

## **Draft Medium Term Financial Strategy 2023/26 including Base Budget Projections 2022/23**

- Summary:** To provide Members with the opportunity to discuss assumptions around Medium Term Financial Planning and the impact on NNDC finances.
- Options considered:** The Council is required by law to set a budget in advance of the financial year. The report to Full Council will present options for budget setting with respect to Council Tax and other items.
- Conclusions:** The Council is required to agree a budget in advance of each financial year. This is done in February of each year at Full Council, after meetings of Cabinet and Overview and Scrutiny. To aid the Committee, an early draft of the Medium Term Financial Plan is presented here for scrutiny and discussion.
- Recommendations:** **That Overview and Scrutiny Committee note the contents of the report**
- Reasons for Recommendations:** To support the work to prepare the budget for the 2022-23 financial year. The Council is legally required to approve a budget and financial strategy in advance of each financial year. This is scheduled for February 2022.

### **LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW**

*(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)*

*Budget Monitoring Reports 2021/22  
Outturn Report 2020/21  
Medium Term Financial Strategy 2022-25*

|                   |                  |
|-------------------|------------------|
| Cabinet Member(s) | Ward(s) affected |
| Cllr Eric Seward  | All              |

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## **1. Introduction**

- 1.1 The Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes. The MTFS establishes how the Council's priorities will be achieved by setting out the framework within which resources are available over the medium term and the financial challenges facing the Council in terms of future funding gaps. It is the method by which the Council plans translates its long-term goals into action by considering;

- Where the Council is now
- Where the Council wants to be
- What the Council's plans are to get there

1.1 The MTFS helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It should also provide a link between the Council's long-term service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?'

1.2 The Medium Term Financial Strategy will be presented for final approval as part of the February Committee cycle and is provided here in draft format to allow discussion by the Overview and Scrutiny Committee.

## **2. 'Where we want to be' - The Council's Corporate Plan**

2.1 In May 2019 a new Council was elected and has now adopted a new Corporate Plan which sets out the intent and ambition of the authority for the period 2019 – 2023 (which can be found [here](#)). The Corporate Plan provides the framework and context for the Council's service provision, project interventions and resource allocation (financial and staffing) for the period through to 2023. The Plan is subject to annual review to ensure that it continues to reflect the Council's priorities and objectives throughout the next four years in response to emerging trends, policy developments and legislation.

2.2 It reflects the essential needs and aspirations of our customers and communities and how we feel the Council can best use its resources to deliver services and outcomes that make a positive difference for everyone who lives in, works in or visits North Norfolk.

2.3 However, despite the District having a number of very positive attributes we also have some big challenges: – responding to environmental change, increasing housing supply, supporting economic growth, meeting the challenges of service delivery to rural communities and the needs of both our young people and a rapidly ageing population.

2.4 The Corporate Plan identifies six key themes where we would propose developing actions and allocating resources to respond to the challenges our district faces in the years to come as detailed below;

- Local Homes for Local Need
- Boosting Business Sustainability and Growth
- Climate, Coast and the Environment
- Quality of Life
- Customer Focus
- Financial Sustainability

2.5 Planning for the future is challenging, especially given the broad range of services we provide, and the competing demands for increasingly scarce resources. All our services are committed to making improvements and finding savings, so that the Council remains efficient, effective and meets the day to day needs of the communities we serve. The purpose of the Corporate Plan is to focus on those priorities where we need to give specific attention. It will help

us target better our dwindling capital and revenue resources and help direct and focus any bids for external grant support. The Plan also provides a framework against which we can assess our progress to support the needs of our customers and communities.

