Report of:	Meeting	Date
Councillor Michael Vincent, Resources Portfolio Holder and Clare James, Corporate Director Resources	Cabinet	19 October 2022

Medium Term Financial Plan 2022/23 to 2026/27

1. Purpose of report

1.1 To consider the council's Medium Term Financial Plan for the financial years 2022/23 to 2026/27.

2. Outcomes

2.1 The ability to demonstrate good financial management by ensuring that the council's Medium Term Financial Plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities.

3. Recommendations

3.1 Members are requested to:

a. Consider the attached Medium Term Financial Plan and the consequential action required in order to address the issues resulting from the five year Financial Forecast (current year plus four years);

b. Note the revised expenditure projections incorporating the slippage from 2021/22, and the resulting impact on the level of the council's Reserves and Balances at 31 March 2022; and,

c. Agree the top-up and use of all Reserves and Balances as indicated in Appendix 3 to the Medium Term Financial Plan.

4. Background

4.1 The council's comprehensive, Medium Term Financial Plan, essentially a five year financial forecast, complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the council's resources in the years ahead.

4.2 The council's financial plans support the delivery of strategic plans for assets either through investment, disposals, rationalisation or more efficient asset use. Financial plans show how the financial gap between the need to invest in assets and the budget available will be filled over the long term (for example through prudential borrowing, rationalisation of assets, capital receipts, etc.).

5. Key issues and proposals

5.1 The last Plan was based on the Revenue Budget for 2021/22 and it was recognised that it would be subject to continuous monitoring to ensure its effectiveness. Since the Plan was last considered there have been regular monitoring reports to Members on both the Revenue and Capital Budgets and the 2022/23 Budgets for both of these have been approved. The Outturn figures for 2021/22 (pre audit), were presented to the Audit Committee on 27 September 2022. Attached, at Appendix A, is a copy of the updated Plan, which includes the latest five year financial forecast.

5.2 Based on the detailed appendices to this report, over the forthcoming MTFP period, savings would be required of:

- £2,400,000 for 2023/24
- £2,801,000 for 2024/25
- £3,101,000 for 2025/26
- £3,522,000 for 2026/27

These are expressed on an assumption that any savings in each year are one-off and non-recurring. Therefore, as an example, should recurring savings be found in 2023/24 of £500,000 then the required savings to be found in each subsequent year would be reduced initially by that same £500,000 (being recurring in nature).

Financial and legal implications	
Finance	Considered in detail in the appendices attached.
Legal	None arising directly from the report.

<u>Other risks/implications: checklist</u>

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	✓
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Clare James	01253 887308	clare.james@wyre.gov.uk	23.09.2022

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix A – Medium Term Financial Plan 2022/23 to 2026/27

Appendix A

Medium Term Financial Plan 2022/23 to 2026/27

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2022

The Medium Term Financial Plan for Wyre Council

1. Strategic Objectives

1.1 The Council's Business Plan sets out its vision, objectives and actions for a five year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. Our vision is 'Wyre is a healthy, happy and greener place where people want to live, work, invest and visit'.

Economy

Our ambition – A strong local economy. We will:
Work with the Fylde Coast Economic Prosperity Board to support economic growth and attract greener investment to Wyre
Collaborate with our partners to facilitate cleaner, greener, vibrant town centres
Support businesses to grow, prosper, recover and become carbon neutral
Work with our partners to improve the infrastructure and connectivity across the Fylde Coast ensuring carbon neutral benefits
Maximise commercial opportunities and deliver efficiencies

People

Our ambition – Empowered healthier communities We will:
Collaborate with residents and local stakeholders to support and maximise opportunities for improving health and wellbeing across our communities
Transform the way customers access our services through making better use of technology
Explore opportunities for communities and partners to deliver initiatives that build resilience and sustainability
Work with partners to support and raise the aspirations of young people
Collaborate with residents and local stakeholders to influence and encourage a low carbon culture through behaviour change

Place

Our ambition – A cleaner, greener and more sustainable environment We will:
Work towards reducing the council's and wider borough's emissions by at least 78% by 2035
Utilise Wyre's USP – the Great Outdoors – supporting residents and visitors to maximise the opportunities from coast to countryside whilst protecting, preserving and enhancing our environment for current and future generations
Collaborate with our partners to respond to a range of climate change issues, including our commitment to carbon footprint reduction and tackling flood risk across Wyre
Work with residents, Parish and Town Councils and businesses to plan, protect and enhance the quality of our neighbourhoods and environment

2. Background

2.1 The council's comprehensive, Medium Term Financial Plan is a five year financial forecast which complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the council's resources in the years ahead.

