

28 November 2016

Dear Sir/Madam

## CABINET MEETING

A meeting of the Cabinet has been arranged to take place on **TUESDAY 6 DECEMBER 2016** 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



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

### To: **Members of the Cabinet**

Councillors: Wilcox (Leader), Pritchard (Deputy Leader), Eadie, Fisher, Greatorex, Pullen, Smith and Spruce.

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1. Apologies for Absence
  2. Declarations of Interest
  3. Mid-Year Performance Report – Annual Action Plan 2016/17 (copy attached)
  4. Money Matters: 2016/17 Review of Financial Performance Against the Financial Strategy (copy attached)
  5. Contribution Towards a Housing Redevelopment Scheme (copy attached)
  6. Expenditure on Temporary Revenues Officer (copy attached)
  7. Appointment of External Auditor (copy attached)
  8. Shenstone Neighbourhood Plan & New Neighbourhood Plan Regulation Implications (copy attached)



## 9. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED: "That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972"

## 10. Extension of ICT Support Contract

(copy attached)



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

Cllr Doug Pullen, Cabinet Member for Community

Date: 6<sup>th</sup> December 2016

Agenda Item: 3

Contact Officer: Neil Turner

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Key Decision? **NO**

Local Ward Members Not applicable

**CABINET**

## 1. Executive Summary

- 1.1 To provide Cabinet 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.

## 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	1. None
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Consultation	1. There has been no consultation specifically about this Performance Report. However, there has been a consultative element to several of the Actions set out.
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<b>Financial Implications</b>	1. 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.
<b>Contribution to the Delivery of the Strategic Plan</b>	1. 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.
<b>Equality, Diversity and Human Rights Implications</b>	1. 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
<b>Crime &amp; Safety Issues</b>	1. 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.

	<b>Risk Description</b>	<b>How We Manage It</b>	<b>Severity of Risk (RYG)</b>
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)
C			
D			
E			

**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><b>Position at June</b> – 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><b>Position at September</b> – 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 Burntwood Town Council are on-going and 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><b>Position at June</b> – Although data from LDITA 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><b>Position at September</b> – 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 Arts Festival, the Food Festival, Burntwood Wakes, Lichfield Proms in Beacon Park, the St Giles Solstice Walk and the Lichfield 10k.</p>

Healthy and Safe Communities

Reference	What will success look like	Progress Update
<p>AAP3 CHH3</p> <p>Prevent Homelessness and rehouse eligible households who become homeless</p>	<p>At least 200 homelessness preventions. Homes identified within the district for up to 5 refugee families.</p>	<p><b>Position at June</b> – 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 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. <b>Position at September</b> – 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.</p>
<p>AAP4 CHH2</p> <p>Deliver a programme of disabled facilities grants and help people to remain in their own homes</p>	<p>100% of budget for disabled facilities grants spent.</p>	<p><b>Position at June</b> – 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 Lichfield district 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. <b>Position at September</b> – 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.</p>
<p>AAP5 CHH4</p> <p>Develop and implement a Strategy for Prevent (anti-terrorism)</p>	<p>Strategy approved by June 2016.</p>	<p><b>Position at June</b> – The Prevent Strategy was endorsed by the CHH O&amp;S Committee and the District Board in June. <b>Position at September</b> – 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.</p>

Clean, green and welcoming places to live

Reference	What will success look like	Progress Update
<p>AAP6 Dev3</p> <p>Implement the adopted Local Plan</p>	<p>Pre application discussions in relation to Deans Slade and Cricket Lane, Lichfield (major allocated development sites) underway</p> <p>Draft Site Allocations Plan prepared and submitted for examination</p> <p>A 20% increase in dwellings delivered in 2016/17 (compared to 204 gross, 200 net in 2015/16)</p> <p>Revised planning proposal for Liberty Park (13 hectares) considered</p>	<p><b>Position at June</b> – 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><b>Position at September</b> – 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>
<p>AAP6 CHH5</p> <p>Implement the adopted Local Plan – Deliver affordable housing</p>	<p>32 Units of affordable Housing delivered.</p>	<p><b>Position at June</b> – No completions for quarter 1 but units are on site at Hawksyard, East of Burntwood Bypass and Kings Bromley, and are on target for completion this year.</p> <p><b>Position at September</b> – No completions yet but the units continue to be built that are on site at Hawksyard (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"> <li>• Economic Development Service</li> </ul>	<p><b>Position at June</b> – 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><b>Position at September</b> – 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%). Economic activity rates of adults 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"> <li>• Car Parking</li> </ul>	<p><b>Position at June</b> – 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><b>Position at September</b> – 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>



Reference	What will success look like	Progress Update
<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> <ul style="list-style-type: none"> <li>• Revenues and Benefits</li> </ul>	<p><b>Position at June</b> – The final report on the review was been presented to the Strategic (Overview &amp; Scrutiny) Committee on 9 June 2016. It was recommended that the service remain in-house and improved to achieve efficiencies.</p> <p><b>Position at September</b> – Following the Overview and Scrutiny committee on 9 June 2016, the service review report was taken to Cabinet on 5<sup>th</sup> 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&amp;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"> <li>• Leisure</li> </ul>	<p><b>Position at June</b> – 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><b>Position at September</b> – A project manager has been appointed and a report is going to Cabinet on 1st November 2016 to confirm publication of tender documents. 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>The PASS has been adopted.</p>
<p>AAP7 L&amp;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"> <li>• Parks and Open Space</li> </ul>	<p><b>Position at June</b> – 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 Hawksyard are being progressed with developers. Development opportunities are being explored.</p> <p><b>Position at September</b> – 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. Hawksyard 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. Code of Conduct launched by May 2016. Customer promise and</p>	<p><b>Position at June</b> – 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>

Reference	What will success look like	Progress Update
	<p>organisational values launched by May 2016. Terms and conditions review completed and recommendations implemented by May 2016.</p>	<p>The terms and conditions review is ongoing. Consultation and a ballot have taken place on a new Code of Conduct. <b>Position at September</b> – Directors were appointed in September and assimilation facilitated in preparation for 'go live' on 1st October 2016.</p>
<p>AAP9 FRB04</p> <p>Ensure Revenue and Capital Budgets are managed efficiently and effectively</p>	<p>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&amp;S and Cabinet, Unqualified Audited Accounts and Value for Money conclusion for 2015/16, approved by September 2016.</p>	<p><b>Position at June</b> – 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. <b>Position at September</b> – 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"> <li>• Net Operating Cost was projected to be above budget by £2,940.</li> <li>• £116,780 of the Efficiency Plan target of £350,000 remains to be identified for 2016/17.</li> <li>• (£113,880) will be transferred from general reserves compared to a budgeted transfer to general reserves of £8,560.</li> <li>• The Capital Programme was projected to be (£1,342,000) below budget.</li> <li>• Capital receipts are projected to be £50,000 lower than the approved budget.</li> <li>• The Council's share of the projected Council Tax Collection Fund surplus is (£23,480).</li> <li>• The Council is projected to be paying £4,400 of net levy for Business Rates growth than the Approved Budget.</li> <li>• The Council's share of the projected Business Rates Collection Fund surplus is (£612,860).</li> <li>• The Council's investments had a more secure status than the aim of A- and the yield exceeded all four industry standard benchmarks.</li> </ul> <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</p>

Reference	What will success look like	Progress Update
		<p>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</p> <p>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 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 &amp; Benefits Service (RBS) able to self-serve on line</p> <p>Landlord portal introduced within RBS</p> <p>On line billing introduced for RBS customers</p>	<p><b>Position at June</b> – This is linked to the Revenues &amp; 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><b>Position at September</b> – Following the Overview and Scrutiny committee on 9 June 2016, the service review report was taken to Cabinet on 5<sup>th</sup> 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.</p> <p>Increased downloads of mobile app by Lichfield residents from 459 (@ December 2015) to 3000.</p>	<p><b>Position at June</b> – 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><b>Position at September</b> – 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>

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><b>Position at June</b> – 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><b>Position at September</b> – 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&amp;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><b>Position at June</b> – A strategy for Channel Shift/ Digitisation is being prepared.</p> <p><b>Position at September</b> – 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><b>Position at June</b> – In progress, the on-line booking system will be tested in July and work is ongoing.</p> <p><b>Position at September</b> – 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><b>Position at June</b> – 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>

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><b>Position at September</b> – 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>

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

## Cabinet Member for Finance and Democracy

Date:	6 December 2016
Agenda Item:	4
Contact Officer:	Anthony Thomas
Tel Number:	01543 308012
Email:	Anthony.thomas@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members :	Full Council

Cabinet

## 1. Executive Summary

- 1.1 The report covers the financial performance from April to September (Quarter two) for the financial year 2016/17.
- 1.2 The Revenue Budget is projected to be above budget by **£6,730** compared to the Approved Budget and this sum will be transferred from general reserves.
- 1.3 All of the Efficiency Plan target of **(£350,000)** has been identified for 2016/17.
- 1.4 The budgeted transfer to general reserves was **£8,560** as approved by Council on 23 February 2016. The Council's performance in the year to date projects that **(£120,610)** will be transferred from general reserves. This means the Council's general reserves are projected to reduce by **£129,170** for the financial year 2016/17 in comparison with the Original Budget.
- 1.5 The Capital Programme is projected to be below budget by **(£424,000)**; 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 higher capital receipts of **(£57,000)** compared to the Approved Budget due principally to **(£69,000)** from our share of Right to Buy Sales completed by Bromford.
- 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 **57.70%** and this is consistent with previous years.
  - There is a projected surplus for Council Tax and the Council's share of **(£39,580)** will be included in the 2017/18 budget.
  - The Council is projected to be paying Business Rate levy of **£470,400** to the GBS pool and will receive **(£153,000)** of returned levy. This is **£79,000** more net levy than the Approved Budget after taking account of the budgeted volatility allowance.
  - This additional net levy is partly offset by grant income related to the Business Rate Cap of **(£32,360)**.
  - Therefore, overall Retained Business Rate Income at this stage is projected to be **£46,640** less than the Approved Budget.
  - The Council's collection performance on Business Rates based on debt covering all years is **58.01%** and this is consistent with previous years.
  - There is a projected surplus for Business Rates and the Council's share of **(£749,390)** will be included in the 2017/18 budget.
- 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 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).
- 2.3 That authority is 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.

## 3. Background

### Budget Management

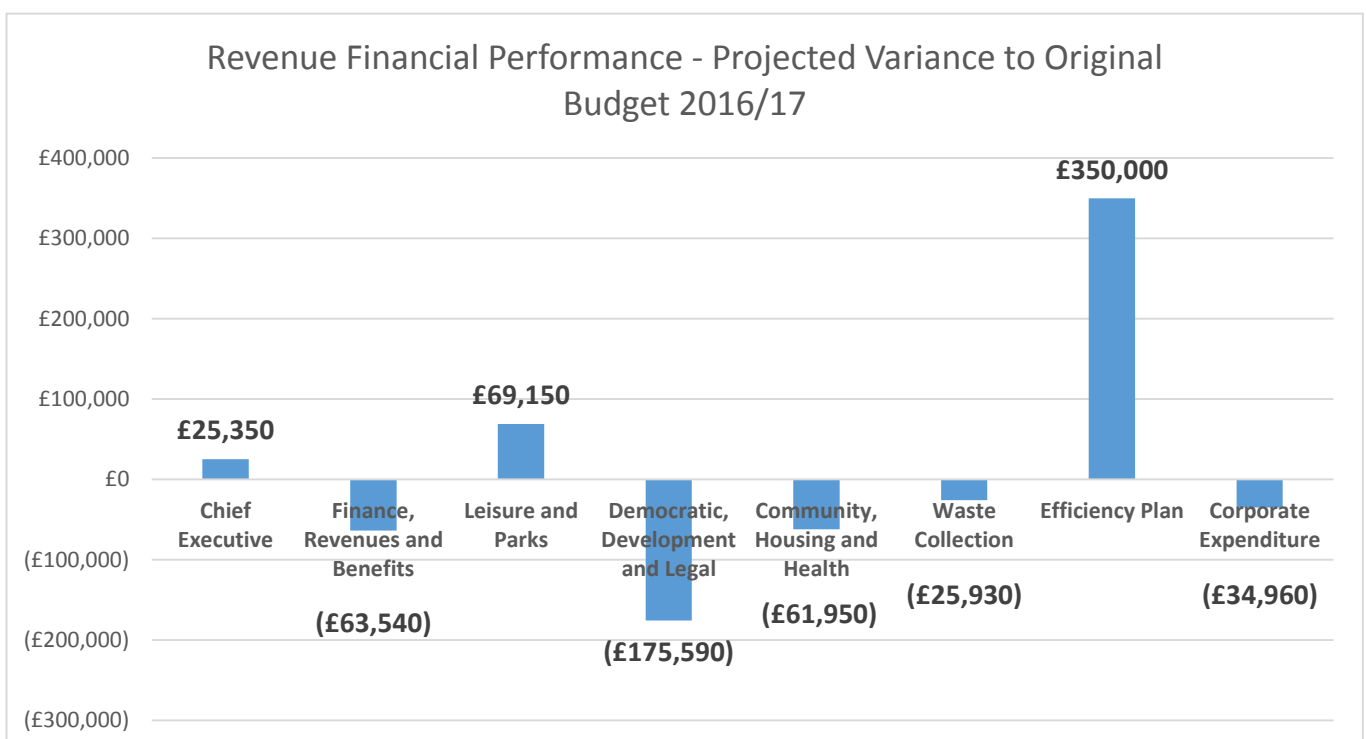
- 3.1. The MTFS (R&C) 2016-20 approved by Council on 23 February 2016 included the Original Budget for 2016/17 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 3.2. Throughout the financial year, Money Matters reports will be provided to both Cabinet and Strategic (Overview and Scrutiny) Committee at 3, 6 and 8 months intervals to monitor financial performance.
- 3.3. The Money Matters reports update the Approved Budget to reflect latest projections and the 8 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 compared to both the Original Budget and the Approved Budget is shown below for the previous management structure. The budget audit trail and the detail related to these figures is shown at **APPENDIX A** together with the gross expenditure and gross income for each Service area.

### Performance compared to the Original Budget

- 3.5 The Net Cost of Service projected variance compared to the Original Budget (after allowing for updated insurance allocations) is shown in the graph below:

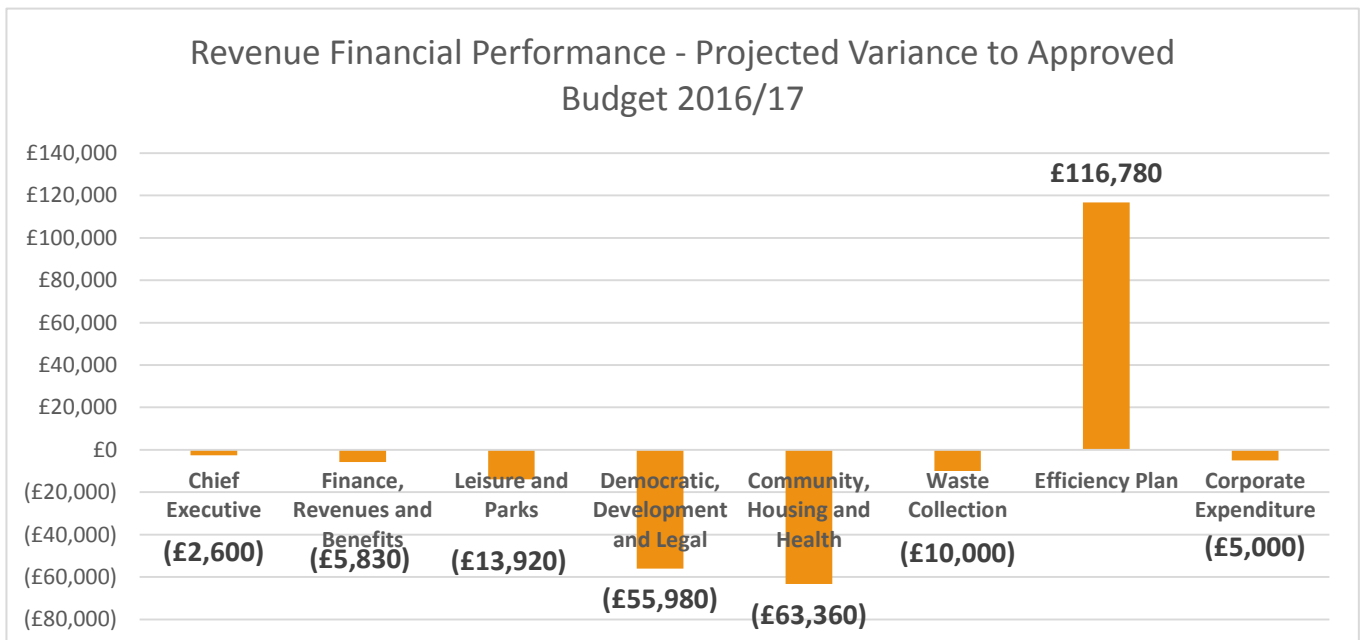


3.6 There are five areas where there is projected to be a variance of more than **£50,000** compared to the Original Budget:

- **Finance, Revenues and Benefits (£63,540)** – the majority of this projected underspend relates to the transfer of the former Director of Finance, Revenues and Benefits remaining budgets of **(£56,500)** to the restructuring account under the Chief Executive.
- **Leisure and Parks £69,150** - the approval by Cabinet of **£100,000** for professional advisors for the Leisure Review have increased the Approved Budget in this area has been partly offset through savings identified of **(£30,850)**.
- **Democratic, Development and Legal Services (£175,590)** - the approval by Cabinet of a car parking strategy has increased income in this area by **(£114,870)** and savings and additional income identified of **(£60,720)**.
- **Community, Housing and Health (£61,950)** - savings and additional income identified of **(£61,950)**
- **Efficiency Plan £350,000** - the details of the savings made in relation to the efficiency plan are explained below.

#### Performance compared to the Approved Budget

3.7 The Net Cost of Service projected variance compared to the Approved Budget is shown in the graph below:



3.8 In terms of financial performance, compared to the Approved Budget, the key points to note are the Net Operating Cost (shown in the graph above) is projected to be below budget by **(£39,910)**, funding is projected to be below budget by **£46,640** and therefore the level of General reserves will reduce by a further **£6,730**.