- 2.6 The Delivery Plan, which supports the objectives contained within the Corporate Plan, was approved by Full Council during 2020. This details how we will judge our performance; it will also be the means by which the Council agrees its improvement objectives. It includes the expected outcomes from each of the six key themes and be supported by a set of priority actions and measures through which the Council will undertake a self-assessment of the level of improvement made.
- 2.7 The Climate, Coast and Environment theme will help to ensure that the Council delivers on its Climate Emergency agenda and this element of the Corporate Plan will permeate and influence all of the other work stream and Delivery Plan themes so that it becomes embedded within the culture of the organisation. The Council will look to generate income from the Electric Vehicle Charging Points which have been installed in Council owned car parks across much of the District. Solar panels are also generating an income on the Council's main office block in Cromer. In addition to reducing the Council's running costs, these panels are projected to provide £10,000 per annum of income to support the Council's budget.
- 2.8 A number of the Delivery Plan projects will support the Climate Emergency agenda and the Council will try and ensure as far as possible that environmental considerations are built in to all areas of the Council's day to day business operations.
- 2.9 The Council is currently supporting its Climate Change agenda and motion on Climate Emergency by earmarking £330,000 from the Delivery Plan Reserve to facilitate the planting of 110,000 trees in the District. Two climate change officers are now in post and working on the draft Environment Charter and Action Plan. A further £150,000 is available within an earmarked reserve to support initiatives under this plan. Activities are likely to be related to:
  - Monitoring and managing the Council's carbon footprint
  - Alternative Energy Projects
  - Biodiversity improvements
  - Electric Vehicle Charging
  - Waste reduction
  - Raising awareness and creating behaviour changes through community engagement
- 2.10 Underpinning the Corporate Plan is the day to day business that departments undertake and which will be reflected in departmental Service Plans. All Service Plans are linked to the Corporate Plan. These plans also include the performance measures by which the delivery of wider improvement activity can be managed. The Corporate Plan is a living document and will be regularly reviewed throughout its life to reflect changes in the local, regional and national context.

- 2.11 The priorities within the Corporate Plan were developed by talking with, and listening to the community, Elected Members, staff and other key stakeholders all of whom have helped to shape the content of the Plan.

#### **Our Strategic Priorities 2019 – 2023**

- 2.12 The Delivery Plan includes a series of priority actions and measures that we will monitor to assess if we have made a difference. Progress and tracking against the identified actions and delivery of the outcomes will form a key part of the Council's performance management framework.

#### **Investment in Priority Areas**

- 2.13 Whilst the overall level of the Council's resources is reducing it is important that a clear focus is maintained on matching funding to priorities. This will remain a key focus over the coming years to ensure the aspirations contained within the new Corporate Plan and the projects contained within the Delivery Plan are realised.

#### **Our Vision**

- 2.14 In order to develop a long term plan, every organisation needs to set an aspiration of where the organisation is aiming to be in the future. This enables everyone to be united in a shared direction and purpose. The Council's aspiration is as follows:

***North Norfolk District Council – putting our customers at the heart of everything we do***

#### **Our Values**

- 2.15 Our values represent the beliefs and expected behaviour of everyone working for North Norfolk District Council. Our values, which aim to support quality services, we;

- Respect everyone and treat everyone fairly
- Are open and honest and listen
- Strive to offer the best value for money service
- Welcome new challenges and embrace change

#### **'One Team' Team Approach**

- 2.16 In order to deliver high quality services, we need to have excellent teams to deliver them. We recognise that our staff are our most important resource at the heart of the services we provide. We are committed to investing in staff and their development so that we have well trained and supported employees, providing professional services and who are happy and motivated in their work. The One Team approach also includes Members to ensure we work closely together to deliver our priority outcomes and that their training needs are also met as part of their ongoing development.

### **3. 'Where we are now' – Current financial projections and analysis**

#### ***Provisional Local Government Finance Settlement***

- 3.1 The Provisional Local Government Finance Settlement was announced on Thursday, 16th December. It was a single year settlement that was largely a rollover of the 21/22 settlement, with a few increases in resources. This is the fourth consecutive one-year settlement, and the third “roll-over” type settlement in a row. While this does its best to ensure financial sustainability in the short term for the largest number of Councils possible, it has not given us the stability needed for strong medium term financial planning.
- 3.2 The forecast financial projections included at Appendix A make assumptions around future spending forecasts but have now been updated following receipt of the provisional settlement figures for 2022/23 and attempt to predict future income levels.
- 3.3 A summary of grant income streams from Central Government, alongside recent projections made by the Finance team in November 2021 can be found in the table below. The majority of the variance relates to an additional allocation of New Homes Bonus for Year 11 of the scheme, which had not been expected. The entry for “NHB funding returned to sector” represents an assumption that any funding Councils would lose due to the quantum of New Homes Bonus funding reducing, would be somehow redistributed within the Local Government sector. The Finance team assumed this would be done on the previous assessment of Councils needs and resources. The Lower Tier Services Grant was billed as a one-off grant as part of the 2021-22 settlement which has been rolled forward. The Services Grant is a completely new allocation. These figures are all provisional until the Final Local Government Finance Settlement is announced in early February.

