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District Council House, Frog Lane
Lichfield, Staffordshire WS136YU

Customer Services 01543 308000
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20th January 2017

Dear Sir/Madam

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

A meeting of the above mentioned Committee has been arranged to take place on **MONDAY 30th JANUARY 2017 at 6.00 pm** in the **Committee Room**, District Council House, Lichfield, to consider the following business.

Access to the Committee Room is via the Members' Entrance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner', is written over a light blue horizontal line.

Neil Turner BSc (Hons) MSc
Director of Transformation & Resources

To: Strategic (Overview and Scrutiny) Committee

Councillors Strachan (Chairman), Tittley (Vice-Chairman), Mrs Baker, Mrs Barnett, Constable, Drinkwater, Marshall, Matthews, Powell, Rayner, Mrs Stanhope MBE, White and Mrs Woodward.



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AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To approve as a correct record the Minutes of the Meeting held on 15th November 2016 (copy attached)
4. Work Programme and Forward Plan (copy attached)
5. Money Matters 2016/17: Review of Financial Performance against the Financial Strategy (copy attached)
6. Medium Term Financial Strategy (Revenue and Capital) 2016-21 (copy attached)
7. Strategic Plan 2016-20 Corporate Annual Action Plan – 2017/18 (copy attached)
8. Mid Year Performance Report – One Year Action Plan 16/17 (copy attached)
9. Mid Year Performance Report – 2016/17 Action Plan for Directorate of Transformation and Resources (copy attached)
10. 2017/18 Action Plans for Services In Directorate Of Transformation And Resources (copy attached)

Briefing Papers

Fit for the Future Programme: Programme Update and Overview



STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

15th NOVEMBER 2016

PRESENT:

Councillors Strachan (Chairman) Tittley (Vice-Chairman), Mrs Baker, Mrs Barnett, Marshall, Matthews, Powell, Mrs Stanhope MBE, White and Mrs Woodward.

(In accordance with Council Procedure Rule No.17 Councillors Pritchard, Smith, Spruce and Wilcox attended the meeting).

APOLOGIES FOR ABSENCE were received from Councillors Constable, Drinkwater and Rayner.

DECLARATIONS OF INTEREST:

Councillor White declared a Personal interest in the Better Care Fund (Agenda Item 5 – Money Matters 2016/17: Review of Financial Performance against the Financial Strategy – April to September 2016) due to his involvement with the Fund as Staffordshire County Council Cabinet Member for Health, Care and Wellbeing.

MINUTES

The Minutes of the Meeting held on 7th September 2016 were taken as read, approved as a correct record and signed by the Chairman.

RESOLVED: That the Minutes of the Meeting held on 7th September 2016 be approved as a correct record.

FORWARD PLAN AND WORK PROGRAMME

Members considered the Work Programme and Forward Plan.

It was noted that Bromford Housing Association owned defective stock which could deliver additional affordable housing units in the District. A paper on supporting investment in redevelopment will be considered by Cabinet in December 2016.

Members indicated that they would like to know more about the Association's Housing Strategy, in particular how the housing supply in the District would look in 2017. It was noted that the Association was seeking to provide information in a number of ways including Member Seminars and, following the seminar in March 2016, it was intended that a seminar would be organised in early 2017.

Members felt that housing was a huge issue in the District and the responsibilities of the District Council and the County Council were not always clear. The Committee considered the current housing situation and acknowledged that it formed part of a wider, national problem.

The Committee noted that the planning permissions granted in the District considerably exceeded the number of properties built. The Portfolio Holder for Housing and Health assured the Committee that housing was a priority for the District Council and was currently being worked on. It was advised that the appropriate levels of new homes bonus would be included in the MTFs.

- RESOLVED:** (1) That the Chairman and Cllr Woodward meet to discuss the District and County Council responsibilities and issues related to housing delivery.
- (2) That the Leader consider preparing a “Leader’s Statement” for future Council meetings to update the members on activity on this and other strategic issues.

MONEY MATTERS 2016/17: REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY – APRIL TO SEPTEMBER 2016

The Cabinet Member for Finance and Democracy introduced a report on the Council’s financial performance from April to September 2016 (Quarter 2) and the Internal Business Support Services Executive, Mr Anthony Thomas, gave a presentation on the content.

It was reported that the Council’s revenue budget was projected to be £6,730 above the approved budget and this sum would be transferred from general reserves. The Capital Programme was projected to be below budget by £424,000 which would result in updates being made to the project spend in subsequent financial years. The Council Tax and Business Rates collection figures were noted together with the Council’s investments.

It was noted that the performance comparison tables had been prepared using the previous management structure and future comparisons would be based on strategic priorities and/or the new management arrangements. The Committee welcomed the general reserves explanation contained in the report, noting that the comparisons with other District Councils for the last three years illustrated that the District Council was in the middle of the range.

With regard to the Better Care Fund it was advised that Staffordshire County Council had informed all District and Borough Councils of its proposal to top slice the allocated amount to support other health and social care commitments. However, because of the increasing demand for Disabled Facilities Grants this proposal has been rejected by all Staffordshire Chief Executives and further discussions with the County were taking place.

Concerns about the delivery of Disability Facility Grants were voiced by Members. The Cabinet Member for Finance and Democracy advised that councils were looking at improving performance and it was intended that authority would be delegated to the Cabinet Members for Finance and Democracy and Housing and Health in consultation with the Director for Place and Community to agree and accept Better Care Fund income for 2016/17 and to update the MTFs in this respect as necessary.

Capital receipts, council tax collection performance and housing supply impacts were discussed and the projected business rates revaluation changes for 2017 were explained. Consideration was given to sundry debtor information and the Internal Business Support Services Executive undertook to provide further information on a case where £20,000 of debt had been written off related to a deceased debtor.

Reasons for an increase in the value of write-offs were provided and it was noted that payment of an invoice for £123,000 in connection with a Section 106 Agreement was being held by solicitors pending resolution of a legal issue.

In response to a query regarding the £100,000 allocated for Professional Advisors for the outsourcing of leisure services, the Director of Place and Community said he hoped the procurement would be delivered for less than this.

The capital programme slippages set out in the report were noted and it was advised that no further significant slippages were anticipated.

- RESOLVED:**
- (1) That the report and issues raised within be noted;
 - (2) That it be noted that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy (Revenue and Capital) 2016-20 (MTFS (R&C) 2016-20).;
 - (3) That it be noted that authority will be delegated to the Cabinet Members for Finance and Democracy and Housing and Health in consultation with the Director for Place and Community to agree and accept Better Care Fund income for 2016/17 and to update the Medium Term Financial Strategy.

PROGRESS REPORT ON DEVOLUTION

The Leader of the Council introduced a progress report on devolution and combined authority matters following the Council's decision, taken in October 2015, not to become a non-constituent member of the emerging West Midlands Combined Authority (WMCA).

The report outlined the latest position in respect of the WMCA and discussions that had taken place with Staffordshire and Stoke Leaders and Chief Executives and reviewed the position nationally. Any authority wishing to join the Combined Authority would now need to wait until after the Mayoral elections in late 2017.

The Leader informed the Committee that he continued to have regular conversations with the Combined Authority. It was confirmed that the mayoral powers would only apply to Constituent members of the Combined Authority and that if the Council joined as a non-constituent member the Mayor would not have jurisdiction over the council area. However, the new government may develop alternative models for devolution but this was not yet known and the forthcoming Autumn Statement on 23rd November may shed more light on their approach to devolution and public sector reform.

It was advised that comments made by the Secretary of State for Communities and Local Government suggested he may be willing to consider devolution deals for authorities that came forward with proposals for unitary arrangements or enhanced two tier working.

The impact of HS2 was discussed including the ramifications for businesses in the District.

Reference was made to the six priorities identified at an away day organised for the Cabinet and Senior Management and the Chief Executive offered to discuss these priorities with the opposition group at a separate meeting.

RESOLVED: That the content of the report be noted.

(The Meeting finished at 7.41 p.m.)

CHAIRMAN

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2016-17

Item	9 June 2016	7 Sept 2016	15 Nov 2016	30 Jan 2017	Details/Reasons	Link to 2016/17 One Year Action Plan	Officer	Member Lead
Policy Development								
Terms of Reference	✓				To remind the Committee of the terms of reference and suggest any amendments		NT	
Fit for the Future Revenue and Benefits Service Review	✓				To seek comments on the draft report including findings and recommendations from this Review prior to consideration by Cabinet	One of the top ten priorities is a Council that is Fit for the Future; the target is to develop and implement a Delivery Plan for the Revenues and Benefits review by March 2017	AT/PL/YW	Councillors Spruce and Pullen
Fit for the Future Programme: Programme update and overview				✓	To note progress of the Programme to date, approve the next phase of reviews, and endorse changes to programme governance arrangements		DT	
End of Year Performance Overview for 2015/2016	✓				Scrutinise performance against the projects and activities set out in the One Year Action Plan 15/16 which fall within the remit of the Strategic O&S Committee	A Well Managed Council - We'll maximise the council's performance, innovation and efficiency, so we use our resources well and deliver good quality and better value services	NT	Councillor Spruce

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2016-17

Item	9 June 2016	7 Sept 2016	15 Nov 2016	30 Jan 2017	Details/Reasons	Link to 2016/17 One Year Action Plan	Officer	Member Lead
Overview & Scrutiny Review				✓	Update via a brief		NT	
Impact of Management Review				✓	Update via a brief		DT	
Money Matters 2015/16 : Review of Financial Performance against the Financial Strategy		✓			Scrutinise the Council's performance against the Medium Term Financial Strategy. Scrutinise performance of the Treasury Management Strategy	A Well Managed Council - We'll keep a tight control and management of the Council's finances	AT	
Statement of Accounts 2015/16		✓			Scrutinise the Statement of Accounts	A Well Managed Council - We'll maximise the Council's performance, innovation and efficiency, so we use our resources well and deliver good quality and better value services	AT	
Money Matters 2016/17 : Review of Financial Performance against the Financial Strategy - April to September 2016			✓		Monitor the position in relation to the Medium Term Financial Strategy for 2015/2016. Monitor Treasury Management activities and Prudential Indicators.	A Well Managed Council - We'll maximise the council's performance, innovation and efficiency, so we use our resources well and deliver good quality and better value services	AT	

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2016-17

Item	9 June 2016	7 Sept 2016	15 Nov 2016	30 Jan 2017	Details/Reasons	Link to 2016/17 One Year Action Plan	Officer	Member Lead
Progress Report on Devolution			✓				DT	
Medium Term Financial Strategy (Revenue and Capital) 2017-21				✓	Scrutinise the Council's resource plans in relation to the delivery of the Strategic Plan priorities	A Well Managed Council - We'll keep a tight control and management of the Council's finances	NT/AT	
Annual Action Plan 2017/18 Directorate Top 10 2017/18				✓	This will accompany the three year medium term financial forecast for Revenue/Capital and reflect the one year actions needed to deliver the Plan for Lichfield District	A Well Managed Council - We'll maximise the Council's performance, innovation and efficiency, so we use our resources well and deliver good quality and better value services	NT/AT	Leader / Councillor Pullen
Money Matters 2016/17: Review of Financial Performance against the Financial Strategy - April to November 2016				✓	Scrutinise financial performance and the revised estimate for the full year.	A Well Managed Council - We'll keep a tight control and management of the Council's finances	AT	

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2016-17

Item	9 June 2016	7 Sept 2016	15 Nov 2016	30 Jan 2017	Details/Reasons	Link to 2016/17 One Year Action Plan	Officer	Member Lead
Briefing Papers								

LICHFIELD DISTRICT COUNCIL

FORWARD PLAN

Updated: 13.01.2016

Effective for the Period 01.02.2017 – 30.04.2017

Representations in respect of all the matters shown should be sent in writing to the contact officer indicated at Lichfield District Council, District Council House, Frog Lane, Lichfield, Staffs. WS13 6YU no later than one week before the decision is due to be made.

Copies of documents can also be obtained by contacting the relevant Officer.

Facsimile: 01543 309899; Telephone: 01543 308000

- Key decisions are:
1. A decision made in connection with setting the Council Tax
 2. Expenditure or savings if they exceed £50,000
 3. A decision which significantly affects the community in two or more wards

MATTER FOR CABINET DECISION (PLEASE MARK KEY DECISIONS WITH AN ASTERIX) ^{(1) (*)}	CONFIDENTIAL YES/NO ⁽⁸⁾	DECISION EXPECTED TO UNDERTAKE ⁽²⁾	DECISION TO BE TAKEN BY AND DATE ⁽³⁾⁽⁶⁾	CONSULTATION ⁽⁴⁾ INCLUDING CONSULTATION WITH OVERVIEW & SCRUTINY (If no consultation has been undertaken please briefly explain why)	DOCUMENTS AVAILABLE ⁽⁵⁾	CONTACT OFFICER/CABINET MEMBER ⁽⁷⁾
Calculation of the Council Tax base for 2017/18, the Collection Fund Surplus/Deficit for 2016/17 for Council Tax and Business Rates, completion of the NNDR1 for 2017/18 and to	No	<ul style="list-style-type: none"> • To approve in accordance with the relevant legislation and regulations, the Council Taxbase for Lichfield District for the financial year 2017/18. 	Cabinet 17/01/2017	No consultation. Statutory calculations.	<ul style="list-style-type: none"> • Local Government Acts 1988, 1992 and 2003. • Local Authorities (Calculations of Council Tax Base) Regulations 1992 	<p>OFFICER: Mr A Thomas (01543) 308012</p> <p>CABINET MEMBER: Councillor Spruce (01543) 258120</p>

* DENOTES KEY DECISION

MATTER FOR CABINET DECISION (PLEASE MARK KEY DECISIONS WITH AN ASTERIX) ^{(1) (*)}	CONFIDENTIAL YES/NO ⁽⁸⁾	DECISION EXPECTED TO UNDERTAKE ⁽²⁾	DECISION TO BE TAKEN BY AND DATE ⁽³⁾⁽⁶⁾	CONSULTATION ⁽⁴⁾ INCLUDING CONSULTATION WITH OVERVIEW & SCRUTINY (If no consultation has been undertaken please briefly explain why)	DOCUMENTS AVAILABLE ⁽⁵⁾	CONTACT OFFICER/CABINET MEMBER ⁽⁷⁾
approve the payment of the past service element of pension contributions in April 2017.		<ul style="list-style-type: none"> • To note the estimated Council Tax Collection Fund Surplus and the estimated Business Rates Collection Fund surplus for 2016/17. • To delegate authority to the Cabinet Member for Finance and Democracy and the Chief Financial Officer (Section 151) to complete and certify the NNDR1 for 2017/18 on behalf of the Council. • To approve the payment of the Council's past service element of Employer Pension 			<ul style="list-style-type: none"> • Money Matters Reports. 	

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		Contributions for the three financial years 2017/18, 2018/19 and 2019/20 in April 2017.				
*Expenditure in excess £50,000 on Framework Planning Consultants and Temporary Senior Planning Officer	No	To agree continued appointment	Cabinet 17/01/2017	None		OFFICERS: Mr S Coghlan (01543) 308199 Mrs Billings (01543) 308171 CABINET MEMBER: Councillor Pritchard (01543) 472732

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*Revised eligibility criteria and award threshold of the Discretionary Housing Payment (DHP) Policy.	No	To agree an amended DHP policy with revised eligibility criteria and award thresholds.	Cabinet Member Decision by 31/01/2017	Consultation with major Registered Providers and the Strategic Housing Partnership has been undertaken.	Revised DHP Policy	OFFICERS: Mrs P Leybourne (01543) 308921 Mr C Gibbins (01543) 308702 CABINET MEMBERS: Councillor Greatorex (01543) 416677 Councillor C J Spruce (01543) 258120
Annual Action Plan 2017/18	No	To approve the Annual Action Plan	Cabinet 07/02/2017 Council 21/02/2017	The AAP is comprised from the Directorate Top 10s for 2017/18; these will be considered during the January 2017 round of O&S Committees	Annual Action Plan	OFFICER: Mr C N Turner (01543) 308921 CABINET MEMBER: Leader – Mike Wilcox (01543) 543289 Councillor Pullen (01532) 300075

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Money Matters 2016/17 : Review of Financial Performance against the Financial Strategy - April to November 2016*	No	To note the report and the issues raised on this.	Cabinet 07/02/2017	Strategic (Overview and Scrutiny) Committee 30 January 2017	Money Matters Reports for 3 and 6 months.	OFFICER: Mr A Thomas (01543) 308012
Medium Term Financial Strategy (Revenue & Capital) 2017-21* (MTFS (R&C) 2017-21)	No	To approve and recommend to Council : - The MTFS including the Revenue Budget - Capital Programme and MRP Policy - Treasury Management Strategy - Prudential Indicators	Cabinet 07/02/2017 Council 21/02/2017			CABINET MEMBER: Councillor Spruce (01543) 258120

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Adoption of Community Infrastructure Levy 123 List	No	Adoption of the updated Community Infrastructure Levy 123 List.	Cabinet 07/02/2017	<p>Consultation on proposed Community Infrastructure Levy 123 List was undertaken during October – November 2016.</p> <p>Community Infrastructure Levy 123 List considered by Economic Growth, Environment and Development (Overview and Scrutiny) Committee in September 2016 and December 2016.</p>	Community Infrastructure Levy 123 List consultation document.	<p>OFFICER: Mr A Baldwin (01543) 308147</p> <p>CABINET MEMBER: Councillor Pritchard (01543) 472732</p>
*Expansion of shared land charges service to include Stratford on Avon District Council	Yes	To agree to the expansion of the land charges shared service	Cabinet 07/02/2017	Consultation has been undertaken with South Staffordshire Council (current service partners) and Stratford on Avon District Council	Full business case for future development of local land charge service (December 2016)	<p>OFFICER: Mr G Cooper (01543) 308199</p> <p>CABINET MEMBER: Councillor Pritchard (01543) 472232</p>

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*HS2 Service Level Agreement (SLA) to recover Local Authority costs	No	To agree to the expansion of the land charges shared service	Cabinet 07/02/2017	None		OFFICER: Mr S Coghlan (01543) 308199 CABINET MEMBER: Councillor Pritchard (01543) 472732
Stowe Pool HLF Grant Application*	No	To agree a submission of a Stage 1 grant bid to Heritage Lottery Fund for improvement works to Stowe Pool and Fields	Cabinet 07/02/2017	Key stakeholders and partners during the application's development. Open consultation during 2015 with the general public and Ward Members about a project's content.	Stage 1 application proposal	OFFICER: Mr R King (01543) 308060 CABINET MEMBER: Councillor Smith (01543) 410685

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*Future of Shopmobility (Cabinet Member Decision)	No	To delegate authority to the Cabinet Member for Tourism and Communications to approve the changes to the service delivery and approve the ongoing savings identified through the recent Shopmobility service review.	15/02/2017	Leisure, Parks and Waste Management (Overview & Scrutiny) Committee Report in June 2016 Report in October 2016 Report in February 2017 Consultation with Shopmobility Scheme Members September 2016 Consultation with Officers from Economic Development December 2016.	Copy of the three Overview & Scrutiny reports. Copy of the scheme member's survey/consultation report.	OFFICER: Mr G Brownridge (01543) 687572 CABINET MEMBER: Councillor Mrs H Fisher (01543) 305070
*Review of Small Grants Budget	No	Consideration of impact of small grants budget, potential savings and future funding priorities	Cabinet 07/03/2017	Consultation with CHH O&S	Report to O&S 18/1/17	OFFICER: Mr G Davies (01543) 308741 CABINET MEMBER: Councillor Pullen (01543) 300075

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*Review of Mill Lane Link and options for future use	No	Consideration of options for future use of Mill Lane Link	Cabinet 07/03/2017	Consultation with users of Mill Lane Link and CHH O&S	Report to O&S 18/1/17	OFFICER: Mr G Davies (01543) 308741 CABINET MEMBER: Councillor Pullen (01543) 300075
Lichfield District Council Local Plan Allocations Publication Consultation	No	Endorse the Local Plan Allocations for a minimum of six weeks public consultation. Approve the Officer responses associated with the Regulation 18 'Open Consultation.'	Cabinet 07/03/2017	Consultation on Regulation 18 stage was undertaken during October – November 2016. Draft Local Plan Allocations was considered by Economic Growth, Environment and Development (Overview and Scrutiny) Committee in December 2016.	Lichfield District Council Local Plan Allocations Publication consultation Sustainability Appraisal Infrastructure Delivery Plan	OFFICER: Mr Baldwin (01543) 308147 CABINET MEMBER: Councillor Pritchard (01543) 472732

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Lichfield District Council Partnership CCTV System Annual Report (2015/16) and Code of Practice for the Publis CCTV Static Camera Scheme*	No	To approve and comment on the Report and Code of Practice	Cabinet 07/03/2017	Report considered by the CHH (O&S) 12/09/16	Annual Report and Code of Practice	OFFICER: Ms J Coleman (01543) 308005 CABINET MEMBER: Councillor Pullen (01532) 300075
Lichfield District Community Safety Partnership Delivery Plan 2017-2020	No	To approve and comment on the draft Lichfield District Community Safety Delivery Plan 2017-2020	Cabinet 04/04/2017	Report to be considered by CHH (O&S) 14/03/2017	Final Draft Delivery Plan	OFFICER: Ms J Coleman (01543) 308005 CABINET MEMBER: Councillor Pullen (01532) 300075
Money Matters 2016/17 : Review of the Financial Performance against the Financial Strategy April to March 2017*	No	To note the report and the issues raised on this.	Cabinet June 2017	Strategic (Overview and Scrutiny) Committee May / June 2017	Money Matters Reports for 3, 6 and 8 Months.	OFFICER: Mr A Thomas (01543) 308012 CABINET MEMBER: Councillor Spruce (01543) 258120

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Money Matters 2017/18 : Review of the Financial Performance against the Financial Strategy April to June 2017*	No	To note the report and the issues raised on this.	Cabinet September 2017	Strategic (Overview and Scrutiny) Committee September 2017	Medium Term Financial Strategy 2016-2021	OFFICER: Mr A Thomas (01543) 308012 CABINET MEMBER: Councillor Spruce (01543) 258120
Money Matters 2017/18 : Review of the Financial Performance against the Financial Strategy April to September 2017*	No	To note the report and the issues raised on this.	Cabinet December 2017	Strategic (Overview and Scrutiny) Committee November / December 2017	Medium Term Financial Strategy 2016-2021 Money Matters Report for 3 Months.	OFFICER: Mr A Thomas (01543) 308012 CABINET MEMBER: Councillor Spruce (01543) 258120
Calculation of Business Rates 2018/19, Council Tax Base for 2018/19 and the projected Collection Funded Surplus / Deficit for 2017/18*	No	To approve the calculation of the Council Tax Base for 2018/19 To delegate authority to the Cabinet Member and Chief Financial Officer to complete and certify the NNDR1 for	Cabinet December 2017 / January 2018	No consultation Statutory calculations	<ul style="list-style-type: none"> • Local Government Acts 1988, 1992 and 2003. • Local Authorities (Calculation of Council Taxbase) Regulations 1992. • Money Matters Reports. 	OFFICER: Mr A Thomas (01543) 308012 CABINET MEMBER: Councillor Spruce (01543) 258120

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		2018/19 on behalf of the Council. To note the projected Council Tax and Business Rates Collection Fund surplus or deficit for 2017/18.				
Money Matters 2017/18 : Review of the Financial Performance against the Financial Strategy April to November 2017*	No	To note the report and the issues raised on this.	Cabinet February 2018	Strategic (Overview and Scrutiny) Committee January 2018	Medium Term Financial Strategy 2016-2021 Money Matters Report for 3 and 6 Months.	OFFICER: Mr A Thomas (01543) 308012 CABINET MEMBER: Councillor Spruce (01543) 258120
Medium Term Financial Strategy (Revenue and Capital) 2017-22*	No	To approve and recommend to Council: <ul style="list-style-type: none"> • The MTFs including the Revenue Budget and Capital Programme. • The MRP Policy. 	Cabinet February 2018	Strategic (Overview and Scrutiny) Committee January 2018	Medium Term Financial Strategy 2016-2021 Money Matters Report for 3, 6 and 8 Months.	OFFICER: Mr A Thomas (01543) 308012 CABINET MEMBER: Councillor Spruce (01543) 258120

* DENOTES KEY DECISION

MATTER FOR CABINET DECISION (PLEASE MARK KEY DECISIONS WITH AN ASTERIX) ^{(1) (*)}	CONFIDENTIAL YES/NO ⁽⁸⁾	DECISION EXPECTED TO UNDERTAKE ⁽²⁾	DECISION TO BE TAKEN BY AND DATE ⁽³⁾⁽⁶⁾	CONSULTATION ⁽⁴⁾ INCLUDING CONSULTATION WITH OVERVIEW & SCRUTINY (If no consultation has been undertaken please briefly explain why)	DOCUMENTS AVAILABLE ⁽⁵⁾	CONTACT OFFICER/CABINET MEMBER ⁽⁷⁾
		<ul style="list-style-type: none"> • Treasury Management Strategy. • Prudential Indicators. 				

1. The matter in respect of which the decision is to be made
 2. What decision the Council will be asked to make
 3. A date on which, or period within which, the decision will be made
 4. What groups of people and/or organisations will be consulted before the decision is made and how the consultation will be carried out.
 5. What background documents will be available to the person or Committee making the decision
 6. Who will make the decision, i.e. the Cabinet, Council a Cabinet Member alone, an Officer under Delegated Powers
 7. The Officer or Member who should be contacted regarding the matter under consideration.
 8. Indicate whether the report will be confidential.
- * Denotes Key Decision

MEMBERS OF THE CABINET

Leader of Cabinet
Deputy Leader of Cabinet and
Cabinet Member for Economic Growth, Development and Environment
Cabinet Member for Leisure and Parks
Cabinet Member for Housing & Health
Cabinet Member for Waste Management
Cabinet Member for Finance and Democracy
Cabinet Member for Tourism and Communications
Cabinet Member for Community

Councillor M. J. Wilcox

Councillor I. M. P. Pritchard
Councillor A. F. Smith
Councillor C. Greatorex
Councillor I. M. Eadie
Councillor C. J. Spruce
Councillor Mrs H. E. Fisher
Councillor D. R. Pullen

* DENOTES KEY DECISION

MEMBERS OF THE COUNCIL

Allsopp, Mrs J A
Awty, R J
Bacon, Mrs N.
Baker, Mrs D F
Bamborough, R. A. J.
Banevicius, Mrs S W
Barnett, Mrs S A
Boyle, Mrs M G
Constable, Mrs B L
Constable, D H J
Cox, R E
Drinkwater, E N
Eadie, I M

Eagland, Mrs J M
Evans, Mrs C D
Fisher, Miss B
Fisher, Mrs H E
Greatorax, C
Hassall, Miss E A
Humphreys, K P
Leytham, D J
Marshall, T
Matthews, T R
Mills, J
Mosson, R C
O'Hagan, J P
Powell, J J R

Pritchard, I M P
Pullen, D R
Pullen, Mrs N I
Ray, P
Rayner, B L
Salter, D F
Shepherd, Miss O J
Smedley, D
Smith, A F
Spruce, C. J.
Stanhope MBE, Mrs M
Strachan, R W
Tittley, M C
Tranter, Mrs H

Warfield, M A
White, A G
Wilcox, M. J.
Woodward, Mrs S E
Yeates, A
Yeates, B W

Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy

Cabinet Member for Finance and Democracy

Date: 30 January 2017
Agenda Item: 5
Contact Officer: Anthony Thomas
Tel Number: 01543 308012
Email: Anthony.thomas@lichfielddc.gov.uk
Key Decision? YES
Local Ward Members : Full Council



Strategic (Overview and Scrutiny) Committee

1. Executive Summary

- 1.1 The report covers the financial performance from April to November (Eight Months) for the financial year 2016/17.
- 1.2 All of the Efficiency Plan targets of **(£350,000)** in 2016/17 and for 2017/18 onwards of **(£500,000)** have been achieved. In 2016/17 the target has been exceeded by **(£111,750)**.
- 1.3 The Revenue Budget at the Net Cost of Service level is projected to be **(£497,110)** below budget, funding is **£69,000** less than the budget and therefore the net below budget performance is **(£428,110)**.
- 1.4 The Original budgeted transfer to general reserves was **£8,560** as approved by Council on 23 February 2016. The Approved Budget currently shows a transfer from general reserves of **(£120,610)** and the projection contained in this report is that **£307,500** will be transferred to general reserves. Therefore, general reserves are projected to be **£428,110** higher than the Approved Budget.
- 1.5 The Capital Programme is projected to be below budget by **(£4,179,500)**; this will result in updates being made to the profiling of project spend to later financial years.
- 1.6 The Council is projected to receive lower capital receipts compared to the Approved Budget of **£1,217,480**.
- 1.7 In terms of Council Tax and Business Rates:
 - The Council's collection performance on Council Tax based on debt covering all years is **76.71%** and this is consistent with previous years.
 - There is a projected surplus for Council Tax and the Council's share of **(£40,850)** will be included in the 2017/18 budget.
 - The Council is projected to be paying Business Rate levy of **£488,300** to the Greater Birmingham and Solihull (GBS) pool and will receive **(£247,000)** of returned levy. This is **£63,500** more net levy than the Approved Budget after taking account of the budgeted volatility allowance.
 - Therefore, overall Retained Business Rate Income after taking into account other projected changes of **£3,200**, is projected to be **£66,700** less than the Approved Budget.
 - The Council's collection performance on Business Rates based on debt covering all years is **74.91%** and this is consistent with previous years.
 - There is a projected surplus for Business Rates and the Council's share of **(£788,700)** will be included in the 2017/18 budget. The options available for the use of this sum will be considered in the Medium Term Financial Strategy.
- 1.8 The Council's investments achieved a risk status that was more secure than the aim of **A-** and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

2. Recommendations

- 2.1 To note the report and issues raised within.
- 2.2 To note that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy (Revenue and Capital) 2016-20 (MTFS (R&C) 2016-20).

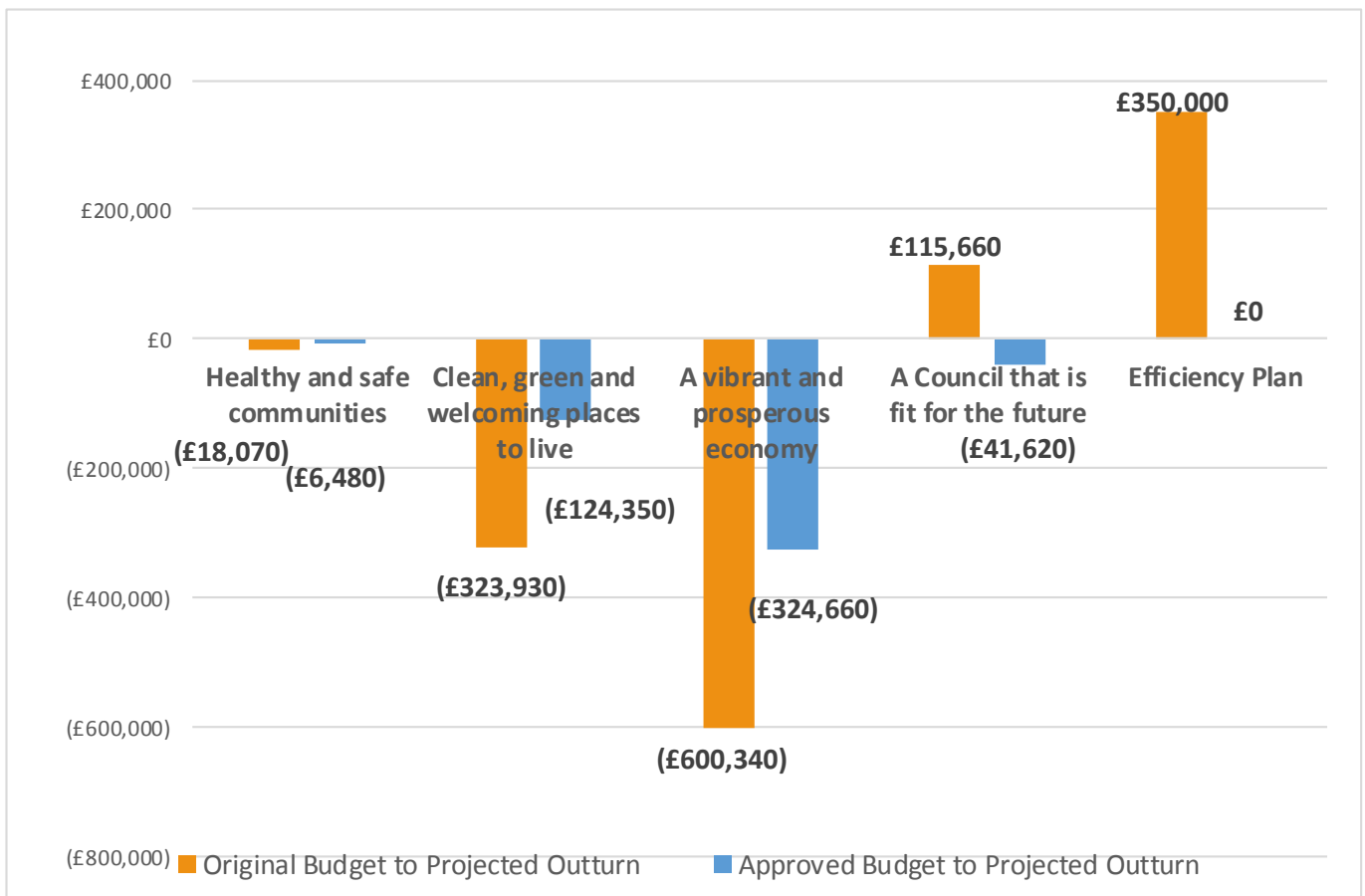
3. Background

Budget Management

- 3.1. The MTFS (R&C) 2016-20 approved by Council on 23 February 2016 included the Original Budget for 2016/17 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 3.2. Throughout the financial year, Money Matters reports will be provided to both Cabinet and Strategic (Overview and Scrutiny) Committee at three, six and eight month intervals to monitor financial performance.
- 3.3. The Money Matters reports update the Approved Budget to reflect latest projections and the eight month Money Matters report will form the basis of the Revised Approved Budget for 2016/17 and will be approved by Council on 21 February 2017.

The Revenue Budget

- 3.4. A summary of the financial performance at the Net Cost of Services level by the new Strategic Plan Priorities compared to both the Original Budget and the Approved Budget is shown below.



- 3.5. The budget audit trail and the detail related to these figures and the gross expenditure and gross income (also shown by Service Area) are shown at **APPENDIX A**.

Performance compared to the Original Budget - (£476,680)

3.6. At the Net Cost of Service level, there is projected to be a variance compared to the Original Budget related to:

- **Healthy and Safe Communities (£18,070):**
 1. Items previously reported in the six months Money Matters Report of (£20,760).
 2. Other items of £2,690.
- **Clean, green and welcoming places to live (£323,930):**
 1. Items previously reported in the six months Money Matters Report of (£206,690).
 2. Revenues and Benefits Service Grant income (£24,340), Housing Benefit Overpayments (£28,470), employee savings due to vacant posts (£22,000), additional income from Street Naming and Numbering and Bulky Waste (£29,000) and reduction in Housing Benefit Bad Debt Provision (£59,390).
 3. Other items of £45,960.
- **A vibrant and prosperous economy (£600,340):**
 1. Items previously reported in the six months Money Matters Report of (£193,100).
 2. Approved changes relating to Friarsgate (£82,580), the approval by Cabinet of a car parking strategy has led to net increased income in this area by (£100,880), a net increase in Planning Application income by (£113,290), recovery of the Planning element (50%) Legal Costs relating to the Council being successful in the High Court in defeating challenges to its Local Plan (£44,000) and additional rental income of (£29,200).
 3. Other items of (£37,290).
- **A Council that is fit for the future £115,660:**
 1. Items previously reported in the six months Money Matters Report of £188,040.
 2. Approved changes relating to the Management Restructure (£30,760), recovery of Legal costs (50%) relating to the Council being successful in the High Court in defeating challenges to its Local Plan (£44,000) and employee savings due to vacant posts (£25,270).
 3. Other items of £27,650.
- **Efficiency Plan £350,000:**
 1. Items previously reported in the six months Money Matters Report of £350,000 with the details of the savings made in relation to the efficiency plan being explained below.

Performance compared to the Approved Budget – (£497,110)

3.7 At the Net Cost of Service level, there is projected to be a variance compared to Approved Budget that has been categorised as:

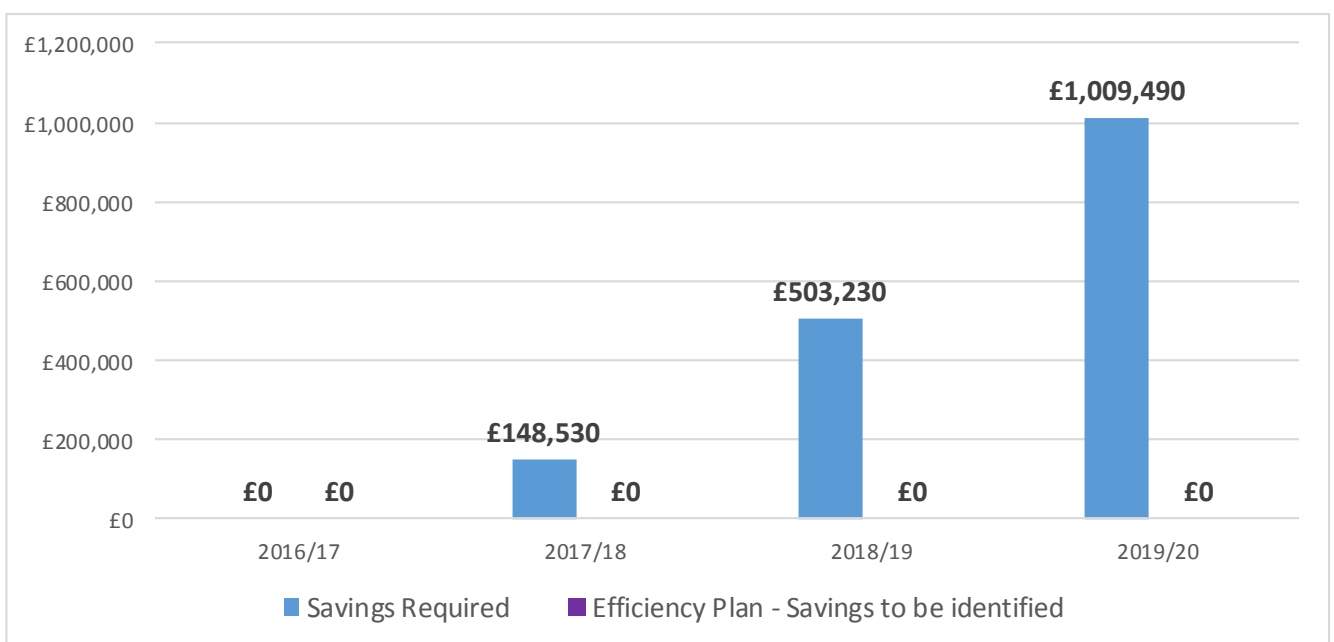
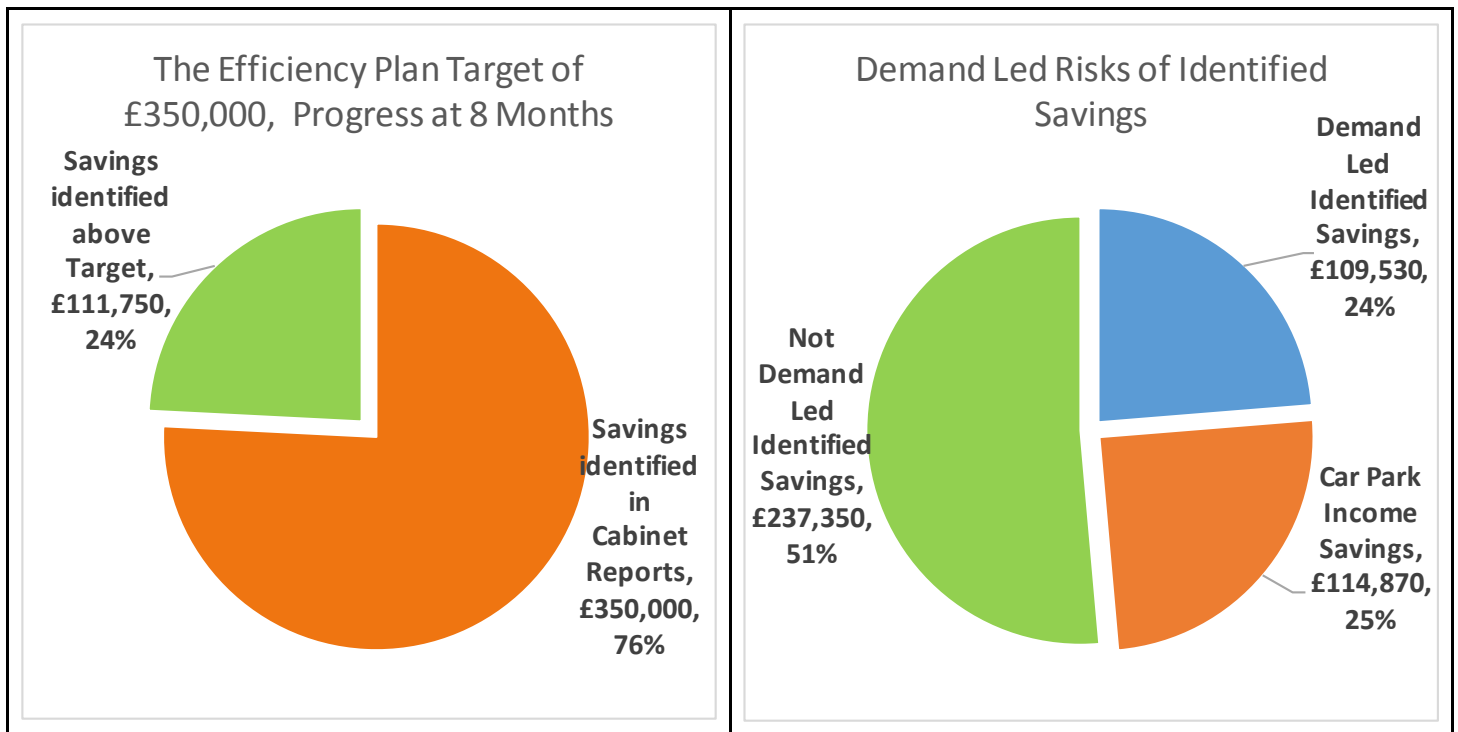
- **One-off net savings** (additional expenditure offset by additional income) of (£386,580). The most significant items are additional planning applications (£113,290), additional Car Park income (£100,880) and additional income received for recovery of legal costs (£88,000) related to the Council being successful in the High Court in defeating challenges to its Local Plan.
- **Recurring net savings (in excess of the Efficiency Plan Target)** of (£110,530) resulting from ongoing savings/additional income. In 2016/17, given the Efficiency Plan target has been achieved, the over achieved sum of (£110,530) will be contributed to general reserves.