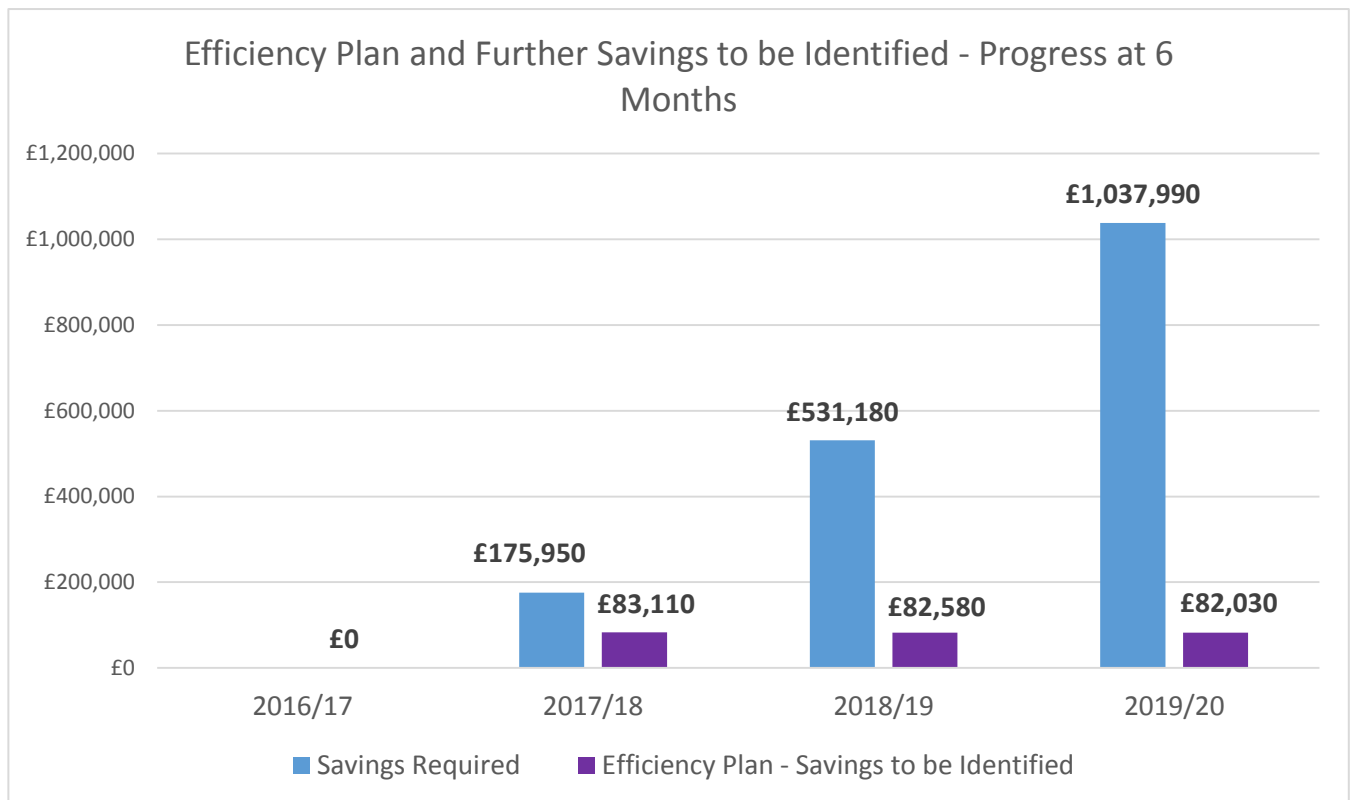
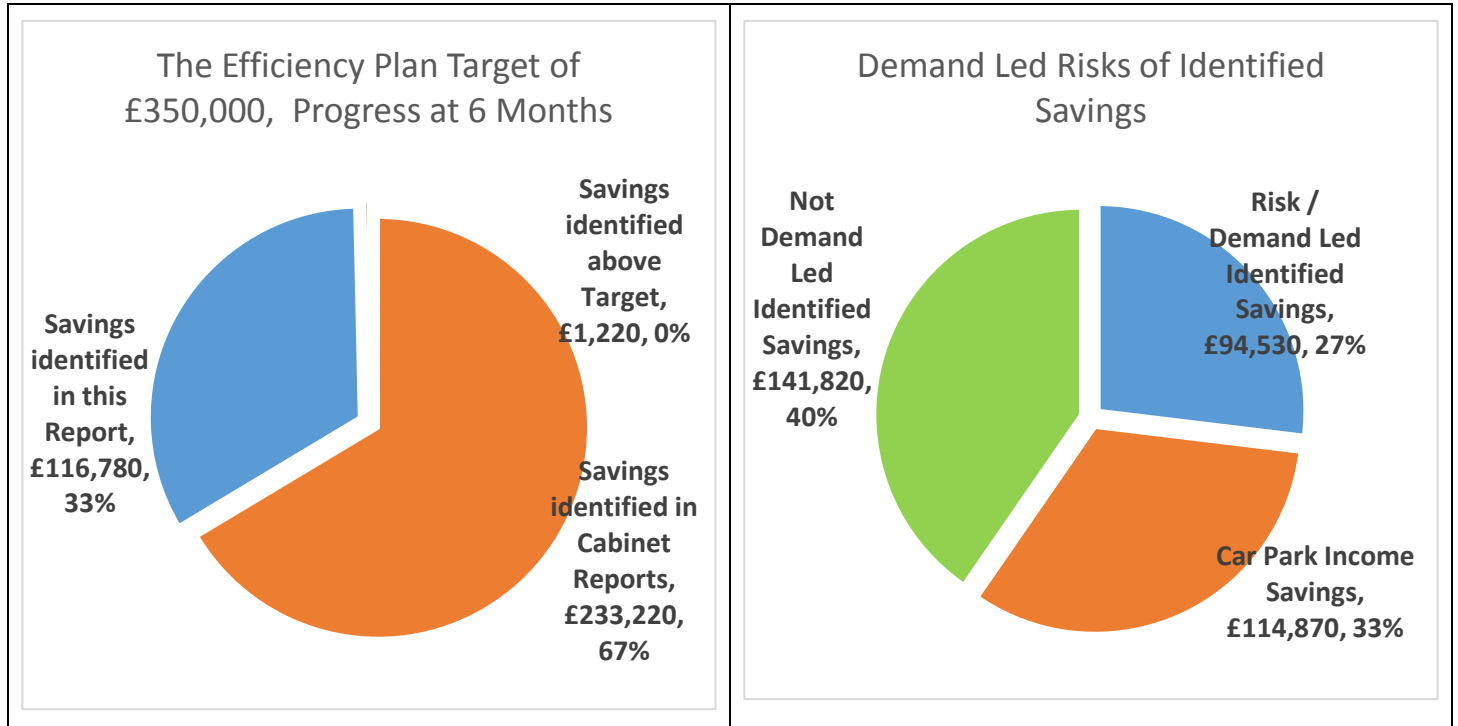
3.9 Analysis work has been undertaken to understand the reasons for this above budget performance of **£6,730** and the details are shown in **APPENDIX B**. The budget variance falls into three categories :

- **One-off net savings** (additional expenditure offset by additional income) of **(£38,690)**. The most significant items are an Earmarked Reserve no longer required (£11,670), Trunk Road sweeping not required (£25,000) less fees for Chasewater relating to prior years where the funds were transferred to General Reserves in 2015/16 £28,600.
- **Over achievement of the Efficiency Plan Target of (£1,220)** resulting from (£118,000) of ongoing savings / additional income compared to the Approved Budget of £116,780. The over achieved sum of (£1,220) will be contributed to General reserves.
- **One-off funding changes of £46,640** related to additional Business Rate net levy less income related to the Business Rates cap not included in the MTFS due to uncertainty over the funding.



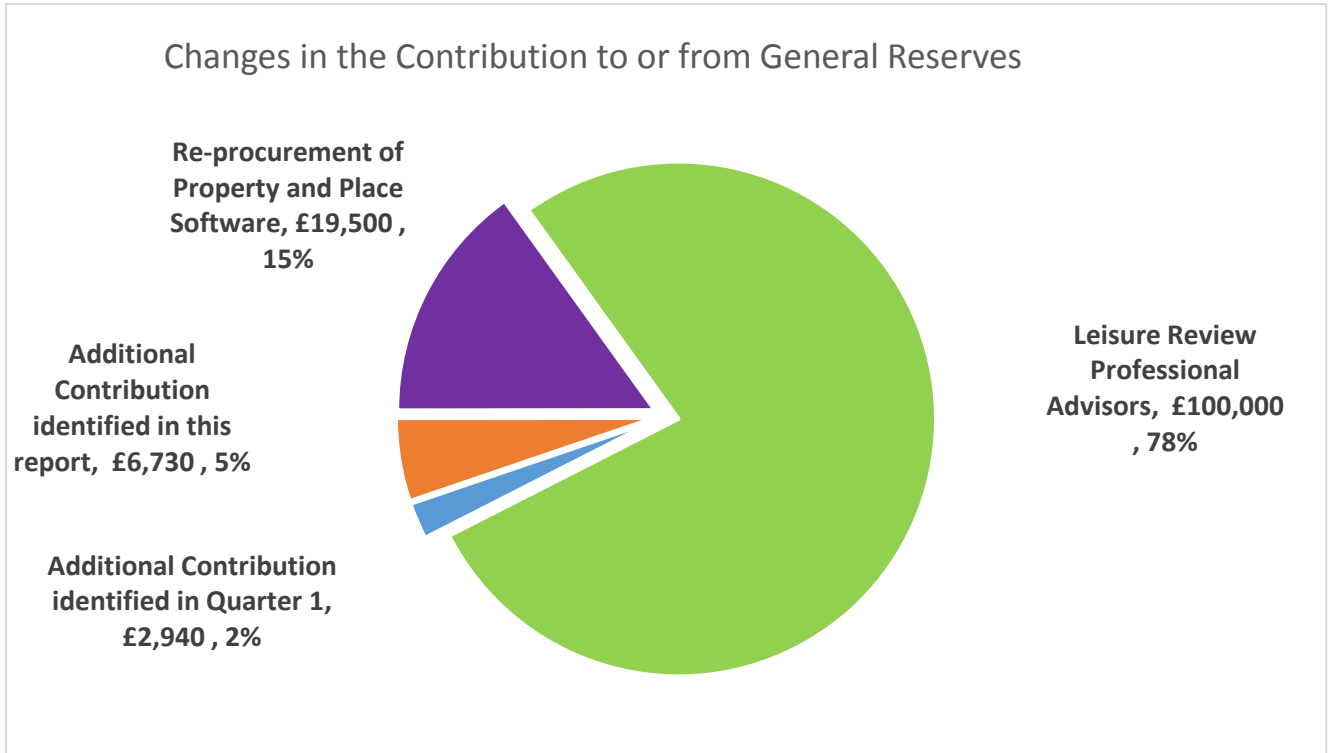
3.10 Ongoing savings/additional income have been identified during 2016/17 to achieve the Efficiency Plan target. The three graphs below show:

- The progress to date on 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 progress to date on the Efficiency Plan target of **(£500,000)** in later years together with further savings to be identified over the period of the MTFS.

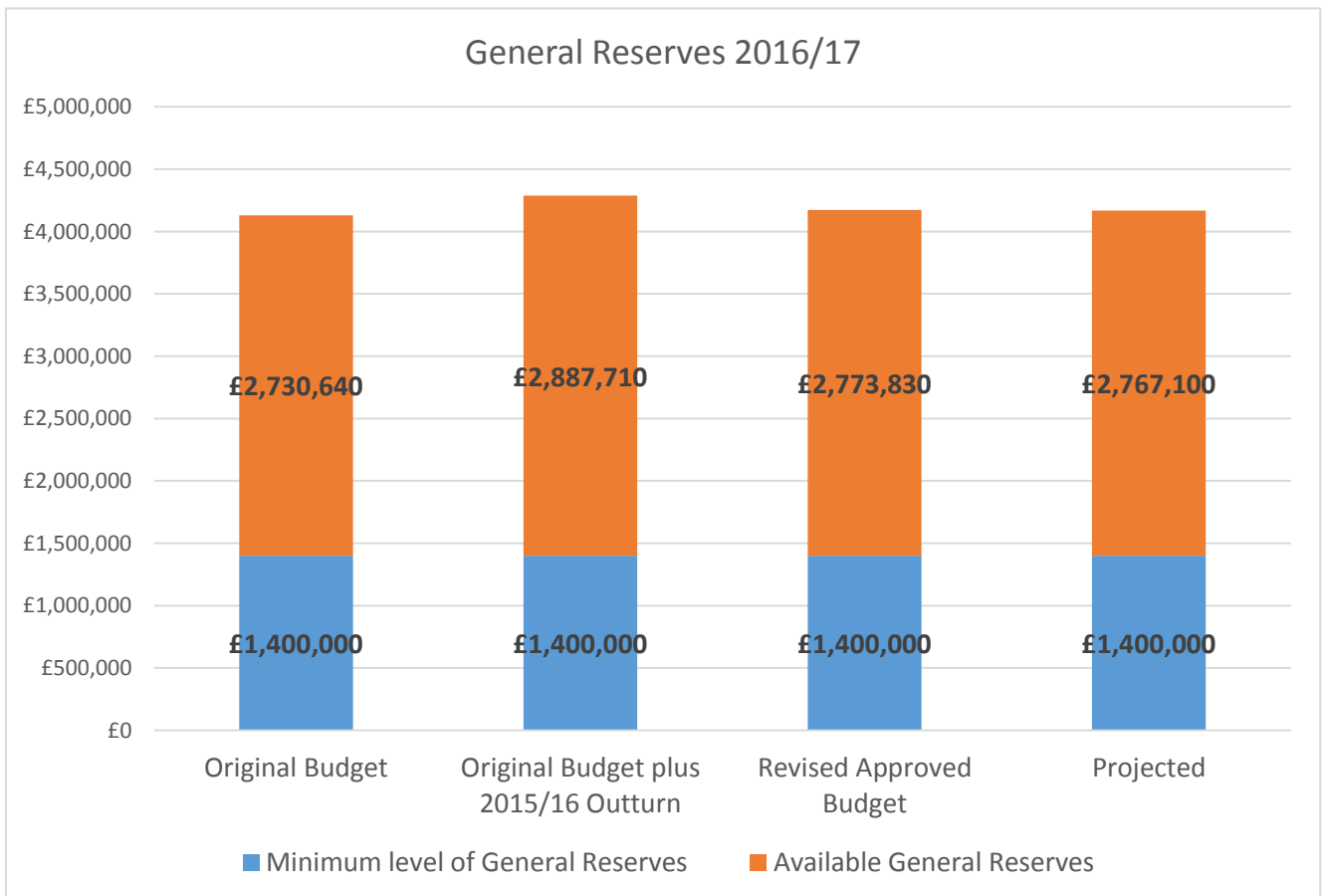


## Revenue General Reserves

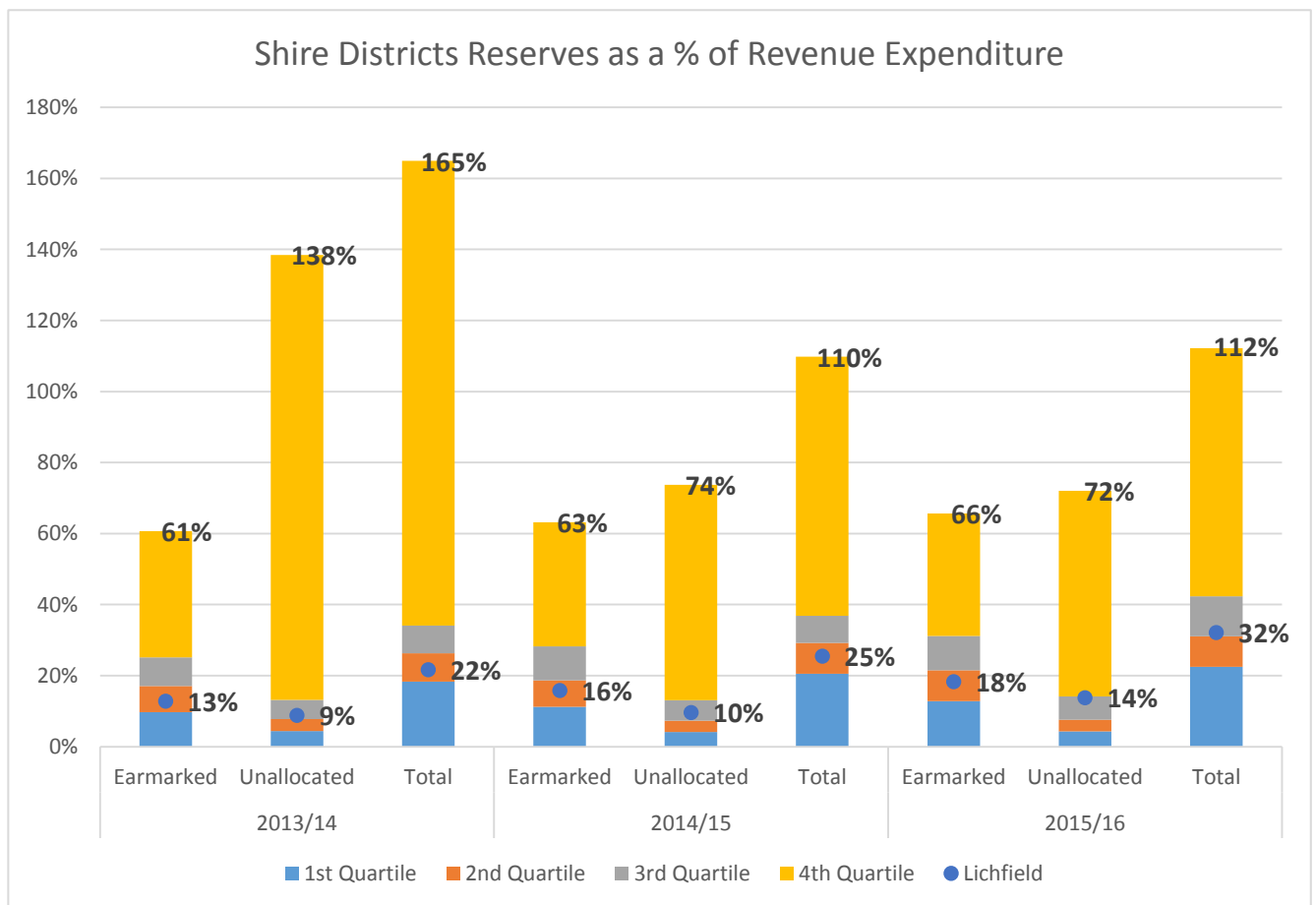
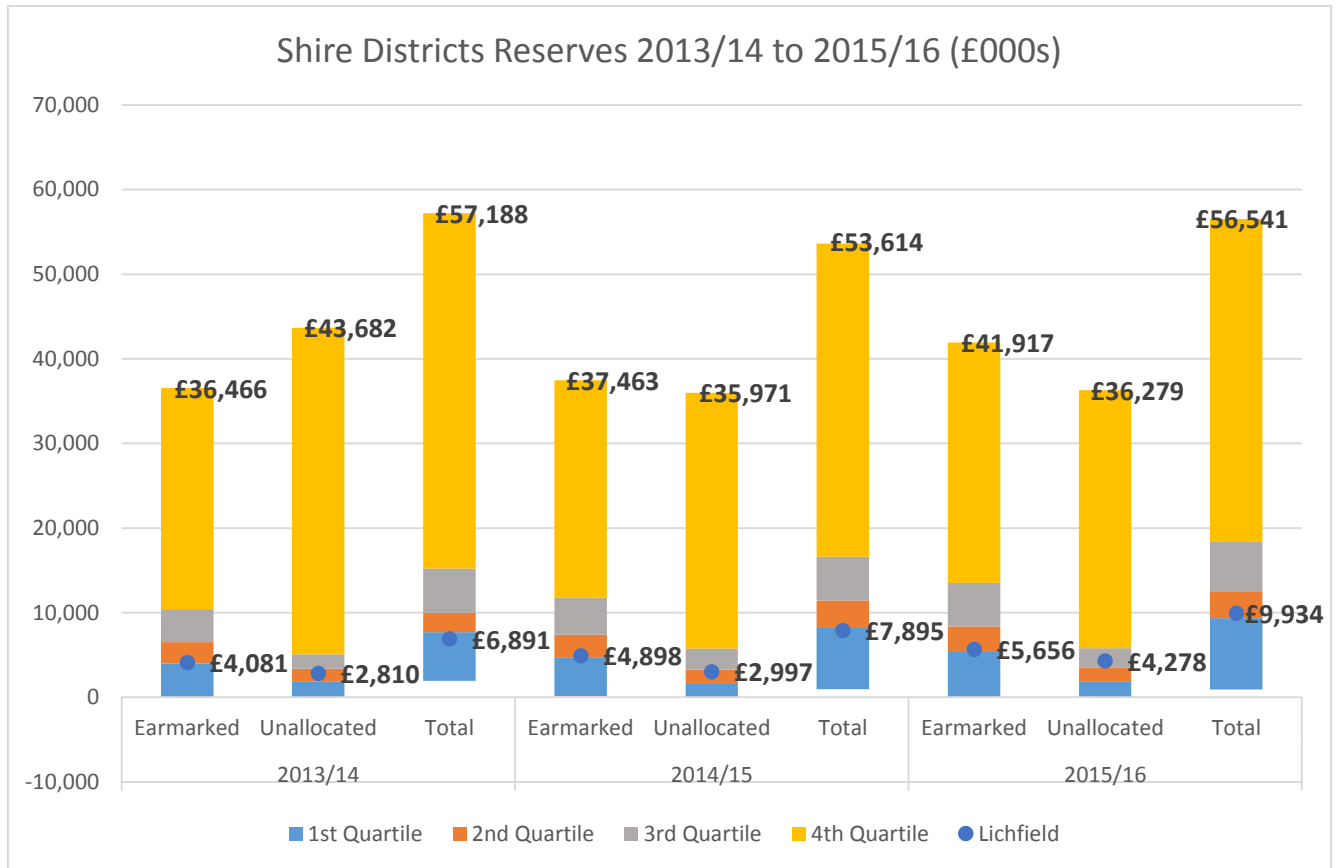
3.11 The reasons for the change of (£129,170) from a contribution to general reserves of £8,560 to a contribution from general reserves of (£120,610) is shown in the graph below:



