

Public Document Pack



COTSWOLD
DISTRICT COUNCIL

Monday, 24 January 2022

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OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Overview and Scrutiny Committee will be held in the Council Chamber, Trinity Road, Cirencester on **Tuesday, 1 February 2022 at 4.00 pm.**

Rob Weaver
Chief Executive

To: Members of the Overview and Scrutiny Committee
(Councillors Stephen Andrews, Gina Blomefield, Claire Bloomer, Patrick Coleman, Roly Hughes, Richard Norris, Ray Theodoulou, Gary Selwyn, Nigel Robbins and Nikki Ind)

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

AGENDA

1. **Apologies**
2. **Substitute Members**
To note details of any substitution arrangements in place for the meeting.
3. **Declarations of Interest**
To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.
4. **Minutes**
To confirm the minutes of the meeting of the Committee held on 30 November 2021.
5. **Chair's Announcements**
6. **Public Questions**
To deal with questions from the public within the open forum question and answer session of fifteen minutes in total. Questions from each member of the public should be no longer than two minutes each and relate issues under the Committee's remit.
7. **Member Questions**
To deal with written questions by Members, relating to issues under the Committee's remit, with the maximum length of oral supplementary questions at Committee being no longer than one minute. Responses to any supplementary questions will be dealt with in writing if they cannot be dealt with at the meeting.
8. **Called-in Decisions**
9. **Ubico Presentation**
Purpose
The Committee will receive a business plan and performance presentation at the meeting from Ubico.

Recommendation(s)
The Committee is asked to note the contents of the presentation and to then take a decision on whether a Task and Finish Group in relation to waste collection should be established.
10. **Medium Term Financial Strategy and Budget 2022/23 (Pages 5 - 62)**
Purpose
The purpose of this report is to provide the Overview and Scrutiny Committee with the opportunity to consider the Medium Term Financial Strategy, the Capital Programme and the proposed revenue budget for 2022/23. The Committee may provide feedback for the Cabinet and Council to consider as part of the budget approval process.

Recommendation(s)
That the Committee considers:

- a) The Budget proposals for 2022/23;
- b) The Medium Term Financial Strategy; and
- c) Any amendments to be proposed to the Cabinet and Council.

11. **Work Plan 2021/22 and Executive Forward Plan (Pages 63 - 74)**

Purpose

To receive the Work Plan and the Executive Forward Plan and identify any areas for inclusion in future Scrutiny.

Recommendation(s)

To amend the Overview & Scrutiny Work Plan as necessary.

12. **Quarterly Digest (including County Matters) (Pages 75 - 76)**

Purpose

To consider any issues arising out of the Quarterly Digest for future debate and/or action by the Committee.

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Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	OVERVIEW AND SCRUTINY COMMITTEE – 1 FEBRUARY 2022
Report Number	AGENDA ITEM 10
Subject	MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2022/23
Wards affected	ALL
Accountable member	Cllr Mike Every, Deputy Leader and Cabinet Member for Finance Email: Mike.Every@cotswold.gov.uk
Accountable officer	Jenny Poole, Deputy Chief Executive Email: jenny.poole@cotswold.gov.uk
Summary/Purpose	The purpose of this report is to provide the Overview and Scrutiny Committee with the opportunity to consider the Medium Term Financial Strategy, the Capital Programme and the proposed revenue budget for 2022/23. The Committee may provide feedback for the Cabinet and Council to consider as part of the budget approval process.
Annexes	Annex A – Medium Term Financial Strategy Annex B – Proposed 2022/23 Revenue Budget by service area
Recommendation/s	<i>That the Committee considers:</i> <i>a) The Budget proposals for 2022/23;</i> <i>b) The Medium Term Financial Strategy; and</i> <i>c) Any amendments to be proposed to the Cabinet and Council.</i>
Corporate priorities	The budget for 2022/23 reflects the financial implications of the Council Priorities as approved in the Council Plan in September 2020.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	The Medium Term Financial Strategy and Budget for 2022/23 has been developed in consultation with the Council's statutory officers, Publica management, Ubico management, and members of the Cabinet. Consultation has been carried out with members of the Overview and Scrutiny Committee, Audit Committee and with the District's residents, businesses and community organisations.

I. BACKGROUND

- I.1. Cabinet approved its draft Medium Term Financial Strategy (MTFS) for the period 2022/23 to 2025/26 and the associated budget proposals for 2022/23 for consultation on 4 October 2021. The Council ran an extensive budget consultation process during October and November 2021 which included: a feature in an edition of Cotswold News which was provided to every household in the District, events with Town and Parish Councils, an item within the CDC Live Broadcast, community engagement events and promotion of the budget consultation survey via social media.
- I.2. The Council received 432 responses to the consultation, an increase of 106 responses from the consultation last year. The Overview and Scrutiny Committee also considered the proposed MTFS and 2022/23 budget on 30 November 2021.
- I.3. In January 2022, Cabinet considered feedback from the consultation and used that feedback to inform decisions on changes to car park charging periods, car park and season ticket fees.
- I.4. The budget and MTFS have now been updated to reflect the following:
 - A. The Government's announcement of the Provisional Local Government Settlement 2022/23;
 - B. The estimated Council Taxbase 2022/23 and the forecast balance on the Collection Fund in respect of Council Tax collection in 2021/22; and
 - C. Provision for changes which have arisen since 4 October 2021.
- I.5. The updated MTFS is attached at **Annex A**. The proposed 2022/23 revenue budget for each Council service area is set out at **Annex B**.
- I.6. This report focuses upon changes to budget proposals since 4 October 2021. The Overview and Scrutiny Committee is asked to consider the updated MTFS and detailed budget proposals for 2022/23 and to provide feedback to the Cabinet for consideration at the meeting on 7 February 2022.
- I.7. The Audit Committee considered the draft Capital, Investment and Treasury Management Strategies on 27 January 2022.
- I.8. The Deputy Chief Executive and Deputy Leader and Cabinet Member for Finance will provide feedback from the Audit Committee and the Overview and Scrutiny Committee to Cabinet Members at the meeting on 7 February 2021.

2. MAIN POINTS

Provisional Local Government Finance Settlement 2022/23

- 2.1. On 27 October 2021, the Chancellor of the Exchequer announced the outcome of the Spending Review 2021. The Spending Review has set the Government's departmental spending limits for the next three financial years, 2022/23 to 2024/25.
- 2.2. The Department for Levelling Up, Housing and Communities (DLUHC) has used the outcome from the Spending Review to set the Provisional Local Government Finance Settlement 2022/23. The Settlement, announced on 16 December 2021, proposes Government funding for individual councils.
- 2.3. The key announcements for district councils included:

- 2.3.1. Nationally, an above inflation cash increase of 6.9% has been announced; however, this is different for individual councils. For Cotswold District Council, the settlement is essentially a flat roll-over from 2021/22.
- 2.3.2. Councils impacted by “negative Revenue Support Grant”, which includes this Council, continue to be protected from this funding cut;
- 2.3.3. New Homes Bonus funding will continue for 2022/23 but the grant will be for one-year only. The 2021/22 New Homes Bonus grant remains payable for that year only, so will not continue in 2022/23. Prior to 2020/21, New Homes Bonus grant was awarded for multiple financial years, initially six years and latterly four years. A consultation paper on the future of New Homes Bonus is due to be published shortly with an indication that changes will be implemented in 2023/24;
- 2.3.4. Rural Services Delivery Grant continues in 2022/23;
- 2.3.5. A new Services Grant has been introduced in 2022/23 and will be payable for one year only. This Grant includes funding for the national increase to National Insurance Contributions. This grant will be excluded from potential “transitional protection” as the Government implements changes to local government funding. This change is expected to take place from 2023/24.
- 2.3.6. The Lower Tier Services Grant which was introduced in 2021/22 to ensure that no local authority saw an overall reduction in Core Spending Power in 2021/22 continues in 2022/23. Core Spending Power includes income from Retained Business Rates, Council Tax, Lower Tier Support Grant, New Homes Bonus, Rural Services Delivery Grant and the new Services Grant.
- 2.3.7. Disabled Facilities Grant funding will continue at current levels;
- 2.3.8. The Government delayed changes to local government funding from the Fairer Funding Review and Business Rate Retention Scheme for a year to April 2023.
- 2.4. In October, the Council’s draft budget for 2022/23 prudently included only legacy New Homes Bonus Grant from 2019/20 as the future of New Homes Bonus was uncertain. In terms of overall Government funding, it was assumed that funding would be broadly neutral but that increased income from a Council Tax increase would be considered as part of core Government Funding and cash funding from the Government would fall in line with the Council Tax increase. The impact of the Provisional Local Government Settlement on the Council’s revenue budget for 2022/23 is set out below:
 - 2.4.1. New Homes Bonus increased by £145,598 as a further one-off grant was announced for 2022/23 only;
 - 2.4.2. Rural Services Delivery Grant remains in line with budget expectation at £632,183;
 - 2.4.3. The Lower Tier Services Grant has reduced by £220,551 to £1,472,660;
 - 2.4.4. The new Services Grant increases Government funding by £129,486.
 - 2.4.5. The 2022/23 revenue budget funded by core Government funding has therefore increased by £54,533.
- 2.5. Using advice provided by Pixel Financial Management, who are experts in interpreting the impact of changes to Government policy on local authority funding, the impact of the announcements in the Spending Review and the Provisional Local Government Settlement on

Government funding for the period 2023/24 to 2025/26 have been modelled. The outcome of the modelling is set out below and has been reflected in the MTFS:

Government Funding	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Retained Business Rates	3,280	3,424	2,208	2,271	2,335
Lower Tier Services Grant	691	1,473			
Rural Services Delivery Grant	632	632			
New Homes Bonus	2,093	810			
Services Grant	0	129			
Negative Revenue Support Grant	0	0	(1,595)	(1,635)	(1,666)
Damping	0	0	3,873	2,945	1,985
Total Government Funding Forecast January 2022	6,696	6,468	4,486	3,581	2,654
Potential Funding Cut		228	1,982	905	927
October 2021 MTFS Forecast Funding Cut	N/A	282	3,046	798	829
Change	0	(54)	(1,064)	107	98

- 2.6. Over the life of the MTFS, the forecast of Government funding has improved by £913,000. However, the forecast for period 2023/24 to 2025/26 needs to be treated with caution as the Government has not provided any indicative funding figures at an individual local authority level.

Estimated Income from Business Rates Retention Scheme 2022/23

- 2.7. A key element of funding from the Government comes from retained business rates. The MTFS assumes the Council will be compensated (through section 31 revenue grant) for any negative impact upon business rates income relating to any national announcements on discounts or reliefs to businesses. An example of this is the Covid-19 Additional Relief Fund

(CARF) which was announced as part of the Provisional Local Government Settlement. This fund will provide business rate relief to businesses but will not impact the value of Business Rates retained by the Council as the Council will be compensated by a cash grant.

- 2.8. Changes to the Business Rates Retention Scheme were due to come into effect from April 2022. As stated in 2.3.8, this change will now take place in April 2023. The MTFS reflects forecast income from the revised scheme using advice from Pixel Financial Management who are providing expert advice to support local authorities and national bodies such as Sparse and the Local Government Association.

The Gloucestershire Business Rates Pool

- 2.9. The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. Details of past performance of the Business Rates Pool is included in the Medium Term Financial Strategy at **Annex A**.
- 2.10. Any windfall gain associated with the Business Rates Pool in 2021/22 and 2022/23 will be allocated to the Council Priorities Fund.
- 2.11. Each year the Council forecasts whether its collection of Business Rates will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.
- 2.12. Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council (10%), Government (50%) and the District Council (40%). Similarly, where the Council forecasts a deficit, the deficit is recovered in the same proportions in the following financial year.
- 2.13. At the time of writing this report, the business rate estimates for 2022/23 are being prepared. The 2022/23 estimate includes the forecast Collection Fund balance for 2021/22. This report assumes no change to the forecast reported to Cabinet in October 2021 of £3,424,000. An update will be provided by the Deputy Chief Executive at the meeting.

Estimated Council Tax Base 2022/23 and forecast Collection Fund balance for 2021/22

- 2.14. Each year the Council estimates the size of the Council Taxbase. The Taxbase is calculated as the number of dwellings in the District equivalent to “Band D” Council Tax properties. For example, a Band H property pays twice the amount of Council Tax as a Band D property. In Taxbase terms, this property is worth 2 Band D properties. The Taxbase is reduced to allow for the cost of the Local Council Tax Support Scheme and other exemptions and discounts. The Taxbase is increased for empty properties which incur a premium.
- 2.15. The draft 2022/23 budget assumed a Taxbase of 42,350.3. The detailed calculation of the Taxbase was carried out in October 2021. The result was a Taxbase of 42,192.9. The lower Taxbase reflects an increase in the number of single person households (where an occupier is entitled to a discount of 25%), an increase in the impact of Local Council Tax Support payable as a result of the forecast economic conditions in 2022/23 and promotion of the support available to low income households in the District. In addition, growth in housing supply has been slower than previously expected. This has resulted in a reduction of income from Council Tax of £22,655.

