

LICHFIELD DISTRICT COUNCIL

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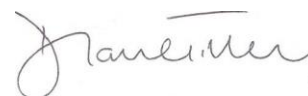
13 February 2017

To : Members of the Lichfield District Council

In accordance with Paragraph 4(2) of Part 1 of Schedule 12 to the Local Government Act 1972, you are hereby summoned to attend the meeting of the Lichfield District Council which will be held in the Council Chamber, District Council House, Frog Lane, Lichfield, on **TUESDAY 21 FEBRUARY 2017 at 6.00 pm.**

Prayers will be said prior to the meeting.

Access to the Council Chamber is either via the Members' Entrance or the main door to the vestibule.



Chief Executive

AGENDA

- 1 APOLOGIES FOR ABSENCE (if any).
- 2 DECLARATIONS OF INTEREST.
- 3 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 13 DECEMBER 2016 (VOLUME 44 PART 4 MINUTE BOOK).
- 4 CHAIRMAN'S ANNOUNCEMENTS.
- 5 REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETINGS HELD ON 17 JANUARY AND 7 FEBRUARY AND CABINET MEMBER DECISIONS (GREY ENCLOSURE).
- 6 REPORT OF THE CHAIRMAN OF COMMUNITY, HOUSING AND HEALTH (OVERVIEW AND SCRUTINY) COMMITTEE (GREEN ENCLOSURE).
- 7 REPORT OF THE CHAIRMAN OF ECONOMIC GROWTH, ENVIRONMENT AND DEVELOPMENT (OVERVIEW AND SCRUTINY) COMMITTEE (BUFF ENCLOSURE).
- 8 REPORT OF THE CHAIRMAN OF STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE (BLUE ENCLOSURE).
- 9 REPORT OF THE CHAIRMAN OF LEISURE, PARKS AND WASTE MANAGEMENT (OVERVIEW AND SCRUTINY) COMMITTEE (YELLOW ENCLOSURE).
- 10 THE CHAIRMEN INDICATED BELOW TO MOVE THAT THE PROCEEDINGS OF THE FOLLOWING COMMITTEES (VOLUME 44 PART 4 MINUTE BOOK) BE RECEIVED AND, WHERE NECESSARY, APPROVED AND ADOPTED.

	Committee	2016/2017	Pages	Chairman
(a)	Planning	19 December	87 - 88	D Smedley
(b)	Audit	11 January	89 - 92	R C Mosson
(c)	Planning	6 February	93 - 96	D Smedley
(d)	Regulatory & Licensing	8 February	97 - 100	B W Yeates
(e)	Employment	9 February	101 - 103	J J R Powell

11 PROPOSALS FROM THE CABINET

- (a) Strategic Plan 2016/20 – Corporate Annual Action Plan 2017/18 (GREEN ENCLOSURE)
- (b) To agree the Medium Term Financial Strategy (Revenue and Capital) 2016-21 and the Council Tax Resolution 2017 – 18 (to follow) (BLUE ENCLOSURE)
- (c) To approve the adoption of the revised Community Infrastructure Levy Regulation 123 List (BUFF ENCLOSURE)

12 AUDIT COMMITTEE

To agree that Councillor Tittley replace Councillor Mosson as Chairman of Audit Committee.

13 AMENDMENTS TO THE CONSTITUTION - REPRESENTATIVES ON OUTSIDE BODIES/PARTNERS

- (i) To authorise Members of the Asset Strategy Group decision making power's as part of the Member Board of PSP Lichfield LLP.
- (ii) To authorise the following Officers Posts be appointed as Corporate Representatives to the Operations Board of PSP Lichfield LLP:-

Director of Transformation and Resources, Director of Place and Community, Head of Finance and Procurement, Head of Economic Growth, Democratic and Legal Services Officer.

14 CALENDAR OF MEETINGS

To approve the Calendar of Meetings as submitted (GREEN ENCLOSURE).

15 QUESTIONS

To answer any questions under Procedure Rule 10.2

16 EXCLUSION OF 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 item 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 as amended.

EXEMPT ITEMS NOT ISSUED TO PUBLIC AND PRESS

17. CONFIDENTIAL REPORT OF THE CHAIRMAN OF ECONOMIC GROWTH, ENVIRONMENT AND DEVELOPMENT (OVERVIEW AND SCRUTINY) COMMITTEE (PINK ENCLOSURE).
18. CONFIDENTIAL REPORT OF THE CHAIRMAN OF LEISURE, PARKS AND WASTE MANAGEMENT (OVERVIEW AND SCRUTINY) COMMITTEE (PINK ENCLOSURE).

(A copy of the Council's 'Strategic Plan at a Glance' is enclosed for information).

COUNCIL MEETING

13 DECEMBER 2016

PRESENT:

D. F. Salter (Chairman in the Chair)
M. A. Warfield (Vice-Chairman)

Allsopp, Mrs J. A.	Fisher, Miss B	Rayner, B. L.
Awty, R. J.	Fisher, Mrs H. E.	Smedley, D.
Bacon, Mrs N.	Greatorex, C.	Smith, A. F.
Baker, Mrs D. F.	Hassall, Miss E. A.	Spruce, C. J.
Bamborough, R. A. J.	Leytham, D. J.	Strachan, R. W.
Banevicius, Mrs S. W.	Marshall, T.	Tittley, M. C.
Barnett, Mrs S. A.	Matthews, T. R.	Tranter, Mrs E. H.
Boyle, Mrs M. G.	Mills, J.	White, A. G.
Constable, Mrs B. L.	Mosson, R. C.	Wilcox, M. J.
Constable, D. H. J.	O' Hagan, J. P.	Woodward, Mrs S. E.
Cox, R. E.	Pritchard, I. M. P.	Yeates, A.
Eadie, I. M.	Pullen, D. R.	Yeates, B. W.
Evans, Mrs C. D	Ray, P. W. W.	

(**APOLOGIES FOR ABSENCE** were received from Councillors Drinkwater, Powell, Mrs Eagland, Humphreys, Mrs Pullen, Miss Shepherd and Mrs Stanhope).

The Council stood in silence to remember former District and County Councillor Steve Tranter who had passed away after a short illness.

PRAYERS:

Prayers were read by Councillor Wilcox.

148 DECLARATIONS OF INTEREST:

There were no declarations of interest.

149 MINUTES – 27 SEPTEMBER 2016:

It was proposed and duly seconded “that the Minutes of the Meeting of the Council held on 27 September 2016 (Volume 44 Part 3 Minute Book) as printed and previously circulated be taken as read, approved as a correct record and signed by the Chairman.”

150 CHAIRMAN’S ANNOUNCEMENTS:

(a) Public Events

The Chairman reported that he had attended Remembrance Services at the National Memorial Arboretum, visited the new Community Fire Station, attended a number of carol services at the Cathedral and hosted a Civic Visit to the Roman settlement at Wall.

(b) Chairman’s Charity

The Chairman thanked Members for their donations to his chosen charity, Free Spirit, in lieu of

sending Christmas cards.

(c) Civic Dinner

The Chairman advised that the Civic Dinner would take place on 24 March at Drayton Manor.

151 REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETINGS HELD ON 4 OCTOBER, 1 NOVEMBER, 6 DECEMBER AND CABINET MEMBER DECISIONS:

Before introducing his report Councillor Wilcox mentioned two young residents, Sam Gillion and Ben Longmore, who had expressed an interest in understanding how the Council operated and exploring ways in which young people could make their views heard. The Leader asked the Chairmen of the Overview and Scrutiny Committees to engage with the individuals and advised that, together with the Leader of the Opposition, he would be attending a meeting of young people to listen to their concerns and issues.

2 – Community Infrastructure Levy Consultation Regulation 123 List Consultation

Councillor Mrs Woodward stressed the importance of including health facilities for Burntwood in the Community Infrastructure Levy documents and sought assurance that they would be a top priority given that the pressures that existed across the County were particularly severe in Burntwood.

By way of example, she referred to an incident at the Health and Well Being Centre in Burntwood where twenty two appointments had been cancelled due to a shortage of locums, which was understood to be the third time such cancellations had taken place in a month. Councillor Mrs Woodward also referred to severe parking problems at Salters Meadow which had prevented people with mobility problems attending appointments.

Councillor Wilcox confirmed that he would do what he could to ensure the NHS made provision for health care services in Burntwood and the surrounding area.

9 – Review of Leisure Services

Councillor Mrs Woodward spoke about the importance of engaging communities in the review of leisure services at an early stage and questioned what action would be taken to raise public awareness of the review.

Councillor Mrs Woodward also expressed concern that the Minutes of the Locality Commissioning Board meeting held in May were not circulated until just prior to the Cabinet meeting in November. Stating that locality arrangements were far removed from local Members she raised concerns that over £70,000 had been allocated to an arts partnership in the City with outcomes that were listed as covering the costs of venues. She said it was important that Members made their views known as to whether they felt this was a priority in the current difficult financial circumstances.

Councillor Pullen replied that a Member Task Group had met to set priorities and outcomes and the funding was provided to the Locality Commissioning Group, which included Member representation, to achieve the priorities and work within the parameters that had been set by Members. He said priorities were always subject to change and the Locality Commissioning Group met regularly and could direct funding to other priorities if needed. He said he did not accept that the process was undemocratic.

Councillor Mrs Woodward responded that the decision to include arts in the city was added by the Cabinet Member then responsible for Locality Commissioning at a late stage and was not a priority set by the Member Task Group.

Councillor Mrs Evans emphasised the need for Members to be kept fully informed about the outsourcing of leisure services so they could respond accurately to questions asked by Members of the public.

Councillor Smith agreed with Councillor Mrs Evans and confirmed that every stage of the process of the Leisure Review would go through Overview and Scrutiny, the papers of which were open to the public. He said there was a commitment to keep people informed, citing the inclusion of an article in the District Council's Newsletter as an example. Councillor Wilcox agreed that engagement was important and relevant information would be passed on to the Town Council and other relevant bodies.

10 – Wigginton, Hopwas and Comberford Neighbourhood Plan Final Decision Statement

The Chairman of the Council thanked those involved in the making of the Wigginton, Hopwas and Comberford Neighbourhood Plan.

20 – Mrs Helen Titterton

Members noted that Mrs Titterton would be leaving the Authority at the end of December and Councillor Wilcox thanked Mrs Titterton on behalf of the Council for her work since joining the Authority in 2003 and becoming a Strategic Director in 2006. He paid tribute to the professional way she had undertaken her role, noting that she was held in high esteem by colleagues, partners and Members and wished her well for the future.

Councillor Mrs Woodward added that Mrs Titterton represented what a local government officer should be, being responsive, knowledgeable and fair and was hugely respected by those who knew and worked with her.

Councillor Greatorex recalled Mrs Titterton's calm and considered approach and, citing examples, congratulated her on completing challenging and complex projects. Councillor Marshall referred to Mrs Titterton's professionalism, informative pre-meetings and rapid response to enquiries. He wished her every success in the future.

21 - Update on Key Issues

Further to a request made at a recent Overview and Scrutiny Committee Councillor Wilcox said he would like to update Members on key issues that were in progress or likely to come forward in 2017 and beyond. He advised that he would issue updates when appropriate, and not necessarily at every meeting of Full Council:

(i) Olaf Johnson Site, Burntwood

Councillor Wilcox reported that following months of intervention by the District Council and County Council together with elected Members in particular Councillor Mrs Fisher in her role as leader of Burntwood Town Council, Councillor Mrs Woodward in her role as local County Councillor and Member of Burntwood Town Council and Councillor Pritchard as Cabinet Member for Economic Growth, Development and Environment, all the relevant stakeholders had been brought together to plan and encourage the retail offer for Burntwood.

As a consequence he was pleased to report that a presentation of indicative plans for a retail scheme at the Olaf Johnson site had been presented to Burntwood Town Council. The Council had been generally in favour of the proposals and a planning application had been submitted to the District Council for a redevelopment proposal comprising 11 shops and leisure opportunities and a link between the High Street and the Morrisons and Aldi Stores.

It was noted that in order to implement the development a restrictive covenant would need to be removed which could delay the project unless an agreement was reached between the adjacent landowner and LCP.

(ii) Friarsgate, Lichfield

Councillor Wilcox advised that after lengthy discussions between the developers U&I, exploratory work had begun on site. A number of issues had been completed or were near completion leaving three key issues to be resolved:

(i) Heads of Terms of an agreement with Orchard Street were being negotiated. Successful completion of these would avoid the need for a compulsory purchase order.

(ii) A funder was required for the scheme and a number of options were being considered.

(iii) Negotiations were on going regarding the operation of the new Friarsgate car park.

A firm timescale could not be given until the outstanding issues were resolved but the existing tenants on site had been given Notice to Vacate by summer 2017 and it was anticipated that if the issues outlined were resolved, a start on site could commence in Autumn 2017.

(iii) Prologis Park, Fradley

Councillor Wilcox reported that Prologis had announced a lease agreement with Screwfix for a 560,000 square foot distribution centre at Prologis Park, Fradley. The development would provide 200 jobs increasing to 700. Construction would begin in December 2016 with completion expected in Autumn 2017.

(iv) Unlocking Sites – Strategic Local Plan Allocations

Councillor Wilcox advised that meetings were taking place with developers and landowners of major development sites in order to encourage developments to be brought forward at the earliest opportunity, gain a thorough understanding of any impediments to development, establish whether any infrastructure requirements needed to be overcome, consider viability issues and encourage the submission of further detailed planning applications.

(v) Lichfield City Centre Development Strategy

It was reported that working group meetings had taken place of the newly created Lichfield City Centre Development Partnership that brought together all partners with an interest in (or influence on) delivering the strategy over the next four years.

(vi) Regeneration Programmes in Burntwood

Councillor Wilcox reported that the Council was working with LCP and Staffordshire County Council to deliver:

- the new retail development on the Olaf Johnson site, securing 63,000 square feet of retail floorspace.
- the development of 9.5 acres of land on the 'Triangle' site at Milestone Way, Burntwood creating between 120 and 150 residential units.
- the redevelopment of the vacant Rowley Transport and Univar site to create an additional 24,000 square feet of employment space.
- the development of a 0.75 hectare site at Cannock Road, Burntwood for protected living and affordable housing.

- the development of the Blue Hoarding site for mixed use development.

(vii) Eastern Avenue, Lichfield

It was reported that the Council was working with landowners and Staffordshire County Council to redevelop 10.35 acres of land at the former IMI Norgren site to deliver a number of retail units, a car show room, a fast food restaurant, and approximately 68 residential units.

(viii) Management Restructure

An update was given on the management restructure.

Councillor Mrs Woodward welcomed the update and the developments in Burntwood noting that improved retail facilities were a high priority for residents, a fact frequently reflected in local consultations. She said the Town Deal Partnership had helped to make a real difference in the area.

Noting that housing was a huge issue both nationally and locally and after 2020 the Council would be reliant on development for its income, Councillor Mrs Woodward said conflicts within the membership of the Council in connection with housing development needed to be thought through and resolved.

Councillor Mrs Woodward offered congratulations both to the Chief Executive and Leader for way they had conducted the management restructure and to the successful candidates. She hoped the restructure would help the Council make the necessary changes as recognised in the Peer Challenge.

Councillor Mrs Evans commented on the positive news for Burntwood, advising that local people had been waiting a long time, and thanked those involved for the progress and positive outcomes.

Councillor White said that the Leaders Report was extremely helpful and represented a summation of activity that had been undertaken on a daily basis. He noted that less than 50 Members represented over 100,000 people and highlighted the need for Members to be well informed to undertake their role.

Councillor Cox stressed the importance of economic growth and housing for the future of the Council and congratulated the Leader, Deputy Leader and officers involved for the progress made and welcomed the update.

152 REPORT OF THE CHAIRMAN OF LEISURE, PARKS AND WASTE MANGEMENT (OVERVIEW AND SCRUTINY) COMMITTEE:

Councillor Awty submitted his report on the items considered by the Leisure, Parks and Waste Management (Overview and Scrutiny) Committee held on 6 October 2016.

2 – The Future of the Shopmobility Service

Councillor Mrs Woodward noted that the work undertaken in connection with the shopmobility service demonstrated the value Overview and Scrutiny could add and congratulated the Chairman and Vice-Chairman for the positive contribution the Committee had made. Councillor Mrs Evans agreed that the Committee's work provided an example of effective Scrutiny.

3 – Work Programme and Forward Plan

Councillor Mrs Woodward advised that the Bowling Green Task Group had held its first meeting

noting it had been very positive.

Councillor Mrs Banevicius said she was pleased to see that the work undertaken at St Anne's Churchyard was being considered as a model for other areas.

With regard to arts and events spend across the District, Councillor Cox advised that a report on festivals would be considered by the Economic Growth, Environment and Development (Overview and Scrutiny) Committee in 2017.

153 REPORT OF THE CHAIRMAN OF STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE:

Councillor Strachan submitted his report on the items considered by Strategic (Overview & Scrutiny) Committee held on 15 November 2016.

2 – Money Matters 2016/17: Review of Financial Performance Against the Financial Strategy – April to September

Councillor Mrs Evans voiced concern about cuts to the Better Care Fund and the performance of the agency delivering Disabled Facility Grants (Revival). She expressed concern that there may not be sufficient support for elderly frail and disabled people and underlined the importance of monitoring the situation carefully.

Councillor Greatorex noted that funding had been allocated for Disabled Facilities Grants but the agency responsible for delivering them had not provided the level of service that the Council would have liked. More recently performance monitoring had shown improvements, albeit from a relatively low base. The agency had admitted that they were not satisfied with their service and were increasing resources to try to ensure improvements. Councillor Greatorex confirmed that performance would continue to be closely monitored by the Council.

(COUNCILLOR WHITE DECLARED A PERSONAL INTEREST IN THIS ITEM AS THE COUNTY COUNCIL CABINET MEMBER FOR HEALTH, CARE AND WELL BEING)

154 MINUTES OF COMMITTEES:

(a) Audit Committee – 5 October 2016

It was proposed by Councillor Mrs Bacon “that the Minutes of the Meeting of the Audit Committee held on 5 October 2016 (Minute Nod.104 - 112) be approved and adopted.”

Councillor Mrs Woodward expressed disappointment that the Chairman of the Committee and a number of other Members had not completed and returned the self-assessment forms sent to all Members of the Council.

In response to a question by Mrs Woodward about the Chairman's role, attendance at meetings and work programme, Councillor Mosson outlined the meetings he had attended during the current cycle.

It was then duly seconded and

RESOLVED: That the Minutes of the Meeting of the Audit Committee held on 5 October 2016 (Minutes Nod.104 - 112) be approved and adopted.

(b) Planning Committee– 17 October 2016

It was proposed by Councillor Smedley and duly seconded “that the Minutes of the

Meeting of the Planning Committee held on 17 October 2016 (Minutes Nod 113 – 119) be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Planning Committee held on 17 October 2016 (Minutes Nod 113 – 119) be approved and adopted.

(c) Employment Committee– 26 October 2016

It was proposed by Councillor Miss Hassall “that the Minutes of the Meeting of the Employment Committee held on 26 October 2016 (Minutes Nod 120 – 128) be approved and adopted.”

Councillor Mrs Evans spoke in support of apprenticeships and questioned the likely timescale for increasing apprenticeships at the Council. Councillor Miss Hassall advised that she would look into this.

It was then duly seconded and

RESOLVED: That the Minutes of the Meeting of the Employment Committee held on 26 October 2016 (Minutes Nod 120 – 128) be approved and adopted

(d) Regulatory and Licensing Committee – 3 November 2016

It was proposed by Councillor Yeates “that the Minutes of the Meeting of the Regulatory and Licensing Committee held on 3 November 2016 (Minutes Nod 129 – 131) be approved and adopted.”

With regard to the 2018 review of Parliamentary Constituencies Councillor Mrs Woodward said that just as Whittington and Streethay had links with Lichfield, Hammerwich had significant ties with Burntwood. She noted that this was not reflected in the recommendations. Councillor Mrs Evans agreed that there were strong links between Hammerwich and Wall and Burntwood and confirmed that this point had been made at the meeting.

It was then duly seconded and

RESOLVED: That the Minutes of the Meeting of the Regulatory and Licensing Committee held on 3 November 2016 (Minutes Nod 129 – 131) be approved and adopted.

(e) Planning – 7 November 2016

It was proposed by Councillor Smedley and duly seconded “that the Minutes of the Meeting of the Planning Committee held on 7 November 2016 (Minutes Nod 132 – 137) be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Planning Committee held on 7 November 2016 (Minutes Nod 132 – 137) be approved and adopted.