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

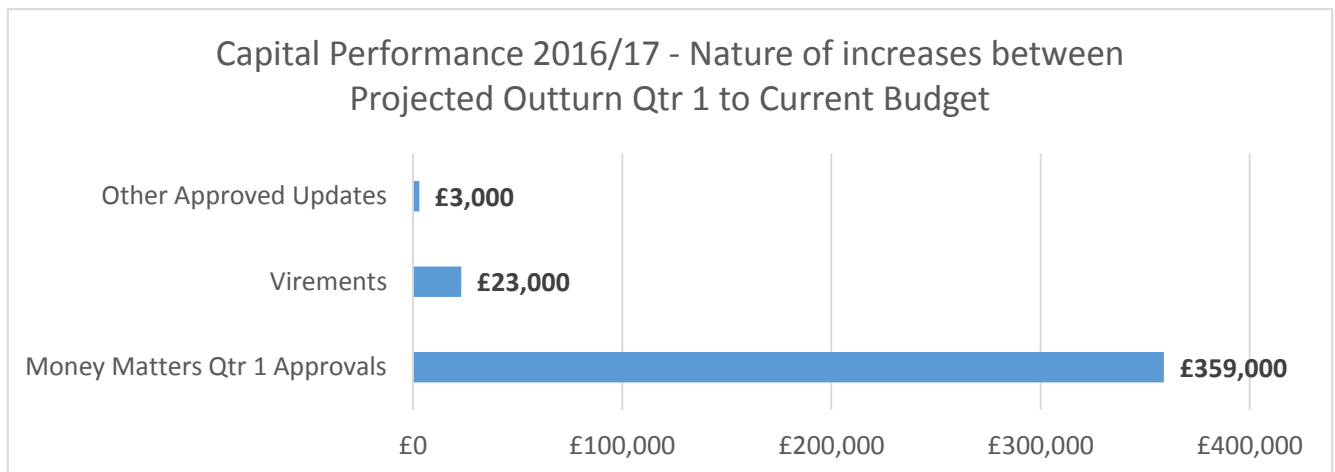


3.13 The level of General (unallocated) and Earmarked Reserves in relative terms and as a percentage of Revenue Expenditure (as defined in the Revenue Outturn Form) compared to all District Councils is shown for the last three years in the graphs below:

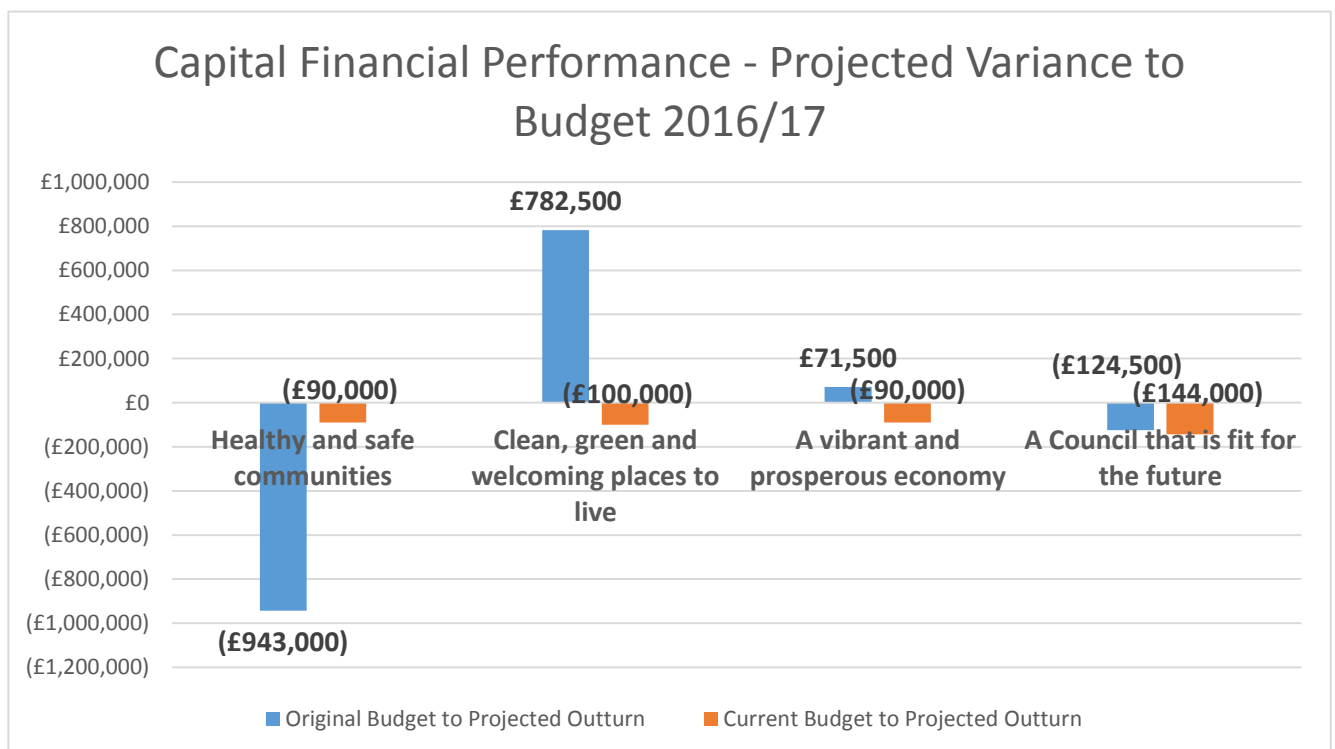


## The Capital Programme

3.14 A summary of the budgetary changes from the projected outturn from Money Matters Quarter 1 of **£7,330,500** to the Current Budget of **£7,715,500** undertaken throughout the financial year totalling **£385,500** is shown in the graph below:



3.15 We are projecting that the Capital Programme performance will be below budget by **(£424,000)** or **5%** compared to the Current 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

3.16. The significant changes in two strategic priorities reflect the following changes:

- **Healthy and Safe Communities (£943,000)** - the inclusion of slippage in capital expenditure from 2015/16 of **£82,000**, Affordable Housing projects rephased to later years of **(£1,154,000)**, Hawksyard Community Building **£154,000**, Synthetic Pitch replacement **£205,000** and other projects rephased to later years **(£230,000)**.
- **Clean, Green and Welcoming Places to Live £782,500** - the inclusion of slippage in capital expenditure from 2015/16 of **£927,500** and other projects rephased to later years **(£145,000)**.

## Performance compared to the Approved Budget

- 3.17. The reason for the projected budget variance on each of the strategic priorities is shown below:
- **Healthy and Safe Communities (£90,000)** – the planned capital investment of **(£90,000)** for the Community Transport vehicles is no longer required following the review.
  - **Clean, Green and Welcoming Places to Live (£100,000)** –the planned investment of **(£100,000)** for the canal culvert project is likely to be spent in a later financial year.
  - **A Vibrant and Prosperous Economy (£90,000)** – the planned investment for the Garrick Square **(£58,000)** and variable messaging signage of **(£32,000)** are likely to be spent in a later financial year.
  - **A Council that is Fit for the Future (£144,000)** - this reflects the latest project plans for capital works to the District Council House and mean **(£144,000)** will be spent in a later financial year.

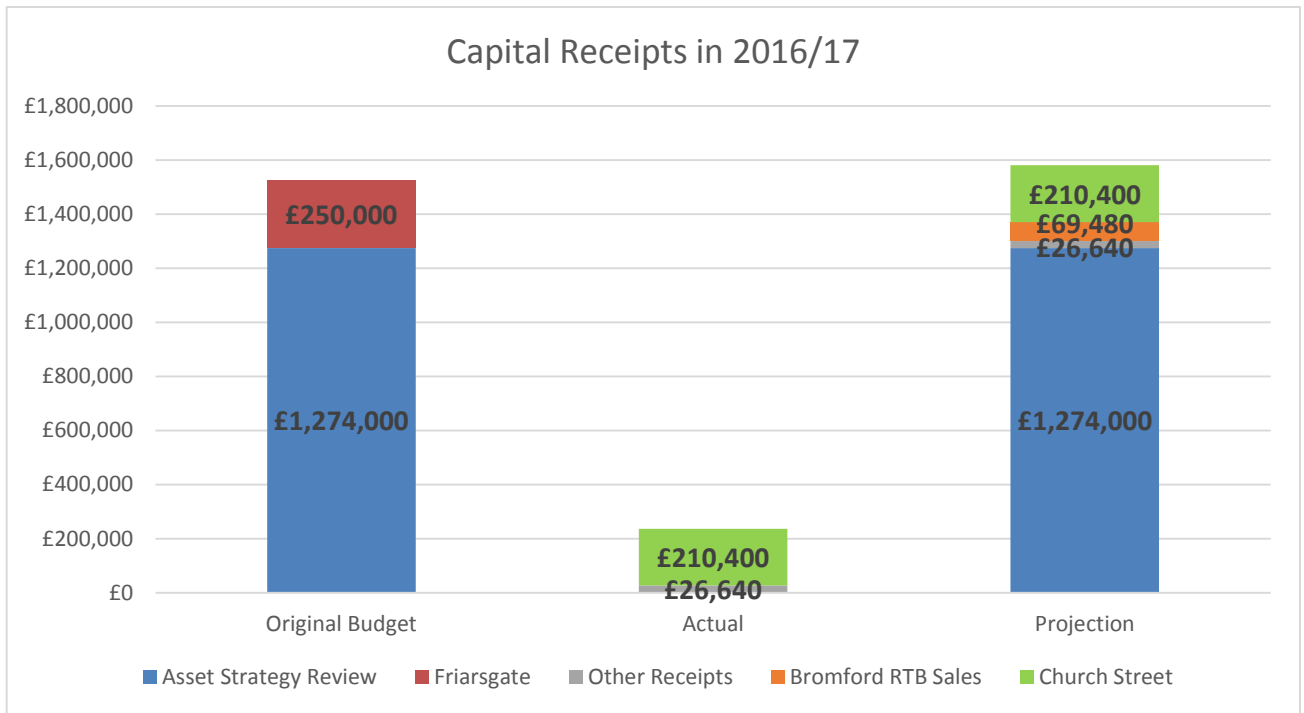
## Better Care Fund (BCF)

- 3.18. For 2016/17, the council's approved Capital Programme includes a Disabled Facilities Grant budget of **£850,000** assuming a Better Care Fund (BCF) allocation of **£421,000** at the same level received in 2015/16. In April 2016, we were advised that the BCF allocation to be passported to us by Staffordshire County Council would be **£761,000**.
- 3.19. In the spring, the County Council was in correspondence with all District and Borough Councils setting out its intention to top slice the amount to be passported through; for LDC this would equate to a top slice of **£201,000** which the County Council would use to support other health and social care commitments. Given the increasing demand for DFGs (which is higher in Lichfield than anywhere else in the County) this proposal has been rejected by Staffordshire Chief Executives and further discussions with the County Council have been taking place.
- 3.20. One aspect of these discussions concerns the contract (held by the County Council on behalf of a Partnership comprised of the eight District and Borough Councils and SCC) with the Home Improvement Agency Revival which has an option to extend for one year from April 2017. The majority of Districts and Boroughs have been in favour of such an extension but the County Council can no longer fund its contribution. Consequently, it has been agreed that part of the BCF allocation (**(£33,000)** for Lichfield District Council) would be used to make up the deficit in 2017/18 and continue the contract until 31<sup>st</sup> March 2017. Further correspondence has been received from the County Council regarding the top slice for 2016/17 including a proposed reduction from £201,000 to £79,000. However, several issues remain outstanding, the position is still to be resolved and further discussions are taking place.
- 3.21. In normal circumstances, Cabinet receives a report to approve acceptance of BCF income towards the local Disabled Facilities Grant programme. However, given the issues outstanding and the passage of time, it is proposed that authority be delegated to relevant Cabinet Members and the Director to accept the BCF income once agreement has been reached with the County Council.

## Capital Receipts

- 3.22. There have been **(£237,040)** of actual capital receipts received during the first six months of 2016/17 compared to the Original and Approved Budgets of **(£1,524,000)**.
- 3.23. We are projecting capital receipts of **(£1,581,000)** related to:
- A land sale at Church Street for **(£210,000)**.
  - The Council's share of Right to Buy sales of **(£70,000)**.
  - Other small sales in excess of the Capital Receipts threshold of £10,000 of **(£27,000)**.
  - The sale of the Bore Street Shops **(£1,274,000)** where there remains some market interest.

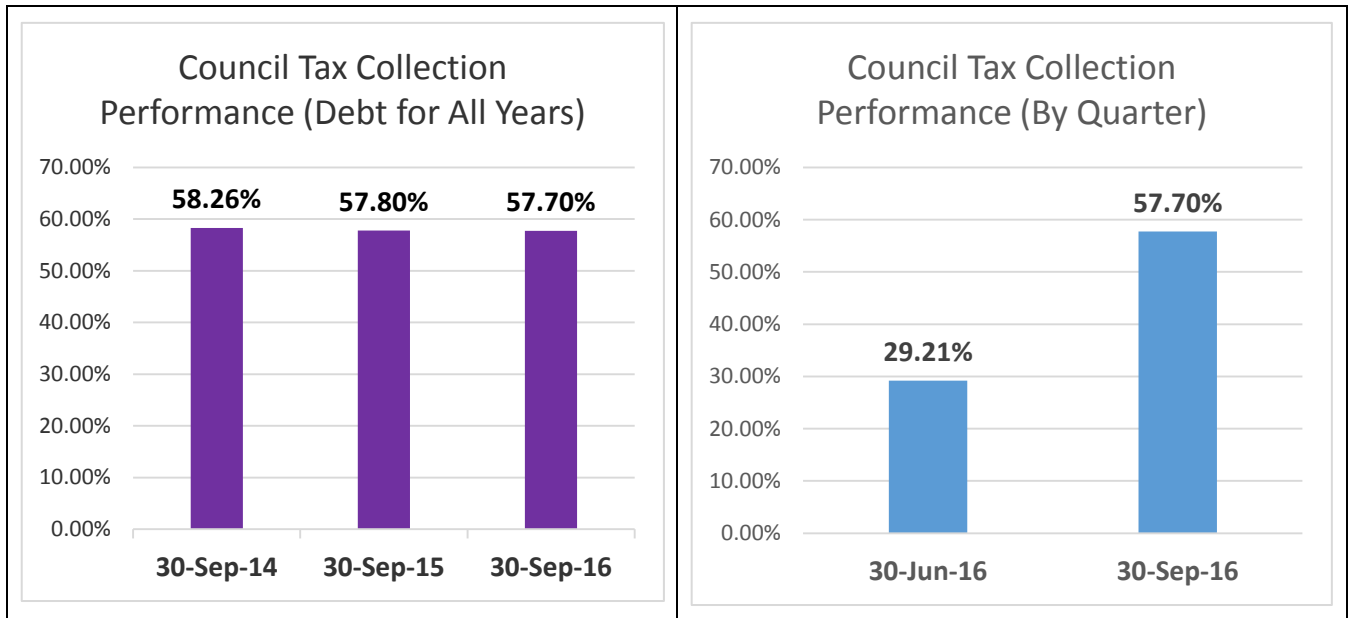
3.24. The Approved Budget, actual capital receipts received in the first six months and the projected capital receipts are shown in the graph below:



**Council Tax**

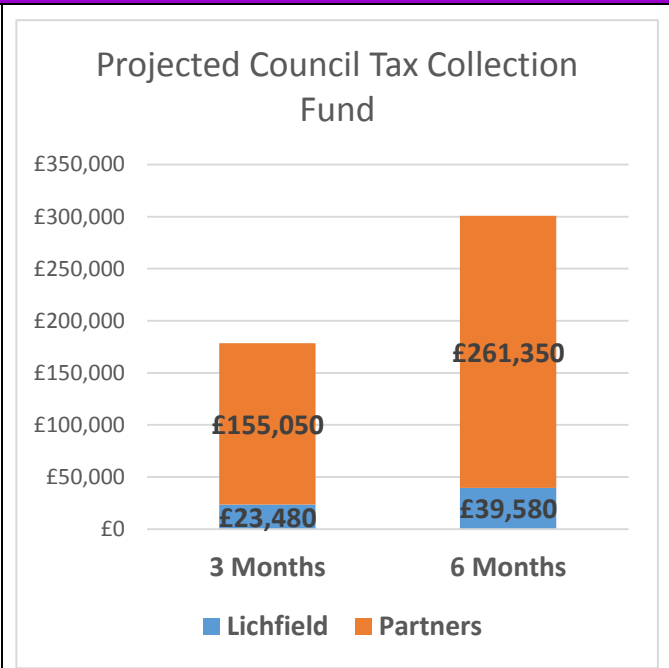
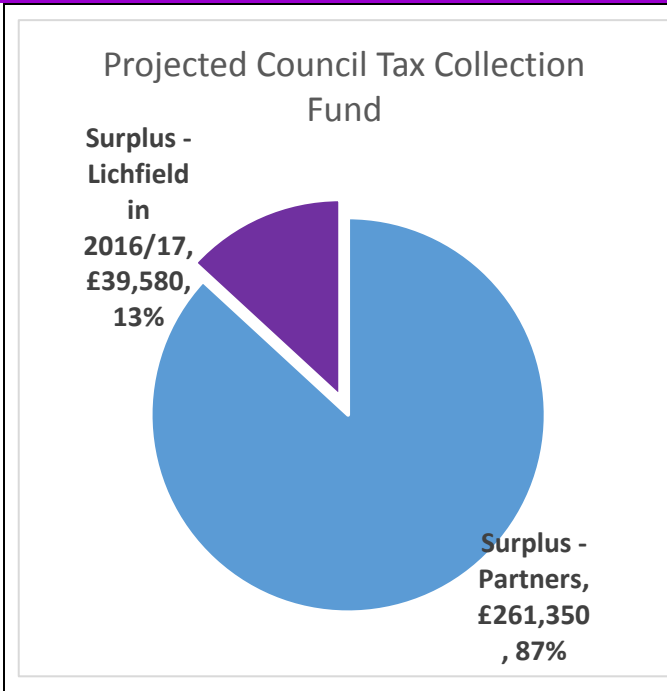
3.25. The Council is responsible for the collection of Council Tax for all precepting authorities in 2016/17 totalling **£56m**.