- 2.16. The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered as excessive Council Tax, including proposed limits. The principles are subject to approval by the House of Commons. From 2013 onwards, any Council that wishes to raise its Council Tax above the limit that applies to it will have to hold a referendum.
- 2.17. For this Council, the Government is proposing a maximum Council Tax increase of 2% or £5 for 2022/23, whichever is the higher. The budget for 2022/23 proposes a Council Tax increase of £5. The Collection Fund is the account where Council Tax income is recorded. This income is then paid out to the “precept” authorities, i.e. Gloucestershire County Council, Gloucestershire Police and Crime Commissioner, this Council and those Town and Parish Councils which have requested a precept for the year.
- 2.18. Each year the Council forecasts whether its collection of Council Tax will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.
- 2.19. Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council, Police and Crime Commissioner and the District Council in proportion to their respective level of precept for the financial year. Similarly, where the Council forecasts a deficit, the deficit is recovered proportionately from the three major preceptors in the following financial year. Collection Fund surplus or deficit is not passed on to the Town and Parish Councils but is shared proportionately by the three major preceptors.
- 2.20. For 2021/22, the forecast Collection Fund balance is neutral (£0) with the income to the Collection Fund matching the value of the precepts paid out. The Government provided grant funding in recognition of the difficulty in collecting Council Tax in 2020/21 as a result of the Covid-19 pandemic. The budget for 2021/22 included an estimated grant of £96,000 to be applied at £32,000 across the three financial years from 2021/22 to 2023/24. The actual grant received was higher than estimated at £132,000. This means that the grant available for funding revenue in 2022/23 and 2023/24 has been increased to by £18,000 to £50,000 for the next two financial years.
- 2.21. In January 2022, Cabinet approved a change to the Council Tax Exemptions Policy. The revised policy is expected to increase Council Tax income to the Council by £35,000.
- 2.22. The draft 2022/23 budget assumed Council Tax income of £6,180,424. This was based upon an estimated Tax Base of 42,350.3, a £5 increase to Band D Council Tax, a Collection Fund surplus of £53,000 and application of £31,941 of Government grant to compensate for the impact of Covid-19. Since October, the following changes have impacted upon Council Tax income for 2022/23:

Changes to Council Tax income 2022/23	
Draft Budget October 2021	£6,180,424
Formal Council Taxbase Calculation	(£22,655)
Collection Fund Deficit, net of Government grant,	(53,000)
Council Tax Exemption Policy Change	£35,000
Additional Government Grant for impact of Covid-19 on collection in 2020/21	£18,000
Revised Income from Council Tax	£6,157,769
Reduction in Council Tax income	£22,655

- 2.23. Since the draft budget in October 2021, income from Council Tax related funding has reduced by £22,655.

Budget changes since draft Budget proposals in October 2021

- 2.24. In November 2021, HM Treasury published a comparison of independent inflation forecast for the UK economy. Over the medium-term inflation is forecast as follows:

	2022	2023	2024	2025
	%	%	%	%
Consumer Price Inflation	4.0	2.6	2.5	2.3
Retail Price Inflation	5.8	4.1	3.7	3.5

- 2.25. The MTFS considered by Cabinet in October 2021, included provision for inflation of 2.0% in each year of the MTFS. Given the forecast above, the MTFS has been updated to include pay inflation at 2.5% over the life of the MTFS. There is a risk that pay award inflation in 2022/23 could be higher than 2.5% and this will be considered in the Chief Finance Officers risk assessment of the 2022/23 budget proposals. The change in this assumption has increased the Council's budget as follows:

	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000
Impact of increasing inflation provision	332	117	116	114

- 2.26. The contract sum payable to Ubico has been reviewed using a zero based accounting basis. The impact of inflation on the Ubico contract sum is £355,000. This is an increase of £140,000 on the inflationary provision included within the MTFS in October 2021. The additional growth relates to the provision for a 2.5% pay award, additional costs of the vehicle driver market forces supplement and increased National Insurance contributions.
- 2.27. Households in the District are continuing to present high levels of garden waste and recycle. In order to collect this waste Ubico needs to continue to operate additional collection rounds. The cost of these additional rounds is £360,000 per annum. As part of the Environmental Services Improvement Programme, the Commissioning Team are working with Ubico to deliver services more efficiently and to reduce the cost of the service. For 2022/23, funding for the additional rounds has been provided through the Council Priorities Fund earmarked reserve. To avoid this additional cost becoming part of the annual revenue budget changes will have to be made to the way the waste and recycling service operates. These changes may include cross-border working or collecting waste and recycle in a different way.
- 2.28. The Contract sum payable to Publica has been reviewed. The impact of inflation on the Publica contract sum is £352,000. The inflation provision has increased by £107,000 since the October MTFS update to reflect the potential of a 2.5% pay award rather than a 2% pay award.
- 2.29. Provision for inflationary impact upon Council employee costs, Member's allowance and supplies and services budgets has been increased by £85,000.
- 2.30. In November 2021, the Council completed the procurement process for its insurance arrangements. Officers worked hard to minimise the impact of challenging market conditions on the cost of insurance arrangements for the Council. The revenue budget needs to provide for unavoidable cost pressure of £44,000 for insurance arrangements.
- 2.31. In December 2021, the Council advanced the procurement process for its gas and electricity supply broker, in the expectation of completion in January 2022. Market conditions are extremely challenging and the cost of these utilities is expected to increase by £7,000. The Council is maintaining its current practice of purchasing electricity generated from renewable sources through the use of traceable Renewable Energy Guarantees of Origin (REGOs). This policy has minimal impact on the cost of electricity, but means that the Council use of electricity is not at the expense of the environment.
- 2.32. A review of business rates payable against budgetary provision has identified that the Council can reduce provision for the cost of Business Rates payable on Council property assets by £13,000.
- 2.33. Budget monitoring in 2021/22 has identified that the budget for discretionary pension fund contributions to the Gloucestershire Local Government Pension Scheme can be reduced by £110,000.
- 2.34. The budget for the cost of recycling materials processing costs was increased in 2021/22 to reflect the impact of the Covid-19 pandemic on the volume of recycle presented by households. The actual cost in 2021/22 indicates that this budget increase was overly pessimistic. It is proposed that the budget is reduced by £78,000 in 2022/23 to reflect current market conditions and material volumes.
- 2.35. The Council's lease arrangement for coach parking at Bourton-on-the-Water village has now ended. A saving of £22,000 can now be recognised in the revenue budget.

- 2.36. In October 2021, the draft budget for 2022/23 include a provision for a 10% reduction in demand for car parking in the District, an income loss of £250,000. Experience in September, October and November 2021 has seen demand at 85%; 5% lower than assumed in the draft budget. It is proposed therefore to increase the provision for reduced income from car parking to £400,000. The assumption that demand will recover back to the level experienced prior to the Covid-19 pandemic over the next two years has been maintained.
- 2.37. Rental income from a property owned by the Council in Dyer Street in Cirencester has previously been saved in to an earmarked revenue reserve to be used to fund repairs required to the property. In November 2021, Cabinet has approved use of the reserve for roof repair works on the property. From 2022/23, the net rental income of £130,000 can now be recognised in the Revenue Budget. Rental income from other commercial properties has also increased by £11,000. In total, the budget for investment property rental income in 2022/23 is increased by £141,000.
- 2.38. In July 2021, Council approved a loan arrangement with Cottsway Housing Association Ltd. As part of a review of the Capital Programme, it is possible to finance the loan through the use of Capital Receipts. This enables the interest payable to the Council on the loan of £60,000 to be included within the revenue budget for 2022/23.
- 2.39. The Council's contract with its leisure services provider includes an increase to the Management Fee payable to the Council of £26,000.
- 2.40. The Council's leisure contract provides for rental income generated at the Cirencester Leisure Centre to be shared between the contractor and the Council. Additional income of £12,000 from the lease of commercial space can now be recognised in the revenue budget.
- 2.41. The draft budget included savings of £795,000. A review of the savings programme has identified an increase of £27,000. Further information on the plans to deliver these savings is set out at 2.45 to 2.48.

Capital Programme

- 2.42. The Capital Programme has been reviewed to include new investments agreed by the Council since the draft budget proposals in October 2021 and to reflect revisions to the financial year in which investments are expected to take place. The updated Capital Programme is included within the MTFS at **Annex A3**.
- 2.43. The 2021/22 Capital Programme includes projects of £499,000 which are planned to be financed through borrowing. The Council is required to make a Minimum Revenue Provision (MRP) for the eventual repayment of borrowing. The cost of MRP and interest on borrowing undertaken in 2021/22 requires an increase to the revenue budget of £136,000.
- 2.44. The changes to the draft revenue budget for 2022/23 are set out below:

2022/23 Revenue Budget	Income Change £000	Expenditure Change £000	Total £000
Increased Government funding – Provisional Local Government Settlement	(54)		(54)
Reduced Council Tax income	23		23

2022/23 Revenue Budget	Income Change £000	Expenditure Change £000	Total £000
Increased provision for inflation		332	332
Increase in cost of insurance		44	44
Increase in cost of gas and electric utilities		7	7
Reduced cost of Business Rates on Council property assets		(13)	(13)
Realignment of the budget for Discretionary Pension Fund contributions		(110)	(110)
End of lease of coach park at Bourton on the Water		(22)	(22)
Reduced income from car parks linked to reduced demand	150		150
Commercial property income	(141)		(141)
Cottsway Loan Interest	(60)		(60)
Recyclate processing costs		(78)	(78)
Leisure contract Management Fee increase	(26)		(26)
Lease income Cirencester Leisure Centre	(12)		(12)
Increase to savings	(27)		(27)
Capital Financing – MRP and Interest		136	136
Changes to 2022/23 Budget since Oct 21	(147)	296	149
Revenue budget (surplus)/deficit October 21			(180)
Revised budget (surplus)/deficit			(31)

Balancing the Revenue Budget

- 2.45. The MTFS has been updated in light of the changes to the revenue budget and capital programme set out in this report. In order to balance the Council's revenue budget over the medium term, the Council will need to increase income or reduce the cost of service delivery. The savings required to balance the revenue budget and the plans for delivering these savings are set out in the table below:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Savings required to balance revenue budget	822	3,824	2,062	2,160
Plans to deliver budget savings				
Award based Government Funding outside of Fairer Funding Review	0	900	0	0
Environmental Services Improvement Programme	145	250	200	400
Policy Change				
Changes to car park charges and savings from move to cashless car parking fee collection	323	0	0	0
Garden waste collection charges – move to full cost recovery	264	0	100	0
Town and Parish election cost recovery	5	0	6	3
Total Policy Change	592	0	106	3
Recovery Investment Strategy				
Cottsway Housing Association Loan Interest	60	0	0	0
Investments related to addressing the Climate Change Emergency	0	2,000	1,300	800
Economic Development and use of Council assets to provide property lease income	0	600	300	600
Savings from service reviews within Publica	25	74	156	357
Total Recovery Investment Strategy	85	2,674	1,756	1,757
Total Plans to deliver budget savings	822	3,824	2,062	2,160

- 2.46. Following Council's approval of the MTFS and 2022/23 budget, the Council's Environmental Services Improvement Programme and the Recovery Investment Strategy will be updated to reflect the revised targets.

- 2.47. In order to deliver the additional income through the Recovery Investment Strategy, the Council needs to provide sufficient capital funding. The Council's Capital Programme and Capital Strategy has been updated to include £50 million for investment to support the Council's response to its Climate Change Emergency declaration and £25 million to invest in the provision of physical assets to enable economic development which will provide a lease income to the Council. The capital funding is profiled over the next three financial years as set out below:

Recovery Investment Strategy Capital	2022/23 £million	2023/24 £million	2024/25 £million
Investments related to addressing climate change emergency	25	15	10
Investments for economic development and use of Council assets	10	5	10
Total	35	20	20

- 2.48. The impact of the Minimum Revenue Provision for repayment of the borrowing and the interest charges are included in the MTFS and revenue budget proposals for 2022/23.

Revenue Budget proposals 2022/23 – Fees and Charges

- 2.49. The Council plans to continue with its budget resolution from February 2020 to increase garden waste service fees to make the service cost neutral. For 2022/23, this means implementing an increase to £47 for each bin licence. Demand remains high for this service and the overall revenue benefit from increased clients and moving the fee to a full cost recovery basis is expected to be £264,000.
- 2.50. On 10 January 2022, Cabinet approved changes to car park fees and charges, including charging for the period between 3 PM and 6 PM across the District. These changes are estimated to increase income to the Council by £300,000. In line with the Council's policy of reviewing car park tariffs and permit fees for inflation every two years, an inflationary increase has also been applied to car park tariffs and permit fees. This is expected to increase income by £100,000.

Impact upon General Fund Balance

- 2.51. In October 2021, Cabinet considered the draft 2022/23 budget which forecast a budget surplus of £180,000. Since October 2021, changes to the 2022/23 budget and Government funding, set out in the Table at 2.44 have changed that position to a surplus of £31,175.
- 2.52. Full details of the impact of the Council's budget proposals upon General Fund Balance, revenue and capital reserves are set out in **Annex A**. Details of the proposed 2022/23 revenue budget by service area is set out in **Annex B**.

Capital Strategy, Investment Strategy and Treasury Management Strategy

- 2.53. Details of the proposed Capital Programme for the period 2022/23 to 2025/26 are set out in the Council's Capital, Investment and Treasury Management Strategies. The Capital Programme has been reviewed to include new investments agreed by the Council since the draft budget proposals in October 2021 and to reflect revisions to the financial year in which

investments are expected to take place. The funding available to support the Recovery Investment Strategy has also been updated in line with the information in the table at 2.47.

- 2.54. In December 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) revised the Prudential Code and the Treasury Management Code of Practice. These changes to the Code came in effect from 20 December 2021. CIPFA particularly highlights that the requirement that *“local authorities must not borrow to invest primarily for financial return”* applies with immediate effect. Full compliance with the changes to reporting requirements is not required until 2023/24. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. There are also various tweaks to the capital Prudential Indicators. The Audit Committee received a report on the changes to the Codes at its meeting on 27 January 2022 together with the draft 2022/23 strategies for consideration.

Local Climate Bonds

- 2.55. In July 2021 the Council committed to issue a Local Climate Bond using the Community Municipal Investment (“CMI”) model. Officers have been working in partnership with an experience partner, Abundance, on proposals for the first Local Climate Bond issue. Abundance has managed the issue of bonds in Swindon, Leeds, West Berkshire, Warrington and Islington councils.
- 2.56. The draft Treasury Management Strategy proposes that the Council issues £1 million of Local Climate Bonds at an interest rate of 1.18% for five years. The Council will pay Abundance an arrangement fee of £2,500 and an annual fee of £500 per annum. The total fees payable to Abundance over the five years are £5,000, these fees will be charged to the revenue account at £1,000 per annum. The £1,000 cost of raising finance through the Local Climate Bond will be offset by paying a lower interest rate than the rate available through the PWLB Certainty Rate (currently 1.88%).
- 2.57. An interest rate of 1.18% is considered to be attractive to investors as it is higher than the interest rate available on cash deposits and returns on gilts; for example, a three year National Savings and Investment Green Savings Bond is currently paying 0.65%.