3.8 In addition, funding is projected to be below budget by £69,000 and this will mean that general reserves will be £428,110 higher than projected in the Approved Budget.

3.9 Analysis work has been undertaken to understand the reasons for this budget performance and further details are shown in **APPENDIX B**.

3.10 Ongoing savings/additional income have been identified during 2016/17 to achieve the Efficiency Plan target. The three graphs below show:

- The level of overachievement of savings compared to the Efficiency Plan target of **(£350,000)** in 2016/17.
- The reasons for ongoing savings/additional income categorised into demand led including those in housing services, additional income from the car parking review and those identified from budget reviews. The risks related to demand led budget savings will now being managed centrally rather than within individual service area budgets.
- The Council has overachieved the Efficiency Plan target of **(£500,000)** in later years and this means the Funding Gap (or further savings to be identified) has reduced over the period of the Approved MTFS.



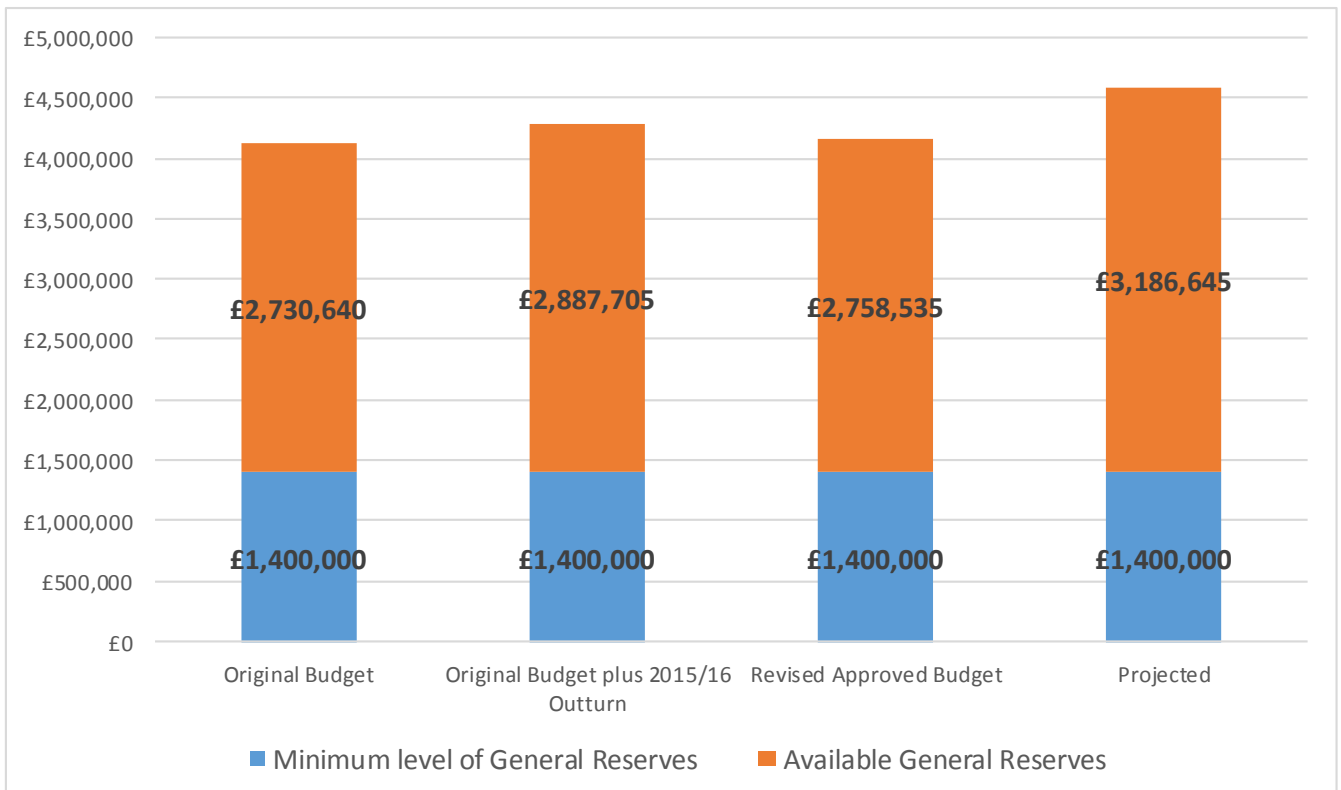
Revenue General Reserves

3.11 The Original Budgeted transfer to general reserves was **£8,560**. The Council has approved throughout the financial year transfers from general reserves of **(£129,170)** and therefore the Approved Budget shows a transfer from general reserves of **(£120,610)**.

3.12 This report identifies a projected transfer to general reserves of **£307,500** and therefore general reserves will be **£428,110** higher than the Approved Budget as shown in the graph below:



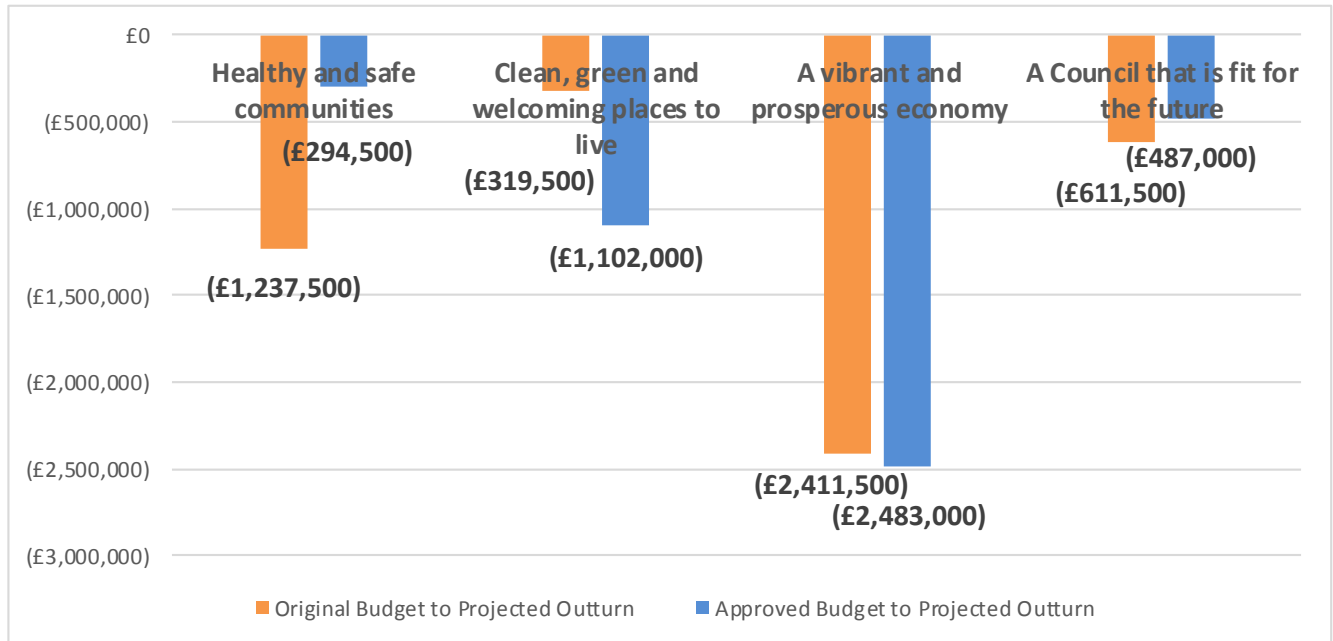
3.13 The following Revenue general reserves are available to assist the Council in meeting General Fund expenditure as part of the Medium Term Financial Strategy:



The Capital Programme

3.14 There have been no budgetary changes from the projected outturn from Money Matters Quarter 2 of **£7,291,500**.

3.15 We are projecting that the Capital Programme performance will be below budget by **(£4,366,500)** or **60%** compared to the Current Approved Budget. This below budget performance compared to both the Original and the Current Budgets is shown by the new Strategic Plan's priorities in the graph below and in detail at **APPENDIX C**:



Performance compared to the Original Budget - (£4,580,000)

3.16. There is a projected variance compared to the Original Budget related to:

- **Healthy and Safe Communities (£1,237,500):**
 1. Items previously reported in the six months Money Matters Report of **(£943,000)**.
 2. Hawkyard Community Building **(£320,000)** has now been rephased to a later financial year to reflect latest project plans. The delivery of this project is now the responsibility of the Parish Council who have some reservations over their ability to manage and deliver a project of this nature and therefore alternative delivery options are being considered.
 3. Other projects have been rephased to later years **(£25,500)**.
- **Clean, green and welcoming places to live (£319,500):**
 1. Items previously reported in the six months Money Matters Report of **£782,500**.
 2. The Stowe Pool Improvement project has been rephased **(£550,000)**. The budget is now based on a development stage (about 10%) expected to be in 2017/18 and a delivery stage (approx. 90%) expected to take place from late 2018 until 2020/21.
 3. Vehicle Replacement **(£552,000)** has been rephased to reflect the latest plan.
- **A Vibrant and Prosperous Economy (£2,411,500):**
 1. Items previously reported in the six months Money Matters Report of **£71,500**.
 2. The Friarsgate Support project budget has been rephased **(£2,453,000)** to reflect the Report to Cabinet on 1 November 2016 and latest project plans including the acquisition of the Police Station that is now projected to take place in October 2017.
 3. Other projects have been rephased to later years **(£30,000)**.

- **A Council that is fit for the future (£611,500):**
 1. Items previously reported in the six months Money Matters Report of **(£124,500)**.
 2. The IT Upgrade project **(£327,000)** and the Asset Maintenance project **(£160,000)** have been rephased to later years to reflect latest project plans.

Performance compared to the Approved Budget - (£4,366,500)

3.17. There is a projected variance compared to the Approved Budget related to:

- **Healthy and Safe Communities (£294,500):**
 1. The Community Building at Hawksyard **(£320,000)** see above for further details.
 2. Other projects **£25,500**.
- **Clean, Green and Welcoming Places to Live (£1,102,000):**
 1. Stowe Pool Improvement project **(£550,000)** see above for further details.
 2. Vehicle Replacement **(£552,000)** see above for further details.
- **A Vibrant and Prosperous Economy (£2,483,000):**
 1. Friarsgate Support **(£2,453,000)** see above for further details.
 2. Other projects **(£30,000)**.
- **A Council that is Fit for the Future (£487,000)**
 1. The IT Upgrade project **(£327,000)** see above for further details.
 2. The Asset Maintenance project **(£160,000)** see above for further details.

Capital Receipts

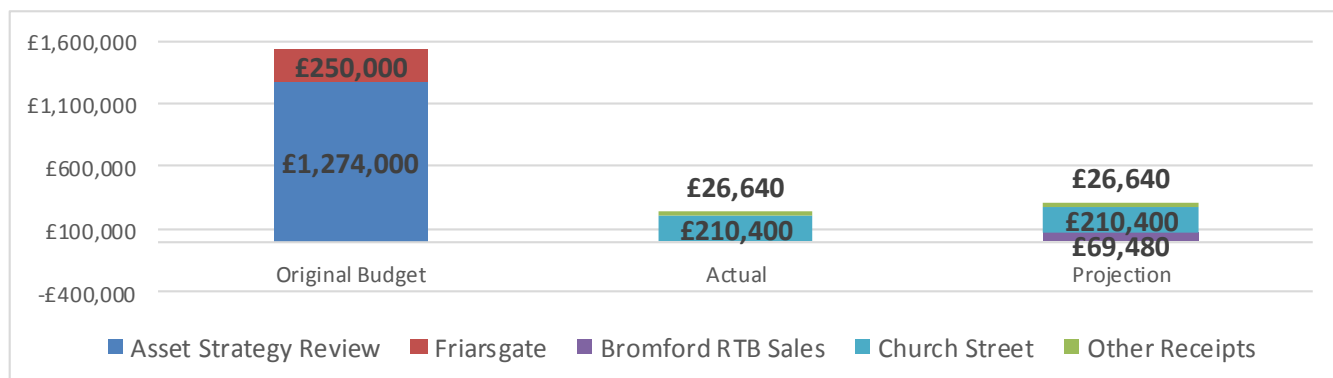
3.18. There have been **(£237,040)** of actual capital receipts received during the first eight months of 2016/17 compared to the Original and Approved Budgets of **(£1,524,000)**.

3.19. The Capital Receipt budgeted to be received as part of the Asset Strategy Review for the Bore Street Shops of **(£1,274,000)** is now projected to be received during 2017/18. However, due to the length of time since the original decision was taken, the Council is also planning to undertake an option appraisal to ascertain whether disposal remains the best option.

3.20. We are projecting capital receipts of **(£306,520)** related to:

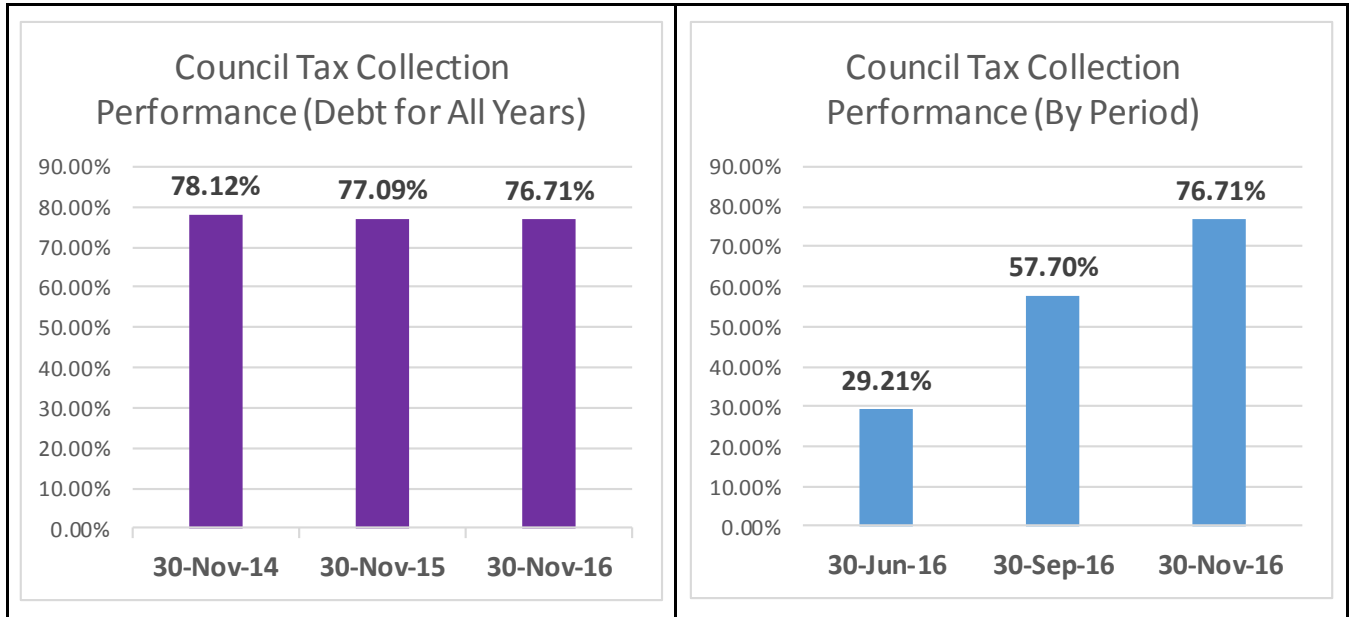
- A land sale at Church Street for **(£210,400)**.
- The Council's share of Right to Buy sales of **(£69,480)**.
- Other small sales in excess of the Capital Receipts threshold of £10,000 of **(£26,640)**.

3.21. The projected Capital Receipts are **£1,217,480** lower than the Approved Budget. The Approved Budget, actual capital receipts received in the first eight months and the projected capital receipts are shown in the graph below:

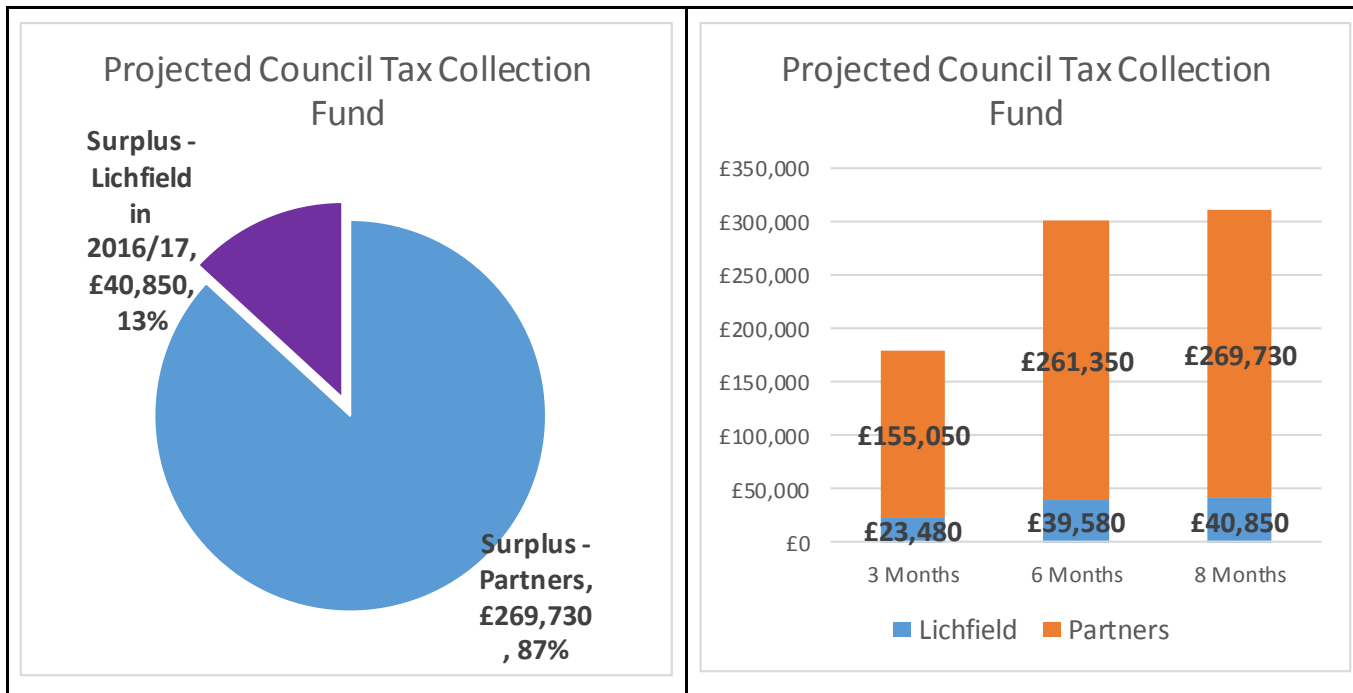


Council Tax

- 3.22. The Council is responsible for the collection of Council Tax for all precepting authorities in 2016/17 totalling **£56m**.
- 3.23. The collection performance for Council Tax for the first eight months of the last three financial years is shown in the graphs below:

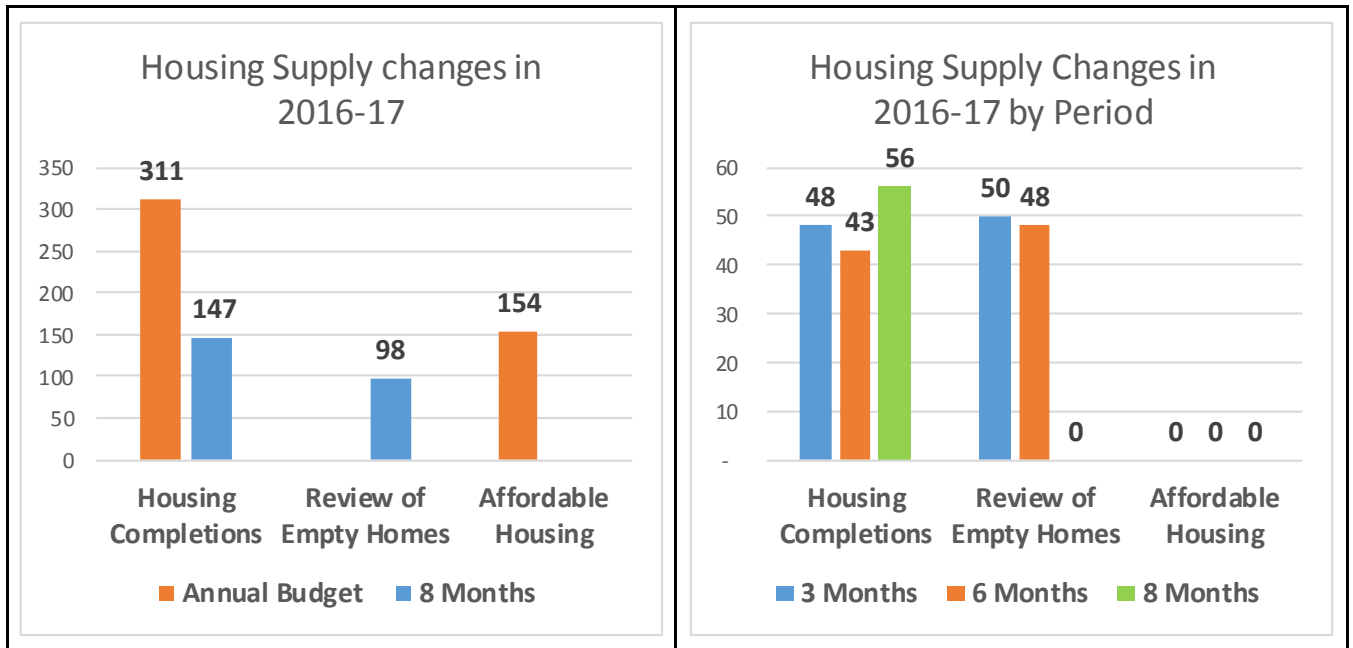


- 3.24. The collection performance has remained consistent with the same period in previous financial years.
- 3.25. A summary of the Projected Council Tax Collection Fund performance (the Budget assumed a breakeven position) is shown in the graphs below with detail shown at **APPENDIX D** and is based on Lichfield’s (including parishes) current share of Council Tax of **13%**:



- 3.26. The projected surplus in 2016/17 includes the actual surplus in 2015/16 together with performance related to 2016/17. The Council’s share of the projected surplus of **(£40,850)** will be included in the 2017/18 Budget.

3.27. Housing supply is one of the key assumptions in the Medium Term Financial Strategy because it impacts on the income we receive from Council Tax and New Homes Bonus. The progress to date using information on housing completions and the review of empty homes from Council Tax is shown in the two graphs below:



Business Rates

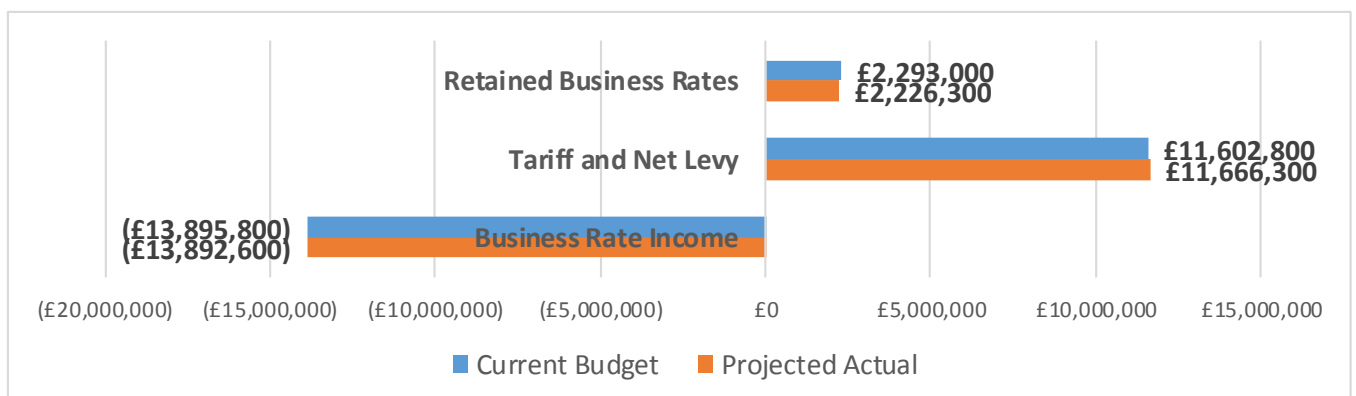
3.28. The Council will collect Business Rates for all partners in 2016/17 totalling **£35m**.

3.29. The Council receives a **40%** share of Business Rates income. The Council's share included in its budget is based on the NNDR 1 estimated level together with Section 31 grants for certain reliefs granted. The Council must then pay the Government set tariff and any net levy based on growth above the Government set baseline (or receive safety net in the event of Business Rates having reduced more than a set percentage below the baseline).

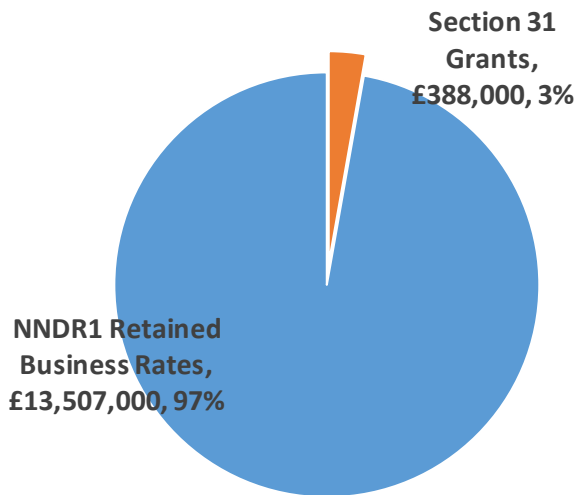
3.30. The Retained Business Rate income for 2016/17 is projected to be **(£2,226,300)** compared to the Approved Budget of **(£2,293,000)**, a reduction of **£66,700**. This is because:

- The Council's in year share of Business Rates in the Collection Fund is higher than budgeted (see below for further details) and this will mean additional net levy payments that are projected at this stage to be **£63,500**.
- Projected Business Rate Income is forecast to be **£3,200** lower than the budget.

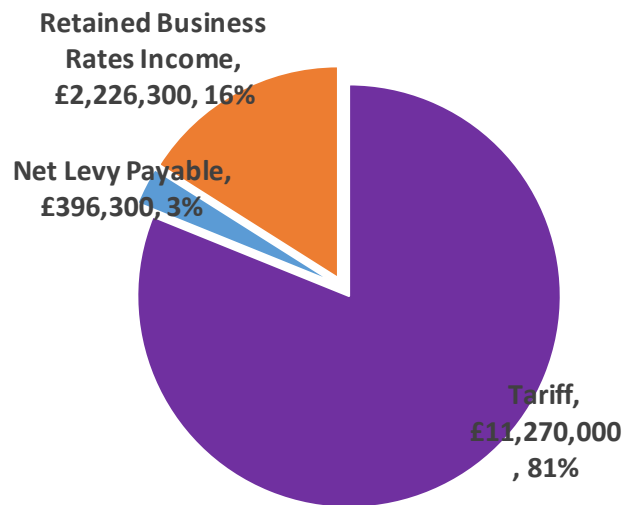
3.31. The detail of the Council's actual and budgeted share of Business Rates income, the tariff and net levy, and the Retained Business Rates in 2016/17 are shown in detail at **APPENDIX D** and in the graphs below:



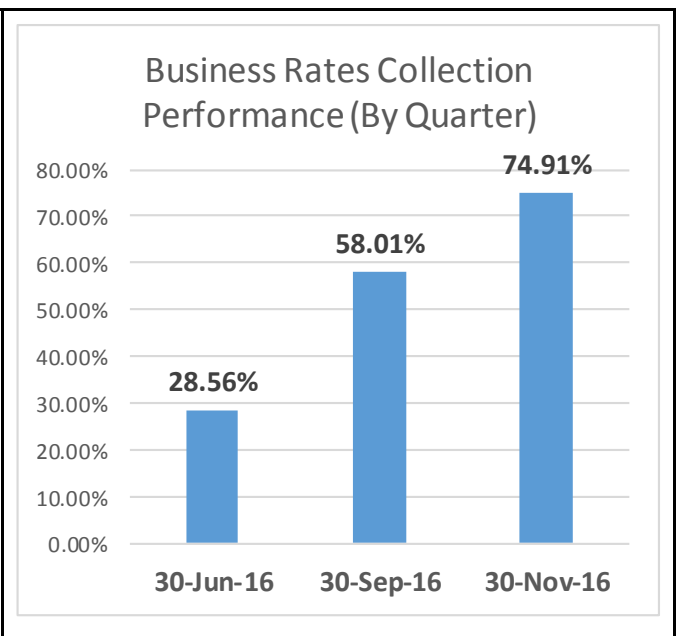
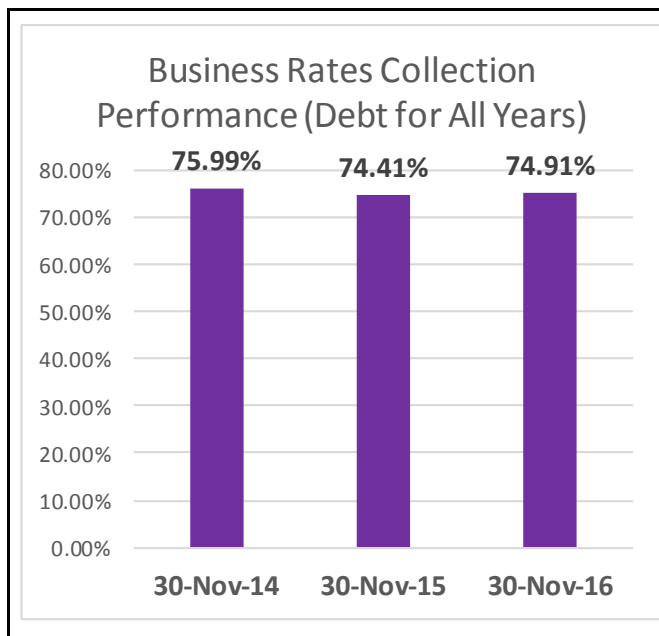
The makeup of the Council's share of Business Rate Income



The use of the Council's share of Business Rates Income

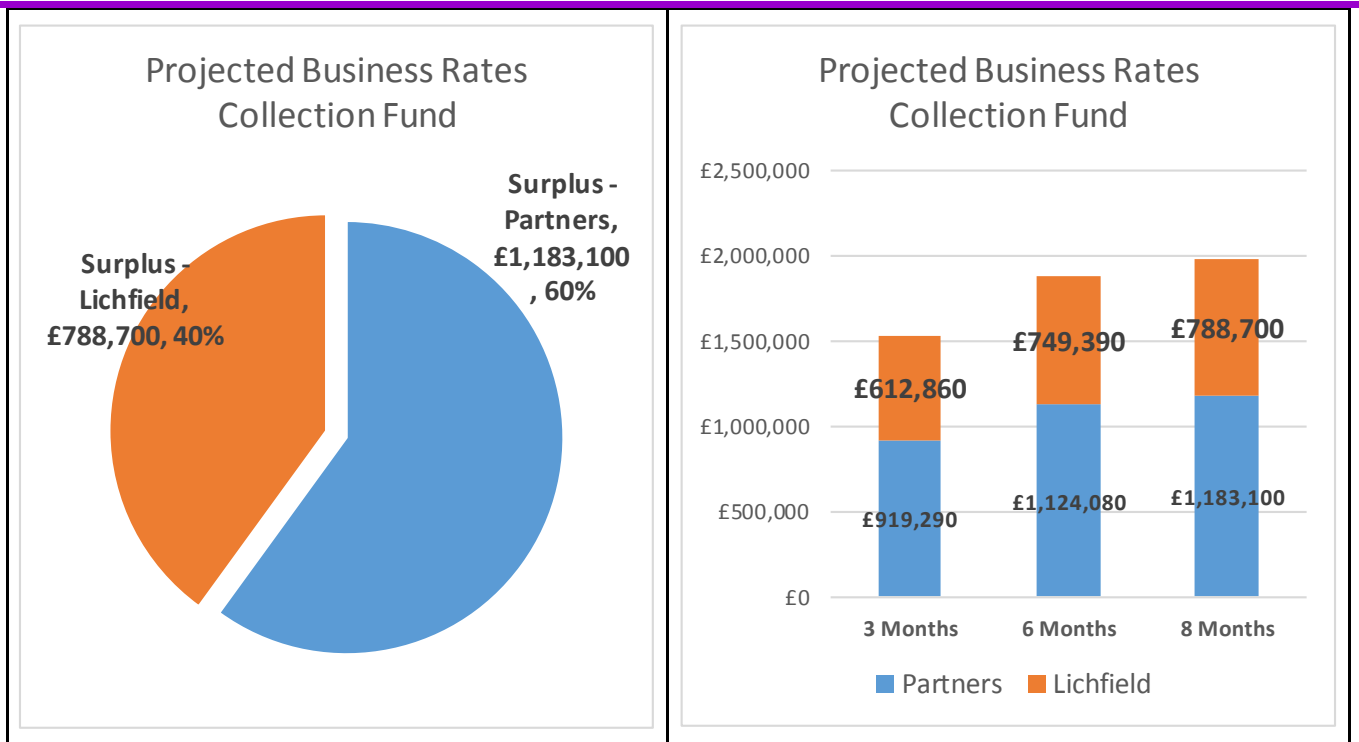


3.32 The collection performance for Business Rates for the first eight months of the last three financial years is shown in the graphs below:



3.33 The collection performance has remained consistent with the same period in previous financial years.

3.34 A summary of the projected Business Rates Collection Fund performance is shown in the graphs below (the budget assumed a breakeven position) with detail shown at **APPENDIX D** and is based Lichfield's prescribed share of **40%**:

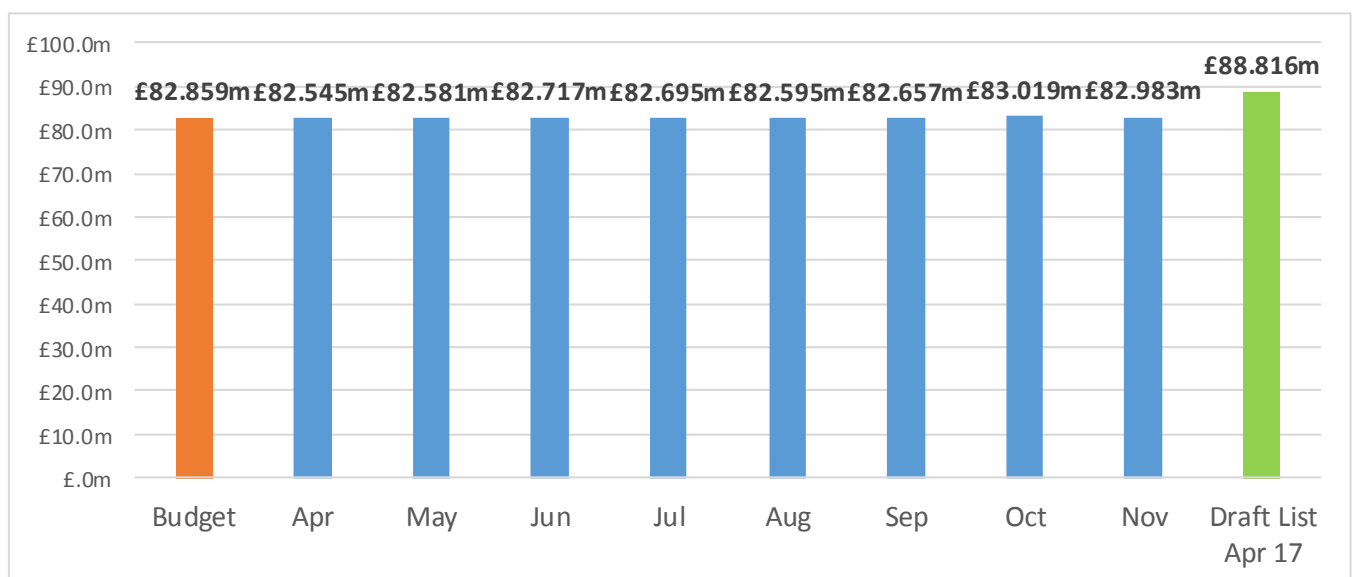


3.35 The main reasons for the surplus of (£1,971,800) are:

- There was a lower than projected deficit in 2015/16 of (£1,245,000).
- The projected gross yield from Business Rates in 2016/17 is projected to be (£650,460) higher than estimated.
- The relief for unoccupied premises is projected to be (£546,650) lower than estimated.
- Losses on collection, appeals and other costs are projected to be £470,310 higher than estimated.

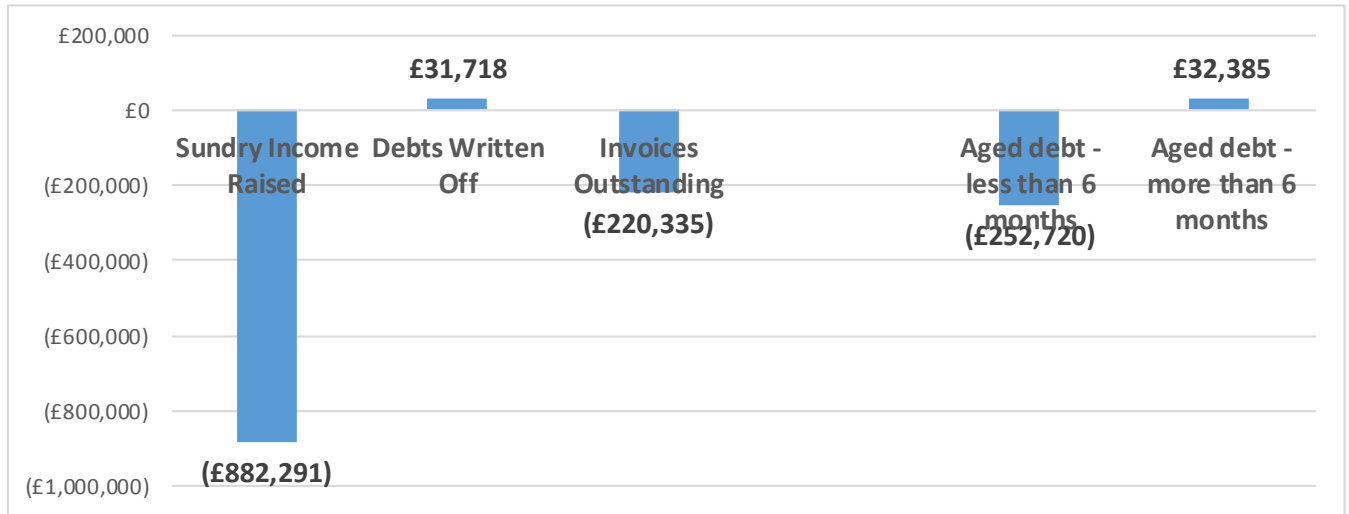
3.36 Therefore, the Council's share of the projected surplus in 2016/17 is (£788,700) and this will be included in the 2017/18 Budget.