(f) Planning – 28 November 2016

It was proposed by Councillor Smedley and duly seconded “that the Minutes of the Meeting of the Planning Committee held on 28 November 2016 (Minutes Nod 138 – 142) be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Planning Committee held on 28 November 2016 (Minutes Nod 138 – 142) be approved and adopted.

(g) Regulatory and Licensing Committee – 30 November 2016

It was proposed by Councillor Yeates and duly seconded “that the Minutes of the Meeting of the Regulatory and Licensing Committee held on 30 November 2016 (Minutes Nod 143 – 147) be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Regulatory and Licensing Committee held on 30 November 2016 (Minutes Nod 143 – 147) be approved and adopted.

(h) Employment Committee– 13 December 2016

It was proposed by Councillor Smedley and duly seconded “that the Minutes of the Meeting of the Employment Committee held on 13 December 2016 (Minutes Nod 148 – 151) be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Employment Committee held on 13 December 2016 (Minutes Nod 148 – 151) be approved and adopted.

155 APPOINTMENT OF EXTERNAL AUDITOR:

It was proposed by Councillor Mrs Bacon, seconded by Councillor Spruce and

RESOLVED: That the Council opts in to the appointing person arrangements made by Public Sector Audit Appointments for the appointment of external auditors as detailed in the report submitted to Cabinet on 6 December 2016.

156 QUESTIONS

Q1. Question from Councillor Mrs Evans to the Cabinet Member for Waste Management:

“With reference to the email sent out by Mr Richard King regarding Tamworth Council considering charging for brown bin waste, has Lichfield District Council held any discussion, or will do in the near future, to decide whether they may consider a similar option?”

Response from Councillor Eadie:

“The Leaders, Chief Executives, Portfolio holders, Directors and other Officers from both Lichfield District Council and Tamworth Borough Council met on the 17th October 2016 to hold an initial workshop on Waste Service Delivery Options as joint partners in our shared service. The purpose of this was to consider, as collection authorities, the options open to us should Staffordshire County Council reduce the recycling credits they currently pay to us, appreciating Staffordshire County Council's Medium Term Financial Strategy assumes a £1.5 million saving in waste costs in the year 2019/20.

At the last meeting of the Leisure, Parks and Waste Management Overview & Scrutiny Committee, as Portfolio holder I highlighted the savings in waste costs Staffordshire County Council are seeking to make and asked if this could be put onto the Committee's work programme, so as to allow Lichfield District Council's elected members to discuss this. The intention on my part would be to share the options identified at the joint workshop with the

Committee members, so they can help shape Lichfield District Council's response to the reduction in funding we anticipate in 2019/20, if not before.

As I hope was clear in the statement Mr King published in consultation with myself, neither Lichfield District Council nor Tamworth Borough Council have taken a decision to introduce charging for the collection of organic waste. Discussions amongst all of Staffordshire's collection and disposal authorities, as part of the Joint Waste Management Board, remain ongoing and further studies are currently being looked at in relation to the options around waste services. These will be important to inform any future decision making once we understand exactly how Staffordshire County Council will seek to achieve their planned savings and when they will actually look to do so."

Q2. Question from Councillor Ray to the Cabinet Member for Leisure and Parks:

"The Garrick Theatre is a high-quality arts venue in the centre of Lichfield. It is supported by a large amount of funding from Lichfield District Council (approximately £350k in 16/17). The Liberal Democrats support The Garrick but at a time when the District Council is under considerable financial constraints and it is reducing support for other community activities, we support the moves to decrease the value of this funding year on year and pressure being put on The Garrick management to obtain other sources of funding to ensure its long-term sustainability.

Councillor Smith (cabinet member for Leisure and Parks which includes responsibility for the District Council's funding to The Garrick) and I have discussed this issue before and could he answer the following specific questions;

1. What are the specific plans of The Garrick to develop a broader range of income streams and become less reliant on the District Council funding and in that regard how is the District Council ensuring that The Garrick is well placed to win other grants?
2. I accept that no two theatres are the same but for example, I note that the Watermill Theatre in Newbury, which is roughly comparable in staffing and expenditure to The Garrick, receives £540k in grants from non-council sources, mainly from the Arts Council, and £100k from their Friends group, compared to £17k for the equivalent group at The Garrick.
3. Could the Council insist that some of its funding is matched from increased funding from other sponsors and income streams (e.g. grant funding and commercial income)?
4. The Garrick currently does not employ a dedicated fundraising manager, The appointment of a person with this specific role could make a significant impact on The Garrick's funding position. Has the Council considered diverting some of its existing funding into the appointment of an experienced fundraiser (maybe employed on a fixed term contract) to ensure that The Garrick is fully appraised of all relevant grants and funds?"

Response from Councillor Smith

- 1 "The Manager of the Lichfield Garrick will be attending the Leisure, Parks and Waste Management (Overview & Scrutiny) meeting on 1 February 2017 to address Members on these issues. The Garrick are aware of the need to increase their other funding streams in light of government cuts and have been working throughout the last year to appoint a Development Manager whose role will be to increase and broaden their income streams. Unfortunately, they are finding it very difficult to attract the calibre of candidate required and have been unable to appoint on a number of occasions in 2016. They are, however, looking to fill this position as quickly as possible. In spite of this, during 2016 they have made applications to several trusts and foundations for projects and to support staffing; particularly apprentices which form part of their aim to be a learning theatre which develops

the skills of the city in which they are based. The Garrick are currently in the process of installing software to enable them to engage with their patrons with a view to increasing donations.

However, the Garrick state they face a difficult year ahead: when the Friarsgate development commences, their audiences may be affected by the loss of the multi-storey car park, by the more difficult parking/drop off arrangements as Wade Street/Frog Lane are affected by the building site and effects of the building work, together with the diminution of the passing trade for their Green Room Café and Bar. Whilst they look forward to the completed project bringing people into a 'cultural quarter', the threat to their business during the building period is real and critical. They ask that the Councillors understand that their own impact on the city's economy (£2.2 million in 2014) is the equivalent of a £7.1 return on every pound spent by the Council (using this year's grant figure and the conservative figure from 2014) and that their ability to bring people from the far corners of the UK and beyond is a vital part of the tourist economy of the city.

Naturally, the Garrick want to attract Arts Council Funding and they have made progress this year. However, Arts Council Funding is largely awarded for the artistic quality of the programme and, in particular, for new productions made by the theatre; this year has seen an increase in the quality and variety of the Garrick's artistic programme and they know from their Relationship Manager at Arts Council England that they are featuring in many of their discussions as a consequence. The Garrick have had a very successful year with their own productions: *Missing: Dan Nolan* was an emotional and hard-hitting play performed by the young people in their Youth Theatre which addressed issues around peer pressure, bullying and child safety. This received critical acclaim and brought both Dan Nolan's mother and the playwright to the theatre; a video of the production is now being used by schools throughout the country as this is now a set work. The Garrick's first community musical, *The Hired Man* was again critically acclaimed; reviewed by Mark Shenton, a national critic who was bowled over by the high quality production values and who published a review of the production in a national newspaper: unheard of for amateur performers. The Garrick have just opened this year's panto and received a five star review from *The Stage* – the first five star review ever given by their critic. Local papers have also given it five stars and local people have been tweeting and Facebooking their appreciation of the most spectacular panto ever. A new production, *Crimes Against Christmas* was shortlisted as one of the *Telegraph's* 50 best productions to see over Christmas and is being co-produced at the Garrick and will then transfer to Bath; early indications point to another high quality production.

The Garrick hope to see the value of all this work returned in the form of financial support during 2017; however, this pre-supposes that their grant and trading income is not cut to a level where they cannot sustain this level of artistic activity. The Garrick state further grant cuts will seriously affect their ability to offer the level of performances and outreach work which they currently offer and which are a pre-requisite for the Arts Council to support the Garrick financially. This council will be investigating this further via Overview and Scrutiny in February 2017.

- 2 The Watermill Theatre has approximately double the management team, including two fundraisers and has a long established producing history which attracts funding, it also has a well-established outreach and corporate event team which again attracts funding. It's consolidated incoming funds are approximately £1 million greater than those of the Lichfield Garrick and has a much bigger front of house area which allows it to generate income in spaces other than the theatre and thus to expand its activities for producing income during the day. The Garrick are restricted by their office space and computer system which means that they are unable to increase their staff further until they address this restriction. The two theatres are therefore not directly comparable and the business models operate in very different ways. The Garrick are forming plans to address the physical restrictions they face, however, in order to increase their fundraising activities, they will have to increase their overhead costs, which is a financial risk having already had

a £340k reduction in their grant since 2014. The National Theatre Wales had a reduction of just over £100k in its £1.6 million grant and is finding it hard to make up the shortfall; thus far the Lichfield Garrick has worked tirelessly to increase its artistic profile, increase its outreach activities and cover the grant reduction.

- 3 The Garrick feel this would be highly detrimental to the business model currently in place: in order to take the financial risk of generating other incomes, the Garrick need to have a secure grant income. Adding a further insecurity on top of the financial threat of Friarsgate would impair their ability to drive forward the activities which offer the people of Lichfield District high quality cultural events, productions which take the name of Lichfield to theatres around the UK (with its consequent tourism impact) and outreach activities which offer inspirational opportunities to young and old all around the district. This year has seen the team at the Garrick put into place some of the building blocks for moving forward: a fundraising strategy, a business plan and new software, co-productions with some of the best acting companies around and plans for nationally recognised outreach projects around dementia. The Garrick have seen results – UK Theatres Most Welcoming Theatre award winner for the West Midlands, five star panto review from The Stage – the most respected national review of pantomimes- and the most talked about community musical. From January to October 2016 the Lichfield Garrick hosted:

Total number of Events: 1045

Total number of Artists performing or leading workshops: 1244

Total number of participants in educational/community activities: 6601

Total audience numbers: 71,826

Total residents in Lichfield District: 97,900

- 4 The main benefit of being a charity is that the theatre is able to raise funds from trusts and foundations; in light of the Garrick's inability to find a suitably qualified candidate despite repeated recruitment drives, it is unlikely that a suitably qualified individual would be identified by the Council. Indeed the consultant employed by the trust up until a year ago had failed to bring in as much philanthropic income as the current management team. If the Council were to divert funds from the Garrick in order to employ a dedicated fundraising manager, then this increases the financial risk to the Garrick, it is also likely to lead to staff cuts, ensuring that whilst the theatre is appraised of the available grants by the consultant, there is insufficient capacity in the management team to make applications unless other activities (all of which contribute financially) are cut. Given the time lag between losing other income sources and benefitting from philanthropic giving, this could be a serious blow to the sustainability of the theatre."

Councillor Ray asked the following supplementary question:

It is important to put a link between civic funding and commercial/arts funding. Could there be benefits in setting targets and linking the provision of an element of funding to these?

Councillor Smith responded:

Funding is frequently easier to attract from other sources if formal grant funding is received from the Council.

Grants are often dependent on match funding and the Garrick needs to be able to make stable three year projections.

Funding has been cut dramatically in the last three years and the aim is to see the Garrick develop and thrive while using less public money.

Q3. Question from Councillor Ray to the Cabinet Member for Leisure and Parks:

Lichfield District Council has confirmed that it is exploring proposals to outsource the management of The Friary and Burntwood Leisure Centres.

This is now progressing to the tender stage and I have previously raised my concerns with Cllr Smith, the relevant Cabinet Member, and have discussed these with officers at the Council. I raise these again as I want to ensure that focus is maintained to ensure that the right decision is made here for the Council and the people of this district.

I do not object in principle to the outsourcing of these leisure centres but if the Council goes down this route, this decision must work for the people of Lichfield and Burntwood and there must be tangible benefits.

These two centres are well used and the provision of sporting and leisure facilities is important for the public health and wellbeing of local people.

I appreciate that there are severe financial constraints on the Council due to Government policy and it is quite right that the Council continues to look for efficiency improvements and alternative ways of providing services. But will real savings be achieved from outsourcing? I would want to see clear figures to convince me of this.

My specific questions are:

- 1 "The FMG report commissioned by the Council into the outsourcing refers to savings in year 2 of £129k, year 3 of £199k and year 4 of £199k.

As I understand it the cost for the Council of running these leisure centres each year is approximately £605k per annum: Burntwood £375k and The Friary £230k pa. There are also overhead charges and capital asset charges incurred by the Council in relation to these centres. I understand that the overall annual cost to the Council is approximately £1m.

Against which figure are the savings referred to in the FMG report calculated? Is it against the £605k or the £1m? In which case will the annual cost to the Council of these leisure facilities after any outsourcing in years 3 and 4 be these figures less £199k?

- 2 When calculating the true savings that could be achieved from outsourcing what costs will be taken into account? It is important that all relevant costs the Council will incur going forwards are taken into account e.g. the cost of the Council hiring a project manager, the set up costs, any ongoing liability the Council will have after any outsourcing for capital expenditure at these centres etc.
- 3 I appreciate that negotiations with potential outsourcers have not commenced yet but how can Councillor Smith assure me that a key priority will be on ensuring that the Council retains a meaningful degree of control as commissioner over charges and opening hours if the Burntwood and The Friary leisure centres are outsourced."

Response from Councillor Smith:

- 1 "The savings referred to in the FMG report were against the direct costs and did not assume any savings against central support costs. As we are pursuing the competitive dialogue tendering process which will involve detailed negotiations with operators, it is not possible to estimate at this stage, with any certainty, the actual savings to the Council.
- 2 I agree. Until we have concluded the detailed negotiations with operators, however, it is not possible to ascertain the exact costs and savings to the Council.

- 3 You will recall that the specification that has been agreed by the Council was as a result of input from Overview and Scrutiny Committee Members and a Task Group. As part of the specification, a weighting was given to operators submissions relating to their approach to pricing and how they meet the outcomes of the Physical Activity and Sports Strategy and these factors will be taken into account in determining the approved operator.”

Councillor Ray asked the following supplementary question:

If the Council opts for the outsourcing route and it becomes evident that the benefits are marginal will the decision be revisited?

Councillor Smith responded:

We are currently at an early stage and an answer can only be given when more details of the potential deals are known. Information will be brought to Overview and Scrutiny and ultimately Council as it becomes available.

157 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.

IN PRIVATE

158 CONFIDENTIAL REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETINGS HELD ON 1 NOVEMBER AND 6 DECEMBER 2016:

Councillor Wilcox submitted his Confidential Report on the matters considered by the Cabinet at the meetings held on 1 November and 6 December 2016.

2 – Write Off of Non Domestic Rates

Councillor Spruce advised that a full break down of the debts written off had been provided in the Cabinet report. Councillor Marshall outlined the research he had undertaken in connection with the misuse of charity status for commercial fraud. He urged authorities to work together and suggested that the Local Government Association could help address the problem.

Councillor Mrs Woodward felt that this type of fraud could undermine public confidence and concurred that the Council should approach the Local Government Association.

Councillor Wilcox advised that he would raise the issue with the Local Government Association to see what could be done. He noted that overall the Council’s collection rates continued to be excellent.

(The Meeting closed at 7.16 p.m.)

CHAIRMAN

REPORT OF THE LEADER OF THE COUNCIL

CABINET DECISIONS – 17 JANUARY 2017

1. MONEY MATTERS: COUNCIL TAX, NATIONAL NON DOMESTIC RATES AND PENSION CONTRIBUTIONS

The Cabinet:

- 1.1 Approved in accordance with the relevant legislation and regulations, the Council Taxbase for Lichfield District for the financial year 2017/18 of 36,935.
- 1.2 Noted the estimated Council Tax Collection Fund surplus of (£300,930) and the estimated Business Rates Collection Fund surplus of (£1,873,470) for 2016/17.
- 1.3 Delegated authority to the Cabinet Member for Finance and Democracy and the Chief Financial Officer (Section 151) to complete and certify the NNDR1 for 2017/18 on behalf of the Council.
- 1.4 Approved the payment of the Council's past service element of Employer Pension Contributions of £2.278m for the three financial years 2017/18, 2018/19 and 2019/20 in advance in April 2017.

2. EXPENDITURE IN EXCESS £50,000 ON FRAMEWORK PLANNING CONSULTANTS AND TEMPORARY SENIOR PLANNING OFFICER

The Cabinet:

- 2.1 Approved the level of expenditure of up to £150,000 with Urban Vision to 31st March 2018.
- 2.2 Noted the already exceeded expenditure above £50,000 (£3,808) and that this will be reported to the Audit Committee.
- 2.3 Approved the level of expenditure of up to £86,000 for a temporary senior planning officer (12 month maternity cover).
- 2.4 Delegated authority to the Cabinet Member for Economic Growth, Development and Environment and Director of Place and Community to allow access to the Framework agreement to 31st March 2018.

CABINET DECISIONS – 7 FEBRUARY 2017

3. STRATEGIC PLAN 2016-20 - CORPORATE ANNUAL ACTION PLAN 2017/18

- 3.1 The Cabinet approved the Corporate Annual Action Plan 2017/18 and noted the proposed Key Performance Indicators.

4. MONEY MATTERS: 2016/17: REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY

The Cabinet:

- 4.1 Noted the report and issues raised within.
- 4.2 Noted that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy (Revenue and Capital) 2016-20.

5. THE MEDIUM TERM FINANCIAL STRATEGY (REVENUE AND CAPITAL) 2016-21 (MTFS)

The Cabinet recommend to Council for approval:

- 5.1 The 2017/18 Revenue Budget, including the Amount to be met from Government Grants and Local Taxpayers of £11,034,750, forecasts a proposed level of Council Tax (the District Council element) for 2017/18 of £164.99 for a Band D equivalent property.
- 5.2 The MTFS 2016-21 Revenue Budgets set out in Appendix A of the report.
- 5.3 The MTFS 2016-21 Capital Strategy and Capital Programme, outlined in Appendices B & C.
- 5.4 Notes the requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in Appendix D.
- 5.5 Balance Sheet Projections and Borrowing Requirement and Strategy 2016-21, contained within Appendix E of the report.
- 5.6 The Minimum Revenue Provision Statement 2017/18, contained within Appendix F of the report, which sets out the Council's policy of using the asset life method as the basis for making prudent provision for debt redemption.
- 5.7 Treasury Management Policy Statement and The Annual Investment Strategy 2017/18 and the detailed criteria - Appendix G of the report
- 5.8 The use of Specified and Non-Specified Investments – Appendix H of the report.

- 5.9 The Prudential Indicators and limits for 2016-21 contained within Appendix I of the report.
- 5.10 The Authorised Limit Prudential Indicator shown within Appendix I of the report.
- 5.11 The Cabinet delegated authority to the Cabinet Member for Finance and Democracy in consultation with the Head of Finance and Procurement to amend the MTFs to be proposed to Council to reflect the amendments and consequent financial impacts tabled at the meeting.

6. ADOPTION OF COMMUNITY INFRASTRUCTURE LEVY REGULATION 123 LIST

The Cabinet:

- 6.1 Approved the recommendations listed at Appendix B of the report which related to the Regulation 123 list and approved the publication of the Habitats Regulations Assessment with regard to these amendments.
- 6.2 Recommended the revised Regulation 123 list (Appendix C of the report) for approval by Full Council.

7. HS2 SERVICE LEVEL AGREEMENT TO RECOVER PHASE ONE LOCAL AUTHORITY COSTS

- 7.1 The Cabinet delegated authority to the Cabinet Members for Economic Growth, Development and Environment and Housing and Health, and the Director of Place and Community to sign the Service Level Agreement with HS2 Ltd to recover defined Phase One local authority costs.

DECISIONS MADE BY CABINET MEMBERS

8. PUBLIC HEALTH ACT 1925 – STREET NAMING

- 8.1 The Cabinet Member for Finance and Democracy agreed to formalise the names:
- ‘Littlefield Close’ for the road serving a development to the rear of 119 Lichfield Street, Fazeley.
 - ‘Calvary Close’ for the road serving a development at 78 Princess Street Burntwood.

9. PUBLIC PAYPHONE CONSULTATION

- 9.1 The Cabinet Member for Finance and Democracy agreed the Final Notification to BT and the Secretary of State following a consultation to a proposal by British Telecommunications plc for the removal of call boxes in Lichfield District.