Review of Earmarked Reserves

- 2.58. The proposed use of the Council’s Earmarked Reserves was set out in the Cabinet report in October 2021. Since then Cabinet has approved the use of £12,000 to transfer the car park enforcement service from the current service provided to Publica to be managed as an in-house service. In addition £13,000 has been approved for commissioning feasibility work on options for roof insulation for the Trinity Road offices.
- 2.59. The Council holds a Council Priorities Fund revenue reserve. This funding is available for investment in initiatives which support delivery against the Council’s priorities. Details of commitments against the Council Priorities Fund is included in the Medium Term Financial Strategy at **Annex A**.
- 2.60. The Council Priorities Fund is now largely allocated and new initiatives will require Members to review existing commitments against earmarked reserves and to reallocate funds accordingly.

3. FINANCIAL IMPLICATIONS

3.1. The Council's Medium Term Financial Strategy has been updated to reflect the proposals set out in this report and is attached at **Annex A**.

3.2. A summary of the impact of the budget proposals for 2022/23 is set out below:

Summary of changes to the Council's Net Budget Requirement	£
Original Net Budget Requirement 2021/22 (as approved by Council in February 2021)	12,557,015
Inflationary Pressure – expenditure budgets	837,500
Unavoidable budget pressures, investment in Priorities expenditure and accounting changes (net decrease)	120,945
Inflation on fees and charges income	(100,000)
Unavoidable budget pressures – income	1,758
Savings	(822,000)
Net Budget Requirement 2022/23	12,595,218

3.3. The Council's net budget requirement will be funded as follows:

	£	£
Net Budget Requirement 2022/23		12,595,218
Net Business Rate Income	3,424,000	
Council Tax payers @ £143.93 Band D	6,107,828	

	£	£
Government Grants - Council Tax impact of Covid-19	50,000	
New Homes Bonus	810,236	
Rural Services Delivery Grant	632,183	
Lower Tier Services Grant	1,472,660	
Services Grant	129,486	
Total Funding		12,626,393
Budget Surplus		31,175

3.4. The budget proposals assume a budget surplus of £31,175. This surplus will be contributed to the General Fund Balance.

3.5. The detailed revenue estimates for the Council are attached at **Annex B**.

4. LEGAL IMPLICATIONS

4.1. None directly as a result of this report.

5. RISK ASSESSMENT

5.1. Details of national and local risk which may impact upon the financial sustainability of the Council are set out within the Medium Term Financial Strategy at **Annex A**.

6. ALTERNATIVE OPTIONS

6.1. The Overview and Scrutiny Committee is asked to consider these budget proposals and is encouraged to provide feedback to the Cabinet, which may include alternative options. The Audit Committee will consider the Capital, Investment and Treasury Management Strategies on 27 January 2022.

6.2. Cabinet will consider this report together with feedback from the Overview and Scrutiny Committee and the Audit Committee and will determine the final budget proposals to be presented to Council for consideration.

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Cotswold District Council

Medium Term Financial Strategy

2022/23 to 2025/26

Introduction

The Council approved a new Corporate Plan for the period 2020 to 2024 in September 2020. The Plan sets out the Council's aims, priorities and principles.

"Aim, priorities and principles

Cotswold District is at the heart of the larger area of the Cotswolds – an area that's known around the world for its natural beauty and heritage. Around 84,000 people call our district home, and they deserve the services and support that a progressive council can provide.

This corporate strategy recognises and embraces the challenges facing the district, and states our aims and ambitions. It is underpinned by a set of action plans that describe in detail how we plan to deliver these ambitions.

Our aims is to recreate a council that's proactive and responsive to the needs of our residents and businesses in a fast-changing environment, and to build for the future while respecting our heritage.

We will do this by:

- *delivering our services to the highest standards*
- *responding to the challenges presented by the climate crisis*
- *providing good quality social rented homes*
- *presenting a local plan that's green to the core*
- *helping residents and communities access the support they need for good health and wellbeing*
- *supporting businesses to grow in a green, sustainable manner, and to provide high value jobs*

Our principles:

Everything we do is built on the following principles:

- *rebuilding trust and confidence in the council by promoting a culture of openness and transparency*
- *providing value for money for our residents and businesses by using our resources wisely and investing in the district's fabric and future*
- *listening to the needs of our community, and acting on what we hear."*

The Council has an ambitious agenda and this Medium Term Financial Strategy sets out the financial parameters in which to deliver the Council's Corporate Plan. Investment in Council Priorities will be through:

- Capital programme investment, for example, delivery of new social housing, installation of facilities for charging electric vehicle, partnership working to deliver green energy generation;
- One-off revenue funding from Council reserves for projects, for example, reviewing the Local Plan to make it green to the core, temporary extra resource to develop a green travel plan;
- A permanent increase to the Council's revenue budget to provide additional resources in priority service areas, for example, funding a post to lead on the Council's response to its climate change emergency declaration.

Annex A1-4 sets out the details of the Council's plans for revenue income and expenditure, capital income and expenditure and earmarked reserve funded expenditure.

Service Provision

The Council has a small Management Team of directly employed officers who support the Council and who work with service providers to deliver the Council's priorities. The Council uses a number of local authority owned companies to deliver the majority of its services. Publica Group (Support) Ltd provides commissioning advice and support to the Council as well as directly providing many services. Ubico Ltd provides waste collection, street cleansing and other environmental services. SLM provides the Council's leisure and cultural services across the District.

The 2021/22 contract costs for these significant partners are:

Publica £9.4 million

Ubico £7.0 million

SLM provides a contribution to the Council of around £100,000 per annum. However, SLM has been significantly impacted by the Covid-19 pandemic as fewer customers were able to attend the leisure centres and the Corinium Museum. In order to ensure that these facilities, which are vital to residents' physical and mental health and well-being, were able to re-open, in line with national policy, the Council has waived the income from this contract and also provided additional financial support to the contractor for the period from April 2020 to July 2021.

Financial Context

The Council's current (2021/22) service provision costs £24.2 million each year and is funded by:

Fees, charges and grants for specific services	£11.6 m	48%
Retained Business Rates	£3.3 m	14%
Rural Services, New Homes Bonus and Lower Tier Government Grants	£3.4 m	14%
Council tax	£5.9 m	24%

At the end of the last financial year, on 31 March 2021, the Council held capital resources of £8.5 million, revenue reserves of £16.6 million and a General Fund balance of £0.9 million.

The Council set its 2020/21 budget in February 2020, prior to the Covid-19 pandemic. The budget was expected to increase the General Fund Balance by £212,000. The impact of the pandemic on the Council's finances resulted in a reduced operating surplus of £22,000, a net cost of £190,000.

In 1997, the Council transferred its social housing to a registered provider. Following the transfer, the Council was debt free and held significant levels of capital receipts and revenue reserves. Since 1997, the capital and revenue reserves have funded projects and investments have contributed towards the delivery of the Council's priorities. The Council is now facing the prospect of borrowing to fund capital investment for the first time since the housing stock transfer.

For a full picture of the Council's financial management, this Financial Strategy should be read together with the Council's Capital, Investment and Treasury Management Strategies. Further information on how the Council plans to deliver its Priorities is contained within the following strategies:

- Green Economic Growth Strategy approved on 7 December 2020
- Climate Emergency Strategy approved on 23 September 2020
- Recovery Investment Strategy approved on 23 September 2020

This Medium Term Financial Strategy sets out the financial envelope within which the Council will deliver its Priorities.

National and Local Financial Risks

Fairer Funding Review

The Government decides how to spend income generated from taxation through a Spending Review. The Spending Review announced in 2021 covers the three year period from 2022/23 to 2024/25. The Spending Review determines the overall funding available for each Government Department. The Department for Levelling Up, Housing and Communities (DLUHC) is responsible for the allocation of its share of funding from the Spending Review to individual councils.

For a number of years DLUHC, previously the Ministry for Housing, Communities and Local Government (MHCLG), has been conducting a "Fairer Funding Review" to change the method of allocating funding to individual councils. The outcome of the Fairer Funding Review was to be implemented in the 2021/22 financial year. For various reasons, including the negotiation of the UK's exit from the European Union and responding to the Covid-19 pandemic, MHCLG delayed consultation upon and implementation of the Fairer Funding Review.

In his statement on the Provisional Local Government Statement, the Secretary of State for Levelling Up, Housing and Communities referred to future changes to Local Government funding as follows:

“Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.

As part of this we will look at options to support local authorities through transitional protection. Councils should note the one-off 2022/23 Services Grant provided in the Local Government Finance Settlement in 2022/23 will be excluded from potential transitional protections.”

The Council has been planning for this change of funding for several years and the MTFS includes the possible impact of reduced Government funding and includes savings targets to address the reduced funding.

Business Rates Retention

The Council administers Business Rates (National Non Domestic Rates) of around £44.7 million per annum on behalf of the Government. The Council retains some Business Rates income as part of its core Government Funding. For the 2021/22 financial year, this amounts to £3.3 million.

In 2013, the Government implemented the Business Rates Retention Scheme for local authorities. Each year DLUHC sets the “baseline” funding for local authorities from business rate retention. For this Council, the baseline funding for 2021/22 is £1.9 million. As part of the Business Rate Retention Scheme, the Council shares business rate income growth with Government on a 50/50 basis. The Cotswold District has seen a significant increase in income from business rates since 2013 as the economy has grown. The growth retained by this Council now represents £1.4 million of additional Government funding over the £1.9 million baseline.

For 2022/23 the baseline funding level remains at £1.9 million. The retained growth above baseline is forecast to grow to £1.5 million.

The Fairer Funding Review will reset this Council’s level of Business Rate Retention. It is also likely that the share of the gain from economic growth will change. For both of these reasons, the Council is facing a significant risk that its core Government funding will fall sharply - a financial ‘cliff-edge’.

New Homes Bonus

Another part of the Council’s core government funding comes from New Homes Bonus. This grant is a reward to Councils for delivery against the Government’s national priority of

increasing the number of homes. The value of the grant depends upon the increase in the Council's "Council Taxbase".

Originally, New Homes Bonus grant was paid for a period of six years. In later years, the period that the grant was payable for was reduced to four years. The grant for 2021/22 was payable for one year only. Funding from the New Homes Bonus Scheme is being reviewed as part of the DLUHC Fairer Funding Review.

The value of New Homes Bonus to the Council in 2021/22 is £2.1 million. For 2022/23, DLUHC have announced a further round of funding which is being provided for 2022/23 only. The MTFs reflects that the Bonus will reduce, so that only the "legacy" grant payment from 2019/20 of £0.7 million and the 2022/22 award of £0.1 million will be due in 2022/23, totalling £0.8 million.

Given that the Government still wishes to increase the supply of new homes nationally, it is likely that there will be an alternative funding stream from the Government related to the local provision of housing.

The Council's plan for addressing reduced Government funding is set out in the Recovery Investment Strategy. This Strategy assumes there will be some replacement funding from Government for New Homes Bonus. Should this not be provided, the Council will need to increase income or find alternative savings.

Cost of service delivery in a rural area

The Council covers a large geographical area, some 450 square miles, with many small towns and villages. This low population density means that the cost of delivery of Council services at a local level is high. For example, the Council collects recycling and waste from every property in the District, meaning that our vehicles need to travel many miles per household. This means that the Council requires more vehicles and operatives to deliver the service per household than in urban areas where households are closer together.

The Government has recognised this cost driver and has provided Rural Services Delivery Grant funding since 2016. For 2021/22 the grant is worth £0.6 million on top of funding from Retained Business Rates. The Provisional Local Government Settlement has confirmed that this grant will remain available in 2022/23. The implementation of the Fairer Funding Review puts this funding at risk from 2023/24.

Covid-19 impact upon income and costs

The Council set its budget for 2020/21 on 26th February 2020, just before the first Covid-19 lockdown. Demand fell for the Council's income generating services from early in March 2020, and this decline accelerated following the announcement of the first lockdown on 23 March 2020. The Council's service related income continued to be impacted throughout the year and in to 2021/22.

In addition to reduced service income, the Council also faced pressure on its expenditure budgets. In particular, providing emergency accommodation for individuals and families facing homelessness; collecting additional waste and recyclable materials presented by households and ensuring that the Council's leisure contractor was able to fulfil its contractual obligations.

The Council regularly reported the impact of Covid-19 on its finances to the Government. In response the Government provided grant funding in recognition of expenditure pressures and compensation for income losses.

The financial impact of Covid-19 was felt across the Council's services and therefore across many of the 2020/21 service budgets. In September 2020, Council approved a revised budget for 2020/21 which:

- revised income budgets to reflect forecast service income for 2020/21;
- revised expenditure budgets to reflect additional cost pressure in 2020/21;
- incorporated the initial three tranches of funding received from Government for Covid-19 and the promised support for income losses; and
- set out revised funding for the 2020/21 budget.

The overall impact of Covid-19 in 2020/21 was a net cost of £190,000 to the Council which was funded through the General Fund.

The basis for the 2021/22 budget was the original 2020/21 budget. However, it reflected the ongoing impact of Covid-19 on income and expenditure and Included Government funding for Covid-19 cost pressure and compensation for the impact of lost income from sales, fees and charges for the period April to June 2021.

Financially, income from the Council's cash investments fell significantly due to interest rate reductions as interest on cash deposits fell from around 1% to 0.4% per annum. However, this also provides the opportunity for the Council to reduce its borrowing costs either by using some of its cash balances to provide cash flow for some of its planned capital expenditure (rather than raising finance from external borrowing) or entering into loans at historically low interest rates. Further information on the Council investments and borrowing plans are set out in the Capital, Investment and Treasury Management Strategies.