3.37 Another key assumption in the Medium Term Financial Strategy is the level of growth or decline in Business Rates. The Original Budget assumed the only reduction in Rateable Value during 2016/17 would be in relation to properties impacted by the Friarsgate development. The level of Rateable Value in the first eight months compared to the Approved Budget is shown in the graph below:



Sundry Debtors

3.38 A summary of key transaction levels and collection performance for Sundry Debtors in 2016/17 compared to 2015/16 is shown in the graph below:



3.39 The collection performance is shown in detail at **APPENDIX D** and is summarised below:

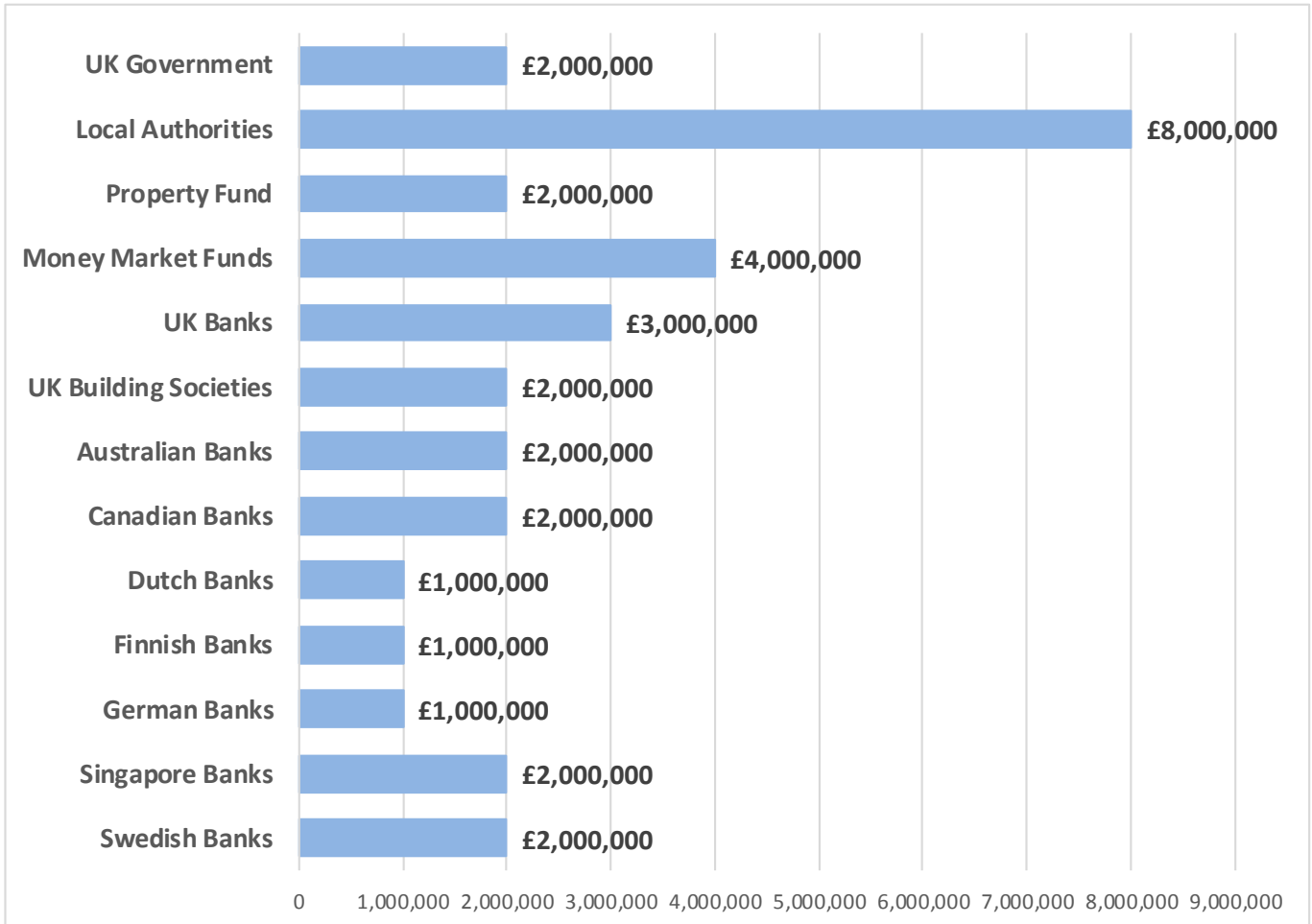
- The value of income raised has decreased by **(£882,291)** or (19.99%) due to a significant decrease in Housing Services invoices raised due to Fusion Credit taking over the loans, a reduction in Housing Benefit overpayments raised and a reduction in invoices raised at Friary Grange.
- The value of write offs has increased by **£31,718** or 244.80% due to the write off of a large Housing Benefit Overpayment invoice where the debtor has deceased.
- Overall invoices outstanding have decreased by **(£220,335)** or (11.38%).
- The decrease in those outstanding for less than 6 months by **(£252,720)** or (24.04%) due to a reduction in S106 invoices and less invoices being raised (see the first bullet point).
- The increase in those outstanding for more than eight months by **£32,385** or 5.43% is due to an increase in older debts for Housing Services and Housing Benefit Overpayments. These are debts that are particularly difficult to collect due to the debtors' circumstances.

Treasury Management

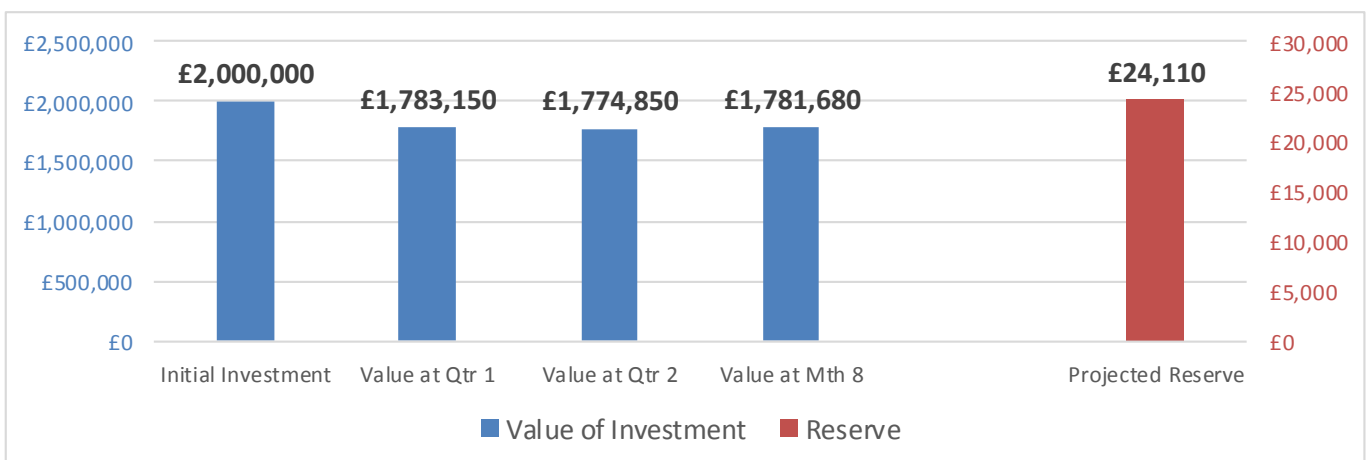
3.40. The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).

The Security of Our Investments

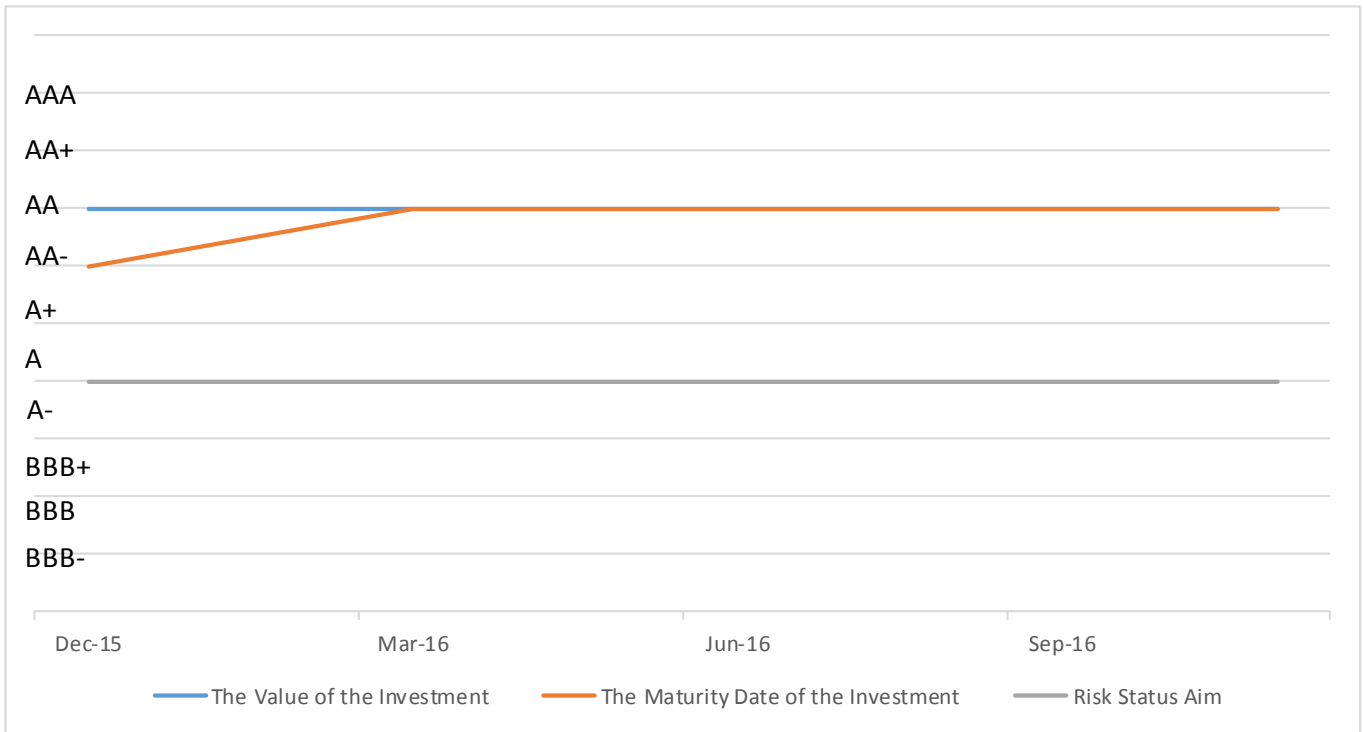
3.41. The investments the Council had at the 30 November 2016 of **£32,000,000** by type and Country are summarised in the graph below and in more detail at **APPENDIX E**:



3.42. The current value of the Property Fund investment together with the value of the projected earmarked reserve at the end of 2016/17 intended to offset reductions in value is shown in the graph below:

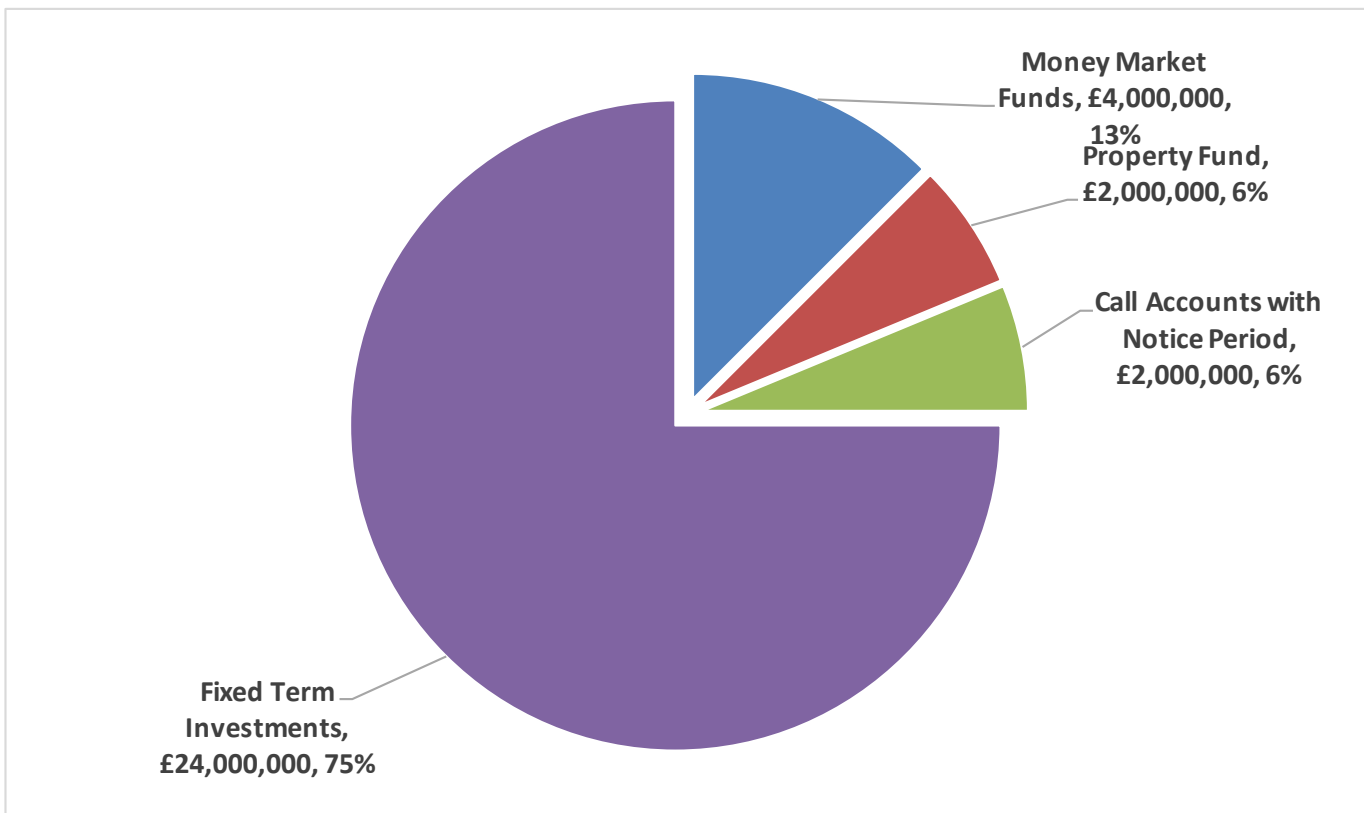


3.43. Our aim for the risk status of our investments was **A-**. The risk status based on the length of the investment and the value for a 12 month period is summarised in the graph below:



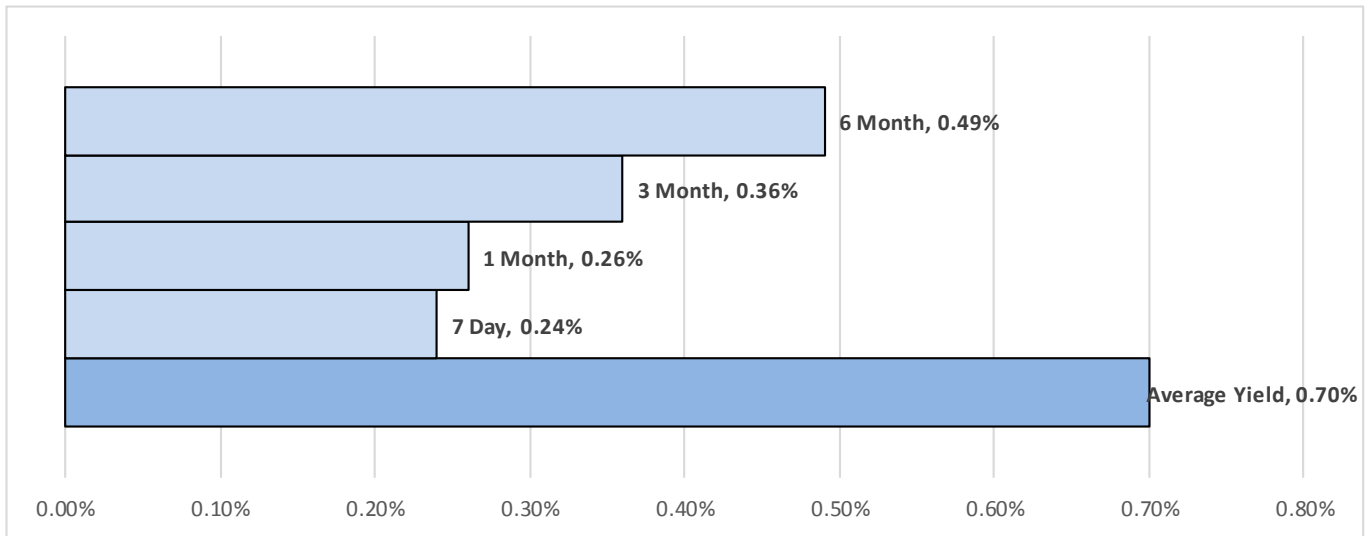
The Liquidity of our Investments

3.44. The Council has not had to temporarily borrow during 2016/17 and retains a proportion of its investments in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown in the graph below:



The Return or Yield of our Investments

3.45. The yield the Council achieved for the first eight months (the recent 0.25% reduction in interest rates will reduce the annual projected return) compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) is shown in the graph below:



3.46. The investment activity during the financial year is projected to generate **(£186,740)** of net investment income.

Alternative Options	There are no alternative options.
Consultation	Consultation is undertaken as part of the Strategic Plan 2016-20 and with Leadership Team.
Financial Implications	<p>At this eight months stage in the year, for the period up to November 2016, we forecast a contribution <u>to</u> general reserves of £307,500 will be made, compared to an Original budgeted contribution of £8,560 <u>to</u> general reserves and an Approved Budget contribution of (£120,610) <u>from</u> general reserves.</p> <p>This means compared to the Approved Budget that there will be £428,110 of additional general reserves available.</p> <p>Further detailed analysis on the Financial Performance up to November 2016 is shown in the attached Appendices.</p>
Contribution to the Delivery of the Strategic Plan	The MTFS underpins the delivery of the Strategic Plan 2016-20.
Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
Crime & Safety Issues	There are no additional Crime and Safety Issues.

	Risk Description	How We Manage It	Severity of Risk
A	Management of the Council's Revenue and Capital budget is critical to the successful delivery of key Council priorities, and control measures need to be in place to manage the re-scheduling or re-profiling of projects and to respond to the changing financial climate including the impact of the EU Referendum	Close monitoring of expenditure. Maximising the potential of efficiency gains. Early identification of any unexpected impact on costs, for example, central Government policy, movement in the markets, and changes in the economic climate. Prioritisation of capital expenditure. Project management of projects.	Red - Severe
B	Counterparty default	This Approved Annual Investment Strategy utilises more counterparties and financial instruments to diversify the portfolio and reduce this risk.	Yellow - Material
C	Collection performance for Council Tax and Business Rates reduces.	Regular monitoring in the Money Matters Reports throughout the financial year.	Yellow - Material
D	Actual cash flows are different to those that are planned	The Council maintains a comprehensive cash flow model that is updated on a daily basis to reflect actual and planned cash flows. An element of the Council's investment portfolio will be invested in instant access accounts.	Yellow - Material
E	Planned capital receipts are not received	The Council plans to dispose of a number of assets to fund capital investment including the Bore Street Shops. The sale of the Bore Street Shops is being monitored closely to ensure any subsequent financial implications are included in the MTFS.	Red - Severe
F	New Government policies including the level of cuts to Communities and Local Government	To ensure any new policies such as those related to Business Rates and New Homes Bonus are evaluated and the impact is incorporated into the MTFS.	Red - Severe

Background Documents	
	<ul style="list-style-type: none"> • CIPFA Code of Practice for Treasury Management in the Public Services • The Prudential Code for Capital Finance in Local Authorities • Money Matters: Calculation Of Business Rates – National Non Domestic Rates 2016/17 and Council Tax Base 2016/17, together with Collection Fund Surplus / (Deficit) For 2015/16 – 12 January 2016 • Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2016-20 Cabinet - 9 February 2016 • Procurement of Contract Hire Vehicles – Cabinet 9 February 2016 • Review of the Civic Function – Cabinet 5 April 2016 • Re-procurement of property and place related software applications – Cabinet 5 April 2016 • Re-procurement of Desktop Operating Software Contract – Cabinet 5 April 2016 • Approval of Formal Car Parking Strategy – Cabinet 10 May 2016 • Proposed Revised Charges for Street Naming and Numbering – Cabinet 5 July 2016 • Broadband Connections – Cabinet 5 July 2016 • Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy – Cabinet 6 September 2016 • Friarsgate – Coach Park Lease – 4 October 2016 • Friarsgate - Amendments to the Development Agreement – Cabinet 1 November 2016 • Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy – Cabinet 6 December 2016 • Money Matters : Council Tax, National Non Domestic Rates and Pension Contributions – Cabinet 17 January 2017

Relevant web link	

Transfers from General Reserves

Cabinet Date	Report Title	2016/17
05/04/2016	Re-procurement of property and place related software applications	19,500
05/07/2016	Fit for the Future Leisure Review Appointment of Professional Advisors	100,000
06/09/2016	Money Matters : 2016/17 Quarter 1 One-Off Costs	2,940
06/12/2016	Money Matters : 2016/17 Quarter 2 One-Off Costs	6,730
	General Reserve	£129,170

Cabinet Reports

Cabinet Date	Report Title	2016/17	2017/18	2018/19	2019/20
09/02/2016	Procurement of Contract Hire Vehicles	(17,870)	(17,870)	(17,870)	(17,870)
05/04/2016	Review of the Civic Function	(5,810)	(7,380)	(7,380)	(7,380)
05/04/2016	Re-procurement of property and place related software applications	4,930	3,930	3,400	2,850
05/04/2016	Re-procurement of Desktop Operating Software Contract	2,800	2,800	2,800	2,800
10/05/2016	Approval of Formal Car Parking Strategy	(114,870)	(172,300)	(172,300)	(172,300)
05/07/2016	Proposed Revised Charges for Street Naming and Numbering	(4,530)	(10,200)	(10,200)	(10,200)
05/07/2016	Broadband connections	7,490	7,490	7,490	7,490
06/09/2016	Money Matters : 2015/16 Review of Financial Performance against the Financial Strategy	(29,690)	(29,690)	(29,690)	(29,690)
06/09/2016	Money Matters : 2016/17 Quarter 1 Recurring Savings	(75,670)	(75,670)	(75,670)	(75,670)
06/12/2016	Money Matters : 2016/17 Quarter 2 Recurring Savings	(116,780)	(116,780)	(116,780)	(116,780)
06/12/2016	Money Matters : 2016/17 Quarter 2 Recurring Savings beyond target	0	(1,220)	(1,220)	(1,220)
	Efficiency Plan	(£350,000)	(£416,890)	(£417,420)	(£417,970)

Reconciliation of the Money Matters Quarter 2 Variance as Reported under the Previous Management Structure

	A vibrant and prosperous economy	A council that is fit for the future	Healthy and safe communities	Clean, green and welcoming places to live	Total
Chief Executive	0	25,350	0	0	£25,350
Finance, Revenues and Benefits	0	32,630	0	(96,170)	(£63,540)
Democratic, Development & Legal	(171,870)	27,030	(2,620)	(28,130)	(£175,590)
Community, Housing & Health	0	32,800	(59,670)	(35,080)	(£61,950)
Waste Services	(13,940)	2,740	0	(14,730)	(£25,930)
Leisure & Parks	(7,290)	67,490	41,530	(32,580)	£69,150
Total	(£193,100)	£188,040	(£20,760)	(£206,690)	(£232,510)

Audit Trail - The Approved Revenue Budget

	Updated Original Budget	Quarter 2 Projected Outturn	Management Restructure	Friarsgate	Capital Expenditure funded from Revenue	Approved Budget
Strategic Priority						
A vibrant and prosperous economy	(344,170)	(537,270)	3,650	(86,230)	-	(619,850)
A council that is fit for the future	5,242,500	5,430,540	(30,760)	-	-	5,399,780
Healthy and safe communities	1,880,350	1,859,590	14,170	-	(5,000)	1,868,760
Clean, green and welcoming place to live	3,851,380	3,644,690	12,940	(5,830)	-	3,651,800
Efficiency Plan	(350,000)	-	-	-	-	-
Net Cost of Services	10,280,060	10,397,550	0	(92,060)	(5,000)	10,300,490
Service Area						
Chief Executive	849,370	781,840	(58,310)	-	-	723,530
Finance and Procurement	984,000	1,363,480	-	-	-	1,363,480
Legal, Property and Democratic Services	296,130	111,930	27,550	(19,500)	-	119,980
Revenues, Benefits and Customer Services	723,570	591,400	6,290	-	-	597,690
Corporate Services	2,434,330	2,462,710	-	-	-	2,462,710
Leisure & Operational Services	2,522,060	2,522,990	10,840	(5,830)	(5,000)	2,523,000
Regulatory, Housing & Wellbeing	1,348,170	1,250,800	6,330	-	-	1,257,130
Development Services	181,530	131,570	3,650	-	-	135,220
Economic Growth	16,770	(64,630)	3,650	(66,730)	-	(127,710)
Waste Services	1,274,130	1,245,460	-	-	-	1,245,460
Efficiency Plan	(350,000)	-	-	-	-	-
Net Cost of Services	10,280,060	10,397,550	0	(92,060)	(5,000)	10,300,490
Net Treasury Position	(25,000)	(82,460)	0	(4,880)	-	(87,340)
Revenue Contributions to the Capital Programme	154,000	176,500	0	-	5,000	181,500
Net Operating Cost	10,409,060	10,491,590	0	(96,940)	0	10,394,650
Less : Transfer (from)/ to General Reserve	8,560	(120,610)	0	-	-	(120,610)
Less : Transfer to Earmarked Reserves	108,020	108,020	0	150,940	-	258,960
Amount to be met from Government Grants and Local Taxpayers:	£10,525,640	£10,479,000	£0	£54,000	£0	£10,533,000
Revenue Support Grant	(773,000)	(773,000)				(773,000)
Business Rates	(2,320,000)	(2,241,000)		(52,000)		(2,293,000)
Business Rates Cap	-	(32,360)				(32,360)
Transition Grant	(51,940)	(51,940)				(51,940)
Local Council Tax Support	107,000	107,000				107,000
New Homes Bonus	(1,882,700)	(1,882,700)		(2,000)		(1,884,700)
Council Tax Collection Fund	(58,000)	(58,000)				(58,000)
Business Rates Collection Fund	310,000	310,000				310,000
Council Tax	(5,857,000)	(5,857,000)				(5,857,000)

Revenue Financial Performance – Projected Variance to Budget 2016/17

Area	2016/17						● = adverse ☑ = favourable	Variance to Updated Original Budget £	2016/17 Target Variance (+/-) £
	Updated Original Budget £	Approved Budget £	Year to Date Actual £	Projected Outturn £	Projected Variance £				
Strategic Priority									
A vibrant and prosperous economy	(344,170)	(619,850)	(1,494,277)	(944,510)	(324,660)	☑	(600,340)		
A council that is fit for the future	5,242,500	5,399,780	3,642,921	5,358,160	(41,620)	☑	115,660		
Healthy and safe communities	1,880,350	1,868,760	702,972	1,862,280	(6,480)	☑	(18,070)		
Clean, green and welcoming places to live	3,851,380	3,651,800	3,924,036	3,527,450	(124,350)	☑	(323,930)		
Efficiency Plan	(350,000)	-	-	-	-		350,000		
Net Cost of Services	10,280,060	10,300,490	6,775,652	9,803,380	(497,110)		(476,680)		
Service Area									
Chief Executive	849,370	723,530	449,140	707,760	(15,770)	☑	(141,610)	4,000	
Finance and Procurement	984,000	1,363,480	879,056	1,412,960	49,480	●	428,960	7,000	
Legal, Property and Democratic Services	296,130	119,980	90,915	23,590	(96,390)	☑	(272,540)	10,000	
Revenues, Benefits and Customer Services	723,570	597,690	852,498	570,130	(27,560)	☑	(153,440)	19,000	
Corporate Services	2,434,330	2,462,710	1,530,535	2,393,600	(69,110)	☑	(40,730)	22,000	
Leisure and Operational Services	2,522,060	2,523,000	1,487,341	2,523,000	-	☑	940	53,000	
Regulatory, Housing and Wellbeing	1,348,170	1,257,130	573,901	1,230,940	(26,190)	☑	(117,230)	16,000	
Development Services	181,530	135,220	(530,490)	(44,920)	(180,140)	☑	(226,450)	24,000	
Economic Growth	16,770	(127,710)	(226,606)	(220,140)	(92,430)	☑	(236,910)	27,000	
Waste Services	1,274,130	1,245,460	1,669,362	1,206,460	(39,000)	☑	(67,670)	68,000	
Efficiency Plan	(350,000)	-	-	-	-		350,000	-	
Net Cost of Services	10,280,060	10,300,490	6,775,652	9,803,380	(497,110)		(476,680)	250,000	
Net Treasury Position	(25,000)	(87,340)	(81,465)	(87,340)	-		(62,340)		
Revenue Contributions to the Capital Programme	154,000	181,500	-	181,500	-		27,500		
Net Operating Cost	10,409,060	10,394,650	6,694,187	9,897,540	(497,110)		(511,520)		
Transfer (from) / to General Reserve	8,560	(120,610)	-	307,500	428,110	☑			
Transfer to Earmarked Reserves	108,020	258,960	258,960	258,960	-				
Net Revenue Expenditure	£10,525,640	£10,533,000	£6,953,147	£10,464,000	(69,000)				
Financed by:									
Retained Business Rates	(2,320,000)	(2,293,000)	(950,138)	(2,226,300)	66,700	●			
Business Rates Cap	-	(32,360)	(16,183)	(32,360)	-				
Revenue Support Grant	(773,000)	(773,000)	(525,942)	(773,000)	-				
Transition Grant	(51,940)	(51,940)	(34,625)	(51,940)	-				
Parish Local Council Tax Support	107,000	107,000	71,201	107,000	-				
New Homes Bonus	(1,882,700)	(1,884,700)	(1,413,956)	(1,878,000)	6,700	●			
Returned New Homes Bonus	-	-	(4,411)	(4,400)	(4,400)				
Business Rates Collection Fund Deficit	310,000	310,000	-	310,000	-				
Council Tax Collection Fund (Surplus)	(58,000)	(58,000)	(38,667)	(58,000)	-				
Council Tax	(5,857,000)	(5,857,000)	(3,351,525)	(5,857,000)	-				

Analysis of gross expenditure, income and net expenditure for 2016/2017

Area	Approved Budget			Projected Outturn £
	Gross Expenditure £	Gross Income £	Net Expenditure £	
Strategic Priority				
A vibrant and prosperous economy	3,843,180	(4,463,030)	(619,850)	(944,510)
A council that is fit for the future	5,902,490	(502,710)	5,399,780	5,358,160
Healthy and safe communities	4,300,040	(2,431,280)	1,868,760	1,862,280
Clean, green and welcoming places to live	28,396,050	(24,744,250)	3,651,800	3,527,450
Net cost of services	42,441,760	(32,141,270)	10,300,490	9,803,380
Service Area				
Chief Executive	727,230	(3,700)	723,530	707,760
Finance and Procurement	1,370,400	(6,920)	1,363,480	1,412,960
Legal, Property and Democratic Services	762,960	(642,980)	119,980	23,590
Revenues, Benefits and Customer Services	21,505,830	(20,908,140)	597,690	570,130
Corporate Services	2,612,180	(149,470)	2,462,710	2,393,600
Leisure and Operational Services	5,001,100	(2,478,100)	2,523,000	2,523,000
Regulatory, Housing and Wellbeing	1,751,830	(494,700)	1,257,130	1,230,940
Development Services	1,641,280	(1,506,060)	135,220	(44,920)
Economic Growth	1,880,670	(2,008,380)	(127,710)	(220,140)
Waste Services	5,188,280	(3,942,820)	1,245,460	1,206,460
Efficiency Plan	-	-	-	-
Net cost of services	42,441,760	(32,141,270)	10,300,490	9,803,380
Net Treasury Position	135,760	(223,100)	(87,340)	(87,340)
Revenue Contributions to the Capital Programme	181,500	-	181,500	181,500
Net Revenue Expenditure	£42,759,020	(£32,364,370)	£10,394,650	£9,897,540

Reasons for the 8 Months Budget Performance by Service Area

Net Operating Cost

Projected Variance £		Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(15,770)	Chief Executive	(1,810)	(13,960)	-	-
49,480	Finance and Procurement	95,290	(37,710)	(8,100)	-
(96,390)	Legal, Property and Democratic Services	(3,920)	(16,960)	(74,940)	(570)
(27,560)	Revenues, Benefits and Customer Services	(1,096,690)	-	1,069,130	-
(69,110)	Corporate Services	18,640	(13,000)	(74,750)	-
-	Leisure and Operational Services	-	-	-	-
(26,190)	Regulatory, Housing and Wellbeing	(38,210)	(300)	12,320	-
(180,140)	Development Services	200,140	(7,730)	(367,250)	(5,300)
(92,430)	Economic Growth	(64,580)	-	(27,850)	-
(39,000)	Waste Services	(18,960)	-	(5,040)	(15,000)
-	Net Treasury Position	-	-	-	-
(£497,110)	Net Operating Cost	(£910,100)	(£89,660)	£523,520	(£20,870)

Chief Executive

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(15,770)	Various Supplies and Services Budgets no longer required following Management Restructure	(1,810)	(13,960)	-	-
(£15,770)	Total	(£1,810)	(£13,960)	-	-

Finance and Procurement

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
89,000	In year deficit on Pension Fund	89,000	-	-	-
(10,200)	Monthly Pension Contribution decrease	-	(10,200)	-	-
(19,510)	Employee changes in grades and hours	-	(19,510)	-	-
6,290	Agency spend covering Maternity leave	6,290	-	-	-
(8,100)	Transparency Agenda grant income not required	-	-	(8,100)	-
(8,000)	Bank Charges decrease	-	(8,000)	-	-
£49,480	Total	£95,290	(£37,710)	(£8,100)	-

Legal, Property and Democratic Services

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(51,650)	Legal Services additional income received and underspend on expenditure budgets	(3,500)	(2,410)	(45,740)	-
(4,460)	Democratic Services underspend on expenditure budgets	(1,410)	(3,050)	-	-
(1,500)	Members Training – assigning from Corporate Services and identified ongoing savings	4,000	(5,500)	-	-
(38,780)	Additional rental income and reduced expenditure	(3,010)	(6,000)	(29,200)	(570)
(£96,390)	Total	(£3,920)	(£16,960)	(£74,940)	(£570)

Revenues, Benefits and Customer Services

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(27,560)	Mid-Year Housing Benefit Subsidy adjustment and increased overpayment	(1,096,690)	-	1,069,130	-
(£27,560)	Total	(£1,096,690)	-	£1,069,130	-

Corporate Services

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(12,920)	District Council House – savings on utilities and employees	(5,920)	(7,000)	-	-
(21,960)	Insurance Premiums lower than budgeted	31,560	-	(53,520)	-
(6,380)	Communications – delay of new support contract	(6,380)	-	-	-
(4,960)	Members Training – assigning to Legal Services	(4,960)	-	-	-
(13,230)	Street Naming and Numbering – increased activity	8,000	-	(21,230)	-
(6,110)	General Supplies and Services underspends	(6,110)	-	-	-
(3,550)	ICT – changes on contract prices	2,450	(6,000)	-	-
(£69,110)	Total	£18,640	(£13,000)	(£74,750)	-

Regulatory Services, Housing & Wellbeing

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(15,000)	Locality Commissioning – job clubs budget not required	(15,000)	-	-	-
17,900	Community Transport – winding down of scheme costs	5,580	-	12,320	-
(20,940)	Housing Services – vacant post	(20,940)	-	-	-
(3,250)	Licensing – general underspends	(3,250)	-	-	-
(4,900)	Employee Changes	(4,600)	(300)	-	-
(£26,190)	Total	(£38,210)	(£300)	£12,320	-

Development Services

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(17,550)	Employee changes due to maternity and restructuring	(10,210)	(7,730)	390	-
(157,290)	Planning – increased applications and related expenditure	210,350	-	(367,640)	-
(5,300)	Ecology – new income generating long term scheme	-	-	-	(5,300)
(£180,140)	Total	(£200,140)	(£7,730)	(£367,250)	(£5,300)

Economic Growth

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
18,580	Employee changes and loss of income from S106 and SAC	(12,280)	-	30,860	-
(33,330)	Vacant Economic Services post	(33,330)	-	-	-
26,920	Friarsgate - Maternity Savings and reduced capital income	(19,710)	-	46,630	-
(3,720)	Other Minor Changes	2,680	-	(6,400)	-
(100,880)	Additional Car Park income	(1,940)	-	(98,940)	-
(£92,430)	Total	(£64,580)	-	(£27,850)	-

Waste Services

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(15,000)	Increase in bulky waste income	-	-	-	(15,000)
(8,000)	Trade Waste and recycling increased activity/lower spend	(2,960)	-	(5,040)	-
(16,000)	Joint Waste Employees – vacant posts and agency costs	(16,000)	-	-	-
(£39,000)	Total	(£18,960)	-	(£5,040)	(£15,000)

Funding

Projected Variance £	Service Area	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
66,700	Reduction in Retained Business Rates – additional net levy	-	-	66,700	-
2,300	Lower New Homes Bonus	-	-	2,300	-
£69,000	Net Operating Cost	-	-	£69,000	-

Capital Programme Performance in 2016/17

Priority	Original Budget £	Current Budget £	Year to Date Actual £	Projected Outturn £	Projected Variance £	Variance to Original Budget £
Healthy and safe communities	2,771,000	1,828,000	572,689	1,533,500	(294,500)	● (1,237,500)
Clean, green and welcoming places to live	1,219,000	2,001,500	880,443	899,500	(1,102,000)	● (319,500)
A vibrant and prosperous economy	2,749,000	2,820,500	121,906	337,500	(2,483,000)	● (2,411,500)
A council that is fit for the future	766,000	641,500	26,436	154,500	(487,000)	● (611,500)
Total Capital Expenditure	£7,505,000	£7,291,500	£1,601,473	£2,925,000	(£4,366,500)	(£4,580,000)

KEY : Projected actual within **£0.1m** of our current budget
 ● Projected actual not within **£0.1m** of our current budget

Vehicle, Equipment and Systems Renewal Schedule 2016/17

The vehicle, equipment and systems renewal schedule in 2016/17 included in the Capital Programme is shown in the table below:

Area	Vehicle Type	Capital Programme	Progress on procurement during 2016/17
Joint Waste	New Arrangement	£680,000	6 vehicles leased.
Grounds Maintenance / Street Scene		£103,000	1 vehicle leased. 4 more to be purchased through reserve/sinking fund.
Environmental Health Vehicle	Van	£20,500	Purchased
Joint Waste	Van	£17,000	Purchased
Grounds Maintenance	Mowers	£32,700	Purchased

Capital Investment at Burntwood Leisure Centre - The Sinking Fund

Under the terms of the funding agreement with the National Lottery in relation to Burntwood Leisure Centre (BLC), LDC is required to set aside resources to be used for the future repair and renewal of BLC in a 'Sinking Fund'. Monitoring information for all approved projects is shown in the table below:

Project Name	Annual Spend in 2016/17		
	Current Budget £	Projected Outturn £	Variance £
Planned maintenance	£95,000	£95,000	£0
Replacement Treadmills	£40,000	£40,000	£0
TOTAL	£135,000	£135,000	£0

Council Tax

Collection Performance

	Council Tax			
	30-Nov-15	30-Nov-16	Change	
Amount Collected as a %	77.09%	76.71%	0.38%	●
In year arrears outstanding	£737,760	£782,531		
Previous years arrears	£878,972	£835,403		
Total arrears outstanding	£1,616,732	£1,617,934	0.07%	●
Write offs	£25,574	£42,883		

Collection Fund

	Budget £m	30-Nov-16 £m	Projected Outturn £m	Projected Variance £m
(Surplus) / Deficit Brought Forward	(£0.45)	(£0.32)	(£0.32)	£0.13
Amount Due	(£56.34)	(£56.91)	(£56.86)	(£0.52)
Bad Debt Provision	£0.00	£0.04	£0.08	£0.08
Payments to Partners including LDC	£56.34	£56.34	£56.34	£0.00
Transfers estimated surplus to Partners	£0.45	£0.45	£0.45	£0.00
(Surplus) / Deficit Carried Forward	(£0.00)	(£0.40)	(£0.31)	(£0.31)
Share of the (Surplus) or Deficit				
Lichfield District Council	(0.00)	(0.05)	(0.04)	(0.04)
Office of the Police and Crime Commissioner Staffordshire	(0.00)	(0.05)	(0.04)	(0.04)
Staffordshire County Council	(0.00)	(0.28)	(0.22)	(0.22)
Staffordshire Fire and Rescue	(0.00)	(0.02)	(0.01)	(0.01)
	(£0.00)	(£0.40)	(£0.31)	(£0.31)

Lichfield District Council Projected (Surplus)/ Deficit in 2016/17 to be included in 2017/18 Budget	(£0.04)
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Business Rates

The Council's Retained Business Rates Income

The Council's Budget in 2016/17				
	Budget £	30-Nov-16 £	Projected Outturn £	Projected Variance £
NNDR 1 Based Retained Business Rates				
Retained Business Rates	(£13,507,000)	(£13,507,000)	(£13,507,000)	£0
<u>Section 31 Grants (Lichfield's 40% Share)</u>				
Small Business Rates Relief	(£382,400)	(£385,600)	(£385,600)	(£3,200)
New Empty Properties	£0	£0	£0	£0
Long Term Empty Properties	(£800)	(£11,200)	(£11,200)	(£10,400)
In lieu of transitional relief	(£5,600)	£8,800	£8,800	£14,400
Retail Relief	£0	£1,600	£2,400	£2,400
Less : Tariff Payable	£11,270,000	£11,270,000	£11,270,000	£0
Pre Levy or Safety Net Income	(£2,625,800)	(£2,623,400)	(£2,622,600)	£3,200
NNDR 3 Based Levy Payments				
Less : Levy Payable @ 50%	£470,400	£759,200	£488,300	£17,900
Volatility Allowance	£15,400		£67,000	£51,600
Levy from the Business Rates Pool (32.5%)	(£153,000)	(£247,000)	(£159,000)	(£6,000)
Post Levy or Safety Net Income	(£2,293,000)	(£2,111,200)	(£2,226,300)	£66,700

Collection Performance

	Non Domestic Rates			
	30-Nov-15	30-Nov-16	Change	
Amount Collected as a %	74.41%	74.91%	0.50%	<input checked="" type="checkbox"/>
In year arrears outstanding	£548,537	£588,033		
Previous years arrears	£285,209	£200,926		
Total arrears outstanding	£833,745	£788,960	5.37%	<input checked="" type="checkbox"/>
Write offs	£124,987	£434,821		

Collection Fund

	Budget £m	30-Nov-16 £m	Projected Outturn £m	Projected Variance £m
(Surplus) / Deficit Brought Forward	£1.46	£0.22	£0.22	(£1.25)
Amount Due	(£34.53)	(£36.22)	(£35.62)	(£1.09)
Bad Debt Provision	£0.32	£0.74	£0.80	£0.48
Appeals	£0.32	(£0.49)	£0.20	(£0.12)
Payments to Partners including LDC	£33.77	£33.77	£33.77	£0.00
Collection Allowance	£0.12	£0.12	£0.12	£0.00
Transitional Protection	£0.00	£0.00	£0.00	£0.00
Transfers estimated deficit from Partners	(£1.46)	(£1.46)	(£1.46)	£0.00
(Surplus) / Deficit Carried Forward	£0.00	(£3.33)	(£1.97)	(£1.97)
Share of the (Surplus) or Deficit				
Lichfield District Council (40%)	£0.00	(£1.33)	(£0.79)	(£0.79)
Central Government (50%)	£0.00	(£1.66)	(£0.99)	(£0.99)
Staffordshire County Council (9%)	£0.00	(£0.30)	(£0.18)	(£0.18)
Staffordshire Fire and Rescue (1%)	£0.00	(£0.03)	(£0.02)	(£0.02)
	£0.00	(£3.33)	(£1.97)	(£1.97)