2.2 Without a resilient Business Plan, priorities can be championed that have little or no reference in relation to the needs of local communities, which can lead to a lack of value for money, direction and public satisfaction.

2.3 The council continues to face many significant challenges ahead and will have to manage a wide and diverse range of services with decreasing resources and heightened customer expectations.

2.4 The council recognises and welcomes the resources that are made available through contributions from other public and private partner organisations, as well as the voluntary sector. These form a key part of the council's application of resources, duly reflected in its key documents, which are shared with those bodies to achieve the most effective mix of contributions to achieve shared aims and objectives.

3. Links to Corporate Priorities

3.1 Obviously, the council cannot do everything it would like to do, or indeed, everything its customers and partners would like it to do. The council, in the same way as other organisations, is restricted by the amount of money (revenue and capital) it has to spend. As such, it has to set priorities. These priorities, which are reflected in the Business Plan, are based on clear evidence of community needs and aspirations determined through prior research and local consultation. The 2022 Business Plan update was also influenced by the views of Overview and Scrutiny Committee who were consulted as part of the drafting process.

3.2 In order to respond effectively to the diverse needs of the community the council needs to be using resources effectively, delivering the best outcomes for local people and actively seeking new ways to improve the wellbeing of the community.

3.3 This process will be achieved through the following mechanisms:

Engagement with Residents using existing mechanisms and groups – The council is keen to ensure that the aspirations and needs of local people are met and continues to use the Together We Make a Difference Network to ensure better and more effective methods of achieving two-way communication.

The Council's Business Plan - outlines our vision, objectives and actions for the period 2019 to 2023 and demonstrates our commitment to make a positive difference to the lives of people living in Wyre.

Medium Term Financial Plan (MTFP) – reflects the budgetary requirements of the Business Plan and is communicated to staff and stakeholders.

Annual Service Plans – contain detailed action plans for the forthcoming year for each service including performance targets.

Team and Individual Objectives – ensures that each member of staff knows how their job helps to deliver a better Wyre. A staff appraisal system helps to assess everyone's contribution.

Performance Management Framework – a tool that underpins all of the above and allows everyone to track performance.

3.4 New schemes requiring funding are referred to Corporate Management Team (CMT) for detailed consideration against corporate priorities. (The Detailed Business Case template for Revenue and Capital projects can be seen at Appendix 1.) Once scrutinised by CMT, successful business cases are then submitted to the relevant Portfolio Holder for approval. Further scrutiny takes place when Cabinet consider the Capital Programme as part of the council's Estimates Process. In addition, every year, Overview and Scrutiny review the schedule showing planned investment in our assets and this last took place on 17 January 2022. This ensures that, often difficult, decisions are taken in consideration of the council's duty to promote the wellbeing of the community, as well as service specific needs.

3.5 Before detailed business cases are submitted for consideration however, there must be:

- A clear rationale for the project and identification of the corporate priority to which the request relates;
- Identification of stakeholders;
- An options appraisal which also considers the impact on the organisation, staffing, technology etc.;
- Consideration of the benefits, both tangible and intangible that the project could achieve and how these will be measured;
- Consideration of the financial impact of the expenditure e.g. one off and recurring financial consequences
- Awareness of the risks attached to the project and how these could be mitigated and/or managed.

3.6 Ordinarily, capital receipts can only be used to fund capital expenditure or be set aside to repay debt. However, as part of the multi-year 2016/17 local government finance settlement, greater flexibility to allow council's to use these receipts to generate ongoing revenue efficiencies was announced although published guidance must be followed. This flexibility has been extended several times and now includes every financial year to at least 2024/25.

3.7 This guidance advises that: "The Secretary of State believes that individual authorities and groups of authorities are best placed to decide which projects will be most effective for their areas. The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authorities', or several authorities, and/or to another public sector body's net service expenditure."

3.8 The Guidance also recommends that the Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year and/or should be presented to full Council or the equivalent at the earliest possible opportunity.

3.9 At the present time, there is no intention to make use of this flexibility owing to the significant schedule of works required to maintain and invest in our assets and as such no Strategy has been approved by Council.

3.10 The council is keen to strengthen the link between investment and return by encouraging the development and reporting of indicators that can demonstrate how individual schemes have contributed to the achievement of its priorities, i.e. what the community can expect the investment to achieve in terms of outputs and outcomes.

