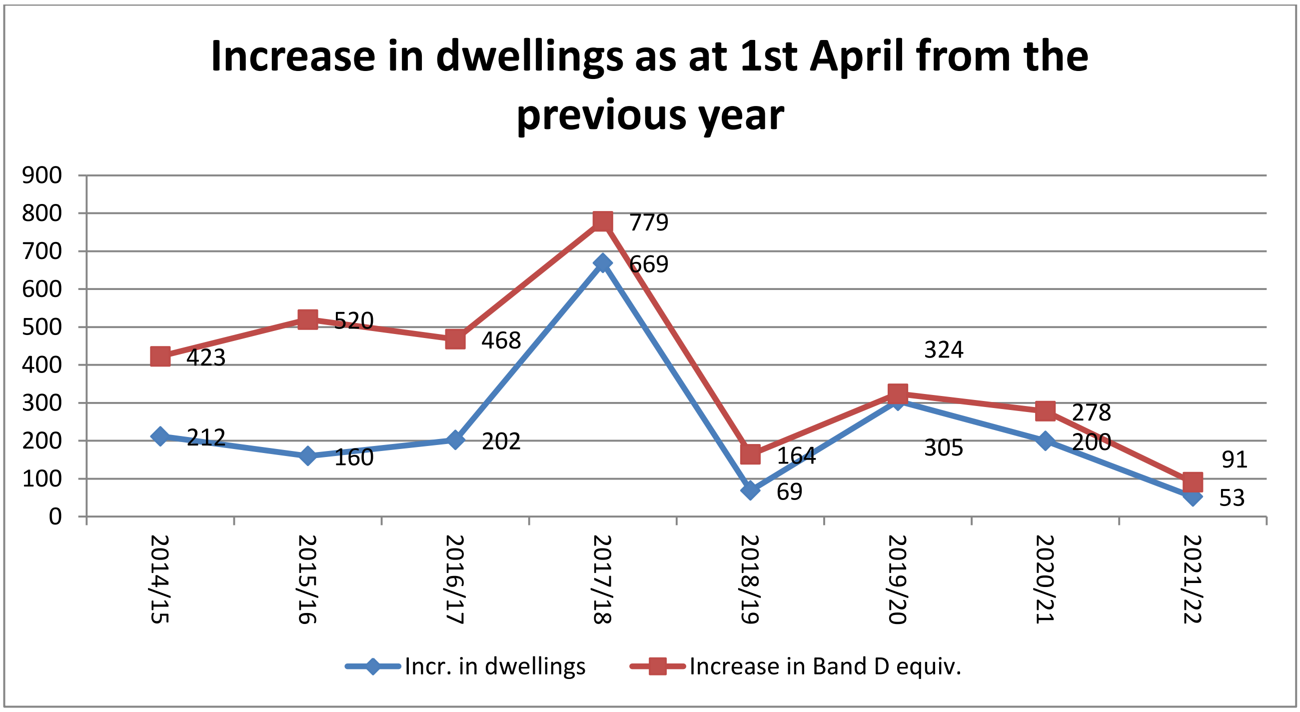
4.5.6 Members will be aware this was circa £8.3Million for 2020/21 and there will be a further £4.3Million for 2022/23. Members are recommended to approve the transfer to the NDR reserve of £4.3Million (timing issue), in 2021/22 to be repaid to the collection fund in 2022/23. This prevents an unnecessary distortion of General Fund balances in 2021/22. The change is set out below.

Core Resources:	Budget £'000	Revised £'000	Variance £'000
NNDR	(£18,185,659)	(£18,185,659)	£0
Tariff	£15,429,346	£15,429,346	£0
Levy	£412,639	£412,639	£0
Section 31 grant assumed	(£815,229)	(£815,229)	£0
New Section 31 reliefs from 2021/22	£0	(£4,301,374)	(£4,301,374)
Transfer from S31 NDR reserve	(£8,481,887)	(£4,180,512)	£4,301,374
Transfer to Collection Fund (Business Rates) 2020/21	£8,581,365	£8,581,365	£0
Transfer from Collection Fund NDR prior years	(£821,128)	(£821,128)	£0
Government Funding settlement 2021/22- lower tier service grant	(£140,043)	(£140,043)	£0
CTS support from the government	(£118,859)	(£118,859)	£0
Council Tax Income	(£6,117,154)	(£6,117,154)	£0
Transfer to/From Collection Fund (Council Tax)	(£40,152)	(£40,152)	£0
Total	**(£10,296,761)**	**(£10,296,761)**	**£0**