Lichfield District Council Projected (Surplus) / Deficit in 2016/17 to be included in 2017/18 Budget	(£0.79)
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Favourable ● Adverse

Sundry Debtor Performance

Details	30-Nov-15	30-Nov-16	All Debts Change (%)	Variance
	All Debts £	All Debts £		
Value of sundry income raised	4,412,563	3,530,272	-19.99%	●
Value of debts written off	12,956	44,673	244.80%	●
Value of invoices outstanding	1,646,547	1,426,212	-13.38%	☑
% of income raised	37%	40%		●

Aged Debt Analysis				
Less than 6 months	1,050,906	798,185	-24.04%	☑
More than 6 months	595,641	628,026	5.43%	●

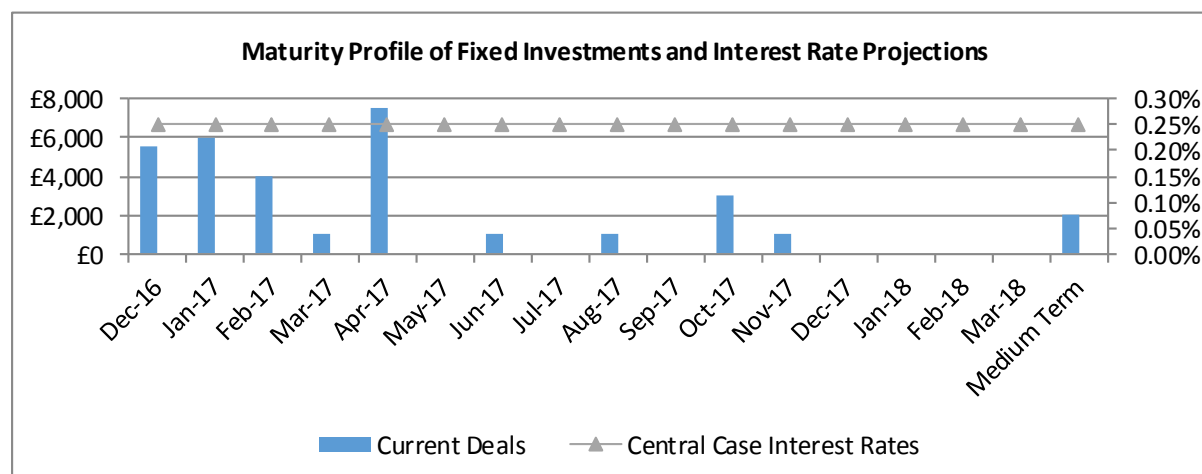
☑ Favourable ● Adverse

Investments in the 2016/17 Financial Year

The table below shows a breakdown of our investments at the end of November 2016:

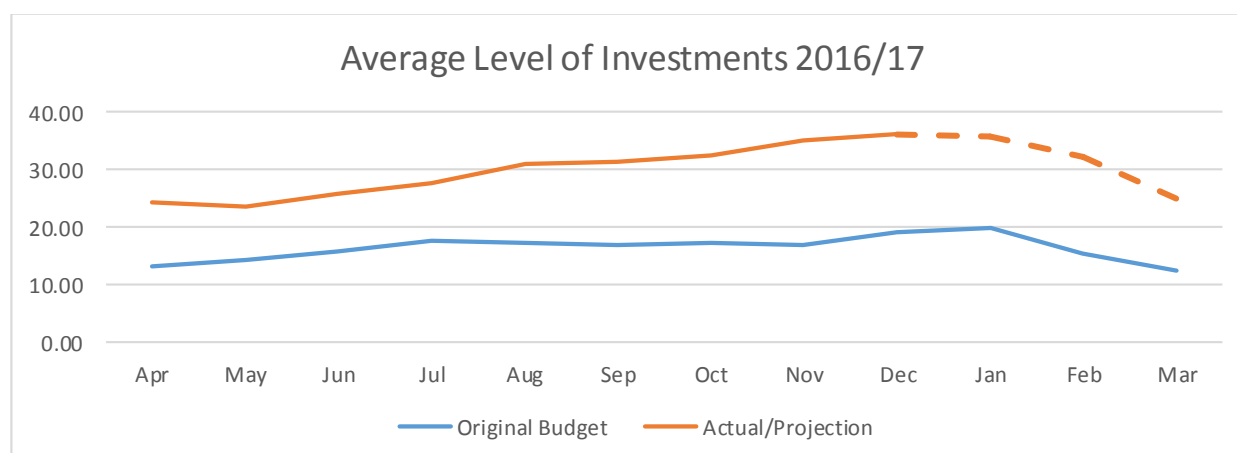
Counterparty	Principal	Matures	Days to Maturity	Rate	Lowest Credit Rating	Country
Money Market Funds						
LEGAL & GENERAL INVESTMENT MANAGEMENT	£1,000,000	01-Dec-16	1	0.32%	AA-	N/A
BNP PARIBAS ASSET MANAGEMENT	£1,000,000	01-Dec-16	1	0.34%	A+	N/A
INVESCO AIM	£1,000,000	01-Dec-16	1	0.31%	AA-	N/A
ABERDEEN ASSET MANAGEMENT	£1,000,000	01-Dec-16	1	0.32%	AA-	N/A
Property Fund						
CCLA - LAMIT PROPERTY FUND	£2,000,000	30-Apr-21	N/A	4.30%	N/A	UK
Fixed Term Investments						
NATIONWIDE BUILDING SOCIETY	£1,000,000	18-Apr-17	139	0.42%	A	UK
LLOYDS BANK PLC	£1,000,000	15-Nov-17	350	1.00%	A	UK
NATIONAL COUNTIES BUILDING SOCIETY	£500,000	09-Dec-16	9	0.72%	NR	UK
DBS BANK LTD	£1,000,000	18-Apr-17	139	0.48%	AA-	SINGAPORE
UNITED OVERSEAS BANK LTD	£1,000,000	18-Aug-17	261	0.48%	AA-	SINGAPORE
LANDESBANK HESSEN-THURINGEN	£1,000,000	17-Mar-17	107	0.43%	A	GERMANY
COMMONWEALTH BANK OF AUSTRAL	£1,000,000	03-Apr-17	124	0.40%	AA-	AUSTRALIA
COVENTRY BUILDING SOCIETY	£500,000	05-Apr-17	126	0.37%	A	UK
AUST AND NZ BANKING GROUP	£1,000,000	12-Dec-16	12	0.53%	AA-	AUSTRALIA
BARCLAYS BANK PLC	£1,000,000	27-Jan-17	58	0.31%	A-	UK
OP CORPORATE BANK PLC	£1,000,000	19-Apr-17	140	0.44%	AA-	FINLAND
Fixed Term Investments - Local Authorities						
SALFORD CITY COUNCIL	£2,000,000	20-Feb-17	82	0.25%	AA	UK
THURROCK BOROUGH COUNCIL	£2,000,000	11-Apr-17	132	0.40%	AA	UK
LANCASHIRE COUNTY COUNCIL	£2,000,000	31-Oct-17	335	0.37%	AA	UK
LEEDS CITY COUNCIL	£2,000,000	28-Feb-17	90	0.30%	AA	UK
Call Accounts with Notice Period						
SANTANDER UK PLC	£1,000,000	29-May-17	180	0.90%	A	UK
SVENSKA HANDELSBANKEN-A SHS	£1,000,000	04-Jan-17	35	0.25%	AA-	SWEDEN
Treasury Bills						
	£2,000,000	16-Jan-17	108	0.30%	AA	UK
Certificates of Deposit						
NORDEA BANK AB	£1,000,000	13-Apr-17	195	0.75%	AA-	SWEDEN
COOPERATIEVE RABOBANK UA	£1,000,000	05-Jan-17	97	0.72%	A+	NETHERLANDS
CAN IMPERIAL BK OF COMMERCE	£1,000,000	10-Oct-17	314	0.56%	A+	CANADA
TORONTO-DOMINION BANK	£1,000,000	27-Jan-17	119	0.92%	AA-	CANADA
Total Investments	£32,000,000					

The maturity profile of these investments at 30 November 2016 compared to our Treasury Management advisor Arlingclose interest rate forecasts is shown in the graph below:



Cash Flow for 2016/17

The graph below compares the budget for average investment levels in 2016/17 with the actual levels.



Performance of the Treasury Management Function

The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).

Security:

Our aim for the risk status of our portfolio was **A-** utilising the lowest rating from the three credit rating agencies.

The investments outstanding at the 30 November 2016 had a risk status of **AA-** based on the length of the investment and **AA-** based on the value of the investment, which is a more secure risk status. These risk statuses are both compliant with our aim and the recommendations from our Treasury Management advisors.

In addition, we are currently keeping the length of our investments relatively short term to ensure that we can react to changes in counterparty credit risk very easily.

The time limits were relatively short to manage counterparty credit risk (a bank or building society being unable to repay our investment). We also maintained balances in Money Market Funds to provide for unforeseen cash flow requirements. The average length of investments we have made in 2016/17 is **185 days**.

Liquidity:

Measuring the performance in relation to liquidity is a much more difficult task and the easiest way to assess performance is to see how frequently we needed to borrow on a temporary basis during the financial year. We are actively managing liquidity risk in 2016/17 by purchasing Certificates of Deposit and Treasury Bills because they can be sold on the secondary market in the event the money is required for unforeseen circumstances. We also have significant sums invested in call accounts and Money Market Funds which provide instant access to cash. Therefore, due to the level of our liquid investments in 2016/17 we did not need to temporarily borrow.

Yield:

In the eight months of 2016/17 we have achieved an average interest rate of **0.76%**. We project an average return of **0.70%** and this compares to our performance indicator of the average Seven-day London Inter-bank Bid (LIBID) rate, which was **0.24%**, the one month rate was **0.26%**, the three month rate was **0.36%** and the six month rate was **0.49%**.

In terms of interest receipts, there are two key risks/sensitivities:

- a) The interest rate receivable.
- b) The amount of money we have available to invest.

The interest rates, amounts of money we had available to invest, interest receipts, interest paid and net investment income are shown in the table below:

Details	2016/17 Current Budget	2016/17 Projected Outturn
Average amount we had available to invest (£m)	£30.09m	£30.09m
Average Interest Rate (%)	0.70%	0.70%
Interest Receipts	(191,240)	(191,240)
Interest Paid and Other Costs	4,500	4,500
Net Investment Income (£)	(£186,740)	(£186,740)
Car Loan and Other Interest	(1,000)	(1,000)
External Borrowing Interest	37,400	37,400
Minimum Revenue Provision	63,000	63,000
Net Treasury Position (£)	(£87,340)	(£87,340)

The Medium Term Financial Strategy (Revenue and Capital) 2016-21 (MTFS)

Report of the Cabinet Member for Finance and Democracy

Date: 30 January 2017
 Agenda Item: 6
 Contact Officers: Diane Tilley/Anthony Thomas
 Tel Number: 01543 308001/308012
 Email: diane.tilley@lichfielddc.gov.uk/
 anthony.thomas@lichfielddc.gov.uk
 Key Decision? YES
 Local Ward Full Council
 Members



**Strategic
 (Overview and
 Scrutiny)
 Committee**

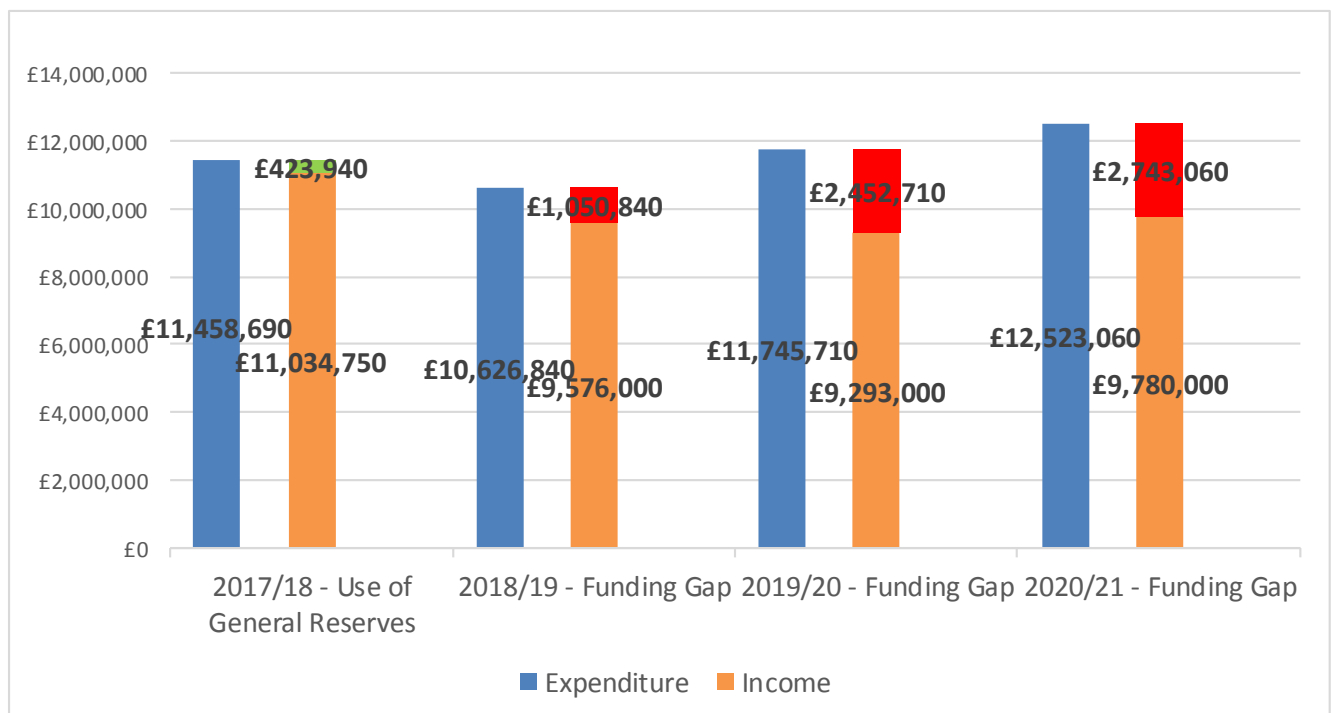
1. Executive Summary

The Medium Term Financial Strategy

- 1.1 The ability to deliver the outcomes set out in the **Lichfield District Council Strategic Plan 2016-20** is dependent on the resources available identified in the MTFS over the life of the current Strategic Plan and beyond.
- 1.2 The Council has a statutory duty to set a balanced budget and to calculate the level of Council Tax for its area. The Chief Financial Officer (CFO) has a statutory duty to ensure the figures provided for estimating and financial planning are robust and will stand up to Audit scrutiny.
- 1.3 The Local Government Act 2003 places duties and requirements on the Authority on how it sets and monitors its budgets, including the CFO's report on the Robustness of the Budget and adequacy of Reserves and this report forms part of the MTFS.

The Revenue Budget

- 1.4 The Revenue Budget with the use of general reserves in 2017/18 and Funding Gaps in later years is shown in detail at **APPENDIX A** and in summary in the graph below:



- 1.5 The Council is legally required to balance the budget in the first year (2017/18) of the MTFS and to set out its proposals to balance the further financial years - 2018/19, 2019/20 and 2020/21.

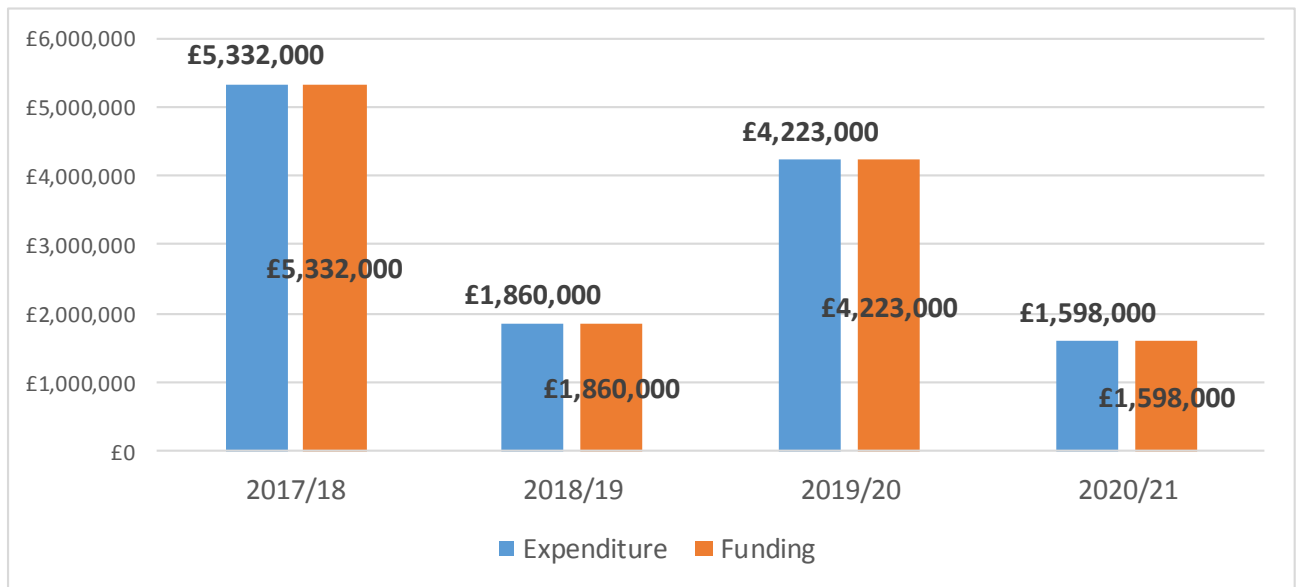
1.6 The MTFs proposes a transfer from General Reserves of (£423,940) for 2017/18 and in later years a projected Funding Gap has been identified. The Council would have £2,462,700 of General Reserves available (after taking account of the Minimum Level of Reserves) after this contribution to assist with balancing the budget in future years, if needed.

1.7 The Council will need to make significant levels of savings or achieve additional income to close the Funding Gap by 2020/21.

The Capital Programme

1.8 The Capital Programme is the investment plan for our Lichfield District Council Strategic Plan 2016-20 and beyond.

1.9 A summary of the Capital Programme contained in the MTFs is shown in detail at APPENDICES B & C and in the chart below:



1.10 The Capital Programme is projected to be fully funded and therefore does not have any Projected Funding Gaps. However the funding assumes that the sale of the Bore Street Shops (or alternative sales) is completed for a minimum of (£1,274,000).

1.11 The Capital Receipts (due to its uncertainty, the (£250,000) Friarsgate Land Receipt is not currently used for funding the Capital Programme) projected in the MTFs are shown in the graph below:



The CFO's Report on the Robustness of the Budget and the Adequacy of Reserves

1.12 In accordance with the Local Government Act 2003 (Sections 25-27) and to comply with CIPFA Guidance on Local Authority Reserves and Balances, the CFO is required to formally report to Members on the robustness of the Budget and the adequacy of Reserves and this is shown at **APPENDIX D**.

Treasury Management

1.13 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement and Prudential Indicators on an annual basis. This Treasury Management Strategy Statement also incorporates the Annual Investment Strategy that is a requirement of Communities and Local Government's Investment Guidance. Together, these cover the financing and investment strategy for the forthcoming financial year.

1.14 The purpose of the Treasury Management Strategy Statement is, therefore, to approve :

- Balance Sheet Projections and Borrowing Requirement and Strategy for 2017/18 (**APPENDIX E**).
- Minimum Revenue Provision Statement 2017/18 (**APPENDIX F**).
- Treasury Management Policy Statement, Annual Investment Strategy and Cash Flow Forecast for 2017/18 (**APPENDIX G**).
- Use of Specified and Non-Specified Investments (**APPENDIX H**).
- Prudential Indicators 2016-21 (**APPENDIX I**).

1.15 All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Recommendations

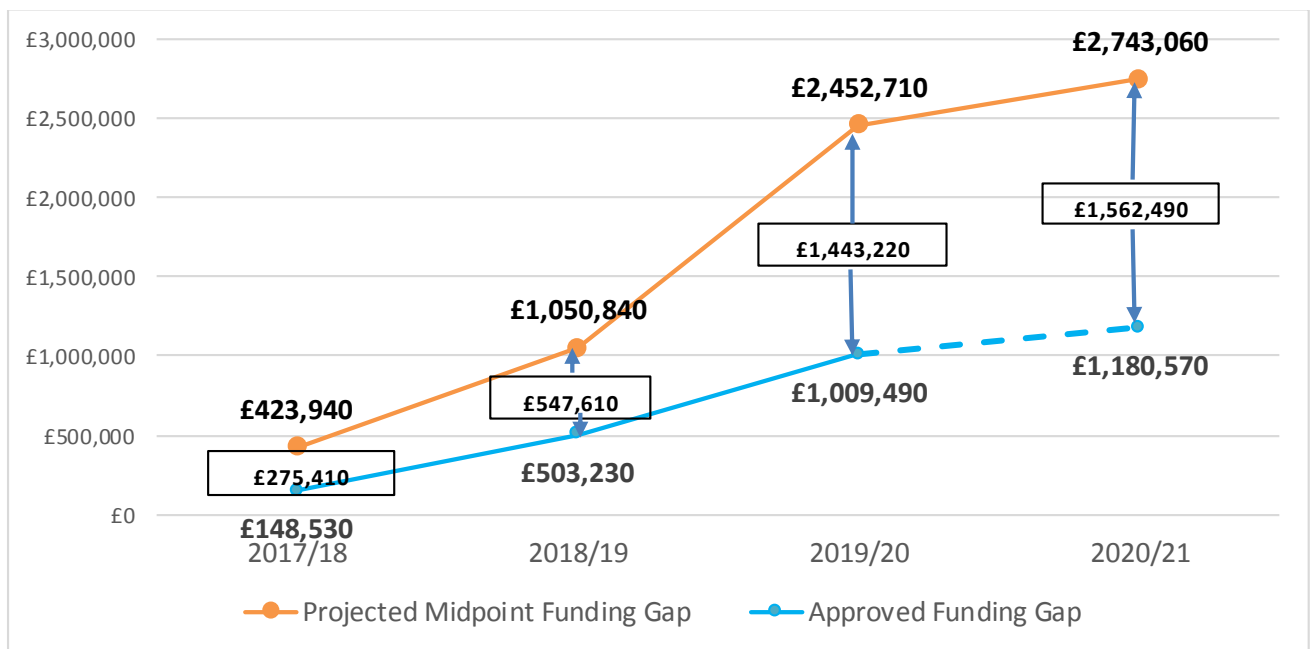
That the Committee scrutinise the MTFs and provide feedback to Cabinet in relation to:

- 2.1 The 2017/18 Revenue Budget, including the Amount to be met from Government Grants and Local Taxpayers of **£11,034,750**, forecasts a proposed level of Council Tax (the District Council element) for 2017/18 of **£164.99** for a Band D equivalent property.
- 2.2 The MTFs 2016-21 Revenue Budgets set out in **APPENDIX A**.
- 2.3 The MTFs 2016-21 Capital Strategy and Capital Programme, outlined in **APPENDICES B & C**.
- 2.4 The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in **APPENDIX D**.
- 2.5 Balance Sheet Projections and Borrowing Requirement and Strategy 2016-21, contained within **APPENDIX E**.
- 2.6 The Minimum Revenue Provision Statement 2017/18, contained within **APPENDIX F**, which sets out the Council's policy of using the asset life method as the basis for making prudent provision for debt redemption.
- 2.7 Treasury Management Policy Statement and The Annual Investment Strategy 2017/18 and the detailed criteria - **APPENDIX G**.
- 2.8 The use of Specified and Non-Specified Investments - **APPENDIX H**.
- 2.9 The Prudential Indicators and limits for 2016-21 contained within **APPENDIX I** of this report.
- 2.10 The Authorised Limit Prudential Indicator shown within **APPENDIX I**.

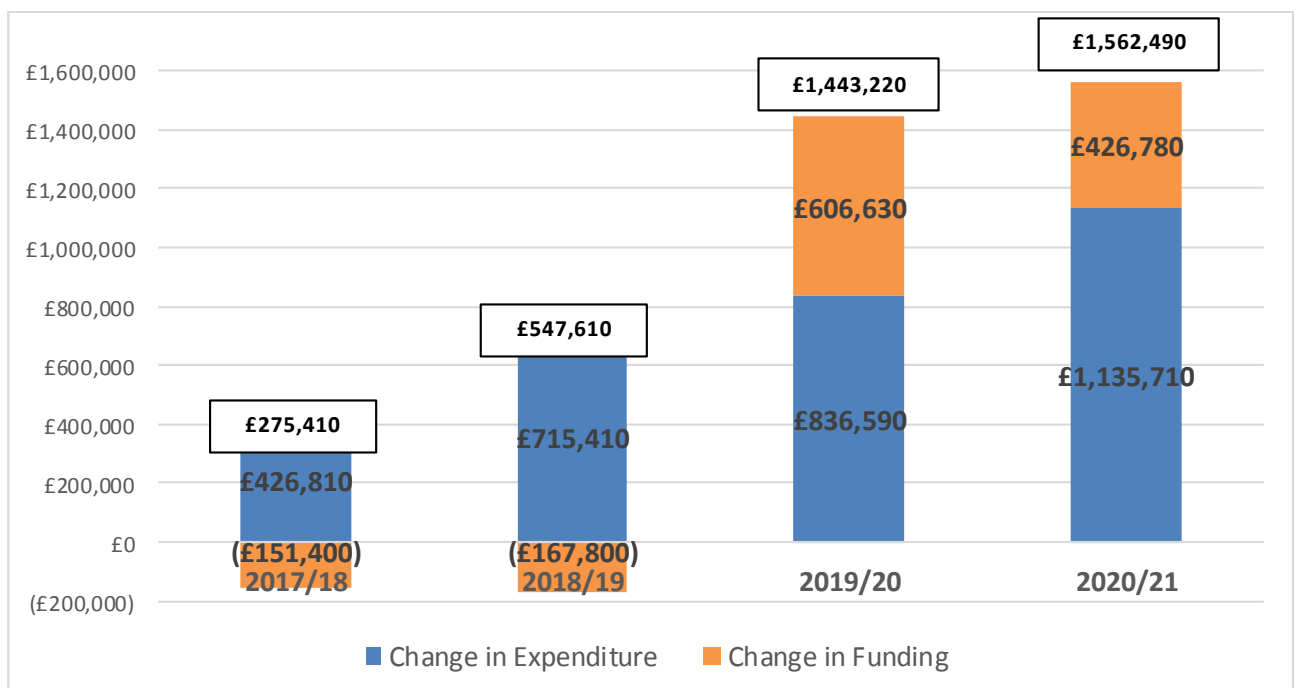
3. Background

The Revenue Budget

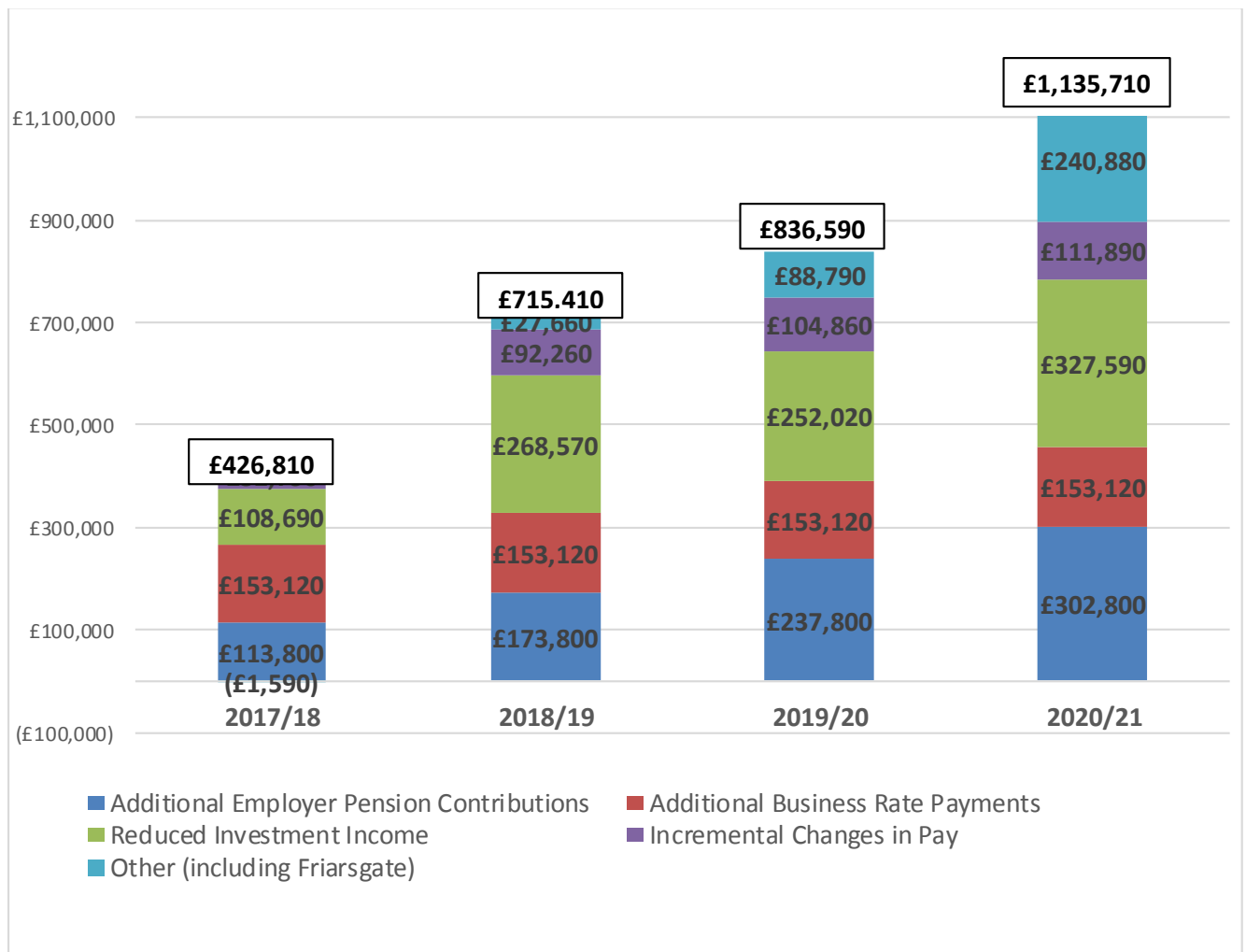
- 3.1 The MTFS covering 2016-20 was approved by Council on 23 February 2016 and included the projected level of Funding Gaps for 2017/18 to 2019/20.
- 3.2 Throughout the financial year, Money Matters reports have been provided to both Cabinet and Strategic (Overview and Scrutiny) Committee at three, six and eight month (a separate report on this agenda) intervals to monitor financial performance.
- 3.3 The Revenue Budget is shown by both Strategic Priority and Service Area in detail at **APPENDIX A**.
- 3.4 The projected Funding Gap compared to the Approved Funding Gap (shown in the Money Matters Report elsewhere on this agenda) plus a further projection for 2020/21 is shown in the graph below:



- 3.5 There has been a significant increase in the size of the projected Funding Gap and this is as a result of increases in expenditure and changes in funding as summarised in the graph below:



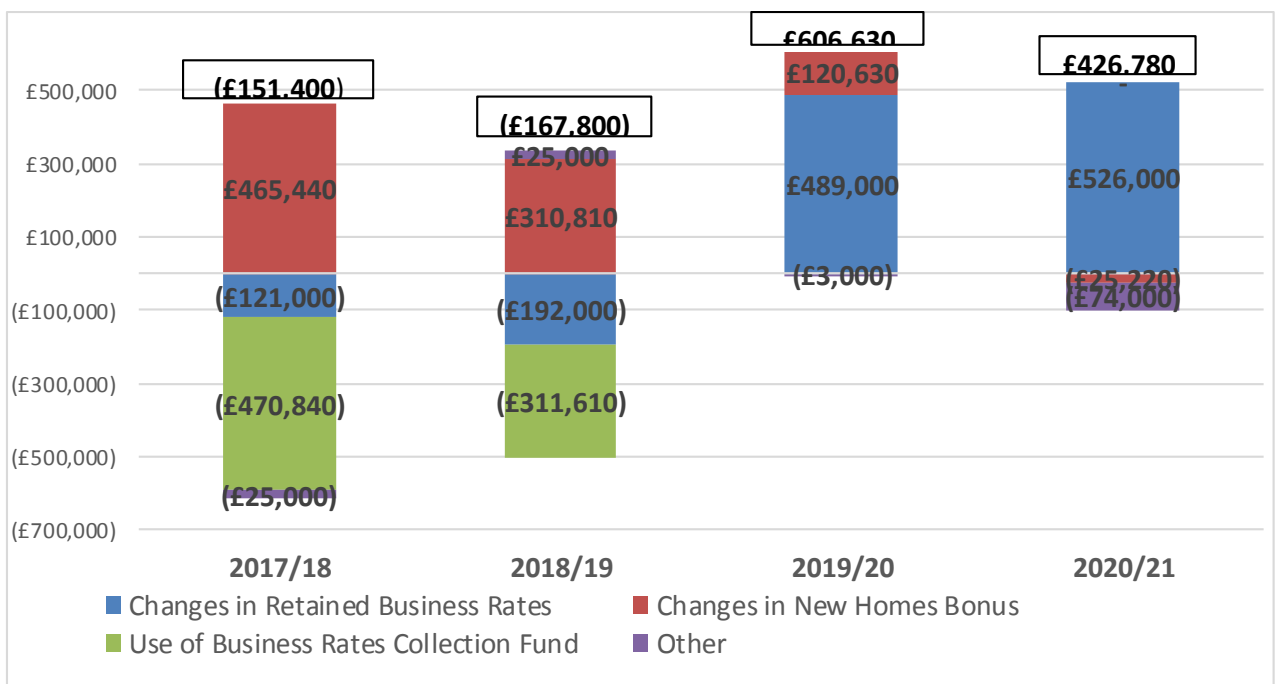
- 3.6 The projected Funding Gap excludes the savings targets set for current F4F Reviews including Leisure Services and Revenues and Benefits Services which are still in progress. When completed and approved by Council the MTFS will be adjusted to reflect any savings from these Reviews.
- 3.7 The MTFS is based on the Provisional Local Government Financial Settlement published on 15 December 2016. The final Settlement will not be announced until February 2017. There are a number of areas where results of the consultation and subsequent Government decisions, could impact on our Settlement thus requiring further changes to the MTFS.
- 3.8 The key reasons for the increase in expenditure compared to the Approved MTFS are explained in the chart below:



- 3.9 These increases in expenditure are explained in more detail below:
- Additional Employer Pension Contributions** – the Pension Scheme triennial valuation in 2016 has been undertaken to check progress against the plan to ensure the Pension Fund is fully funded. The contribution strategy for each Employer must attempt to close any deficit over a set period of time and the level of contribution has been set for the next three years of 2017/18, 2018/19 and 2019/20. In addition, we have estimated an increase for 2020/21 in line with this triennial valuation. In all years, the projected employer pension contributions are higher than the Approved Budget.
 - Additional Business Rate Payments** – Business Rates revaluation has meant a net increase in the Rateable Value of Council owned properties of **£310,000** and although the rate in the pound (multiplier) is projected to reduce from **48.4p** to **46.7p** there will be an additional annual cost to the Council. The transitional protection introduced may reduce the level of increase in the earlier years.

- **Reduced Investment Income** – The level of investment returns was based on our Treasury Management Advisors interest rate forecasts near the end of 2015. These forecasts assumed a gradual increase in interest rates over the period of the MTFS to reflect the improved economic conditions. However, following the EU Referendum result and its immediate impact on the economy, the Bank of England on the 4 August 2016 reduced interest rates to **0.25%** and the rate (or an even lower rate) is now expected to remain for the Medium Term.
- **Incremental and Other Changes in Pay** – this includes salary incremental changes as employee progress through their salary scales.
- **Other (Including Friarsgate)** - including Inflation increases and other general changes. In addition, the financial implications of Friarsgate are based on the report to Cabinet on 1 November 2016 and include a projected cost pressure (in excess of the available Earmarked Reserve) for the project in 2020/21 of **£112,000**.

3.10 The key reasons for the change in funding compared to the Approved MTFS are explained in the chart below:



3.11 These changes in funding are explained below:

- **New Homes Bonus** – the Local Government Finance Settlement introduced a number of changes to the New Homes Bonus regime following the consultation with the aim of identifying savings “of at least £800m” for Social Care. The proposed changes are detailed below:
 - Payments will be reduced from **six years to five** in 2017/18 and to **four years** from 2018/19.
 - A National baseline (deadweight) for growth of **0.4%** (the consultation mentioned **0.25%**) will be introduced. Only growth in excess of the baseline will attract New Homes Bonus. The Government has also reserved the right to alter the level in the event of significant or unforeseen housing growth.
 - Additional conditions will be applied such as withholding payment where there is no Local Plan or where houses are built after an appeal. These options will be subject to further consultation.

The introduction of the National baseline (deadweight) has had the most significant impact on the Approved Budgets in 2017/18 and 2018/19.

- **Retained Business Rates** – the current 50% Business Rates regime has a number of significant risks. These risks include revaluations, Business Rate Appeals and the review of how need is reflected in the system from April 2020. The move to 100% retention of Business Rates by Local Government in 2020 and the regime that will operate is currently not clear and therefore creates significant uncertainty and risk from 2019/20. To mitigate the significant risk from 2019/20 the level of retained Business Rates has been reduced to be closer to the Government set Baseline.
- **The Business Rates Collection Fund Surplus** – The Money Matters Report for eight months elsewhere on this agenda projects a Business Rates Collection Fund surplus for 2016/17 of **(£789,000)**. This sum will be credited to the Revenue Budget in 2017/18 and it is recommended that the majority of this sum is utilised in 2017/18 and 2018/19 to offset the two years where the reduction in New Homes Bonus is highest.
- **Other** – these are other small funding changes including changes in Council Tax income.

3.12 The detailed assumptions used in the calculation of funding in the revenue budget are shown in detail at **APPENDIX A**.

3.13 To provide an element of certainty for Revenue Support Grant and Transition Grant the Council accepted the Government's invitation to be part of a four year settlement covering the years 2016/17 to 2019/20.

3.14 As part of this multi-year settlement process, the Council was required to develop and publish an Efficiency Plan. This Plan sets out the Council's approach to identifying the savings identified in the MTFS. This plan includes four strands:

- **In Year Efficiency Savings/Income Generation.** This is in recognition of the Council's favourable financial performance over the last three financial years, in comparison with the Approved Budget.
- **Fit for the Future (F4F) Efficiency Savings/Income Generation.** This is part of the Council's ongoing F4F programme. This programme is designed to manage the change that will be needed across The Council and its services in order to meet all of the changes following the fundamental review of Local Government finances.
- **F4F Transformational Change.** This is the element of the F4F programme designed to reshape and redesign The Council and its services into one that is fit for the future.
- **Growing the Business Rates and Council Tax base.** The Council will seek to maximise the growth of both of these in order to increase the income from these funding sources. This will help to enable The Council to become financially self-sufficient over the medium term.

The Capital Strategy

3.15 The Capital Strategy is shown at **APPENDIX B** and sets out the Council's framework for managing the Capital Programme including:

- Project identification and prioritisation.
- Planning obligations.
- The disposal of assets.
- Project and service procurement.
- Project implementation and monitoring.
- Performance Measurement.

The Capital Programme

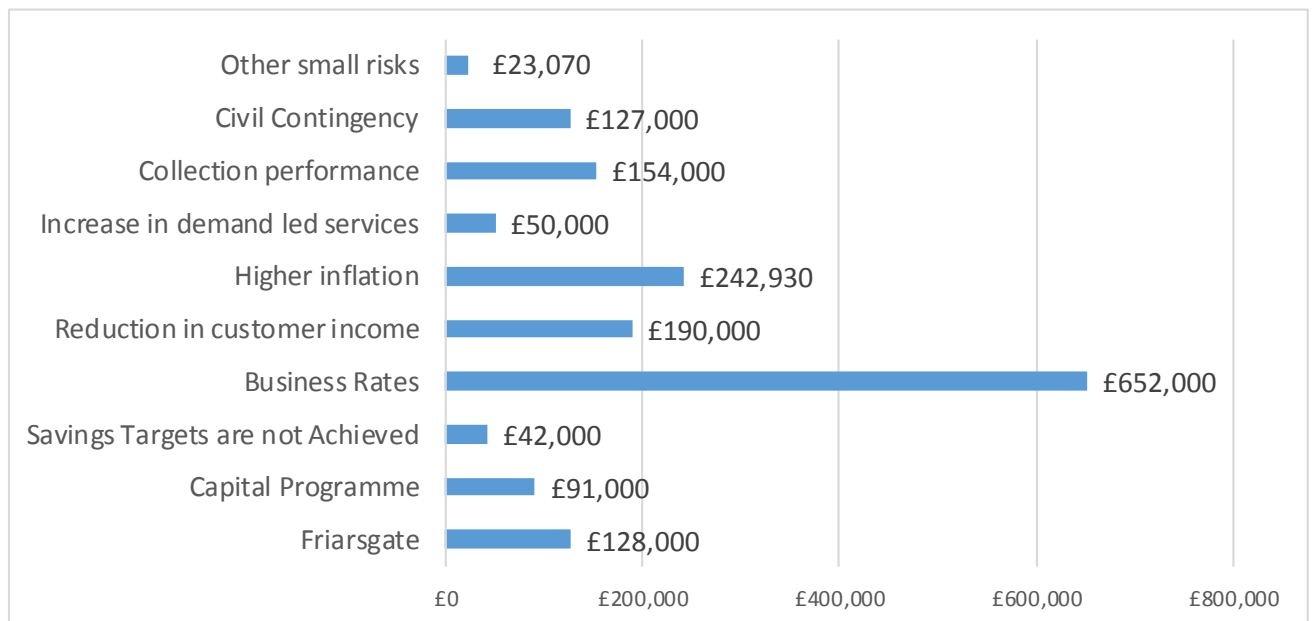
3.16 The Capital Programme is shown at **APPENDIX C** and is the investment plan for the Strategic Plan and beyond. It includes:

- The Capital Programme.
- The funding of the Capital Programme.
- The Corporate Council funded element of the Capital Programme.
- The Revenue Implications of the Capital Programme.