4. Budget Management and Monitoring

4.1 In order to ensure that the council is able to demonstrate an effective approach to managing its financial performance, monitoring reports, highlighting any significant deviations from the plan, are submitted to the Executive on a regular basis in respect of both revenue and capital expenditure. This information is informed by regular budgetary reviews undertaken by Spending Officers and the Financial Services Team. Any changes to the phasing of capital schemes and any significant variations to scheme costs are formally reported to Cabinet throughout the year. This process balances the need for a consistent and corporate approach to programme management generally with the responsiveness and flexibility required to manage, often complex, schemes.

4.2 The release of funds from the Capital Budget, following a scheme's inclusion in the Capital Programme, is subject to a comprehensive report to the appropriate Portfolio Holder, by the relevant Corporate Director who is responsible for managing the scheme from development through to implementation and review. (This requirement may be relaxed for those schemes where the delay between the date of inclusion in the capital programme and the project start date is less than 9 months and the exact nature of the capital investment requires no further Member approval). The Members' role in performance management and monitoring is supported by the Council's Financial Regulations and Financial Procedure Rules which state the key controls surrounding the capital programme as follows:

a) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the executive
b) specific approval by the full Council for the programme of capital expenditure
c) expenditure on capital schemes is subject to the approval of the relevant Portfolio Holder prior to scheme commencement
d) proposals for improvements and alterations to buildings must be approved by the Corporate Property Officer
e) schedules for individual schemes within the overall budget approved by the full council must be submitted to the relevant Portfolio Holder for approval (for example, Refurbishment of Playgrounds)
f) the development and implementation of asset management plans
g) accountability for each proposal is accepted by a named manager
h) monitoring of progress in conjunction with expenditure and comparison with approved budget.

4.3 Capital costs must be within approved budgets, the tender process being conducted in accordance with Financial Regulations and Financial Procedure

Rules which set out the circumstances for reporting overspends to the Executive.

4.4 The Prudential Code for Capital Finance aims to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. The Code sets out indicators that can be used and requires local authorities to set relevant limits and ratios. These include a three year forward looking estimate of financing costs to the net revenue stream ratio as well as a backward looking prior year actual financing costs to the net revenue stream ratio. Responsibility for setting and agreeing the prudential indicators rests with the full Council further reinforcing the Members' role in the management of the Capital Programme.

4.5 In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes and a Revised Prudential Code. These two statutory and professional codes are important regulatory elements of the capital finance framework within which local authorities operate and the council is required by regulation to 'have regard to' their provisions.

4.6 A particular focus of the revised Prudential Code was to remind local authorities of the limits on commercial activities and the importance of proportionality, not borrowing for debt-to-yield purposes and that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments. All of these changes have limited impact on the council.

4.7 The main changes to the updated Treasury Management Code and the accompanying guidance for local authorities related to the treatment of non-treasury investments. They included the introduction of the Liability Benchmark as a treasury management indicator for local government bodies; that Environmental, Social and Governance risks are incorporated into Treasury Management Practice 1 (Risk Management); and the purpose and objective of each category of investments should be described within the Treasury Management Strategy. For these and any changes in the Prudential Code, we are allowed to work towards compliance in 2022/23 with full implementation from next April.

5. Basis of Budgetary Forecast

5.1 The projections incorporate the final position in respect of the 2021/22 financial year with the Statement of Accounts (subject to audit) approved by Audit Committee on 27 September 2022. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 require the council's responsible financial officer to certify that the accounts 'present a true and fair view of the financial position' for the 2021/22 financial year by 31 July 2022 which was achieved. The council is then formally required to approve and publish the audited Statement of Accounts no later than 30 September 2022. Owing to the pandemic these deadlines are later than they were. However our external Auditors have indicated that they will not meet this deadline and we are expecting sign-off later in 2022/23. It is the role of the Audit Committee, independent from the Executive and Overview and Scrutiny functions, to 'review the annual Statement of Accounts considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council'. The audited accounts and the report from the External Auditor, referred to as the ISA260 Report are still outstanding for the

2020/21 accounts owing to delays caused by a lack of resources at Deloitte and a statutory issue on the valuation of infrastructure assets, although it is hoped that these will be signed off in 2022.

5.2 The Local Government Association (LGA) has yet to confirm the Pay Award for the National Joint Council for Local Government Services for 2022/23 (1.75% in 2021/22 for staff and 1.5% for Chief Officers). For 2022/23 an estimated 7% pay award has been included in the forecast followed by 4% thereafter. Following the government's announcement in September 2021 regarding an additional health and social care NI contribution from April 2022 of 1.25%, this had been built into the forecasts ongoing. However, an announcement by the Chancellor on 23 September 2022 means that from 6 November this year, the 1.25% can be stripped out and this has been reflected in the MTFP.