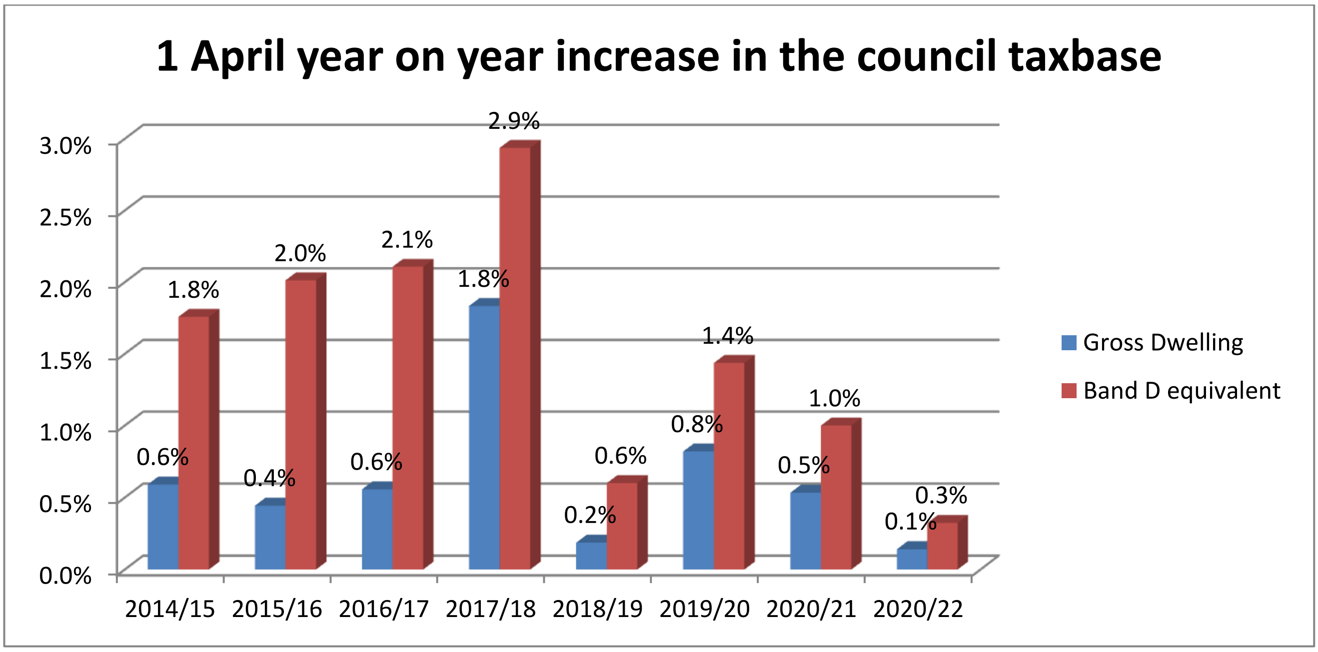
4.6 Council Tax

4.6.1 The amount of council tax that can be raised annually is influenced by mainly two factors, firstly the growth in the tax base and secondly the inflationary increase applied each year. The tax base is based on when new properties will be brought into use and converts this to Band D equivalents for the year.

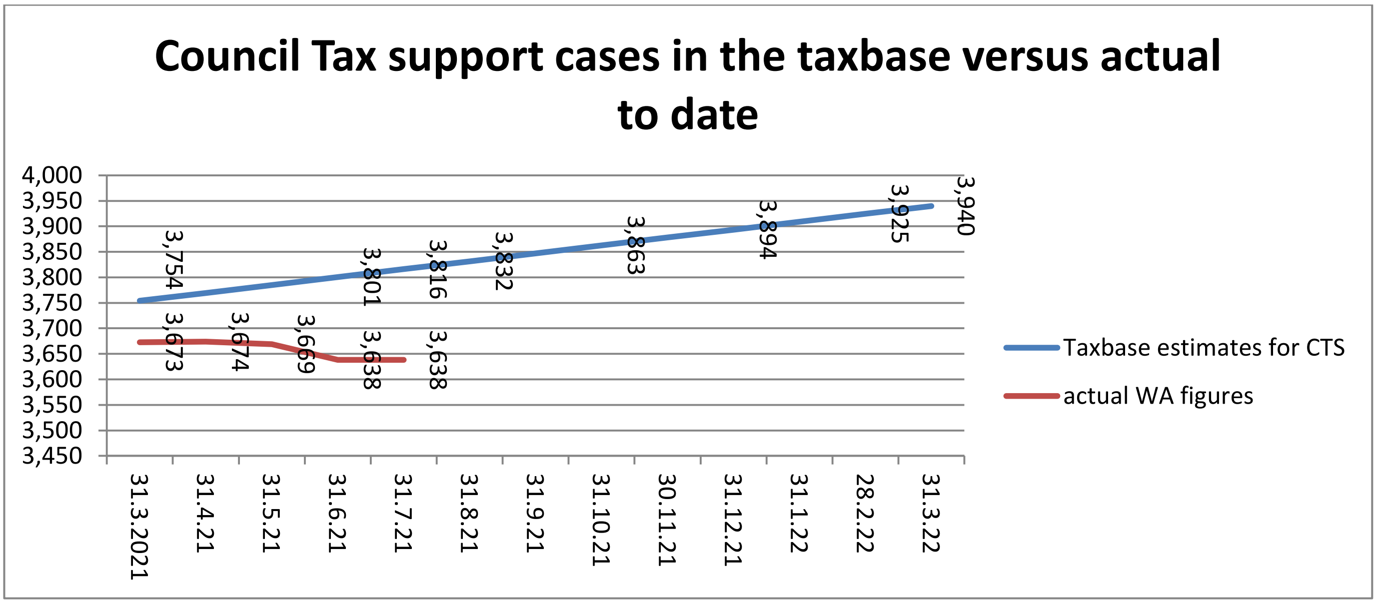
4.6.2 The tax base is calculated based on an estimate of the gross dwellings in Stevenage, reduced by the amount of discounts, (single person discount, council tax support and other exemptions).