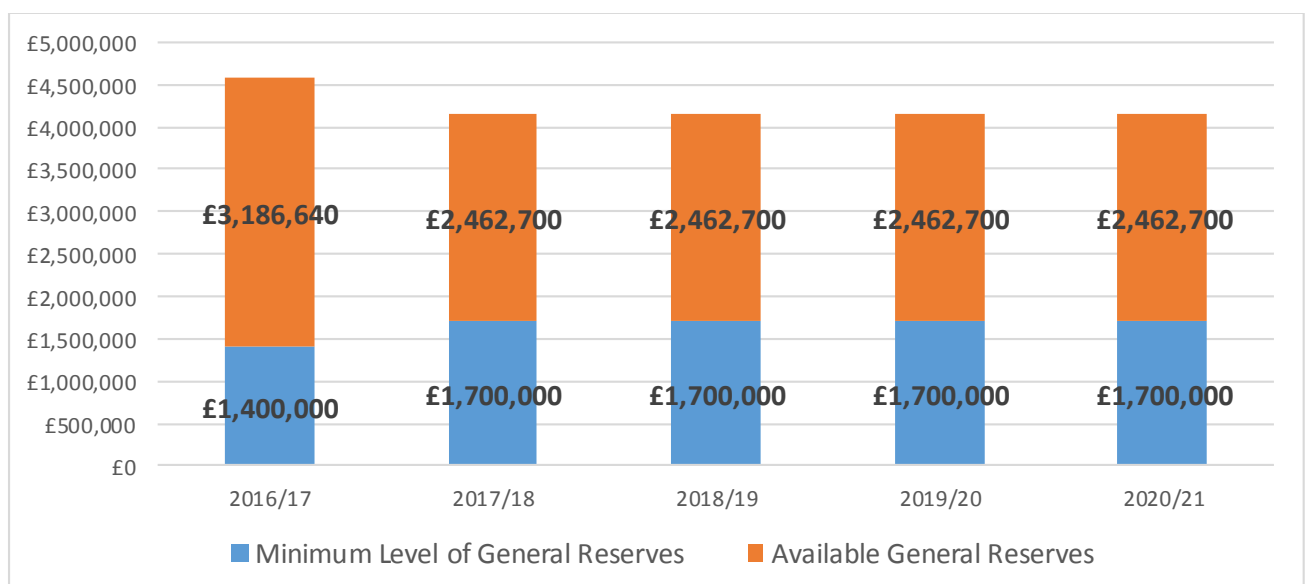
The Use of General Reserves and the Minimum Level

3.17 It is prudent for the Council to maintain an adequate ‘working balance’ or Minimum Level that is part of its general reserves. A risk assessment approach in line with Best Practice is used to determine the required Minimum Level and the level of general and earmarked reserves.

3.18 The Approved Minimum Level is **£1,400,000** and the MTFS projects an increase in this Minimum Level to **£1,700,000**. The main elements of the risk assessment are shown in detail at **APPENDIX D** and are summarised in the graph below:



3.19 The projected level of general reserves categorised by the Minimum Level and the level of reserves available for use by the Council for the MTFS are shown in the chart below:



Treasury Management

3.20 CIPFA has defined Treasury Management as :

“the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.21 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are an important and integral element of its treasury management activities. The main risks to the Council’s treasury activities are:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal and Regulatory Risk

3.22 The Strategy also takes into account the impact of the Council’s Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators and the outlook for interest rates.

3.23 Cash Flow Forecast

- Treasury Management includes the management of the Council’s cash flows as a key responsibility. The cash flow forecast takes account of the income the Council receives including Housing Benefits Grant, Council Tax and Business Rate income together with expenditure such as payments to precepting bodies, employee costs and Housing Benefit payments.
- The planned monthly cash flow forecast for the 2017/18 financial year has been used to calculate the investment income budget. The key components of this calculation are the average level of investment balances and the yield achieved.
- The interest receipts have been estimated as **(£118,000)** (this equates to **4%** of The Council’s income from Central Government grants and Retained Business Rates of **£2,720,000** in **2017/18**), interest and other payments of **£39,400** and Minimum Revenue Provision of **£62,900**.
- The graph of cash flow trends for 2014-18 shows the level of our investments is reducing due to the funding of our Capital Programme and the use of Balances to fund the Revenue Budget.
- In addition, the monthly cash flow together with the graph, shows investment levels increase in the first half of the year peaking in January 2018. This is due to receipt of Council Tax and Business Rate income instalments. However, these receipts reduce in the second half of the year because of our spend profile and the majority of Council Tax and Business Rate instalments end in January 2018.

3.24 Balance Sheet Projections

- As part of the MTFs, we prepare Revenue Budgets and a Capital Programme. These budgets together with the actual Balance Sheet from the previous financial year are used to also prepare Balance Sheet projections.
- These Balance Sheet projections (**APPENDIX E**) are significant in assessing the Council’s Treasury Management Position in terms of borrowing requirement, investment levels and our Investment Policy and Strategy.

3.25 Minimum Revenue Provision Statement 2016/17

- The Council is required to make prudent provision for debt redemption (known as Minimum Revenue Provision (MRP) and each year the Council must approve its MRP statement and this will include an allowance for leases that appear on Council’s Balance Sheet.
- As in previous years, the Council proposes to base its MRP on the estimated life of the asset (**APPENDIX F**).

3.26 Treasury Management Advice and the Expected Movement in Interest Rates

- The Official Bank Rate outlook provided by the Council’s Treasury Advisor is shown below:

Projection	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019
Optimistic ¹	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

- The Central Case rates have been used as the basis for preparation of the investment income budgets for 2017/18 and future years.

3.27 Treasury Management Policy Statement, Annual Investment Strategy and Specified and Non-Specified Investments

- The criteria and limits for Specified Investments and Non-Specified Investments are shown in detail at **APPENDICES G & H**.
- There are three changes to the previously Approved Investment Limits related to:
 1. **Approved Counterparties** (page 35) – in line with the advice of our Treasury Management Advisors we have removed the **BBB-** category.
 2. **Non Specified Investments** (page 37) – We have increased the limit for total investments without credit ratings or rated below A- from **£5m** to **£8m** to enable further investment in pooled investments.
 3. **Prudential Indicator 13 related to Principal Sums Invested greater than 364 days** (page 44) - this change reflects the projected higher levels of cash available to invest and provides flexibility to invest in additional longer term investments such as pooled investments. The Approved and recommended levels are shown below:

Year	Approved	Recommended
2016/17	£3.5m	£6.0m
2017/18	£2.5m	£6.0m
2018/19	£2.5m	£6.0m
2019/20	£2.5m	£6.0m
2020/21	£2.5m	£6.0m

Alternative Options	There are no alternative options.
Consultation	Strategic (Overview and Scrutiny) Committee at its meeting on 30 January 2017 scrutinised the MTFS 2016-21 and the Chair will provide feedback to Cabinet, as appropriate.

¹ This is a scenario where Interest Rates increases earlier than the central case projection.

Financial Implications

Prudential Indicators (PIs)

The Prudential Indicators are shown in detail at **APPENDIX I**, and in the table below:

PI	Description	2016/17 Revised	2017/18 Original	2018/19 Original	2019/20 Original	2020/21 Original
1	Capital Expenditure (£m)	£2.925m	£5.332m	£1.860m	£4.223m	£1.598m
2	Ratio of Financing Costs to Net Revenue Stream (%)	5%	5%	5%	6%	5%
3	Capital Financing Requirement (£m)	£4.806m	£4.300m	£3.783m	£3.387m	£2.833m
3	Net external borrowing does not exceed the Capital Financing Requirement in the current year plus the next two years	True	True	True	True	True
4	Actual External Debt including Finance Leases (£m)	(£3.962m)	(£3.461m)	(£2.930m)	(£2.520m)	(£1.953m)
5	Incremental impact of capital investment decisions on Band D Council Tax (£)	(£0.12)	(£0.21)	(£0.91)	(£0.83)	(£1.64)
6	Authorised Limit (Maximum) (£m)	£13.857m	£14.108m	£14.604m	£14.912m	£14.990m
7	Operational Boundary (Maximum) (£m)	£5.972m	£5.895m	£5.834m	£5.773m	£5.712m
8	Adoption of CIPFA Code of Practice in Treasury Management	Yes				
9	Is our Gross Debt in excess of our Capital Financing Requirement and are we therefore borrowing in advance of need ?	No	No	No	No	No
	<u>Interest Rate Exposures (%)</u>					
10	Upper Limit for Investments (Fixed Interest Rate Exposure)	(100%)	(100%)	(100%)	(100%)	(100%)
10	Upper Limit for Investments (Variable Interest Rate Exposure)	100%	100%	100%	100%	100%
11	Upper Limit for Borrowings (Fixed Interest Rate Exposure)	(100%)	(100%)	(100%)	(100%)	(100%)
11	Upper Limit for Borrowings (Variable Interest Rate Exposure)	30%	30%	30%	30%	30%
	<u>Maturity Structure of Fixed Rate Borrowing (Upper Limit) (%)</u>	<u>Lower Limit</u>	<u>Upper Limit</u>			
12	Under 12 months	0%	100%			
12	12 months and within 24 months	0%	100%			
12	24 months and within 5 years	0%	100%			
12	5 years and within 10 years	0%	100%			
12	10 years and within 20 years	0%	100%			
12	20 years and within 30 years	0%	100%			
12	30 years and within 40 years	0%	100%			
12	40 years and within 50 years	0%	100%			
12	50 years and above	0%	100%			
13	Principal sums invested > 364 days (£m)	£6.000m	£6.000m	£6.000m	£6.000m	£6.000m
14	Credit Risk	We consider security; liquidity and yield, in that order, when making investment decisions				

Contribution to the Delivery of Lichfield District Council's Strategic Plan

The report directly links to overall performance and especially the delivery of Lichfield District Council's Strategic Plan 2016-20 and beyond.

Equality, Diversity and Human Rights Implications

These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.

Crime & Safety Issues

These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Council Tax is not set by the Statutory Date of 11 March 2017 .	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements	Green - Tolerable
B	Planned Capital Receipts are not received related to the Asset Strategy Review and other Reviews	The budget for capital receipts will be monitored as part of The Council's normal budget monitoring procedures.	Yellow - Material
C	Achievement of The Council's key Council priorities	Close monitoring of performance and expenditure; maximising the potential of efficiency gains; early identification of any unexpected impact on costs including Central Government Policy changes, movement in the markets, and changes in the economic climate.	Green - Tolerable
D	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations processes.	To closely monitor the level of appeals. An allowance of 4.7% (in line with the DCLG Allowance) for appeals has been included in the Business Rate Estimates.	Red - Severe
E	The financial impact of the changes to the New Homes Bonus regime announced in the Local Government Finance Settlement	The housing projections utilised in the projections for New Homes Bonus will need to take account of the reduction in payments from 6 to 4 years and the inclusion of a baseline of 0.40% .	Red - Severe
F	The Full Localisation of Business Rates from 2020	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Red - Severe

Background documents:

CIPFA Code of Practice for Treasury Management in the Public Services.

The Prudential Code for Capital Finance in Local Authorities.

- Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2016-20 Cabinet - 9 February 2016
- Procurement of Contract Hire Vehicles – Cabinet 9 February 2016
- Review of the Civic Function – Cabinet 5 April 2016
- Re-procurement of property and place related software applications – Cabinet 5 April 2016
- Re-procurement of Desktop Operating Software Contract – Cabinet 5 April 2016
- Approval of Formal Car Parking Strategy – Cabinet 10 May 2016
- Proposed Revised Charges for Street Naming and Numbering – Cabinet 5 July 2016
- Broadband Connections – Cabinet 5 July 2016
- Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy – Cabinet 6 September 2016
- Friarsgate – Coach Park Lease – 4 October 2016
- Friarsgate - Amendments to the Development Agreement – Cabinet 1 November 2016
- Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy – Cabinet 6 December 2016
- Money Matters : Council Tax, National Non Domestic Rates and Pension Contributions – Cabinet 17 January 2017
- Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy – Cabinet 7 February 2017

Relevant web link :

The Provisional Local Government Finance Settlement:

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2017-to-2018>

APPENDIX A

GENERAL FUND TOTAL REQUIREMENT DISTRICT COUNCIL PURPOSES						
FOR FINANCIAL YEARS 2016/17 to 2020/21 ANALYSED BY STRATEGIC PRIORITY AND SERVICE AREA						
BUDGET	2016/17		2017/18	2018/19	2019/20	2020/21
	Original Budget	Revised Budget	Original Budget	Original Budget	Original Budget	Original Budget
	£	£	£	£	£	£
LEVEL OF UNCERTAINTY / RISK	LOW			MEDIUM	HIGH	
Strategic Priority						
A vibrant and prosperous economy	(344,170)	(944,510)	(534,990)	(487,800)	(427,060)	(322,260)
A council that is fit for the future	5,242,500	5,358,160	5,653,680	5,897,350	6,143,370	6,388,830
Healthy and safe communities	1,880,350	1,862,280	1,814,520	1,924,480	2,044,220	2,115,340
Clean, green and welcoming places to live	3,851,380	3,527,450	3,882,240	4,008,490	4,112,950	4,195,650
Efficiency Plan	(350,000)	0	0	0	0	0
Savings Required	0	0	0	(1,050,840)	(2,452,710)	(2,743,060)
Net Cost of Services	10,280,060	9,803,380	10,815,450	10,291,680	9,420,770	9,634,500
Service Area						
Chief Executive	849,370	707,760	767,480	774,540	781,680	788,920
Finance & Procurement	984,000	1,412,960	1,489,630	1,659,780	1,830,980	2,000,960
Legal, Property & Democratic Services	296,130	23,590	281,610	291,870	323,430	341,360
Revenues, Benefits and Customer Services	723,570	570,130	701,630	748,860	793,250	813,410
Corporate Services	2,434,330	2,393,600	2,313,110	2,366,270	2,421,600	2,478,880
Leisure & Operational Services	2,522,060	2,523,000	2,514,620	2,653,380	2,825,190	2,912,430
Development Services	181,530	(44,920)	139,360	154,570	168,670	180,200
Economic Growth	16,770	(220,140)	105,530	130,550	147,700	226,150
Regulatory Services, Housing & Wellbeing	1,348,170	1,230,940	1,279,760	1,292,740	1,306,510	1,319,070
Waste Services	1,274,130	1,206,460	1,222,720	1,269,960	1,274,470	1,316,180
Efficiency Plan	(350,000)	0	0	0	0	0
Savings Required	0	0	0	(1,050,840)	(2,452,710)	(2,743,060)
Net Cost of Services	10,280,060	9,803,380	10,815,450	10,291,680	9,420,770	9,634,500
Net Treasury Position	(25,000)	(87,340)	(15,600)	(7,200)	(6,800)	(6,450)
Revenue Contributions to the Capital Programme	154,000	181,500	154,000	154,000	154,000	154,000
Net Operating Cost	10,409,060	9,897,540	10,953,850	10,438,480	9,567,970	9,782,050
Less : Transfer (from) / to General Reserve	8,560	307,500	(423,940)	0	0	0
Less : Transfer (from) / to Earmarked Reserves	108,020	258,960	504,840	(862,480)	(274,970)	(2,050)
Amount to be met from Government Grants and Local Taxpayers	£10,525,640	£10,464,000	£11,034,750	£9,576,000	£9,293,000	£9,780,000

Retained Business Rates	(2,320,000)	(2,226,300)	(2,484,000)	(2,423,000)	(2,259,000)	(2,261,000)
Revenue Support Grant / Tariff Adjustment	(773,000)	(773,000)	(236,000)	0	453,000	463,000
Returned New Homes Bonus	0	(4,400)	(5,000)	0	0	0
Business Rates Cap	0	(32,360)	0	0	0	0
Parish Local Council Tax Support	107,000	107,000	87,000	78,000	58,000	58,000
New Homes Bonus	(1,882,700)	(1,878,000)	(1,422,000)	(878,000)	(909,000)	(1,144,000)
Transition Grant	(51,940)	(51,940)	(51,750)	0	0	0
Council Tax Collection Fund (surplus) / deficit	(58,000)	(58,000)	(40,000)	0	0	0
Business Rates Collection Fund (surplus) / deficit	310,000	310,000	(789,000)	0	0	0
Council Tax Requirement	(5,857,000)	(5,857,000)	(6,094,000)	(6,353,000)	(6,636,000)	(6,896,000)
Council Tax Base	36,610	36,610	36,935	37,370	37,889	38,231
Lichfield District Council Tax Requirement	£159.99	£159.99	£164.99	£169.99	£174.99	£179.99

Amount to be met from Government Grants and Local Taxpayers	11,034,750	9,576,000	9,293,000	9,780,000
Use of General Reserves / Funding Gap	423,940	1,050,840	2,452,710	2,743,060
Total Expenditure	£11,458,690	£10,626,840	£11,745,710	£12,523,060

Funding Lichfield District Council’s Strategic Plan 2016-20: The Financial Strategy

1. The ability to deliver the outcomes set out in the Strategic Plan is dependent on resources, and therefore this must drive the Medium Term Financial Strategy.

2. The Local Government Act 2003 (Sections 25-28) places duties on Local Authorities on how they set and monitor budgets.

The Council’s Chief Financial Officer (CFO), is of the opinion that the estimates are robust and the Council’s proposed Reserves are adequate (Sections 25-27).

Section 28 of the Act places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been deterioration in the Authority’s financial position, the Authority must take such action as it considers necessary.

The Council currently reviews the Budget on a quarterly basis and this practice will continue.

Supporting information on the Chief Financial Officer’s Report on the robustness of the budget and the adequacy of Reserves is shown in **APPENDIX D**.

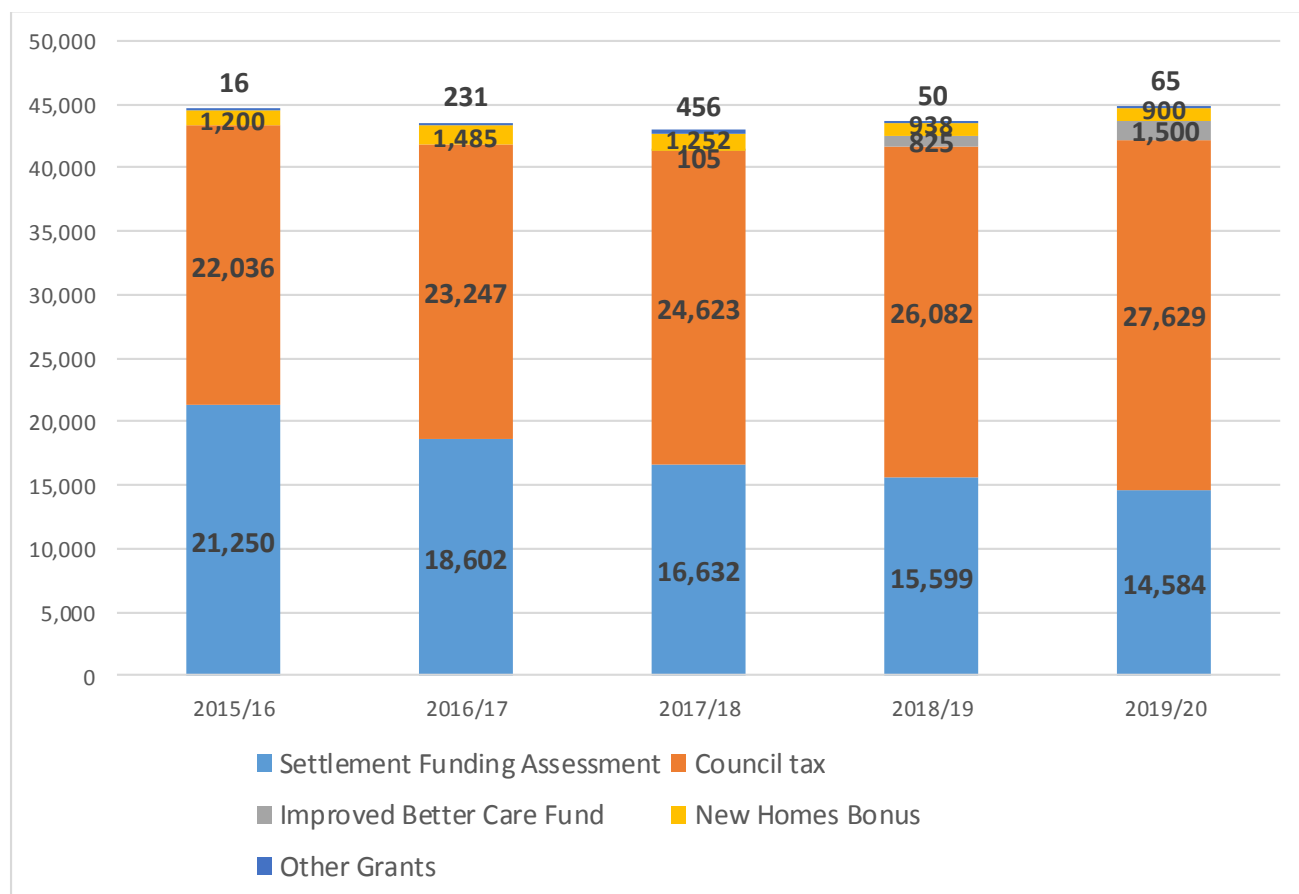
Revenue Budget

The Provisional Local Government Settlement

3. The Council was advised of its Provisional Four Year Funding Settlement for 2016/17 to 2019/20 on 15 December 2016.

Core Spending Power

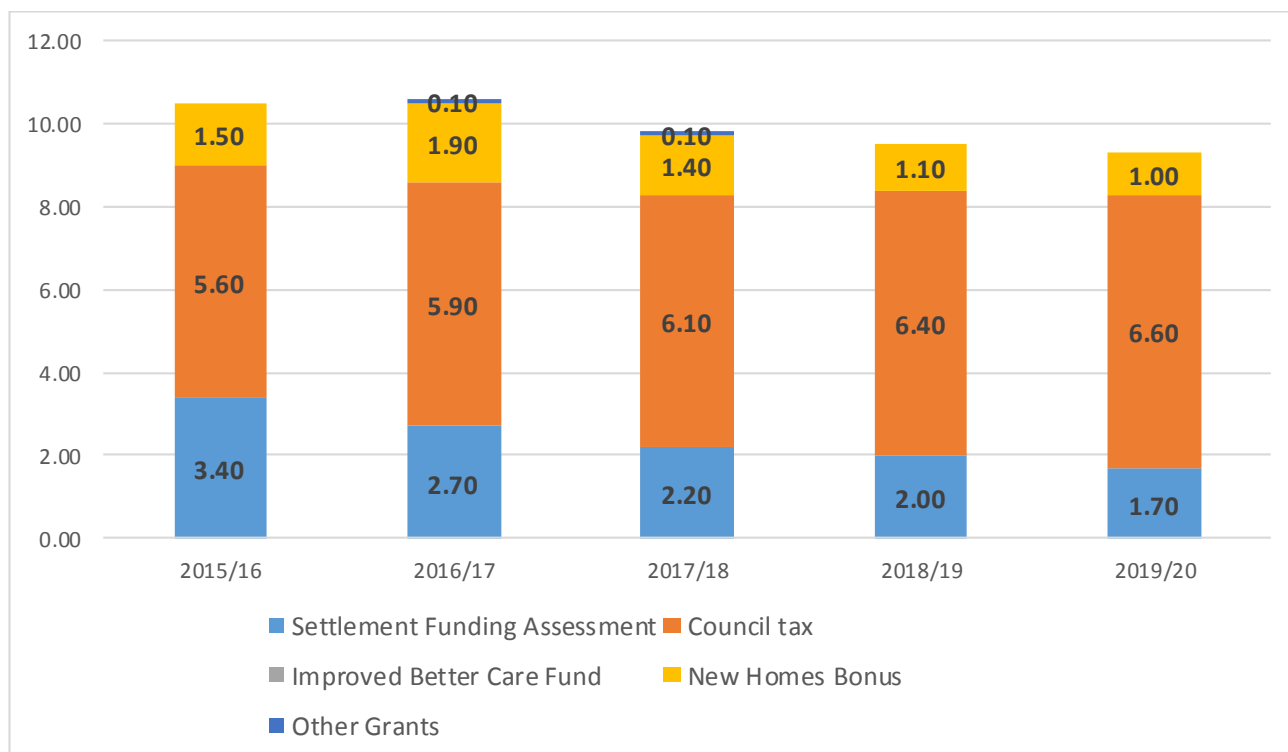
4. The Settlement Funding Assessments (SFA) and Core Spending Powers for all Councils in England in £m are shown in the chart below :



5. These figures show a change in Core Spending Power from 2015/16 to 2019/20 of **£177m** or **0.4%**.

6. **Government’s Assessment of Lichfield’s Core Spending Power**

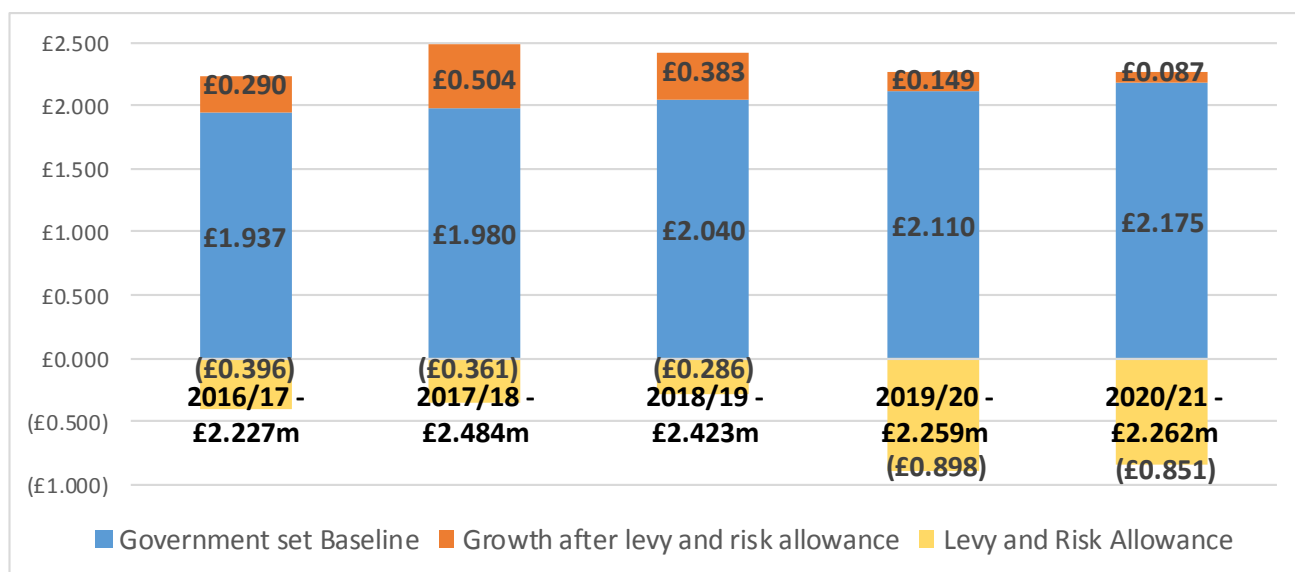
Government has produced for each local authority *notional* figures known as ‘core spending power’ based on national projections to enable comparisons to be made between different years. These core spending power figures consist of the Council’s main income streams such as Council Tax, Settlement Funding Assessments (consisting of Revenue Support Grant and Retained Business Rates) and New Homes Bonus. The figures in £m for Lichfield are provided in the following chart:



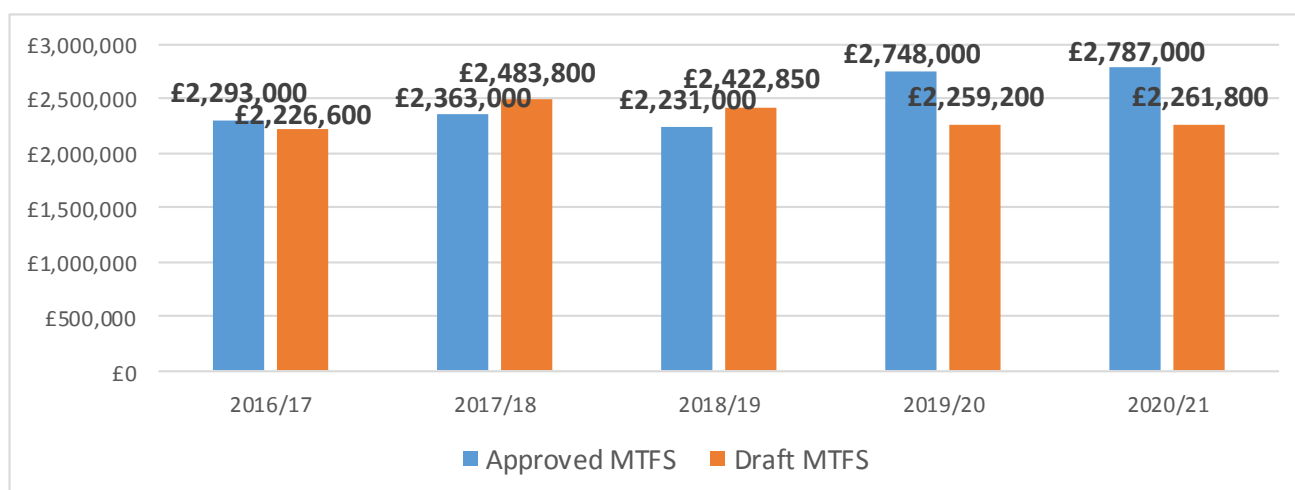
- 7. These figures show a reduction in Core Spending Power from 2015/16 to 2019/20 of **£1.2m** or **11.3%**.
- 8. Using these *notional* core spending power figures, the equivalent Settlement Funding Assessment percentage reduction is **18.52%** in 2017/18 in comparison with adjusted core spending power 2016/17.
- 9. Revenue Support Grant (RSG) for 2017/18 represents **9%** (30% in 2016/17) of the Settlement Funding Assessment for the Council. RSG Funding for 2016/17 is **(£773,000)** and is reduced by **£537,000** or **69%** to **(£236,000)** for 2017/18 in comparison with 2016/17.

Retained Business Rates

10. As part of the Provisional Local Government Settlement, Government produces assessments of the level of Retained Business Rates by each Authority and these are known as a Baseline. These baselines are how need is reflected in the Business Rates framework. They were set when the new framework was introduced on 1 April 2013 and are normally increased by the Retail Price Index each year.
11. There are a number of key risks to these figures :
 - The National Economy including any impact of Brexit and its impact at a local level.
 - The Business Rate revaluation in 2017.
 - The Business Rate reset to reflect updated need and full Localisation in 2020.
 - The level and timing of current and future Business Rate Appeals.
 - The impact of any future changes to the timing and design of the Friarsgate project.
12. The Council produces its own Business Rate estimates that also take into account local factors.
13. The Government set Baseline, the projected level of growth included in the MTFS (Growth after levy and risk allowance) and the projected level of growth not included in the MTFS (Levy and Risk Allowance) are shown in the graph below:

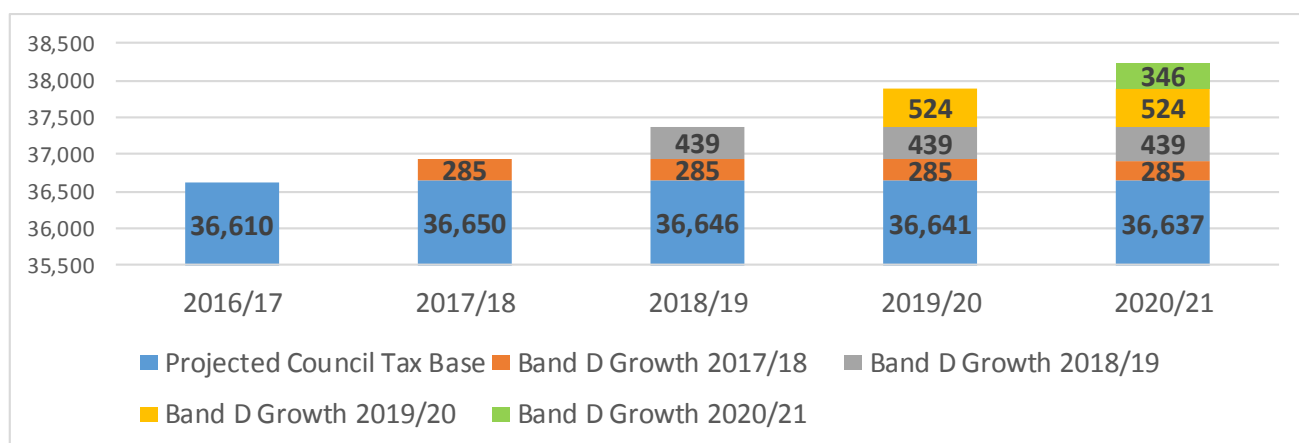


14. A summary of how these projections in the MTFS compare to the Approved MTFS are shown in the chart below:



Council Tax Base (CTB) Projections

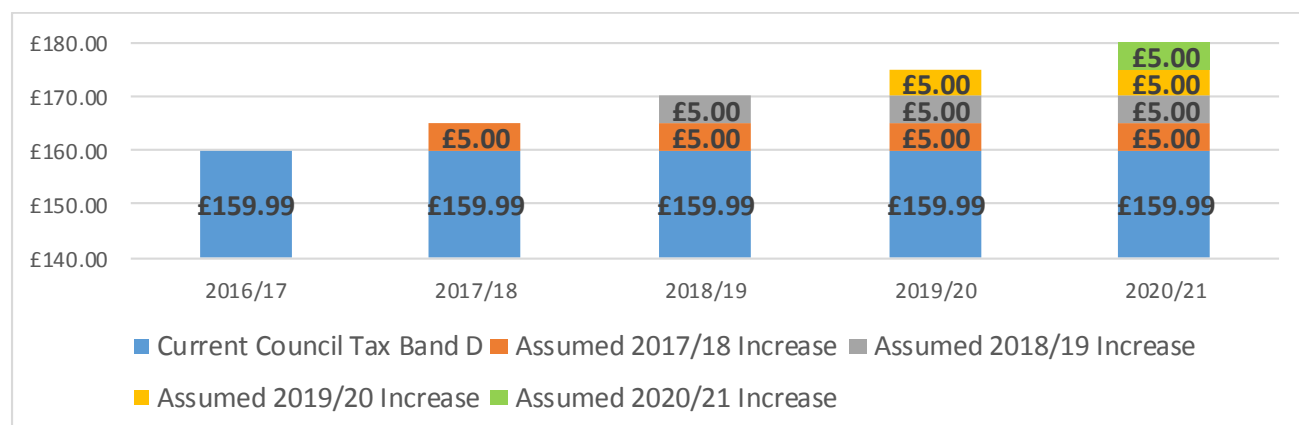
15. The projections include the following key assumptions on Taxbase growth:



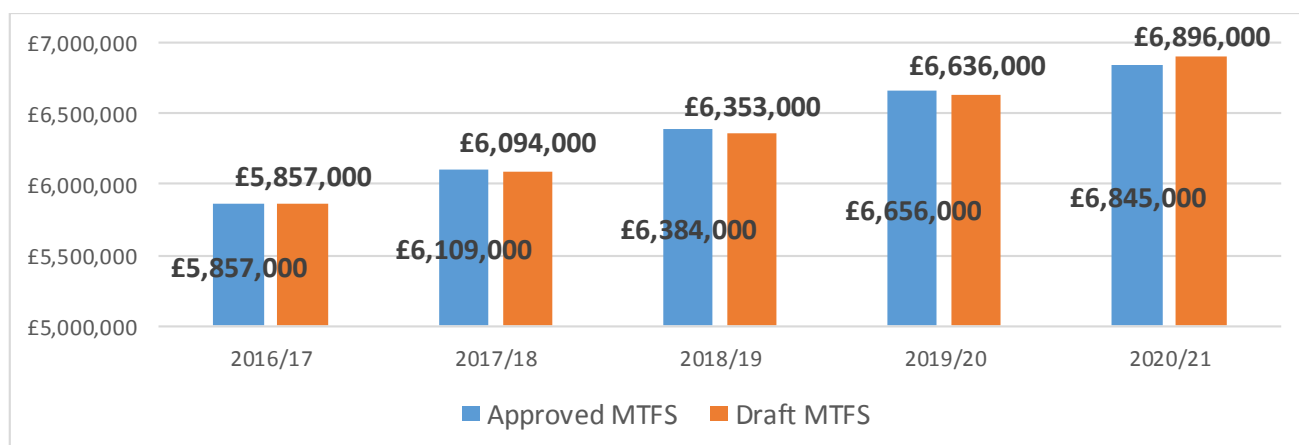
Modelled Council Tax Increase

16. Under the Localism Act 2011, local communities have the power to decide on Council Tax rises. It was announced as part of the Provisional Finance Settlement, that the limit for Council Tax increases for 2017/18 will be the higher of 2% or £5.00. Any increases proposed above this level will require a referendum.