5.3 Provision for inflation has been included where it is considered to be a contractual obligation and tailored assumptions have been made where known inflationary pressures exist. In preparing a prudent budget, the council should also reflect the current economic climate and its potential impact; this has been considered as part of the Risk Assessment at Appendix 5. Currently we are experiencing levels of high inflation with rising energy and fuel costs in particular. Our underlying assumptions around energy prices have led to an increased budget provision going forward, more reflective of the increases seen so far in 2022. Some certainty over the longer term has been achieved through fixed price contracts. However consumption is variable and some meters may transition to out of contract rates from 1 October until the market is able to offer fixed rates again.

5.4 Although the income projected from fees and charges should follow the principles of the Audit Commission publication "The Price is Right", the objective being to maximise support to the Revenue Budget, it has been assumed that additional income generated during 2022/23 will be offset by similar increases in other costs. Where a specific policy decision has already been taken, however, in relation to future levels of charging this has been reflected in the plan. The council's Charging Policy is attached at Appendix 2.

5.5 The financial projections reflect all known implications arising from published strategies and plans across the council and joint plans agreed with partners and other stakeholders which include the following:

- Business Plan 2019-2023;
- Waste Management Strategy 2008-2020 (refresh pending as at Sept 2022);
- Digital Transformation Strategy 2022–2025;
- Disabled Facilities Grants Policy; and
- Local Plan

5.6 As part of the annual budget cycle, and in determining the MTFP, the council continues to identify actions that will improve efficiency, quantifying the expected gains that assist the council in effectively prioritising its finite resources. These efficiency targets, detailed within the council's 'Annual Efficiency Programme' which is published along with the Revenue Budget papers considered by Cabinet, will assist the delivery of the council's corporate priorities supporting the continued improvement of services for our residents. Savings and efficiency gains identified for the year are monitored throughout the period by the Executive to ensure their achievement. Target efficiency savings will only be reflected in the MTFP, however, as they are realised.

5.7 Owing to the global pandemic and changes in central government, we are still awaiting the delayed outcome of the Fair Funding Review and Business Rates Retention Reform and depending on the outcome of these changes a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, will be undertaken to alleviate serious financial problems in future years. The financial projections, included at Appendix 2, currently indicate that further annual savings will be required in future years. This has worsened significantly owing to current levels of high inflation, National Living Wage pressures and the accompanying ‘cost of living crisis’. However, there is also a high level of uncertainty in the forecast owing to the absence of a multi-year settlement and the residual impact of the pandemic and funding reforms are expected in 2023/24. As such, it is important that the Council considers its future budgets and continues to monitor closely the MTFP.

5.8 One important change to note, in order to mitigate the cost pressures, in a change from previous years, the MTFP now assumes that there will be an annual draw down on the Non-Domestic Rates Equalisation Reserve equivalent to the retained levy from being a member of the Lancashire Business Rates Pool. In 2021/22 this was £624,450 and it is this value that has been assumed will fund increased revenue spending pressures ongoing.

5.9 From 1 April 2014 the accounting arrangements for pensions changed and rather than a single percentage contribution rate being calculated to determine the employers’ payment into the scheme, the charges are split with a future service contribution rate being set and charged to services together with a cash deficit recovery contribution being charged to Non Distributed Costs. The employers’ equated superannuation rate, effective for the financial year commencing 1 April 2022, is 18.3% and reflects a future service contribution rate of 18.3% and a deficit recovery contribution of nil. The past service deficit contribution was originally meant to increase by 4.1% per annum. However, the outcome of the latest triennial review for 2020/21 to 2022/23 and the decision to pre-pay our pension contribution has resulted in an overall estimated surplus position which is helping to offset the future service cost %. This option to pre-pay the council’s pension contribution for the three years, delegated to the s.151 Officer, and thereby pay a reduced amount, is estimated to save over £228,000 over the period. The next triennial review by the Actuary will be based on data at 31 March 2022 and will be effective for the three years commencing 1 April 2023 (discussions are under way to modify future review periods but this remains the current position). The government have been consulting on extending the review period to up to five years but the outcome of this is not yet known. The plan assumes a future service rate of 18.8%. This is based on the estimated rate of 18.3% provided by the actuary in December 2019 plus a 0.5% provision for the impact of the recent McCloud judgment which is expected to increase costs. The Pension Fund have indicated that our rates should remain stable over the next triennial review and our figures should be available by November.