3.26. The collection performance for Council Tax for the first six months of the last three financial years is shown in the graphs below:

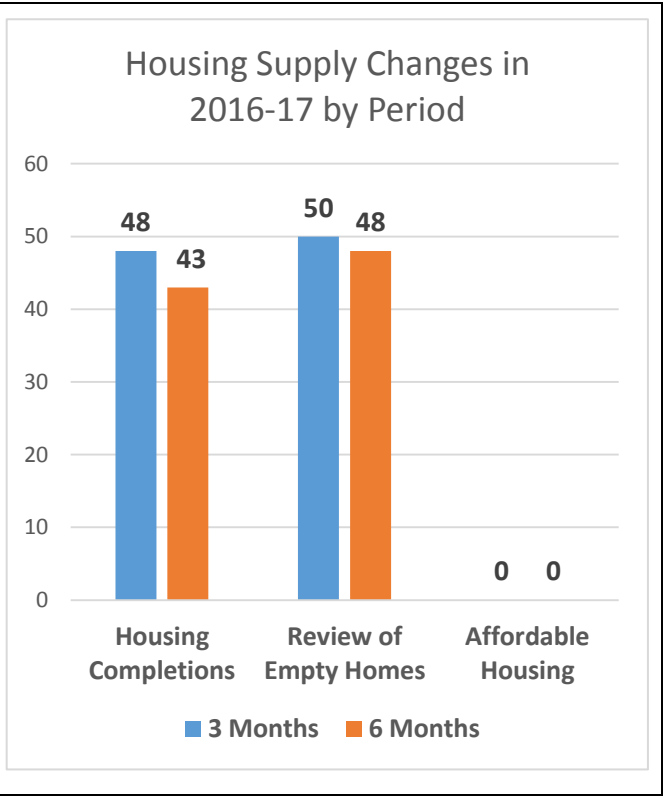
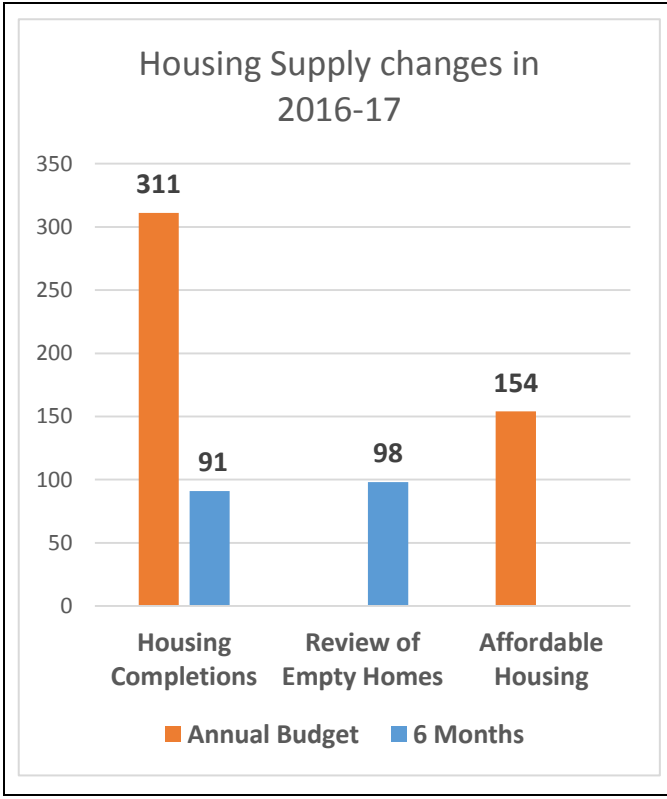


3.27. The collection performance has remained consistent with the same period in previous financial years.

3.28. 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%**:

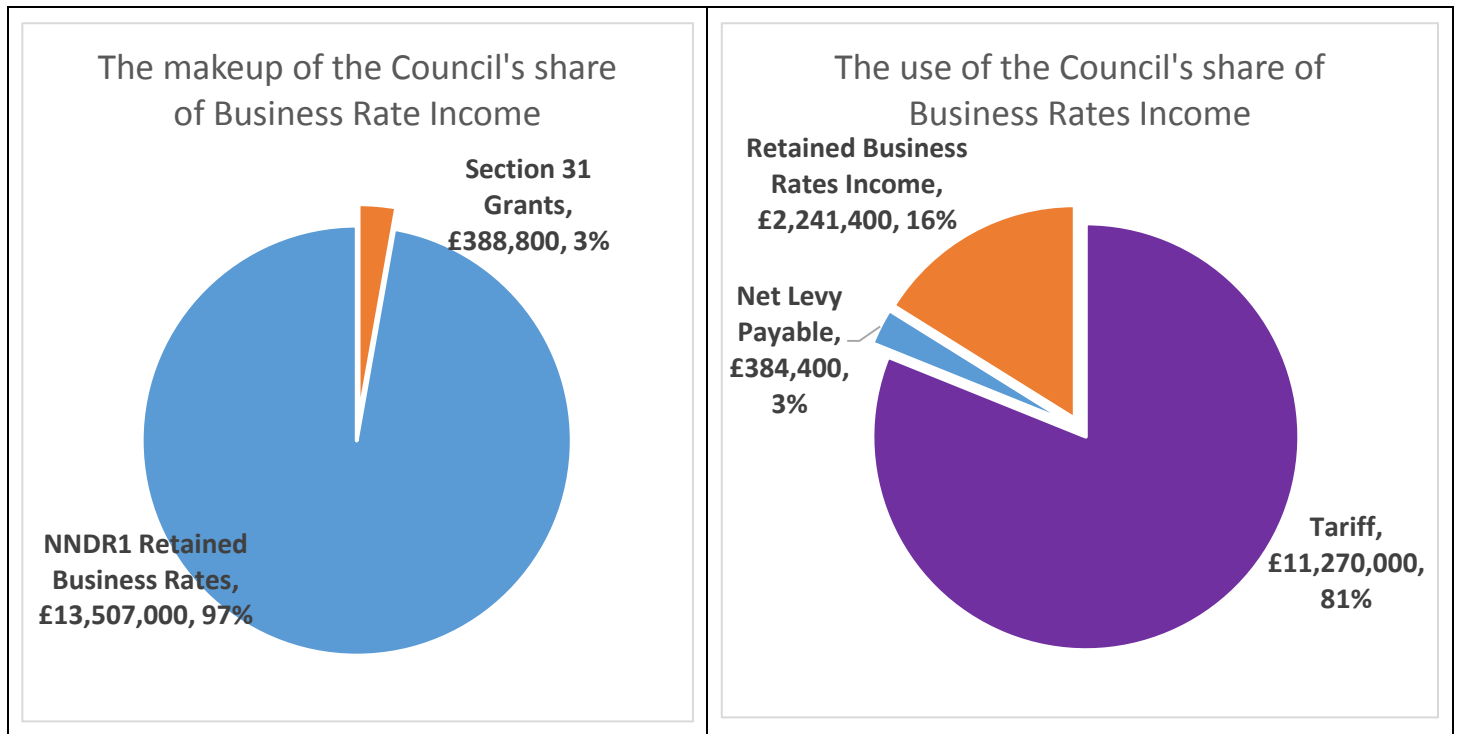
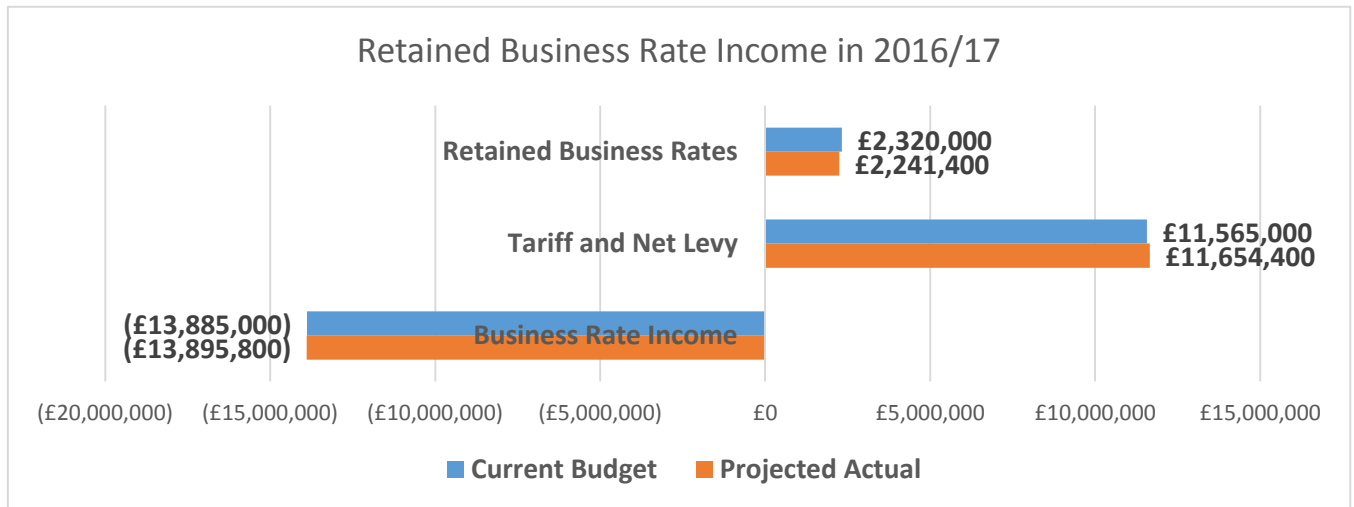


- 3.29. The projected surplus in 2016/17 includes the actual surplus in 2015/16 together with performance related to 2016/17. The Council's share of the projected surplus of (£39,580) will be included in the 2017/18 Budget.
- 3.30. Housing supply is one of the key assumptions in the Medium Term Financial 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

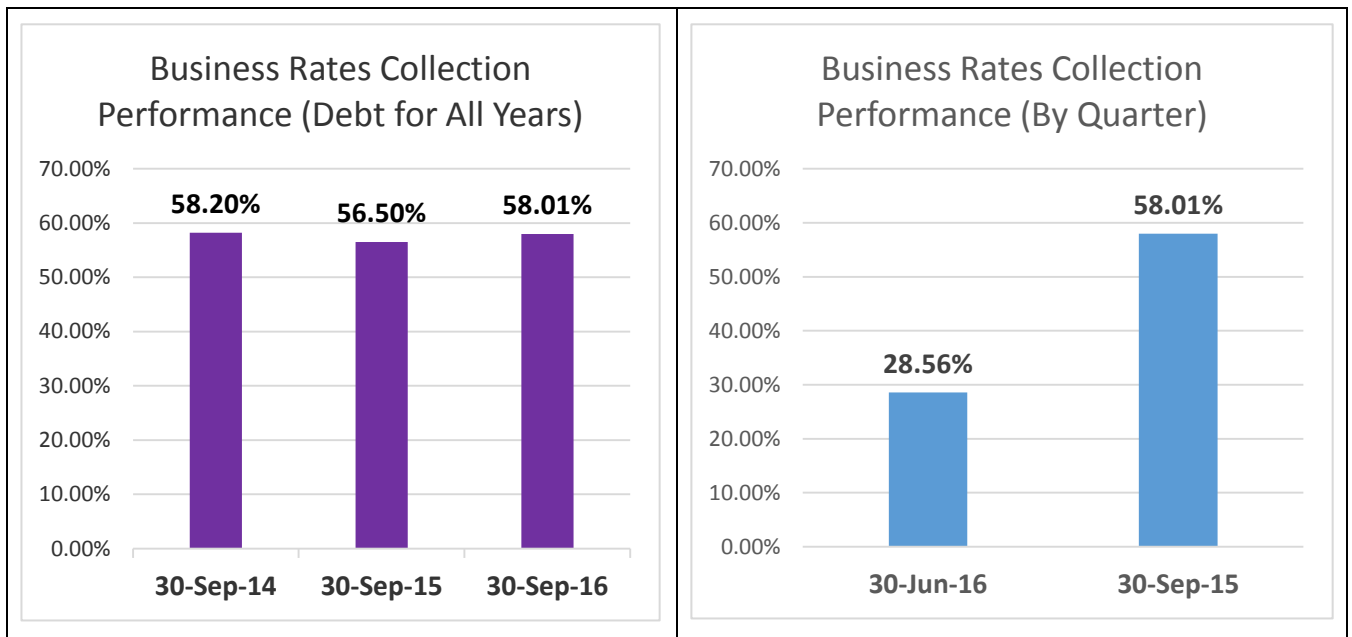
- 3.31. The Council will collect Business Rates for all partners in 2016/17 totalling **£35m**.
- 3.32. The Council receives a **40%** share of Business Rates income. The Council's share included in its budget is based on the NNDR 1 estimated level together with Section 31 grants for certain reliefs 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 have reduced more than a set percentage below the baseline).
- 3.33. The Retained Business Rate income for 2016/17 is projected to be **(£2,241,400)** compared to the Approved Budget of **(£2,320,000)**. 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 projected at this stage to be **£79,000**.
- 3.34. The detail of the Council's actual and budgeted share of Business Rates income, the tariff and net levy and retained Business Rates in 2016/17 is shown in detail at **APPENDIX D** and in the graphs below:



- 3.35 The additional net levy is partly offset by the receipt of **(£32,360)** of grant income from the Government in relation to income foregone as a result of the caps in Business Rates income implemented by the Government in previous financial years.

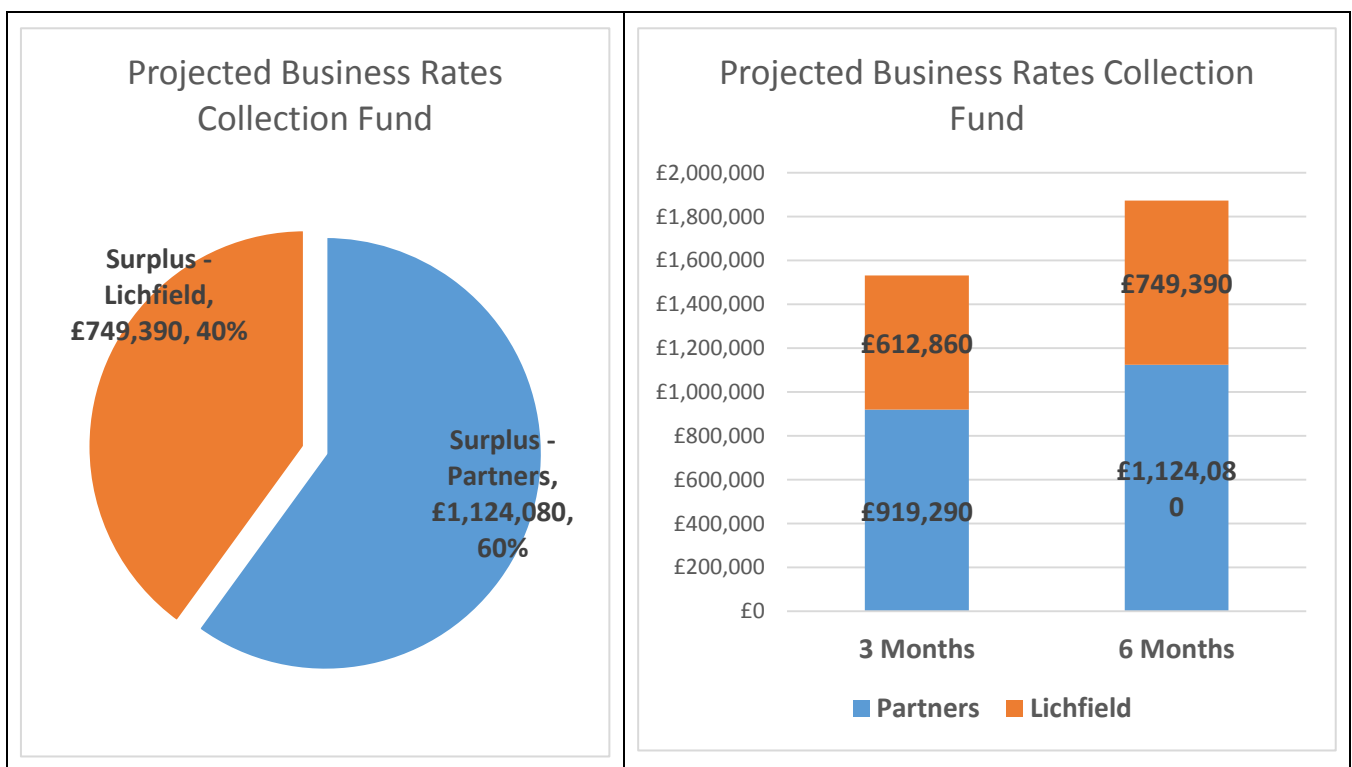


3.36 The collection performance for Business Rates for the first six months of the last three financial years is shown in the graph below:



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

3.38 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%**:

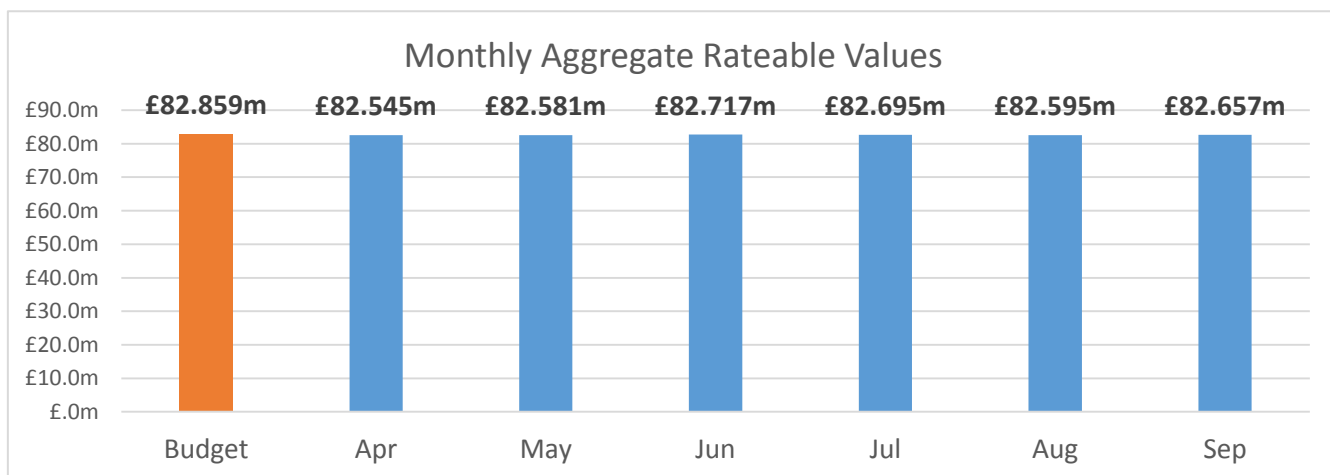


3.39 The main reasons for the surplus of (£1,873,470) are:

- There was a lower than projected deficit in 2015/16 of (£1,245,000).
- The projected net yield from Business Rates in 2016/17 is projected to be (£628,470) higher than estimated. This is due additional business rates collected and a projected reduction in empty properties relief to partly reflect the 2015/16 financial year's level of awards.