17. The Approved MTFS is based on a year-on-year increase of £5.00 and this assumption continues for the MTFS. The modelled level of Council Tax increases included in the MTFS are shown in the chart below:

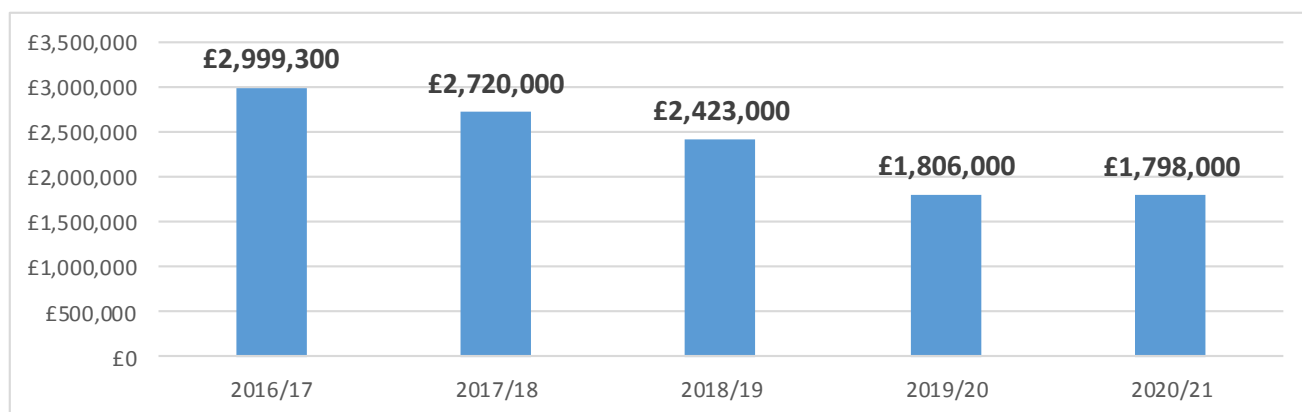


18. A summary of how these Council Tax income projections in the MTFS compare to the Approved MTFS are shown in the chart below:

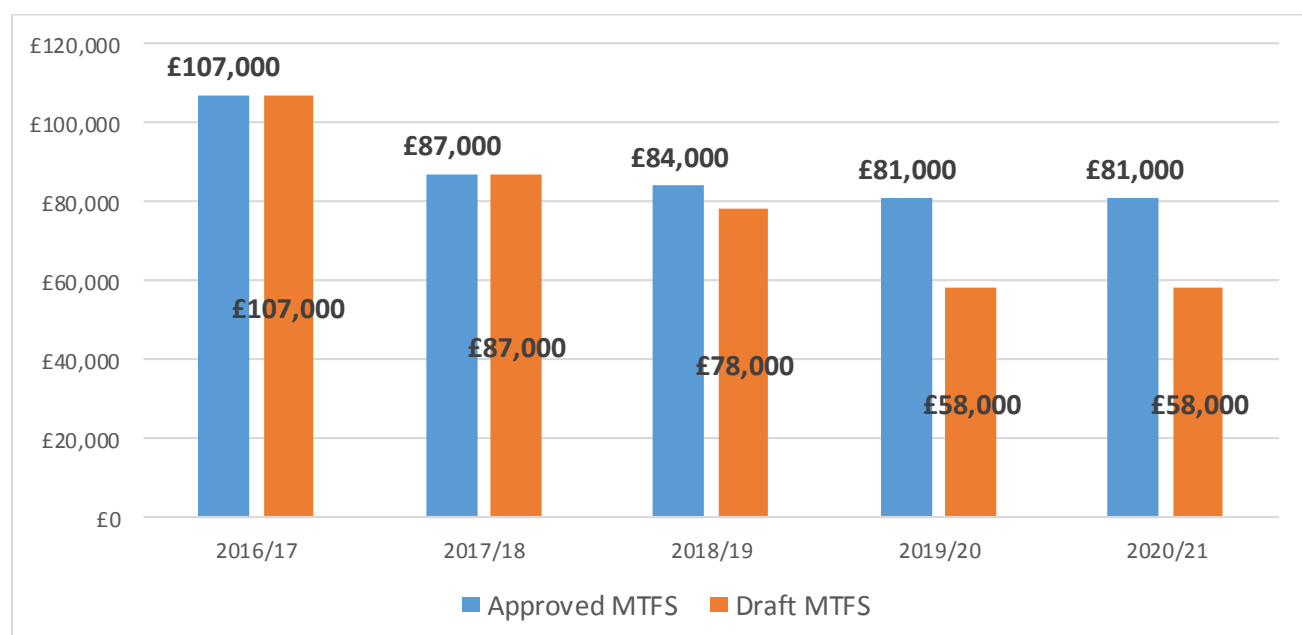


Parish Local Council Tax Support

- 19. The localisation of Support for Council Tax took effect from 1 April 2013.
- 20. Government has advised that funding attributable to the parish precept will be provided to the Billing Authority. It is included in the Core Spending Power and it also expects the Billing Authority to work with local parish and town councils to provide certainty over their funding.
- 21. In deciding the amount of funding to be passed down to local precepting authorities, the Billing Authority needs to decide how much of a contribution the local preceptor needs to make towards the cost of Local Council Tax Support (LCTS), where it exceeds the level of funding provided by Government.
- 22. The chart below shows estimates of Settlement Funding Assessment (SFA) figures for 2016/17; the provisional settlement for 2017/18 together with estimates for 2018/19, 2019/20 and 2020/21:

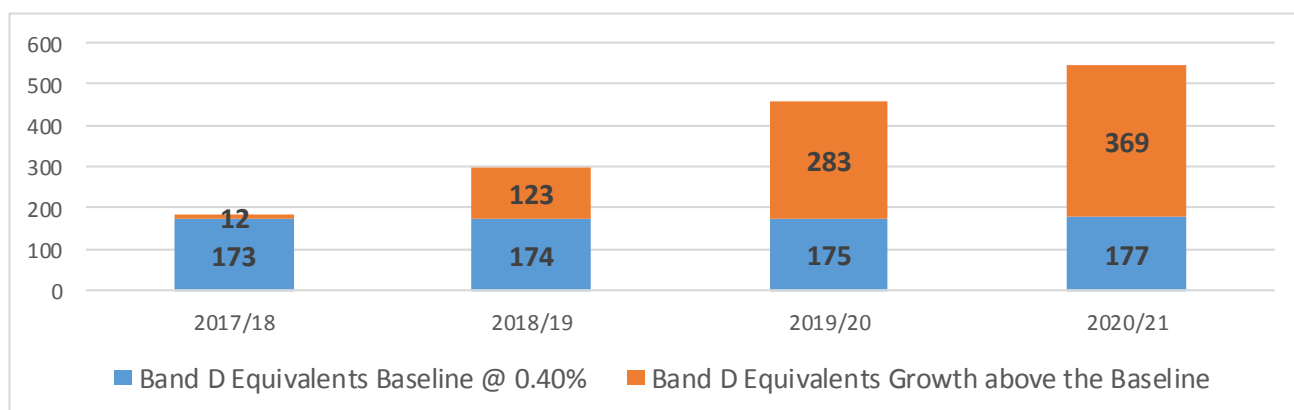


- 23. The use of the District Council’s SFA based figures provides a basis to determine the percentage change in funding allocated to parishes for LCTS. An alternative would be to use Government’s Core Spending Power which includes Council Tax and New Homes Bonus.
- 24. It is proposed that for 2017/18, a reduction will apply to reduce the Funding Allocation in line with Council’s reduction for SFA. The chart below shows the levels of Parish Local Council Tax Support in the Approved MTFS compared to the MTFS:

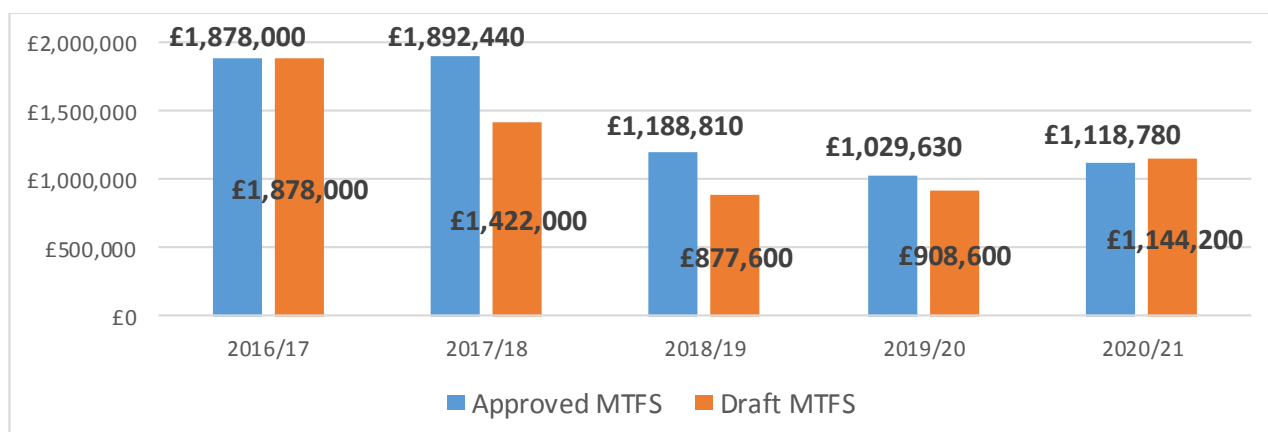


New Homes Bonus

25. New Homes Bonus was introduced in 2011/12 by financially rewarding The Council for each new home that is built within its area. The Council retains **80%** with the remaining **20%** being paid to the County Council.
26. The results of the consultation titled “sharpening the incentive” were announced as part of the Local Government Finance Settlement on 15 December 2016.
27. The Local Government Finance Settlement introduced a number of changes to the New Homes Bonus regime following the consultation with the aim of identifying savings “of at least £800m” for Social Care. The proposed changes are detailed below:
 - Payments will be reduced from **six years to five** in 2017/18 and to **four years** from 2018/19.
 - A National baseline (deadweight) for growth of **0.4%** will be introduced. Only growth in excess of the baseline will attract New Homes Bonus. The Government has reserved the right to alter the level in the event of significant or unforeseen housing growth.
 - Additional conditions will be applied such as withholding payment where there is no Local Plan or where houses are built after an appeal. These options will be subject to further consultation.
28. The introduction of the National baseline (deadweight) of **0.4%** of Taxbase has had the most significant impact on the Approved Budgets in 2017/18 and 2018/19 (in the consultation a figure of **0.25%** was mentioned).
29. The projections of growth subject to the New Homes Bonus reward together with the projected Baseline (deadweight) is shown in the graph below:



30. A summary of how these projections in the MTFS compare to the Approved MTFS are shown in the chart below:



Resourcing our Investment Plans : The Capital Programme

31. The Capital Programme identifies all Capital projects approved by Council in line with its Capital Strategy. The Capital Programme is updated either as a result of Cabinet approvals, or through delegation approved by the Council. The Capital Programme 2016-21 is shown by the Strategic Plan priority in **APPENDIX C**.

The Capital Strategy

Project Identification and Prioritisation

32. The Capital Programme is a rolling programme subject to change that identifies the Council's capital investment plans for both its assets and the wider community's needs to achieve its strategic aims and objectives.
33. The Council manages its Capital Strategy through the Council's Leadership Team and Service Managers.

Project Prioritisation

- All new capital investment needs are identified using a standard Capital Investment template.
- These documents identify the project title, officers and the Cabinet Member with responsibility.
- They also included key project information such as reasons for the project, options considered and links to the corporate objectives together with financial and risk information.

Planning Obligations - Section 106 and Community Infrastructure Levy (CIL)

34. As part of the planning process in relation to planning obligations including the Community Infrastructure Levy from new developments. The vast majority is spent directly on infrastructure works or will be spent in line with the Infrastructure Delivery Plan (IDP).
35. There is however an element of contributions, which afford an element of discretion on how they are allocated. These contributions towards social and community facilities are linked to the development proposed.
36. Whilst some of these financial contributions are very specific in terms of the projects on which they must be spent, a proportion is to be allocated towards appropriate social and community schemes that result in time from the proposed development.
37. The Council's Capital Programme includes a number of projects that are to be funded by Section 106 and will begin to include projects funded by CIL; this is a significant source of funding and there is a significant level of interest from the community in relation to the allocation of sums to projects.

The Disposal of Assets.

38. The Council has determined an Asset Disposal policy. This policy involves evaluating each asset that The Council owns against the following criteria to determine if ownership should be retained :

- The strategic aims that the ownership of the asset helps The Council to achieve.
- The rate of return that investment properties generate.
- Whether disposal of the asset would further enhance the achievement of strategic aims.

39. The Council reviews its assets on an annual basis and in 2014 made the decision to market some of its investment properties². In addition, as part of F4F Reviews, the potential to transfer assets to other organisations or to dispose of assets is currently being considered.

²Council Meeting held 30 September 2014.

40. The Spending Review 2015 announced that Government would “let Councils spend 100% of the receipts from the assets they sell to improve their local services”. The Guidance published by Communities and Local Government permits Revenue Expenditure to be treated as Capital Expenditure, and this is funded from capital receipts where expenditure is “incurred on projects designed to reduce future revenue costs and/or transform service delivery”.

Project and Service Procurement

41. The Council has evaluated its procurement policies in line with best practice. The table below shows the five drivers of change identified within the report and the action the Council has taken or is taking to improve its procurement practices.

Driver for Change	Lichfield District Council’s Initiatives
Committed leadership	<ul style="list-style-type: none"> • Clarity of decision making is provided through the role of Cabinet being specified. • Committees have been set up to scrutinise the decisions of the Cabinet.
A focus on the customer	<ul style="list-style-type: none"> • The design of major capital projects involves stakeholder participation at the design stage. • A number of major capital projects are or can involve a management board consisting of stakeholders.
Integrated processes and teams	<ul style="list-style-type: none"> • The Council utilises the Projects in a Controlled Environment (PRINCE2) methodology be used to project manage all new major projects. • The Council engages in value engineering dialogue with appointed contractors to determine cost savings and quality enhancements in major capital contracts. • A risk management strategy to identify possible risks to successful outcomes and the ways these risks could be managed has been developed.
A quality driven agenda	<ul style="list-style-type: none"> • The Council has developed a procurement strategy.
Commitment to people	<ul style="list-style-type: none"> • The Council’s Financial Procedure Rules and Contract Procedure Rules require evaluation of potential contractors’ records on Health & Safety etc.

Project Implementation and Monitoring

42. The Project Manager for each project is responsible for managing the project implementation and delivering its objectives. This monitoring is often in partnership with professional services such as architects and service users. Additionally, some projects are subject to external monitoring, particularly when projects are using grant funding.
43. Project Managers hold regular meetings with parties involved in the procurement process.
44. Member involvement in capital monitoring, in conformance with the requirements of the Local Government Act, consists of regular reporting on the Capital Programme to Cabinet and Overview and Scrutiny Committees.

Performance Measurement

45. The Council undertakes performance measurement in relation to capital investment in a number of different ways :

- As part of the project development, the project manager identifies the objectives that the success of the project will be measured against.
- Regular reports to Cabinet and the Overview and Scrutiny Committees in relation to the progress of major projects such as Friarsgate are undertaken.

Full Capital Programme 2016-21

Project	2016/17 £000	YTD Spend 2016/17 £000	Financial Year					Total £000	
			2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000			
Accessible Homes (Disabled Facilities Grants)	850	416	850	850	850	850	4,250		
Home Repair Assistance Grants	15	15	15	15	15	15	75		
Energy Insulation Programme	56	26	10	10	10	10	96		
Burntwood Leisure Centre Enhancement Work	95	38	170	42	3		310		
Replacement Treadmills at Burntwood Leisure Centre	40						40		
Play Area at Hawksyard	1						1		
Play Area at Cherry Close, Burntwood	23	24					23		
Squash Court and Sports Hall Floor	50						50		
King Edwards Synthetic Pitch Renewal	370	35					370		
Decent Homes Standard / DCLG Monies			649				649		
Housing Redevelopment Scheme - Packington			80				80		
Unallocated S106 Affordable Housing Monies			400				400		
Environmental Health Vehicle	20	19					24		
Customer Services - Counter Call	4						4		
Community Building at Hawksyard			320				320		
Oakenfield Play Area (Sinking Fund)	9						9		
Healthy and safe communities	1,533	573	2,494	917	878	875	6,697		
Shortbutts Park, Lichfield	38	5					38		
Damford Park	13						13		
Vehicle Replacement Programme	833	730	167	151	316	213	1,680		
Environmental Improvements - Upper St. John Street	7						7		
Fazeley Crossroads Environmental Improvements	4						4		
Leomansley Area Improvements	3						3		
Ancient Monument	2						2		
Stowe Pool Improvements			100		450	450	1,000		
Canal Culvert at Huddlesford			100				100		
Clean, green and welcoming places to live	900	735	367	151	766	663	2,847		
Friarsgate Support	306	121	1,830	313	2,082		4,531		
Friarsgate – Castle Dyke/Frog Lane Enhancements			50	100	400		550		
Friarsgate – Railway Station Forecourt				5	5		10		
Website Development - Rate my Place	11						11		
Lichfield Blue Plaque Trail	1						1		
Garrick Square			58				58		
Sankey's Corner Environmental Improvements	5	1					5		
Car Parks Variable Message Signing			32				32		
Old Mining College Refurbishment	14						14		
A vibrant and prosperous economy	337	122	1,970	418	2,487	0	5,212		
Depot Sinking Fund	11						11		
Asset Management - District Council House / H & S	31		1				32		
Asset Management - Condition Survey (all Priorities)	40		300	124	60	60	584		
Planning Software	23						23		
IT Investment	50	26	200	250	32		532		
A council that is fit for the future	155	26	501	374	92	60	1,182		
TOTAL	2,925	1,456	5,332	1,860	4,223	1,598	15,938		
Projects totalling between £0 and £250k in 2016/21	381	90	296	30	30	25	762		
Projects totalling between £250k and £500k in 2016/21	465	73	890	42	3	0	1,400		
Projects totalling over £500k in 2016/21	2,079	1,293	4,146	1,474	4,190	1,573	13,776		

Funding the Full Capital Programme 2016-21

Funding Source	2016/17 £000
Usable Capital Receipts	705
Revenue	182
Burntwood Sinking Fund	130
Reserves	328
Section 106	81
Grants	754
Leasing	745
TOTAL FUNDING	2,925
FUNDING GAP (Borrowing Need)	0

Financial Year				
2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
1,070	808	897	78	3,558
154	154	154	154	798
170	42	3		345
96	121	1,831	188	2,564
814		20	20	936
2,953	705	1,133	1,132	6,677
75	30	185	25	1,060
5,332	1,860	4,223	1,598	15,938
0	0	0	0	0

Total Corporate Council Funding	887
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1,224	962	1,051	232	4,356
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Capital Programme 2016-21 (Corporate Council Funding)

Project	2016/17 £000
Accessible Homes (Disabled Facilities Grants)	131
Home Repair Assistance Grants	15
Energy Insulation Programme	31
Replacement Treadmills at Burntwood Leisure Centre	5
King Edwards Synthetic Pitch Renewal	215
Oakenfield Play Area (Sinking Fund)	9
Healthy and safe communities	406
Shortbutts Park, Lichfield	20
Stowe Pool Improvements	
Canal Culvert at Huddlesford	
Clean, green and welcoming places to live	20
Friarsgate Support	306
Friarsgate – Castle Dyke/Frog Lane Enhancements	
Friarsgate – Railway Station Forecourt Enhancements	
A vibrant and prosperous economy	306
Depot Sinking Fund	11
Asset Management - District Council House	31
Asset Management - Condition Survey (all Priorities)	40
IT Investment	50
Planning Software	23
A council that is fit for the future	155
TOTAL	887

Financial Year				
2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
145	145	145	145	711
15	15	15	15	75
10	10	10	10	71
				5
				215
				9
170	170	170	170	1,086
				20
1		2	2	5
96				96
97		2	2	121
406	313	382		1,407
50	100	400		550
	5	5		10
456	418	787		1,967
				11
1				32
300	124	60	60	584
200	250	32		532
				23
501	374	92	60	1,182
1,224	962	1,051	232	4,356

Revenue Implications

Revenue Implications	2016/17
Minimum Revenue Provision	£62,900
Loss of Investment Income	£2,720
External Interest	£37,400
Asset Management - DCH Property Condition	£154,000
Revenue Implications	(£220,920)
Total Direct Revenue Implications	£36,100
Revenue Funding	£181,500
Total Revenue Implications	£217,600
Approved Capital Programme	£222,100

2017/18	2018/19	2019/20	2020/21	Total
£62,900	£46,700	£47,600	£47,600	£267,700
£5,450	£6,400	£7,100	£8,800	£30,470
£35,900	£34,300	£32,700	£31,110	£171,410
£25,000	£25,000	£25,000	£25,000	£254,000
£3,420	£81,860	(£229,400)	(£326,100)	(£691,140)
£132,670	£194,260	(£117,000)	(£213,590)	£32,440
£154,000	£154,000	£154,000	£154,000	£797,500
£286,670	£348,260	£37,000	(£59,590)	£829,940
£294,530	£382,190	£68,480	£3,160	£970,460

CHANGE	(£4,500)
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(£7,860)	(£33,930)	(£31,480)	(£62,750)	(£140,520)
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CFO Report on Robustness of the Budget and Adequacy of Reserves - Supporting Information

Context

82. In accordance with the Local Government Act 2003 (Sections 25-27) and to comply with CIPFA Guidance on Local Authority Reserves and Balances, the CFO is required to formally report to Members on the robustness of the Budget and the adequacy of Reserves. The CFO is appropriately qualified under the terms of Section 113 of the Local Government Finance Act 1988.

Adequacy of Reserves

83. The CFO assesses and determines the appropriate level of Reserves and Provisions using a variety of mechanisms, including :
- Being significantly involved in the Budget setting process, the annual financial cycle and engaged in the strategic leadership of the organisation as a member of the Leadership Team including wider corporate roles beyond that of finance;
 - Leading and writing on the annual revision of the MTFS;
 - Challenging the budget at various stages of preparation, including the reasonableness of the key budget assumptions and sensitivities such as estimates for inflation and corporate financial pressures, realism of income targets and the extent to which known trends and liabilities are provided for :
 - Meetings with specific colleagues to examine particular areas or issues;
 - An in-depth review of the financial risks assessment;
 - Review of the movements, trends (including a comparison to the level at other Councils) and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
 - The use of professional experience and best professional judgement;
 - The use of appropriate professional, technical guidance and local frameworks;
 - Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
 - Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements. This is undertaken in consultation with relevant colleagues and Members of the Cabinet.
84. It is prudent for Councils to maintain an adequate 'working balance', that is part of General Reserves. A Risk Assessment approach is used to determine the required level of General Reserves and Provisions.
85. The Council's aim is to have a prudent level of General Reserves available for unforeseen financial risks. The Council projects general reserves of **£4,586,640** at 31 March 2017. The minimum level of Reserves for 2017/18 onwards is **£1,700,000** and has been determined by Risk Assessment. This is **15%** of the amount to be met from Government Grants and Local Taxpayers in 2017/18 of **£11,034,750**.
86. In recommending an adequate level of Reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of Reserves and Balances and compares these to the benefits accrued from having such Reserves. The opportunity cost of maintaining a specific level of Reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements.

- 87. In assessing this, it is important to consider that Reserves can only be used once and are therefore potentially only "one off" sources of funding. Therefore, any use of General Reserves above the lower minimum threshold is only ever used on one-off items of expenditure.
- 88. Expenditure - the level of Reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust "safety net" that adequately protects The Council against potential unbudgeted costs.

Use of General Revenue Reserves

- 89. The above assessment demonstrates that General Revenue Reserves are at an appropriate level as determined in accordance with the MTFS and the CFO's professional advice. The MTFS allows any Reserves above the level required by the Strategy to be used to fund one-off items of expenditure. No General Revenue Reserves below the minimum threshold are being used to support the 2017/18 budget and beyond.
- 90. CIPFA guidance provides guidance for determining the minimum level of Reserves. The Council uses the method based on risk assessment. The approach to the risk assessment of Reserves has taken into account CIPFA guidance (LAAP 99) (Guidance note on Local Authority Reserves and Balances).
- 91. The table below shows the financial risk assessment made for **2017/18** :

Activity Area	Explanation of Risk / Justification of Balances	Severity of Risk	2017/18 Reserve Amounts £	2016/17 Reserve Amounts £	Change £
Friarsgate	Friarsgate	Material	£128,000	£70,000	£58,000
IT Systems are no longer fit for Purpose	Capital Programme	Material	£91,000	£36,000	£55,000
Savings Targets	Savings Targets are not Achieved	Material	£42,000	£0	£42,000
Business Rates	Business Rates	Severe	£652,000	£525,000	£127,000
High Risk Streams of Income including Fees and Charges	Reduction in customer income	Material	£190,000	£234,000	(£44,000)
Inflation Assumptions	Higher inflation	Material	£242,930	£269,250	(£26,320)
Demand Led Services	Increase in demand led services	Material	£50,000	£0	£50,000
Collection of Income Performance	Collection performance	Material	£154,000	£160,000	(£6,000)
Civil Contingency	Civil Contingency	Tolerable	£127,000	£127,000	£0
Other	Other small risks	Tolerable	£23,070	(£21,250)	£44,320
Total Minimum Reserves			£1,700,000	£1,400,000	£300,000



Other Reserves (in addition to General Reserves)

92. A review of the level of Earmarked Reserves has been undertaken as part of the annual Budget preparation. For each Reserve established, the purpose, usage and basis of transactions has been identified with Balance Sheet projections are shown overleaf.

Usable Reserve	Reason for the Reserve	2016/17 Budget £000s	2017/18 Budget £000s	2018/19 Budget £000s	2019/20 Budget £000s	2020/21 Budget £000s
Revenue						
Earmarked Reserves	To finance specific capital and revenue projects	(2,871)	(2,775)	(2,654)	(2,523)	(2,335)
Grant Aid	To provide assistance to Historic Buildings, Nature Conservation and Biodiversity projects	(20)	(20)	(20)	(20)	(20)
Elections		(129)	(129)	(129)	(129)	(129)
Public Open Spaces	To fund the cost of equipment in public open spaces	(447)	(447)	(447)	(447)	(447)
Building Regulations	To manage the risks related to the Building Control Function	(146)	(146)	(146)	(146)	(146)
Capital						
Three Spires Multi Storey	Future capital works to the car park.	(1,866)	(2,016)	(2,166)	(466)	(466)
Capital Grants Unapplied	The Capital grants reserve is to meet specific capital grant expenditure in future years	(1,184)	(56)	(56)	(55)	(40)
Capital Receipts Reserve	The usable capital receipts reserve represents capital receipts available to finance capital expenditure in future years in accordance with best practice	(1,829)	(2,284)	(1,476)	(579)	(500)
Sinking Funds	These have been setup for Burntwood Leisure Centre and synthetic pitches	(286)	(116)	(74)	(71)	(71)
Total		(£8,778)	(£7,988)	(£7,167)	(£4,435)	(£4,154)

93. Ongoing review of Earmarked Reserves will take place as part of the Money Matters Reports to ensure we are only holding funds for known and essential purposes.
94. The Council also holds other Unusable Reserves that arise out of the interaction of legislation and proper accounting practice and the Balance Sheet projections are shown in the table below :

Unusable Reserve	Reason for the Reserve	2016/17 Budget £000s	2017/18 Budget £000s	2018/19 Budget £000s	2019/20 Budget £000s	2020/21 Budget £000s
Revaluation Reserve	This is a reserve that records unrealised gains in the value of non-current assets	(6,491)	(6,491)	(6,491)	(6,491)	(6,491)
Capital Adjustment Account	This provides a balancing mechanism between the different rates at which assets are depreciated under the Statement of Recommended practice(SORP) and are refinanced through the capital control system	(34,862)	(36,468)	(36,165)	(37,804)	(37,381)
Deferred Credits	This item consists of principal outstanding on the sale of council houses properties sold on a mortgage. This is a specific accounting mechanism used to reconcile the payments made for the year to various	(47)	(47)	(47)	(47)	(47)
Pension Scheme	statutory pension schemes in accordance with the scheme requirements and the net change in the authority's recognised liability under IAS19 (FRS 17).	35,820	35,820	35,820	35,820	35,820
Benefits Payable During Employment	This is a specific accounting mechanism used to reconcile employee benefits (accrued holiday entitlements) under IAS 19	213	213	213	213	213
Collection Fund	This is requires under the Statement of Recommended practice (SORP) for Council Tax & Non Domestic rates accrued income.	829	0	0	0	0
Total		(£4,538)	(£6,973)	(£6,670)	(£8,309)	(£7,886)

The **CFO** has been involved throughout the entire budget process, including revising the MTFS, input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with Members of the Cabinet and Overview and Scrutiny Committees, advising colleagues, the strategic choices activities, challenge and evaluation activities, and scrutiny of the budget. The following sections of this statement outline particular activities and documents.

Process - a robust budget process has been used within the overall context of the MTFS.

Timetable - the process started in June 2016 and the draft budget was completed in December 2016 prior to the Provisional Financial Settlement for Local Government 2017/18. This enabled formal scrutiny of the budget making process in January 2017. The final budget is due to be set at Council on 21 February 2017, well within the statutory deadline.³

Member involvement and Scrutiny (including budget monitoring) - formal Member involvement has been extensive, particularly through the Cabinet in conjunction with Leadership Team and Strategic Overview & Scrutiny Committee, which has fed upwards to Cabinet.

Consultation - In summer 2014, we carried out a survey 'Your View' to find out what people who live in the District think about the services we provide.

Challenge - there are various points of challenge at various stages of the Budget, meetings of Leadership Team, various Service Management Teams, Cabinet and the Scrutiny process itself.

Localism Act - Right to approve or veto excessive Council Tax rises - The Secretary of State has determined a **2%** or **£5.00** (whichever is the higher) limit for Council Tax increases for 2017/18. If an Authority proposes to raise taxes above the limit they will have to hold a referendum to get approval for this from the local voters who will be asked to approve or veto the rises.

Ownership and accountability - the budget has progressed through various stages including review by management within services and Leadership Team. Budget holders were sent copies of budget estimate working papers for their respective areas of service responsibility.

Current financial position - the budget is a statement of financial intent, reflecting The Council's vision, plans and priorities. It also sets the financial spending parameters for each financial year and as such, the CFO assessment of the adequacy of Reserves, also includes the risk of services overspending and/or under-spending their budgets and the impact of this on the financial health of The Council and its level of Reserves. The current financial position has been reported throughout the year.

Key assumptions - The pay and prices used in the budget are derived from current intelligence, are considered appropriate and compare with those used by other Councils. Fees and charges have been reviewed and changes are reflected in the overall budget. The Capital Receipts to be used for the Capital Programme are based on estimates of both timing and value.

Financial risks – The Council continues to use an embedded good practice Risk Assessment approach both when setting the Budget and in validating estimated outturns. This continues for the 2016/17 outturn and 2017/18 plus Budget. The minimum level of General Reserves is considered to be adequate to cover all but the most unusual and serious combination of risks.

Summary - Opinion of CFO on the Adequacy of Reserves and the Robustness of the Estimates

I am of the opinion that for a Council of this size and with our recent record of prudent spending, effective Risk Management, robust budgeting and effective Budget monitoring and control, a General Minimum Reserve level of **£1,700,000** is adequate.

³ Statutory deadline date for setting Council Tax is by 11 March 2017.

Balance Sheet Projections 2017-21

(Figures may not sum due to rounding)

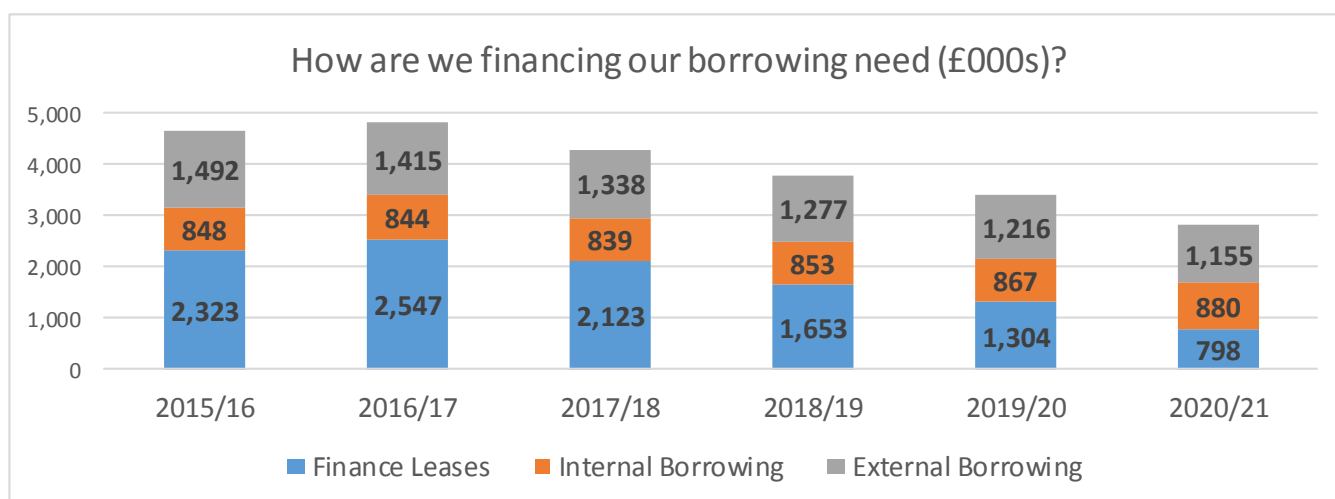
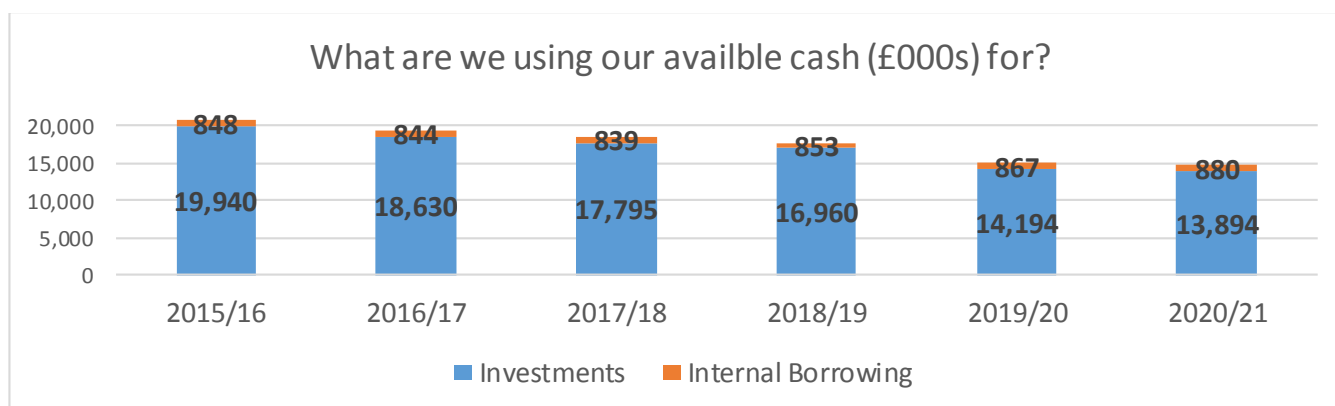
	Type	2015/16 Actual £000s	2016/17 Budget £000s	2017/18 Budget £000s	2018/19 Budget £000s	2019/20 Budget £000s	2020/21 Budget £000s
Property, Plant and Equipment	CFR	41,635	41,820	42,920	42,100	43,343	42,366
Heritage Assets	CFR	515	515	515	515	515	515
Investment Property	CFR	5,572	5,572	3,775	3,775	3,775	3,775
Intangible Assets	CFR	119	49	49	49	49	49
Assets Held for Sale	CFR	80	0	0	0	0	0
Investments	INV	19,940	18,630	17,794	16,959	14,194	13,894
Borrowing	BOR	(1,492)	(1,415)	(1,338)	(1,277)	(1,216)	(1,155)
Finance Leases	LEA	(2,323)	(2,547)	(2,123)	(1,653)	(1,304)	(798)
Working Capital	CRED	(7,174)	(7,102)	(6,688)	(6,688)	(6,667)	(6,662)
Pensions	PEN	(35,820)	(35,820)	(35,820)	(35,820)	(35,820)	(35,820)
TOTAL ASSETS LESS LIABILITIES		£21,051	£19,701	£19,084	£17,960	£16,867	£16,163

<u>Unusable Reserves</u>							
Revaluation Reserve	CFR	(6,571)	(6,491)	(6,491)	(6,491)	(6,491)	(6,491)
Capital Adjustment Account	CFR	(36,687)	(36,659)	(36,468)	(36,165)	(37,804)	(37,381)
Deferred Credits	CRED	(47)	(47)	(47)	(47)	(47)	(47)
Pension Scheme	PEN	35,820	35,820	35,820	35,820	35,820	35,820
Benefits Payable During Employment Adjustment Account	CRED	213	213	213	213	213	213
Collection Fund	BAL	46	829	0	0	0	0
<u>Usable Reserves</u>							
Unapplied Grants and Contributions - General	BAL	(759)	(734)	(4)	(4)	(4)	(4)
Unapplied Grants and Contributions - Cannock Chase	BAL	(20)	(20)	(20)	(20)	(20)	(20)
Unapplied Grants and Contributions - Section 106	BAL	(465)	(430)	(31)	(31)	(30)	(15)
Unapplied Grants and Contributions - Revenue	BAL	0	0	0	0	0	0
Usable Capital Receipts	BAL	(2,094)	(1,695)	(2,150)	(1,342)	(445)	(366)
Usable Capital Receipts - Arts Statue	BAL	(134)	(134)	(134)	(134)	(134)	(134)
Burntwood Leisure Centre Sinking Fund	BAL	(345)	(215)	(45)	(3)	0	0
Burntwood Leisure Centre Synthetic Pitch Sinking Fund	BAL	(29)	(29)	(29)	(29)	(29)	(29)
City Centre Redevelopment Sinking Fund	BAL	(25)	(25)	(25)	(25)	(25)	(25)
King Edwards Leisure Centre Sinking Fund	BAL	(17)	(17)	(17)	(17)	(17)	(17)
Lombard Street Car Park Sinking Fund	BAL	0	0	0	0	0	0
Elections	BAL	(129)	(129)	(129)	(129)	(129)	(129)
Promotion of District	BAL	0	0	0	0	0	0
Public Open Spaces	BAL	(447)	(447)	(447)	(447)	(447)	(447)
Three Spires Multi Storey	BAL	(1,716)	(1,866)	(2,016)	(2,166)	(466)	(466)
Building Regulations	BAL	(146)	(146)	(146)	(146)	(146)	(146)
Other Earmarked Reserves	BAL	(3,199)	(2,871)	(2,775)	(2,654)	(2,523)	(2,335)
Grant Aid - Development	BAL	(20)	(20)	(20)	(20)	(20)	(20)
Depot Sinking Fund	BAL	0	0	0	0	0	0
General Fund Balance	BAL	(4,279)	(4,587)	(4,123)	(4,123)	(4,123)	(4,123)
TOTAL EQUITY		(£21,051)	(£19,701)	(£19,084)	(£17,960)	(£16,867)	(£16,163)

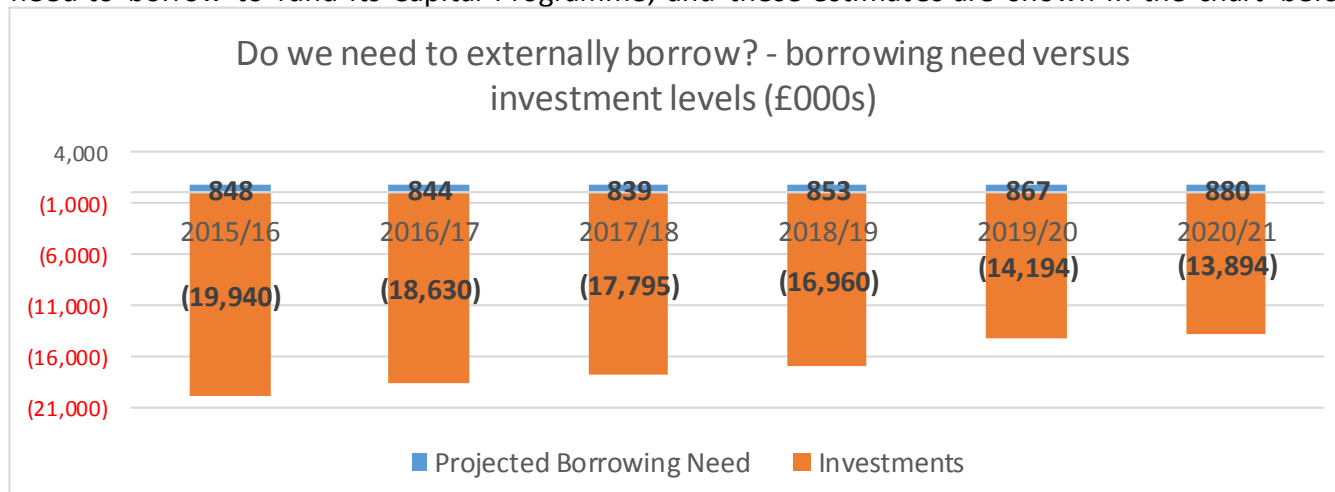
Borrowing Requirement and Strategy

We finance our capital spend from a variety of sources including capital receipts, revenue and grants and contributions. Any capital spend we do not fund from these sources increases our underlying need to borrow for capital purposes (the Capital Financing Requirement (CFR)).

The Capital Financing Requirement together with the level of our Balances and Reserves (B&R) are the core drivers of Treasury Management Activity. A summary of our Balance Sheet Projections detailed on the previous page showing key elements including Capital Financing Requirement, External Debt including Finance Leases and Investments is provided in the charts below:



We can use the capital financing related elements of these projections to assess when The Council would need to borrow to fund its Capital Programme, and these estimates are shown in the chart below:



Minimum Revenue Provision Statement 2017/18

The level of our Capital Financing Requirement measures our underlying need to borrow for a capital purpose. To ensure that this expenditure will ultimately be financed, we are required to make a Minimum Revenue Provision for Debt Redemption (MRP) from within the Revenue budget each year. Capital Expenditure that is not financed from capital receipts, revenue or grants and contributions will increase the Capital Financing Requirement and this will in turn produce an increased requirement to charge Minimum Revenue Provision in the Revenue Account.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (Statutory Instrument 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. The Secretary of State has issued guidance on Minimum Revenue Provision and local authorities are required to “have regard” to such Guidance under Section 21(1A) of the Local Government Act 2003.

The four Minimum Revenue Provision options available are:

- Option 1 : Regulatory Method
- Option 2 : Capital Financing Requirement Method
- Option 3 : Asset Life Method
- Option 4 : Depreciation Method

The changes due to the 2009 Statement of Recommended Practice and International Financial Reporting Standards have resulted in new assets and leases being brought onto the Balance Sheet. Therefore, the Capital Financing Requirement has increased, and has led to an increase in the Minimum Revenue Provision charge to revenue. Minimum Revenue Provision for these items will match the annual principal repayment for the associated deferred liability.

Minimum Revenue Provision in 2017/18: Options 1 and 2 may be used only for supported expenditure (where Government provides financial support to offset the borrowing costs through the RSG mechanism). Methods of making prudent provision for self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if The Council chooses).

The Minimum Revenue Provision Statement will be submitted to Council before the start of the 2017/18 financial year. If it is ever proposed to vary the terms of the original Minimum Revenue Provision Statement during the year, a Revised Statement should be put to Council at that time.

In relation to Minimum Revenue Provision, the Council will:

- **Apply option 3 in respect of supported and unsupported Capital Expenditure.**
- **Match the annual principal repayment for the associated Finance Lease liability for leases included on the Balance Sheet.**

Treasury Management

Introduction and Background

In February 2003 the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department of Communities and Local Government (CLG) issued revised guidance in Local Authority Investments in March 2010 that requires the Council to approve an investment strategy before the start of the financial year.

This report fulfils the legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

Accordingly, The Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
- Suitable treasury management practices (TMPs), setting out the manner in which The Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Council (ie full Council) will receive reports on its Treasury Management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year (this report), in year reviews and an annual report after its close, in the form prescribed in its Treasury Management Practices.

The Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices to Cabinet and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and Treasury Management Practices and CIPFA Standard of Professional Practice on Treasury Management. The Council nominates the Strategic (Overview and Scrutiny) Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies.

Policies and Objectives of Treasury Management Activities

The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement.

The Council currently does not plan to borrow to fund its capital expenditure. However, should this situation change and The Council approve borrowing for a capital purpose, The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow The Council transparency and control over its debt. **The Council's primary objective in relation to investments remains the security of capital.** The Council's objective to investing money is to strike an appropriate balance between risk and return, minimizing the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Detailed Cash flow for 2017/18 (figures may not sum due to rounding)

2017/18 (£m)													
Detail	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Income													
Council Tax Collected	-£6.19	-£5.96	-£5.63	-£5.77	-£5.75	-£5.77	-£5.81	-£5.80	-£5.76	-£5.48	-£0.70	-£0.75	-£59.39
Business Rates Collected	-£3.19	-£4.15	-£3.11	-£3.27	-£4.32	-£3.15	-£3.08	-£3.09	-£2.95	-£2.87	-£0.74	-£0.57	-£34.48
Rent Allowance Grant	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£1.69	-£20.22
New Homes Bonus	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£0.12	-£1.42
Net Revenue Income	£0.23	£0.07	£0.07	£0.07	£0.07	£0.10	£0.12	£0.07	£0.07	£0.07	£0.07	£0.07	£1.12
Revenue Support Grant	-£0.14	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	-£0.08	-£0.02	-£0.24
Capital Income	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.03	-£0.33
New Borrowing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Spend													
Capital Programme	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£0.44	£5.33
Other Spend	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.04	£0.50
Rent Allowance Payments	£1.62	£1.54	£1.56	£1.78	£1.55	£1.60	£1.55	£1.55	£2.75	£1.55	£1.55	£1.62	£20.22
Employees	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£0.98	£11.76
Business Rate Payments	£2.54	£3.12	£2.83	£2.83	£2.66	£2.66	£2.66	£2.66	£2.66	£2.66	£2.66	£2.66	£32.58
Cash Flow	£0.03	-£1.43	-£0.33	-£0.42	-£1.84	-£0.30	-£0.61	-£0.66	£0.72	-£0.12	£6.70	£6.96	£8.71

Average Level of Investments	£22.88	£23.58	£24.47	£24.84	£25.97	£27.04	£27.49	£28.12	£28.09	£27.79	£24.50	£17.67
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Investment Income and Borrowing Cost Budgets for 2017/18

Based on the cash flow forecast above and the revenue implications of the Capital Programme, the budgeted overall net Treasury position is shown in the table below:

Details	2017/18 Budget
Average amount we have available to invest (£m)	23.88
Average Interest Rate (%)	0.65%
Interest Receipts	(118,000)
Internal Interest Payments, car loan interest and other costs	3,500
External Borrowing Interest	35,900
Minimum Revenue Provision	62,900
Net Treasury Position	(15,700)

In terms of interest receipts, there are two key risks/sensitivities:

- The interest rate receivable.
- The amount of money we have available to invest.