5.10 With effect from the 2007/08 financial year, the council once again become reliant on borrowing to support capital expenditure. The council has borrowed £3.552m to date and this value is used to calculate the minimum revenue provision (MRP) which must be reflected in the accounts. The borrowing to date is as follows:

Date	Loan Ref	Value (£)	Period	Rate (%)	Maturing
05.03.08	494403	1,000,000	3	4.18	Sept’ 2010
05.03.08	494404	552,000	30	4.48	Sept’ 2037

05.03.08	494405	1,000,000	50	4.41	Sept’ 2057
09.03.09	495360	1,000,000	4	2.05	Sept’ 2012

5.11 Whilst there is no interest paid on the two loans that have matured, the charge to the revenue account reflecting the principal element of the repayment is calculated based on the number of years that the asset will be in operation. Interest paid on long term borrowing in 2021/22 is expected to be £68,830 and principal repayments are £95,559 – a total cost of £164,389. This cost will not reduce until 2024/25 when assets with a 15 year life span fall out of the MRP calculation and the MRP reduces to £89,994 (£158,824 including interest). The MRP calculation then reduces again to £79,703 (£148,533 including interest) in 2025/26.

5.12 In an effort to reduce the council’s reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The balance remaining on this reserve at 31 March 2022, totalling £1,577,262, is substantially committed.

6. Basis of Resources Forecast

6.1 The extent of the growth in the tax base of the authority obviously has an impact on the projections of future Council Tax income. An increase of 1.9% has been anticipated in 2022/23 reducing to 1.2% at the end of the MTFP period.

6.2 New provisions for council tax referendums were introduced by the Localism Act with effect from 2012/13 to replace capping. The council increased its share of the council tax in 2022/23 by £5 or 2.38%. As part of the Local Government Finance Settlement, the Government announced a 2% trigger for local referenda on council tax increases but also allowed any shire district council to charge a de-minimis £5 more in council tax without triggering the referendum. For the purpose of the MTFP a £5 increase in council tax has been assumed in 2023/24 and beyond. If the £5 threshold were withdrawn then the forecast position would worsen. Conversely, if the 2% threshold was returned to 3% and members were supportive of this increase, the position would improve.

6.3 The current Business Rates Retention Scheme was introduced in 2013/14 and essentially allows councils to keep a share of any business rate growth. A baseline level of funding has been set which, in effect, replaces the grant support that would otherwise have been awarded. Under the national scheme, the council is allowed to keep 40% of any additional funds that it generates (with 50% being paid to the Government, 9% to Lancashire County Council and 1% to the Fire Authority) but this is normally regulated by the payment of a levy at 50%.

6.4 Following a one-year 75% retention pilot pool in 2019/20, with effect from 1 April 2020, the council was again designated as belonging to the 50% Business Rates Pool of Lancashire. This results in the County Council being paid 10% of the retained levy (prior to the cost of administering the pool) with Wyre retaining 90% of the levy previously payable.

6.5 A consequence of being part of the Pool arrangement is that the council will no longer be eligible to receive a safety net payment should the business rate base in the area decline and fall below 92.5% of the baseline funding level. The entire Pool would have to drop below the safety net level of 92.5% for any additional support to be paid over.

6.6 The council receives a negligible revenue support grant and the forecast assumes that our base funding level will increase by a modest 1.5% pending further information on the Spending Review and other reforms.

6.7 The requirement for financial reserves is acknowledged in statute. The Local Government Finance Act 1992 requires billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The council's minimum prudent level of balances, calculating the requirement at 5% of net expenditure before other government grants (£724,400) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£255,695 in 2022/23), is now £980,095. Balancing the annual budget by drawing on general reserves may be viewed as a convenient short-term option but where reserves are deployed to finance recurrent expenditure this should be made explicit by the Section 151 officer. **Members must note that the continued use of balances is not sustainable and a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, must be undertaken to alleviate serious financial problems in future years. A high level review of statutory and non-statutory services has been carried out. The financial projections indicate that further annual savings will be required in future years.** It is important that the council considers its future budgets and continues to monitor closely the MTFP. The value of reserves and balances at the end of March 2022, and projected for the future, can be seen at Appendix 3. The identification of earmarked reserves often takes account of risk assessments and contingency planning with funding being provided for known events such as the Borough Election and the rolling replacement of ICT equipment and vehicles. The level of general balances also supports contingency planning and recognises anticipated future financial pressures on revenue resources and the difficulties of securing immediate savings. The council's Policy on the Level of Reserves and Balances is included at Appendix 4.

6.8 The council's capital spending is constrained by the availability of appropriate resources including capital receipts, capital grants, borrowing and revenue funding. The council has previously adopted a policy of ensuring that assets with the shortest charge life are financed from capital receipts rather than borrowing to minimise the revenue impact. The council submits a variety of external funding bids, many of which are coordinated by the Engineering, Parks and Open Spaces and Economic Development Teams and all funding bids are agreed with Financial Services prior to submission. The council has an excellent track record of securing external grants and continues to seek funding to facilitate investment in the borough.