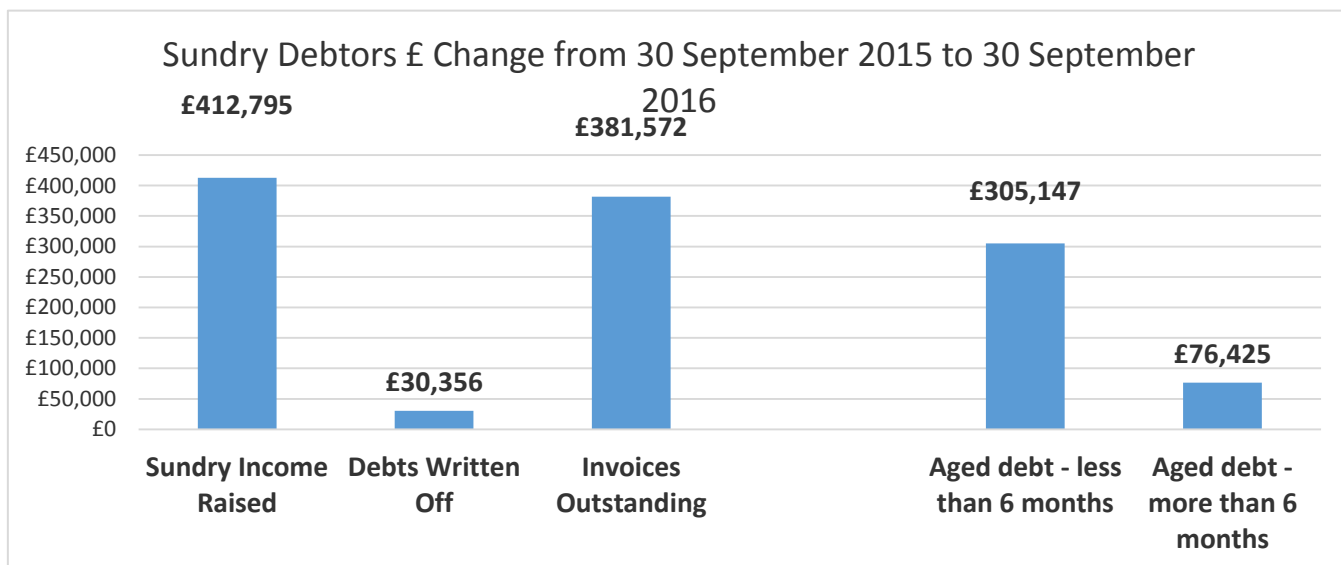
3.40 Therefore the Council's share of the projected surplus in 2016/17 is (**£749,390**) and this will be included in the 2017/18 Budget.

3.41 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 three months compared to the Approved Budget is shown in the graph below:



### Sundry Debtors

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



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

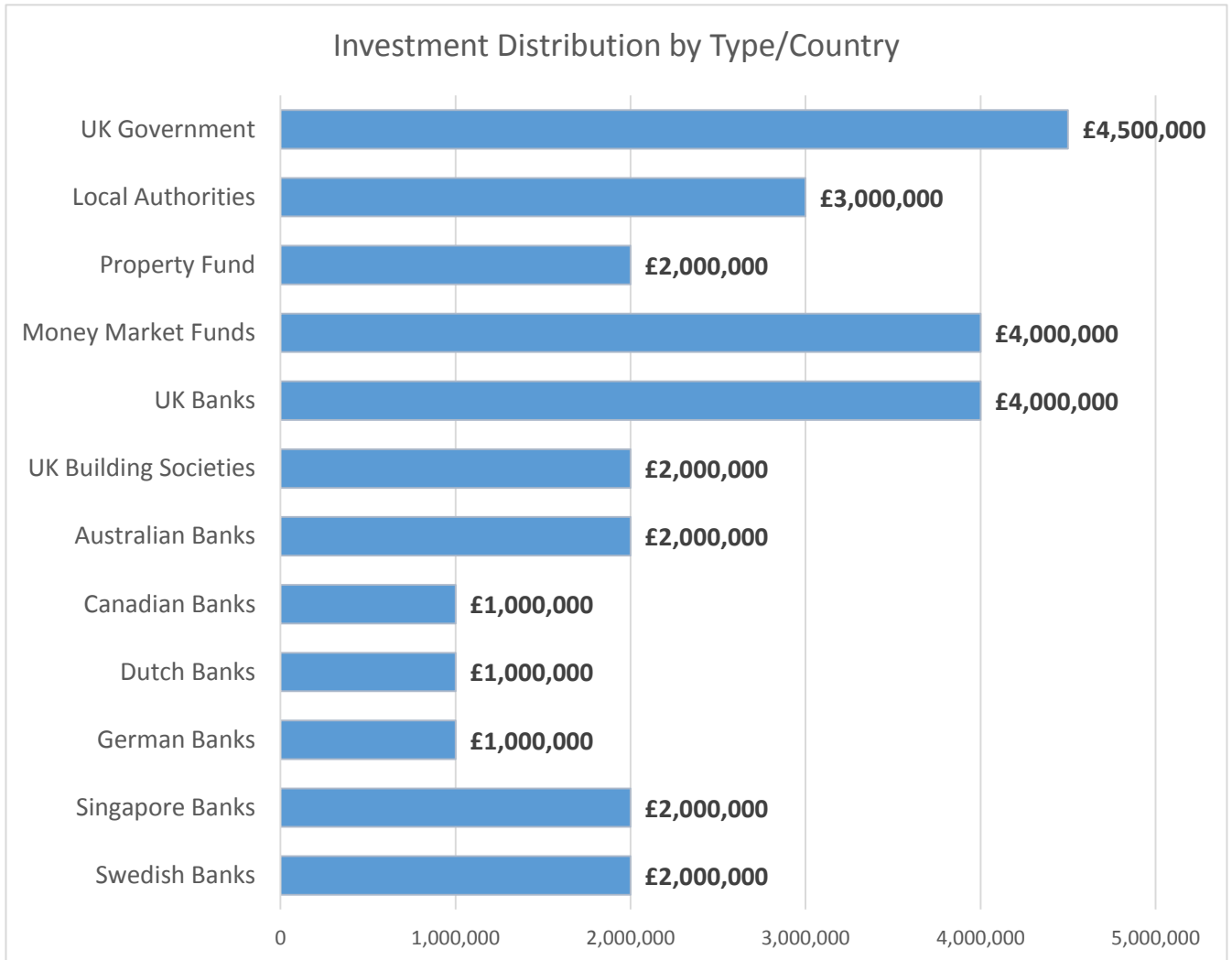
- The value of income raised has increased by **£412,795** or 31.64% due to £200,000 in section 106 invoices, £56,000 for the adoption of public open spaces and a £57,000 Police community funding invoice.
- The value of write offs has increased by **£30,356** or 100% due to several write offs of Housing Benefit Overpayments including £20,000 for a deceased debtor.
- Overall invoices outstanding have increased by **£381,572** or 24.51%.
- The increase in those outstanding for less than 6 months by **£305,147** or 32.10% is predominantly due to the section 106 invoices issued in the quarter.
- The increase in those outstanding for more than six months by **£76,425** or 12.61% is due to a Section 106 invoice for £123,000 with an outstanding legal issue to be resolved. Payment is being held by our solicitors until resolution.

## Treasury Management

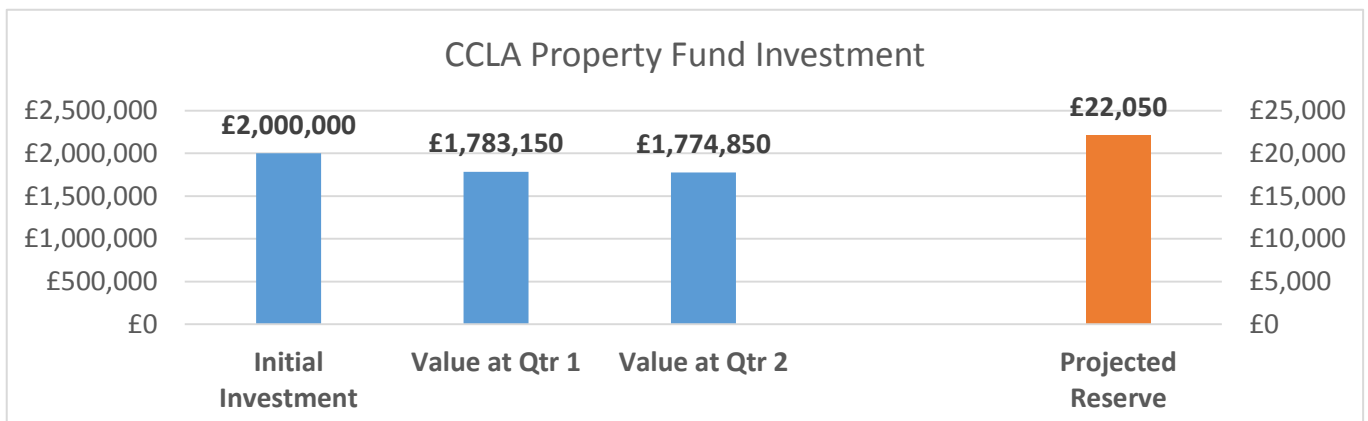
3.38. The performance of the Treasury Management function should be measured against the investment objectives of Security (the safe return of our monies), Liquidity (making sure we have sufficient money to pay for our services) and Yield (the return on our investments).

### The Security of Our Investments

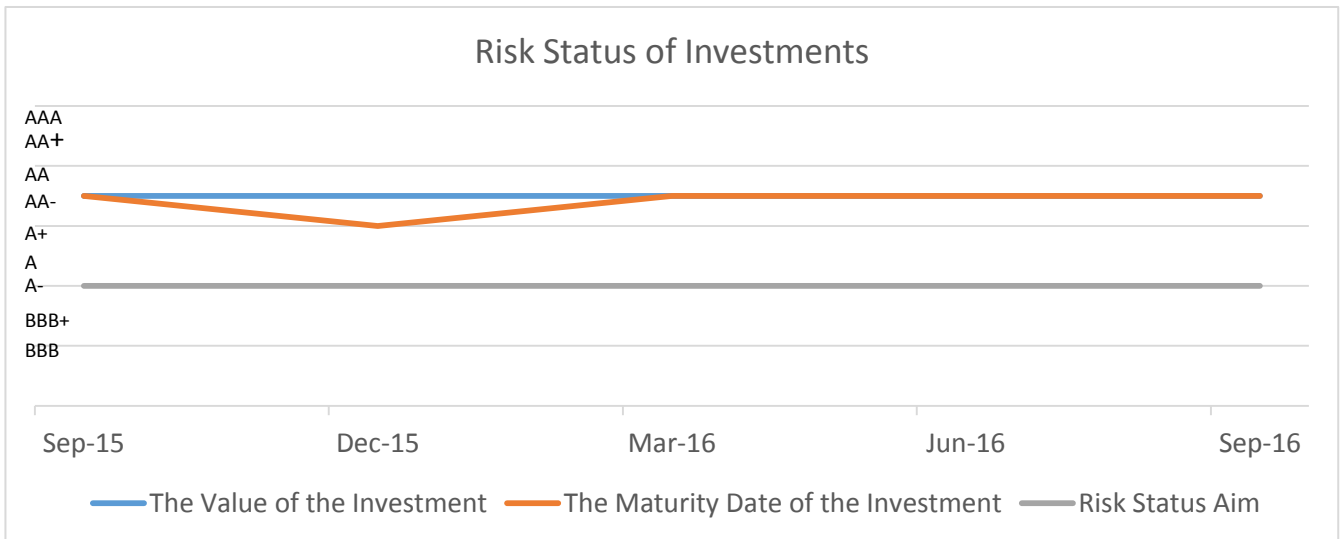
3.39. The investments the Council had at the 30 September 2016 of **£28,500,000** by type and Country are summarised in the graph below and in more detail at **APPENDIX E**:



3.40. 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:

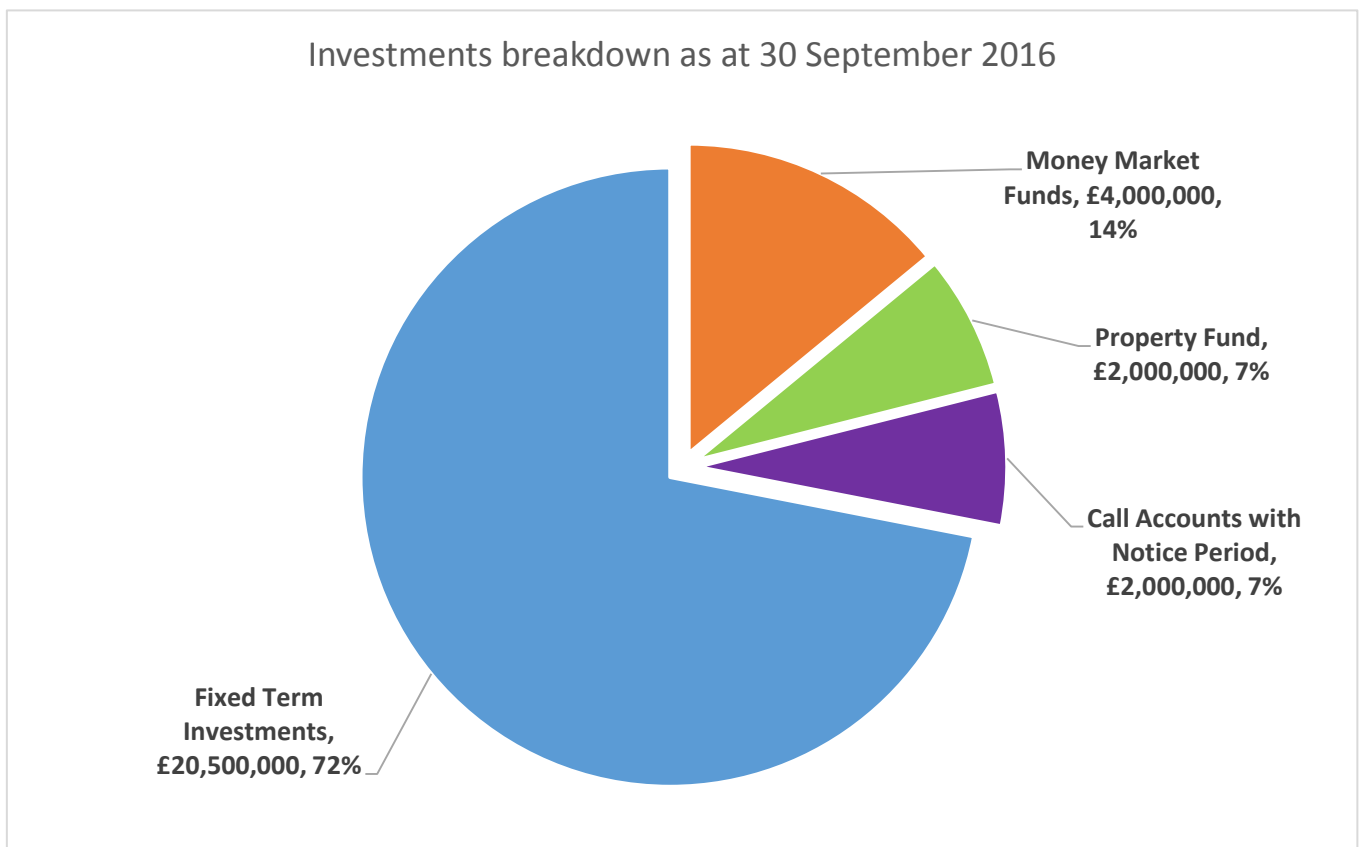


3.41. Our aim for the risk status of our investments was **A-**. The risk status based on the length of the investment and the value for a twelve month period is summarised in the graph below:



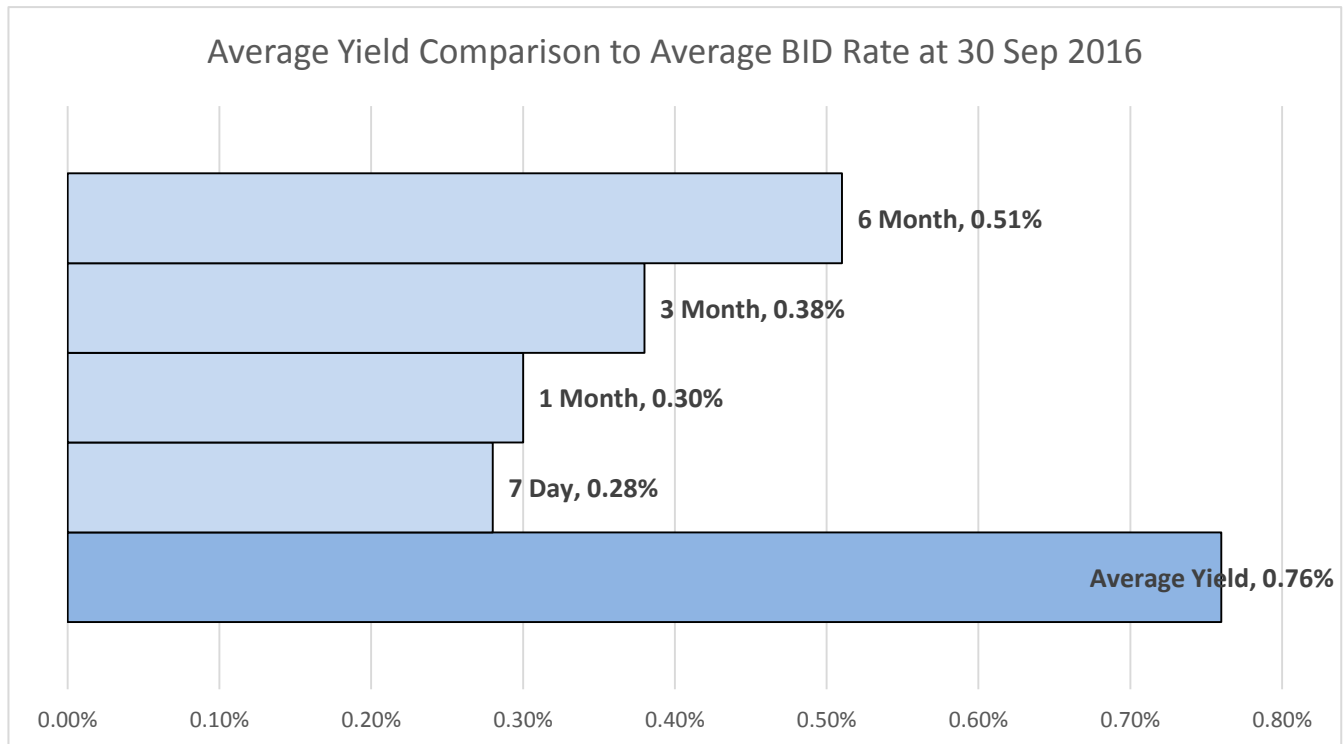
### The Liquidity of our Investments

3.42. 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 is shown in the graph below:



## The Return or Yield of our Investments

3.43. The yield the Council achieved for the first six 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 7 day LIBID rate) is shown in the graph below:



3.44. The investment activity during the financial year is projected to generate **(£181,960)** of net investment income compared to a budget of **(£176,860)** and overall the Net Treasury position is projected to exceed the budget by **(£5,100)**.