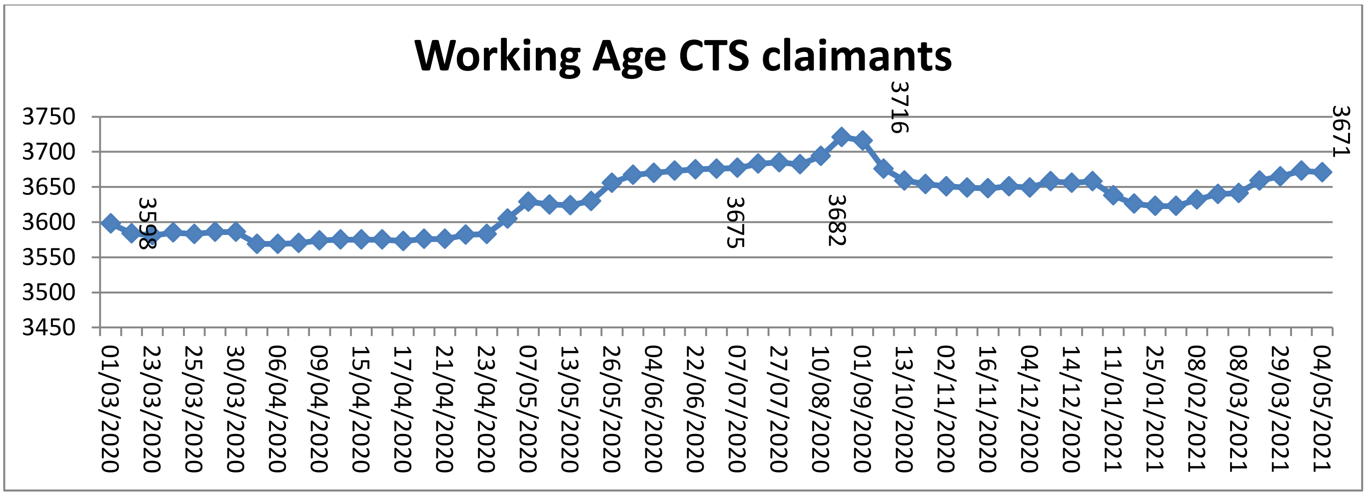
4.6.3 The net number of dwellings percentage increase year on year has exceeded the gross number of new dwellings on the valuation list because of reductions in the numbers claiming Council Tax Support (CTS) and an increase in the collection rate, so increasing the net band D equivalents.



4.6.4 The estimated taxbase for 2021/22 included an assumption that Council Tax Support cases will increase, and this will have the effect of supressing the level of council tax; CTS has the largest deflating impact on council tax yield. The government's furlough scheme is due to end in September and this may impact on those working age claimants applying for support. The 2021/22 tax base assumptions versus the actual position are summarised below and shows a lower level of claimants against estimate. This will be monitored up to when the taxbase is approved in January for 2022/23.



4.6.5 Working age claimants did increase during the pandemic but this has gradually decreased as summarised below.



4.6.6 The assumptions for the CTS scheme, which is currently an 8.5% minimum liability for working aged claimants, has been modelled as remaining unchanged. A Portfolio holder Advisory Group is due to be held in September 2021, to again recommend the 2022/23 scheme to Council

4.6.7 Last year the Portfolio Holder Advisory Group (PHAG) met and recommended keeping the current scheme until there is a significant roll out of Universal Credit. The impact of COVID may trigger a large swing towards Universal Credit from Housing Benefit as result of job losses and business failures - if the economic climate does not improve. However this does not yet appear to be happening.

4.6.8 In previous years the tax base has been calculated as increasing by planning housing trajectory numbers, however due to the current uncertainty a 0.75% increase in the tax base has been assumed to reflect some delays in new housing coming on stream due to COVID.