10. RETENTION OF LICHFIELD DISTRICT COUNCIL OFF STREET CAR PARKING OPERATION IN HOUSE

10.1 The Cabinet Member for Tourism and Communications agreed

- to retain the management of the District Council's off street parking facilities in-house pending further review following completion of the Friarsgate project.
- to enter into a tender process for the provision of enforcement, notice processing, front line maintenance of pay and display machines including cash collections. The tender being for a period of three years with the possibility of annual extensions for a maximum of two years if mutually agreed.

**MICHAEL J WILCOX
LEADER OF THE COUNCIL**

FOR: COUNCIL MEETING

21 FEBRUARY 2017

AGENDA ITEM 6

(GREEN ENCLOSURE)

REPORT OF CHAIRMAN OF COMMUNITY, HOUSING AND HEALTH (OVERVIEW & SCRUTINY) COMMITTEE

PRESENT:

Councillors Leytham (Chairman), Mrs Boyle (Vice Chairman), Mrs Barnett, Mrs Constable, Mrs Evans, Humphreys, O'Hagan, Ray, Rayner, Miss Shepherd and Mrs Tranter.

Apologies for absence were received from Councillors Mrs Banevicius and Constable

(In accordance with Council Procedure No. 17 Councillors Greatorex, Pullen and Wilcox also attended the meeting.)

Also Present: County Councillor Alan White, Cabinet Member for Health, Care and Well being

DECLARATIONS OF INTEREST

Councillor O'Hagan declared a non-pecuniary interest he was currently employed by the Southern Staffordshire and Shropshire Mental Health Service.

Councillor Mrs Evans declared a non-pecuniary interest as her son was currently employed by the Southern Staffordshire and Shropshire Mental Health Service.

Councillor Humphreys declared a disclosable pecuniary interest in Item 5, as he was a fund adviser for the We Love Lichfield Fund.

At the meeting of the Community, Housing and Health (Overview & Scrutiny) Committee held on 18th January 2017 the following matters were considered:

1. WORK PROGRAMME AND FORWARD PLAN

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| <p>1.1 Members considered the Work Programme and Forward Plan. It was asked if there had been an Officer restructure at Bromford Housing and it was reported that Neighbourhood Coaches were being recruited as part of their locality strategy and further details would be given to Members at the seminar in February. It was then asked what the Revised Discretionary Housing Payment Policy item was as shown on the Forward Plan and it was reported that it was required to monitor the policy to ensure the criteria was fit for purpose and aiding as many as possible.</p> <p>1.2 The Committee was formally introduced to Gareth Davies who was now the Head of Regulatory Services, Housing and Wellbeing.</p> <p>1.3 The Work Programme and Forward Plan was noted</p> |
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2. SUSTAINABILITY AND TRANSFORMATION PLAN
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| <p>2.1 The Committee received a presentation from Staffordshire County Council's Cabinet Member for Health, Care and Wellbeing, Councillor Alan White on plans to improve local health and social care and ease the financial overspend currently being</p> |
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experienced. It was noted that the County Council Social Care budget could not run at a deficit unlike the NHS.

- 2.2 It was reported that the current system for care was resulting too much expenditure without many improvements and not always providing the right care to people at the right time. It was felt that emergency care was being sought for far less life threatening problems leading to longer waiting times and reduced performance in those departments.
- 2.3 He reported that the Plan was a result of three year's work and was a direction of travel document and not a final policy. He stated that it was a system wide new model of care that included all sectors of health provision and focused the integration of them. It was noted that to achieve the Plan, investment would be needed and not just service cuts.
- 2.4 The Committee agreed that a re-education programme was required to help people access the right sort of treatment and so free up valuable acute beds and emergency care. They did however have some concerns that any closure of Minor Injury Units could increase attendance to A&E departments. It was noted that this would be considered when any final decision would be made.
- 2.5 Members felt that mental health provision was important as it could be linked to physical wellbeing especially in children.
- 2.6 Members also felt that current access to GP's was an issue and practices were not fit for purpose. It was reported that it was proposed to pool facilities together with greater secondary care being offered along with reorganised care pathways.
- 2.7 Members felt that there was a considerable waste with prescriptions and that this should be considered also
- 2.8 County Councillor White was thanked for his presentation and due to the thoroughness of it, it was agreed that there would not be a need to hear from a representative from the NHS on the plan at a future meeting.
- 2.9 The information received was noted.

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

- 3.1 The Committee received a report advising them of progress of the activities and projects described in the One Year Action Plan for 2016/17.
- 3.2 It was noted that performance of Revival and the Disability Facilities Grants had improved and were now on target.
- 3.3 Affordable housing was discussed and it was felt that the estimate of 27 units to be completed by the end of the year was a disappointing figure. It was noted however that development spanned many years from start to finish and it was difficult to calculate when the affordable houses would be completed.
- 3.4 When asked, it was noted that a Senior Environmental Health Officer had been appointed and so the Environmental Crime project would start in the near future.
- 3.5 The Mid-Year Performance Report and comments received as noted.

4. EFFICIENCY PLAN; MILL LANE LINK

- 4.1 The Committee received a report on the potential sale of the freehold of Mill Lane Link following a review of the use and operation of the Community Hub at that premises. It was reported that the use of the building had changed following the Fit for the Future Phase 1 when it was changed to a solely community facility and an office for local Police Officers.
- 4.2 It was reported that use of the premises by Community Groups had declined and the condition of the building had deteriorated and was in need of investment. It was also reported that the Police had advised the Council that they no longer require the use of the office as they now have access to mobile data.
- 4.3 Councillor Miss Shepherd who was also a Ward Member for Fazeley agreed with the report and felt that there were many other suitable venues in the area that could cater for the Community Groups. A written submission by the other Ward Member, Councillor Mills was included within the report which made suggestions for the premises however the Committee didn't feel that this would generate enough income to improve or sustain the facility.
- 4.4 The proposed option to close the Mill Lane Link Community Hub be endorsed and subsequently the most appropriate option for the disposal of this asset be identified.

5. EFFICIENCY PLAN; GRANT FUNDING TO COMMUNITY AND VOLUNTARY ORGANISATIONS

- 5.1 The Committee received a report on alternative options to award small grants within the District which could lead to efficiency savings. The support given by voluntary organisations and community groups was recognised and the role small grants has in assisting them.
- 5.2 Future options were discussed including phasing out the scheme, getting another organisation, for example Staffordshire Community Foundation, to administer the scheme or amalgamating it with the We Love Lichfield Fund.
- 5.3 When considering the item, Members felt that the local connection should not be lost and any scheme should benefit the whole District. It was raised that not all rural areas had been aware that there was a small grants scheme and so any changes should be publicised.
- 5.4 It was noted that if the Staffordshire Community Foundation was chosen to administer the scheme, there would be a charge to the Council but an overall saving in admin costs and the ability to retain control on the criteria and priorities for awards. Passing the fund to the We Love Lichfield Fund would not incur a charge but some control would be lost.
- 5.5 The Committee recommended the following actions:-
- (1) The scheme continue with the budget remaining as it is presently;
 - (2) The scheme be administered through an outside body;
 - (3) The Committee's preferred arrangement be through the Staffordshire Community Foundation; and
 - (4) The priorities for the scheme be in line with the current Strategic Plan.

6. STANDING ITEMS

BURNTWOOD HEALTH CENTRES

- 6.1 The Committee noted the update given at the meeting. The Committee noted that there was no change from that last meeting. Councillor Mrs Evans reported that the situation was getting worse as GP's were not attracted to the Health & Wellbeing Centre and Locums had not attended leading to patient appointments being cancelled. The Leader of the Council assured the Committee that it remained high on the agenda and pressure was still being put on the relevant organisations to get a conclusion soon.
- 6.2 The information received was noted.

STAFFORDSHIRE HEALTH SELECT COMMITTEE

- 6.3 The Chairman of the Committee reported that most of the work undertaken by the Select Committee had centered around the Sustainability and Transformation Plan as discussed earlier in the meeting.
- 6.4 The District Councils' remit on health matters was discussed and it was noted that it had a role in prevention including healthy lifestyles through leisure, housing work including DFGs and running campaigns through the District Board.
- 6.5 The information received was noted.

D. Leytham
Chairman
Community, Housing and Health (Overview & Scrutiny) Committee

FOR: COUNCIL MEETING

25th January 2017

AGENDA ITEM 7

(BUFF ENCLOSURE)

**REPORT OF CHAIRMAN OF ECONOMIC GROWTH, ENVIRONMENT AND DEVELOPMENT
(OVERVIEW AND SCRUTINY) COMMITTEE**

PRESENT

Councillors Cox (Chairman), Mrs Baker (Vice-Chairman) Mrs Boyle, Drinkwater, Mrs Evans, Marshall, Mosson, Mills and Smedley and Mrs Stanhope MBE

APOLOGIES FOR ABSENCE: were received from Councillors Bamborough, Mrs Eagland, and Miss Hassall.

(In accordance with Council Procedure Rule No.17 Councillor Mrs Fisher, Pritchard, Smith and Wilcox attended the meeting).

DECLARATIONS OF INTEREST: there were no declarations of interest.

At the meeting on the 25th January 2017 the following matters were considered:

1. WORK PROGRAMME

- 1.1 The Committee received the work programme. It was formally requested by the Committee that all future reports contain page numbering to aid Members in their consideration of items. It was expressed that there was an essential need for affordable housing within the district and especially in rural areas. It was also stated that there was an unfortunate national trend of these types of houses being brought to then immediately rent out preventing people having that help to get on the property ladder.
- 1.2 The Castle Dyke project was discussed and it was noted that it was a high profile scheme but would not exceed the planned budget.
- 1.3 It was noted that the item on the Lichfield City BID would be considered at the March meeting along with the Annual Action Plan. It was requested if there could be a report submitted giving an update on the New Homes Bonus but it was noted that due to the financial references, it was being considered by the Strategic (Overview & Scrutiny) Committee at its next meeting.
- 1.4 The Work Programme was noted and it was agreed to be amended

**2. OPTIONS FOR SERVICE DELIVERY AND PERFORMANCE UPDATE – COUNCIL
CAR PARKING PROVISION**

- 2.1 The Committee received a report on the future management of council owned car parks following investigations. It was noted that it was recommended that management remained in-house and reviewed again following completion of the Friarsgate project. It was also recommended that a revised contract for enforcement, cash collection and notice processing be sought.

- 2.2 Members were pleased to note that usage and permit sales had increased following the new parking charges brought into force in August 2016.
- 2.3 Members asked if the size of spaces were adequate for larger vehicles and whether any complaints had been received. It was reported that there had been some complaints however spaces had been made wider than the recommended size at both the Multi Storey and the new Friary Outer car parks to better suit modern sized vehicles.
- 2.4 Some Members felt that there were not enough disabled Blue Badge parking bays and it was reported that the percentage of bays required had been met but this could be increased if felt necessary. However it noted that an increase in disabled bays would in turn create a reduction in normal bays along with a reduction in income. It was agreed that it could be investigated further at the next review following Friarsgate. It was also noted that if pedestrianisation of the City Centre was to happen, this could allow for more disabled parking.
- 2.5 It was asked if other Local Authorities were consulted with, to find best practices and it was noted that the consultants used for this review had done so but regular informal talks between Councils took place.
- 2.6 Coach parking was discussed and it was it was asked if school car parks could be used during weekends and Bank holidays and it was reported that this had been done for special events however drivers were reluctant to park out of town/city normally.
- 2.7 When asked if there had been thoughts of bringing back the 'Free after Three' trial, it was noted that performance figures showed that it didn't increase usage but just moved demand around.
- 2.8 It was noted that some car park machines had been out of order however they had now all been serviced and it was intended to replace older machines when Friarsgate was completed.
- 2.9 The following was agreed:-
- (1) That the consultant's recommendation be supported and that of officers for the car parking operations of the council to remain in house for the time being;
 - (2) That, subject to gaining Portfolio Holders approval, progressing discussions to facilitate a revised agreement covering enforcement, cash collection and notice processing services be agreed;
 - (3) That the suggestion that further consideration on the possibilities of externalisation of the Councils car parking services should be deferred until the effects of the Friarsgate project can be properly assessed be agreed;
 - (4) That the continuing performance improvements in the parking operation be noted.

3. REVIEW OF 2016 FESTIVALS AND EVENTS PROGRAMME & PREVIEW OF 2017 PROGRAMME

- 3.1 The Committee received a report on the festivals and events Lichfield District Council had delivered and supported in 2016 and what was planned for 2017. It was reported that the Council had organised three events, supported six through promotion, street trading or funding and allowed six events to take place on Council owned land.
- 3.2 Members welcomed the report and was pleased to see the economic benefit that the events brought to the District.

- 3.3 It was asked if more could be done to help promote areas in Burntwood, especially Chasewater as this was a prominent attraction
- 3.4 Clarification was sought as to why there had been unforeseen costs for the Georgian Festival and it was reported that when the Parks team was consulted, it was agreed that due to health and safety, security and attendants were required. It was noted that the 2017 event would not be as big and there would not be any BID funding.
- 3.5 The Committee felt more District wide facilities should be promoted including the canal systems and marinas. It was noted that support was given to the Lichfield & Hatherton Canal Restoration Trust and the value the canals have for the District. It was reported that events could be listed for free in the What's On publication if requested but due to a high turnover of staff/volunteers at the marinas, it was difficult to maintain a relationship. It was noted that there had been 100 events from rural areas advertised in What's On.
- 3.6 Further details on admin costs for promoting events was requested however it was reported and accepted that it was difficult to calculate costs for each individual advert in What's On or each separate listing on social media.
- 3.7 When asked it was confirmed that car parking income for the Bird Street car park was lost during the Lichfield Bower due to an historic agreement which was being investigated.
- 3.8 The report and planned events for 2017 were noted.

4. MID-YEAR PERFORMANCE REPORT – ONE YEAR ACTION PLAN 16/17 DEVELOPMENT SERVICES

- 4.1 The Committee received a report on progress of activities and projects as described in the One Year Action Plan for 2016/17.
- 4.2 It was noted that the Burntwood Neighbourhood Plan was not included as the report showed the position at September 2016.
- 4.3 The report was noted.

Councillor Richard Cox
Chairman
Economic Growth, Environment and Development (Overview and Scrutiny) Committee

REPORT OF CHAIRMAN OF STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

PRESENT:

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

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

APOLOGIES FOR ABSENCE were received from Councillors Mrs Barnett, and White.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

At the meeting of the Strategic (Overview and Scrutiny) Committee held on 30th January 2017 the following matters were considered:

1 FORWARD PLAN AND WORK PROGRAMME
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- 1.1 Members considered the Work Programme and Forward Plan. It was noted that a briefing paper giving an update on the Management restructure had been circulated to Members and would not be considered at the meeting.
- 1.2 The Work Programme and Forward Plan be noted.

2 MONEY MATTERS 2016/17: REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY
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- 2.1 The Cabinet Member for Finance and Democracy introduced a report on the Council's financial performance from April to November and the Head of Finance and Procurement, Mr Anthony Thomas, gave a presentation on the content.
- 2.2 It was reported all of the Efficiency Plan targets for 2016/17 and 2017/18 onwards had been achieved. It was also reported that there was a projection that £307,500 would be transferred into general Reserves due to greater budget control and the Fit for the Future (F4F) programme.
- 2.3 It was noted that the Capital Programme was still projected to be under budget and some re-profiling would be likely.
- 2.4 Treasury investment was discussed and it was asked if the £8million investment in Local Authorities was wise and it was reported that it was a topical subject as one authority had been rated as a higher risk but all investments were for only three to six months and matured investments could be withdrawn quickly. It was asked if any local authorities had invested with Lichfield District Council and it was reported that there was no need as the Council was not seeking borrowing at the current time. Building Society investment was questioned due to the problems seen in the past with Northern Rock

and it was reported that a maximum of £1/2 Million was invested in any one organisation (apart from the Nationwide Building Society at £1m).

- 2.5 Assets were then considered and it was asked if it had been considered if the Bore Street Shops were not sold and it was reported that the Asset Strategy Group would be considering an options appraisal at their next meeting.
- 2.6 Members asked how uncollected Council Tax was dealt with and it was reported that there was a variety of reasons why payments were not made and where appropriate, bailiff were instructed. It was noted that the current 95% collection rate was good compared to other authorities.
- 2.7 It was asked why the Council leased some vehicles but purchased others. It was reported that a judgement was made dependant on the vehicle with the example given that it was better value to lease the refuse vehicles as the agreement included maintenance and replacement vehicles, if required, meaning service continuity was maintained.
- 2.8 Members were pleased that demand led service budgets were being closely monitored.
- 2.9 The report and issues raised within were noted.
- 2.10 That it be noted that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy (Revenue and Capital) 2016-20 (MTFS (R&C) 2016-20).

3 THE MEDIUM TERM FINANCIAL STRATEGY (REVENUE AND CAPITAL) 2016–20 (MTFS (R&C) 2016-20)
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- 3.1 The Cabinet Member for Finance and Democracy introduced a report on the Council's Medium Term Financial Strategy (MTFS) Revenue and Capital (R&C) for 2016-20 and the Head of Finance and Procurement, Mr Anthony Thomas, gave a presentation on the content.
- 3.2 It was reported that regarding the Capital Programme, there were eight major projects that totalled 86% of the total including Friarsgate, IT investment and Stowe Pool regeneration. Therefore the financial performance of the Capital Programme was highly dependent on these 8 projects. These projects could give a financial return either through tourism or efficient working or were for wider investment purposes such as Disabled Facility Grants.
- 3.3 It was reported that it was recommended that the minimum amount of reserves should be increased from £1.4m to £1.7m to take into account greater risks including changes to New Homes Bonus, Friarsgate and inflationary increases. It was asked that due to the cessation of government funding in 2019/20, if it was the right time to reduce liquidity and it was reported that the level of risks to the Council had changed and it was therefore an opportune time.
- 3.4 It was recognised that the sale of the Bore Street shops potentially represented a liquidity risk on Capital receipts but this would be considered by the Asset Strategy Group.
- 3.5 It was discussed that parish councils were not capped in their Council Tax like the District and whether finances and their input would be debated with them.
- 3.6 Commercialisation and the setting up of companies was considered and Members felt that it was a funding avenue that needed exploring. It was noted that it was being considered by Leadership Team and the Cabinet. The Chief Executive reported that expectations would need to be managed as commercialisation meant different things to different people and was happening now whenever a charge for a service was made.

She reported that there would be no quick fix as all implications would need to be considered.

3.7 The Committee discussed New Homes Bonus and the changes proposed by the Government and the impact it would have on Local Government finances. It was noted that there has been lobbying to government from local authorities along with views submitted regarding the financial settlement however despite many authorities including Lichfield using the income as core funding, the Government consider the New Homes Bonus as a financial 'bonus'. It was reported that the situation was unlikely to change and income would have to be raised by other means.

3.8 The comments made by the Committee were considered and Cabinet was recommended to request Council to approve the following:

- (1) The 2017/18 Revenue Budget, including the Amount to be met from Government Grants and Local Taxpayers of £11,034,750, forecasts a proposed level of Council Tax (the District Council element) for 2017/18 of £164.99 for a Band D equivalent property;
- (2) The MTFS 2016-21 Revenue Budgets;
- (3) The MTFS 2016-21 Capital Strategy and Capital Programme,
- (4) The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves;
- (5) Balance Sheet Projections and Borrowing Requirement and Strategy 2016-21;
- (6) The Minimum Revenue Provision Statement 2017/18, which sets out the Council's policy of using the asset life method as the basis for making prudent provision for debt redemption;
- (7) Treasury Management Policy Statement and The Annual Investment Strategy 2017/18 and the detailed criteria;
- (8) The use of Specified and Non-Specified Investments;
- (9) The Prudential Indicators and limits for 2016-21; and
- (10) The Authorised Limit Prudential Indicator.

4 STRATEGIC PLAN 2016-2020: CORPORATE ANNUAL ACTION PLAN – 2017-18

4.1 The Committee received a report on the draft Corporate Annual Action Plan (CAAP) requesting views before Cabinet consideration in February 2017. It was reported that the CAAP was underpinned by Service Annual Action Plans which would be considered by O&S Committees during early 2017.

4.2 Members asked what was being done to get housing completions including affordable housing back on target and it was reported that talks with developers were being undertaken to see what the issues with stalled developments were. It was also reported that Officers had met with Bromford Housing and 65 affordable houses were to be built by them in 2017/18. It was requested that feedback from these meetings be forwarded to Members.