| Table 1                        | Nov 2021<br>Projection<br>(£) | Provisional<br>Settlement<br>Figure<br>(£) | Variance<br>(£) |
|--------------------------------|-------------------------------|--|-----------------|
| Revenue Support Grant          | (92,101)                      | (93,540)                                   | (1,439)         |
| New Homes Bonus                | (486,536)                     | (886,575)                                  | (400,039)       |
| Rural Services Delivery Grant  | (507,661)                     | (507,661)                                  | 0               |
| Lower Tier Services Grant      | 0                             | (144,975)                                  | (144,975)       |
| NHB Funding Returned to sector | (334,899)                     | 0  | 334,899         |
| Services Grant                 | 0                             | (222,339)                                  | (222,339)       |
| Total                          | (1,421,197)                   | (1,855,090)                                | (433,893)       |

- 3.4 The assumptions around council tax funding reflect a year on year £4.95 increase in council tax in line with the current referendum principles although it should be noted that any decision regarding increases to council tax will be made annually in line with the budget setting process.
- 3.5 In view of the Governments change in approach towards funding for Local Authorities with a greater emphasis on Council Tax rises, and the cumulative impact of grant reductions from RSG and New Homes Bonus, freezing council tax for 2022/23 is not an approach that can be recommended.

### ***Zero Based Budgeting***

- 3.6 As part of the Corporate Plan, the Council committed to undertaking a trial of Zero Based Budgeting as a new method for setting its budget during the current

administration. The draft budget has been prepared following an extensive Zero Based Budgeting exercise.

- 3.7 All service managers prepared Gold and Silver budget options for their service area, realigning their financial plans to the delivery of the Council's Corporate Plan. Cabinet made provisional allocations of Gold or Silver for each service area in November 2021, and these have been used to prepare the draft budget.
- 3.8 The draft position on the Council's General Fund with respect to Revenue and Capital can be found at Appendix A and C, with the Reserves Statement at Appendix D.

### ***Scenario Analysis***

- 3.9 As part of drawing up the draft budget for 2022/23 and future year's projections, a number of assumptions have had to be made about the scale and timing of the impacts of a number of factors. These assumptions are based on information currently available from the Government, plus the latest indications following various consultations. The assumptions have been sense checked with other local authorities and follow guidance from our funding advisors.
- 3.10 Readers should note that these projections and assumptions are made at a point in time, and will invariably change in response to Government announcements. The sensitivity analysis of the forecasting scenarios, as well as confirmation of the central case, can be found at Appendix B.

### ***Financial Resilience Assessment***

- 3.11 In December 2021, the Council's Corporate Leadership Team undertook a Financial Resilience Assessment supported by the Finance Team. A key action point on the Council's implementation plan for the CIPFA Financial Management Code was to undertake such an assessment for the 2022/23 year and annually thereafter. The Finance team worked with CIPFA and a team of academics specialising in Local Government financial resilience to trial a new Financial Resilience Toolkit which has been developed following extensive academic research across multiple countries<sup>1,2</sup>
- 3.12 This toolkit is in draft, but will be made publically available to Local Authorities in a beta version in the next few months following feedback from Councils who are trialling its use in a number of areas. With that in mind, we have not published the detail of the toolkit here, but have presented the findings under the relevant headings in Appendix E.
- 3.13 The Council's Management Team and Operational Management Team will now be tasked with preparing and delivering an action plan following the assessment undertaken by the Leadership Team.