4.6.9 The MTFS currently includes **a 1.99% increase in council tax for modelling purposes**. It is not clear whether, as part of the 2022/23 settlement, the government will allow (as in previous years) an increase of £5 on a band D. This would equate to an increase of 2.27%, or £17,065 based on the current tax base projections. This should be announced as part of the 2021 Spending Review, but in any event an increase of 2.27% does not significantly increase income for SBC when compared to 1.99%.

4.6.10 Members should note that SBC keeps a relatively small part of the overall Council Tax raised for the year. To illustrate this, taking a Band C property, (the biggest proportion of properties in Stevenage are a band C), the relative shares of council tax for a band C property are shown below.

Authority	2020/21	2021/22	Cost per day	Increase	Share
Hertfordshire County Council	£1,257.07	£1,307.22	£3.58	**4.0%**	**77.2%**
Stevenage Borough Council	£191.62	£196.06	£0.54	**2.3%**	**11.6%**
Police Crime Commissioner	£176.00	£189.33	£0.52	**7.6%**	**11.2%**
Total	**£1,624.69**	**£1,692.61**	**£4.64**	**4.2%**	**100%**

4.7 New Homes Bonus (NHB)

4.7.1 NHB was introduced in 2011/12 and is monies paid to Council's based on the increase in properties in the tax base, (top sliced from nationally business rate revenues), The scheme has been amended over the last few years which has made it less financially beneficial to Council's, by:

- Reducing the number of years a payment is made for, from six to four years;
- Introducing a threshold of 0.4% of the tax base before any new payment is made.
- Gains for 2021/22 to be retained for one year only

4.7.2 No assumptions have been made about new NHB monies for 2022/23, with just the remaining legacy payment as outlined in paragraph 4.4.5. As at 1 August 2021 only 20 new properties had been added to the Stevenage tax base; with the calculation for NHB based on the number of new properties as at 1 October 2021, it is unlikely the threshold would be reached before any payment would be made. This is of course subject to the government continuing the scheme for a further year in the absence of long awaited revision of the whole scheme.

4.8 Making Your Money Count

4.8 1 The 'Making Your Money Count' (MYMC) priority is the vehicle to deliver budget reductions across the General Fund and HRA and consists of four, streams. The graphic below sets out the process for 2022/23 onwards.

Transformation by improving customer access to services through digital means and improving and streamling processes

Co-operative Commercial and insourcing bringing services in-house if value for money and ensuring we charge appropriately for our services

Efficiencies through robust monitoring savings will be identified where they arise ,to ensure that Council stays financially resilient

Prioritise services if there are not sufficient budget savings achieved from the other three work streams to ensure a balanced budget or new priorities emerge requiring funding.

4.8.2 **Transformation (including digital)** –A report was presented at the August 2021 Executive and recommended for approval by Members, which gave a set of principles to be applied to improvements to customer access to services through the use of digital design. Customers are at the heart of the Council's services, so the aim of the programme is that they will be served in a straightforward way, with resolution at the first point of contact and through the provision of easy to access online services that are so good, people prefer to use them. This will be done in conjunction with residents to make sure services are designed with them.

4.8.3 It is estimated that the Council could save approximately up to £2Million through adopting this proposed Transformation Approach. Further work is required to consider the detailed changes necessary and the resulting profile of possible savings; this will require investment and some changes to the delivery of services, to lever out savings. It is proposed that a rolling programme will be established which will start delivering savings from 2023/24.

4.8.4 A further report will be presented to the Executive setting out a set of proposals to implement the changes. This programme will require additional funding as business cases are progressed and digital interventions requiring funding. For modelling purposes the MTFS assumes a sum of £300,000 (General Fund share) in 2022/23 to ensure delivery of the programme, however further funding maybe required. This is in addition to sums already set aside and will ensure that a team is dedicated to the implementation and success of the programme.

4.8.5 **Commercialisation**-The Council approved its Co-operative Commercial and Insourcing Strategy at the 12 August 2020 Executive, this set a number of work streams now overseen by an Executive working group. This work has already contributed to MYMC budget savings and options are considered throughout the year.

4.8.6 The Co-operative Commercial and Insourcing Strategy includes:

- Short term commercial options to be delivered – commercial property, private sector housing
- Review of current charging levels and readiness for complementary or additional services

- Setting a three year fees and charges schedule
- Longer term and level of commercialisation of services
- Insourcing options to be considered and a roadmap has been developed together with a schedule of procurements which are due in the next 12-24 months
- Developing the commercial culture for managers

4.8.7 An update on the work arising from the Co-operative Commercial and Insourcing Strategy will be included in the November Financial Security Report to the Executive.