<b>Alternative Options</b>	There are no alternative options.
<b>Consultation</b>	Consultation is undertaken as part of the Strategic Plan 2016-20 and with Leadership Team.
<b>Financial Implications</b>	At this six months stage in the year, for the period up to September 2016, we forecast a contribution <u>from</u> general reserves of <b>(£120,610)</b> will be made, against a budgeted contribution of <b>£8,560</b> <u>to</u> general reserves.  Further detailed analysis on the Financial Performance up to September 2016 is shown in the attached Appendices.
<b>Contribution to the Delivery of the Strategic Plan</b>	The MTFs underpins the delivery of the Strategic Plan 2016-20.
<b>Equality, Diversity and Human Rights Implications</b>	There are no additional Equality, Diversity or Human Rights implications.
<b>Crime &amp; Safety Issues</b>	There are no additional Crime and Safety Issues.

	Risk Description	How We Manage It	Severity of Risk (RYG)
<b>A</b>	Management of the Council's Revenue and Capital budget is critical to the successful delivery of key Council's 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>B</b>	Counterparty default	A new Annual Investment Strategy was approved by Cabinet on 7 April 2015. This new Strategy utilises more counterparties and financial instruments to diversify the portfolio and reduce this risk.	Yellow - Material
<b>C</b>	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
<b>D</b>	Planned capital receipts are not received	The Council plans to dispose of a number of assets to fund capital investment including Industrial Units and Shops. Two of these sales have been completed and the remaining one is being monitored closely to ensure any subsequent financial implications are included in the MTFS.	Red - Severe
<b>E</b>	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

<b>Background Documents</b>	<ul style="list-style-type: none"> <li>• CIPFA Code of Practice for Treasury Management in the Public Services</li> <li>• The Prudential Code for Capital Finance in Local Authorities</li> <li>• 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.</li> <li>• Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2016-20 Cabinet - 9 February 2016.</li> <li>• Procurement of Contract Hire Vehicles – Cabinet 9 February 2016</li> <li>• Review of the Civic Function – Cabinet 5 April 2016</li> <li>• Re-procurement of property and place related software applications – Cabinet 5 April 2016</li> <li>• Re-procurement of Desktop Operating Software Contract – Cabinet 5 April 2016</li> <li>• Approval of Formal Car Parking Strategy – Cabinet 10 May 2016</li> <li>• Proposed Revised Charges for Street Naming and Numbering – Cabinet 5 July 2016</li> <li>• Broadband Connections – Cabinet 5 July 2016</li> <li>• Money Matters : 2016/17 Review of Financial Performance against the Financial Strategy – Cabinet 6 September 2016</li> </ul>
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<b>Relevant web link</b>	
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## 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
	<b>General Reserve</b>	<b>£122,440</b>

## 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)
	<b>Efficiency Plan</b>	<b>(£233,220)</b>	<b>(£298,980)</b>	<b>(£299,420)</b>	<b>(£299,970)</b>

## Audit Trail - The Approved Revenue Budget

	Original Budget	Insurance Allocations	Updated Original Budget	Quarter 1 Projected Outturn	Management Restructure	Approved Budget
Chief Executive	824,080	(6,740)	817,340	788,790	56,500	845,290
Finance, Revenues and Benefits	2,358,020	(18,790)	2,339,230	2,338,020	(56,500)	2,281,520
Leisure and Parks	2,889,240	176,210	3,065,450	3,148,520	0	3,148,520
Democratic, Development and Legal	998,640	(69,200)	929,440	809,830	0	809,830
Community, Health and Housing	2,221,330	(16,860)	2,204,470	2,205,880	0	2,205,880
Waste	1,338,750	(64,620)	1,274,130	1,258,200	0	1,258,200
Efficiency Plan	(350,000)	0	(350,000)	(116,780)	0	(116,780)
<b>Net Cost of Services</b>	<b>10,280,060</b>	<b>0</b>	<b>10,280,060</b>	<b>10,432,460</b>	<b>0</b>	<b>10,432,460</b>
Net Treasury Position	(25,000)	0	(25,000)	(77,460)	0	(77,460)
Revenue Contributions to the Capital Programme	154,000	0	154,000	176,500	0	176,500
<b>Net Operating Cost</b>	<b>10,409,060</b>	<b>0</b>	<b>10,409,060</b>	<b>10,531,500</b>	<b>0</b>	<b>10,531,500</b>
Less : Transfer (from) / to General Reserve	8,560	0	8,560	(113,880)	0	(113,880)
Less : Transfer to Earmarked Reserves	108,020	0	108,020	108,020	0	108,020
<b>Amount to be met from Government Grants and Local Taxpayers:</b>	<b>£10,525,640</b>	<b>£0</b>	<b>£10,525,640</b>	<b>£10,525,640</b>	<b>£0</b>	<b>£10,525,640</b>
Revenue Support Grant	(773,000)	0	(773,000)	(773,000)		(773,000)
Business Rates	(2,320,000)	0	(2,320,000)	(2,320,000)		(2,320,000)
Transition Grant	(51,940)	0	(51,940)	(51,940)		(51,940)
Local Council Tax Support	107,000	0	107,000	107,000		107,000
New Homes Bonus	(1,882,700)	0	(1,882,700)	(1,882,700)		(1,882,700)
Council Tax Collection Fund	(58,000)	0	(58,000)	(58,000)		(58,000)
Business Rates Collection Fund	310,000	0	310,000	310,000		310,000
Council Tax	(5,857,000)	0	(5,857,000)	(5,857,000)		(5,857,000)

The management restructure transfer is related to the remaining budgets of the former Director of Finance, Revenues and Benefits cost centre that have been transferred temporarily to a restructuring account under the Chief Executive.

There will be a more detailed exercise with regard to the alignment of budgets once the management restructuring is complete.



## 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 £				
Chief Executive	817,340	845,290	350,044	842,690	(2,600)	☑	25,350	7,000	
Finance, Revenues and Benefits	2,339,230	2,281,520	1,565,025	2,275,690	(5,830)	☑	(63,540)	33,000	
Leisure and Parks	3,065,450	3,148,520	1,542,978	3,134,600	(13,920)	☑	69,150	59,000	
Democratic, Development and Legal	929,440	809,830	(497,912)	753,850	(55,980)	☑	(175,590)	63,000	
Community, Housing and Health	2,204,470	2,205,880	863,682	2,142,520	(63,360)	☑	(61,950)	20,000	
Waste Collection	1,274,130	1,258,200	1,540,605	1,248,200	(10,000)	☑	(25,930)	68,000	
Efficiency Plan	(350,000)	(116,780)	-	0	116,780	☑	350,000	-	
<b>Net Cost of Services</b>	<b>10,280,060</b>	<b>10,432,460</b>	<b>5,364,422</b>	<b>10,397,550</b>	<b>(34,910)</b>		<b>117,490</b>	<b>250,000</b>	
Net Treasury Position	(25,000)	(77,460)	(36,587)	(82,460)	(5,000)	☑	(57,460)		
Revenue Contributions to the Capital Programme	154,000	176,500	-	176,500	-		22,500		
<b>Net Operating Cost</b>	<b>10,409,060</b>	<b>10,531,500</b>	<b>5,327,835</b>	<b>10,491,590</b>	<b>(39,910)</b>		<b>82,530</b>		
Transfer (from) / to General Reserve	8,560	(113,880)	-	(120,610)	(6,730)	☑			
Transfer to Earmarked Reserves	108,020	108,020	-	108,020	-				
<b>Net Revenue Expenditure</b>	<b>£10,525,640</b>	<b>£10,525,640</b>	<b>£5,327,835</b>	<b>£10,479,000</b>	<b>(46,640)</b>				
<b>Financed by:</b>									
Retained Business Rates	(2,320,000)	(2,320,000)	(792,248)	(2,241,000)	79,000	●			
Business Rates Cap	-	-	(10,789)	(32,360)	(32,360)	☑			
Revenue Support Grant	(773,000)	(773,000)	(402,191)	(773,000)	-				
Transition Grant	(51,940)	(51,940)	(25,968)	(51,940)					
Parish Local Council Tax Support	107,000	107,000	44,501	107,000	-				
New Homes Bonus	(1,882,700)	(1,882,700)	(944,436)	(1,882,700)	-				
Returned New Homes Bonus	-	-	(4,411)	-	-				
Business Rates Collection Fund Deficit	310,000	310,000	-	310,000					
Council Tax Collection Fund (Surplus)	(58,000)	(58,000)	(24,167)	(58,000)	-				
Council Tax	(5,857,000)	(5,857,000)	(2,098,670)	(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 £	
Chief Executive	851,990	(6,700)	845,290	842,690
Finance, Revenues and Benefits	23,232,750	(20,951,230)	2,281,520	2,275,690
Leisure and Parks	5,729,940	(2,581,420)	3,148,520	3,134,600
Democratic, Development and Legal	4,849,250	(4,039,420)	809,830	753,850
Community, Health and Housing	2,545,680	(339,800)	2,205,880	2,142,520
Waste	5,192,020	(3,933,820)	1,258,200	1,248,200
Efficiency Plan	(116,780)	-	(116,780)	-
<b>Net cost of services</b>	<b>42,284,850</b>	<b>(31,852,390)</b>	<b>10,432,460</b>	<b>10,397,550</b>
Net Treasury Position	135,760	(213,220)	(77,460)	(82,460)
Revenue Contributions to the Capital Programme	176,500	-	176,500	176,500
<b>Net Revenue Expenditure</b>	<b>£42,597,110</b>	<b>(£32,065,610)</b>	<b>£10,531,500</b>	<b>£10,491,590</b>

## Reasons for the 6 Months Budget Performance

## Net Operating Cost

Projected Variance £		Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(2,600)	Chief Executive	-	(2,600)	-	-
(5,830)	Finance, Revenues and Benefits	14,630	(5,830)	(14,630)	-
(13,920)	Leisure and Parks	(2,540)	(11,380)	-	-
(55,980)	Democratic, Development and Legal Services	(3,420)	(43,550)	(9,010)	-
(63,360)	Community, Housing and Health	(18,720)	(44,640)	-	-
(10,000)	Waste Collection Service	-	(1,000)	-	(9,000)
(5,000)	Net Treasury Position	-	-	(5,000)	-
<b>(£156,690)</b>	<b>Net Operating Cost</b>	<b>(£10,050)</b>	<b>(£109,000)</b>	<b>(£28,640)</b>	<b>(£9,000)</b>

## Chief Executive

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(2,600)	Communications – reduction in employee hours	-	(2,600)	-	-
<b>(£2,600)</b>	<b>Total</b>	-	<b>(£2,600)</b>	-	-

## Finance, Revenues and Benefits

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
-	Adjustment following Balance Sheet Review (see below)	14,630	-	(14,630)	-
(5,830)	Budgets identified as no longer required	-	(5,830)	-	-
<b>(£5,830)</b>	<b>Total</b>	<b>£14,630</b>	<b>(£5,830)</b>	<b>(£14,630)</b>	-

## Leisure and Parks

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(25,000)	Trunk roads sweeping not required	(25,000)	-	-	-
(6,140)	Depot repairs/equipment not required	(6,140)	-	-	-
9,000	Failure to transfer parks land to Burntwood Town Council	-	9,000	-	-
28,600	Prior years Chasewater fees now invoiced – funds transferred to General Reserves in previous year	28,600	-	-	-
(20,380)	Budgets identified as no longer required	-	(20,380)	-	-
<b>(£13,920)</b>	<b>Total</b>	<b>(£2,540)</b>	<b>(£11,380)</b>	-	-

## Democratic, Development and Legal

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(5,960)	Additional Rental income	-	-	(5,960)	-
(43,550)	Budgets identified as no longer required	-	(43,550)	-	-
(3,420)	Reduction in legal fees	(3,420)	-	-	-
(3,050)	Additional legal fee income	-	-	(3,050)	-
<b>(£55,980)</b>	<b>Total</b>	<b>(£3,420)</b>	<b>(£43,550)</b>	<b>(£9,010)</b>	-

## Balance Sheet Review

A review of debtors and creditors on the Balance Sheet has taken place to identify sums that have been there for a number of years or where the amount has not changed to identify those that are no longer required and need to be transferred to the Revenue Budget.

## Community, Housing and Health

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(11,490)	Budgets identified as no longer required	-	(11,490)	-	-
(15,000)	Bed & Breakfast void loss budget reduced	-	(15,000)	-	-
(15,000)	Homelessness prevention budget reduced	-	(15,000)	-	-
(11,670)	Earmarked Reserve no longer required	(11,670)	-	-	-
(10,200)	Employee recruitment lower than budgeted	(7,050)	(3,150)	-	-
<b>(£63,360)</b>	<b>Total</b>	<b>(£18,720)</b>	<b>(£44,640)</b>	-	-

## Waste Services

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(10,000)	Trade Waste – Additional Contracts	-	(1,000)	-	(9,000)
<b>(£10,000)</b>	<b>Total</b>	-	<b>(£1,000)</b>	-	<b>(£9,000)</b>

## Net Treasury Position

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(5,000)	Other Investment Income	-	-	(5,000)	-
<b>(£5,000)</b>	<b>Total</b>	-	-	<b>(£5,000)</b>	-

## Funding

Projected Variance £	Directorate	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(32,360)	Additional Funding Business Rates Multiplier Cap	-	-	(32,360)	-
79,000	Reduction in Retained Business Rates – additional net levy	-	-	79,000	-
<b>(£46,640)</b>	<b>Net Operating Cost</b>	-	-	<b>(£46,640)</b>	-

### 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	1,918,000	409,942	1,828,000	(90,000)	☑	(943,000)
Clean, green and welcoming places to live	1,219,000	2,101,500	17,075	2,001,500	(100,000)	☑	782,500
A vibrant and prosperous economy	2,749,000	2,910,500	74,497	2,820,500	(90,000)	☑	71,500
A council that is fit for the future	766,000	785,500	16,894	641,500	(144,000)	●	(124,500)
<b>Total Capital Expenditure</b>	<b>£7,505,000</b>	<b>£7,715,500</b>	<b>£518,407</b>	<b>£7,291,500</b>	<b>(£424,000)</b>		<b>(£213,500)</b>

**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 Grounds Maintenance	New Arrangement Invest to Save	£1,314,000 £47,000	In progress. This budget is utilised to fund Invest to Save Business Cases.
Grounds Maintenance Environmental Health Vehicle	Sinking Fund Van	£24,000 £24,000	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
<b>TOTAL</b>	<b>£95,000</b>	<b>£95,000</b>	<b>£0</b>

## Council Tax

## Collection Performance

	Council Tax			
	30th Sept 2015	30th Sept 2016	Change	
<b>Amount Collected as a %</b>	<b>57.80%</b>	<b>57.70%</b>	<b>(0.10%)</b>	<b>●</b>
In year arrears outstanding	£847,396	£916,692		
Previous years arrears	£962,955	£1,039,989		
Total arrears outstanding	£1,810,351	£1,956,682	8.08%	●
Write offs	£18,609	£34,282	84.22%	●

## Collection Fund

	Budget £m	30-Sep-16 £m	Projected Outturn £m	Projected Variance £m
<b>(Surplus) / Deficit Brought Forward</b>	<b>(£0.45)</b>	<b>(£0.32)</b>	<b>(£0.32)</b>	<b>£0.13</b>
Amount Due	(£56.34)	(£56.91)	(£56.87)	(£0.53)
Bad Debt Provision	£0.00	£0.03	£0.10	£0.10
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
<b>(Surplus) / Deficit Carried Forward</b>	<b>(£0.00)</b>	<b>(£0.41)</b>	<b>(£0.30)</b>	<b>(£0.30)</b>
<b>Share of the (Surplus) or Deficit</b>				
Lichfield District Council	(0.00)	(0.05)	(0.04)	(0.04)
Office of the Police and Crime Commissioner Staffordshire	(0.00)	(0.05)	(0.03)	(0.03)
Staffordshire County Council	(0.00)	(0.29)	(0.21)	(0.21)
Staffordshire Fire and Rescue	(0.00)	(0.02)	(0.01)	(0.01)
	<b>(£0.00)</b>	<b>(£0.41)</b>	<b>(£0.30)</b>	<b>(£0.30)</b>

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

## The Council's Retained Business Rates Income

The Council's Budget in 2016/17				
	Budget £	30-Sep-16 £	Projected Outturn £	Projected Variance £
<b>NNDR 1 Based Retained Business Rates</b>				
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	(£373,000)	(£382,400)	(£382,400)	(£9,400)
New Empty Properties	£0	£0	£0	£0
Long Term Empty Properties	£0	(£800)	(£800)	(£800)
Retail Relief	(£5,000)	£12,000	(£5,600)	(£600)
Less : Tariff Payable	£11,270,000	£11,270,000	£11,270,000	£0
<b>Pre Levy or Safety Net Income</b>	<b>(£2,615,000)</b>	<b>(£2,608,200)</b>	<b>(£2,625,800)</b>	<b>(£10,800)</b>
<b>NNDR 3 Based Levy Payments</b>				
Less : Levy Payable @ 50%	£338,000	£771,600	£470,400	£132,400
Volatility Allowance	£67,000	£67,000	£67,000	£0
Levy from the Business Rates Pool (32.5%)	(£110,000)	(£251,000)	(£153,000)	(£43,000)
<b>Post Levy or Safety Net Income</b>	<b>(£2,320,000)</b>	<b>(£2,020,600)</b>	<b>(£2,241,400)</b>	<b>£78,600</b>