4.3 The Committee felt there should be more promotion of the District to international tourists and it was noted that the Lichfield City Centre Partnership had a working group covering this issue. It was also noted that car parking usage had increased since the introduction of the new charging strategy.

4.4 Job creation was discussed and it was felt that more high skilled jobs were required. It was also felt that better connectivity from Lichfield to Fradley was needed as that was

the area where many jobs were. It was reported that the council's Economic Development Strategy recognised the need for a balance of type of employment.

- 4.5 Development of Burntwood town centre was discussed and it was asked how barriers to progress could be removed. It was advised that this would be through discussions where appropriate or, if necessary, through use of compulsory purchase order (CPO) powers.
- 4.6 It was asked why the risk indicator for HS2 action was green and it was reported that it was the Council's response to planning consultations and applications relating to HS2 that was being measured rather than the delivery of, or the public reaction to, the HS2 line itself
- 4.7 It was resolved that the draft 2017/18 Corporate Annual Action Plan and proposed Key Performance Indicators be noted.

5 MID YEAR PERFORMANCE REPORT – ONE YEAR ACTION PLAN 2016/17

- 5.1 The Committee received a report on progress against the top ten issues and tasks included in the Council's Action Plan for 2016/17.
- 5.2 It was asked why there had been an increase in homelessness causing pressure on the service. It was reported that it was currently not known but could be that more private sector landlords were evicting residents as housing benefit caps took effect and that levels of rent may be increasing past a level that was affordable. Members felt that this could also be due to more private rented properties being sold off.
- 5.3 Downloads of the MyStaffs app was discussed and Members felt that there had not been enough advertising of it but recognised that it provided the Council with another means of communication with residents.
- 5.4 Members asked why the time taken to process benefit claims had increased in quarter 1 of 2016. It was promised that a detailed answer would be circulated after the meeting.
- 5.5 The report was noted.

6 MID YEAR PERFORMANCE REPORT – 2016/17 ACTION PLAN FOR DIRECTORATE OF TRANSFORMATION AND RESOURCES

- 6.1 The Committee received a report on progress against the activities and projects as set out in the Transformation and Resources Directorate One Year Action Plan for 2016/17.
- 6.2 It was asked why the performance for responding to Freedom of Information requests was below target and it was reported that the number of requests was increasing.
- 6.3 It was then asked if targets for Section 106 completions was based on the numbers of agreements or on the financial value of the agreements. It was reported that performance was based on the number of completed agreements because the Service has no influence over the value of s106 agreements.
- 6.4 The report was noted.

7	2017/18 ACTION PLANS FOR SERVICES IN DIRECTORATE OF TRANSFORMATION AND RESOURCES
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- 7.1 The Committee received a report on the top issues that the four services in the Directorate of Transformation and Resources – Finance and Procurement; Legal, Democratic and Property; Corporate; and Customer Services, Revenues and Benefits would be addressing.
- 7.2 Members asked for clarification as the report stated that a partner would be sought to occupy part of the District Council House at Frog Lane yet another ambition reported that the future of the premises would be investigated. It was confirmed that discussion were taking place with a partner organisation however the long term use and occupation of the offices by the Council needed to be considered. It was asked if offices could be used as Enterprise Hubs and it was confirmed that there were some at the university site but that this option and others would be explored.
- 7.3 Some Members felt that a decision should be made sooner rather than later but it was reported that as it involved public money, an extensive business case would be required along with consideration of the Council's requirements and an exit strategy if necessary. Consideration for opportunities to collaborate with other public sector partners would also be required.
- 7.4 The report was noted.

8	VOTE OF THANKS
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- 8.1 It was proposed, and duly seconded.
- 8.2 The sincere thanks of the Committee was recorded to all the Chairmen and Vice-Chairmen for their work during the past year.

R Strachan
Chairman
Strategic (Overview and Scrutiny) Committee

FOR: COUNCIL MEETING
21 FEBRUARY 2017
AGENDA ITEM 9
(YELLOW ENCLOSURE)

**REPORT OF CHAIRMAN OF LEISURE, PARKS AND WASTE MANAGEMENT
(OVERVIEW & SCRUTINY) COMMITTEE**

PRESENT:

Councillors Awty (Chairman), Matthews (Vice-Chairman), Mrs Allsopp, Mrs Bacon, Mrs Banevicius, Miss Fisher, Miss Hassall, Mrs Pullen, Mrs Tranter, Warfield, Mrs Woodward, A Yeates and B W Yeates.

APOLOGIES FOR ABSENCE were received from Councillor Smith.

(In accordance with Council Procedure No. 17 Councillors Eadie, Mrs Fisher and Wilcox also attended the meeting).

At the meeting of the Leisure, Parks and Waste Management (Overview and Scrutiny) Committee held on 1 February 2017 the following matters were considered:

1. LEISURE OUTSOURCING

- 1.1 A report was submitted updating Members on the review of Leisure Services with the potential to outsource the management operation of Friary Grange and Burntwood Leisure Centres and possibly Sports Development and Parks and Open Spaces.
- 1.2 It was reported that there was nothing to update the Committee with since the last report however the Council had held a 'Bidders Day' and following submissions, five organisations had been shortlisted to submit outline solutions.
- 1.3 The Committee was concerned that there had been a miscommunication and some users at a Leisure Centre were made to believe that the facilities were to be sold off. Members felt that a communications plan with residents was required to notify them that it would be a change in management only and quash any further rumours. It was reported that staff at the leisure centres had been briefed and it was agreed to forward this briefing to Members.
- 1.4 The Committee was pleased that the timeline for the project had been included in the report to allow them to monitor.
- 1.5 The report and progress made was noted.

2. THE FUTURE OF THE SHOPMOBILITY SERVICE UPDATE

- 2.1 The Committee received a report on the current situation regarding the Shopmobility service and options. It was reported that since a previous meeting where it had been agreed to pursue the option to seek an alternative organisation to operate the service, only one local business was interested in taking on the running of the Lichfield Shopmobility Service. It was then reported that soon after October, this organisation

then informed the Council that it was no longer in a position to operate the service due to a change in management responsibilities.

- 2.2 It was reported that as there were no other organisations interested, other options were investigated by Officers and it was believed that the service could be combined with Public Conveniences with significant savings still being realised. It was then reported that the Friary Car Park had been identified as a base for the new service with a secure unit being constructed close to the disabled parking bays.
- 2.3 Staffing was discussed and it was noted as the Shopmobility service ran a 24hr advance booking system, there would be no need for the toilet attendant to be at the site waiting.
- 2.4 When asked, it was reported that there would be a one off cost of circa £5k to £6k set up cost but £18,940 ongoing saving from combining the two services.
- 2.5 It was agreed that support be given to combining the Shopmobility and Public Conveniences service two areas into one service unit and the location of the new operating centre at the Friary car park be approved and the significant reduction in operating cost of the Shopmobility Service was noted.

3. PARKS, GROUNDS MAINTENANCE AND OPEN SPACES PHASE 2 REVIEW

- 3.1 The Committee received a report on the progress made regarding the parks, Grounds Maintenance and Open Spaces Phase two review. It was reported that meetings had been arranged with Burntwood Town Council to discuss the prospect of transferring public open space to them.
- 3.2 It was reported that a Bowls Task Group had been established to assist with the review of Bowls provision within the District. Councillor Matthews, Chairman of this Task Group gave the Committee an update of its progress. He reported that the six Members of the task Group had received information regarding all the Council run Bowls Greens and it was discovered that the ones in Lichfield had a lower net cost than the ones in Burntwood and overall these costs were high. It was also reported that there was only usage data for the Lichfield based greens. It was reported that Lichfield clubs had taken on the leases of the Lichfield greens and Councillors Matthews and Mrs Woodward would meet with representatives of the Burntwood Bowling clubs to discuss the matter of them doing similar. Councillor Matthews thanked the Members of the Task Group for their hard work.
- 3.3 It was discussed that the sale of land at Mill Pond may be considered again by the Asset Strategy Group. It was noted that a previous application had been considered and refused but discussions would be re-opened with Netherstowe House regarding the sale of the land and improved access to their property. When asked, it was confirmed which Members sat on the Asset Strategy Group and noted that its responsibility was to consider options that then went to Strategic (Overview & Scrutiny) Committee, which has the remit for property, to scrutinise. It was noted that there was also Ward Member consultations.
- 3.4 It was asked how firm decisions not to sell land were and whether they could be overturned in the future. It was reported that all open spaces had been considered and consulted on and sales would only continue with the areas that were agreeable by all parties including Members
- 3.5 The report was noted.

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

- 4.1 The Committee received a report on progress made on the activities and projects described in the One Year Action Plan 2016/17.
- 4.2 Flytipping was discussed and it was noted that a briefing paper would be circulated giving more information. It was noted that over all, there had not been an increase in flytipping since the introduction of charging at disposal tips however this charge had only begun in November 2016 and so it was early to fully confirm this. It was also reported that there was a national trend of more residual and less recycling waste. When asked if data showed an increase in flytipping on the days that the tips were closed, it was explained that data was collected when flytipping was reported which may not be the same day that the offence was committed.
- 4.3 The report was noted.

5. WORK PROGRAMME AND FORWARD PLAN

- 5.1 Members considered the Work Programme and Forward Plan. It was noted that representative from the Garrick Theatre would be at the March meeting.
- 5.2 The Work Programme and Forward Plan was noted.

R J Awty
Chairman

Leisure, Parks and Waste Management (Overview & Scrutiny) Committee

PLANNING COMMITTEE

19 DECEMBER 2016

PRESENT:

Councillors Smedley (Chairman), Marshall (Vice-Chairman), Mrs Allsopp, Awty, Mrs Bacon, Mrs Baker-Thomas, Bamborough, Mrs Barnett, Cox, Mrs Evans, Matthews, Mosson, Powell, Pritchard, Mrs Stanhope MBE, Strachan and A. Yeates.

(APOLOGIES FOR ABSENCE were received from Councillors Drinkwater and Humphreys)

159 DECLARATIONS OF INTEREST:

Councillor Powell - Personal Interest in Application 16/00805/FUL as objector known to him

Councillor Cox – Personal Interest in Application 16/00805/FUL as objector known to him

Councillor Strachan - Personal Interest in Application 16/00805/FUL as objector known to him

Councillor Marshall – Personal Interest in Application 16/00805/FUL as objector known to him

Councillor Mrs Stanhope MBE – Personal Interest in Application 16/00805/FUL as residents in the area were known to her

160 MINUTES:

The Minutes of the Meeting held on 28 November 2016 and previously circulated were taken as read, approved as a correct record and signed by the Chairman.

161 DECISIONS ON PLANNING APPLICATIONS:

Applications for permission for development were considered with the recommendations of the Strategic Director of Place and Community and any letters of representation and petitions received in association with Planning Applications 15/01336/OUTM, 16/00805/FUL and 16/01085/COU.

162 15/01336/OUTM – OUTLINE APPLICATION FOR THE ERECTION OF UP TO 88 NO. DWELLINGS, COMMERCIAL/COMMUNITY UNIT OF 80 SQUARE METRES ALLOWING B1 OR D1 USE AND ASSOCIATED WORKS. ALL MATTERS RESERVED, EXCEPT MEANS OF ACCESS LAND ADJACENT THE CROWN INN, UTTOXETER ROAD (A513), HANDSACRE FOR F B DEVELOPMENTS PREMIER LTD AND ASSOCIATES

RESOLVED: That planning permission be refused for the reasons set out in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY MR ALASTAIR RICHARDS (OBJECTOR) AND MR WILL BREARLEY (CT PLANNING – APPLICANT’S AGENT).

- 163 16/00805/FUL – TWO STOREY EXTENSION TO FRONT TO EXTEND LOUNGE AND FORM BEDROOM ABOVE; LOFT EXTENSION BEDROOM, STUDY AND BATHROOM
53 BURTON ROAD, STREETHAY, LICHFIELD
FOR MRS TROTTER**

RESOLVED: That planning permission be approved subject to the conditions contained in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY COUNCILLOR LEYTHAM (NON-COMMITTEE WARD MEMBER) AND MR ANDREW MOORE (APPLICANT).

- 164 16/01085/COU – CHANGE OF USE FROM RESIDENTIAL TO BUSINESS
10 LYNFIELD ROAD, LICHFIELD
FOR MR J HOLIAN**

RESOLVED: That planning permission be approved subject to the conditions contained in the report of the Strategic Director of Place and Community.

(The Meeting closed at 7.20 p.m.)

CHAIRMAN

AUDIT COMMITTEE

11 JANUARY 2017

PRESENT:

Councillors Mosson (Chairman), Tittley, Mrs Woodward

Independent Members: Mr Betteridge and Ms P Moore

Observer - Cabinet Member for Finance and Democracy: Councillor Spruce

Officers in attendance: Mr N Turner, Ms B Nahal, Mrs A Struthers, Mr A Thomas and Ms W Johnson

Also present: Mr James Cook and Ms Laurelyn Griffiths from Grant Thornton

165. APOLOGIES FOR ABSENCE:

Apologies for absence were received from Councillor Mrs Bacon (Vice-Chairman) and Councillor Strachan.

166. DECLARATIONS OF INTEREST:

There were no declarations of interest made.

167. MINUTES:

The Minutes of the Meeting held on 5 October 2016, as printed and previously circulated, were taken as read and approved as a correct record.

168. Faster Closedown Timeframe

Mr Thomas presented a diagram which illustrated the closure of accounts timeline 2016/17, assuming Audit and Strategic (Overview & Scrutiny) Committees continue as they are, as this had been queried at the previous meeting. Members noted there may be a change imminent with Lichfield District Council's Overview and Scrutiny Committees' structure being reviewed. The appointment of new Auditors was queried as to whether that would cause problems managing the timeline but the External Auditors confirmed this should not cause any problems.

169. PSAA APPOINTMENT COMMITTEE REPORT:

Members considered the report on Public Sector Audit Appointments (PSAA) presented by Mr Thomas (Internal Business Support Services Executive). Mr Thomas explained that as the Council had expressed an interest to opt into a sector led approach for the appointment of External Auditors with PSAA this would mean no procurement process would be necessary. Mr James Cook from Grant Thornton explained that the appointment of five firms nationally would take place; a consultation period with all Councils would then follow and, thereafter, each Council would have their firm appointed.

RESOLVED: Members asked if the Audit Committee could be involved in the consultation process and appointment and this was agreed.

170. FINANCIAL PROCEDURE RULES AUDIT COMMITTEE REPORT

Members considered the report on the Review of Financial Procedure Rules presented by Mr Thomas (Internal Business Support Services Executive) and were asked to note the

changes to the Financial Procedure Rules which were detailed therein. Mr Thomas explained that the most fundamental change was at 3.1 to incorporate the new management structure. The list of reasons for credit notes being valid, to include personal debit credit/debit or other form of payment cards not to be used for procuring goods, works and services on behalf of the Council was amended and it now included the approved disposal policy for council assets. Concern was raised about the adverse weather conditions being detailed when credit notes were issued. Mr Turner explained that, unfortunately, operationally we were not always able to deliver leisure services for instance when there was adverse weather conditions as it would be unsafe to do so and credit notes would have to be raised. He advised that these would be raised by the Leisure Centres and the Corporate Debt team informed. Members asked if any amendments in the future could be highlighted for ease of reference – this was noted. The Solicitor of the Council advised that these Financial Procedure Rules formed part of the Council's Constitution and could be accessed through the Intranet at any time. Members asked if when these amendments were made if a link could be sent to them to tell them that the amendments had been made.

- RESOLVED:** (1) Members asked if the Audit Committee could be involved in this consultation process and appointment of new External Auditors;
(2) That the report be noted and amendments in future be communicated to Members with a link to the website.

171. INTERNAL AUDIT PROGRESS REPORT:

Members considered the Report from Mrs Struthers (Audit Manager) on the outcome of the Internal Audit's review of the internal control, risk management and governance framework for the period August to November 2016. No specific issues had been highlighted through the work undertaken and a Customer Satisfaction Questionnaire had been issued with eight questionnaires having been returned which gave an overall rating of 4.75/5. Nine audits had been finalised with a total of 99 recommendations during this period and all recommendations were illustrated in the report with the associated assurance levels. The "limited" assurance levels had been queried and Mrs Leybourne (Head of Revenues, Benefits & Customer Services) was present to explain why "Memorandum of Understanding DWP and Local Authorities" had come out as "limited" and a report on CCTV had been received to explain to the committee why CCTV had come out with "limited" assurance also which would be discussed at Agenda Item no 15.

Mrs Leybourne advised that the DWP wrote the Memorandum of Understanding and Local Authorities did not have any input. However, we had to assure it would not be abused and carry out checks/tests. Other than some very general guidance Local Authorities were left to interpret the system and work with it. The DWP carry out random test checks and Lichfield District Council has never failed one. Mrs Leybourne said this piece of work had been really useful having a fresh pair of eyes from someone not involved in the team and it had been welcomed. She advised that all the recommendations apart from two had been completed; one in connection with an employee who is on maternity leave at present not having had a pre-employment check, however, she had 20 years' service and the other was that she had agreed to take forward a discussion point to the Staffordshire Benefits meeting to gauge other working practices – later this month. The Committee accepted Mrs Leybourne's explanation and no questions arose.

A lengthy discussion took place around taxi licensing which had been mentioned in the report and concern was raised as it was known there were issues at other local authorities. The Solicitor of the Council was asked to enquire with Officers as to whether Lichfield District Council were working towards standardising their taxi licensing procedures with other Local Authorities and, if not, if this could be done as we needed to ensure it was completed correctly. Members asked if there was any benchmarking with family Authorities that could be explored – the Solicitor of the Council agreed to enquire and report back.

- RESOLVED:** (1) That the report be noted;

(2) The Solicitor of the Council would enquire with Officers if taxi licensing procedures could be standardised.

172. RISK MANAGEMENT UPDATE:

Members considered the Risk Management Update report which updated the Committee on the management of the Corporate Risk Register and discussions took place as to how it works. It was confirmed that the Leadership team regularly review the Corporate Risk Register quarterly with the Internal Audit Manager. The unknown bigger risks were debated and it was asked whether these be scoped in to the Corporate Risk Register as risks at County level would add significant pressures on to the Districts in the future. Mr Turner explained that the Heads of Service/Service Managers would be aware of these bigger things at service level and include them in their Service Action Plans and would hope if a significant increasing pressure evolved it would be escalated up to the Leadership Team at the appropriate time.

RESOLVED: That the report be noted.

173. CERTIFICATION WORK FOR LDC FOR YEAR ENDED 31 MARCH:

Mr James Cook (External Auditor) introduced his colleague – Ms Laurelyn Griffiths who is due to replace Mr Terry Tobin as our representative from Grant Thornton. This was noted.

Mr Cook presented a certification letter which was required to confirm the Council's entitlement to funding of housing benefit subsidy. He was pleased to confirm that there had only been £1900 value in the amendments made to the initial return which was very good and congratulations were passed on to all concerned.

RESOLVED: That the Certification work for LDC for year ended 31 March be noted.

174. INFORMING THE AUDIT RISK ASSESSMENT LICHFIELD DISTRICT COUNCIL:

Members were asked to consider the Report "Informing the Audit Risk Assessment and this was debated.

RESOLVED: (1) The report be noted.

175. PLANNED AUDIT FEE:

Members were asked to consider the Planned Audit fee for 2016/17.

RESOLVED: That the report be noted.

176. THE ANNUAL AUDIT LETTER FOR LICHFIELD DISTRICT COUNCIL:

Members were asked to consider the Annual Audit letter for Lichfield District Council which had been seen before.

RESOLVED: That the report be noted.

177. AUDIT COMMITTEE LICHFIELD DISTRICT COUNCIL PROGRESS REPORT AND UPDATE YEAR ENDED 31 MARCH 2017:

Members were asked to consider the Internal Auditors Progress Report and advised that their first interim visit was planned to take place in the next few weeks. The timeline regarding the signing off of accounts was discussed again and this was not felt to be a problem. Mr Thomas advised that the finance department had been processing the changes in a sustainable way over the last three years so they were prepared for this new timeline next year. In fact, they

were only a week off target last year for various reasons so he was confident they would meet the timeline with no extra staff nor overtime needed. Members were assured by this.

RESOLVED: That the report be noted.

178. WORK PROGRAMME:

Members considered the Work Programme for 2016/17. The Solicitor explained that due to the duplication of Review of Contract Procedural Rules under Legal, Property and Democratic she would like one occurrence deleting and she would be replacing with GDPR/Data Protection Policy to be discussed at 27 March meeting. The External Auditor also indicated that the Audit Plan for Lichfield District Council would be available at 27 March meeting not as indicated 27 June 2017.