6.9 On 23 March 2020 the coronavirus pandemic resulted in the first of a series of national lockdowns. Between March 2020 and April 2022 the imposition of local and national restrictions had a significant impact on people's lives, the economy, statutory deadlines and service priorities to name a few. The financial impact on the council continues to be felt in areas such as leisure and tourism which was particularly hard hit. There is now an ongoing residual impact in the wider economy which is resulting in rising inflation and interest rates, both of which have an impact on the forecasts. On 29 June 2022, the then Secretary of State Michael Gove confirmed that councils in England will receive two-year funding settlements from next year to help them plan with "a greater degree of confidence". If this commitment is delivered then it will be an improvement on the current limited level of forecasting certainty.

6.10 Earmarked Reserves and General Balances showed an improved position at outturn. However, the improvement on General Balances was entirely as a result of deferred revenue expenditure, so not a true saving. The improved Earmarked Reserves position was primarily a result of in-year revenue savings and additional income. Top-ups to several reserves were made with the largest amounts going into the Council Tax Equalisation Reserve, ICT Strategy Reserve and Leisure Management Reserve in anticipation of increased costs. The Council Tax Base Equalisation Reserve has been increased to reflect a two-year extension to the cushioning arrangement introduced following successive years in the 2010s of taking advantage of the then government's council tax freeze grant. This policy meant that the tax base was frozen and created a 'cliff edge' in the forecast which the delayed funding reforms may have resolved. To align with these delays it was deemed prudent to extend this arrangement.

7. Risk Assessment

7.1 An assessment of the risks associated with the MTFP has been carried out. This includes the likelihood, severity and level of risk together with the risk management procedures in place to control and monitor them. The guidance framework for Corporate Governance in local authorities highlights the need to have these risk management procedures in place.

The table below explains the scoring matrix that is used to calculate the level of risk.

Likelihood	Severity	Risk = Likelihood x Severity
Low (1)	Low (1)	1 – 2 = Low
Medium (2)	Medium (2)	3 – 4 = Medium
High (3)	High (3)	6 – 9 = High

Action to be taken after scoring is as follows:

- High = Review existing practices/proposed recommendations and act.
- Medium = Review control mechanisms.
- Low = Limited immediate action; continue to monitor.

7.2 Appendix 5 lists the major risks associated with the MTFP and the controls in place to alleviate the risks.

8. Executive Summary

8.1 Aims

- To improve the quality of services through the strategic planning process and the targeting and prioritising of investment to meet local and national objectives.
- To provide a clear and consistent framework for financial decision-making and management at both the corporate and service level, subject to continuous monitoring to ensure its effectiveness.

8.2 Delivery

The council strives to ensure that its resources:

- Continue to be guided by the key principles underpinning our corporate objectives and contribute effectively to their achievement, through Corporate Service and Financial Planning.
- Are robustly reviewed on a regular basis identifying potential efficiency savings.
- Add value to those provided by partners and other agencies in the Borough to provide joined up solutions.
- Optimise opportunities for corporate working across services and operational strategies, to achieve wider, defined objectives.
- Are not accepted as the only source of funding for services and continues to explore the possibility of attracting funding from external sources.
- Are supported by the achievement of maximum income levels in relation to fees and charges levied for services provided.
- Maximise and make best use of the council's assets.

List of Appendices:
Appendix 1 – Detailed Business Case Template
Appendix 2 – Charging Policy
Appendix 3 – Summary Financial Forecast (including Reserves and Balances)
Appendix 4 – Policy on the Level of Reserves and Balances
Appendix 5 – Risk Assessment

Appendix 1

Detailed Business Case

Topic Name: <Insert Topic Name Here>

Prepared by: <Insert Name>

Date: <Insert Date>

Version Control

Version	Date	Author	Change Description
0.1	<Date>	<Name>	<First Draft – Not yet for publication>

Distribution List

Name	Role
<Insert Name 1>	<Insert involvement in this work, not necessarily job title>

Executive Summary
[Insert a summary of the contents of this document – usually this section is completed last]

Background
[Insert the background of the project, aimed at readers who may not know much about the topic]

Reasons for Project
[Insert information on why the project is needed]

Stakeholders
[Use the table below to list the internal and external stakeholders of this project]

Stakeholder	Interest and Involvement

Options Appraisal
[Typically, there will be a number of options available. Insert details, including an economic appraisal, of the different options available. Often doing nothing is included as the first option to show remaining as-is will NOT be a good way forward. One option will then be selected and used in the rest of the business case. In some cases, the benefits, saving, risks and costs will vary depending on the option chosen. In which case, these can be incorporated into each option, rather than included in the separate sections below. If there are not multiple options, this section can be deleted and the information can be incorporated within the Reasons for Project section above.]