4.8.8 **Efficiency savings** are reported and removed from the General Fund as part of the quarterly monitoring process. However, there may be some generated from changing the way we work as a result of COVID, these have increasingly been more difficult to extract and in the main cost pressures have been reported. This places more emphasis on the two strands identified above to deliver budget reductions.

4.8.9 The last strand of Financial Security is to **prioritise services**, if a funding gap remains for the General Fund, which has been exacerbated by COVID (see also section 4.1), or the Council wants to fund new priorities which cannot be resourced through the other three strands. The Council's plan is to ensure that the Transformation and Commercial and Insourcing will deliver the required savings as set out in section 4.9 below. However, as set out in paragraph 4.8.3, the Transformation agenda will be delivering savings for the 2023/24 budget.

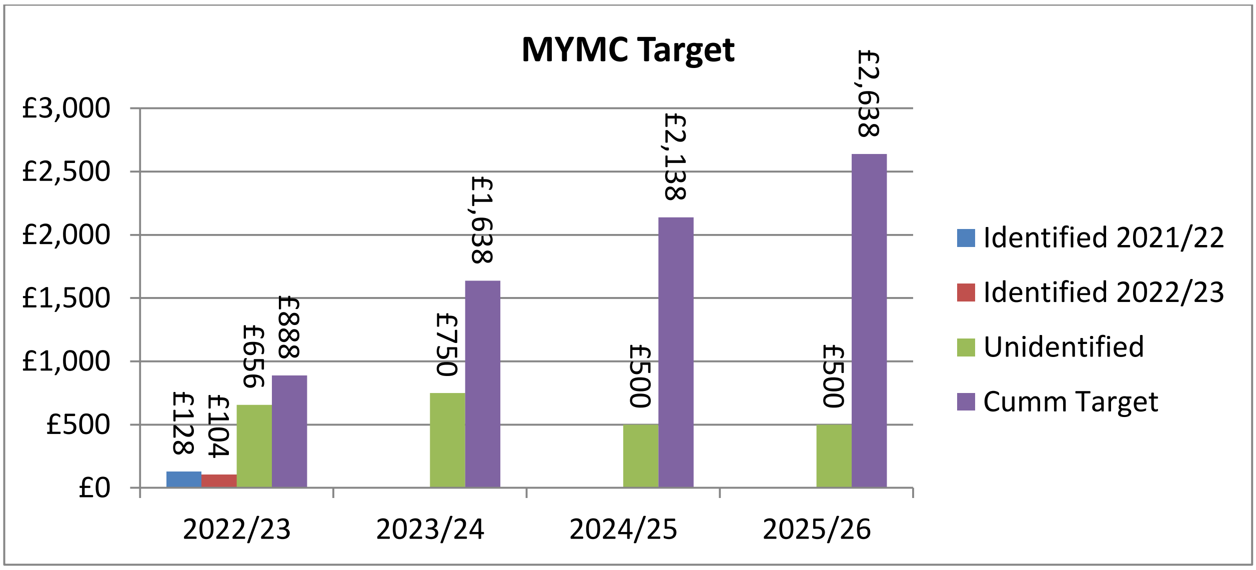
4.8.10 The CFO does not consider it prudent to set an undefined savings target for the Transformation programme, as any interventions need to be identified, scoped and agreed by Members. Furthermore setting an undefined target also coincides with increased risks to the budget and the Council's financial resilience such as:

- The scale on-going COVID income losses and the impact in 2023/24
- Future bed and breakfast pressures into 2023/24
- The need to draw on General Fund reserves

4.8.11 In addition to the work set out in this section, the Stevenage and East Herts CFO's are currently exploring an option to expand the Shared Revenue and Benefits service for a further two Hertfordshire Authorities. The discussions are in the early stages and will be subject to a full business case to be brought back to Members. An indicative high level assessment shows a saving for both founding Councils. Savings would be realised from 2023/24 and Members are asked to support the initial work to determine whether it would be financially and operationally advantageous to SBC. Set up costs are assumed to be funded by the two new partners.

4.9 Making Your Money Count Target

4.9.1 The target for the period 2022/23-2024/25 modelled in the MTFS is summarised in the chart below. This identifies that £656,000 of options are required for 2022/23, subject to the projections in the MTFS being realised. This does have implications for the level of balances as set out in paragraph 4.10.2 and the continued draw on balances until 2024/25.



4.9.2 The current MTFS principles are that there would be a programmed contribution to balances by 2023/24. However, the use of balances has been adversely impacted by COVID and the CFO recommends that to deliver the level of savings required in 2022/23 and the need to continue through a recovery period, this MTFS principle is revised to 2024/25. But due to uncertainty with future funding, the CFO recommends this is not deferred beyond this date.

4.9.3 If the financial position is not as expected then action should be taken in year, as Members did as part of the June 2020 MTFS.