RESOLVED: That the Work Programme for 2016/17 be noted and amended.

179. EXCLUSION OF 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 item 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 as amended.

IN PRIVATE

180. ACTION PLANS FOR INTERNAL AUDIT REPORT:

Consideration was given to an audit recommendation update on CCTV and Members of the Committee expressed concern about the content.

The reasons for the report being Confidential were noted and details were given of historic and current organisational arrangements for CCTV. The Committee was advised that advice is being sought to address the weaknesses identified.

It was opined that the identification of risks as set out in the report provided reassurance that the audit system was working and these risks could now be addressed.

RESOLVED: The Committee agreed that the Portfolio holder for Community and the Leader and relevant Officers should be asked to attend the next meeting.

(The Meeting closed at 7:55 pm)

CHAIRMAN

PLANNING COMMITTEE

6 FEBRUARY 2017

PRESENT:

Councillors Smedley (Chairman), Marshall (Vice-Chairman), Mrs Allsopp, Awty, Mrs Bacon, Mrs Baker-Thomas, Bamborough, Mrs Barnett, Cox, Drinkwater, Mrs Evans, Humphreys, Matthews, Mosson, Powell, Miss Shepherd, Mrs Stanhope MBE, Strachan and A. Yeates.

(**APOLOGIES FOR ABSENCE** were received from Councillor Pritchard)

181 DECLARATIONS OF INTEREST:

There were no declarations of interest.

182 MINUTES:

The Minutes of the Meeting held on 19 December 2016 and previously circulated were taken as read, approved as a correct record and signed by the Chairman.

183 ISSUES PAPER – PLANNING APPLICATION REF. 16/01379/FULM FOR RETAIL DEVELOPMENT COMPRISING A TOTAL OF 7,259 SQM OF RETAIL FLOOR SPACE COMPRISING 3 POD UNITS (499 SQM IN TOTAL) FOR USE WITHIN CLASSES A1, A2, A3 & A5 AND UP TO 9 UNITS (6,461 SQM) FOR USE WITHIN CLASS A1 RETAIL TOGETHER WITH A DRIVE THRU RESTAURANT (USE CLASSES A3 & A5) (299 SQM) TOGETHER WITH ASSOCIATED ACCESS, CAR PARKING, SERVICING, LANDSCAPING AND ASSOCIATED WORKS LAND ADJACENT MILESTONE WAY AND REAR OF 29-39 CANNOCK ROAD (OLAF JOHNSON SITE), BURNTWOOD

Consideration was given to an issues paper relating to the proposed development.

RESOLVED: That in addition to the key issues listed in the report, the following issues should also be addressed in the assessment of the above application:

- Ensure appropriate means of access provided;
- Pollution including Hazards Substance impact from nearby site;
- Noise and odour issues with regard to drive thru restaurant, including consideration of conditions with regard to noise and hours of operation;
- Could the separate elements of the proposal be considered as separate planning applications to ensure all issues are carefully considered?

184 DECISIONS ON PLANNING APPLICATIONS:

Applications for permission for development were considered with the recommendations of the Strategic Director of Place and Community and any letters of representation and petitions together with a supplementary report of observations/representations received

since the publication of the agenda in association with Planning Applications 16/00039/COU, 16/00613/FUL, 16/01075 /COU, 16/01393/FUL and 16/01232/FULM.

185 16/00039/COU – CONVERSION AND EXTENSION OF RURAL BUILDING TO FORM A 1-BEDROOM DWELLING AND ASSOCIATED WORKS BARN AT PACKINGTON LANE, HOPWAS FOR MR D POPE

RESOLVED: That planning permission be approved subject to the conditions contained in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY MR LESLIE ARMSTRONG (OBJECTOR) AND MR WILL BREARLEY (CT PLANNING – APPLICANT’S AGENT)).

186 16/00613/FUL – ERECTION OF A 4 BEDROOM DWELLING WITH ASSOCIATED WORKS AND LANDSCAPING LAND ADJACENT TO OXCLOSE HOUSE, GRANGE LANE, ELMHURST FOR MR AND MRS MILLS

RESOLVED: That planning permission be refused for the reasons as set out in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY MR PAUL BARTON (APPLICANT’S PLANNING CONSULTANT))

187 16/01075/COU – CONVERSION AND EXTENSION OF WORKSHOP TO FORM A 2NO BEDROOM DWELLING AND ASSOCIATED WORKS 212 CHORLEY ROAD, BURNTWOOD FOR DR ROSALIND HALIFAX

RESOLVED: That planning permission be approved subject to the conditions contained in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY DR ROSALIND HALIFAX (APPLICANT)).

188 16/01393/FUL – RETENTION OF 2 NO TIMBER STORAGE HUTS BROOKLANDS, NEW ROAD, ARMITAGE FOR MR K MOORE

RESOLVED: That planning permission be approved subject to the conditions contained in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY MR N HUTCHINGS (APPLICANT’S AGENT)).

189 16/01232/FULM – DEMOLITION OF 10NO. DWELLINGS AND CONSTRUCTION OF 22NO. DWELLINGS WITH ASSOCIATED WORKS, WITH ACCESS PROVIDED OFF LEVETT ROAD, BROMFORD DEVELOPMENT SITE, LEVETT ROAD, LICHFIELD, STAFFORDSHIRE FOR BROMFORD HOUSING

RESOLVED: That planning permission be approved subject to the conditions contained in the report of the Strategic Director of Place and Community.

(PRIOR TO CONSIDERATION OF THE APPLICATION REPRESENTATIONS WERE MADE BY MS ALISON ROBERTS (OBJECTOR) AND MR NICK CUMMINS, BROMFORD HOUSING ASSOCIATION (APPLICANT)).

**190 TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED) TOWN AND COUNTRY PLANNING (TREE PRESERVATION) (ENGLAND) REGULATIONS 2012
LICHFIELD DISTRICT COUNCIL TREE PRESERVATION ORDER NO 262-2005
APPLICATION TO FELL THREE HAWTHORN TREES**

Consideration was given to the report of Strategic Director of Place and Community.

RESOLVED: That the application for consent to fell three Hawthorn trees within group G1 of TPO 262-2005 be refused.

**191 ISSUES PAPER – PLANNING APPLICATION REF. 17/00016/FULM FOR CONSTRUCTION OF 139 TWO, THREE AND FOUR BEDROOM TIMBER CLAD HOLIDAY AND LEISURE LODGES, LAYOUT AREAS AND INTERNAL FOOTPATHS, LAYOUT AND CREATION OF TWO BALANCING PONDS, CONSTRUCTION OF A RECEPTION BUILDING WITH MEETING SPACE, OFFICE, FITNESS SUITE, TOILETS AND BIKE HIRE AND LAYING OUT OF 2.5HA GREENSPACE FOR NATURE CONSERVATION AND LEISURE, INCLUDING NATURE TRAIL AND DOG WALK, EXTENSIVE TREE PLANTING AND CREATION OF SPECIEAS RICH FLOWER MEADOW
LAND NORTH-WEST OF BROAD LANE, HUDDLESFORD, LICHFIELD**

Consideration was given to an issues paper relating to the proposed development.

RESOLVED: That the following issues also be addressed in the assessment of the above application:

- Highways Issues, including impact on local highway network and could consideration be given to conditions to control the arrival and departure times?;
- Ecology and biodiversity – Cannock Chase SAC;
- Tourism and economy – what are the benefits to Lichfield likely to be?

192 VALIDATION GUIDANCE REPORT

Consideration was given to the revised Planning Applications Validation Criteria document and comments sought on the proposed changes.

RESOLVED: (a) That the Planning Committee noted the draft revised Planning Application Validation Guidance (2017) as set out in Appendix A, which includes amendments as suggested in response to consultation responses and;
(b) The Planning Committee endorses the adoption of the revised document for publication on the council website.

(The Meeting closed at 9.10 p.m.)

CHAIRMAN

REGULATORY AND LICENSING COMMITTEE

8 FEBRUARY 2017

PRESENT: Councillors B.W. Yeates (Chairman), Warfield (Vice-Chairman), Mrs Baker, Mrs Barnett, Drinkwater, Mrs Eagland, Mrs Evans, Miss Fisher Humphreys, Leytham, O'Hagan, Miss Shepherd Smedley, Mrs Stanhope MBE and A. Yeates

AN APOLOGY FOR ABSENCE was received from Councillor Mrs Eagland.

193 DECLARATIONS OF INTEREST

Councillor Smedley declared personal interest in Item 5 Street Trading Policy as he is a Member of Lichfield City Council

194 MINUTES

The minutes of the meetings held on 3rd November 2016 and 30th November 2016, as printed and previously circulated were taken as read, approved as a correct record and signed by the Chairman.

195 INTERIM REVIEW OF POLLING PLACES 2017

The Committee received a report requesting recommendation to Council to approve an alternative polling place in Drayton Bassett, Lichfield District.

It was reported that a request had been received from the Headmaster and governors of Manor Primary School, Drayton Lane which was the current polling place as they felt the closure of the school on polling days was disruptive for pupils and costly for parents who have to make alternative arrangements.

It was then reported that Officers had considered and visited two alternative options and the one, the Woman's Institute Hall was discounted due to very limited off site parking and issues manoeuvring vehicles. The second option of St Peter's Church Hall had been considered suitable with adjacent parking with additional parking available on the opposite side of the road. The room itself was also considered suitable to be a polling station.

There was some concern that this request could set a precedence with other schools wishing to no longer have their buildings used as polling places. It was noted that each request would be considered on its own merits.

RESOLVED: That St Peter's Church Hall, Drayton Lane, Drayton Bassett be used as a polling place instead of Manor Primary School.

196 STREET TRADING POLICY

The Committee received a report reviewing the Street Trading Policy 12 months after its adoption.

It was reported that Special Events had been more successful than predicted with 580 traders instead of the predicted 250. It was felt that this had been largely due to the waiver in the fee which Council agreed in April 2016. It was noted that this was predicted to rise further in future years. The Committee noted that this had and would continue to be a significant burden of the Environmental Health department.

The Committee was reminded that it was agreed to subsidise the fee for Special Events to the amount of £12k from another budget within the Council.

During discussions, it was noted that a number of issues had arisen which needed to be reviewed including, poorly run events, incomplete applications and organisations who had been subsidised then rumoured to have made a considerable profit. Officer reported that there was a risk that conflict bidding between events organisers for certain dates had not been addressed in the current policy. The Committee felt that a tiered model for charging dependant on whether the trader was a charity/ information provider or profit maker.

The Committee agreed with the Officers recommendation that due to the wide amount of issues that need reviewing and investigating, a Member Task Group would be the most beneficial route as it would be advantageous to gather information from both Officers and Event Organisers and stakeholders to get the most balanced view before reporting back the Regulatory & Licensing Committee.

Members also agreed that the process should not be rushed to ensure any amendments to the policy are suitable and without gaps.

COUNCILLOR WARFIELD DECLARED A DISCLOSABLE PECUNARY INTEREST AS HIS WIFE IS THE BOWER SECRETARY AND HE LEFT THE ROOM DURING THE ITEM.

RESOLVED: 1) the progress made with the review of the Street Trading Policy be noted;

2) That a Member Task Group comprising of Councillors B. Yeates, Mrs Barnett, Miss Shephard, Mrs Baker, A. Yeates and Mrs Evans be set up to consult stakeholders and identify improvements to the Street Trading Policy and make recommendations to the Committee and the relevant Cabinet Member.

197 REVIEW OF LICENCE AND OTHER FEES AND CHARGES IN REGULATORY SERVICES HOUSING AND WELLBEING 2017/18

The Committee received a report on the proposed fees and charges for Hackney Carriage and Private Hire Licensing and other functions with Environmental Health for 2017/18.

It was reported that the European Court of Justice (ECJ) had delivered judgment in respect of the Supreme Court's request for a preliminary ruling concerning the interpretation of Article 13(2) of Directive 2006/123/EC of the European Parliament on services in the internal market ('the Services Directive'). It was explained that the ruling

stated that only an administration fee could charge at the point of application and only when that application had been approved, could a fee for running and enforcement of the regime be charged.

When asked, it was noted that Scrap Metal Dealer fees were set by Cabinet as currently the legislation stated that it was a Cabinet function. It was also noted that the Government had admitted that this had been a mistake and a review would be forthcoming.

It was reported that the Disclosure and Barring Service (DBS) checks could be moved to an online system in the future as a corporate decision and Officers felt it would be sensible to list the current application fee and the new online fee to prevent the need of a further statutory consultation and associated costs in doing that. A further formal recommendation was added to the report in respect of this.

When asked, it was noted that the Council were no longer going to chip dogs as it was now a legal requirement. The service was provided at a subsidised rate to encourage owners to have their dogs chipped.

RESOLVED: 1) That the statutory consultation for the fees and charges for the functions in Appendix A of the report for the forthcoming financial year 2017/18 be approved;

2) That the fees and charges for the functions as proposed in Appendix B of the report for the forthcoming financial year 2017/18 be approved;

3) That the Head of Regulatory Services Housing and Wellbeing in consultation with the Chairman and Vice Chairman of the Regulatory and Licensing Committee be authorised to set or amend the fees and charges detailed in Appendix A of the report in consideration of any consultation responses received;

4) That the Head of Regulatory Services Housing and Wellbeing in consultation with the Chairman and Vice Chairman of the Regulatory and Licensing Committee be authorised to set on an interim basis any new fees and charges that may arise during the year; and

5) That the Head of Regulatory Services housing and Wellbeing in consultation with the Chairman of the Regulatory and Licensing Committee be authorised to introduce an additional fee (at cost) for online Taxi Licensing DBS criminal record checks prior to the Statutory Consultation.

198 WORK PROGRAMME

The work programme was considered and it was noted that the Air Quality report and Environmental Crime Strategy would be considered in the next Municipal Year. It was reported that there would be a report to the first meeting of the next Municipal Year on Dog Orders.

RESOLVED: That the Work Programme as submitted be agreed.

199 VOTE OF THANKS

It was proposed, duly seconded and

RESOLVED: That the sincere thanks of the Committee be recorded to all the Chairmen and Vice-Chairmen for their work during the past year.

(The meeting closed at 7.15 pm)

CHAIRMAN

EMPLOYMENT COMMITTEE

9th FEBRUARY 2017

PRESENT:

Councillors Powell (Chairman), Hassall (Vice Chairman), Cox, Mrs Banevicius, Mrs Constable, Mrs Eagland, Humphreys, Smedley, Mrs Stanhope MBE, Strachan

(AN APOLOGY FOR ABSENCE was received from Councillor Yeates).

200 DECLARATIONS OF INTEREST

There were no Declarations of Interests

201 MINUTES

The Minutes of the Meeting held on 26th October 2016 and 13th December 2016, as printed and circulated, were taken as read, approved as a correct record and signed by the Chairman.

202 MEMBERS' LEARNING AND DEVELOPMENT NEEDS ANALYSIS 2017-18

The Committee received a report on the 2017/18 Elected Members Learning & Development Needs Analysis (LDNA) and Members were requested to give their opinions on the LDNA as well as on how best to get the highest level of response.

The Committee were pleased that, in light of the murder of a Jo Cox MP, Personal Security was a learning priority. Members also thought it was timely and beneficial to have Commercialisation as a current priority.

Timescales for the distribution and return for the LDNA was discussed and it was agreed that it should be sent out within a week of this meeting and a four week deadline to have them returned. It was agreed that Councillors Powell and Mrs Banevicius would highlight the importance of the LDNA to their relevant party Members.

RESOLVED: (1) That the report be noted

(2) That the outcome of the survey be considered at the next meeting of the Committee to ensure that Member learning and development priorities are met; and

(3) That the LDNA be promoted by Councillors Powell and Mrs Banevicius to their relevant party Members.

203 EMPLOYEE CODE OF CONDUCT AND HR POLICIES

The Committee received a report on the new Employee Code of Conduct and a new HR policy that had been drafted and four other HR policies that had been reviewed and amended. It was reported that the Council had been undergoing a period of change and this work had been undertaken to encourage consistency and commitment to a new 'one council' ethos.

It was reported that the new proposed Code was more appropriate for the District Council than the national Code which was currently observed.

The Committee were pleased to note that Employees and the Trade union had been involved in creation of the Code of Conduct and other HR Policies.

Disclosure of Criminal Convictions as stated in the Employee Code of Conduct was discussed by the Committee and clarification was given to what roles warranted a DBS check. It was noted that the Code required all employees, whether DBS checked or not, to disclose any criminal convictions and dependant on the nature of those convictions. The Committee was in agreement with this approach.

The Disciplinary Policy was discussed and it was reported that Officers below the level of Chief Officer had the right of appeal to Employment Appeals Committee. Under the new policy, to ensure consistency and timeliness, these appeals would in future be heard by the Chief Executive. The Committee agreed that this was now the correct route for appeals.

RESOLVED: (1) That the Code of Conduct and the 5 HR policies as shown in Appendix A of the report be approved; and

(2) That the Code of Conduct and the 5 HR policies be recommended to Full Council for approval including any relevant changes to the Constitution, particularly relating to the new Disciplinary Policy

204 EXCLUSION OF 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 item of business, which would involve the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended.

IN PRIVATE

205 IT ACCEPTABLE USE POLICY

The Committee received a report on a new IT Acceptable Use Policy and it was reported that this would be an overarching policy with further policies sitting behind it.

RESOLVED: (1) That the IT Acceptable Usage policy be approved; and

(2) That the IT Acceptable Usage policy be recommended to Full Council

206 REDUNDANCY

The Committee received an urgent report relating to the compulsory redundancy of a post where the demands of the role had lessened over the past few years.

RESOLVED: That the Compulsory Redundancy as detailed in Appendix A of the report be approved and recommended to Full Council.

207 VOTE OF THANKS

It was proposed, duly seconded and

RESOLVED: That the sincere thanks of the Committee be recorded to all the Chairmen and Vice-Chairmen for their work during the past year.

(The Meeting closed at 6.45 p.m.)

CHAIRMAN

STRATEGIC PLAN 2016-20

CORPORATE ANNUAL ACTION PLAN –

2017/18

Report of the Leader and Cabinet Member for Community

Date:	21 February 2017
Agenda Item:	11(a)
Contact Officer:	Neil Turner
Tel Number:	01543 308761
Email:	Neil.Turner@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	Relevant to all wards

COUNCIL

1. Executive Summary

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

2. Recommendations

- 2.1 Members are requested to approve the Corporate Annual Action Plan 2017/18 which is attached at **Appendix A** and note the proposed Key Performance Indicators at **Appendix B**.

3. Background

- 3.1 The 2016-20 Strategic Plan was adopted in February 2016 and was prepared having regard to local socio-economic data (compiled by the Staffordshire Intelligence Hub); manifesto commitments; consultation feedback; and the availability of resources.
- 3.2 Each year the council adopts a one year Corporate Annual Action Plan which describes the key activities and projects, measures and targets the Council intends to deliver over the next financial year. The CAAP is approved by Cabinet and Council in February at the same time that the budget is approved.
- 3.3 The CAAP focuses on the areas of work that are considered to be of most strategic importance and the actions have been aligned with the council's four strategic priorities.
- 3.4 The CAAP is the high-level action plan for the council and its targets will cascade into a series of Service Annual Action Plans which are being considered by O&S Committees during the early part of 2017. The Service Annual Action Plans will then inform the Service Plans which are due for completion by May 2017.

- 3.5 In turn, the targets in the Service Annual Action Plans can be aligned with team and individual performance targets in 2017/18.
- 3.6 The draft CAAP has been prepared in consultation with Leadership Team and individual Cabinet Members.
- 3.7 Progress against the CAAP will be presented to Cabinet in December 2017 and June 2018.
- 3.8 The CAAP identifies projects, milestones and activities of the council and others. This year, a column identifying potential risk rating has also been added to provide an insight into the complexity and impact that are associated with each action.
- 3.9 A basket of corporate key performance indicators has also been defined to evidence outcomes and the difference that the CAAP may make to the district. It is intended that these KPIs are monitored throughout the year so as to be able to measure progress towards the achievement of outcomes. The draft KPIs are attached at **APPENDIX B**.
- 3.10 Following consideration by Council, the document will be published on the website.