Development of the Proposed Budget 2022/23 and Medium Term Financial Strategy

The basis of the 2022/23 budget is the budget for 2021/22, excluding the changes required to reflect the impact of Covid-19. The budget for 2022/23 and the MTFS reflects the following:

1. The impact of inflation;
2. Investment in Council Priorities;
3. Provision for the ongoing impact of Covid-19;
4. Unavoidable budget pressures;
5. Planned savings;
6. Changes to income from fees and charges and Government grants for specific services;
7. Changes to Government funding;
8. Estimates of the Council Taxbase and the Council's Council Tax proposal;
9. Estimates of income from Business Rates Retention;
10. Changes to the Capital Programme; and
11. Use of revenue reserves;

The Council engages with its partners in Publica and Ubico to develop its budget proposals. A detailed analysis of all of the changes to the budget over the life of the MTFS is included in **Annex A**. Details of key items in the 2022/23 budget and plans for 2023/24 to 2025/26 are set out below:

I Impact of inflation

The Council has provided for inflation on salaries for Council and Publica employees and allowances for Members in 2022/23 based upon an assumed local government pay award of 2.5%. The pay award offer of 1.75% for 2021/22 is still under negotiation, the baseline 2021/22 budget has been uplifted to reflect the current offer.

In November 2021, HM Treasury published a comparison of independent inflation forecast for the UK economy. Over the medium-term inflation is forecast as follows:

	2022 %	2023 %	2024 %	2025 %
Consumer Price Inflation	4.0	2.6	2.5	2.3
Retail Price Inflation	5.8	4.1	3.7	3.5

As pay inflation is linked to the rate of inflation in the economy, the MTFS assumes pay inflation of 2.5% from 2022/23 and that inflation will continue at that level for the remainder of the life of the MTFS.

Inflation in the Ubico environmental services contract reflects employee pay award inflation, and additional costs of repairs and maintenance to the vehicle fleet as the fleet ages.

2 Investment in Council Priorities

Over the term of the Council from 2019 to 2023, the Council is planning to invest in its Priorities as follows:

a. £750,000 towards addressing climate change

This funding will kick-start the action plan to make the Cotswold District “green to the core”. Actions include:

- 1 encouraging residents to switch to electric vehicles by delivering charging points across the district;
- 2 reviewing our use of offices and buildings as large numbers of staff continue working from home;
- 3 identifying opportunities to use our assets to support our climate strategy;
- 4 minimising costs so we can use more of our funding in support of climate action.

- b. **£740,000 towards reviewing the local plan.** The outcome is to ensure new developments in the District suit the needs of communities and protects the District landscapes and heritage.
- c. **£400,000** for investment in feasibility studies and other work to support the provision of social housing built to carbon zero.
- d. **£200,000 to improve the cleanliness and appearance of the District** through the Clean and Green Programme.
- e. **£100,000** to plan and develop better, greener transport options in the District, including cycle and walking routes and innovative bus options.
- f. **£35,000** each year to continue to fight against fly-tipping
- g. **£25,000** towards a review of open space on new developments, working with builders and residents on new public open space.
- h. **£23,000** towards helping individuals with complex needs, who are facing homelessness to access secure accommodation and support.
- i. **£350,000** to fund the Recovery Investment Strategy which aims to make the Council's money go further and maximise support for the District in its recovery from Covid-19. Investment include:
 - 1 specialist skills and expert advice on how we can invest in the economic recovery of the district;
 - 2 giving our workforce access to training to build skills and knowledge fit for the new working environment created by Covid-19;
 - 3 enabling the production of new truly green energy supplies in the district; and
 - 4 delivering additional social housing.
- j. **£30,000** to engage with communities and encourage change in line with the Council's climate change emergency declaration.
- k. **£30,000** to develop the Council's Leisure Strategy.
- l. **£12,000** to fund one-off costs for transferring the car park enforcement services from a third party to management within Publica.
- m. **£13,000** to conduct feasibility work on options for insulating the Council's Trinity Road office building roof to minimise carbon emissions.
- n. **£360,000** provision for additional costs associated with waste and recycling services due to increased working from home related to the Covid-19 pandemic.

3 Provision for the impact of Covid-19

Covid-19 has continued to impact Council income and expenditure during 2021/22, due to the impact of national restrictions. The impact of embedded behaviour change, such as the continuation of working from home and the continued use of online shopping, on the Council's future revenue budget remains unclear. The 2022/23 budget includes a provision for reduced income from sales, fees and charges of £400,000. The MTFS assumes that this will not be a permanent change to the budget but will recover by 50% in 2023/24 and the Council's revenue will return to pre-pandemic levels from 2024/25. In addition, provision for additional costs of £360,000 for the collection of garden waste and recycling from households has been made available from the Council Priorities Fund for 2022/23.

The impact of Covid-19 on the collection of Council Tax and Business Rates in 2020/21 are shown in the Collection Fund account at the end of the 2020/21 financial year. Losses on the Collection Fund are usually "repaid" from the Council's revenue account in full in the following financial year. The Government has provided for losses in 2020/21 to be spread over the following three financial years – 2021/22 to 2023/24. This change of practice is reflected in this Strategy.

4 Unavoidable budget pressures

In addition to inflationary pressure, the Council monitors external factors which impact upon its budget. Unavoidable funding pressure arises from the following:

- a. Complying with financial reporting requirements. For example, providing for the payment of interest and repayment of borrowing related to the Capital Programme (Minimum Revenue Provision);
- b. Changing market conditions. For example, the processing cost of recycling materials, the impact of lower interest rates on Council investment returns and reducing demand for Council services which lowers income from fees and charges;
- c. Decisions taken by other bodies which impact upon this Council. For example, any County Council decisions related to waste disposal which impact upon collection arrangements for waste and recycling;
- d. Changes to the Government legislation or regulation. For example, changes to external audit regulations are increasing the work carried out by the Council's external auditors, who are therefore raising the external audit fee.

The most significant unavoidable budget pressures include:

- a. £50,000 to replace the current part-time Monitoring Officer role with a full-time Director of Governance and Development role which will increase capacity within the Council leadership team to support delivery of Council Priorities and will include responsibility for Member development.
- b. £47,000 to make permanent a resource to support economic growth in the District, recognising the value of work delivered since 2020.

- c. £39,000 to reflect the cost of attracting and retaining drivers for the Ubico Ltd contract.
- d. £70,000 for unavoidable growth in the costs of software maintenance, and cyber security enhancements. The software market is moving from one-off capital investment to annual charges. Investment in ICT in the Capital Programme has been reduced by £50,000 to acknowledge the move from capital to revenue costs. The net impact upon the revenue budget is £20,000.
- e. £14,000 for the flood warden programme enabling the Council to provide a supportive role, whilst capitalising on the wealth of local knowledge and experience that can be harnessed through volunteer programmes.
- f. £10,000 for the Council's contribution to Active Gloucestershire which delivers projects using the "we can move" approach that aims to increase physical activity levels in the District.
- g. £44,000 for increases cost of insurance policies.
- h. £7,000 for the rising energy prices

To offset some of these unavoidable cost increases, the following savings will also be included in the 2022/23 revenue budget:

- a. £110,000 reduced requirement for contributions to the Local Government Pension Scheme.
- b. £22,000 due to the end of a property lease.
- c. £13,000 to reflect the reduced cost of Business Rates payable on certain Council owned properties.
- d. £78,000 reduced recycling processing costs.

The Council is also able to recognise additional income in its revenue budget from 2022/23 as follows:

- a. £26,000 from the Council's leisure contract.
- b. £12,000 for lease income from the Cirencester Leisure Centre
- c. £141,000 from other commercial property leases
- d. £60,000 from interest on a short-term loan to Cottsway Housing Association.

Details of all budget pressures and changes to income budgets over the life of the MTFS are set out in **Annex A2**.

5 Planned Savings

The Council has included the following savings targets over the life of the Financial Strategy:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Savings	822	3,824	2,062	2,160

These savings will be delivered through:

1. changes to Council policies, which increase income or reduce the cost of service provision;
2. return on investments made to support delivery of the Council Priorities;
3. efficiencies delivered through the Council's service delivery partners;
4. new Government funding streams; or
5. changes to the Council's asset portfolio.

A tactical plan for delivery of these savings is included in the Recovery Investment Strategy.

The Council will seek to maximise the use of the land and property assets it owns to support delivery of the Council priorities. The Council will also seek to work in partnership with other public sector service providers to make best use of the public estate within the District and the County.

The Council will consider business cases for the acquisition, disposal or enhancement of assets including the contribution towards Council Priorities, financial implications, risk, legal and governance matters. The Council will ensure that appropriate due diligence is carried out in line with the requirements set out in the Council's Capital Strategy.

6 Fees, charges and Government grants for specific services

The Council charges for many of the services it provides including car parking, planning advice and garden waste collection. The Government sets some fees, such as planning application fees. Where the Council has the discretion to set its own fees, the Council will charge for these services to ensure they are not subsidised by other taxpayers. The Council may decide to subsidise some fees and charges. Reasons for this will be clearly set out and will be subject to decision by councillors.

The budget proposals for 2022/23 include the following change to fees and charges:

The Council plans to continue with its budget resolution from February 2020 to increase garden waste service fees, over a three year period, so that the Council is recovering in full the cost of service provision. For 2022/23, this means implementing an increase to £47 for each bin licence. The revenue benefit is expected to be £264,000.

The Council resolved in 2020 to review car park charges every two years. On 10 January 2022, Cabinet approved changes to car park fees and charges, including charging for the period between 3 PM and 6 PM across the District. These changes are estimated to increase income to the Council by £300,000. In line with the Council's policy of reviewing car park tariffs and permit fees for inflation every two years, an inflationary increase has also been applied to car park tariffs and permit fees. This is expected to increase income by £100,000.

7 The Provisional Local Government Settlement 2022/23

The Department for Levelling Up, Housing and Communities (DLUHC) has used the outcome from the Spending Review to set the Provisional Local Government Finance Settlement 2022/23. The Local Government Finance Settlement, announced 16 December 2021, proposes Government funding for individual councils.

The key announcements for district councils included:

- Nationally, an above inflation cash increase of 6.9% has been announced; however, this is different for individual councils. For Cotswold District Council, the settlement is essentially a flat roll-over from 2021/22.
- Councils impacted by “negative Revenue Support Grant”, which includes this Council, continue to be protected from this funding cut;
- New Homes Bonus funding will continue for 2022/23 but the grant will be for one-year only. The 2021/22 New Homes Bonus grant remains payable for that year only, so will not continue in 2022/23. Prior to 2020/21, New Homes Bonus grant was awarded for multiple financial years, initially six years and latterly four years. A consultation paper on the future of New Homes Bonus is due to be published shortly with an indication that changes will be implemented in 2023/24;
- Rural Services Delivery Grant continues in 2022/23;
- A new Services Grant has been introduced in 2022/23 and will be payable for one year only. This Grant includes funding for the national increase to National Insurance Contributions. This grant will be excluded from potential “transitional protection” as the Government implements changes to local government funding. This change is expected to take place from 2023/24.
- The Lower Tier Services Grant which was introduced in 2021/22 to ensure that no local authority saw an overall reduction in Core Spending Power in 2021/22 continues in 2022/23. Core Spending Power includes income from Retained Business Rates, Council Tax, Lower Tier Support Grant, New Homes Bonus, Rural Services Delivery Grant and the new Services Grant.
- Disabled Facilities Grant funding will continue at current levels;
- The Government delayed changes to local government funding from the Fairer Funding Review and Business Rate Retention Scheme for a year to April 2023.

In October, the Council’s draft budget for 2022/23 prudently included only legacy New Homes Bonus Grant from 2019/20 as the future of New Homes Bonus was uncertain. In terms of overall Government funding, it was assumed that funding would be broadly neutral but that increased income from a Council Tax increase would be considered as part of core Government Funding and cash funding from the Government would fall in line with the Council Tax increase.

The impact of the Provisional Local Government Settlement on the Council’s revenue budget for 2022/23 compared to 2021/22 is set out below:

Government Funding	2021/22 £000	2022/23 £000	Change £000
Retained Business Rates	3,280	3,424	144
Lower Tier Services Grant	691	1,473	782
Rural Services Delivery Grant	632	632	0
New Homes Bonus	2,093	810	(1,283)
Services Grant	0	129	129

Total Government Funding and the cut compared to 2021/22	6,696	6,468	(228)
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The 2022/23 revenue budget funded by core Government funding has therefore reduced by £228,000.

8 Council Taxbase and Council Tax Proposal

The Council's current (2021/22) Council Tax for a Band D property is £138.93 for the full year. Each year the Government sets the maximum increase that a council may apply without requiring a local referendum. For district councils in 2022/23, the maximum increase is 2% or £5, whichever is the higher.

In order to deliver against its Priorities, the Council has recognised the need to generate income to fund investment in Council services. The Council therefore proposes implementing the maximum increases to Council Tax, allowable without holding a referendum, over the life of the MTFS.

For residents on low income, the Council has a Local Council Tax Support Scheme available to provide financial support with Council Tax payments. The Scheme was revised for 2020/21 to make it more generous.

The MTFS assumes a growth in the Council Taxbase of 1.2% over the life of the MTFS. The Taxbase for 2022/23, however, has grown at a lower rate of 0.8%. The lower Taxbase reflects an increase in the number of single person households (where an occupier is entitled to a discount of 25%), an increase in the impact of Local Council Tax Support payable as a result of the economic conditions in 2022/23 and promotion of the support available to low income households in the District. In addition, growth in housing supply has been slower than previously expected.