4.9.4 A report will be presented to the November 2021 Executive and Scrutiny Committees and will include the options to meet the MYMC target. This will include options from the four strands identified in this report including fees and charges through the Cooperative Commercial Insourcing Strategy. As set out in this report there is a gap between the cost of running the services for Stevenage residents and there are limited levers to meet this gap without impacting of the range of services available. This means a combination of service improvements, council tax and fees and charges increases is necessary in order to maintain service delivery.

4.10 General Fund Balances and Reserves in the Medium Term Financial Strategy

4.10.1 Council's General Fund reserves are classified as either general or for a specific purpose. The General Fund or the Council's main reserve is designed to cushion the impact of unexpected events/emergencies and help absorb the impact of uneven cash flows.

4.10.2 The Council's General Fund balances projected in the MTFS are summarised in the table below.

General Fund balances	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Opening Balance	(£6,401)	(£4,932)	(£3,701)	(£3,421)	(£3,475)
In Year	£1,469	£1,232	£280	(£53)	(£126)
Closing Balance	(£4,932)	(£3,701)	(£3,421)	(£3,475)	(£3,601)
February Council report 2021	(£4,520)	(£4,194)	(£4,205)	(£4,249)	(£4,500)
Variance to January 2020 MTFS	(£412)	£493	£784	£774	£899

() equals surplus

4.10.3 The reduction in balances compared to the General Fund budget report to the February 2021 Council is predominately due to increased COVID and bed and breakfast impacts being included in the MTFS. However the level of reserves at £3.5Million is in line with the level of balances risk assessed for 2022/23 as set out in paragraph 4.10.8.

4.10.4 Guidance issued by CIPFA emphasises this requirement, particularly in light of the responsibilities placed upon the S151 Officer on an annual basis (under the Local Government Act 2003), to report on the adequacy of proposed reserves when Council sets the council tax for the forthcoming year.

4.10.5 The Act includes a reserve power for government to lay down the minimum reserves local authorities must allow for when they set their budgets. It is therefore expected, that authorities will have regard to the CIPFA guidance when considering the adequacy of balances and allocated reserves.

4.10.6 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies; and
- A means of building up funds to meet known or predicted liabilities (this is often referred to as allocated reserves).

4.10.7 In order to assess the adequacy of unallocated general reserves when setting the budget, the CFO must take account of the strategic, operational and financial risks facing the authority.

4.10.8 In terms of determining the level of general balances for the MTFS and in particular for next year, the CFO has based her advice on consideration of the factors included in the table below which project a £3.46Million minimum level of balances. This is higher than in previous years due to the legacy impacts of COVID. This assessment is indicative at the current time and will be further reviewed as part of the budget setting process.

General Fund balances Minimum Level Assessment	2022/23 £Million
Amount to cover a 1.5% overrun in gross expenditure	£1.00
Amount to cover a 1.5% overrun in gross income	£0.86
Amount to cover fee and charges losses through price fluctuation (recycling)	£0.20
Amount to cover higher prices through supply chain issues	£0.20
Amount to cover new commercial risks	£0.20
Amount to increased COVID losses from parking fees	£0.80
Amount to increased homesless costs	£0.10
Amount to cover risk to Financial Security savings	£0.10
Total Estimated General Fund Reserves	**£3.46**

4.11 Allocated Reserves

4.11.1 The Council's Allocated revenue reserve projections are summarised in the table below. The 2021/22 reserve balance of £8.5Million includes business rate balances due to the collection fund of £4.8Million (as a result of COVID reliefs given by the government in 2021/22).

Year end Allocated Reserve Balances	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
NHB reserve	(£239)			
Transformation Reserve	(£330)			
NNDR reserve	(£1,092)	(£646)	(£646)	(£646)
NNDR reserve for S31	(£4,879)	(£289)		
Homeless Reserve	(£96)	(£114)	(£114)	(£114)
Rough Sleeper	(£77)			
Planning Delivery	(£65)	(£65)	(£65)	(£65)
Town Centre Reserve	(£81)	(£81)	(£81)	(£81)
Town square reserve	(£1,118)	(£1,609)	(£1,907)	(£2,209)
Regeneration Reserve	(£229)			
Insurance reserve	(£68)	(£68)	(£68)	(£68)
Income equalisation Reserve	(£258)	(£258)	(£258)	(£258)
Total Allocated Reserves	**(£8,532)**	**(£3,130)**	**(£3,139)**	**(£3,441)**

4.11.2 The level of Town Square and Regeneration assets reserves needs to be maintained to ensure that the Council has sufficient funding to hold the assets prior to demolition and to fund any regeneration costs arising.