Alternative Options	The top issues were identified through discussions with Leadership Team and with respective Cabinet Members. Of course, there are numerous alternative options but the CAAP attached at Appendix A is considered to be balanced and focused on the most important issues in the delivery of the Strategic Plan.
Consultation	The selection of the top issues has had regard to the outcome of consultation (with Members, partner organisations, residents and staff) which was conducted as part of the development of the Strategic Plan. The draft CAAP was considered by the Strategic (Overview and Scrutiny) Committee on 30 January 2017 and Cabinet on 7 February 2017.
Financial Implications	None arising directly from this report. However, Members and officers need to be mindful of ensuring that the distribution of resources and capacity is adequate to progress the items listed.
Contribution to the Delivery of the Strategic Plan	The Corporate Annual Action Plan as set out at Appendix A has been categorised according to the Council's four strategic priorities. The Directorate has identified at least one issue in support of each priority area <ul style="list-style-type: none"> • Vibrant and prosperous economy – 2 issues • Healthy and Safe – 3 issues • Clean, green and welcoming - 2 issues • A council that is fit for the future – 3 issues
Equality, Diversity and Human Rights Implications	Equality and diversity implications are dealt with at an appropriate time in the delivery of the actions in the Appendix. Overall it is anticipated that there will be a positive impact on people with protected characteristics.
Crime & Safety Issues	Crime and safety issues are dealt with at an appropriate time in the delivery of the action in the Appendix.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	An issue which should have been included in the top issues has been	The process of identifying the top issues is rigorous and gives the	Yellow (material)

	over looked	opportunity for elected Members and Officers to contribute. However, if another issue arises or escalates, the top issues may need to be reviewed and rescheduled.	
B	A new priority emerges which could potentially be a top issue	Any new issues would need to be considered and amendments made to the existing list (with appropriate Member approvals	Yellow (material)
C	The Council has insufficient financial or staffing capacity to deliver all of the top issues	Regular progress monitoring will be undertaken including biannual reports to this Committee	Yellow (material)

Background documents

Strategic Plan 2016-2020

Reports to Strategic Overview & Scrutiny Committee January 2017

Relevant web links

Draft CORPORATE ANNUAL ACTION PLAN 2017 / 18

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

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

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

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

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

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

Proposed Corporate Key Performance Indicators 2017/18

Vibrant and Prosperous Economy

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

Healthy and Safe Communities

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

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

Clean Green and Welcoming Places to Live

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

A council fit for the future

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

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

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

Report of the Cabinet Member for Finance and Democracy

Date: 21 February 2017
 Agenda Item: 11(b)
 Contact Officers: Diane Tilley/Anthony Thomas
 Tel Number: 01543 308001/308012
 Email: diane.tilley@lichfielddc.gov.uk/
 anthony.thomas@lichfielddc.gov.uk



COUNCIL

Key Decision? YES
Local Ward Members Full Council

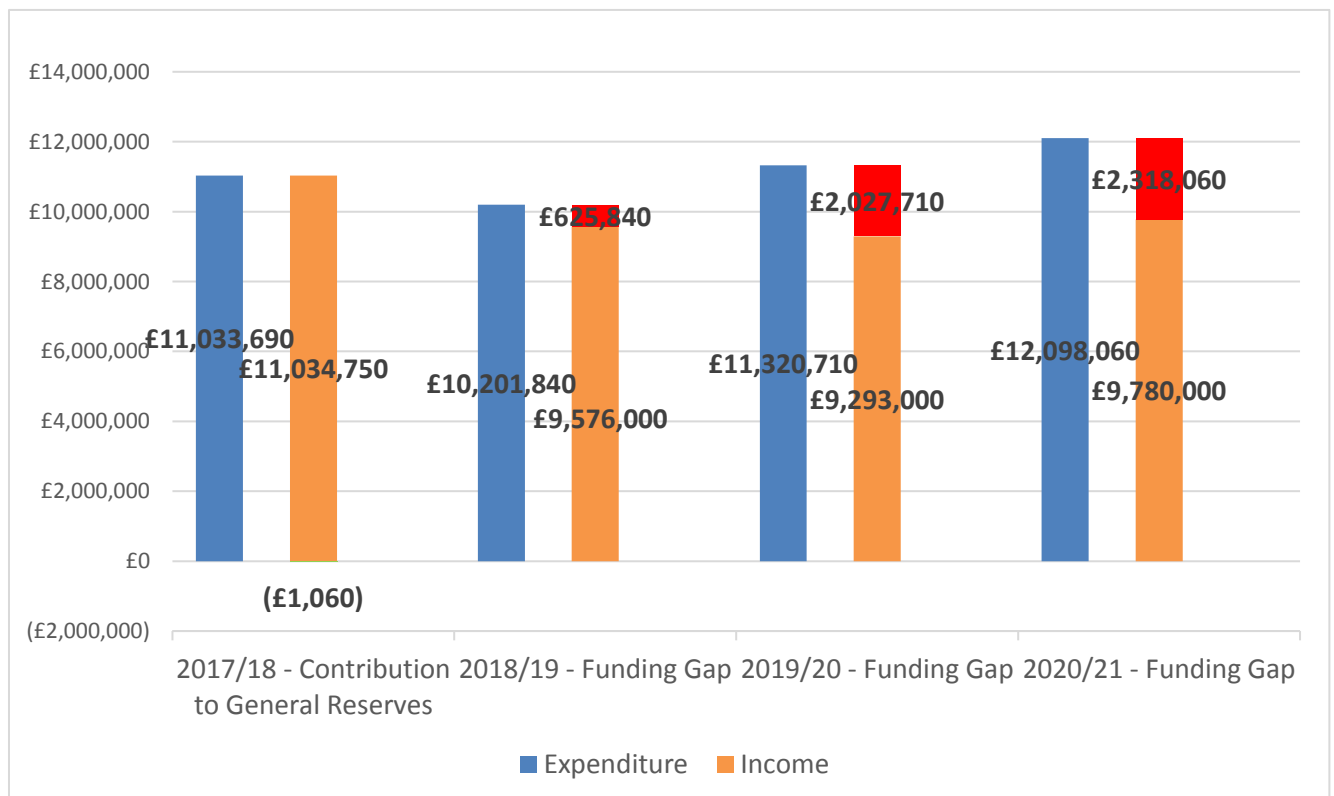
1. Executive Summary

The Medium Term Financial Strategy

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

The Revenue Budget

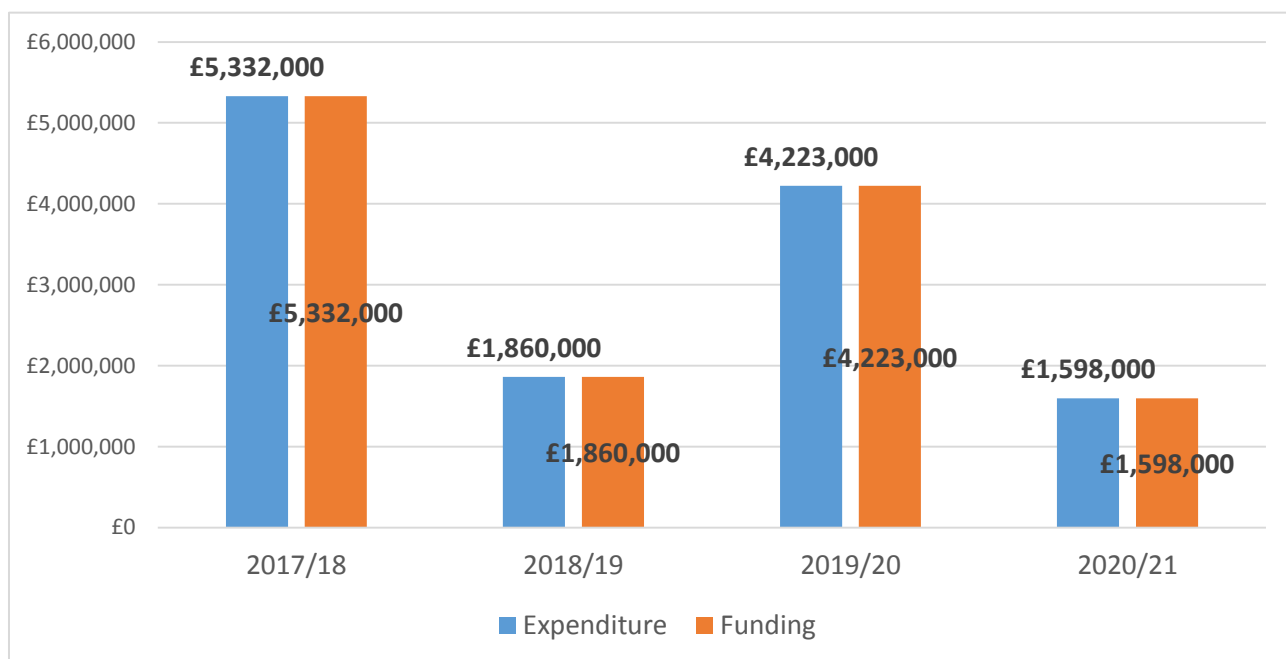
- 1.4 The Revenue Budget with a small contribution to general reserves in 2017/18 and Funding Gaps in later years is shown in detail at **APPENDIX A** and in summary in the graph below:



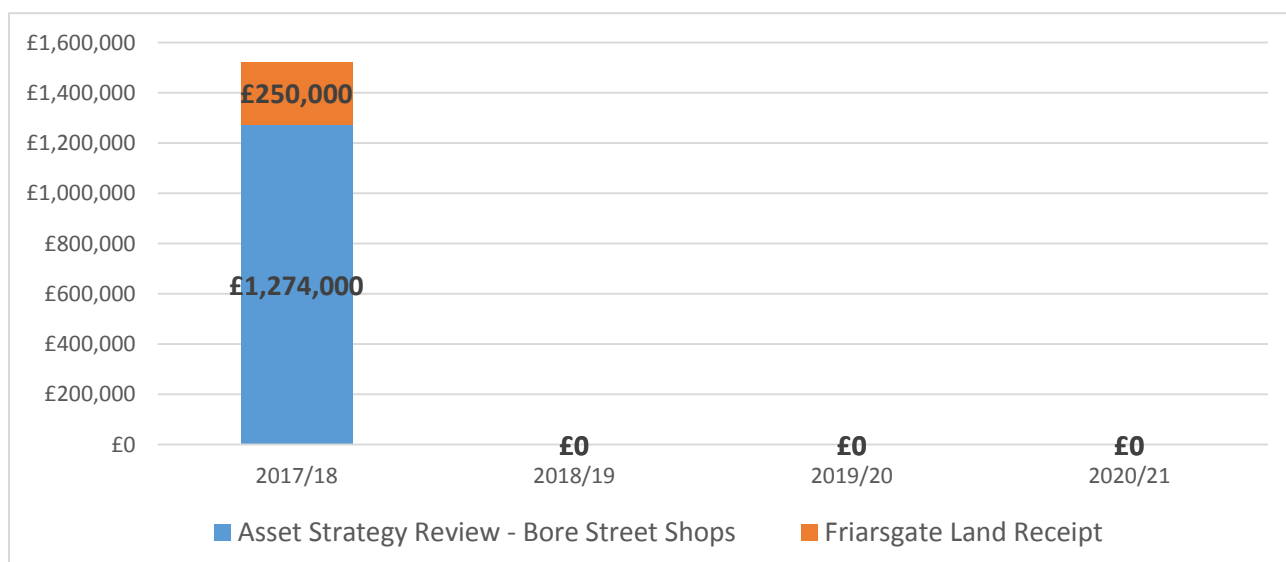
- 1.5 The Council is legally required to balance the budget in the first year (2017/18) of the MTFS and to set out its proposals to balance the further financial years - 2018/19, 2019/20 and 2020/21.
- 1.6 The MTFS proposes a transfer to General Reserves of **£1,060** for 2017/18 and in later years a projected Funding Gap has been identified. The Council would have **£2,887,700** of General Reserves available (after taking account of the Minimum Level of Reserves) after this contribution to assist with balancing the budget in future years, if needed.
- 1.7 The Council will need to make significant levels of savings or achieve additional income to close the Funding Gap by 2020/21.

The Capital Programme

- 1.8 The Capital Programme is the investment plan for our **Lichfield District Council Strategic Plan 2016-20** and beyond.
- 1.9 A summary of the Capital Programme contained in the MTFS is shown in detail at **APPENDICES B & C** and in the chart below:



- 1.10 The Capital Programme is projected to be fully funded and therefore does not have any Projected Funding Gaps. However the funding assumes that the sale of the Bore Street Shops (or alternative sales) is completed for a minimum of **(£1,274,000)**.
- 1.11 The Capital Receipts (due to its uncertainty, the **(£250,000)** Friarsgate Land Receipt is not currently used for funding the Capital Programme) projected in the MTFS are shown in the graph below:



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

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

Treasury Management

- 1.13 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement and Prudential Indicators on an annual basis. This Treasury Management Strategy Statement also incorporates the Annual Investment Strategy that is a requirement of Communities and Local Government's Investment Guidance. Together, these cover the financing and investment strategy for the forthcoming financial year.
- 1.14 The purpose of the Treasury Management Strategy Statement is, therefore, to approve :
- Balance Sheet Projections and Borrowing Requirement and Strategy for 2017/18 (**APPENDIX E**).
 - Minimum Revenue Provision Statement 2017/18 (**APPENDIX F**).
 - Treasury Management Policy Statement, Annual Investment Strategy and Cash Flow Forecast for 2017/18 (**APPENDIX G**).
 - Use of Specified and Non-Specified Investments (**APPENDIX H**).
 - Prudential Indicators 2016-21 (**APPENDIX I**).
- 1.15 All treasury activity will comply with relevant statute, guidance and accounting standards.

2. Recommendations

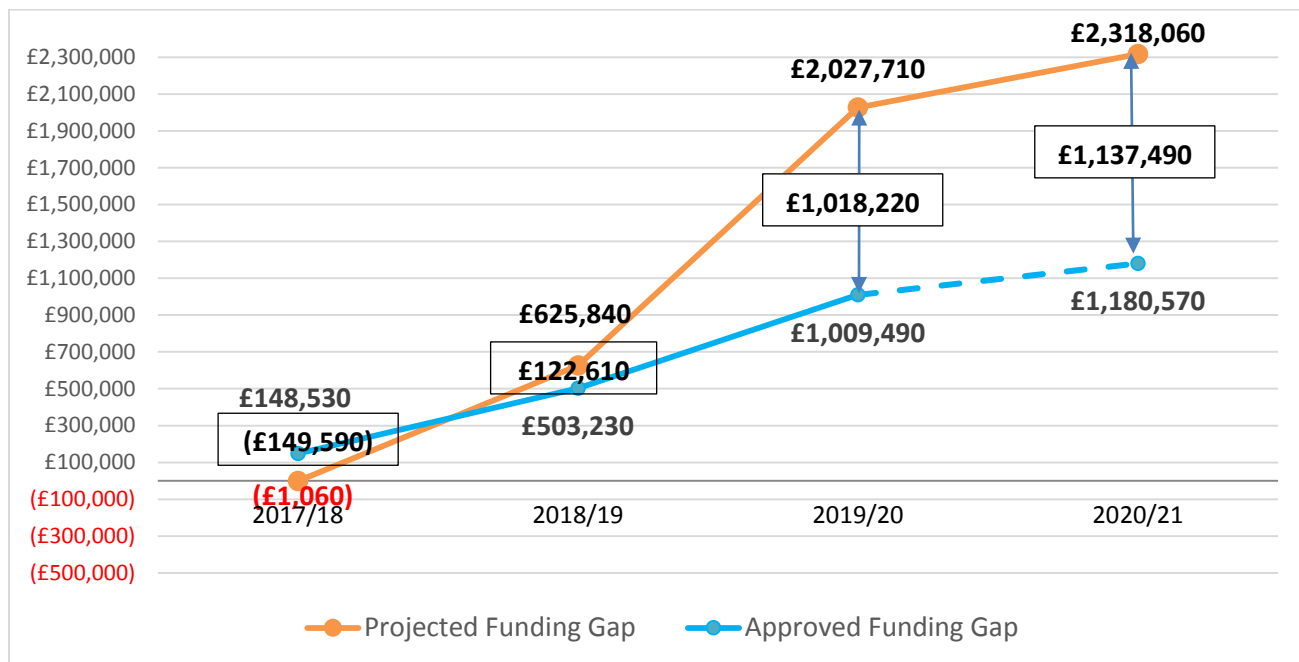
That Cabinet recommend to Council for approval:

- 2.1 The 2017/18 Revenue Budget, including the Amount to be met from Government Grants and Local Taxpayers of **£11,034,750**, forecasts a proposed level of Council Tax (the District Council element) for 2017/18 of **£164.99** (an increase of £5 or 3.1%) for a Band D equivalent property.
- 2.2 The MTFs 2016-21 Revenue Budgets set out in **APPENDIX A**.
- 2.3 The MTFs 2016-21 Capital Strategy and Capital Programme, outlined in **APPENDICES B & C**.
- 2.4 Notes the requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in **APPENDIX D**.
- 2.5 Balance Sheet Projections and Borrowing Requirement and Strategy 2016-21, contained within **APPENDIX E**.
- 2.6 The Minimum Revenue Provision Statement 2017/18, contained within **APPENDIX F**, which sets out the Council's policy of using the asset life method as the basis for making prudent provision for debt redemption.
- 2.7 Treasury Management Policy Statement and The Annual Investment Strategy 2017/18 and the detailed criteria - **APPENDIX G**.
- 2.8 The use of Specified and Non-Specified Investments - **APPENDIX H**.
- 2.9 The Prudential Indicators and limits for 2016-21 contained within **APPENDIX I** of this report.
- 2.10 The Authorised Limit Prudential Indicator shown within **APPENDIX I**.