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<sup>1</sup> Barbera et al (2016), "Governmental financial resilience under austerity in Austria, England and Italy: How do local governments cope with financial shocks?", Public Administration, DOI: 10.1111/padm.12350

<sup>2</sup> Barbera et al (2018), Local government financial resilience: Germany, Italy and UK compared, CIMA executive report [www.cimaglobal.com/FinancialResilienceToolkit](http://www.cimaglobal.com/FinancialResilienceToolkit)

#### **4. 'How we get there' – Bridging the Budget gap**

##### ***Financial Sustainability Strategy***

- 4.1 The Local Government Association (LGA) are encouraging Councils to move towards a more efficient culture as a way of developing sustainable self-funding streams that reflect Council's individual priorities and place shaping aspirations and delivery of value for money (VFM) services for local residents. Consequently, the Council needs to think about how it can maximise revenue, efficiencies and VFM moving forwards – a Financial Sustainability Strategy is a key part of this in order to deliver managed change that is right for North Norfolk. Any strategy needs to be considered in the context of our key corporate objectives, flowing from the Corporate Plan and our post Covid world in terms of 'building back better'.
- 4.2 In terms of an approach there is no one size fits all, but developing a Financial Sustainability Strategy will help direct already stretched resources in a targeted way, focussing resources on our key priorities and generating income and efficiencies whilst at the same time investing in our local communities to generate social value, minimise environmental impact and ensure delivery of VFM services.
- 4.3 The Council should aim to stimulate innovation, grow existing services, develop new business and develop an efficient, sustainable approach which generates a greater financial and social return that assists the Council's financial resilience and sustainability. This will enable the Council to safeguard and deliver the services that people need, and more effectively deliver its corporate aims and objectives whilst demonstrating delivery of VFM.
- 4.4 A Financial Sustainability Strategy means that the Council can adapt to the changing financial climate by looking for efficiencies and generating income, putting customers at the centre of our service delivery and making every pound count.
- 4.5 The success of the Financial Sustainability Strategy will be highly dependent upon the way in which it is implemented, and will require NNDC to put initiatives in place which are focussed and realisable. A strategic focus will encourage the organisation to develop disciplined processes for feeding strategic initiatives across the organisation in a meaningful, realistic and achievable way and this process would feed in well to the newly established Corporate Delivery Unit (CDU).
- 4.6 There are now significant challenges around delivery based purely on taking a more commercial approach and this is mentioned in more detail below and as such requires a change to the focus and objectives of any Sustainability Strategy moving forward.
- 4.7 The Financial Sustainability Strategy is currently in draft and will come through the Committee cycle later this year.
- 4.8 A programme of asset valuations and condition surveys are currently underway which will help us better understand the costs of maintaining and improving our asset base over the medium to long term to ensure that it remains fit for purpose. Assets will be used to deliver a service benefit and deliver income for the Council where appropriate.

- 4.9 Further direct investment in property will be considered where there are additional benefits over and above income generation, such as regeneration and supporting the local economy or housing initiatives in line with guidance from MHCLG.
- 4.10 Opportunities for the most efficient utilisation of the Council's assets and maximising returns where appropriate are vital. Indirect property investments via treasury instruments, such as the purchase of pooled property funds, can potentially provide a return in terms of a regular income and growth in the value of the investment. Under the Treasury Management Strategy, the Council has made investments in a number of pooled funds which invest in property. One of these funds, the CCLA Local Authorities Pooled Property Fund, invests exclusively in various property assets with the aim of achieving a regular income and growth in the value of the investment.
- 4.11 In addition to these investments, the Council has agreed to provide capital expenditure loans to registered providers of social housing to facilitate the delivery of housing in the district, along with achieving an income return on its investment. The Council can choose to use its capital resources to finance a programme of asset investment which aims to deliver long-term revenue streams for the Council and work on an ongoing basis is required to identify the most appropriate projects. This strategy of direct property investment can ensure a secondary benefit to the district as it is possible to generate an economic growth benefit when the investment is located in North Norfolk. This is, however, more resource intensive to manage than externalising these investments.

#### ***Growing the Rates and Tax bases***

- 4.12 Under the current allocation method of New Homes Bonus (NHB) there was a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. Whilst new housing growth has an impact on the demand for local services, there will still be a net gain in terms of overall income for delivery while the NHB remains and subject to potential changes to the scheme. The Government seems committed to an incentive based scheme to promote house building, so it is possible that this will continue to be an important income stream for the Council, however, the benefit of the continuation of the scheme to North Norfolk will depend ultimately on how the scheme is developed. Any growth in the Council Tax base will also increase the amount of income that the Council can collect through the District call on the Collection Fund.
- 4.13 For similar reasons growing the business rates base will have a direct impact on the level of business rates income retained locally. Equally, maintaining existing business rates remains a priority in that decline in business rates will reduce the amount of income retained.
- 4.14 Under the current Business Rates Retention Scheme, Shire District Councils keep a generous share of the above baseline growth. Retaining this under a new scheme will be an important request to make of Central Government.
- 4.15 The increased flexibilities around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential



income stream. Further review of the current level of discounts can also provide additional income, most recent recommendations on the level of council tax discounts were reported in December 2021.