4.11.3 There are balances relating to 2021/22 business rate gains transferred to the NNDR reserve (in this year), which could be returned to the General Fund if they are realised. Members should note, however the level of actual gains for 2020/21 was reduced and the CFO does not recommend returning those balances until they are achieved.

4.12 CFO commentary

4.12.1 The MTFS projects that general balances will be just above minimum levels - based on the revised calculation in paragraph 4.10.8. However, the General Fund faces some financial uncertainty due to the combination of future funding and the legacy impacts of COVID in future years, which may change the use of fee charging services. There are combination of significant factors which further compound the risks facing the General Fund including:

- there is still a draw on balances projected until 2024/25.
- There is a potential on-going risk to income streams from COVID such as parking and commercial.
- There is a risk of higher costs from homelessness and higher cost of materials and contracts as a result of supply issues.
- There is considerable uncertainty around future funding and whether the fair funding review will reduce government funding further.

4.12.2 Based on the factors above, the General Fund needs to minimise the draw on balances and maintain higher balances than normal. General Fund reserves can be increased (as a one off) if and when business rate gains are realised, the allocated reserve is projected to hold £646,000 at the end of 2021/22 which could be utilised for this purpose.

4.12.3 It is critical that General Fund reserve resilience measures, such as the Locality Review receipts, meet the in year target required and the MYMC targets are achieved as set out in the Strategy. This means that options, identified and presented to the November Executive, meet the target for 2022/23 and that the future Transformation report sets out future year savings opportunities.

4.12.4 Growth should be limited to top priorities only, based on the ability to deliver the existing Corporate Plan commitments and should be met by increasing MYMC targets. The growth allowance for 2022/23 is modelled at £75,000.

4.12.5 There are a number of factors that are outside the control of the Council as outlined in this report. The Council cannot rely on unplanned underspends to improve balances, which are one off in nature and may not always happen.

4.13 Approach to Consultation

4.13.1 Previously the Council has sought the views of residents and stakeholders through consultation, finding out their preferences for reducing services, increasing fees and charges and increasing Council Tax. The residents' survey is due to be refreshed in 2021/22.

4.13.2 In addition the CFO is reviewing what additional consultation with residents could be developed for the 2022/23 MYMC option, these options will be tested with Members and through the Leaders Financial Security Group (LSFG).

4.14 Decision Making Process

4.14.1 It is currently planned that the following approval process will be followed:

Date	Meeting	Report
Nov-21	Executive	Financial Security Report with the three year savings proposals for the General Fund and HRA
	Overview and Scrutiny	Financial Security Report with the three year savings proposals for the General Fund and HRA
Dec-21	Executive	Draft 2022/23 HRA budget and rent setting report
	Overview and Scrutiny	Draft 2022/23 HRA budget and rent setting report
Jan-22	Executive	Final 2022/23 HRA budget and rent setting report Draft 2022/23 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Draft 2022/23 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2022/23 HRA budget and rent setting report
Feb-22	Executive	Final 2022/23 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Final 2022/23 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2022/23 General Fund budget, Council Tax and Council Tax Support

4.14.2 Following the approval of the proposed Financial Security options for 2022/23, the Council will have an obligation to begin consultation with staff and partners.

5. IMPLICATIONS

5.1. Financial Implications

5.1.1 The CFO view is set out within this report. There is still a draw on balances and this increases the necessity to adhere to the spending and saving plans.

5.1.2 There may also be pressure on fees and charges targets as increases in fees or new commercial options may conflict with other business objectives and COVID has diminished the ability to achieve previous levels of rents and charges.

5.2. Legal Implications

5.2.1 The objective of this report is to outline a medium term financial strategy and forecast for the next five years. There are no legal implications at this stage of the planning cycle, however, Members are reminded of their duty to set a balanced budget.

5.2.2 Any MYMC savings options considered will have due regard to any consultation carried out, if consultation is required.

5.3. Risk Implications

5.3.1 A review of the risks facing the General Fund budgets has been listed in the table below, not all the impacts are known at the present time. The current MTFS projections are based on prudent assumptions, and include the CFO's best assessment of the financial risks. However, if any of these risks become a reality then the MTFS will need to be updated once the actual impacts are known.