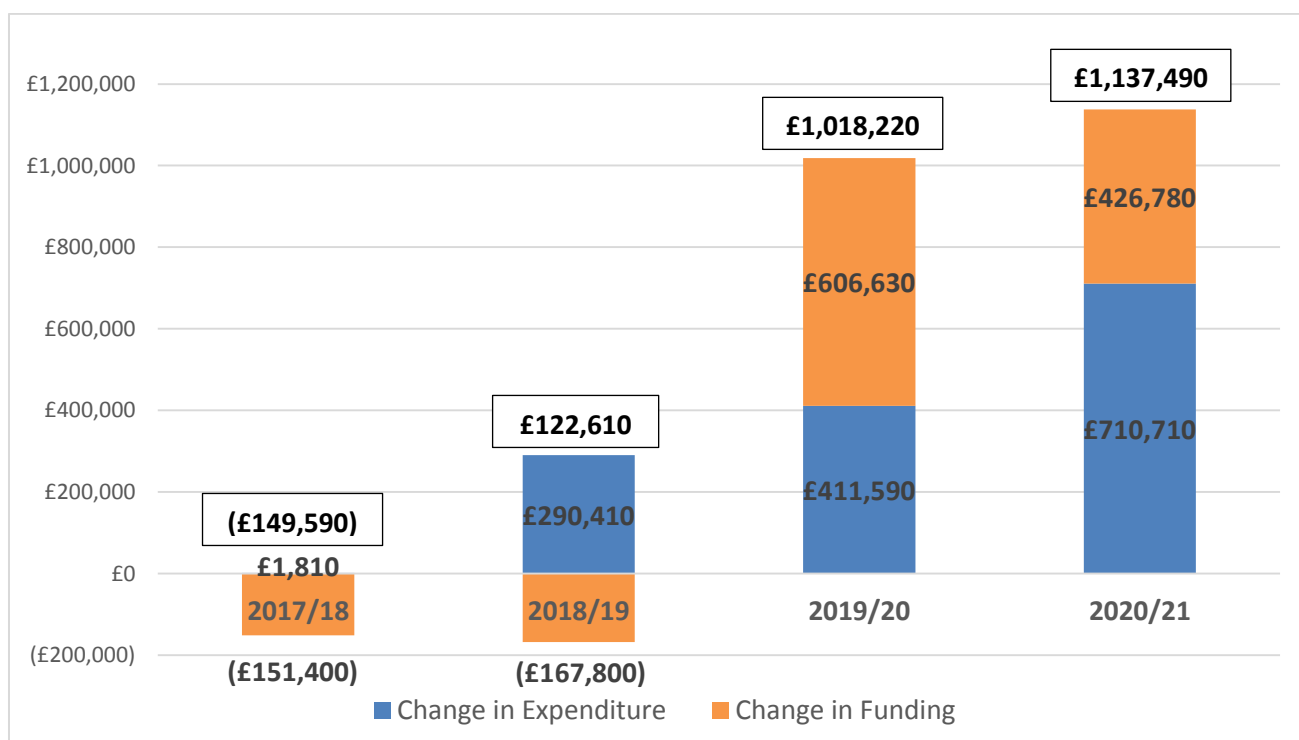
3. Background

The Revenue Budget

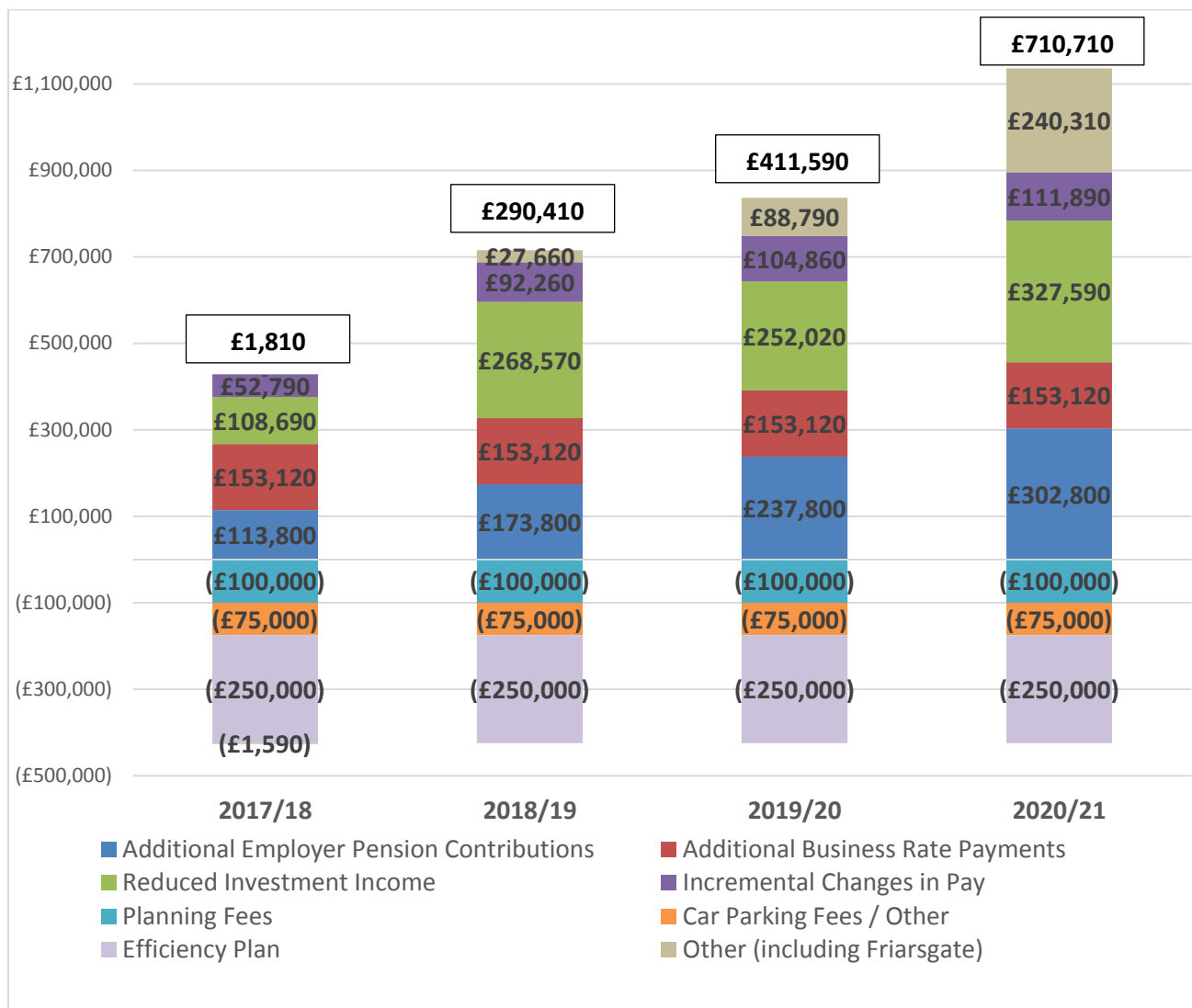
- 3.1 The MTFs covering 2016-20 was approved by Council on 23 February 2016 and included the projected level of Funding Gaps for 2017/18 to 2019/20.
- 3.2 Throughout the financial year, Money Matters reports have been provided to both Cabinet and Strategic (Overview and Scrutiny) Committee at three,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



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



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

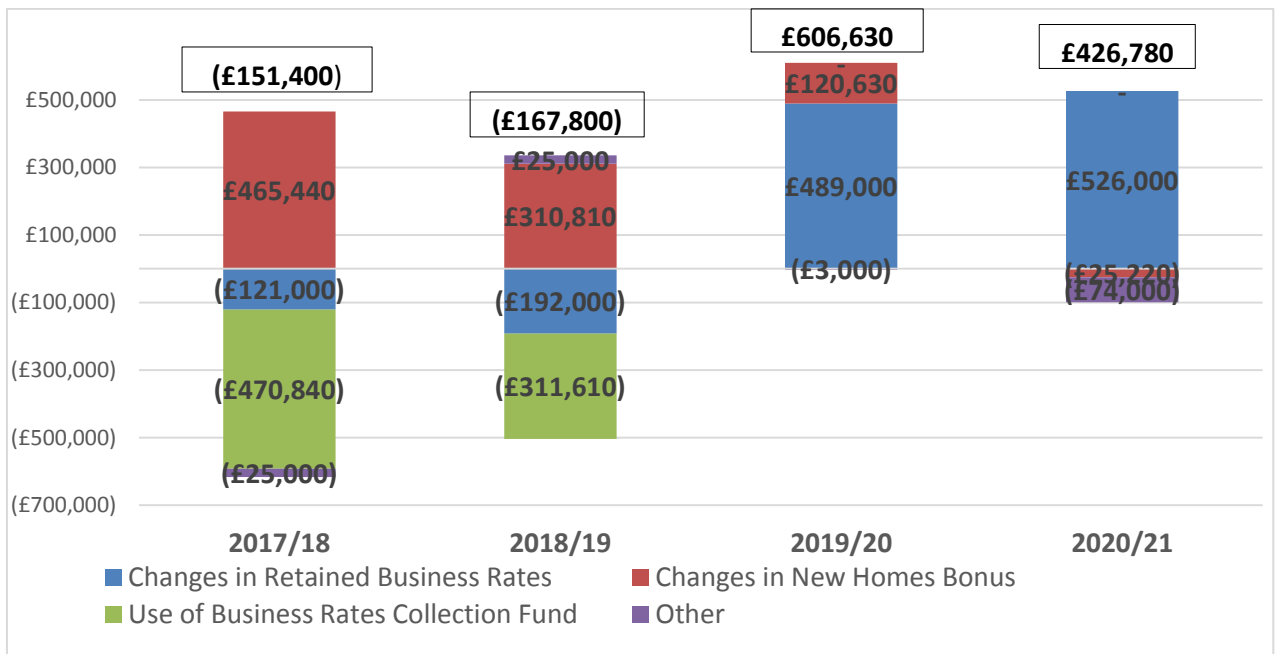


3.9 These increases in expenditure are explained in more detail below:

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

- **Reduced Investment Income** – The level of investment returns was based on our Treasury Management Advisors interest rate forecasts near the end of 2015. These forecasts assumed a gradual increase in interest rates over the period of the MTFs to reflect the improved economic conditions. However, following the EU Referendum result and its immediate impact on the economy, the Bank of England on the 4 August 2016 reduced interest rates to **0.25%** and the rate (or an even lower rate) is now expected to remain for the Medium Term.
- **Incremental and Other Changes in Pay** – this includes salary incremental changes as employee progress through their salary scales.
- **Other (Including Friarsgate)** - including Inflation increases and other general changes. In addition, the financial implications of Friarsgate are based on the report to Cabinet on 1 November 2016 and include a projected cost pressure (in excess of the available Earmarked Reserve) for the project in 2020/21 of **£112,000**.
- **Planning Fees, Car Parking Fees/ Other and a new Efficiency Plan target** – the inclusion of these savings and additional income in the MTFs reflects the projected position for 2016/17 identified in the eight months Money Matters Report.

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



3.11 These changes in funding are explained below:

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

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

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

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

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

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

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

The Capital Strategy

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

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

The Capital Programme

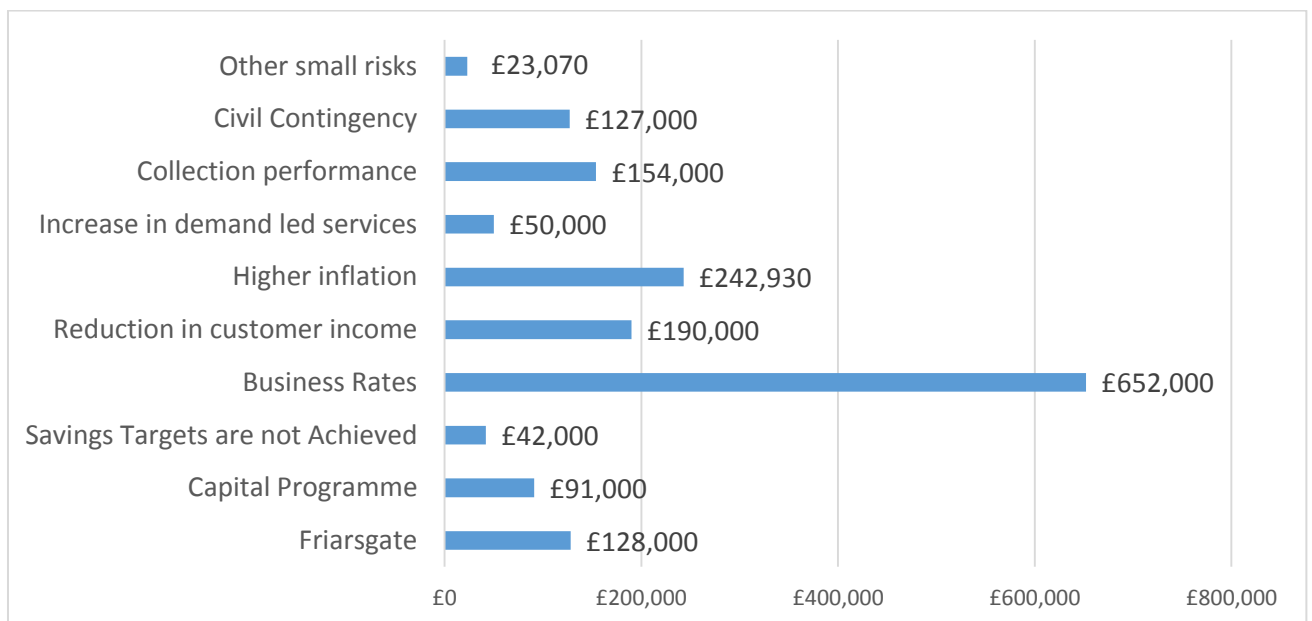
3.16 The Capital Programme is shown at **APPENDIX C** and is the investment plan for the Strategic Plan and beyond. It includes:

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

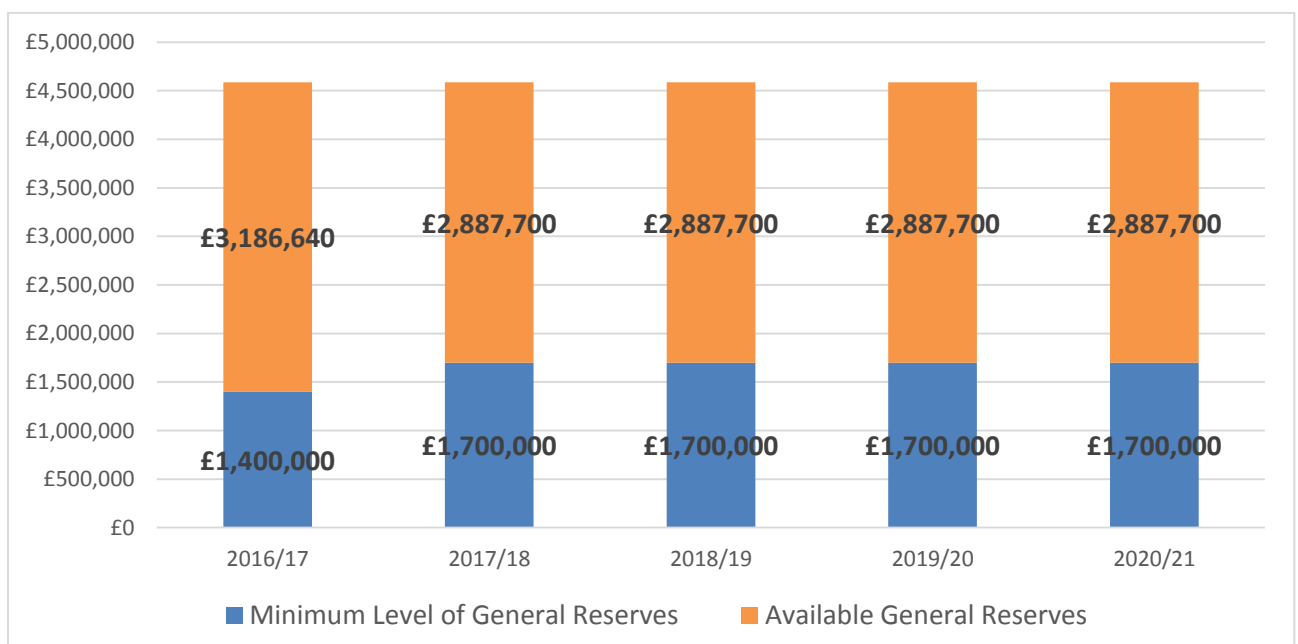
The Use of General Reserves and the Minimum Level

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

3.18 The Approved Minimum Level is **£1,400,000** and the MTF5 projects an increase in this Minimum Level to **£1,700,000**. The main elements of the risk assessment are shown in detail at **APPENDIX D** and are summarised in the graph below:



3.19 The projected level of general reserves categorised by the Minimum Level and the level of reserves available for use by the Council for the MTF5 are shown in the chart below:



Treasury Management

3.20 CIPFA has defined Treasury Management as :

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

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

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

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

3.23 Cash Flow Forecast

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

3.24 Balance Sheet Projections

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

3.25 Minimum Revenue Provision Statement 2016/17

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

3.26 Treasury Management Advice and the Expected Movement in Interest Rates

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

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

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

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

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

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

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

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

Financial Implications

Prudential Indicators (PIs)

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

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

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

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

Equality, Diversity and Human Rights Implications

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

Crime & Safety Issues

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

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

Background documents:

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

The Prudential Code for Capital Finance in Local Authorities.

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

Relevant web link :

The Provisional Local Government Finance Settlement:

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

APPENDIX A

GENERAL FUND TOTAL REQUIREMENT DISTRICT COUNCIL PURPOSES						
FOR FINANCIAL YEARS 2016/17 to 2020/21 ANALYSED BY STRATEGIC PRIORITY AND SERVICE AREA						
BUDGET	2016/17		2017/18	2018/19	2019/20	2020/21
	Original Budget	Revised Budget	Original Budget	Original Budget	Original Budget	Original Budget
	£	£	£	£	£	£
LEVEL OF UNCERTAINTY / RISK	LOW			MEDIUM	HIGH	
Strategic Priority						
A vibrant and prosperous economy	(344,170)	(944,510)	(709,990)	(662,800)	(602,060)	(497,260)
A council that is fit for the future	5,242,500	5,358,160	5,653,680	5,897,350	6,143,370	6,388,830
Healthy and safe communities	1,880,350	1,862,280	1,814,520	1,924,480	2,044,220	2,115,340
Clean, green and welcoming places to live	3,851,380	3,527,450	3,882,240	4,008,490	4,112,950	4,195,650
Efficiency Plan	(350,000)	0	(250,000)	(250,000)	(250,000)	(250,000)
Savings Required	0	0	0	(625,840)	(2,027,710)	(2,318,060)
Net Cost of Services	10,280,060	9,803,380	10,390,450	10,291,680	9,420,770	9,634,500
Service Area						
Chief Executive	849,370	707,760	767,480	774,540	781,680	788,920
Finance & Procurement	984,000	1,412,960	1,489,630	1,659,780	1,830,980	2,000,960
Legal, Property & Democratic Services	296,130	23,590	281,610	291,870	323,430	341,360
Revenues, Benefits and Customer Services	723,570	570,130	701,630	748,860	793,250	813,410
Corporate Services	2,434,330	2,393,600	2,313,110	2,366,270	2,421,600	2,478,880
Leisure & Operational Services	2,522,060	2,523,000	2,514,620	2,653,380	2,825,190	2,912,430
Development Services	181,530	(44,920)	39,360	54,570	68,670	80,200
Economic Growth	16,770	(220,140)	30,530	55,550	72,700	151,150
Regulatory Services, Housing & Wellbeing	1,348,170	1,230,940	1,279,760	1,292,740	1,306,510	1,319,070
Waste Services	1,274,130	1,206,460	1,222,720	1,269,960	1,274,470	1,316,180
Efficiency Plan	(350,000)	0	(250,000)	(250,000)	(250,000)	(250,000)
Savings Required	0	0	0	(625,840)	(2,027,710)	(2,318,060)
Net Cost of Services	10,280,060	9,803,380	10,390,450	10,291,680	9,420,770	9,634,500
Net Treasury Position	(25,000)	(87,340)	(15,600)	(7,200)	(6,800)	(6,450)
Revenue Contributions to the Capital Programme	154,000	181,500	154,000	154,000	154,000	154,000
Net Operating Cost	10,409,060	9,897,540	10,528,850	10,438,480	9,567,970	9,782,050
Less : Transfer (from) / to General Reserve	8,560	307,500	1,060	0	0	0
Less : Transfer (from) / to Earmarked Reserves	108,020	258,960	504,840	(862,480)	(274,970)	(2,050)
Amount to be met from Government Grants and Local Taxpayers	£10,525,640	£10,464,000	£11,034,750	£9,576,000	£9,293,000	£9,780,000

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

Amount to be met from Government Grants and Local Taxpayers	11,034,750	9,576,000	9,293,000	9,780,000
Use of General Reserves / Funding Gap	(1,060)	625,840	2,027,710	2,318,060
Total Expenditure	£11,033,690	£10,201,840	£11,320,710	£12,098,060