What if:

Interest Rates Change	We have more cash available to invest £000				
	+£1m	+£2m	+£3m	+£4m	+£5m
Current Estimate	123	128	133	138	143
+0.50%	247	257	267	277	278

Borrowing Strategy

Balance Sheet projections show that the Authority will have total external borrowing at 31 March 2017 of **£1.415m**. The authority does not expect to externally borrow in 2017/18.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages. The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Staffordshire County Council Pension Fund)
- capital market bond investors
- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues
- Salix.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases and hire purchase
- sale and leaseback

The Authority plans to raise its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans, that may be available at more favourable rates.

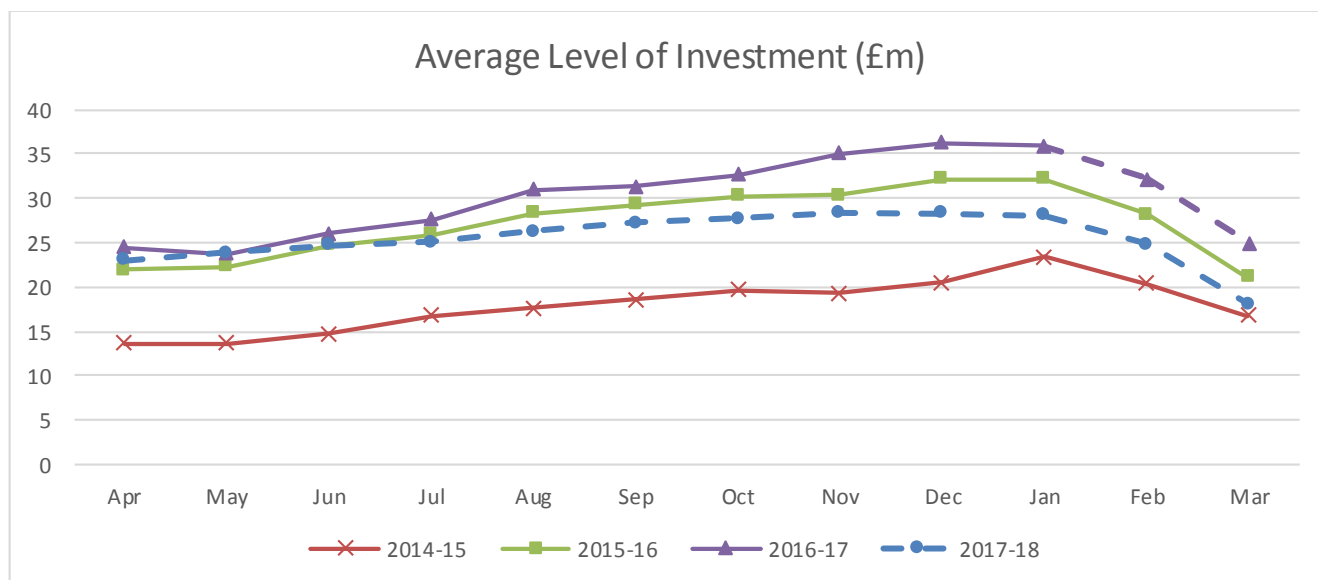
LGA Bond Agency: the UK Municipal Bonds Agency Plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for three reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Full Council.

Short-term and Variable Rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In 2016/17, the Authority’s investment balance is projected to range between **£23m** and **£36m**, and the projected levels for 2017/18 range from **£18m** to **£28m**.

The graph below shows the actual trend of average investment levels in 2014/15, 2015/16 and 2016/17 together with projected levels for 2017/18. The level of our investments is reducing due to the use of reserves to support our Revenue Budget together with the funding of our Capital Programme.



Objectives: Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Strategy: Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding asset classes during 2017/18. This is especially the case for the estimated **£5m** that is available for longer-term investment. The majority of the Authorities surplus cash is currently invested in short-term unsecured bank deposits, certificates of deposit and money market funds.

This diversification will therefore represent a substantial change in strategy over the coming year.

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in Table 1 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 1: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Government	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£1m 5 years	£1m 20 years	£2m 50 years	£1m 20 years	£1m 20 years
AA+	£1m 5 years	£1m 10 years	£2m 25 years	£1m 10 years	£1m 10 years
AA	£1m 4 years	£1m 5 years	£2m 15 years	£1m 5 years	£1m 10 years
AA-	£1m 3 years	£1m 4 years	£2m 10 years	£1m 4 years	£1m 10 years
A+	£1m 2 years	£1m 3 years	£2m 5 years	£1m 3 years	£1m 5 years
A	£1m 13 months	£1m 2 years	£2m 5 years	£1m 2 years	£1m 5 years
A-	£1m 6 months	£1m 13 months	£2m 5 years	£1m 13 months	£1m 5 years
BBB+	£0.5m 100 days	£1m 6 months	£2m 2 years	£0.5m 6 months	£0.5m 2 years
BBB	£0.5m next day only	£1m 100 days	n/a	n/a	n/a
None	£0.5m 6 months	n/a	£2m 25 years	£50,000 5 years	£0.5m 5 years
Pooled funds	£2m per fund				

Credit Rating: Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. **These investments are subject to the risk of credit loss via a Bail-In should the regulator determine that the bank is failing or likely to fail.**

Banks Unsecured – the Council's Bank - Unsecured investment at the Authority's current account bank with the National Westminster Bank is restricted to overnight deposits.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from Bail-In. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to Bail-In, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to Bail-In, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short term Money Market Funds that offer same-day liquidity and very low or no volatility be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made,
- Any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn as soon as possible after the change will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of **[A-]** or higher that are domiciled in the UK or a foreign country with a sovereign rating of **[AA+]** or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of **[A-]** or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in Table 2 below.

Table 2 : Non-Specified Investment Limits (recommended changes are in bold)

	Approved limit	Recommended Limit
Total long-term investments	£2.5m	£6m
Total investments without credit ratings or rated below [A-]	£5m	£8m
Total investments with institutions (except pooled funds) domiciled in foreign countries rated below [AA+]	£1m	£1m
Total non-specified investments	£8.5m	£15m

Investment Limits: The Authority’s revenue reserves available to cover investment losses (excluding capital grants and contributions, capital receipts and the multi storey reserve) are forecast to be between **£7.71m** and **£8.27m** during 2017/18. In order that no more than **20%** of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and other UK Local Authorities) will be **£1m**. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below (investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries) :

Table 3 : Investment Limits (recommended changes are in bold)

	Approved limit	Recommended Limit
Any single organisation, except the UK Central Government and UK Local Authorities	£1m each	£1m each
UK Central Government	unlimited	unlimited
UK Local Authorities	£2m each	£2m each
Any group of organisations under the same ownership	£1m per group	£1m per group
Any group of pooled funds under the same management	£4m per manager	£4m per manager
Negotiable instruments held in a broker's nominee account	£12m per broker	£12m per broker
Foreign countries	£2m per country	£2m per country
Registered Providers	£5m in total	£5m in total
Unsecured investments with Building Societies	£2m in total	£2m in total
Loans to unrated corporates	£2m in total	£2m in total
Money Market Funds	£12m in total	£12m in total

Liquidity Management: The Authority uses excel for cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's MTFs and cash flow forecast.

Treasury Management Strategy

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The CFO, having consulted the Cabinet Member for Finance and Democracy, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness.

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. Lenders Option Borrowers

Option (LOBO) loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed every six months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

Investment Advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by the specification related to the procurement and regular contact with the Adviser.

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of **£10.844m** in 2017/18. The maximum period between borrowing and expenditure is expected to be **two** years, although the Authority is not required to link particular loans with particular items of expenditure.

Prudential Indicators 2016-21

1. Background:

There is a requirement under the Local Government Act 2003 for Local Authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Local Authority should ensure that the gross external borrowing does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for the current and next two financial years.

The Chief Financial Officer reports that the Authority had no difficulty meeting this requirement in 2016/17, and there are no difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure: This indicator is set to ensure that the level of proposed Capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

No. 1 Capital Financing	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Non-Current Assets	5.058	5.941	1.885	2.800	0.880	2.943	0.723
Revenue Expenditure funded from Capital under Statute	2.447	1.351	1.040	2.532	0.980	1.280	0.875
Total	£7.505	£7.292	£2.925	£5.332	£1.860	£4.223	£1.598

No. 1 Capital Financing	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Capital Receipts	2.026	2.033	0.705	1.070	0.808	0.897	0.078
Burntwood Sinking Fund	0.242	0.095	0.130	0.170	0.042	0.003	0.000
Other Sinking Funds	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital Grants and Contributions	3.901	2.858	0.835	3.768	0.705	1.153	1.153
Earmarked Reserves	0.693	0.768	0.329	0.096	0.121	1.831	0.188
Revenue Contributions	0.154	0.177	0.182	0.154	0.154	0.154	0.154
Finance Leases, Invest to Save and Borrowing	0.489	1.361	0.745	0.075	0.030	0.185	0.025
Total	£7.505	£7.292	£2.925	£5.332	£1.860	£4.223	£1.598

Note: The element to be financed from borrowing, Invest to Save and finance leases impacts on the movement in the Capital Financing Requirement.

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income (where investment income exceeds the costs of borrowing, the indicator will be negative).

No. 2 Ratio of Financing Costs to Net Revenue Stream	2016/17 Original %	2016/17 Approved %	2016/17 Revised %	2017/18 Original %	2018/19 Original %	2019/20 Original %	2020/21 Original %
%	6%	5%	5%	5%	5%	6%	5%

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures The Council's underlying need to borrow for a capital purpose. The calculation of the Capital Financing Requirement is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Non-Current Assets, the Revaluation Reserve, the Capital Adjustment Account and any other balances treated as capital expenditure.

No. 3 Capital Financing Requirement	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Balance Brought Forward	5.448	4.663	4.663	4.806	4.300	3.783	3.387
Capital Expenditure financed from borrowing and Invest to Save	0.489	1.361	0.745	0.075	0.030	0.185	0.025
Minimum Revenue Provision	(0.654)	(0.602)	(0.602)	(0.581)	(0.547)	(0.581)	(0.579)
Balance Carried Forward	£5.283	£5.422	£4.806	£4.300	£3.783	£3.387	£2.833

6. Actual External Debt:

6.1 This indicator is obtained directly from The Council's Balance Sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

6.2 Net external borrowing does not exceed the CFR in any of the financial years 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21.

No. 4	31-03-16 Actual £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Long Term Borrowing	1.415	1.339	1.278	1.217	1.156	1.095
Short Term Element of LT Borrowing	0.077	0.076	0.060	0.060	0.060	0.060
Short Term Element of LT Liabilities	0.415	0.521	0.499	0.500	0.534	0.531
Other Long Term Liabilities	1.908	2.026	1.624	1.153	0.770	0.267
Total	£3.815	£3.962	£3.461	£2.930	£2.520	£1.953

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of Capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total Revenue Budget requirement of the current approved Capital Programme with an equivalent calculation of the Revenue Budget requirement arising from the proposed Capital Programme (**APPENDIX C**).

No.5 Incremental Impact of Capital investment Decisions	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Band D Equivalent	£3.77	£2.29	(£0.12)	(£0.21)	(£0.91)	(£0.83)	(£1.64)

7.2 The estimate of procurements made by Finance Leases which are included in the Capital Programme mainly for the replacement of current assets is shown in the table below:

	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
New Vehicle and Plant Procurements	£0.422	£1.247	£0.745	£0.030	£0.185	£0.025	£0.075

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated Treasury Management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the Capital Financing Requirement.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external-borrowing items on the Balance Sheet (i.e. long and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management Policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit):

No. 6 Authorised Limit for External Debt	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Borrowing	9.285	9.285	10.806	10.844	11.118	11.193	11.006
Finance Leases - New	4.448	4.448	4.448	4.448	4.448	4.448	4.448
Total	£13.733	£13.733	£15.254	£15.292	£15.566	£15.641	£15.454

8.5 The **Operational Boundary** links directly to the Council's estimates of the Capital Financing Requirement and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Chief Financial Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Full Council.

No. 7 Operational Boundary for External Debt	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Borrowing	1.916	1.916	1.915	1.838	1.777	1.716	1.655
Finance Leases	3.413	4.057	4.057	4.057	4.057	4.057	4.057
Total	£5.329	£5.973	£5.972	£5.895	£5.834	£5.773	£5.712

9 Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Number 8	Adoption of the CIPFA Code of Practice in Treasury Management The Council approved the adoption of the CIPFA Treasury Management Code at its Full Council meeting on 25 February 2003. The Council has incorporated any changes resulting from the revisions to the CIPFA Treasury Management Code within its treasury policies, practices and procedures.
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10. Gross Debt⁴

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need:

No. 9	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Outstanding Borrowing	(1.492)	(1.415)	(1.415)	(1.338)	(1.277)	(1.216)	(1.155)
Other Long Term Liabilities	(3.052)	(2.547)	(2.547)	(2.124)	(1.653)	(1.305)	(0.799)
Gross Debt	(£4.544)	(£3.962)	(£3.962)	(£3.462)	(£2.930)	(£2.521)	(£1.954)
Capital Financing Requirement	£5.283	£5.422	£4.806	£4.300	£3.783	£3.387	£2.833
Is our Gross Debt in excess of our Capital Financing Requirement and are we therefore borrowing in advance of need?	No	No	No	No	No	No	No

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises, which could adversely impact on the revenue budget:

No. 10 and 11	2016/17 Original %	2016/17 Approved %	2016/17 Revised %	2017/18 Original %	2018/19 Original %	2019/20 Original %	2020/21 Original %
Fixed Interest Rates							
Upper Limit on Fixed Interest Rate Exposure on Investments	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)
Upper Limit on Fixed Interest Rate Exposure on Debt	100%	100%	100%	100%	100%	100%	100%
Net Fixed Exposure (No. 10)	0%	0%	0%	0%	0%	0%	0%
Variable Interest Rates							
Upper Limit for Variable Rate Exposure on Investments	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)
Upper Limit for Variable Rate Exposure on Debt	30%	30%	30%	30%	30%	30%	30%
Net Variable Exposure (No. 11)	(70%)	(70%)	(70%)	(70%)	(70%)	(70%)	(70%)

⁴ At nominal value.

12. Maturity Structure of Fixed Rate borrowing:

- 12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No. 12 Maturity Structure of Fixed Rate Borrowing	£	%	Lower Limit	Upper Limit
Under 12 months	75,733	5.35%	0%	100%
12 months and within 24 months	60,880	4.30%	0%	100%
24 months and within 5 years	182,640	12.91%	0%	100%
5 years and within 10 years	304,400	21.51%	0%	100%
10 years and within 20 years	608,800	43.02%	0%	100%
20 years and within 30 years	182,640	12.91%	0%	100%
30 years and within 40 years	0	0.00%	0%	100%
40 years and within 50 years	0	0.00%	0%	100%
50 years and above	0	0.00%	0%	100%
Total	£1,415,093			

13. Upper Limit for total principal sums invested over 364 days:

- 13.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of The Council having to seek early repayment of the sums invested.

No 13 Upper Limit for total principal sums invested over 364 days	2016/17 Original £m	2016/17 Approved £m	2016/17 Revised £m	2017/18 Original £m	2018/19 Original £m	2019/20 Original £m	2020/21 Original £m
Upper Limit	£3.500	£3.500	£6.000	£6.000	£6.000	£6.000	£6.000

STRATEGIC PLAN 2016-20

CORPORATE ANNUAL ACTION PLAN – 2017/18



Report of the Leader and Cabinet Member for Community

Date:	30 January 2017
Agenda Item:	7
Contact Officer:	Neil Turner
Tel Number:	01543 308761
Email:	Neil.Turner@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	Relevant to all wards

**Strategic
(Overview and
Scrutiny)
Committee**

1. Executive Summary

- 1.1 The Strategic Plan 2016-20 describes the strategic objectives of the Council. In order to achieve the Council's strategic objectives, there needs to be a mechanism to ensure that there are clear plans and targets for each financial year and that the budget is aligned accordingly.
- 1.2 This report describes the top issues that the Council may wish to focus on during 2017/18 in support of the Strategic Plan. These are set out at **APPENDIX A** in the draft Corporate Annual Action Plan (CAAP). The CAAP is underpinned by the Action Plans for each of the Services and these are being considered by the O&S Committees during January, February and March.
- 1.3 In early February, Cabinet will be asked to approve the 2017/18 CAAP and would welcome the views of Committee.
- 1.4 Committee is asked to consider whether it believes the most appropriate and relevant issues have been selected, that there is a 'good fit' with the Strategic Plan and that the expected outcomes are sufficiently ambitious, realistic and measureable.

2. Recommendations

- 2.1 The views of the Committee are sought on the draft 2017/18 Corporate Annual Action Plan which is attached at Appendix A and note the proposed Key Performance Indicators at Appendix B.

3. Background

- 3.1 The 2016-20 Strategic Plan was adopted in February 2016 and was prepared having regard to local socio-economic data (compiled by the Staffordshire Intelligence Hub); manifesto commitments; consultation feedback; and the availability of resources.
- 3.2 Each year the council adopts a one year Corporate Annual Action Plan which describes the key activities and projects, measures and targets the Council intends to deliver over the next financial year. The CAAP is approved by Cabinet and Council in February at the same time that the budget is approved.

- 3.3 The CAAP focuses on the areas of work that are considered to be of most strategic importance and the actions have been aligned with the council's four strategic priorities.
- 3.4 The CAAP is the high-level action plan for the council and its targets will cascade into a series of Service Annual Action Plans which are being considered by O&S Committees during the early part of 2017. The Service Annual Action Plans will then inform the Service Plans which are due for completion by May 2017.
- 3.5 In turn, the targets in the Service Annual Action Plans can be aligned with team and individual performance targets in 2017/18.
- 3.6 The draft CAAP has been prepared in consultation with Leadership Team and individual Cabinet Members.
- 3.7 Progress against the CAAP will be presented to Cabinet in December 2017 and June 2018 and to the relevant O&S Committee in January and June 2018.
- 3.8 The CAAP identifies projects, milestones and activities of the council and others. This year, a column identifying potential risk rating has also been added to provide an insight into the complexity and impact that are associated with each action.
- 3.9 A basket of corporate key performance indicators has also been defined to evidence outcomes and the difference that the CAAP may make to the district. It is intended that these KPIs are monitored throughout the year so as to be able to measure progress towards the achievement of outcomes. The draft KPIs are attached at **APPENDIX B**.
- 3.10 Following consideration by Cabinet, the document will be forwarded for approval by Full Council and will then be published on the website.

Alternative Options	The top issues were identified through discussions with Leadership Team and with respective Cabinet Members. Of course, there are numerous alternative options but the CAAP attached at Appendix A is considered to be balanced and focused on the most important issues in the delivery of the Strategic Plan.
Consultation	The selection of the top issues has had regard to the outcome of consultation (with Members, partner organisations, residents and staff) which was conducted as part of the development of the Strategic Plan.
Financial Implications	None arising directly from this report. However, Members and officers need to be mindful of ensuring that the distribution of resources and capacity is adequate to progress the items listed.
Contribution to the Delivery of the Strategic Plan	<p>The Corporate Annual Action Plan as set out at Appendix A has been categorised according to the Council's four strategic priorities. The Directorate has identified at least one issue in support of each priority area</p> <ul style="list-style-type: none"> • Vibrant and prosperous economy – 2 issues • Healthy and Safe – 3 issues • Clean, green and welcoming - 2 issues • A council that is fit for the future – 3 issues
Equality, Diversity and Human Rights Implications	Equality and diversity implications are dealt with at an appropriate time in the delivery of the actions in the Appendix. Overall it is anticipated that there will be a positive impact on people with protected characteristics.

**Crime & Safety
Issues**

Crime and safety issues are dealt with at an appropriate time in the delivery of the action in the Appendix.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	An issue which should have been included in the top issues has been over looked	The process of identifying the top issues is rigorous and gives the opportunity for elected Members and Officers to contribute. However, if another issue arises or escalates, the top issues may need to be reviewed and rescheduled.	Yellow (material)
B	A new priority emerges which could potentially be a top issue	Any new issues would need to be considered and amendments made to the existing list (with appropriate Member approvals	Yellow (material)
C	The Council has insufficient financial or staffing capacity to deliver all of the top issues	Regular progress monitoring will be undertaken including biannual reports to this Committee	Yellow (material)

Background documents

Strategic Plan 2016-2020

Relevant web links

Draft CORPORATE ANNUAL ACTION PLAN 2017 / 18

Reference no	Ambitions	What will success look like?	Potential Risk RAG	Service Areas involved	Governance (O&S)
Vibrant and prosperous economy					
AAP1	Develop Lichfield City and Burntwood Town Centres	Start on site with Friarsgate by the end of 2017	Amber	Economic Growth	Economic Growth, Environment & Development
		Planning application considered for Burntwood Town Centre development by June 2017	Amber	Development	
		Implement City Centre Development Partnership Strategy including: Re-integration of the tourist information centre into St Mary's Heritage Centre.	Amber	Economic Growth	Economic Growth, Environment & Development
		Planning application determined for new coach park by June 2017	Green	Development	
		Submit bid for restoration of Stowe Pool to HLF by June 2017.	Green	Leisure & Operational Services	Leisure, Parks & Waste Management

Reference no	Ambitions	What will success look like?	Potential Risk RAG	Service Areas involved	Governance (O&S)
AAP2	Encourage job creation throughout the district	Support the development of commercial sites at Liberty Park; Wall Island; Fradley Park.	Amber	Economic Growth	Economic Growth, Environment & Development
		Review major employment allocations to facilitate development by March 2018	Green	Economic Growth	
		Identify and remove barriers to site assembly at Burntwood to facilitate town centre development	Red	Economic Growth	
		Bring forward the Cricket Lane, Lichfield employment allocation	Red	Economic Growth	
Healthy and safe communities					
AAP3	Ensuring a safe, warm and accessible housing stock	95 Disabled Facilities Grant adaptations completed to allow residents to remain in their own homes.	Amber	Regulatory Services, Housing & Wellbeing	Community, Housing & Health
		Countywide review of Adaptations completed by March 2018	Green		
AAP4	Preventing cases of homelessness	200 cases of at-risk of homelessness prevented from becoming homeless	Green	Regulatory Services, Housing & Wellbeing	Community, Housing & Health

Reference no	Ambitions	What will success look like?	Potential Risk RAG	Service Areas involved	Governance (O&S)
AAP5	A more active district	<p>Delivery of actions within the Physical Activity and Sport Strategy including:</p> <p>Adoption of a new Joint Use Agreement at Friary Grange Leisure Centre (September 2017)</p> <p>The transfer of the management and operation of 2 leisure centres to a leisure operator (January 2018)</p>	<p>Amber</p> <p>Amber</p>	<p>Leisure & Operational Services</p> <p>Leisure & Operational Services</p> <p>Leisure & Operational Services</p>	Leisure , Parks & Waste Management
Clean, green and welcoming places to live					
AAP6	Implement the Local Plan and promote housing growth	<p>Planning permissions granted for 1300 homes</p> <p>At least 633 homes built in accordance with the 5 year housing land supply trajectory for 2017/18</p> <p>At least 158 affordable homes built in accordance with the targets of the Local Plan.</p> <p>Strategic housing sites plan reviewed by March 2018</p> <p>Adoption of Site Allocations Plan by March 2018</p>	<p>Amber</p> <p>Red</p> <p>Red</p> <p>Green</p> <p>Green</p>	<p>Development Services</p> <p>Development Services</p> <p>Development Services</p> <p>Economic Growth</p> <p>Economic Growth</p>	Economic Growth, Environment & Development

Reference no	Ambitions	What will success look like?	Potential Risk RAG	Service Areas involved	Governance (O&S)
AAP7	Mitigating the effects on local communities and the environment of the Government's HS2 proposals	<p>Phase 1 – Commence considering and determining applications and environmental health consents in line with qualifying authority status.</p> <p>Phase 2 – Ensure timely and meaningful responses to consultations on draft Environmental Impact Assessment and route design refinement.</p>	<p>Green</p> <p>Green</p>	Economic Development/ Regulatory Services, Housing & Wellbeing	Economic Growth, Environment & Development and Community, Housing & Health
A council that is fit for the future					
AAP8	Implement Fit for the Future programme and outcomes of the Corporate Council Review	<p>Delivery Plans implemented for the following reviews</p> <ul style="list-style-type: none"> Revenues and Benefits Economic Development <p>Complete and implement new arrangements for Scrutiny</p> <p>Prepare and adopt new People Strategy by March 2018 including the adoption of new</p> <ul style="list-style-type: none"> flexible working policy car parking policy 	<p>Amber</p> <p>Green</p> <p>Amber</p> <p>Amber</p>	<p>Revenues, Benefits & Customer Services</p> <p>Economic Development</p> <p>Legal, Property & Democratic Services</p> <p>Corporate Services</p>	<p>Strategic</p> <p>Economic Growth, Environment & Development</p> <p>Strategic</p> <p>Employment Committee</p>

Reference no	Ambitions	What will success look like?	Potential Risk RAG	Service Areas involved	Governance (O&S)
		Consider and agree future use of Council House by March 2018.	Amber	Legal, Property & Democratic Services	Strategic
AAP9	Ensure revenue and capital budgets are managed efficiently and effectively	2016/17 Accounts audited and unqualified by July 2017	Green	Finance & Procurement	Strategic
	Reduce dependence of the revenue budget on income from government grant.	Outturn at 31 st March 2018 to be +/- £250,000 of the original revenue budget	Amber		
	Implement the four strands of the Efficiency Plan 2016 – 2020.	Maintain collection rates of council tax and non-domestic rates of at least 98.5%	Green	Revenues, Benefits & Customer Services Finance & Procurement	Strategic
		Adopt and implement commercialisation strategy by November 2017	Amber	Leadership Team	Strategic
AAP10	Encourage more customers to use digital means to interact with the council	Adopt, by May 2017, and implement innovation/channel shift/ digitisation programme	Amber	Corporate	Strategic
		More transactions completed on-line by customers	Green	Customer Services, Revenues & Benefits	Strategic

Reference no	Ambitions	What will success look like?	Potential Risk RAG	Service Areas involved	Governance (O&S)
		<p>More processes completed with fewer interventions by staff</p> <p>Reduced number of telephone and face to face calls to the council.</p>	<p>Amber</p> <p>Amber</p>	<p>Customer Services, Revenues & Benefits</p>	<p>Strategic</p> <p>Strategic</p>

Proposed Corporate Key Performance Indicators 2017/18

Vibrant and Prosperous Economy

Outcome	PI	Description and Data Source
More jobs and more people in employment	Economic Activity Rate	Percentage of population aged 16 to 64 who are economically active (http://www.nomisweb.co.uk/)
	JSA Claimants	No of JSA Claimants (http://www.nomisweb.co.uk/)
	Industrial and commercial floorspace	New industrial and commercial floorspace built (Annual Monitoring Report)
	Jobs created	Jobs created / supported by creation and use of new industrial and commercial floorspace (To be confirmed)
More visitors	Visitor numbers	Total visitor numbers to key attractions and events (Lichfield District Tourism Association)
	Car parking admissions	Car parking tickets sold in city centre (Car Parks)
	Footfall counts	Data from BID counts in city centre (BID)
Retail strength	Retail vacancy rates	Percentage of units vacant in city centre and Burntwood town centre. (Local Survey, LDC)

Healthy and Safe Communities

Outcome	PI	Description
More people active and healthy	Active People	Number of residents aged over 14 active on at least 3 occasions per week (Active Lives)
	Active People	Number of residents aged over 14 active on at least 1 occasion per week (Active Lives)
	<i>Concessionary LAP members</i>	No of people holding a concessionary LAP membership. Eligibility criteria includes over 60; disabled; carer; or less affluent. (From SCUBA, Leisure & Parks LDC)
Fewer People homeless	<i>Homelessness Preventions</i>	No of successful homeless prevention cases at 6 months (Covalent)

Feeling safer	Victims of crime	Percentage of residents a victim of crime in the previous 12 months (Community Safety)
	Feelings of safety	Percentage of residents who feel unsafe in their local area (Feeling the Difference Survey)
People living independently	<i>DFG adaptations</i>	Number of completed adaptation grant projects. (Covalent) Number of people assisted by such projects. (Covalent)

Clean Green and Welcoming Places to Live

More homes available	<i>Planning permissions granted</i>	No. of homes granted planning approval (Annual Monitoring Report)
	Homes built	No. of homes completed (Annual Monitoring Report)
	Affordable homes built	No. of affordable homes (Covalent)
	Empty homes returned to occupation	No of long term empty homes returned to occupation (Housing Strategy)
Clean environment	Fly-tipping	No of incidences of fly-tipping (Streetscene)
	<i>Removal of fly-tipping</i>	% of incidences of fly-tipping removed within 24/48 hours (Streetscene)
Attractive open spaces	<i>Visitors to parks</i>	No. of organised events in our parks and open spaces (Covalent) No. of attendees at organised events in our parks and open spaces (Covalent)

A council fit for the future

Budgeting efficiently	<i>Actual cost v Budget</i>	Difference between actual and original budget (Finance & Procurement)
	<i>Council Tax collection</i>	% of council tax due collected (Revenues, Benefits & Customer Services)
	<i>NDR collection</i>	% of NDR due collected (Revenues, Benefits & Customer Services)
Channel Shift and Innovation	<i>Digital processes</i>	No. of processes available to the customer on-line (Channel Shift Lead)
	<i>Customer transactions</i>	No. of transactions with customers completed wholly digitally (Channel Shift Lead)
	<i>Streamlining processes</i>	No. of processes streamlined to reduce the interventions by staff (Channel Shift Lead)
	<i>No of telephone calls</i>	No of telephone calls into Connects (Covalent)
	<i>No of desk enquiries</i>	No of visitors greeted by reception (Covalent)

Performance Indicators marked in *italics* represent the council's own performance of tasks and actions.

MID YEAR PERFORMANCE REPORT – ONE YEAR ACTION PLAN 16/17

Cllr Doug Pullen, Cabinet Member for Community

Date: 30 January 2017

Agenda Item: 8

Contact Officer: Neil Turner

Tel Number: 01543 308767

Email: neil.turner@lichfielddc.gov.uk

Key Decision? NO

Local Ward Members Not applicable

**Strategic
(Overview and
Scrutiny)
Committee**

1. Executive Summary

- 1.1 To provide Committee with a summary of progress against the top ten issues and tasks included in the District Council's Action Plan for 2016/17. The Performance Report is attached at **Appendix A**.
- 1.2 Members are invited to raise questions and comment on the Performance Report.
- 1.3 This report was considered by Cabinet at its meeting in December.

2. Recommendations

- 2.1 To note the mid-year Performance Report at **Appendix A**.

3. Background

- 3.1 Each year, the District Council produces a One Year Action Plan which sets out the key activities and projects, measures and targets the Council intends to deliver over the coming twelve months. The Plan is considered by Council each year in February at the same time the budget is approved.
- 3.2 The Annual Action Plan is driven by the top 10 issues for 2016/17 which are developed by each Directorate / Cabinet Member relevant to their respective portfolio area. These were considered by the Overview and Scrutiny Committees during the January 2016 round of meetings. The corporate top ten (Annual Action Plan) consists of the most critical issues for the Council / our community and is comprised from some elements of the four Directorate top 10 lists.
- 3.3 This monitoring report ensures that Directors and Cabinet Members can be held accountable for the performance of their Directorates / Portfolios in respect of the top 10 issues and also ensures transparency and accountability to the public.
- 3.4 We are currently in the process of reviewing how we collate and present this information in order to provide more insight.
- 3.5 We are also exploring the way in which the actions presented link to the risk register and the possibility of highlighting areas of concern using the Red, Amber, Green (RAG) rating.

Alternative Options	None
Consultation	There has been no consultation specifically about this Performance Report. However, there has been a consultative element to several of the Actions set out.
Financial Implications	None arising directly from this report. However, one of the top ten priorities is to balance the budget within the Medium Term Financial Strategy and progress against this objective is included within the report.
Contribution to the Delivery of the Strategic Plan	The District Council's Strategic Plan 2016 -20 contains a range of high level objectives and aspirations The Annual Action Plans provide more detail about the tangible activities which are planned for each financial year.
Equality, Diversity and Human Rights Implications	Equality and diversity implications are dealt with at an appropriate time in the delivery of the actions in the Appendix, for example an equality impact assessment was undertaken of the recommendations arising from the Revenues & Benefits Service Review and no adverse implications for groups with protected characteristics were identified
Crime & Safety Issues	Crime and safety issues are dealt with at an appropriate time in the delivery of the action in the Appendix; for example the Locality Commissioning Board has prioritised 'a safe community' and investments have been made in supporting victims and witnesses (Pathway Project), early intervention for young people (Positive Futures), support for victims of anti social behaviour (Victim Support) etc.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Information provided to Members is too 'high level' and inadequate for robust scrutiny	Members can request further details or a separate report on any item referred to in the report	Y (Material)
B	Performance Reporting is not sufficiently meaningful	We are reviewing the way we prepare, present and interpret data with particular regard to the Council's Strategic Plan and Risk Register.	Y (Material)

Background documents The Strategic Plan 2016 - 2020

Relevant web links <https://www.lichfielddc.gov.uk/Council/Performance-efficiency/Our-Strategic-Plan-2016-2020.aspx>

Corporate Annual Action Plan – Top Ten Performance Report Half Year 2016/17



Vibrant and prosperous economy

Reference	What will success look like	Progress Update
AAP1 Dev1 Improve and enhance the health and viability of Lichfield City Centre and Burntwood	<p>Planning application for Friarsgate considered by April 2016.</p> <p>Friarsgate scheme under construction.</p> <p>Planning application brought forward for an improved retail offer in Burntwood.</p> <p>Property vacancy rates reduced by 1% to 8.2% in Lichfield City and by 1% to 3.6% in Burntwood town baseline at December 2015</p>	<p>Position at June – Planning permission granted for Friarsgate scheme. Planning applications submitted for both industrial and residential developments at Milestone Way, Burntwood prior to proposals coming forward. Updated retail vacancy rates will not be available until July 2016.</p> <p>Position at September – Discussions are on-going with Council's development partner about the implementation of this linked to conditions and separate details of Development Agreement. Operator interest in the scheme remains high with the Council's development partner continuing to progress contractual terms with a range of retailers and food/drink interests.</p> <p>Discussions are continuing with LCP relating to Burntwood and a potential future planning application. Pre-application discussions including with Burntwood Town Council are on-going and a planning application(s) are expected to be formally submitted to the District Council at the end of 2016 or early 2017.</p> <p>Retail vacancy rate: 8.61% June 2016 (Lichfield) 4.55% June 2016 (Burntwood).</p>
AAP2 Dev2 Encourage visitors to our District	<p>Lichfield City Centre Development Partnership Strategy launched by April 2016.</p> <p>Visitor numbers increased across the District by at least 1% (from 2,853,000)</p>	<p>Position at June – Although data from LDTA researchers will not be available until 2017, the indicators including web tracking, car parking (occupancy increased by 5% over the same period last year) and attendance at key events look favourable. Key events in Q1 include the Bower, Sir Tom Jones concert and the Staffordshire Ironman. Preparations are underway for the launch of City Centre Development Strategy.</p> <p>Position at September – The City Centre Development Strategy has been launched. Other indicators are very positive including a 6% increase in car parking transactions. Key events held include the Lichfield</p>

Reference	What will success look like	Progress Update
		Arts Festival, the Food Festival, Burntwood Wakes, Lichfield Proms in Beacon Park, the St Giles Solstice Walk and the Lichfield 10k.

Healthy and Safe Communities

Reference	What will success look like	Progress Update
AAP3 CHH3 Prevent Homelessness and rehouse eligible households who become homeless	At least 200 homelessness preventions. Homes identified within the district for up to 5 refugee families.	Position at June – 60 homelessness preventions comprising of 37 by the Council and 23 by SESCAB (included due to locality commissioning funding of SESCAB). The Council will continue to work with the County Council and other Staffordshire district councils in Staffordshire with regard to the housing of refugee families but it is not anticipated that Lichfield will be asked to provide accommodation before January 2017. Position at September – 115 homelessness preventions comprising of 69 by the Council and 46 by SESCAB (included due to locality commissioning funding of SESCAB). Pressure on the service is beginning to increase but at the moment is tolerable.
AAP4 CHH2 Deliver a programme of disabled facilities grants and help people to remain in their own homes	100% of budget for disabled facilities grants spent.	Position at June – 18.6% spent at 30 June. The rate of spend on DFG's at this point is higher than 2015/16 and expected to increase further as Revival is recruiting to fill 2 vacant posts covering the Lichfield area and have a priority team working on completing a number of delayed cases. 18 grants were awarded in the first quarter which compares well to the same period in 2015/16 when 3 were awarded. Position at September – 43.2% spent at 30 September 2016 compared with 12.9% spent at the same point in 2015/16. Revival has completed the recruitment of and it is anticipated that the DFG budget will be fully spent for 2016/17. 21 grants were awarded in this quarter compared to 13 in the same period last year.
AAP5 CHH4 Develop and implement a Strategy for Prevent (anti-terrorism)	Strategy approved by June 2016.	Position at June – The Prevent Strategy was endorsed by the CHH O&S Committee and the District Board in June. Position at September – This is being implemented through the Community Safety Partnership as part of the normal processes. Prevent is a standard agenda item for the weekly partnership hub meetings and the monthly Joint Operations Group. Both meetings are attended by relevant agencies where addressing the needs of vulnerable people, e.g. those with the potential to become involved in radicalisation, and community tensions across the district are discussed and actioned or referred to the appropriate organisation.