Risk Area	Risk Mitigation	Likelihood	Impact
Government COVID funding does not cover losses in 2022/23 or meet any increase in 2021/22 in losses	Additional MYMC options will need to be identified and a number of options are being considered	High	High
Anticipated MYMC options not achieved (Negative Risk) –agreed options do not deliver expected level of savings either on a one-off basis or On-going.	Regular monitoring and reporting takes place, but the size of the net budget reductions increases the risk into the future. Non achievement of options would require other options to be brought forward. General Fund reserves should be held to ensure that decisions to reduce net costs are taken in a considered manner. This may become more of a risk as options around commercialisation are explored.	Medium	Medium
REVISED: Council Tax Support (CTS) (Negative Risk) – increased demand is under- estimated.	An increase in demand would impact on future years as the deficit in the collection fund would need to be repaid by the General Fund. However the modelling in the MTFS leaves the higher level of CTS caseload as set out in para 4.6.4	High	Medium
Localisation of Business Rates (Potential Negative) – A major employer leaves the town and impacts the business rate yield due to the Council	Negative: The safety net means a maximum loss in year of £190K which the council has included in an allocated reserve. On-going this would impact on the savings target and ultimately services.	Medium	High
Loss of Business Rates due to Companies going into administration	As above.	High	High
The NDR Check Challenge Appeal process impacts on the council's baseline assessment and increases the level	Officers will be monitoring changes to the NDR system and will be talking to the Valuation office. However since the system has been introduced, little has been completed in Stevenage and there	Medium	Medium

Risk Area	Risk Mitigation	Likelihood	Impact
of successful appeals and reduces the yield (Negative risk)	are appeals from the 2010 list remaining.		
Impact of the Universal Credit (Negative Risk) – The grant given to the Council is cut before the Revenue and Benefits Partnership is able to reduce costs. The Welfare reform bill may impact on residents' ability to pay council bills.	A reduction in the amount of grant assumed within the MTFS would require compensating reductions in planned spending within services. However UC is being implemented at a very slow pace and the current case load is reducing.	Medium	High
Inflation (Negative Risk) – The majority of contracts the Council holds include an annual price increase	General balances are risk assessed to ensure overall levels are maintained that can meet higher than expected inflation rates. The inflation projections include a 2% pay award for 2022/23 onwards.	Medium	Medium
Impact of Future Welfare Reforms (Negative Risk) – There could be an increase in the need for the council's services requiring additional resources to be put into those services	Regular monitoring and reporting and the council has a welfare reform group which monitors impacts.	Medium	Medium
All MTFS risks not adequately identified (Negative or Positive Risk) – Financial risks and their timing are not accurately judged leading to either a pressure or benefit to the MTFS.	Council's risk management framework ensures operational and strategic risks are identified as part of the annual service and MTFS planning process.	Low	High
The impact of BREXIT (negative risk) causes supply chain issues increasing costs	An amount has been included in the minimum level of balances and the inflation increases for contracts and utilities has been included in the MTFS modelling.	Medium	Medium

Risk Area	Risk Mitigation	Likelihood	Impact
Impact of future years capital programme (Negative) There could be increased pressure from the capital programme on the General Fund.	There is a robust challenge process for capital bids. Officers will be required to confirm that resources are in place to deliver any approved spend. The Locality reviews should identify capital receipt opportunities.	Medium	High
The Council's regeneration of SG1 increases the financial resources the Council must find.	The Council has already approved the use of ring fenced NDR gains for this purpose and the MTFS recommends this continues. However a full reset of business rate gains could see this reduce and put a pressure on the General Fund.	High	High
Fees and Charges target may not be reached (negative risk)	Non achievement of the target may require other options to be brought forward, for future years. The in year losses have been addressed within the report from a central scenario modelling and increase in minimum balances	High	High
NEW: Homeless Bed and Breakfast costs increase over that budgeted	An allocation of £280,000 has been included in the MTFS for 2022/23.	High	High

5.4. Equalities and Diversity Implications

5.4.1 The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. The Equality Duty and the impact of decisions on people with protected characteristics must be considered by decision makers before making relevant decisions, including budget savings.

5.4.2 The process used to develop the Council's budget has been designed to ensure appropriate measures are in place to ensure the impact of decisions on the community is considered as part of the decision making process. It is officers' view that undertaking an Equalities Impact Assessment (EqIAs) on the strategy is not appropriate at this stage. EqIAs will be done on individual savings proposals (when relevant) at an early stage in the budget savings process to aid decision makers in their consideration of the Equality Duty. This work is being planned into the budget setting process.

5.5. Policy Implications

5.5.1 The approval of the revised budget framework includes a link for the Council's service planning requirements to ensure service priorities are identified. In addition the budget framework represents a development of a policy led budgeting approach across Council services and the overall Financial Strategy.

5.6 Staffing and Accommodation Implications

5.6.1 It will be evident that there are potentially staffing implications in this report and the matter should be discussed with the Trade Unions at the earliest opportunity.

5.7 Climate Change Implications

5.7.1 The Budget and Policy setting process prioritised growth for climate change as part of the 2022/23 budget setting process. The 2022/23 process should have due regard for climate change implications based on the Council's Climate Change Strategy.

BACKGROUND DOCUMENTS

BD1 - 2020 September MTFS Strategy

BD2- COVID Recovery Plan MTFS June 2020 Executive

APPENDICES

Appendix A MTFS

Appendix B Quarterly Monitoring