The outcome from a £5 Council Tax increase (for Band D properties) and growth in the Taxbase is forecast to deliver an increase in overall income from Council Tax in 2022/23 of £259,000. The proposed increase to Council Tax for 2022/23 for each Council Tax band is set out in the table below:

Council Tax Band	Proportion of Band D	Proposed increase 2022/23
A	6/9	£3.33
B	7/9	£3.88
C	8/9	£4.44
D	9/9	£5.00
E	11/9	£6.11
F	13/9	£7.22
G	15/9	£8.33
H	18/9	£10.00

9 Retained Business Rates

A key element of funding from the Government is from retained business rates. The MTFS assumes the Council will be compensated (through section 31 grant) for any negative impact upon business rates which relate to any nationally announced discounts or reliefs to businesses (such as the Covid Additional Relief Fund announced at the time of the Provisional Local Government Settlement).

The retained business rates scheme was due to be changed from April 2022. In November 2021, the Communities Secretary announced that plans to reform the Business Rates Retention Scheme to enable councils to retain 75% of their business rates would conflict with the Government's levelling up agenda and that the government would now "proceed with caution" on the issue. In his statement on the Provisional Local Government Statement, the Secretary of State for Levelling Up, Housing and Communities referred to future changes to Local Government funding as follows:

"Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.

As part of this we will look at options to support local authorities through transitional protection. Councils should note the one-off 2022/23 Services Grant provided in the Local Government Finance Settlement in 2022/23 will be excluded from potential transitional protections."

The impact of the review on needs and resources will be reflected in the amount of business rates which can be retained locally by the Council. The MTFS has been updated to reflect forecast income from the revised Government funding scheme using advice from Pixel Financial Management who are providing expert advice to support local authorities and national bodies such as Sparse and the Local Government Association. The MTFS takes a prudent view of implementation in April 2023.

The Gloucestershire Business Rates Pool

The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. Since 2013/14 the Pool has delivered the following surpluses/(losses):

	Pool Surplus/(Loss) £	Cotswold DC Share Surplus/(Loss) £
2013/14	774,862	25,156
2014/15	(2,336,565)	(228,988)

	Pool Surplus/(Loss) £	Cotswold DC Share Surplus/(Loss) £
2015/16	877,948	114,854
2016/17	2,138,143	275,600
2017/18	3,992,000	482,179
2018/19	14,270,000	497,975
2019/20	4,547,000	539,000
2020/21	3,572,000	403,000

For 2018/19, the Council was part of the Gloucestershire 100% business rates retention pool pilot, which included all of the Gloucestershire local authorities and aimed to maximise the retention of business in Gloucestershire. In return for the gain of retaining all of the growth above baseline funding within Gloucestershire, some of the central government grants such as Rural Services Delivery Grant and Revenue Support Grant were directly funded from the Business Rates Retention Scheme.

The results of the 100% pool pilot were very successful with county-wide gain being in excess of £14 million. Of this gain, 20% was set aside for strategic economic development, 50% was allocated to the County Council to reflect the higher risk to the County Council of being part of the pool and the remaining 30% was shared across the District Councils. The District Council gain was allocated according to growth at a District Level and an equal share of the pool proportion gain so that each District gained from being part of the pool.

For 2019/20 the pool was no longer a 100% pilot, and reverted to the original 50/50 pool. The windfall gain for this Council was allocated to the Council Priorities Fund for investment in priority projects.

The Gloucestershire Business Rates Pool continues in operation in 2021/22 and will continue for 2022/23. The MTFs assumes that any windfall gain associated with the Business Rates Pool will be allocated to the Council Priorities Fund.

Each year the Council forecasts whether its collection of Business Rates will be higher than anticipated, resulting in a “surplus” on the Collection Fund, or lower than anticipated, resulting in a “deficit” on the Collection Fund.

Where this Council forecasts a surplus on the Collection Fund, the surplus is paid out in the following financial year to the County Council (10%), Government (50%) and the District Council (40%). Similarly, where the Council forecasts a deficit, the deficit is recovered in the same proportions in the following financial year. Due to the impact of Covid-19 on Councils ability to collect Business Rates, Government is permitting the exceptional Collection Fund deficit in 2020/21 to be recovered over the following three financial years rather than in the whole deficit being funded in 2021/22.

The forecast for 2021/22 collection fund surplus or deficit, will be prepared in January 2022. This section of the MTFS will be updated with the forecast data and will be presented to Council in February 2022.

10 Capital Programme, Investment and Borrowing

The Council has set out its plans for investment in Council Priorities in various strategies including: this Medium Term Financial Strategy, the Climate Emergency Strategy and the Green Economic Growth Strategy. This investment is for service provision rather than investment to generate income to the Council. As such, the Council will be able to access borrowing from the Public Works Loans Board. The Council acknowledges that funding significant capital investment from its own internal resources is not possible and that external borrowing will be necessary. The Council is required to provide for the eventual repayment of debt from revenue. The Council's Recovery Investment Strategy sets out the return on investment which new investments will be required to meet to fund both the revenue cost of the investment and to provide additional income to the Council.

The detailed Capital Programme has been updated to reflect decisions taken by the Council and to reflect the expected profile of expenditure. The updated Capital Programme is included at **Annex A3**. The value of the Capital Programme and the associated funding is set out below:

Capital Programme Funding	Revised2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
External sources	3,468	700	700	700	700
Capital receipts	8,060	805	2,864	2,159	105
Revenue budget	200	150	150	150	150
Reserves	2,165	0	0	705	0
Borrowing	499	37,450	25,657	23,812	736
Total Funding	14,392	39,105	29,371	27,526	1,691

Further information on the Capital Programme is contained within the Council's Capital, Investment and Treasury Management Strategies.

11 Earmarked Reserves

Earmarked reserves are amounts set aside for specific policy purposes or for general contingencies and cash flow management. Revenue reserves result from events that have allowed or required monies to be set aside, year-end surpluses or circumstances that have led to anticipated expenditure being delayed or cancelled. Revenue reserves can be used for revenue or capital purposes.

Capital reserves are created from usable capital receipts. Capital reserves are not available for revenue purposes.

It is the responsibility of the Chief Financial Officer to advise the Council about the level of reserves that should be held and to ensure that there are clear protocols for their establishment and use.

Section 25 of the Local Government Act 2003 places a specific personal duty on the Chief Financial Officer to report on the adequacy of reserves and the robustness of the budget. The Chief Finance Officer includes this report in the budget setting report to Council in February each year.

The Council holds an earmarked reserve to support funding on Council Priorities. Any funding not used at the end of the financial year is rolled forward in to the next financial year. The use of Council Priorities Fund over the life of the MTFS is set out below:

Key use of earmarked reserves	Revised 2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Clean and Green Cotswolds	133	100		
Climate Change Emergency	126			
Covid-19 Recovery – impact upon contractors	240	360		
Devolution	75			
Economic Development and Regeneration	1,860			
Grants	33			
Leisure Strategy	30			
Local Plan Refresh	480	355		
Local Transport Engineer	50	50	45	
Open Space Review	25			
Recovery Investment Strategy and Economic Development	422	74		
Service Improvements	504	138	70	707
Social Housing	125	47		
Other	278			
Total	4,381	1,124	115	707

Conclusion

The Council has approved an ambitious Corporate Plan for delivery over the 2020-2024 period. This Medium Term Financial Strategy sets out the financial envelope for delivery of this Plan.

There are some significant risks to the Council from changes to Government funding. The Council has been planning for these changes and has approved a Recovery Investment Strategy to respond to potential reductions in Government funding.

In order to deliver action to support the new Council Priorities, the Council will need to invest in capital projects and this will require the Council to borrow for the first time since

1997. The MTFS reflects the financial implications of the borrowing plans set out in the Capital Strategy. All new capital investment will be subject to governance arrangements set out in the approved Recovery Investment Strategy and the due diligence requirements set out in the Capital Strategy.

The net cost of the Council's revenue plans, over the life of this Strategy, is as follows:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Operational revenue budget (surplus)/deficit	791	3,824	2,062	2,160
Savings/income generation target	(822)	(3,824)	(2,062)	(2,160)
Contribution (to)/from General Fund	(31)	0	0	0

The savings targets in 2023/24, 2024/25 and 2025/26 reflect the impact of reduced funding from Government from the DLUHC Fairer Funding Review and the savings required to fund unavoidable budget pressures such as inflation and the costs associated with borrowing for investment in Council services.

The Council will manage these budget deficits through application of the General Fund Balance. The forecast level of General Fund Balance is set out below:

	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000	31 March 2026 £000
General Fund Balance	4,202	4,202	4,202	4,202

Overall, the Council revenue and capital plans are affordable and the forecast balances on Council resources is set out below:

	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000	31 March 2026 £000
Capital Reserves	1,289	1,379	318	1,311
Earmarked Revenue Reserves	914	751	44	44
General Fund Balance	4,202	4,202	4,202	4,202

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	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
Expenditure base budget	24,159	24,295	22,770	22,488
Inflation - Salaries Retained Staff and Members Allowances	40	40	40	40
Inflation - Publica	352	228	233	238
Inflation - Ubico	355	275	275	275
Inflation - Other Contracts	91	20	20	20
Total Inflationary Increases	838	563	568	573
Unavoidable budget pressures - capital financing	113	1,736	1,212	1,039
Unavoidable budget pressures - other - Annex A2	8	0	0	0
Savings				
Recovery Investment Strategy - Savings target reflecting changes to Gov. Funding	(227)	(1,983)	(905)	(927)
Recovery Investment Strategy - funding for unavoidable budget growth or investment in services	(595)	(1,841)	(1,157)	(1,233)
Total Expenditure	24,295	22,770	22,488	21,939
Income base budget	(11,602)	(11,700)	(11,840)	(12,170)
Inflation	(100)		(130)	(30)
Impact of Covid 19 on Sales, Fees and Charges	(500)			
Sales, Fees and Charges Grant	356			
Unavoidable budget pressures - See Annex A2	146	(140)	(200)	0
Total Income	(11,700)	(11,840)	(12,170)	(12,200)
Net cost of service	12,595	10,930	10,318	9,739
Central Government Funding				
Negative Revenue Support Grant	0	1,595	1,635	1,666
Retained Business Rates Estimate	(3,424)	(2,208)	(2,271)	(2,335)
Revenue Support Grant/Covid 19 Gov Funding				
Lower Tier Services Grant	(1,473)	0	0	0
Rural Services Delivery Grant	(632)	0	0	0
New Homes Bonus	(810)	0	0	0
Services Grant	(129)	0	0	0
Damping		(3,873)	(2,945)	(1,985)
Overall Central Government Funding	(6,469)	(4,486)	(3,581)	(2,654)
Forecast reduction in Government Funding	227	1,983	905	927
Council Tax				
Estimated Council Tax Base	42,193	42,699.2	43,211.6	43,730.2
Band D Council Tax	143.93	148.93	153.93	158.93
Council Tax Yield	(6,073)	(6,359)	(6,652)	(6,950)
Growth in income from Council Tax	(259)	(286)	(292)	(298)
Local Council Tax Support Grant				
Tax income guarantee - 75%	(50)	(50)	0	0
Change to Council Tax Exemptions Policy	(35)	(35)	(35)	(35)
Collection Fund (Surplus)/Deficit - Council Tax	0	0	(50)	(100)
Overall Funding Position	(12,626)	(10,930)	(10,318)	(9,739)
Budget (Surplus)/Deficit	Page 141	0	0	0

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Unavoidable Budget Pressures	2022/23	2023/24	2024/25	2025/26
Expenditure				
Capital Financing				
Revenue Impact of increase to external borrowing - MRP	(172,393)	922,471	669,971	516,971
Revenue Impact of increases to external borrowing - interest	(11,805)	813,690	541,840	522,040
Other Service Cost Pressures and Growth				
Use of capital receipts to fund MRP re vehicle fleet - from Ubico lease payments	297,143			
Recycling Materials Processing Costs	(78,000)			
GRCC Flood Warden Scheme	14,000			
Contribution to Active Gloucestershire	10,000			
Strategic Director of Governance and Member Development - Previously Shared MO Role make full-time resource	50,000			
Ubico Driver Pay Award Inflation	39,000			
Permanent resource to support economic growth in the District, recognising the value of work delivered since 2020	47,000			
ICT Licensing Costs - transfer from capital to revenue	70,000			
Reduction of revenue funding for capital - ICT licensing costs now in revenue rather than capital	(50,000)			
Insurance Renewal Increases	44,000			
Bourton on the Water Coach Park Lease	(22,000)			
Business Rates and Utilities budget alignment	(6,000)			
Discretionary pension budget realignment	(110,000)			
Total Expenditure Budget Pressures	120,945	1,736,161	1,211,811	1,039,011
Impact of lump sum payment in to pension fund (2020/21) on investment income	(16,000)			
Covid 19 Impact upon income	400,000	(200,000)	(200,000)	
Increase in SLM Management Fee CPI Inflation	(25,492)			
Rental Income Cirencester LC	(12,000)			
Investment Property Commercial Rent Income	(141,000)			
Cottsway Short term Development Loan	(60,000)	60,000		
Total Income Growth/Budget Pressures	145,508	(140,000)	(200,000)	0
TOTAL	266,453	1,596,161	1,011,811	1,039,011