### ***Implementing CIPFA's Financial Management Code***

- 4.16 The CIPFA Financial Management Code presented Councils with new principles and standards with respect to Financial Management, based on their view of what good Financial Management looks like in Local Government and in response to a spate of Section 114 notices across the sector.
- 4.17 The Council has developed an action plan to achieve compliance with the Code, which is currently being implemented. One large project which featured on this action plan was to undertake Zero Based Budgeting, which is mentioned in section 3 of this report.
- 4.18 Implementation of the Code's guidance will improve financial management at the Council and contribute positively to its financial sustainability in the medium to long term by helping officers to more effectively horizon scan, identify risks and plan accordingly.

### ***Lobbying and Consultation***

- 4.19 The Council will continue to lobby central government in terms of increased funding allocations and relaxation/increased flexibility in terms of the council tax referendum principles which will be one of the things required if income raising and decision making is ever to be truly local. We will also continue to respond to all relevant consultations, in particular at the present time on relation to the Business Rates and Fair Funding Reviews.
- 4.20 The Council has changed the way it runs the statutory ratepayer consultation on the draft Budget for 2022/23 in order to make it more interactive and easier for members of the public to participate in. This will allow the Council to achieve better Value for Money by aligning its budgets to Corporate Priorities which are reflective of the needs of the District.

### ***Barriers to a commercial approach***

- 4.21 The Department for Levelling Up, Housing and Communities (along with its predecessor) has raised concerns about Councils becoming directly invested in property for income generation purposes with taxpayers' money. It is his view that Councils do not have the expertise and resources to do this effectively, and are as such taking too great a risk with public funds. Government guidance states that Councils should not borrow in advance of need to spend on service provision, and that taking on debt to fund property purchases, unless it is primarily for a service related objective, is not allowed. The Public Works Loan Board's lending terms now specifically excludes Councils that have 'debt for yield' projects in their Capital Programme from borrowing for any purpose. This significantly restricts the commercial activity of Councils and removes a key potential income stream.

## **5. Conclusions**

- 5.1 At the present time the forecast draft budget position for 2022-23 is balanced, subject to the assumptions listed within the report. There are challenges ahead as a budget gap remains in the future years. The Council will attempt to address this by taking the measures outlined within this report.

## **6. Medium Term Financial Strategy and Corporate Plan Objectives**

The implications for the Medium Term Financial Strategy are set out in the report. With funding levels continuing as projected, we are expected to be dealing with deficits in the years going forward. These projections are regularly reviewed in light of Government announcements and consultations. The resources identified as available within the MTFS will directly affect the Council's ability to deliver the Corporate Plan. This year the budget setting process has realigned service budgets to the Corporate Plan priorities in order to support this.

This report supports the Financial Sustainability work stream of the Corporate Plan. For a Council to be financially stable, it must be able to produce a balanced budget for each financial year and provide Medium term forecasts to aid future planning.

## **7. Financial Implications and Risks**

- 7.1 A comprehensive financial risk assessment has been undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified. These are reviewed each year as part of the refresh of both the MTFS and the budget. The key strategic financial risks to be considered in developing the budget for 2021/22 are included within the table below.
- 7.2 Medium term financial planning, set against a backdrop of severe reductions in Government funding, carries with it a significant element of risk. Many factors may impact on the figures presented here and themes have been highlighted where appropriate. Most significant are the potential revisions in Local Government finance policy, continual cuts to general grant and significant revisions to the New Homes Bonus and its ultimate replacement. Should there be a change in emphasis, particularly around the assessment of need (Fair Funding Review) and business rates funding, there may be further reductions compared with those presented within this report that would place further pressure on the council to deliver balanced budgets, without impacting on frontline services.
- 7.3 Beyond this, Government policy announcements can have large impacts on our finances. We will continue to monitor announcements from Government departments and work with service managers to assess any potential impact on the Council's services and budget.