## Collection Performance

	Non Domestic Rates			
	30th Sept 2015	30th Sept 2016	Change	
<b>Amount Collected as a %</b>	<b>56.50%</b>	<b>58.01%</b>	<b>1.51%</b>	<input checked="" type="checkbox"/>
In year arrears outstanding	£470,683	£772,795		
Previous years arrears	£296,851	£447,071		
Total arrears outstanding	£767,534	£1,219,865	58.93%	●
Write offs	£87,786	£103,595	18.01%	●

## Collection Fund

	Budget £m	30-Sep-16 £m	Projected Outturn £m	Projected Variance £m
<b>(Surplus) / Deficit Brought Forward</b>	<b>£1.46</b>	<b>£0.22</b>	<b>£0.22</b>	<b>(£1.25)</b>
Amount Due	(£34.53)	(£36.09)	(£34.96)	(£0.43)
Bad Debt Provision	£0.32	£0.44	£0.44	£0.12
Appeals	£0.32	(£0.27)	£0.00	(£0.32)
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
<b>(Surplus) / Deficit Carried Forward</b>	<b>£0.00</b>	<b>(£3.27)</b>	<b>(£1.87)</b>	<b>(£1.87)</b>
<b>Share of the (Surplus) or Deficit</b>				
Lichfield District Council (40%)	£0.00	(£1.31)	(£0.75)	(£0.75)
Central Government (50%)	£0.00	(£1.63)	(£0.94)	(£0.94)
Staffordshire County Council (9%)	£0.00	(£0.29)	(£0.17)	(£0.17)
Staffordshire Fire and Rescue (1%)	£0.00	(£0.03)	(£0.02)	(£0.02)
	<b>£0.00</b>	<b>(£3.27)</b>	<b>(£1.87)</b>	<b>(£1.87)</b>

Lichfield District Council Projected (Surplus) / Deficit in 2016/17 to be included in 2017/18 Budget	<b>(£0.75)</b>
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Favourable ● Adverse

## Sundry Debtor Performance

Details	30th Sept 2015	30th Sept 2016	All Debts Change (%)	Variance
	All Debts £	All Debts £		
Value of sundry income raised in quarter	1,304,482	1,717,277	31.64%	☑
Value of debts written off	-	30,356	100.00%	●
Value of all invoices outstanding	1,556,749	1,938,321	24.51%	●
% of income raised	119.34%	112.87%	(6.47%)	

Aged Debt Analysis				
<b>Less than 6 months</b>	<b>950,721</b>	<b>1,255,868</b>	32.10%	●
<b>More than 6 months</b>	<b>606,028</b>	<b>682,453</b>	12.61%	●

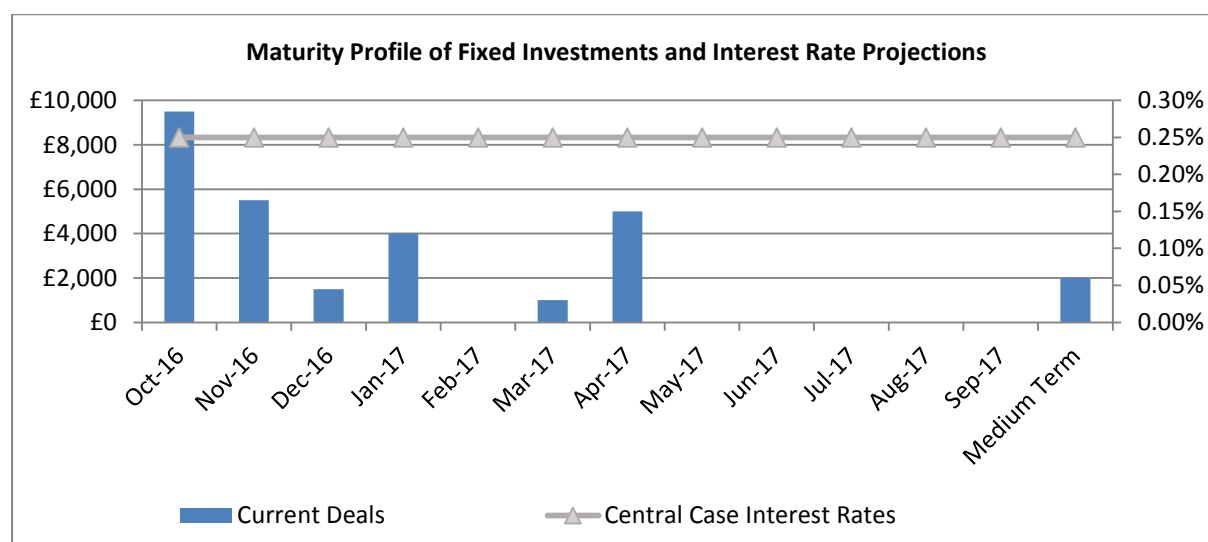
☑ Favourable ● Adverse

## Investments in the 2016/17 Financial Year

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

Counterparty	Principal	Matures	Days to Maturity	Rate	Lowest Credit Rating	Country
<b>Money Market Funds</b>						
LEGAL & GENERAL INVESTMENT MANAGEMENT	£1,000,000	01-Oct-16	1	0.35%	AA-	N/A
BNP PARIBAS ASSET MANAGEMENT	£1,000,000	01-Oct-16	1	0.41%	A+	N/A
INVESCO AIM	£1,000,000	01-Oct-16	1	0.36%	AA-	N/A
ABERDEEN ASSET MANAGEMENT	£1,000,000	01-Oct-16	1	0.38%	AA-	N/A
<b>Property Fund</b>						
CCLA - LAMIT PROPERTY FUND	£2,000,000	30-Apr-21	N/A	4.30%	N/A	UK
<b>Fixed Term Investments</b>						
NATIONWIDE BUILDING SOCIETY	£1,000,000	18-Oct-16	18	0.71%	A	UK
LLOYDS BANK PLC	£1,000,000	16-Nov-16	47	1.07%	A	UK
NATIONAL COUNTIES BUILDING SOCIETY	£500,000	09-Dec-16	70	0.72%	NR	UK
DBS BANK LTD	£1,000,000	18-Apr-17	200	0.48%	AA-	SINGAPORE
UNITED OVERSEAS BANK LTD	£1,000,000	18-Nov-16	49	0.72%	AA-	SINGAPORE
CLOSE BROTHERS LTD	£1,000,000	31-Oct-16	31	0.67%	A	UK
LANDESBANK HESSEN-THURINGEN	£1,000,000	17-Mar-17	168	0.43%	A	GERMANY
COMMONWEALTH BANK OF AUSTRALIA	£1,000,000	03-Oct-16	3	0.63%	AA-	AUSTRALIA
COVENTRY BUILDING SOCIETY	£500,000	05-Oct-16	5	0.59%	A	UK
AUST AND NZ BANKING GROUP	£1,000,000	12-Dec-16	73	0.53%	AA-	AUSTRALIA
BARCLAYS BANK PLC	£1,000,000	19-Oct-16	19	0.42%	A-	UK
SALFORD CITY COUNCIL	£1,000,000	28-Oct-16	28	0.55%	AA	UK
THURROCK BOROUGH COUNCIL	£2,000,000	11-Apr-17	193	0.40%	AA	UK
<b>Call Accounts with Notice Period</b>						
SANTANDER UK PLC	£1,000,000	29-Mar-17	180	0.90%	A	UK
SVENSKA HANDELSBANKEN-A SHS	£1,000,000	04-Nov-16	35	0.25%	AA-	SWEDEN
<b>Treasury Bills</b>						
	£2,000,000	16-Jan-17	108	0.30%	AA	UK
<b>Treasury Bills</b>						
	£2,500,000	14-Nov-16	45	0.21%	AA	UK
<b>Certificates of Deposit</b>						
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
TORONTO-DOMINION BANK	£1,000,000	27-Jan-17	119	0.92%	AA-	CANADA
<b>Total Investments</b>	<b>£28,500,000</b>					

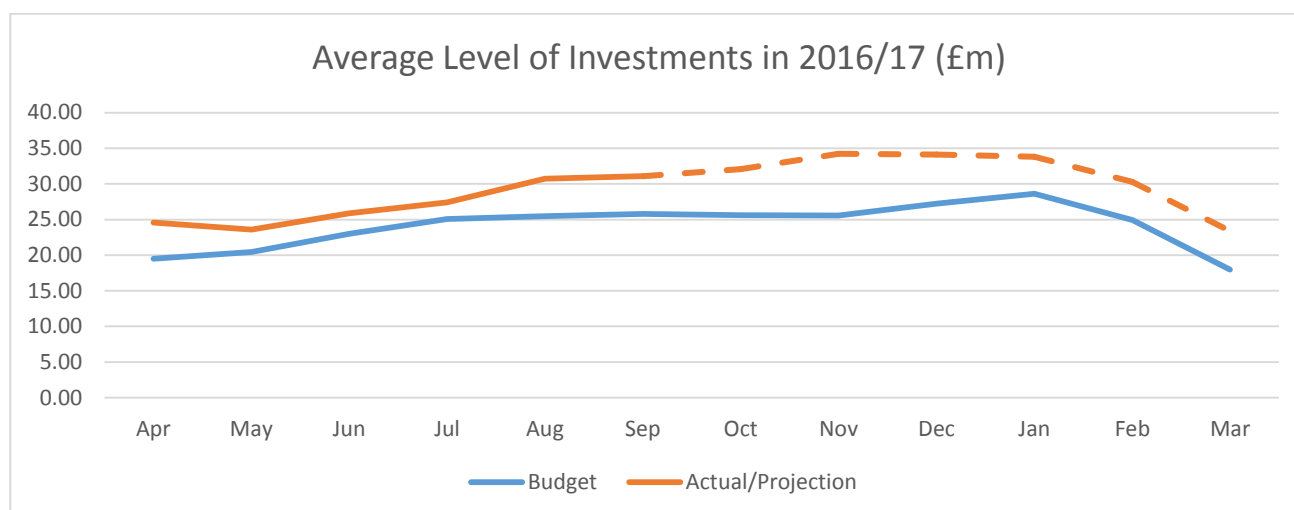
The maturity profile of these investments at 30 September 2016 compared to our Treasury Management advisor Arlingclose interest rate forecasts is shown in the graph below:





## 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 September 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 made in 2016/17 was **220 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 three months of 2016/17 we have achieved an average interest rate of **0.76%** (we project this to reduce following the recent 0.25% reduction in interest rates) and this compares to our performance indicator of the average 7-day London Inter-bank Bid (LIBID) rate, which was **0.28%**, the 1 month rate was **0.30%**, the 3 month rate was **0.38%** and the 6 month rate was **0.51%**.

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 is shown in the table below:

<b>Details</b>	<b>2016/17 Current Budget</b>	<b>2016/17 Projected Outturn</b>
Average amount we had available to invest (£m)	£27.44m	£29.22m
Average Interest Rate (%)	0.78%	0.71%
Interest Receipts	(181,355)	(186,460)
Interest Paid and Other Costs	4,500	4,500
<b>Net Investment Income (£)</b>	<b>(£176,855)</b>	<b>(£181,960)</b>
Car Loan and Other Interest	(1,000)	(1,000)
External Borrowing Interest	37,400	37,400
Minimum Revenue Provision	63,000	63,000
<b>Net Treasury Position (£)</b>	<b>(£77,455)</b>	<b>(£82,560)</b>

# Contribution towards a housing redevelopment scheme

Report of Councillor Colin Greatorex, Cabinet Member for Housing and Health

Date: 6th December 2016  
Agenda Item: 5  
Contact Officer: Clive Gibbins/Lucy Robinson  
Tel Number: 01543 308702/308710  
Email: [clive.gibbins@lichfielddc.gov.uk](mailto:clive.gibbins@lichfielddc.gov.uk)  
[lucy.robinson@lichfielddc.gov.uk](mailto:lucy.robinson@lichfielddc.gov.uk)  
Key Decision? YES  
Local Ward Members Bourne Vale

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district council  
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CABINET

## 1. Executive Summary

- 1.1 As part of its regeneration programme Bromford plan to redevelop a housing scheme at Levett Road, Packington which consists of Airey<sup>1</sup> homes of non- traditional construction. The council has been asked by Bromford to make a financial contribution towards the scheme to make it financially viable to include an additional two owner occupied homes into the redevelopment site. Overall, it is proposed to increase the number of homes on the site from 10 to potentially 22, mainly affordable<sup>2</sup> homes.

## 2. Recommendations

- 2.1 To agree a capital contribution of up to £80,000 towards Bromfords redevelopment of the housing scheme at Levett Road, Packington.
- 2.2 To delegate authority to the Cabinet Member for Housing & Health in consultation with the Director for Place and Community to agree the exact amount of the contribution.

## 3. Background

- 3.1 As a result of the Energy Act 2011 the government have called for improvements to housing stock which fail to reach energy efficiency standards by no later than April 2018. Bromford owns a number of homes where the construction type means it is very difficult to improve them to an acceptable standard – these are homes with non- traditional construction such as Airey homes. Some of these are now identified for their regeneration programme where Bromford is seeking to vacate the homes, demolish and then redevelop the sites.
- 3.2 One of the housing developments is at Levett Road Packington where there are ten properties of Airey construction, six of which are social rented and have an average SAP<sup>3</sup> rating of 30 and an Energy Performance Rating of 'F'<sup>4</sup>. There is no viable option for minor improvements (solar panels/ thermal skin) due to the structure and load bearing capacity of the units; investment in the homes is cost prohibitive and it is therefore proposed that they and the surrounding land is subject to redevelopment.

<sup>1</sup> Airey homes were manufactured by W Airey & Sons Ltd and built between 1945 and 1955. The external walls comprise of pre-cast concrete storey height columns reinforced with a steel tube. They have the potential to suffer significant structural deterioration due to the presence of chloride based admixtures that were introduced to the cement during the original construction and are therefore classed as defective housing.

<sup>2</sup> The proposal is to develop 21 affordable homes (13 affordable rent and 8 shared ownership) and 1 owner occupied home.

<sup>3</sup> The Standard Assessment Procedure (SAP) is the methodology used by the government to assess and compare the energy and environmental performance of dwellings and is measured on a scale of 1 to a 100, with the higher the number the lower the running costs of a dwelling. SAP works by assessing how much energy a dwelling will consume, when delivering a defined level of comfort and service provision. The assessment is based on standardised assumptions for occupancy and behaviour.

<sup>4</sup> The Energy Performance Rating is measured on a range from A (very efficient) to G (inefficient).

- 3.3 The Housing Act 2004 requires local housing authorities to consider the housing conditions in their area with a view to determining what action to take under the Act. This duty is to ensure that a local authority maintains a current awareness of the state of the housing stock in its area so that it can come to well-informed judgements as to the action it needs to take.
- 3.4 The Housing Act 2004 also introduced the Housing Health and Safety Rating System (HHSRS) which includes duties and powers for local housing authorities to deal with hazards identified under HHSRS or provide financial assistance for home repair and improvement. Authorities therefore need to take a view of the hazards in the local housing stock that have come to their attention.
- 3.5 Category 1 hazards are the most serious hazards that can be identified and the most common is Excess Cold. The Council has a statutory duty to take the most appropriate course of action including:
- serve an improvement notice
  - make a prohibition order
  - serve a hazard awareness notice
  - take emergency remedial action
  - make a demolition order
  - declare a clearance area
- 3.6 From the information that we have on the Airey homes it is likely that Category 1 Hazards exist in all of these homes in relation to excess cold, and it is also possible that other hazards such as structural issues exist which are an inherent problem with this type of property.
- 3.7 Bromford's early plans for the site originally excluded two owner occupied Airey homes. However, as the council has a statutory duty to take enforcement where it is aware that Category 1 hazards exist officers requested that Bromford included all of the ten Airey homes in the redevelopment of the site. If the two additional owner occupied properties were not included in the scheme then the council would need to consider future enforcement action which would be time consuming and costly.
- 3.8 After due consideration Bromford agreed to include the additional two homes within the scheme subject to the council making a financial contribution to cover the additional cost of purchasing these properties from the owners.
- 3.9 In considering this request, the benefits of including the two owner occupied homes in the scheme were evaluated and these included:
- Up to 4 additional affordable homes could be built on the scheme and an overall increase in properties from 10 to 22 units<sup>5</sup>
  - The increased size of site enables a better design and housing mix to be achieved
  - Removing the need for enforcement action on the two owner occupied Airey homes
- 3.10 The amount of financial contribution required to make the redevelopment scheme financially viable is dependent on the final layout of the scheme being agreed and planning permission being granted. In discussions with Bromford it was agreed to support in principle a financial contribution of up to £80,000; this was confirmed in correspondence in May 2016 from the Cabinet Member for Housing and Health and the Chief Executive when in principle support was given.
- 3.11 Since this time Bromford have been in pre-planning discussions with the council's development management team and there has been consultation with residents all of which is documented on Bromfords dedicated regeneration website at [www.bromford.co.uk/regen](http://www.bromford.co.uk/regen). Following a consultation event the original design of the scheme has been revised and there has been a reduction in the number of units on site from 24 to 22 units.

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<sup>5</sup> Bromfords original proposals were to demolish 8 Airey homes which would provide land for approximately 18 new homes on the site. By including the additional 2 owner occupied Airey homes it creates a larger site where 22 new homes could be built, an increase of 4 homes.

3.12 Bromford have recently submitted a planning application for the scheme (on 1st November), however until the planning application is determined and Bromford know how many homes can be built on the site and of what tenure, the viability of the scheme is still uncertain and Bromford cannot confirm the exact amount of financial contribution they may need from us. Authority is therefore sought to delegate the decision to agree the exact amount of the contribution (up to £80,000) to the Cabinet Member for Housing & Health in consultation with the Director for Place and Community.

Alternative Options	None identified
Consultation	<p>Bromford have consulted all residents in Levett road. All four<sup>6</sup> tenants and the four home owners affected were visited by Bromford in February following which there has been continued close liaison over their future housing options. All tenants have been assisted to find suitable alternative Bromford rented accommodation and have also been given the option of returning to a new home on the site once complete.</p> <p>There has been consultation with the Parish Council, the local district councillor for Bourne Vale and the MP. A consultation event on the proposals was held in August 2016 which was well attended by local residents and members of the Parish Council.</p> <p>Bromford have also set up a dedicated website <a href="http://www.bromford.co.uk/regen">www.bromford.co.uk/regen</a> where regular updates are posted on this and the other proposed redevelopments in the district.</p>
Financial Implications	<p>A capital contribution up to £80,000 has been requested which will be paid half on start on site and half at completion<sup>7</sup>. The current Approved Capital Programme includes two externally funded Housing Investment budgets in 2017/18 that total £754,000. These budgets do not currently have specific commitments which means that alternative options for their use can be considered.</p> <p>The increase of homes on the site will result in additional council tax of £4,000 extra per year using 2016/17 council tax rates. It is also estimated that the New Homes Bonus received over six years would be £72,000 on the current pre consultation system<sup>8</sup>, and an estimate under the proposed new system using four years is approximately £35,000.</p>
Contribution to the Delivery of the Strategic Plan	<p>The draft Strategic Plan 2016-2020 sets out what we want to achieve in four main themes. Maintaining and investing in affordable homes will contribute to the theme of 'Clean, green and welcoming places to live' where "we want to create great communities where people want to live and can afford to live. We want a good balance of homes, including enough affordable homes."</p>
Equality, Diversity and Human Rights Implications	None identified.