Equipment and Technology Considerations
[This section should explain any considerations with regards to technology. Many new initiatives rely on technology to manage or monitor various business functions. Key features of any contract should be included, such as contract terms, payment mechanism and procurement.]

Organisation and Staffing
[With many new products or services there may be a need for additional staffing or for a restructure in order to accommodate the change.]

Benefits Realisation
[Insert the project benefits. These can be tangible and intangible. Where possible, include details of suitable measures, so the reader is clear on how you will know when you have achieved the objective. Typically, many of the benefits will not be realized until long after the project has closed. For example, if the project was to build a children's play area, user numbers could not be measured until it has been open for a number of months.]

The benefits the project will bring are:

No.	Benefit Description	Measure
1	<Insert>	<Insert>
2	<Insert>	<Insert>
3	<Insert>	<Insert>

Financial Assessment
[Insert details of the cashable and efficiency saving which can be made (if applicable). Please remove sections and rows which are not required. Work out the savings over one year and then over many years. The number of years chosen will differ depending on your project, but will typically be between 3-10 years. You may wish to include a representative from Finance at this point to help you financially model a number of scenarios.]

A summary of the potential savings are shown in the tables below.

Cashable Savings - Item	**Savings P.A. £**	**Savings over <X> years £**
TOTAL	**<Total>**	**<Total>**
Efficiency Savings - Item	**Savings P.A. £**	**Savings over <X> years £**
TOTAL	**<Total>**	**<Total>**
OVERALL TOTAL	**<Total>**	**<Total>**

Cost

The main costs for this project are summarised below:

ITEM	**Costs in year 1 £**	**Costs over <X> years £**
TOTAL COST	**<Total>**	**<Total>**

Anticipated savings less costs =	**<Savings - Costs>**

Risks

The risks associated with delivering the business case are as follows. These will be transferred to the project issues and risks log for ongoing management purposes.

Risk	**Potential Impact**	**Mitigation**
<Insert the nature of the risk>	<Explain the potential impact>	<Explain the steps taken to reduce the risk>

Recommendations

[Insert the business case recommendations, including the recommended option from those stated above]

Timescales

[Insert a brief project timetable, or alternatively use the document '2 Project Plan' or the 'Project In a Box' software to draw a timeline which can then be attached as a link to this document]

Appendix 2

Charging Policy 2022/23

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2022

Charging Policy 2022/23

1. Background

1.1 The Cabinet last formally considered its charging policy at its meeting on 20 October 2021.

1.2 In September 1999 the Audit Commission published "The Price is Right" which advised councils to focus attention on charges and addresses the following issues:

- Establish clear principles for charging;
- Integrate charging into service management and forge links with corporate objectives;
- Set clear objectives and targets to qualify success in charging;
- Build an understanding of users and markets;
- Improve decision making by taking into account the likely impact of changes to charges; and
- Innovate via imaginative use of charging structures.

1.3 In January 2008, the Audit Commission published a further report entitled "Positively Charged", which identified how different councils' use their powers to charge for services and draws conclusions that support their earlier publication in that:

- Charging for local services makes a significant contribution to council finances and for district councils charges make the greatest contribution to service delivery;
- Councils use charges to influence individuals' choices and to bring benefits to local communities. Charges can be set to encourage or discourage people to use services and through concessions to pursue local objectives; and
- Councils need to understand better the likely impact of charges on users and on patterns of service use.

1.4 The report recommends, amongst other things, that where there is a subsidy to provide a service, this is transparent as part of the decision making process; that service managers should be aware of both users and non-users of the service being charged for; to engage service users and taxpayers more in decisions about charging levels and that there should be regular debate on charges and charging policy.

1.5 A new briefing entitled 'Income from Charging' was issued by the Audit Commission in September 2013 which uses data from the value for money profiles and presented a high level analysis of councils' income from charging and the contribution it makes to service spending and allowed comparisons to other councils of the same type and changes over time. The data was the subject of a value for money review undertaken as part of the Overview and Scrutiny work programme and was considered at the meeting 15 December 2014. Having fully explored and investigated the variances, it was felt that the value of the research was limited with the additional benefit not being sufficient to justify the exercise being repeated.

1.6 The level of income generated by fees and charges, and in particular projected increases which the council can influence, forms a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

2. The Council's Policy

2.1 The council needs to maximise its income whilst ensuring that its services are not compromised, taking into account competition from other providers. Indeed, if services are subsidised purely to maintain a competitive price then a fundamental review of the service should be carried out resulting in the justification of the approach or recommending alternative action.