Despite these risks, we will continue to plan effectively to strengthen our culture of strong financial management so that the Council can continue to meet its Corporate Plan priorities and provide the best possible services to the district. The Council is currently working to deliver CIPFA's new Financial Management Code (as referenced elsewhere within this report) and build on its already positive culture of good financial management.

| <b>Risk</b>  | <b>Likelihood</b> | <b>Impact</b> | <b>Risk Management</b>  |
|--|-------------------|---------------|---|
| 1. Future available resources less than assumed                                    | Possible          | High          | Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2022/23 and beyond are based on best estimates at this time. A prudent approach has been adopted based on previous years' experience as well as using regional network contacts to inform modelling.   |
| 2. Volatility of business rates funding given uncertainty around impact of appeals | Likely            | High          | Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning. Unknown impacts of proposed additional reliefs for 2022/23 if COVID 19 restrictions are in place during the year. |
| 3. Pay Awards, fee increases and price inflation higher than assumed               | Possible          | Medium        | Impact of potential increases mitigated by central contingency budget for pay, price increases and care fees. Where pay awards have been agreed these will be factored into the future estimates.   |
| 4. Future spending plans underestimated  | Possible          | Medium        | Service planning process identifies future budget pressures and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.  |
| 5. Anticipated savings/ efficiencies not achieved                                  | Possible          | High          | Regular monitoring and reporting takes place but the size of the funding cuts increase the likelihood of this risk. Non-achievement of savings would require compensating reductions in planned spending within services. Greater scrutiny of savings has taken place since 2016/17 through the revenue monitoring process. History of delivering savings.      |
| 6. Revenue implications of capital programmes not fully anticipated                | Unlikely          | Low           | Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications   |

|   |          |              |  |
|---|----------|--------------|--|
|   |          |              | assessed and considered in scenario planning.  |
| 7. Income targets not achieved  | Possible | Medium       | Current economic climate could impact. Regular monitoring and reporting takes place.   |
| 8. Budget monitoring not effective  | Unlikely | Medium       | Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Regular reports to Cabinet and to O&S. Track record of delivering budget and savings.  |
| 9. Exit strategies for external funding leasing/tapering not met                        | Possible | Medium       | Regular monitoring and reporting. Government policy to remove ring fencing provides greater flexibility.   |
| 10. Loss of principal deposit   | Unlikely | Medium       | Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions. It is the Council's policy to hold more volatile investments over a medium term time frame rather than using them for liquidity purposes, further reducing the risk that they will need to be sold at a price which represents a loss of principle. |
| 11. Interest rates lower than expected  | Unlikely | Low          | Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2022/23 are incorporated into the budget. Interest rates are currently at historic lows; the likelihood of further reductions (or reductions into negative territory) remains low.  |
| 12. Collection rates for retained business rates and council tax lower than anticipated | Possible | High         | Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process.  |
| 13. Financial budget impacts of the COVID 19 pandemic                                   | Likely   | Medium /High | Continue to work collaboratively with central government departments to monitor and forecast additional expenditure and reduced income caused by restrictions introduced to curb the transmission of COVID 19. It is   |

|  |          |        |   |
|--|----------|--------|---|
|  |          |        | not possible to predict exactly what restrictions (if any) will be in place during the 2022/23 financial year.  |
| 14.Devolution/Unitary status –               | Possible | Medium | Local Government reorganisation has been put on hold. Officers and Members will keep a watching brief in respect of this but again at present no budgetary impact is being assumed. |
| 15. All MTFS risks not adequately identified | Unlikely | Low    | Council's Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process.                                      |

## 8. Sustainability

There are no sustainability issues as a direct consequence of this report.

## 9. Equality and Diversity

The Council is required to consider the equality duty in its decision-making and this includes the budget process. As part of any savings or investments the Council must consider how it can:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups; and
- Foster good relations between different groups by tackling prejudice and promoting understanding.

No new specific savings proposals have been factored into the 2022-23 budget, so there are no equality issues arising.

## 10. Section 17 Crime and Disorder considerations

There are no Section 17 Crime and Disorder considerations as a direct consequence of this report.