<sup>6</sup> Two of the six rented properties were already empty at the start of the consultation.

<sup>7</sup> Start on site is subject to planning permission being obtained but is currently estimated in 2017/18 and completion estimated in 2018/19.

<sup>8</sup> The government propose to change the New Homes Bonus scheme from 2017/18 onwards and in December 2015 issued a Technical Consultation "New Homes Bonus: Sharpening the Incentive". The government's preferred option is to reduce the number of years for which legacy payments under the Bonus are paid from 6 years to 4 years. The consultation closed on 10 March 2016 and latest indications are that the new system will be announced either before or at the Autumn Statement on 23 November 2016.

Crime & Safety Issues	None identified
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The scheme does not receive planning permission.	Monitoring that Bromford use the pre-planning application meetings effectively and ensure effective consultation and dialogue with local residents and elected members.	Green
B	The scheme requires a greater financial contribution to be financially viable.	Closely liaise with Bromford over the financial viability of the scheme proposals.	Green

Background documents: None

Relevant web links: [www.bromford.co.uk/regen](http://www.bromford.co.uk/regen)

# Expenditure in excess of £50,000 on Temporary Revenues Officer

Report of Councillor C J Spruce

Cabinet member for Finance and Democracy

Date: 6 December 2016  
Agenda Item: 6  
Contact Officer: Pat Leybourne  
Tel Number: 01543 308921  
Email: Pat.leybourne@lichfielddc.gov.uk  
Key Decision? YES

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**CABINET**

## 1. Executive Summary

- 1.1 In October 2014 the Venn Group were contracted to provide a temporary billing manager for the revenues service.
- 1.2 The temporary manager was employed from 1 October 2014 to 30 November 2015 at a total cost of £70,549. This is over £50,000 so Cabinet endorsement is retrospectively sought to this level of expenditure.

## 2. Recommendations

- 2.1 It is recommended that Cabinet notes the level of expenditure with the Venn Group.
- 2.2 The expenditure will be reported to audit committee.

## 3. Background

- 3.1 The Billing Manager is responsible for a small team dealing with both council tax and business rates.
- 3.2 In October 2014 the manager left the council. As there was no-one else with the required expertise, a temporary billing manager was employed.
- 3.3 At the same time it had been agreed that the Revenues and Benefits Service would be reviewed in accordance with the council's Fit for the Future programme. The options in the review included outsourcing the service, therefore the billing manager role was replaced on a temporary basis only.
- 3.4 In January 2015 the Cabinet Member for Finance and Democracy approved expenditure on temporary staff whilst the review was taking place.
- 3.5 The temporary billing manager left on 30 November 2015 and the service review had not been brought to a conclusion. As an alternative to using agency staff, the role was advertised and an interim billing manager employed in February 2016. This is still a temporary role, with the initial contract being for a period of up to a year.
- 3.6 Cabinet endorsement is retrospectively sought for the expenditure from 1 October 2014 to 30 November 2015.

Alternative Options	The alternative option has been applied.
Consultation	None
Financial Implications	<ul style="list-style-type: none"> <li>£70,549 was paid to Venn Group.</li> <li>The resource has been funded from New Burdens funding.</li> </ul>
Contribution to the Delivery of the Strategic Plan	The council tax and business rates are an income stream to fund the services that the council provides.
Equality, Diversity and Human Rights Implications	None
Crime & Safety Issues	None

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	May be challenged for breach of procurement rules.	Procurement rules are the council's procurement rules and there is no breach of EU rules.	Green. It is unlikely we would be challenged a year after the contract has ended.
B			
C			
D			
E			

Background documents

Relevant web links



# Appointment of External Auditor

Cabinet Member for Finance and Democracy

Date: 6 December 2016  
Agenda Item: 7  
Contact Officer: Anthony Thomas  
Tel Number: 01543 308012  
Email: Anthony.thomas@lichfielddc.gov.uk  
Key Decision? YES  
Local Ward Members: Full Council

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www.lichfielddc.gov.uk

**Cabinet**

## 1. Executive Summary

- 1.1 Following the demise of the Audit Commission new arrangements were needed for the appointment of external auditors. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the appointing person regime or to establish an auditor panel and conduct their own procurement exercise.
- 1.2 It is likely that a sector wide procurement conducted by Public Sector Audit Appointments (PSAA) will produce better outcomes for the Council than any procurement we undertook by ourselves or with a limited number of partners. Use of the PSAA will also be less resource intensive than establishing an auditor panel and conducting our own procurement.
- 1.3 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by Full Council. To comply with this regulation Cabinet is asked to make the recommendation below to Council.

## 2. Recommendations

- 2.1 To recommend to Full Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

## 3. Background

- 3.1. As part of closing the Audit Commission the Government novated external audit contracts to PSAA on 1 April 2015. The audits were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government.
- 3.2. In October 2015 the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. This meant that for the audit of the 2018/19 accounts it would be necessary for authorities to either undertake their own procurements or to opt in to the appointed person regime.
- 3.3. There was a degree of uncertainty around the appointed person regime until July 2016 when PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across most of local government. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA).
- 3.4. The Council on 22 April 2016 expressed an interest to opt into a sector led approach for appointment of external auditors with PSAA.
- 3.5. The date by which authorities will need to opt in to the appointing person arrangements is not yet finalised. However, it is anticipated that invitations to opt in will be issued in December 2016.

3.6. The main advantages of using PSAA are set out in its prospectus and are copied below; these can also be viewed as the disadvantages if the Council was to decide to undertake its own procurement.

- \* Assure timely auditor appointments
- \* Manage independence of auditors
- \* Secure highly competitive prices
- \* Save on procurement costs
- \* Save time and effort needed on auditor panels
- \* Focus on audit quality
- \* Operate on a not for profit basis and distribute any surplus funds to scheme members.

<b>Alternative Options</b>	To establish an auditor panel and conduct our own procurement. This is not recommended as it will be a far more resource intensive process and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service.
<b>Consultation</b>	No Consultation (statutory process).  The Audit Committee will be updated on the process for the appointment of External Auditors.
<b>Financial Implications</b>	If PSAA is not used some additional resource may be needed to establish an auditor panel and conduct our own procurement. Until either procurement exercise is completed it is not possible to state what additional resource may be required for audit fees for 2018/19, although it is anticipated that any increase will be minimised through using PSAA.
<b>Contribution to the Delivery of the Strategic Plan</b>	The MTFs and sound Governance underpins the delivery of the Strategic Plan 2016-20.
<b>Equality, Diversity and Human Rights Implications</b>	No Equality, Diversity or Human Rights Implications.
<b>Crime &amp; Safety Issues</b>	No Crime and Safety Issues.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The Council does not have an appointed External Auditor for the 2018/19 Accounts.	PSAA will manage the appointments process on behalf of the Council.	Tolerable - Green

<b>Background documents</b>
PSAA Prospectus
PSAA – Appointing Person – Frequently Asked Questions

<b>Relevant web links</b>
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# Shenstone Neighbourhood Plan & New Neighbourhood Plan Regulation implications

Councillor Ian Pritchard, Cabinet Member for Economic Growth, Development and Environment



Date: 6 December 2016  
Agenda Item: 8  
Contact Officer: Craig Jordan  
Tel Number: 01543 308202  
Email: craig.jordan@lichfielddc.gov.uk  
Key Decision? YES  
Local Ward Members: Shenstone Ward - Councillor David Salter

**CABINET**

## 1. Executive Summary

- 1.1 This report relates to the preparation of the Shenstone Neighbourhood Plan, which was subject to referendum on 17 November 2016. A majority 'Yes' was received at the referendum which means the District Council must formally 'make' the Shenstone Neighbourhood Plan, following which it will form a part of the Lichfield District Development Plan.
- 1.2 This report also notes recent changes to the Neighbourhood Planning regulations which have introduced prescribed timescales for Local Planning Authorities to undertake specific duties to assist in speeding up the legislative stages of the Neighbourhood Plan process. This report proposes the decision making be delegated to the responsible Cabinet member and Director in order to ensure the District Council can comply with the new Neighbourhood Planning regulations. It is proposed that this delegation be utilised when the Cabinet timetable results in a conflict with legislation.
- 1.3 This report also proposes that the Shenstone Neighbourhood Plan be 'Made' within 8 weeks of the results of the referendum results being announced without the need to be further reported to Cabinet and Full Council.

## 2. Recommendations

- 2.1 That the Cabinet resolves that the Shenstone Neighbourhood Plan be 'Made' within 8 weeks of the referendum results being announced.
- 2.2 That Cabinet notes the amended Neighbourhood Planning regulations which came into force on 1st October 2016 which impose prescribed timescales for Local Planning Authorities to undertake specific duties as required by the legislation.
- 2.3 That Cabinet agrees, where the Cabinet timetable does not enable a Neighbourhood Plan to be made within 8 weeks, decisions on whether to 'make' a Neighbourhood Plan following a majority 'yes' vote at a referendum are delegated to the Cabinet Member for Economic Growth, Development and Environment in consultation with the Director of Place and Community.
- 2.4 That Cabinet agrees, where officers are unable to negotiate a revised timetable to enable any future Neighbourhood Plans to progress to referendum within five weeks of receipt of an Examiner's report, the decision to send the Plan to referendum be delegated to the Cabinet Member for Economic Growth, Development and Environment in consultation with the Director of Place and Community

- 2.5 That Cabinet note the referendum results and the Decision Statement attached at **APPENDIX A** (<https://www.lichfielddc.gov.uk/Council/Meetings-committees-and-papers/Cabinet/2016/12/06/Reports/Appendix-A.pdf>)

### 3. Background

- 3.1 Neighbourhood planning is one of the provisions of the 2011 Localism Act allowing local communities to bring forward detailed policies and plans which can form part of the statutory planning process for an area and its residents and associated neighbourhood development orders; **APPENDIX B** (<https://www.lichfielddc.gov.uk/Council/Meetings-committees-and-papers/Cabinet/2016/12/06/Reports/Appendix-B.pdf>) of this report provides a background to neighbourhood planning and the formal process each neighbourhood plan must follow in their preparation.
- 3.2 The Neighbourhood Planning (General) Regulations 2012 require that once examined and found to be in conformity with the legislation and regulations, Neighbourhood Plans be subject to a referendum. The referendum will be in accordance with the Neighbourhood Planning (Referendum) Regulations 2012. All those eligible to vote in the Neighbourhood Area have the opportunity to vote 'Yes' or 'No' to the following question, "Do you want Lichfield District Council to use the Neighbourhood Plan for (name of the relevant neighbourhood area)) to help it decide planning applications in the Neighbourhood Area?" If the majority (50% +1) of the turnout vote in favour the Local Planning Authority (Lichfield District Council) must make the Neighbourhood Plan within 8 weeks of the results of the poll being announced.
- 3.3 The referendum for the Shenstone NP was held on 17 November 2016. The Shenstone Neighbourhood Plan referendum received a turnout of 24.1%, with 509 (88.7%) votes in favour and 64 (11.1%) votes against the making of the Neighbourhood Plan.
- 3.4 The 2012 Regulations require that upon the completion of the referendum the Local Planning Authority is required to publish a 'Decision Statement' on their website. Subject to a majority 'Yes' vote being achieved at the referendum the Decision Statement will state that the Neighbourhood Plan has been successful at referendum and will now be formally 'made', and will form a part of the Development Plan for Lichfield District. A Decision Statement in respect of the Shenstone Neighbourhood Plan is attached at **APPENDIX A** (<https://www.lichfielddc.gov.uk/Council/Meetings-committees-and-papers/Cabinet/2016/12/06/Reports/Appendix-A.pdf>).
- 3.5 The Cabinet is asked to note the referendum results and the Decision Statement and agree to the making of the Shenstone Neighbourhood Plan. The Shenstone Neighbourhood Plan is attached at **APPENDIX C** (<https://www.lichfielddc.gov.uk/Council/Meetings-committees-and-papers/Cabinet/2016/12/06/Reports/Appendix-C.pdf>). The decision of the Cabinet will then need to be endorsed by Full Council in relation to the Shenstone Neighbourhood Plan.
- 3.6 Subject to a decision to make the Neighbourhood Plan, the District Council will need to publish the Decision Statement online, and provide the Decision Statement to the Qualifying Body (The Parish Council)) and any other stakeholder who has requested to be notified of the decision. The Neighbourhood Plan will form a part of the Development Plan for Lichfield District and will be used in determining planning applications. The made Neighbourhood Plan will be published online and the prescribed persons will be notified.
- 3.7 New powers which require local planning authorities to undertake certain statutory duties with regards to the progression of Neighbourhood Plans have come into force through the introduction of the 'Neighbourhood Planning (General) and Development Management Procedures (Amendment) Regulations 2016. The regulations now require the Local Planning Authority, upon receiving the report of an independent examiner following a Neighbourhood Plan examination, to consider the examiner's recommendations and publish a decision statement determining whether the plan should proceed to referendum within five weeks of receiving the examiner's report. Further to this change the new

regulations require a Neighbourhood Plan to be ‘made’ as part of the development plan for an area within eight weeks of a successful referendum.

3.8 The frequency of the Cabinet and Full council cycle does not currently allow these prescribed timescales to be met. The legislation allows for the District Council and Parish Councils to agree alternative timescales in terms of the Decision Statement to send a plan to referendum but not for the making of a Neighbourhood Plan. To ensure that the prescribed timescales are met an alternative approach to undertaking these legislative duties has been considered. Officers of the District Council will seek to agree an alternative timescale with the relevant Parish Council at the Decision Statement stage to ensure that full consideration of the Neighbourhood Plan can be brought to Cabinet and Full Council. Where the prescribed timescales cannot be met or an alternative timescale cannot be agreed between the parties then a decision on whether to send the plan to referendum will be delegated to the Cabinet Member for Economic Growth, Development and Environment in consultation with the Director of Place and Community.

3.9 Following a successful referendum it is proposed where the Cabinet timetable does not enable a Neighbourhood Plan to be made within 8 weeks, decisions on whether to ‘make’ a Neighbourhood Plan following a majority ‘yes’ vote at a referendum will be delegated to the Cabinet Member for Economic Growth, Development and Environment in consultation with the Director of Place and Community.

Alternative Options	<ol style="list-style-type: none"> <li>1. Lichfield District Council refuses to make the Shenstone Neighbourhood Plan. The Council can only do this if it considers this would breach, or be incompatible with any EU Obligation or any of the Convention Rights.</li> <li>2. Following the making of the Shenstone Neighbourhood Plan, Lichfield District Council can decide to modify or revoke the Neighbourhood Plan, in line with the Regulations.</li> <li>3. Cabinet do not agree to the proposed delegation methods, this would result in a conflict with meeting the legislative timescales.</li> </ol>
Consultation	<ol style="list-style-type: none"> <li>1. In line with the Regulations, the Shenstone Neighbourhood Plan has been the subject of various consultation stages. A Consultation Statement detailing the consultation undertaken throughout the Neighbourhood Plan process was provided by the Qualifying Body (Shenstone Parish Council) as part of the Neighbourhood Plan Submission Documents.</li> <li>2. The Neighbourhood Plan Referendum for Shenstone was publicised according to the Neighbourhood Planning (Referendum) Regulations 2012.</li> </ol>
Financial Implications	<ol style="list-style-type: none"> <li>1. The Government has made grant aid available to District Councils in recognition of the level of resourcing required in the administration of Neighbourhood Plans. Lichfield District Council has received a £10,000 grant from DCLG for Shenstone Neighbourhood Plan. A further £20,000 grant will be applied for during the next available funding window following the referendum.</li> <li>2. Communities with approved Neighbourhood Plans in place will be entitled to 25% of the Community Infrastructure Levy (CIL) receipts generated by eligible development in their area. Communities with no Neighbourhood Plan will be entitled to 15%.</li> </ol>
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> <li>1. The Shenstone Neighbourhood Plan demonstrates that it is in broad conformity with the Local Plan Strategy which conforms with the Council’s Strategic Plan.</li> </ol>

<p>Equality, Diversity and Human Rights Implications</p>	<ol style="list-style-type: none"> <li>1. The extensive consultation procedures provided for by the Planning and Compulsory Purchase Act 2004 ensure that consultation is undertaken with the wider community and covers human rights matters.</li> <li>2. The Neighbourhood Planning (Referendum) Regulations 2012 ensure that all those eligible were entitled to vote in the referendums.</li> <li>3. An Equality Impact Assessment checklist has been completed for the Shenstone Neighbourhood Plan, please see <b>APPENDIX D</b> (<a href="https://www.lichfielddc.gov.uk/Council/Meetings-committees-and-papers/Cabinet/2016/12/06/Reports/Appendix-D.pdf">https://www.lichfielddc.gov.uk/Council/Meetings-committees-and-papers/Cabinet/2016/12/06/Reports/Appendix-D.pdf</a>)</li> </ol>
<p>Crime &amp; Safety Issues</p>	<ol style="list-style-type: none"> <li>1. Crime and community safety have not been considered as part of the Neighbourhood Plans.</li> </ol>

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Qualifying Body propose the replacement of the Neighbourhood Plan.	Ensure the Qualifying Body produce the replacement Neighbourhood Plan in accordance with the Neighbourhood Planning (General) Regulations 2012.	Green
B	Lichfield District Council decide to modify the made Neighbourhood Plan.	Lichfield District Council in line with the Regulations will seek the permission of Qualifying Body before modifying the Neighbourhood Plan, and will carry out the process in accordance with the Regulations.	Green
C	Lichfield District Council decide to revoke the made Neighbourhood Plan.	Lichfield District Council will gain permission from the Secretary of State before revoking the Neighbourhood Plan, the revocation will be in accordance with the Regulations.	Green
D	Secretary of State revokes the made Neighbourhood Plan.	This would be outside the control of the District Council.	Green
E	Cabinet does not agree to the proposed delegation methods	There is no known mitigation	Red

### Background documents

1. Neighbourhood Planning (General) Regulations 2012 & Amendments
2. Neighbourhood Planning (Referendum) Regulations 2012 & Amendments
3. Neighbourhood Planning (General) and Development Management Procedures (Amendment) Regulations 2016
4. [Shenstone Neighbourhood Plan Referendum Decision Statement \(September 2016\)](#)
5. [Shenstone Neighbourhood Plan \(Referendum Version\)](#)

### Relevant web links

1. Copies of the submitted neighbourhood plans can be found via: [www.lichfielddc.gov.uk/neighbourhoodplans](http://www.lichfielddc.gov.uk/neighbourhoodplans)