2.2 The council is keen to encourage a shared responsibility for improving neighbourhoods and wherever possible will consult local people and communities on charging policies. Information obtained from satisfaction surveys can also help to monitor performance.

2.3 The reasoning behind both service provision and the charge levied should be justified each time that charges are re-assessed. For example, there may well be a desire to use a charging policy to meet other objectives such as increasing usage of recreational assets.

2.4 Decisions regarding pricing should be taken in the full knowledge of the pricing policies of alternative providers and information should be provided to ensure that Members are sufficiently briefed.

2.5 Clear targets should be set for income levels in advance of any review of pricing and achievement of these targets should be monitored using the council's established performance management arrangements.

2.6 When considering pricing policies Service Managers should be encouraged to be innovative and flexible in determining the basis for the charge.

3. Impact

3.1 The table attached identifies the range of services for which the council currently levies a charge and the value of the income estimated for the current year. The table also details those areas where the fee is externally set, as is currently the case with Planning Fees, or where we must ensure a break-even position, with the charge being set at a level sufficient to recover associated costs.

APPENDIX 2 - Charging Policy

Service Area	Determined by WBC √ or X	Estimated Value 2022/23 £	Able to Influence £	Unable to Influence £
Resources				
Electoral Services	√	1,800	1,800	
Other Legal Fees	√	30,000	30,000	
National Non-Domestic Rates (Court Costs)	√	13,000	13,000	
Photocopying	√	250	250	
Council Tax (Court Costs)	√	334,750	334,750	
Hire of Committee Rooms	√	8,100	8,100	
	Sub Total	**387,900**	**387,900**	**-**
Communities				
Planning	X	600,000		600,000
Development Control	√	8,200	8,200	
Estates use of land for commercial events	√	3,000	3,000	
Building Control #	√/X	236,600	1,500	235,100
Renovation Grants (Fee Income)	√	264,150	264,150	
Houses in Multiple Occupation	√	5,550	5,550	
Land Charges #	X	75,790		75,790
Street Nameplates and Numbering	√	12,500	12,500	
Care and Repair/Handyperson Service	√	112,920	112,920	
Alley Gates	√	50	50	
Marine Hall	√	154,300	154,300	
Thornton Little Theatre	√	56,000	56,000	
Mount Grounds	√	1,000	1,000	
Marsh Mill	√	1,000	1,000	
Poulton Market*	√	20,000	20,000	
Fleetwood Market*	√	524,480	524,480	
Cleveleys Market*	√	3,000	3,000	
Market House Studios	√	120	120	
Leisure Centres (including pools) **	√	-	-	
	Sub Total	**2,078,660**	**1,167,770**	**910,890**
Environment				
Animal Licensing #	√	8,000	8,000	
Taxi Licensing #	√	78,980	78,980	
Licensing Act #	X	86,500		86,500
Gambling Act Licensing #	X	25,800		25,800
Other Licensing *** #	√	7,060	7,060	
Pest Control	√	37,810	37,810	
Private Water Supplies	√	870	870	
Food Safety	√	5,490	5,490	
Contaminated Land	√	100	100	
Pollution Prevention Control	X	7,940		7,940
Car Parking	√	502,350	502,350	

Service Area - continued	Determined by WBC √ or X	Estimated Value 2022/23 £	Able to Influence £	Unable to Influence £
Residents Parking Permits	√	25,000	25,000	
Penalty Charge Notices (Off street parking)	X	50,990		50,990
MOT Test Centre	√	28,480	28,480	
Cemeteries	√	292,960	292,960	
Countryside	√	3,030	3,030	
Wyre Estuary Country Park	√	1,350	1,350	
Rossall Point	√	30	30	
Dog Warden Service	√	2,000	2,000	
Street Cleansing	X	27,500		27,500
Public Conveniences	√	53,200	53,200	
Outdoor Leisure	√	8,200	8,200	
Bulky Household Waste	√	51,000	51,000	
Green Waste Removal	√	830,100	830,100	
Waste Container Delivery Administration Costs	√	90,000	90,000	
	Sub Total	**2,224,740**	**2,026,010**	**198,730**
	Total	**4,691,300**	**3,581,680**	**1,109,620**

* Fleetwood, Poulton and Cleveleys Market Rents are set under Officer Delegated Powers.

** Involved in agreeing charges but income retained by contractor.

*** WBC is able to influence some licences including ear piercing, performance of plays, public entertainment, second hand goods dealers, scrap metal operators' and street trading licences.

# Indicates a break even position over a set period is required.