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Capital Programme					Future years:				Annex A
	21/22 [MTFS] £000s	21/22 In- Year £000s	21/22 Revised Budget £000s	Funded from:	22/23 £000s	23/24 £000s	24/25 £000s	25/26 £000s	
Capital Receipts as at 1st April 2021			(8,196)		(4,463)	(5,218)	(3,154)	(1,795)	
Scheme:									
Private Sector Housing Renewal Capital Grant [DFG]	700		700	Glos. County Council	700	700	700	700	
ICT Capital funding	200		200	Revenue	150	150	150	150	
Provision for financing of Ubico Ltd waste vehicles	35		35	21/22 Cap Rec then Borrowing	270	977	32	76	
Replacement of Idox/Uniform system (ICT)	150		150	Cap receipts					
Planning documents and scanning solution	200		200	Cap receipts					
Waste receptacles growth in properties and replacements	55		55	Cap receipts	55	55	55	55	
Replacement Leisure equipment	380		380	Borrowing				500	
Provision for further electric vehicle charging points	150		0	Borrowing	150	150	150	150	
Crowdfund Cotswold	50		50	Cap receipts	50	50	50	50	
Investment in Cirencester Leisure Centre	1,200		0	Borrowing	1,200				
Recovery Investment Strategy	15,200		0	Borrowing	35,000	20,000	20,000		
Investment in multi-storey car parking Cirencester			0	Borrowing		3,620	3,620		
Investment in multi-storey car parking Cirencester			0	Cap receipts		2,759	2,054		
Investment in multi-storey car parking Cirencester			0	Reserves			705		
20/21 Carry Forwards:									
Contribution to Rural Broadband scheme			0	Cap receipts	500				
Ubico contract - roller brake testing			52	Reserves					
Replace pay and display machines			125	Cap receipts					
Waste recycling improvements (vehicles)			359	Cap receipts					
Crowdfund Cotswold			48	Cap receipts					
Car Park Improvements Rissington Road- Capital Receipts			245	Cap receipts					
Car Park Improvements Rissington Road- Car Parking Reserve	92		92	Reserves					
Packers Leaze Depot - Flood prevention works			80	Cap receipts					
Electric vehicle charging points			74	Borrowing	450				
Investment in strategic property acquisition			1,875	Reserves					
Investment in strategic property acquisition			2,485	Cap receipts					
Development of strategic property acquisition site			0	Borrowing		900			
New in-year 21/22									
Government funded decarbonisation project		1,237	1,237	Grant					
Government funded decarbonisation project - Contingency		120	120	Cap receipts					
Additional funding for Packers Leaze		55	55	Cap receipts					
CLC Pool Hall works		100	100	Cap receipts					
Affordable Housing Schemes - S106 Stockwells MiM		550	550	Dev. Contribution					
Affordable Housing Schemes - S106 Davies Road MiM		479	479	Dev. Contribution					
Affordable Housing Schemes - S106 Davies Road MiM - Env Imp		102	102	Dev. Contribution					
Affordable Housing Schemes - S106 Sunground Avening		400	400	Dev. Contribution					
Loan to Cottsway Housing Association		3,753	3,753	Cap receipts					
Bromford Joint Venture Partnership - Carbon Zero aff homes - feasibility studies, planning etc.			200	Cap receipts	200				
Investment in Dyer Street Property - Roofs			146	Reserves					
Car Park Enforcement - Vehicle Purchase			45	Borrowing					
Trinity Road - Carbon Efficiency Works			0	Borrowing	370				
Litter bin replacement programme				Borrowing	10	10	10	10	
	18,412	6,796	14,392		39,105	29,371	27,526	1,691	
			8,060	Use of UCR	805	2,864	2,159	105	
			(136)	UCR Bal before any in-year CAP receipts	(996)	(1,289)	(1,379)	(318)	
			(860)	Ubico Lease	(860)	(860)	(860)	(860)	
				Cottsway Loan Repayment	(38)	(1,894)	(38)	(38)	
			(200)	Other Cap Rec	(200)	(200)	(200)	(200)	
			(996)	Cap Rec C/F	(1,289)	(1,379)	(318)	(1,311)	

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Revenue Reserves

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Council Priorities Fund (and CPF allocations)				
Opening balance	(943)	(489)	(374)	(44)
Income				
Contribution to CPF From review of earmarked reserves	(270)		(377)	
Allocation of financial gain from Business Rates Pool	(400)			
Expenditure/Commitments				
Funding capital expenditure multi-storey car park (Waterloo)			705	
CIL/S.106 Implementation Project Resource	10	10	2	
Additional car parking provision Cirencester	60	60		
Local Plan Refresh	355			
Transport Engineer Post funded from LP Refresh	50	45		
Resources to support development and implementation of Recovery Investment Strategy and Economic Development	74			
RIS Resources - RP JV specialist advice	47			
Waterloo Car Park Planning Application	68			
Ubico - provision for additional costs re waste collection from residents - work from home/covid 19 lockdowns etc.	360			
Clean and Green Cotswolds	100			
Closing balance	(489)	(374)	(44)	(44)
<u>Other Earmarked Reserves (excluding CPF)</u>				
Opening balance	(733)	(425)	(377)	(0)
Expenditure	38	48		
Trf to Council Priorities	270		377	
Closing balance	(425)	(377)	(0)	(0)
Total of Earmarked reserves	(914)	(751)	(44)	(44)
<u>General fund working balance</u>				
Opening balance	(2,536)	(4,202)	(4,202)	(4,202)
Lump sum contribution to Gloucestershire LGPS	(1,634)			
Revenue budget (surplus)/deficit for the year	(31)	0	0	0
Closing balance on the General Fund	(4,202)	(4,202)	(4,202)	(4,202)
Total of Council revenue reserves (GF and Earmarked Reserves)	(5,116)	(4,953)	(4,246)	(4,246)

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SUMMARY REVENUE EXPENDITURE 2021/22 & 2022/23

By Service Area	2021/22 Budget		2022/23 Budget	
	£		£	
	Expenditure	Income	Expenditure	Income
Environmental Services	9,484,710	(5,335,286)	9,444,034	(5,552,718)
Leisure & Communities	1,833,381	(105,269)	1,592,169	(199,260)
Planning & Strategic Housing	2,568,957	(1,021,487)	2,790,670	(1,047,305)
Democratic Services	998,213	(25,905)	1,083,613	(25,905)
Corporate Services	2,741,774	(1,812,945)	2,839,409	(1,383,622)
Environmental & Regulatory Services (ERS)	1,008,148	(605,720)	1,078,490	(605,720)
Business Support Services - Finance, HR, Procurement	2,245,720	(1,324,880)	2,249,098	(1,234,921)
Business Support Services - ICT, Business Improvement	1,894,150	(96,957)	2,082,928	(96,957)
Land, Legal & Property	1,521,862	(858,734)	1,534,079	(784,155)
Revenues & Housing Support	14,017,206	(13,714,740)	12,956,268	(12,614,739)
Chief Executive and Modernisation	83,246	0	87,831	0
Savings and Contingency	911,555	0	(96,959)	
Total Cost of Service	39,308,923	(24,901,923)	37,641,630	(23,545,303)
Total Cost of Service (Net)		14,406,999		14,096,327
Plus				
Capital charges reversals		(1,751,452)		(1,366,718)
Capital expenditure funded from revenue and MRP		250,000		324,607
Movement to/(from) Reserves		(348,532)		(458,998)
Net Budget Requirement		12,557,015		12,595,218

By subjective	2021/22 Budget	2022/23 Budget
	£	£
Employees	3,058,837	2,878,689
Premises-Related Expenditure	1,502,709	1,435,163
Transport-Related Expenditure	20,659	19,375
Supplies & Services	2,584,245	2,663,649
Housing Benefit Payments	12,993,426	11,893,426
Major Contract Payments	17,268,420	17,253,241
Revenue Grants	110,000	124,000
Depreciation, Interest and Impairment Losses	1,770,625	1,374,086
Total Cost	39,308,922	37,641,630
Income	(24,901,923)	(23,545,303)
Total Cost of Service	14,406,999	14,096,327
Plus		
Reversal of capital charges	(1,751,452)	(1,366,718)
Capital expenditure funded from revenue and MRP	250,000	324,607
Movement to/(from) Earmarked Reserves	(348,532)	(458,998)
Net Budget Requirement	12,557,015	12,595,218

SUMMARY REVENUE EXPENDITURE 2021/22 & 2022/23

	2021/22 Budget	2022/23 Budget
<u>Financing:</u>	<u>£</u>	<u>£</u>
NNDR net income	(3,279,988)	(3,424,000)
Rural Services Delivery Grant	(632,183)	(632,183)
Lower Tier Services Grant	(690,819)	(1,472,660)
Services Grant	0	(129,486)
New Homes Bonus	(2,092,561)	(810,236)
Collection Fund Deficit/(Surplus) - Council Tax	66,536	0
Council Tax Income Guarantee/Council Tax Exemption	(120,294)	(84,990)
GF Budget Surplus/(deficit) [transfer (from)/to GF]	6,257	31,175
Contribution (from)/to General Fund	0	0
	<u>5,813,963</u>	<u>6,072,838</u>
Council Tax Base	41,848.15	42,193.00
Band D Council Tax	138.93	143.93
	5,813,963	6,072,838

Budget Summary, by Service Groups, by Cost Centre

ENVIRONMENTAL SERVICES	Budget 21/22		Budget 22/23	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£
CCC001 Climate Change	94,563	0	99,768	0
CCM001 Cemetery, Crematorium and Churchyards	167,685	(63,830)	191,827	(63,830)
CCM402 Cemeteries - Maintenance	16,275	0	29,520	0
CPK401 Car Parks	1,025,989	(2,989,797)	887,835	(3,015,292)
CPK402 Car Parks - Maintenance	35,725	0	35,700	0
CPK413 Car Parks - Tetbury The Chippings	39,075	(54,000)	39,075	(54,000)
FLD401 Land Drainage	97,274	(20,000)	115,697	(20,000)
HLD410 Waste - Cleansing	84	0	90	0
HLD411 Waste - Cemeteries	2,092	0	2,065	0
REG003 Animal Control	59,828	(32,505)	59,923	(32,505)
REG019 Public Conveniences	270,633	(84,030)	269,608	(84,030)
REG023 Environmental Strategy	100,655	0	100,487	0
RYC001 Recycling	2,734,062	(882,964)	2,631,897	(884,783)
RYC002 Green Waste	1,008,377	(835,000)	1,170,900	(1,099,000)
RYC003 Food Waste	805,818	0	604,839	0
STC001 Street Cleaning	1,352,383	0	1,477,116	0
WST001 Household Waste	1,589,267	(143,662)	1,634,605	(68,780)
WST004 Bulky Household Waste	41,930	(56,000)	43,537	(57,000)
WST401 Refuse-Stow Fair	11,227	0	11,372	0
WST402 South Cerney Depot, Packers Leaze	31,768	(173,500)	38,173	(173,500)
ENVIRONMENTAL SERVICES	9,484,710	(5,335,286)	9,444,034	(5,552,718)

	Budget 21/22		Budget 22/23	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£
<u>Subjective analysis:</u>				
Employees	74,885		3	
Premises	669,457		647,189	
Transport	0		0	
Supplies & Services	457,482		320,523	
Major contract payments	7,805,908		8,028,601	
Transfer Payments	0		0	
Depreciation & Amortisation	476,977		447,718	
External Income		(5,335,286)		(5,552,718)
ENVIRONMENTAL SERVICES	9,484,710	(5,335,286)	9,444,034	(5,552,718)

LEISURE & COMMUNITIES	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
CCR001 Community Safety (Crime Reduction)	48,335	0	23,754	0
COM401 Health Policy	25,847	0	26,876	0
COM402 Community Liaison	95,927	0	101,270	0
COM403 Youth Participation	92,916	0	137,689	(44,478)
COM404 Falls Prevention	0	0	0	0
COM405 Health Development	41,774	0	54,036	0
CUL410 Corinium Museum	101,084	0	123,393	0
CUL412 Collection Management	4,961	0	8,103	0
CUL413 Northleach Resouce Centre	8,850	0	16,500	0
GBD001 Community Welfare Grants	165,830	0	169,016	0
REC410 Ciren - Centre Management	687,063	(105,269)	389,543	(130,761)
REC413 Ciren - Dryside Areas	0	0	12,021	(24,021)
REC419 Cirencester Leisure - Maintenance	32,850	0	33,000	0
REC430 C Campden - Centre Management	125,878	0	106,113	0
REC450 Bourton - Centre Management	150,951	0	119,875	0
REC459 Bourton - Maintenance	28,019	0	43,000	0
SUP002 Consultation, Policy & Research	87,473	0	91,478	0
TOU001 Tourism Strategy and Promotion	39,401	(0)	40,280	(0)
TOU402 Partnership Grants	54,000	0	54,000	0
TOU403 Cotswold Tourism Partnership	42,222	0	42,222	0
LEISURE & COMMUNITIES	1,833,381	(105,269)	1,592,169	(199,260)

	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
Subjective analysis:				
Employees	1		1	
Premises	93,919		128,721	
Transport	0		0	
Supplies & Services	192,075		194,468	
Major contract payments	507,283		548,114	
Transfer Payments	110,000		120,000	
Depreciation & Amortisation	930,103		600,865	
External Income		(105,269)		(199,260)
LEISURE & COMMUNITIES	1,833,381	(105,269)	1,592,169	(199,260)

PLANNING & STRATEGIC HOUSING	Budget 21/22		Budget 22/23	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£
CIL001 Community Infrastructure Levy	10,000	(10,000)	10,000	(10,000)
DEV001 Development Management - Applications	851,375	(999,877)	993,643	(999,877)
DEV002 Development Management - Appeals	128,712	0	131,007	0
DEV003 Development Management - Enforcement	185,843	(0)	196,184	(0)
DEV004 Development Advice	330,666	0	349,312	0
DEV401 Planning Advice For Land Charges	11,321	0	11,911	0
HAD001 Housing Advice	274,132	0	289,257	0
HOS001 Housing Strategy	138,534	0	150,675	0
HOS002 Housing Partnerships	24,436	0	25,749	0
HOS005 Community-Led Housing	30,475	0	0	0
PLP002 Local Development Framework	339,953	(100)	359,266	(100)
PLP005 Heritage & Design	210,966	0	239,364	(25,818)
PLP401 Fwd Plan work for Dev Con	16,508	0	17,410	0
PSM001 Planning - Service Management and Support S	16,035	(11,510)	16,891	(11,510)
PLANNING & STRATEGIC HOUSING	2,568,957	(1,021,487)	2,790,670	(1,047,305)