Clean, green and welcoming places to live

Reference	What will success look like	Progress Update
AAP6 Dev3 Implement the adopted Local Plan	Pre application discussions in relation to Deans Slade and Cricket Lane, Lichfield (major allocated development sites) underway Draft Site Allocations Plan prepared and submitted for examination A 20% increase in dwellings delivered in 2016/17 (compared to 204 gross, 200 net in 2015/16) Revised planning proposal for Liberty Park (13 hectares) considered	<p>Position at June – Work on producing the Part 2 Site Allocations plan is on-going with the priority being evidence gathering. This will help inform a draft Plan which will be presented for member approval by the end of the year and then public consultation. Due to the legal challenge and consequent delay, a revised Local Development Scheme will need to be agreed. A planning application for revised scheme at Liberty Park has been submitted.</p> <p>Position at September – Pre-application discussions are continuing with the respective landowners/developers of these key sites. Local Plan Allocations document is progressing with Publication stage (Pre-Submission) on track for February 2017. Work is being undertaken on assessing the barriers preventing certain housing sites coming forward. Sites currently coming forward are land at Streethay; Fradley Park; east of the bypass, Burntwood; St John’s, Lichfield and adjacent to the library, Friary Road, Lichfield.</p>
AAP6 CHH5 Implement the adopted Local Plan – Deliver affordable housing	32 Units of affordable Housing delivered.	<p>Position at June – No completions for quarter 1 but units are on site at Hawkesyard, East of Burntwood Bypass Strategic Allocation and Kings Bromley, and are on target for completion this year.</p> <p>Position at September – No completions yet but the units continue to be built that are on site at Hawkesyard (15), Wheelhouse Road (7) and Kings Bromley (4) and are on target for completion this year. Units at the Burntwood Bypass Site have been delayed and so completions not now expected until 2017/18. It is estimated that a total of 27 units will be completed during the year.</p>

A council that is fit for the future

Reference	What will success look like	Progress Update
<p>AAP7 Dev8</p> <p>Continue to implement Fit for the Future programme</p>	<p>Delivery Plan developed and implemented for the following review</p> <ul style="list-style-type: none"> • Economic Development Service 	<p>Position at June – The Council has approved an Economic Development Strategy and Action Plan, the key and major output of the ED Review. The Strategy will shortly be published. As part of the review additional resources have been agreed to assist in the delivery of the Strategy. These will be put in place pending the current Management Structure Review. Another output from the review has been the confirmation of the shared service arrangement with Tamworth BC resulting in a new SLA. This will provide for a new Business Plan which aligns with the ED Strategy and the Council's Strategic Plan. The economic impact of Brexit is also being assessed.</p> <p>Position at September – The ED Strategy and Action Plan are being implemented. Delivery and governance arrangements remain to be finalised as the process for putting in place the Council's new management structure has yet to be completed. Once this occurs more formal working operations will be agreed and become operational. Notwithstanding this, a report on the work being carried out through the shared service arrangement with Tamworth BC was presented to the EGED Committee in September. Overall ED performance is good across the District with an increase in jobs in a number of sectors, low unemployment rates and healthy levels of activity occurring in our key centres. Retail vacancy rates in both Burntwood and Lichfield City remain good compared with national averages (8.6 and 4.55% against a national average of 12%). Activity rates remain high within the District – 78%</p>
<p>AAP7 Dev9</p> <p>Continue to implement Fit for the Future programme</p>	<p>Delivery Plan developed and implemented for the following review</p> <ul style="list-style-type: none"> • Car Parking 	<p>Position at June – The Council has approved a new Car Parking Strategy and revised charges. The revised charges will be introduced in August 2016 and help to deliver planned improvements in the car parking estate, including a new Multi Storey Car Park and the trial of "Check In, Check Out" payments scheme. Car parking occupancy has increased by 5% in the first quarter of 2016/17 compared with the same quarter in 2015/16.</p> <p>Position at September – Work is continuing to implement the provisions of the Car Parking Strategy. Following the introduction of new parking charges evidence shows that there has been no adverse impact in deed usage is up; (+6% in transactions and +11.3% in receipts, September 2016 compared with same time last year). The 'check in, Check out trial has yet to commence, but plans to begin this working with the Lichfield BID have progressed so that it is imminent.</p>
<p>AAP7 FRB 07</p> <p>Continue to implement Fit for the Future programme</p>	<p>Delivery Plan developed and implemented for the following review</p>	<p>Position at June – The final report on the review was been presented to the Strategic (Overview & Scrutiny) Committee on 9 June 2016. It was recommended that the service remain in-house and improved to achieve efficiencies.</p>

Reference	What will success look like	Progress Update
	<ul style="list-style-type: none"> Revenues and Benefits 	<p>Position at September – Following the Overview and Scrutiny committee on 9 June 2016, the service review report was taken to Cabinet on 5th July and they also agreed the recommendations to keep the service in house and improve it. A recommendation in the service review was that the management of customer services and revenues and benefits was bought together. This was addressed via the management service review and the post holder will be in place from 1 October 2016. Work can then begin on the recommendations in the report.</p>
<p>AAP7 L&P8</p> <p>Continue to implement Fit for the Future programme</p>	<p>Delivery Plan developed and implemented for the following review</p> <ul style="list-style-type: none"> Leisure 	<p>Position at June – Notice given to School/county council to withdraw from King Edward VI Leisure Centre; 7 proposals received for project manager – appointment expected July; Physical Activity and Sport Strategy (PASS) consultation ended.</p> <p>Position at September – A project manager has been appointed and a report is going to Cabinet on 1st November 2016 to confirm publication of tender documents.</p> <p>The PASS has been adopted. Workshops were held to discuss the evaluation criteria and weighting of the tenders. The process to recruit a legal advisor has started and an appointment is expected shortly.</p>
<p>AAP7 L&P9</p> <p>Implement the recommendations of the Fit for the Future Parks and Open Spaces Review</p>	<p>Delivery Plan developed and implemented for the following review</p> <ul style="list-style-type: none"> Parks and Open Space 	<p>Position at June – Incidental open space at Whittington transferred to parish council. Other sites including Hospital Road and Lichfield canal line are with solicitors. POS adoptions at Darwin Park, Charter Place, and Hawkesyard are being progressed with developers. Development opportunities are being explored.</p> <p>Position at September – Asset Strategy Group have identified potential sites for development in Burntwood and Lichfield. Darwin Park, Phase 1 and 2 are with solicitors, phase 3 is not yet ready for adoption, and the phase 4 developer is not ready for transfer. Charter Place developer is looking to secure adoption with 12 months, tree planting is the final snag, the commuted sum has been calculated. Hawkesyard is unlikely to come forward for adoption for several years.</p>
<p>AAP8</p> <p>Implement outcomes of the Corporate Council Review</p>	<p>New organisational structure in place.</p> <p>Code of Conduct launched by May 2016.</p> <p>Customer promise and organisational values launched by May 2016.</p>	<p>Position at June – The Council approved the implementation of a new structure (two Directors, nine Heads of Service) at a Special Meeting in June. Recruitment is underway. The new structure will 'go live' at 1st October.</p> <p>The Customer Promise was launched in May and a range of measures identified to publicise and embed the Promise within the organisation.</p> <p>The terms and conditions review is ongoing. Consultation and a ballot have taken place on a new Code of Conduct.</p> <p>Position at September – Directors were appointed in September and assimilation facilitated in preparation for 'go live' on 1st October 2016.</p>

Reference	What will success look like	Progress Update
	Terms and conditions review completed and recommendations implemented by May 2016.	
AAP9 FRB04 Ensure Revenue and Capital Budgets are managed efficiently and effectively	Outturn to be +/- £250,000 of the revised Revenue Budget, 98.5% of Council Tax and Business Rates collected, Quarterly Money Matters reports produced and approved by O&S and Cabinet, Unqualified Audited Accounts and Value for Money conclusion for 2015/16, approved by September 2016.	<p>Position at June – The information related to the Outturn is not yet available and will be presented to Cabinet on 6 September 2016. Actual Council Tax Collection Performance is 28.56% compared to 29.0% for the same period last year and Business Rate Collection Performance is 29.21% compared to 29.6% last year.</p> <p>Position at September – The Money Matters Report to Cabinet on 6 September 2016 relating to the first three months of the financial year identified the following:</p> <ul style="list-style-type: none"> • Net Operating Cost was projected to be above budget by £2,940. • £116,780 of the Efficiency Plan target of £350,000 remains to be identified for 2016/17. • (£113,880) will be transferred from general reserves compared to a budgeted transfer to general reserves of £8,560. • The Capital Programme was projected to be (£1,342,000) below budget. • Capital receipts are projected to be £50,000 lower than the approved budget. • The Council's share of the projected Council Tax Collection Fund surplus is (£23,480). • The Council is projected to be paying £4,400 of net levy for Business Rates growth than the Approved Budget. • The Council's share of the projected Business Rates Collection Fund surplus is (£612,860). • The Council's investments had a more secure status than the aim of A– and the yield exceeded all four industry standard benchmarks. <p>The Statement of Accounts was scrutinised by Strategic (overview and Scrutiny) Committee on 7 September 2016 and the Audit Findings Report was also presented to the Committee at this meeting.</p> <p>The Audit Findings Report identified an Audit Opinion on the Statement of Accounts of: We have not identified any adjustments affecting the Council's reported financial position (details are recorded in section two of this report). We have recommended some adjustments to improve the presentation of the financial statements. The key messages arising from our audit of the Council's financial statements are:</p> <p>a) Draft statement of accounts and working papers were of a good quality and finance staff were very</p>

Reference	What will success look like	Progress Update
		<p>responsive to subsequent audit requests b) The statement of accounts was produced earlier than in previous years and the audit was substantially complete on 5 August. We anticipate providing an unqualified audit opinion in respect of the financial statements.</p> <p>The Audit Findings Report also identified a value for money conclusion of: We concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.</p> <p>Actual Council Tax Collection Performance is 57.7% compared to 58.3% for the same period last year and Business Rate Collection Performance is 58.01% compared to 56.7% last year.</p>
<p>AAP10 FRB10</p> <p>Develop and implement a Strategy to encourage and enable customers to meet their service requests on line</p>	<p>Direct customers of Revenues & Benefits Service (RBS) able to self-serve on line Landlord portal introduced within RBS On line billing introduced for RBS customers</p>	<p>Position at June – This is linked to the Revenues & Benefits Service Review, approval to keep the service in house was granted in June and work to enable the on-line service is ongoing.</p> <p>Position at September – Following the Overview and Scrutiny committee on 9 June 2016, the service review report was taken to Cabinet on 5th July and they also agreed the recommendations to keep the service in house and improve it. A recommendation in the service review was that the management of customer services and revenues and benefits was bought together. This was addressed via the management service review and the post holder will be in place from 1 October 2016. The Northgate Revenues and Benefits software contract is being reviewed and this will include the landlord portal. Approval for expenditure on the Northgate contract will be sought from members at Cabinet in January 2017.</p>
<p>AAP10 CHH10</p> <p>Develop and Implement a Strategy to encourage customers to meet their service requests on line – Customer service on line</p>	<p>At least 4 new services to be accessible to customers via the mobile app. Increased downloads of mobile app by Lichfield residents from 459 (@ December 2015) to 3000.</p>	<p>Position at June – Work is almost complete on enabling access to pollution services (complaints about noise, dust and odour) on line, the next services to be addressed will include fly tipping, graffiti, dog fouling and street cleansing There is a gradual increase in the number of downloads at the end of June 2016 for Lichfield the number has risen to 688</p> <p>Position at September – Due to IT issues the work enabling access to pollution services has been delayed but is due to go online in Quarter 4. The number of downloads of the mobile app has increased to 1,314.</p>

Classification: UNCLASSIFIED

Reference	What will success look like	Progress Update
<p>AAP10 FRB08</p> <p>Develop and implement a Strategy to encourage and enable customers to meet their service requests on line. Core IT systems reliability.</p>	<p>Our critical IT systems are available for at least 99.96% of the time</p>	<p>Position at June – 99.96% uptime has been achieved for the quarter. This is a significant improvement on the same quarter from last year and demonstrates the amount of work that has been undertaken to stabilise the systems.</p> <p>Position at September – 99.96% uptime has been achieved again this quarter. This is an improvement on the 99.09% uptime recorded for the same quarter last year.</p>
<p>AAP10 D&L10</p> <p>Develop and implement a strategy to encourage and enable customers to meet their service requests online</p>	<p>There is an increasing expectation that customers can conduct their business with the Council online; better and more convenient for customers and offers opportunities to improve the efficiency of service delivery</p>	<p>Position at June – A strategy for Channel Shift/ Digitisation is being prepared.</p> <p>Position at September – The business case is being refined.</p>
<p>AAP10</p> <p>Develop and implement a Strategy to encourage and enable customers to meet their service requests on line</p>	<p>Introduce on-line booking capability for sports facilities for members</p>	<p>Position at June – In progress, the on-line booking system will be tested in July and work is ongoing.</p> <p>Position at September – Work on the system is ongoing with the ambition of commencing online booking to coincide with the new website when it goes live. The system is being tested and is now being dressed.</p>
<p>AAP10 Dev7</p> <p>Develop and implement a Strategy to encourage and enable customers to meet their service requests online</p>	<p>Implementation of agreed action plan on recommendations of the Development Management process review</p>	<p>Position at June – The continued review of electronic transactions will form part of the Development Management Process Review which is to be independently carried out by the Planning Officers Society (POSe) in September 2016. All Cabinet papers are now being distributed electronically. The management Process Review will map current application handling through receipt and validation, case management, decision making, compliance monitoring and enforcement to eventual archiving. POSe will consider whether the current procedures are concise and effective, and fully understood and used by all staff; with a view to identify how they could be streamlined to support expeditious decision making and reduce errors and delays. POSe will also review current working practices and in particular how IT is currently used to assess what degree it assists or hinders administrative staff, case officers</p>

Classification: UNCLASSIFIED

Reference	What will success look like	Progress Update
		<p>and managers. The review will provide clear mapping of existing procedures and exposition of current operational practices, together with recommendations as to how they should be revised to streamline the DM operation.</p> <p>Position at September – The Planning Officers Society conducted the first Stage of their process review in September 2016, with Stage 2 programmed for late October/November 2016. A key driver for this review is to identify and implement improvements in the way we use online technology to enhance service delivery for all stakeholders.</p>

Mid Year Performance Report – 2016/17

Action Plan for Directorate of Transformation and Resources

Cabinet Member for Finance and Democracy

Date: 30 January 2017

Agenda Item: 9

Contact Officer: Neil Turner

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Key Decision? NO

Local Ward Members Not applicable

**Strategic
(Overview and
Scrutiny)
Committee**

1. Executive Summary

- 1.1 To advise Members of progress against the activities and projects set out in the Directorate's One Year Action Plan for 16/17 as considered by Committees in early 2016. Statistical information - key performance indicators - relating to activity during the first six months of the year is also included. Both the narrative and the related statistics reflect performance as at 30th September 2016.
- 1.2 Members are invited to consider and comment on progress made.

2. Recommendations

- 2.1 To note the mid-year Performance Report at **Appendix A** and Performance Indicators at **Appendix B**.

3. Background

- 3.1 In spring 2016 the Strategic Plan 2016-20 was approved by Cabinet and Council. The Plan sets out a long term direction of travel for the Council for the next four years.
- 3.2 A 'Top Ten' was developed for each Directorate / Cabinet Member and these were reported to and endorsed by the relevant Overview and Scrutiny Committee in January 2016. The most significant and critical issues from the Directorate Top 10s were collated to form the Corporate Top 10 or Corporate Annual Action Plan which was approved by Full Council in February 2016.
- 3.3 The mid-year performance against the 2016/17 Action Plan for this Committee is attached at **Appendix A**. The significant corporate actions were included in the Corporate Top 10 / Corporate Annual Action Plan for 16/17 and these are indicated by having a reference that begins 'AAP'. Progress on corporate top ten actions was reported to Cabinet in December 2016. The key performance indicators are also attached at **Appendix B**.

Alternative Options	None – this report is for noting and comment.
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Consultation	There have been no consultation exercises specifically focused on the actions listed in Appendix A.
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Financial Implications	None arising directly from this report.
Contribution to the Delivery of the Strategic Plan	The actions primarily contribute to ensuring that the council is fit for the future.
Equality, Diversity and Human Rights Implications	Equality and diversity implications are dealt with at an appropriate time in the delivery of the actions in the Appendix, for example an equality impact assessment was undertaken of the recommendations arising from the Revenues & Benefits Service Review and no adverse implications for groups with protected characteristics were identified
Crime & Safety Issues	Crime and safety issues are dealt with at an appropriate time in the delivery of the action.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Information provided to Members is too 'high level' and inadequate for robust scrutiny	The Cabinet Members, Director and Service Managers are in attendance at the O&S meeting and can elaborate on the content of the report. Members can request further details or a separate report on any item referred to in the report.	Yellow (material)

Background documents Strategic Plan 2016-2020 Reports to Strategic Overview & Scrutiny Committee January 2016
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Relevant web links

Appendix A
 Directorate of Transformation & Resources - Half Year Performance Report 2016/17



Vibrant and prosperous economy

Reference	What will success look like	Progress Update
FRB01	Maximise reliefs available for Business Rates for businesses operating in the District in accordance with Council policy All reliefs awarded in accordance with Council policy	Position at June – There have been no applications or awards of discretionary reliefs in this quarter. Position at September – Three applications have been received from a Community interest company; Art and Design shop and a children’s day nursery. Reports will be prepared for the portfolio holder to consider and decisions given before the end of December.
D&L2	Number of Section 106 Agreements completed Completion of LDC input into Section 106 Agreements in statutory timescale to enable development to take place	Position at June – 80% (4/5) of Section 106 agreements have been completed within agreed target timescales Position at September – 85% (5/6) of Section 106 agreements have been completed within the target timescales during the second quarter.

Healthy and Safe Communities

Reference	What will success look like	Progress Update
FRB03	Working with partners to identify those in difficulty/need in managing their finances six months from the start of Universal Credit Money advice will be in place to all UK claimants who are referred to Lichfield District Council by the Department for Work and Pensions	Position at June – Universal Credit is still being claimed by single people only in Lichfield District and just 2 customers have been referred and assisted by the Council. Position at September – No change since quarter 1.

Reference	What will success look like	Progress Update
FRB02	Revise Discretionary Housing Payments policy to ensure that help is given to as many people as possible All Government Grant available utilised in accordance with Council policy	Position at June – 99 applications have been issued and a total of £11,862 awarded. Position at September – The total amount of government grant available to LDC for the year 2016/17 was £87,882. Eighty applications have been issued and a total of £9,437 awarded between July and September. The Discretionary Payments Policy has been reviewed and is currently with registered providers for comment. The review aims to simplify the application and award process to increase take up. It is anticipated that the revised policy will be in place by 1 January 2017.

A council that is fit for the future

Reference	What will success look like	Progress Update
CHH9	Implement outcomes of the Corporate Council Review. Customer Promise launched by May 2016.	Position at June – The Customer Promise has been launched and will be monitored through customer surveys later in the year. Position at September – The work on customer surveys is in progress and due to commence later in the year.
D&L 1/3	Utilising Council assets to achieve development including potential open spaces. Implementation of Development Schemes involving Council assets to increase rental income, secure capital receipts and increase business rates	Position at June – Planning Consent has been granted for the Friarsgate Development which involves Council Land. Position at September – Sites with some potential for development have been identified ready for further investigation. Solicitors have been instructed to complete agreement with PSP to form PSP Lichfield LLP.
AAP10 D&L 10	Develop and implement a strategy to encourage and enable customers to meet their service requests online There is an increasing expectation that customers can conduct their business with the Council online; better and more convenient for customers and offers opportunities to improve the efficiency of service delivery	Position at June – A strategy for Channel Shift/ Digitisation is being prepared. Position at September – The business case is currently being refined.
D&L4	Organising Neighbourhood Planning Referendums To ensure Neighbourhood Planning Referendums are held	Position at June – Referenda are being agreed for Wigginton, Hopwas & Comberford and Shenstone. Position at September – The Wigginton, Hopwas & Comberford referendum was held on the 29th September 2016 and a further one is to be held on 17th November 2016 for Shenstone.

Classification: UNCLASSIFIED

Reference	What will success look like	Progress Update
	within statutory timescales and administered effectively	
D&L5	Organising the Police and Crime Commissioner Elections and preparing for EU Referendum Successful administration of Election and preparation in place for when EU referendum is called.	Position at June – The Police and Crime Commissioner Elections were administered and held on 5th May 2016 and the EU Referendum on 23rd June 2016. (This completes this action.)
D&L7	Implementation of the Condition Survey Report relating to District Council House Number of tasks within the report completed in accordance with approved budget	Position at June – The condition survey is being implemented. Position at September – A programme of works has been prepared and permission to let a contract is to be sought from Cabinet in November
D&L9	Improving the Overview and Scrutiny Function A more effective Overview & Scrutiny function such that the capacity of members is focussed more on policy development and transformation change and is less resource intensive	Position at June – Less reports are now being sent to Overview & Scrutiny Committees, information is now sent as part of a bulletin to all members by way of briefing papers. Position at September – No further progress to report but further work has progressed early in Q3 and a meeting is to be held on 15 th December 2016.
AAP10 FRB10	Develop and implement a Strategy to encourage and enable customers to meet their service requests on line Direct customers of Revenues & Benefits Service (RBS) able to self-serve on line Landlord portal introduced within RBS On line billing introduced for RBS customers	Position at June – This is linked to the Revenues & Benefits Service Review, approval to keep the service in house was granted in June and work to enable the on-line service is ongoing. Position at September – Following the Overview and Scrutiny committee on 9 June 2016, the service review report was taken to Cabinet on 5 th July and they also agreed the recommendations to keep the service in house and improve it. A recommendation in the service review was that the management of customer services and revenues and benefits was bought together. This was addressed via the management service review and the post holder will be in place from 1 October 2016. The Northgate Revenues and Benefits software contract is being reviewed and this will include the landlord portal. Approval for expenditure on the Northgate contract will be sought from members at Cabinet in January 2017.
AAP9 FRB04	Ensure Revenue and Capital Budgets are Outturn to be +/- £250,000 of the revised Revenue Budget,	Position at June – The information related to the Outturn is not yet available and will be presented to Cabinet on 6 September 2016. Actual Council Tax Collection Performance is 28.56% compared to

Classification: UNCLASSIFIED

Reference	What will success look like	Progress Update
<p>managed efficiently and effectively</p>	<p>98.5% of Council Tax and Business Rates collected, Quarterly Money Matters reports produced and approved by O&S and Cabinet, Unqualified Audited Accounts and Value for Money conclusion for 2015/16, approved by September 2016.</p>	<p>29.0% for the same period last year and Business Rate Collection Performance is 29.21% compared to 29.6% last year.</p> <p>Position at September – The Money Matters Report to Cabinet on 6 September 2016 relating to the first three months of the financial year identified the following:</p> <ul style="list-style-type: none"> • Net Operating Cost was projected to be above budget by £2,940. • £116,780 of the Efficiency Plan target of £350,000 remains to be identified for 2016/17. • (£113,880) will be transferred from general reserves compared to a budgeted transfer to general reserves of £8,560. • The Capital Programme was projected to be (£1,342,000) below budget. • Capital receipts are projected to be £50,000 lower than the approved budget. • The Council's share of the projected Council Tax Collection Fund surplus is (£23,480). • The Council is projected to be paying £4,400 of net levy for Business Rates growth than the Approved Budget. • The Council's share of the projected Business Rates Collection Fund surplus is (£612,860). • The Council's investments had a more secure status than the aim of A- and the yield exceeded all four industry standard benchmarks. <p>The Statement of Accounts was scrutinised by Strategic (overview and Scrutiny) Committee on 7 September 2016 and the Audit Findings Report was also presented to the Committee at this meeting.</p> <p>The Audit Findings Report identified an Audit Opinion on the Statement of Accounts of: We have not identified any adjustments affecting the Council's reported financial position (details are recorded in section two of this report). We have recommended some adjustments to improve the presentation of the financial statements. The key messages arising from our audit of the Council's financial statements are:</p> <p>a) Draft statement of accounts and working papers were of a good quality and finance staff were very responsive to subsequent audit requests b) The statement of accounts was produced earlier than in previous years and the audit was substantially complete on 5 August.</p> <p>We anticipate providing a unqualified audit opinion in respect of the financial statements.</p> <p>The Audit Findings Report also identified a value for money conclusion of:</p>

Classification: UNCLASSIFIED

Reference	What will success look like	Progress Update
		<p>We concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.</p> <p>Actual Council Tax Collection Performance is 57.7% compared to 58.3% for the same period last year and Business Rate Collection Performance is 58.01% compared to 56.7% last year.</p>
FRB 05	Maximise external income and funding opportunities wherever possible	<p>The Council moves towards becoming financially independent of any Government support</p> <p>Position at June – This information is not yet available. Report to Cabinet 6 September 2016. Position at September – This information is not yet available. Report to Cabinet 6 December 2016.</p>
AAP7 FRB 07	<p>Continue to implement Fit for the Future programme</p> <p>Delivery Plan developed and implemented for the following review</p> <ul style="list-style-type: none"> • Revenues and Benefits 	<p>Position at June – The final report on the review was been presented to the Strategic (Overview & Scrutiny) Committee on 9 June 2016. It was recommended that the service remain in-house and improved to achieve efficiencies. Position at September – Following the management restructure, work is now ongoing to look at structure and efficiencies. In particular, work is progressing on identifying how the customer experience can be improved and ensuring that the structure of the team enables this.</p>
AAP10 FRB08	<p>Develop and implement a Strategy to encourage and enable customers to meet their service requests on line. Core IT systems reliability.</p> <p>Our critical IT systems are available for at least 99.96% of the time</p>	<p>Position at June – 99.96% uptime has been achieved for the quarter. This is a significant improvement on the same quarter from last year and demonstrates the amount of work that has been undertaken to stabilise the systems. Position at September – 99.96% uptime has been achieved again this quarter. This is an improvement on the 99.09% uptime recorded for the same quarter last year.</p>
FRB09	<p>Implementation of Information, Communication and Technology Access and Security Policy</p> <p>Refresh and rebrand the Council's existing policy. New policy approved by Council and fully implemented with appropriate training for all staff and members.</p>	<p>Position at June – Policies have been purchased through Protocol Policy Systems and are being amended to meet the business needs. Position at September – Policies have been amended following feedback from Leadership Team and an internal audit. The amendments are being incorporated into the system along with updates for the changes to the PCI standard.</p>

Classification: UNCLASSIFIED

Classification: UNCLASSIFIED

Reference	What will success look like	Progress Update
D&L8 Efficient administration of Freedom of Information Requests	Dealing with FOI requests within the statutory timescale	Position at June – 99.38% (162) of FOI requests have been dealt with within the statutory timescale. Position at September – 95% (315) of FOI requests were dealt with within the statutory timescale during the second quarter.

Corporate Services

Appendix B

April - September Performance and Activity Indicators 2016/17

Performance Indicator	Q1 2015/16	Q2 2015/16	2015/16	Q1 2016/17	Q2 2016/17	2016/17	2016/17	Trend	Comment
	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Target	✓ = ✗	
ICT - % of time key IT systems are available.	99.35%	99.09%	99.60%	99.96%	99.96%	99.96%	99.96%	✓	Significant progress has been made on making the systems more reliable.

Finance & Procurement

April - September Performance and Activity Indicators 2016/17

Performance Indicator	Q1 2015/16	Q2 2015/16	2015/16	Q1 2016/17	Q2 2016/17	2016/17	2016/17	Trend	Comment
	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Target	✓ = ✗	
Financial support - % of those orders placed in advance of the invoice date.	40.55%	44.93%	60.34%	54.21%	61.06%	61.06%	90.00%	✓	
Invoice payment in 30 days, together with the average number of days for processing payment.	79.38%	79.14%	81.45%	82.73%	81.65%	81.65%	90.00%	✓	

Legal, Property & Democratic Services

April - September Performance and Activity Indicators 2016/17

Performance Indicator	Q1 2015/16	Q2 2015/16	2015/16	Q1 2016/17	Q2 2016/17	2016/17	2016/17	Trend	Comment
	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Target	✓ = x	
Completion of Section 106 Agreements to enable planning consent to be issued	70% (5/7)	75% (6/8)	70% completed in 6 months	80% (4/5)	85% (5/6)	85%	The target is to complete all Section 106 Agreements within six months of the date of planning committee determination	✓	5 in Q1 complex 7 in Q2 complex 2015/16 All 5 in Q1 and 5 out of 6 in Q2 were complex in 2016/17.
Percentage of Freedom of Information requests dealt with within statutory timescales	87.5% (120)	95.14% (144)	95.27% (507)	99.38% (162)	95% (153)	95% (315)	Target 99% of FOI requests dealt with within statutory timescale	✓	
Improvements/innovations to the Overview and Scrutiny function	Not previously recorded	Not previously recorded	100%	100%	50%	50%	Reduce Overview and Scrutiny reports by 50% by providing information to Members through the	✓	

Performance Indicator	Q1 2015/16	Q2 2015/16	2015/16	Q1 2016/17	Q2 2016/17	2016/17	2016/17	Trend	Comment
	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Target	✓ = x	
							Overview and Scrutiny bulletin		
Members training events & briefings	Not available	Not available	27	Not available	Not available	Not available	8		Information is recorded annually

Revenues, Benefits & Customer Services April - September Performance and Activity Indicators 2016/17

Performance Indicator	Q1 2015/16	Q2 2015/16	2015/16	Q1 2016/17	Q2 2016/17	2016/17	2016/17	Trend	Comment
	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Actual Performance	Target	✓ = x	
Processing time for new Housing Benefit claims and Local Council Tax Support (LCTS) applications.	HB 22 days LCTS 19 days	HB 21days LCTS 19 days	HB 20 days LCTS 20 days	HB 22 days LCTS 24 days	HB 19 days LCTS 20 days	HB 20 days LCTS 22 days	20 days	= x	
Processing time for changes in circumstances for Housing Benefit claims and LCTS applications.	HB & LCTS 8 days	HB 7 days LCTS 6 days	HB 7 days LCTS 7 days	HB 7 days LCTS 7 days	HB 10 days LCTS 9	HB 8.4 days LCTS 8 days	8 days	✓	
Council Tax collection rate.	29.0%	58.3%	98.79%	28.56%	57.70%	57.70%	98.5%	x	
Non Domestic Rate collection rate.	29.6%	56.7%	98.31%	29.21%	58.01%	58.01%	98.5%	✓	
Number of downloads of the mobile app	Not recorded	Not recorded	612	688	1,314	1,314	2000	✓	

2017/18 Action Plans for Services in Directorate of Transformation and Resources

Presented by Leader, Cabinet Members for Finance and Democracy, Tourism and
Communications, and Community.



Date:	30 January 2017
Agenda Item:	11
Contact Officer:	Neil Turner, Anthony Thomas, Bal Nahal, Pat Leybourne
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Key Decision?	NO
Local Ward Members	Not applicable

Strategic (Overview and Scrutiny) Committee

1. Executive Summary

- 1.1 The Strategic Plan 2016-20 describes the strategic objectives of the Council. In order to achieve the Council's strategic objectives, there needs to be a mechanism to ensure that there are clear plans and targets for each financial year and that the budget is aligned accordingly. At a strategic level, the council will adopt a Corporate Annual Action Plan (CAAP) which is discussed elsewhere on this agenda.
- 1.2 This report describes the top issues that the four Services in the Directorate of Transformation and Resources – Finance and Procurement; Legal, Democratic and Property; Corporate; and Customer Services, Revenues and Benefits - will address and will be focusing on during the 2017/18 financial year in support of the Strategic Plan and the CAAP. The proposed Service Annual Action Plans are set out at **Appendix A**.
- 1.3 Members are requested to consider whether they believe the most appropriate and relevant issues have been selected, that there is a 'good fit' with the Strategic Plan and that the expected outcomes are sufficiently ambitious and measureable.

2. Recommendations

- 2.1 Members are requested to consider and comment on the top issues for Services of the Directorate of Transformation and Resources – Finance and Procurement; Legal, Democratic and Property; Corporate; and Customer Services, Revenues and Benefits - which are attached at **Appendix A**.

3. Background

- 3.1 The CAAP is the high-level action plan for the council and its targets cascade into a series of Service Annual Action Plans which are being considered by O&S Committees during the early part of 2017. The Service Annual Action Plans will then inform the Service Plans which are due for completion by May 2017.
- 3.2 In turn, the targets in the Service Annual Action Plans are aligned with team and individual performance targets in 2017/18. The four draft Service Annual Action Plans for this directorate are attached at **APPENDIX A**.

3.3 The top actions facing the Services in this directorate, which are included within the CAAP, are as follows. These are marked with an * asterisk in the plans attached.

Reference	Issue/ Task	Reason for inclusion
AAP8	Delivery Plan implemented for Revenues and Benefits	To ensure that the recommendations of the Revenues and Benefits Fit for the Future Review are implemented to improve the customer experience, remove duplication of work, improve performance and reduce costs.
AAP8	Complete and implement new arrangements for Scrutiny	To implement the work of the O&S Review Task and Finish Group to help improve the outcomes of the scrutiny process.
AAP8	Prepare and adopt a new People Strategy including the adoption of new: flexible working and car parking policy	To continue to embed more effective ways of working and to prepare for the Friarsgate development.
AAP8	Consider and agree future use of the Council House	To assess whether there are better, more cost effective options, for accommodating the council.
AAP9	2016/17 Accounts audited and unqualified. Outturn at 31 March 2018 to be within £250,000 of original revenue budget	To demonstrate good governance and effective financial and budgetary management.
AAP9	Maintain collection rates of council tax and non-domestic rates of at least 98.5%	To maintain income streams and to demonstrate effective and equitable tax collection processes.
AAP9	Adopt and implement commercialisation strategy	To reduce the council's reliance on existing sources of income including council tax, non-domestic rates and new homes bonus and hence to secure greater financial sustainability.
AAP10	Adopt and implement innovation / channel shift /digitisation programme which will see: More transactions completed on-line More processes completed with fewer interventions by staff Reduced number of telephone and face-to-face calls to the council	To put the customer at the centre of the council's operations, to make it easier for them to deal with the council, to streamline processes and reduce bureaucracy, to improve service provision and to reduce costs.

Alternative Options	The top issues were identified through discussions with the director, service management team and then with the respective Cabinet Members. There was a high degree of consensus on the most important issues. However, Members of the O&S Committee may wish to suggest amendments / make alternative proposals.
Consultation	The selection of the top issues has had regard to the outcome of consultation (with Members, partner organisations, residents and staff) which was conducted as part of the development of the Strategic Plan.
Financial Implications	None arising directly from this report. However, Members and officers need to be mindful of ensuring that the distribution of resources and capacity is adequate to progress the items listed.
Contribution to the Delivery of the Strategic Plan	The vast majority of the actions within this directorate help support the objective that the council is fit for the future, although there are an additional number that help achieve the other Strategic Plan objectives and these are marked in the appendices.
Equality, Diversity and Human Rights Implications	Equality and diversity implications are dealt with at an appropriate time in the delivery of the actions in the Appendix. Overall it is anticipated that there will be a positive impact on people with protected characteristics.
Crime & Safety Issues	Crime and safety issues are dealt with at an appropriate time in the delivery of the action in the Appendix.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	An issue which should have been included in the top issues has been overlooked	The process of identifying the top issues is rigorous and gives the opportunity for elected Members and Officers to contribute. However, if another issue arises or escalates, the top issues may need to be reviewed and rescheduled.	Yellow (material)
B	A new priority emerges which could potentially be a top issue	Any new issues would need to be considered and amendments made to the existing list (with appropriate Member approvals)	Yellow (material)

Background documents
Strategic Plan 2016-2020

Relevant web links

FINANCE AND PROCUREMENT ANNUAL ACTION PLAN 2017 / 18

Reference no	Ambitions	What will success look like?	Responsible Officer	Governance (O&S)
Vibrant and prosperous economy				
F&P1	Encourage job creation throughout the District	90% of Invoices are paid within 30 days of the invoice date	Head of Finance and Procurement	Strategic
F&P2		To undertake a full review of the way Procurement is undertaken within the Council by September 2017	Head of Finance and Procurement	Strategic
Healthy and safe communities				
Clean, green and welcoming places to live				
A council that is fit for the future				
F&P3	*Ensure revenue and capital budgets are managed efficiently and effectively	To produce Money Matters Reports to Cabinet and Overview and Scrutiny that identify progress in achieving saving targets for 2017/18 in line with the agreed Calendar of Meetings	Head of Finance and Procurement	Strategic
F&P4		Finance and Procurement outturn at 31 March 2018 to be +/- £12,000	Head of Finance and Procurement	Strategic
F&P5		To complete the 2016/17 Unaudited Statement of Accounts by 31 May 2017	Head of Finance and Procurement	Strategic
F&P6		*An unqualified opinion on the 2016/17 Unaudited Statement of Accounts is awarded by External Audit by at the latest 30 September 2017	Head of Finance and Procurement	Strategic
F&P7		90% of the Internal Audit Plan is completed in 2017/18	Audit Manager	Audit Committee
F&P8		90% of Internal Audit Recommendations made are accepted	Audit Manager	Audit Committee

Reference no	Ambitions	What will success look like?	Responsible Officer	Governance (O&S)
F&P9		76% of Internal Audit recommendations have been implemented at the time of the follow up review	Audit Manager	Audit Committee
F&P10		Average scores of 4 (out of 5) has been achieved on customer satisfaction questionnaires	Audit Manager	Audit Committee
F&P11		90% of orders are placed in advance of the receipt of an invoice	Head of Finance and Procurement	Strategic
F&P12	Encourage more customers to use digital means to interact with the Council	90% of supplier invoices are paid electronically	Head of Finance and Procurement	Strategic
		95% of supplier BACS remittance advices are emailed	Head of Finance and Procurement	Strategic

Draft LEGAL PROPERTY & DEMOCRATIC SERVICES ANNUAL ACTION PLAN 2017 / 18

Reference no	Ambitions	What will success look like?	Lead officer	Governance (O&S)
Vibrant and prosperous economy				
LPD1	Encourage job creation throughout the district	Ensure that s106 agreements relating to industrial and commercial sites are completed in a timely manner.	Head of Legal, Property and Democratic Services	Strategic
Healthy and safe Communities				
LPD2	To encourage greater levels of community activity and engagement	To successfully run the county council election in the district in May 2017. To maintain an accurate electoral register.	Head of Legal, Property and Democratic Services	Strategic
Clean, green and welcoming places to live				
LPD3	Implement the Local Plan and promote housing growth.	To complete s106 agreements relating to residential sites are completed in a timely manner.	Head of Legal, Property and Democratic Services	Strategic
A Council that is fit for the future				
LPD4	Implement recommendations from the Corporate Council Review including: *Overview & Scrutiny Review.	Support the completion of the O&S Review by May 2017.	Head of Legal, Property and Democratic Services	Strategic

Reference no	Ambitions	What will success look like?	Lead officer	Governance (O&S)
	<p>Supporting Member Development</p> <p>Ensuring the Constitution that is relevant and valid.</p> <p>Review, restructure and embed new team structure following management re-organisation</p> <p>Prepare for introduction of the General Data Protection Regulations.</p> <p>*Provide appropriate office accommodation</p>	<p>Ensure that new terms of reference are drafted and approved to support any new structure by May 2017</p> <p>Ensure that the constitution is updated to reflect any changes by May 2017.</p> <p>Prepare a Member training programme by May 2017 including:</p> <ul style="list-style-type: none"> • Safeguarding • Planning • Overview and Scrutiny <p>Complete comprehensive review of the Constitution by December 2017.</p> <p>Complete review and implement new team structure by April 2017.</p> <p>Prepare, by April 2017, and implement, by March 2018, programme for ensuring that the council can comply with the GDPR.</p> <p>Consider and agree future use of the Council House by March 2018.</p>		

Reference no	Ambitions	What will success look like?	Lead officer	Governance (O&S)
LPD5	Reduce dependence of the revenue budget on income from government grant by realising value in the council's property assets.	<p>Support the preparation of the council's Commercialisation Strategy</p> <p>Ensure that PSP (Lichfield) LLP brings forward at least one project to Stage 3 by December 2017.</p> <p>Complete options appraisal on Bore Street shops and determine the council's future ownership of them by April 2017.</p> <p>Increase usage of council house by accommodating at least one other partner by September 2017.</p>	Head of Legal, Property and Democratic Services	Strategic
LPD6	Encourage more customers to use digital means to interact with the council.	<p>Introduce more digitally enhanced means of providing council papers and reports by March 2017.</p> <p>Commence the digitisation of the council's property asset details.</p>	Head of Legal, Property and Democratic Services	Strategic

Draft CORPORATE SERVICES ANNUAL ACTION PLAN 2017 / 18

Reference no	Ambitions	What will success look like?	Lead Officer	Governance (O&S)
A council that is fit for the future				
CS1	Implement Fit for the Future programme and outcomes of the Corporate council Review	<p>*Prepare and adopt new People Strategy by March 2018 including the adoption of new flexible working and car parking policies</p> <p>Ensure that there is a co-ordinated corporate training programme by December 2017.</p> <p>Agree tactics for employing apprenticeships by June 2017 including confirming budget, where in the organisation they can be placed, and opportunities for apprenticeships elsewhere in the local economy.</p> <p>Adopt new Health and Safety policies relating to Stress Management and Violence at Work.</p> <p>Implement training programme for managers and staff on new Code of Conduct and new HR policies by September 2017.</p> <p>Support the outsourcing of the leisure centres and ensure staff are properly treated in accordance with TUPE regulations by January 2018.</p>	Head of Corporate Services	Strategic

Reference no	Ambitions	What will success look like?	Lead Officer	Governance (O&S)
		Review, complete and embed new team structure within the Service following management review by September 2017.		
CS2	Encourage more customers to use digital means to interact with the council	<p>*Adopt, by May 2017, and implement innovation /channel shift/ digitisation programme which will mean:</p> <p>More transactions completed on-line More processes completed with fewer interventions by staff Reduced number of complaints to the council</p> <p>Establish Innovation Hub team by April 2017 to ensure implementation of Innovation programme.</p>	Director	Strategic
CS3	Reduce our dependency on government grant	Review and confirm future shared service arrangements for health and safety with partners by March 2018.	Head of Corporate Services	Strategic
CS4	Ensuring appropriate ICT support and facilities	<p>Complete review of ICT support requirements by December 2017 which will allow the council to determine the future shape of ICT Support services.</p> <p>Implement training programme for staff on the new IT Acceptable Use policy by September 2017.</p> <p>Prepare, by May 2017, and implement programme to invest in the council's ICT infrastructure.</p>	ICT Systems and Strategy Manager	Strategic

Reference no	Ambitions	What will success look like?	Lead Officer	Governance (O&S)
CS5	Managing the Council House effectively	<p>Let contract to complete priority 1 and priority 2 works by April 2017.</p> <p>Review and confirm by April 2017 future provision of facilities management for the council house.</p> <p>Support the introduction of another partner into the council house by September 2017.</p>	Director	Strategic
CS6	Measuring our Performance	Align, by the time of the implementation of any new O&S structures, revised performance monitoring arrangements.	Head of Corporate Services	Strategic
CS7	Ensuring that the council is properly insured	Commence, by September 2017, the procurement exercise for the council's insurance business with completion by March 2018.	Head of Corporate Services	Strategic

Draft CUSTOMER SERVICES, REVENUES AND BENEFITS SERVICES ANNUAL ACTION PLAN 2017 / 18

Reference no	Ambitions	What will success look like?	Responsible Officer	Governance (O&S)
Vibrant and prosperous economy				
CSRB1	Develop Lichfield City and Burntwood town centres	Maintain the collection rate of the Lichfield City BID (93% for 2015/16) and ensure payments to the BID are made accurately and in a timely manner	Head of Customer Services Revenues and Benefits	Strategic
CSRB2	Encourage job creation throughout the district	Revise and adopt a new Discretionary Rate Relief Policy by December 2017, with a view to encouraging economic development	Head of Customer Services Revenues and Benefits	Strategic
Healthy and safe communities				
CSRB3	Preventing homelessness	Improve processing time of housing benefit/council tax support claims/applications Maintain accuracy of claims processing Maximise the take up of Discretionary Housing Payments (DHP)	Head of Customer Services Revenues and Benefits	Strategic
Clean, green and welcoming places to live				
CSRB4	Preventing homelessness	Improve processing time of housing benefit /council tax support claims/applications Maintain accuracy of claims processing	Head of Customer Services Revenues and Benefits	Strategic

Reference no	Ambitions	What will success look like?	Responsible Officer	Governance (O&S)
		Maximise the take up of Discretionary Housing Payments (DHP)		
A council that is fit for the future				
CSRB5	* Implement the revenues and benefits service review.	<p>Embed revised structure by July 2017.</p> <p>Council tax and business rate collection rates will be 98.5%</p> <p>Processing times for housing benefit and local council tax support will reduce to 10 days for new claims and 5 days for changes in circumstances.</p> <p>Waiting times and abandoned calls will reduce in line with our customer promise</p> <p>Appropriate support will be available for customers affected by welfare reform, in particular universal credit.</p> <p>Simple council tax transactions will be done at first point of call</p>	Head of Customer Services Revenues and Benefits	Strategic
CSRB6	Reduce the dependency of the revenue budget on income from government grants	The percentage of customers paying council tax /business rates by direct debit will increase from 74%	Head of Customer Services Revenues and Benefits	Strategic

Reference no	Ambitions	What will success look like?	Responsible Officer	Governance (O&S)
CSRB7	*Encourage more customers to use digital means to interact with the council	<p>More transactions completed on-line by customers</p> <p>More processes completed with fewer interventions by staff</p> <p>Reduced number of telephone and face to face calls to the council</p>	<p>Head of Customer Services</p> <p>Revenues and Benefits & Information Services & Strategy Manager</p>	Strategic