	Budget 21/22		Budget 22/23	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£
Subjective analysis:				
Employees	0		0	
Premises	20,830		20,830	
Transport	0		0	
Supplies & Services	258,557		261,707	
Major contract payments	2,243,239		2,459,845	
Transfer Payments	0		4,000	
Depreciation & Amortisation	46,330		44,287	
External Income		(1,021,487)		(1,047,305)
PLANNING & STRATEGIC HOUSING	2,568,957	(1,021,487)	2,790,670	(1,047,305)

	Budget 21/22		Budget 22/23	
DEMOCRATIC SERVICES				
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
DRM001 Democratic Representation and Management	115,690	(0)	122,741	(0)
DRM003 Councillors Allowances	304,890	0	317,234	0
DRM004 Servicing Council	4,015	0	4,169	0
DRM005 Committee Services	88,568	0	120,956	0
DRM008 Corporate Subscriptions	18,980	0	18,980	0
ELE003 Elections Support/Overheads	134,662	(1,880)	139,245	(1,880)
ELE004 Parliamentary Elections	0	0	0	0
ELE005 Parish Elections	5,000	(2,000)	5,000	(2,000)
SUP018 Press & PR/Communications	56,087	0	76,161	0
SUP022 Printing Services	230,310	(22,025)	236,966	(22,025)
SUP024 Postal Services	40,011	0	42,160	0
DEMOCRATIC SERVICES	998,213	(25,905)	1,083,613	(25,905)
<u>Subjective analysis:</u>				
Employees	0		0	
Premises	710		710	
Transport	6,820		6,820	
Supplies & Services	461,837		473,953	
Major contract payments	473,103		549,876	
Transfer Payments	0		0	
Depreciation & Amortisation	55,743		52,254	
External Income		(25,905)		(25,905)
DEMOCRATIC SERVICES	998,213	(25,905)	1,083,613	(25,905)

	Budget 21/22		Budget 22/23	
CORPORATE SERVICES				
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
COR005 Corporate Finance	98,677	0	144,157	0
COR007 External Audit Fees	70,830	0	70,230	0
COR008 Bank Charges	61,065	0	61,065	0
FIE010 Interest Payable and Similar Charges	19,290	0	7,485	0
FIE030 Interest and Investment Income	0	(504,668)	13,000	(653,947)
FIE410 Commercial Properties - General	10,630	4,705	10,630	4,705
FIE411 Old Memorial Hospital (inc Cottages)	29,915	(6,660)	22,174	(7,160)
FIE412 Cotswold Club	520	0	520	0
FIE413 Dyer Street	0	(120,000)	0	(120,000)
FIE415 Old Station	24,629	0	25,497	0
FIE416 Brewery Court, Arts & Niccol Centre	1,860	(56,517)	860	(56,486)
FIE417 GCC Depot, Chesterton Lane	1,150	(960)	1,150	(960)
FIE418 Abberley House/44 Black Jack St.	24,640	(85,960)	18,230	(88,744)
FIE419 Compton House	1,500	(13,235)	1,500	(14,200)
FIE423 1st Floor Church Rms, Bourton-on-the-Water	0	(4,395)	0	(4,395)
FIE424 Bourton VIC	1,353	(8,000)	1,568	(8,000)
FIE426 Wilkinson's West Bromich	10,130	(130,855)	10,130	(130,855)
FIE427 Superdrug Hereford	0	(61,500)	0	(61,500)
FIE428 Tesco's Seaford	0	(91,719)	0	(92,080)
FIE429 27 - 27a Dyer Street	0	0	20,000	(150,000)
NDC401 Discretionary Pension Payments	1,881,916	0	1,771,916	0
SUP032 Strategic Directors	503,669	0	648,397	0
COV019 Coronavirus	0	(733,181)	10,899	0
CORPORATE SERVICES	2,741,774	(1,812,945)	2,839,409	(1,383,622)

	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	2,154,091		2,175,670	
Premises	61,475		71,910	
Transport	0		0	
Supplies & Services	232,121		299,121	
Major contract payments	242,284		267,971	
Transfer Payments	0		0	
Depreciation & Amortisation & Int Payable	51,803		24,737	
External Income		(1,812,945)		(1,383,622)
CORPORATE SERVICES	2,741,774	(1,812,945)	2,839,409	(1,383,622)

	Budget 21/22		Budget 22/23	
ENVIRONMENTAL & REGULATORY SERVICES				
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
BUC001 Building Control - Fee Earning Work	170,566	(360,000)	178,097	(360,000)
BUC002 Building Control - Non Fee Earning Work	53,879	0	56,453	0
BUC003 Dangerous Structures	2,500	0	2,500	0
EMP001 Emergency Planning	22,918	0	23,311	0
ESM001 Environment - Service Mgt and Support	103,924	0	109,504	0
PSH002 Private Sector Housing - Condition of Dwell	301	0	224	0
PSH005 Home Energy Conservation	212	0	158	0
REG002 Licensing	205,846	(190,720)	217,003	(190,720)
REG006 Caravan Sites - Itinerates	142	0	105	0
REG007 Caravan Sites - Licensed	142	0	105	0
REG009 Environmental Protection	192,018	(53,000)	225,716	(53,000)
REG013 Polution Control	127,651	0	134,057	0
REG016 Food Safety	126,279	(2,000)	129,557	(2,000)
REG021 Statutory Burials	1,642	0	1,605	0
STC011 Abandoned Vehicles	128	0	95	0
ENVIRONMENTAL & REGULATORY SERVICES	1,008,148	(605,720)	1,078,490	(605,720)

	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	0		0	
Premises	0		0	
Transport	1,000		1,000	
Supplies & Services	67,921		67,999	
Major contract payments	905,682		986,459	
Transfer Payments	0		0	
Depreciation & Amortisation	33,545		23,032	
External Income		(605,720)		(605,720)
ENVIRONMENTAL & REGULATORY SERVICES	1,008,148	(605,720)	1,078,490	(605,720)

	Budget 21/22		Budget 22/23	
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.				
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
SUP003 Human Resources	514,910	(267,224)	575,712	(298,760)
SUP009 Accountancy	481,135	(141,169)	397,196	(29,220)
SUP010 Internal Audit	107,301	(21,087)	110,120	(21,087)
SUP011 Creditors	101,756	(59,533)	111,612	(63,580)
SUP012 Debtors	51,802	(12,951)	57,090	(15,480)
SUP013 Payroll	100,394	(73,469)	96,464	(63,750)
SUP019 Health & Safety	112,407	(83,677)	35,441	0
SUP020 Training & Development	95,619	(29,292)	132,422	(61,580)
SUP033 Central Purchasing	57,007	(22,034)	62,256	(23,803)
SUP035 Insurances	58,051	(51,969)	63,315	(53,690)
SUP042 ABW Support and Hosting	46,403	(36,000)	61,398	(50,360)
SUP403 Counter Fraud - CDC	56,672	(64,212)	70,163	(77,703)
SUP402 Glos. Counter Fraud Unit	462,261	(462,262)	475,907	(475,907)
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	2,245,719	(1,324,881)	2,249,098	(1,234,921)

	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
<u>Subjective analysis:</u>				
Employees	441,260		450,805	
Premises	0		0	
Transport	(400)		3,600	
Supplies & Services	274,618		291,028	
Major contract payments	1,511,930		1,491,374	
Transfer Payments	0		0	
Depreciation & Amortisation	18,312		12,290	
External Income		(1,324,880)		(1,234,921)
BUSINESS SUPPORT SERVICES - FINANCE, HR, PROC.	2,245,719	(1,324,881)	2,249,098	(1,234,921)

BUSINESS SUPPORT SERVICES - ICT, BUSINESS IMP.	Budget 21/22		Budget 22/23	
	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income
	£	£	£	£
ADB411 Moreton-in-Marsh, Offices	78,863	(54,292)	75,122	(54,292)
COM420 FOH - Moreton	104,814	(3,665)	109,642	(3,665)
SUP005 ICT	916,033	(19,000)	1,046,542	(19,000)
SUP017 Business Improvement/Transformation	111,159	0	117,319	0
SUP021 Business Continuity Planning	21,147	0	21,313	0
SUP023 Freedom of Information Act	10,747	0	11,403	0
SUP031 Application Support	70,780	0	110,726	0
SUP401 FOH - Trinity Road	550,084	0	580,458	0
TMR001 Street Naming	30,524	(20,000)	10,403	(20,000)
BUSINESS SUPPORT SERVICES - ICT, BUSINESS IMP.	1,894,150	(96,957)	2,082,928	(96,957)
<u>Subjective analysis:</u>				
Employees	0		0	
Premises	67,026		37,423	
Transport	0		0	
Supplies & Services	388,390		503,152	
Major contract payments	1,409,285		1,513,375	
Transfer Payments	0		0	
Internal Recharges / Indirect Cost	0		0	
Depreciation & Amortisation	29,450		28,978	
External Income		(96,957)		(96,957)
BUSINESS SUPPORT SERVICES - ICT, BUSINESS IMP.	1,894,150	(96,957)	2,082,928	(96,957)

	Budget 21/22		Budget 22/23	
LAND, LEGAL & PROPERTY SERVICES				
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
ADB401 Trinity Road, Offices	499,573	(343,268)	498,142	(349,689)
ADB412 Moreton-in-Marsh, Offices - Maintenance	43,235	0	35,407	0
CUL411 Corinium Museum - Maintenance	41,350	0	26,000	0
ENA401 Housing Enabling Properties	9,110	(23,476)	9,110	(23,476)
FIE425 22/24 Ashcroft Road	28,534	0	26,314	0
LLC001 Local Land Charges	110,361	(250,705)	112,815	(250,705)
SUP004 Legal	467,627	(241,286)	363,332	(160,286)
SUP025 Property Services	322,071	0	462,959	0
LAND, LEGAL & PROPERTY SERVICES	1,521,862	(858,734)	1,534,079	(784,155)
<u>Subjective analysis:</u>				
Employees	353,539		252,209	
Premises	503,467		452,556	
Transport	13,239		7,955	
Supplies & Services	166,467		170,135	
Major contract payments	382,531		530,429	
Transfer Payments	0		0	
Internal Recharges / Indirect Cost	0		0	
Depreciation & Amortisation	102,619		120,795	
External Income		(858,734)		(784,155)
LAND, LEGAL & PROPERTY SERVICES	1,521,862	(858,734)	1,534,079	(784,155)

REVENUES & HOUSING SUPPORT	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
HBP001 Rent Allowances	13,495,334	(13,183,091)	12,422,172	(12,083,091)
HOM001 Homelessness	126,663	(76,266)	126,654	(76,266)
HOM003 Rent In Advance Scheme	0	0	0	0
HOM005 Homelessness Hostels	4,000	(35,500)	4,000	(35,500)
HOM406 Temporary Emergency Accommodation	87,825	(77,519)	87,825	(77,519)
LTC001 Council Tax Collection	207,854	(143,808)	216,001	(143,808)
LTC011 NNDR Collection	52,017	(198,555)	53,901	(198,555)
PSH001 Private Sector Housing Grants	28,013	0	29,723	0
PUT001 Concessionary Travel	15,499	0	15,992	0
REVENUES & HOUSING SUPPORT	14,017,205	(13,714,739)	12,956,268	(12,614,739)
<u>Subjective analysis:</u>				
Employees	0		0	
Premises	75,825		75,825	
Transport	0		0	
Supplies & Services	153,005		153,005	
Major contract payments	770,759		816,037	
Transfer Payments	12,993,426		11,893,426	
Depreciation & Amortisation	24,190		17,975	
External Income		(13,714,739)		(12,614,739)
REVENUES & HOUSING SUPPORT	14,017,205	(13,714,739)	12,956,268	(12,614,739)

CHIEF EXECUTIVE AND MODERNISATION	Budget 21/22		Budget 22/23	
	Gross	Gross	Gross	Gross
	Expenditure	Income	Expenditure	Income
	£	£	£	£
SUP026 Chief Executive	83,246	0	87,831	0
CHIEF EXECUTIVE AND MODERNISATION	83,246	0	87,831	0
<u>Subjective analysis:</u>				
Employees	(0)		(0)	
Premises	0		0	
Transport	0		0	
Supplies & Services	120		120	
Third Party Payments	81,574		86,557	
Transfer Payments	0		0	
Depreciation & Amortisation	1,552		1,154	
External Income		0		0
CHIEF EXECUTIVE AND MODERNISATION	83,246	0	87,831	0

OTHER	Budget 21/22		Budget 22/23	
	Gross Expenditure £	Gross Income £	Gross Expenditure £	Gross Income £
	911,555		(96,959)	
Savings and Contingency				
Capital charges reversals		(1,751,452)		(1,366,718)
Capital expenditure funded from revenue	250,000		324,607	
Movement to/(from) Reserves		(348,532)		(458,998)
	39,558,921	27,001,907	37,966,237	(25,371,019)
Net Budget Requirement	12,557,015		12,595,218	

COTSWOLD DISTRICT COUNCIL OVERVIEW AND SCRUTINY WORK PLAN

CIVIC YEAR 2021-22

Chair: Cllr Stephen Andrews

Vice-Chair Cllr Gary Selwyn

The Local Government Act 2000 established four main roles for overview and scrutiny committees to perform:

- Holding the executive to account, including performance management
- Policy development and review
- External scrutiny
- Best value

The Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities published by MHCLG in May 2019 includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions.

The Centre for Public Scrutiny and the Local Government Association outlined four principles for effective scrutiny:

- Constructive ‘critical friend’ challenge
- Amplifies the voices and concerns of the public
- Led by independent people who take responsibility for their role
- Drives improvement in public services.

Good scrutiny and good governance support and reinforce these principles and should lead to the following points being taken as key for good scrutiny to thrive:

- Accountability – an environment where responsibility for services and decisions is clear and where those holding responsibility can and are answerable for success and failure;

- Transparency – the publication, proactively, of information relating to services and decisions to allow local people, and others, to hold policymakers and decision-makers to account; and,
- Involvement – rules, principles and processes whereby a wide range of stakeholders (including elected representatives) can play active roles in holding to account, and influencing and directing the development of policy.

In addition to the items detailed in this work plan, every agenda will include a review of the Executive Forward Plan, the Quarterly Digest of GCC Scrutiny meetings and the Scrutiny Work Plan

Meeting Date	Topic	Objectives for Scrutiny	Relevant Cabinet Member	Lead Officer	Method
1 March 2022	Council, Priority and Service Performance Report - 2021/22 Q3	To enable Committee Members to identify financial or outcome-based trends so they are in a position to identify areas that may need more detailed study.	All relevant Cabinet Members	Andy Barge	Overview and Scrutiny Committee
	Publica Update, including Publica Business Plan	To enable Committee Members to be aware of developments and in a position to identify areas that may need more detailed study and to review the Publica Business Plan for 2022/23	Joe Harris, Leader of the Council	Jan Britton	Overview and Scrutiny Committee
	Review of Development Management	To provide committee members with an update report in relation to Development Management.	Juliet Layton Cabinet Member for Development Management and Licensing	Jan Britton	Overview and Scrutiny Committee
	Corporate Plan	To review progress against the Corporate Plan	Joe Harris, Leader of the Council	Robert Weaver	Overview and Scrutiny Committee
*24 May 2022					

* An informal meeting of Overview and Scrutiny Members will be arranged following the completion of the 1 March meeting. This meeting will enable Committee Members to discuss and agree topics for consideration at the 24 May and future Committee meetings.

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COTSWOLD
DISTRICT COUNCIL

**EXECUTIVE FORWARD PLAN
INCORPORATING NOTICE OF DECISIONS PROPOSED TO BE TAKEN IN PRIVATE SESSION AND NOTICE
OF INTENTION TO MAKE A KEY DECISION**

FEBRUARY 2022 – MAY 2022

Published 04 January 2022

The Forward Plan

By virtue of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, local authorities are required to publish a notice setting out the key executive decisions that will be taken at least 28 days before such decisions are to be taken. The Regulations also require notice to be given of any matter where it is proposed that the public will be excluded during consideration of the matter.

This Forward Plan incorporates both of these requirements. In the interests of transparency, it also aims to include details of those items to be debated by the Cabinet that relate to either policy/budget formulation, matters which will be subject to a recommendation to the Council, and other matters due to be considered by the Cabinet. This programme covers a period of four months, and will be updated on a monthly basis. The timings of items may be subject to change.

It should be noted that although a date not less than 28 clear days after the date of the notice is given in each case, it is possible that matters may be rescheduled to a date which is different from that given provided, in the cases of key decisions and matters to be considered in private, that the 28 day notice has been given. In this regard, please note that agendas and reports for Meetings of the Cabinet are made available on the [Council's Web Site](#) – five working days in advance of the Meeting in question. Please also note that the agendas for Meetings of the Cabinet will also incorporate a necessary further notice which is required to be given in relation to matters likely to be considered with the public excluded.

There are circumstances where a key decision can be taken, or a matter may be considered in private, even though the 28 clear days' notice has not been given. If that happens, notice of the matter and the reasons will be published on the Council's Web Site, and available from the Council Offices, Trinity Road, Cirencester, Glos. GL7 1PX.

Key Decisions

The Regulations define a key decision as an executive decision which is likely –

- (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the authority.

In financial terms, the Council has decided that a key decision is any executive decision which requires a budget expenditure of £100,000 or more, or one which generates savings of £100,000 or more.

A key decision may only be made in accordance with the Cabinet Procedure Rules contained within the Council's Constitution.

Matters To Be Considered in Private

The great majority of matters considered by the Council's Cabinet are considered in 'open session' when the public have the right to attend.

However, some matters are considered with the public excluded. The public may only be excluded if a resolution is passed to exclude them. The grounds for exclusion are limited to situations where confidential or exempt information may be disclosed to the public if present and, in most cases involving exempt information, where in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The definitions of these are set out in the Council's Constitution.

Documents and Queries

Formal reports presented relating to any executive decision will be available on the Council's Web Site at least five working days in advance of the Meeting at which the decision is to be made (except insofar as they contain confidential and/or exempt information).

The Decision Notice for each key decision will be published as soon as reasonably practicable after it has been made. We will seek to do this within five working days of the date of the decision. The Decision Notice will be available for public inspection on the Council's Web Site, and at the Council Offices, Trinity Road, Cirencester, Glos. GL7 1PX.

If you have any questions about the Forward Plan, or if you wish to make representations about any of the matters contained within it, please contact the Council's Democratic Services Team. The Democratic Services Team can also, on request, provide copies of, or extracts from, documents listed in the Plan and any which subsequently become available (subject to any prohibition or restriction on their disclosure).

Contact Details:

Democratic Services, Cotswold District Council, Trinity Road, Cirencester, Gloucestershire GL7 1PX

E-mail: democratic@cotswold.gov.uk **Telephone:** 01285 623000 **Website:** www.cotswold.gov.uk

The Council's Executive Arrangements

The Council currently operates the Strong Leader and Cabinet form of governance.

By law, the Cabinet can comprise a Leader of the Council, together with up to nine other Members to be appointed by the Leader (one of whom has to be appointed as Deputy Leader). The Leader will be elected by the Council, for a four-year term; and the Deputy Leader appointment is also for a four-year term.

The Cabinet at Cotswold District Council currently comprises a Leader, a Deputy Leader, and seven other Cabinet Members. The structure is as set out in the table below.

Executive decisions are taken either collectively by the Cabinet or individually by Cabinet Members.

The Cabinet generally meets monthly; whereas decision-making by individual Cabinet Members occurs on an 'as and when needed' basis.

Decisions of the Cabinet and individual Cabinet Members are subject to scrutiny by the Overview and Scrutiny Committee.

Councillor	Portfolio Area	Areas of Responsibility
Joe Harris	Leader	Policy framework including the corporate plan, Coordination of executive functions, Democratic Services, Publica, Communications, Customer experience, Town and Parish Council Liaison, Democratic Renewal and Consultation, Cotswold Clean and Green Campaign
Mike Every (Deputy Leader)	Finance	Financial strategy and management, Revenue and benefits, Property and asset management, Car parking operations and Grants
Rachel Coxcoon	Climate Change and Forward Planning	Climate Change and energy planning, Sustainable transport, Strategic forward planning, Local plan, Community Infrastructure Levy and Section 106 and Allowable solutions
Tony Dale	Economy and Council Transformation	Internal service transformation and improvement, Local Enterprise Partnership and county-wide partnerships, Economic Development and COVID-19 Economic Recovery, Council commercialisation, Internal council transformation, Tourism and Visitor Information Centres and Chamber of Commerce liaison
Andrew Doherty	Environment, Waste and Recycling	Waste and recycling, UBICO, Flooding, Public protection, Food safety, Cemeteries, Noise and public nuisance and Public toilets
Jenny Forde	Health and Wellbeing	COVID-19 response, Public health, wellbeing and mental health, Improving social mobility, Tackling social isolation, Crime, disorder and safety, Supporting and safeguarding people, Leisure, museums and culture, Support for community events (Stow Fair, Phoenix Festival, Fleece Fair, Moreton Show) and Young people
Juliet Layton	Development Management and Licensing	Development management, Heritage and design management, Landscape conservation, Cotswold Area of Outstanding Natural Beauty, Neighbourhood Development Plans, Licensing, Building Control and Cotswold Water Park
Lisa Spivey	Housing and Homelessness	Tackling homelessness and improving housing security, Delivery of social rented homes, Support for small housing developers and community land trusts, Promotion of self-build and system build housing, Strategic oversight of tenure and housing needs assessment, Liaison with housing developers and Housing Benefit and Universal Credit.

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Item for Decision	Key Decision (Yes / No)	Likely to be Considered in Private (Yes / No)	Decision – Maker	Date of Decision	Cabinet Member	Lead Officer	Consultation	Background Documents
Freedom of Information Act Requests Update	No	No	Cabinet	8 Feb 2022	Joe Harris, Leader of the Council	Claire Hughes		None
Discretionary Rate Relief – Business Rates (Expanded Retail Discount 2022/23)	No	No	Cabinet	8 Feb 2022	Mike Evely, Deputy Leader and Cabinet Member for Finance	Mandy Fathers	Council Leader and Deputy Leader. Portfolio Holder, Chief Executive and Deputy Chief Executive, Monitoring Officer and Interim Head of Legal Services.	None
Draft Budget, Q3 Performance Report	No	No	Cabinet	8 Feb 2022	Mike Evely, Deputy Leader and Cabinet Member for Finance	Jenny Poole		
Homelessness Prevention Grant 2022-23 – Spending Proposal	No	No	Cabinet	8 Feb 2022	Lisa Spivey, Cabinet Member for Housing and Homelessness	Caroline Clissold	Portfolio Holder, S151 Officer, Head of Paid Service, Legal, Monitoring Officer, Group Manager	Grant Determination Letter outlining conditions of the grant
Appeal against a previous S13A Discretionary Council	No	No	Cabinet	8 Feb 2022	Mike Evely, Deputy Leader and Cabinet	Mandy Fathers	Portfolio Holder, Leader, Deputy Leader, Monitoring	Minutes of previous decision.

Tax decision					Member for Finance		Officer, Interim head of Legal Serviced, Group Manager for Resident Services	
Covid 19 Additional Relief fund (CARF)	No	No	Cabinet	8 Feb 2022	Mike Evemy, Deputy Leader and Cabinet Member for Finance	Mandy Fathers	Portfolio Holder, Leader, Deputy Leader, Monitoring Officer, Interim head of Legal Serviced, Group Manager for Resident Services	None
Solar Together Group Buying Scheme	No	No	Cabinet	8 Feb 2022	Rachel Coxcoon, Cabinet Member for Climate Change and Forward Planning	Chris Crookhall-Fallon	Inclusion of the principle of a Solar Together type scheme in the Council's Climate Emergency Strategy of September 2020; consultation within Publica Group climate officers chaired by Sue Pangbourne; principle of scheme outlined in informal cabinet by Claire Locke in December 2021 and supported in principle.	
Community Governance Review – initial report to start	No	No	Council	16 Feb 2022	Joe Harris, Leader of the Council	Robert Weaver	Initial report for CGR is to start the consultation process	Draft timetable and process for

review. Will set out terms of reference and timetable for the review							with Town and Parish Councils.	CGR
Council Tax 2022/23	Yes	No	Council	16 Feb 2022	Mike Evemy, Deputy Leader and Cabinet Member for Finance	Jenny Poole		
Agile Working Update	Yes	No	Cabinet	7 March 2022	Mike Evemy, Deputy Leader and Cabinet Member for Finance	Claire Locke	Councillors, Chief Executive, Local Management Team, Group Managers, Business Managers	None
Funding for Electric Vehicle Charging Infrastructure	Yes	No	Cabinet	7 March 2022	Rachel Coxcoon, Cabinet Member for Climate Change and Forward Planning	Claire Locke		None
First Homes	No	No	Cabinet	7 March 2022	Lisa Spivey, Cabinet Member for Housing and Homelessness	Anwen Hughes		
Strengthening Local Communities-Grant Funding	No	No	Cabinet	7 March 2022	Jenny Forde, Cabinet Member for Health and Wellbeing	Jacqueline Wright	Integrated Locality Partnership (ongoing during meetings since January 2022) Strengthening Local	

							Communities Partnership-countywide (ongoing during meetings since January 2022)	
							Active Cotswolds Board (Board meetings)	
Consideration of Licensing Fees for 1 April 2022 implementation	No	No	Council	16 March 2022	Alison Gardner/ Kevin Dunford			
Publica Business Plan 2022-2024	No	No	Cabinet	4 April 2022	Joe Harris, Leader of the Council	Jan Britton		
Draft Budget, Q4 Performance Report	No	No	Cabinet	9 May 2022	Mike Evely, Deputy Leader and Cabinet Member for Finance	Jenny Poole		
Independent Remuneration Panel	Yes	No	Council	25 May 2022	Joe Harris, Leader of the Council	Angela Claridge		
Designation of Monitoring Officer	Yes	No	Council	25 May 2022	Joe Harris, Leader of the Council	Angela Claridge		
Legal and Estates Standard Fees	Yes	No	Cabinet	June 2022	Mike Evely, Deputy Leader and Cabinet Member for	Jasmine McWilliams		

					Finance			
Whistleblowing Policy Approval	No	No	Cabinet	June 2022	Joe Harris, Leader of the Council	Emma Cathcasrt	Legal Services Team – draft approval JMT/CMT – briefed Governance Group – briefed CDC - Audit Committee – April 2022	None
Draft Budget, Q1 Performance Report	No	No	Cabinet	Sept 2022	Mike Every, Deputy Leader and Cabinet Member for Finance	Jenny Poole		
Draft Budget, Q2 Performance Report	No	No	Cabinet	Dec 2022	Mike Every, Deputy Leader and Cabinet Member for Finance	Jenny Poole		

Overview and Scrutiny Committee – 1 February 2022

Quarterly Digest Index
Agenda Item 12



COTSWOLD
DISTRICT COUNCIL

Item	Subject
(I)	Joint Scrutiny Etc. Meetings/Oral Updates as appropriate
(a)	Gloucestershire County Council Health Overview and Scrutiny Committee - Minutes of meeting held on 11 January 2022 (draft minutes not yet available).
(b)	Gloucestershire County Council Economic Growth Overview and Scrutiny Committee - Minutes of meeting held on 19 January 2022 (draft minutes not yet available).

Notes:

- (i) The items contained within this Quarterly Digest are not for formal debate by the Committee, and do not appear as stand-alone agenda items.
- (ii) Members are invited to identify any issue(s) arising out of the information provided within this Digest for future debate and/or action by the Committee.
- (iii) If Members have any questions on the detail of any of the information provided within this Digest, they should address such questions to the accountable Member and/or Officer concerned, for a reply outside the formal Meeting.

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