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

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

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

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

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

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

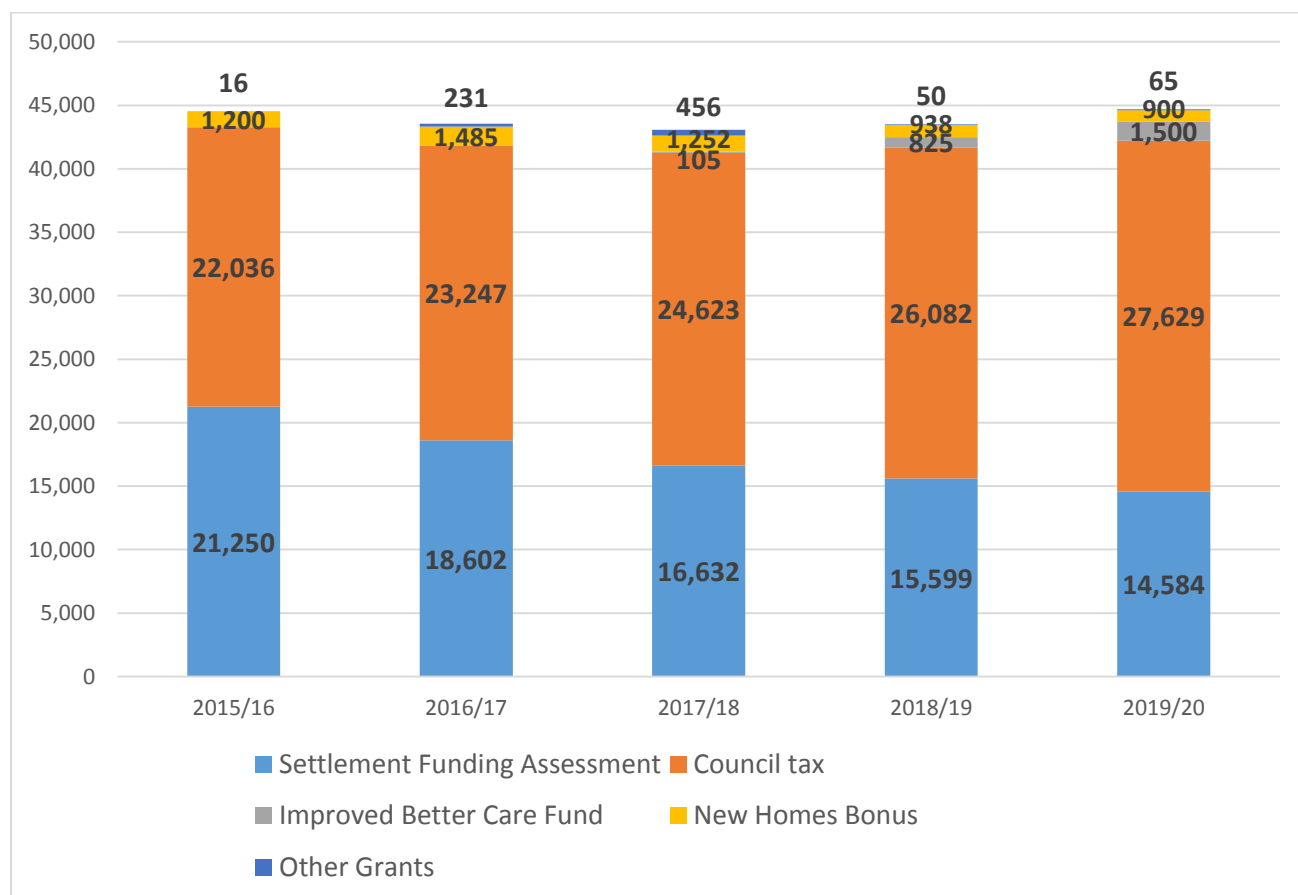
Revenue Budget

The Provisional Local Government Settlement

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

Core Spending Power

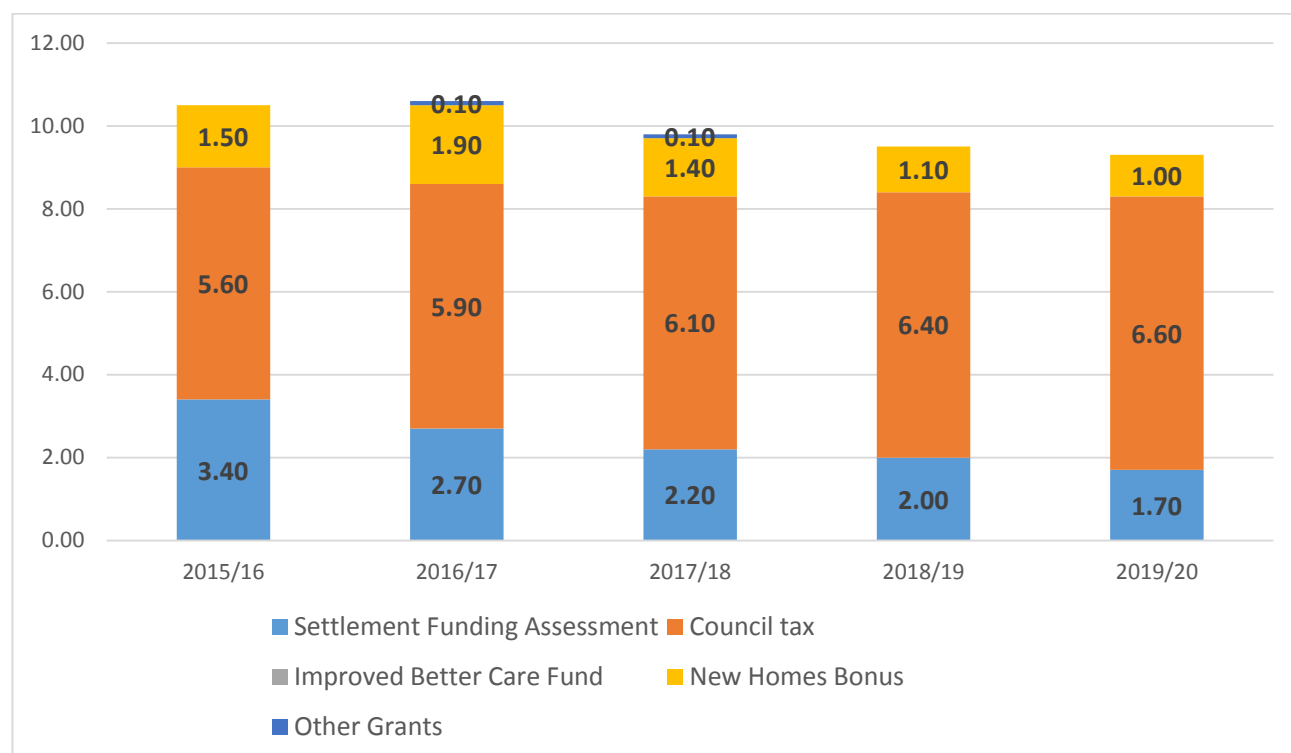
4. The Settlement Funding Assessments (SFA) and Core Spending Powers for all Councils in England in £m are shown in the chart below :



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

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

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



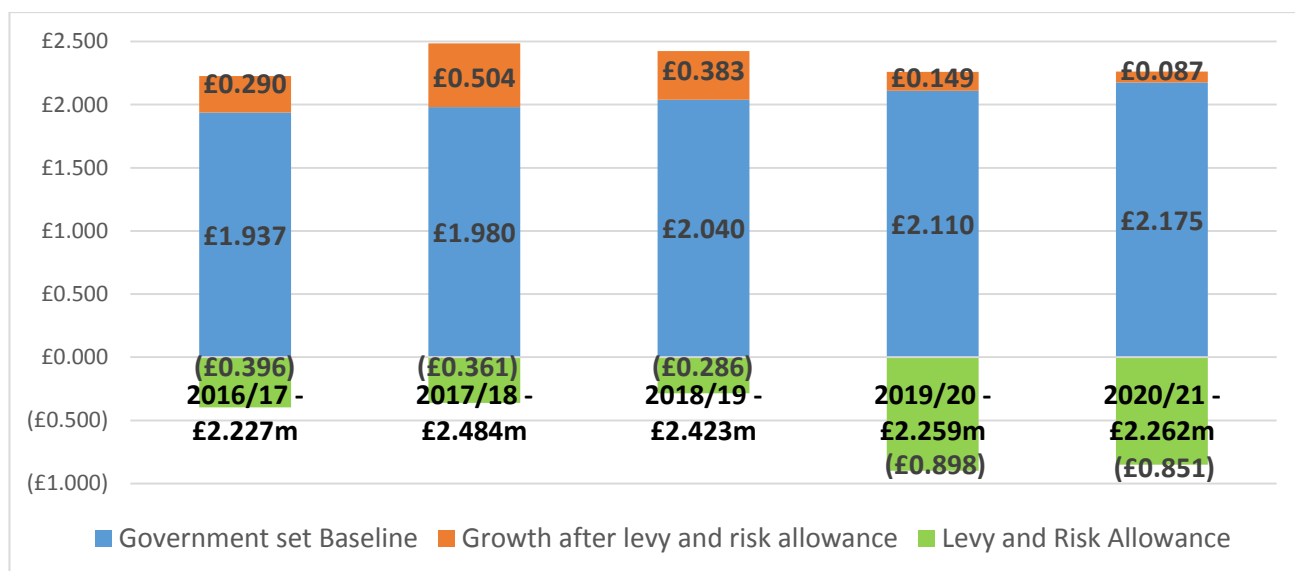
7. These figures show a reduction in Core Spending Power from 2015/16 to 2019/20 of **£1.2m** or **11.3%**.

8. Using these *notional* core spending power figures, the equivalent Settlement Funding Assessment percentage reduction is **18.52%** in 2017/18 in comparison with adjusted core spending power 2016/17.

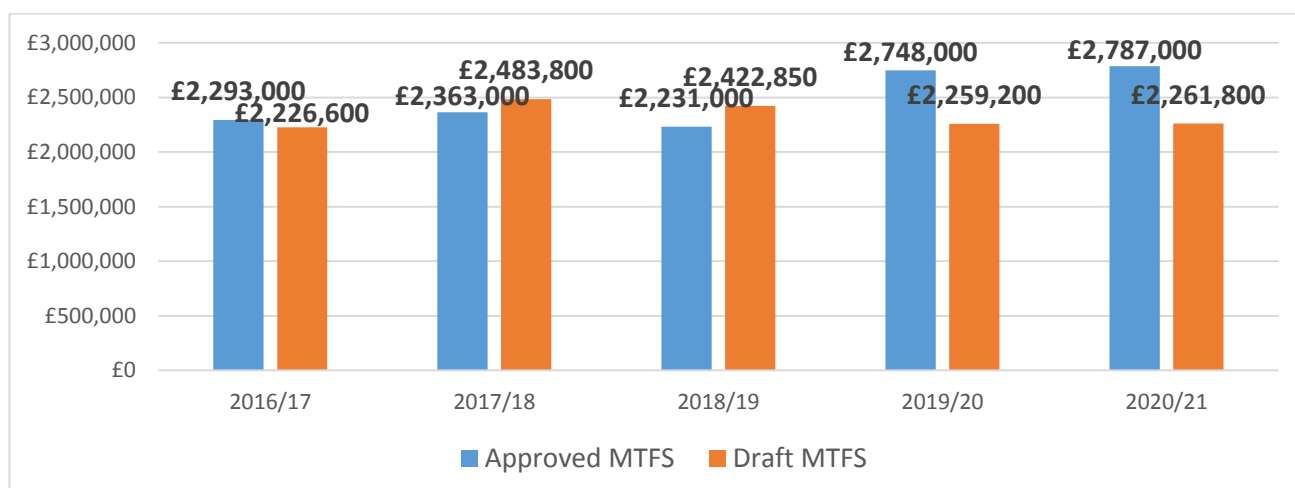
9. Revenue Support Grant (RSG) for 2017/18 represents **9%** (30% in 2016/17) of the Settlement Funding Assessment for the Council. RSG Funding for 2016/17 is **(£773,000)** and is reduced by **£537,000** or **69%** to **(£236,000)** for 2017/18 in comparison with 2016/17.

Retained Business Rates

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

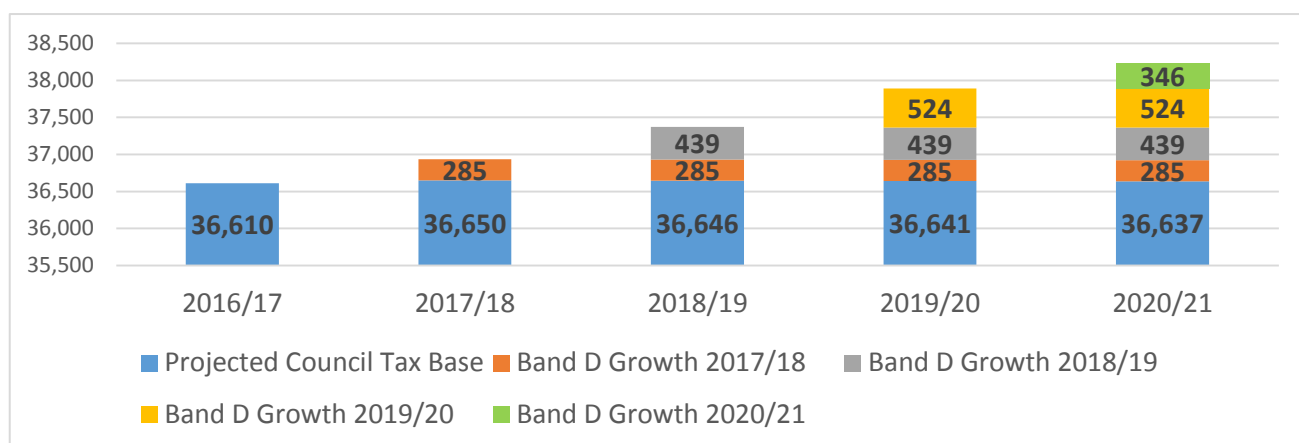


14. A summary of how these projections in the MTFS compare to the Approved MTFS are shown in the chart below:



Council Tax Base (CTB) Projections

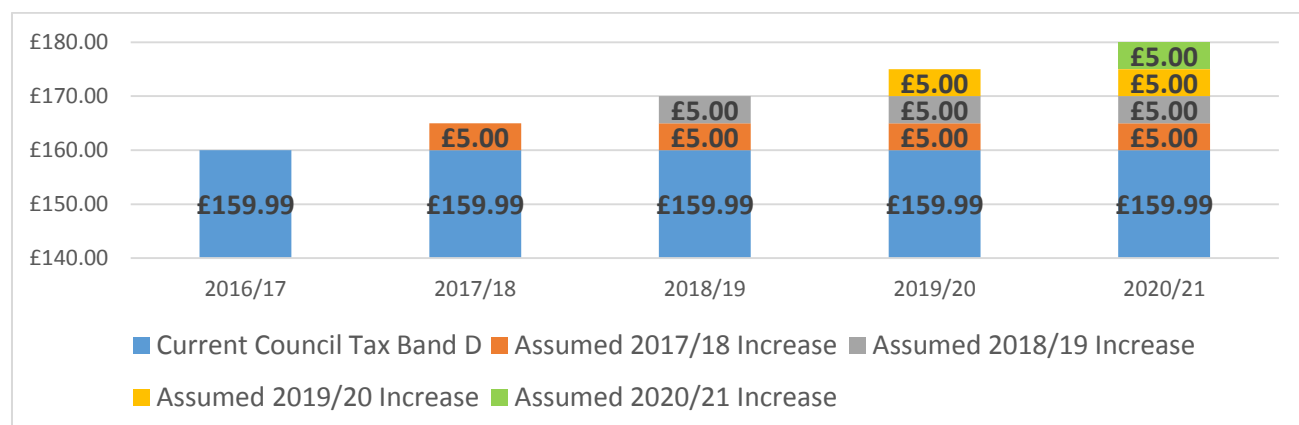
15. The projections include the following key assumptions on Taxbase growth:



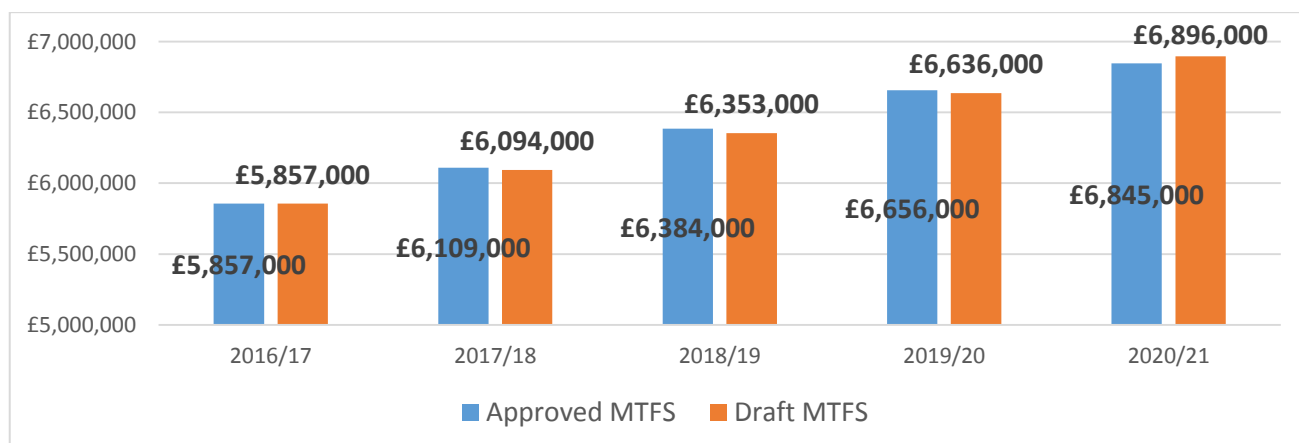
Modelled Council Tax Increase

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

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

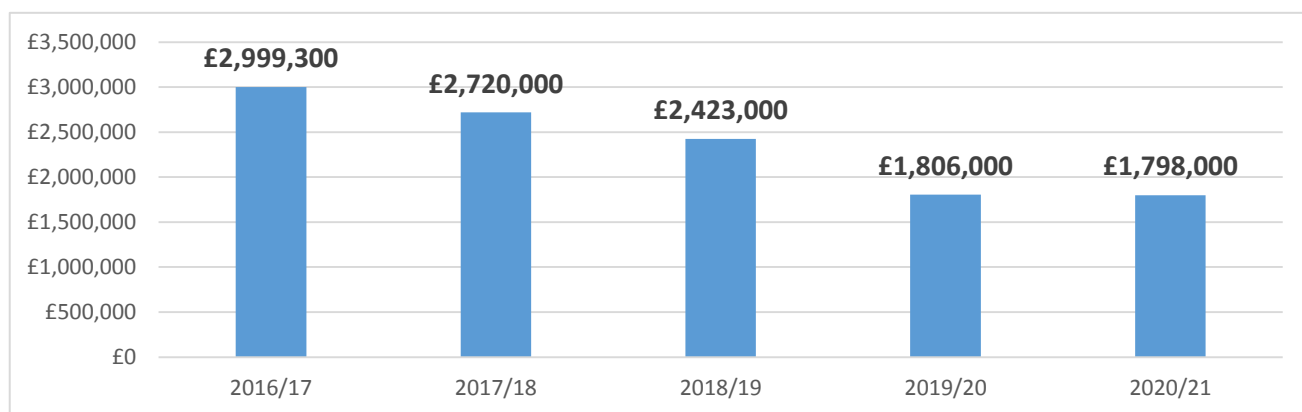


18. A summary of how these Council Tax income projections in the MTFS compare to the Approved MTFS are shown in the chart below:

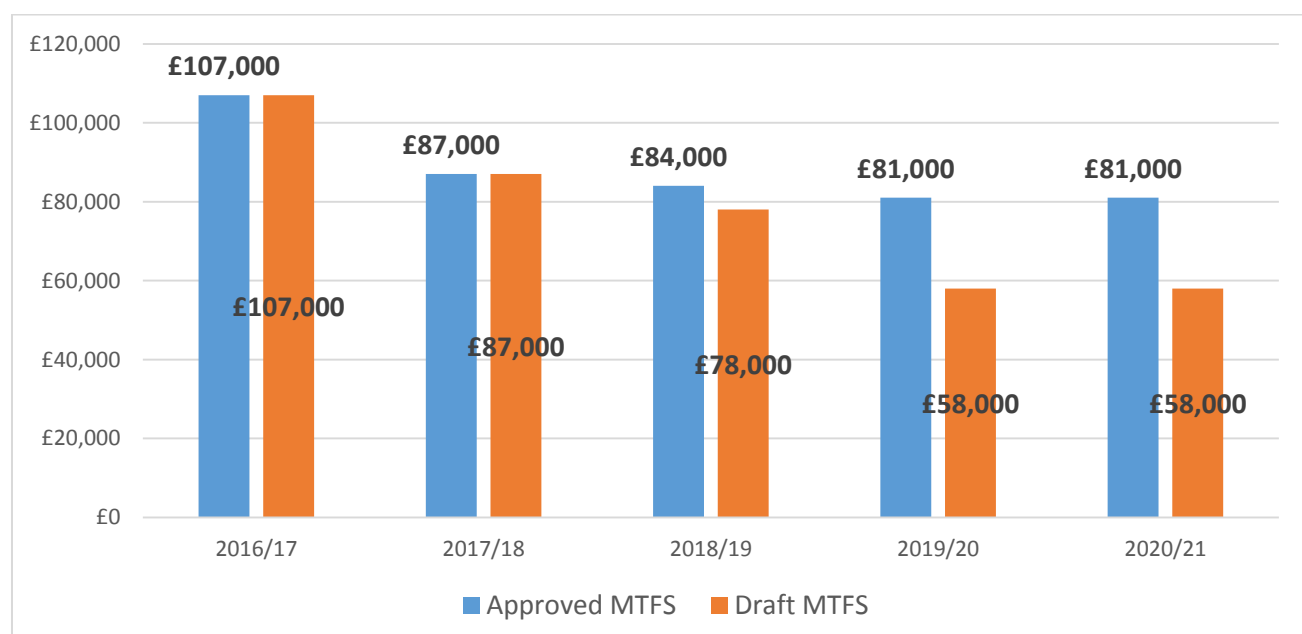


Parish Local Council Tax Support

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

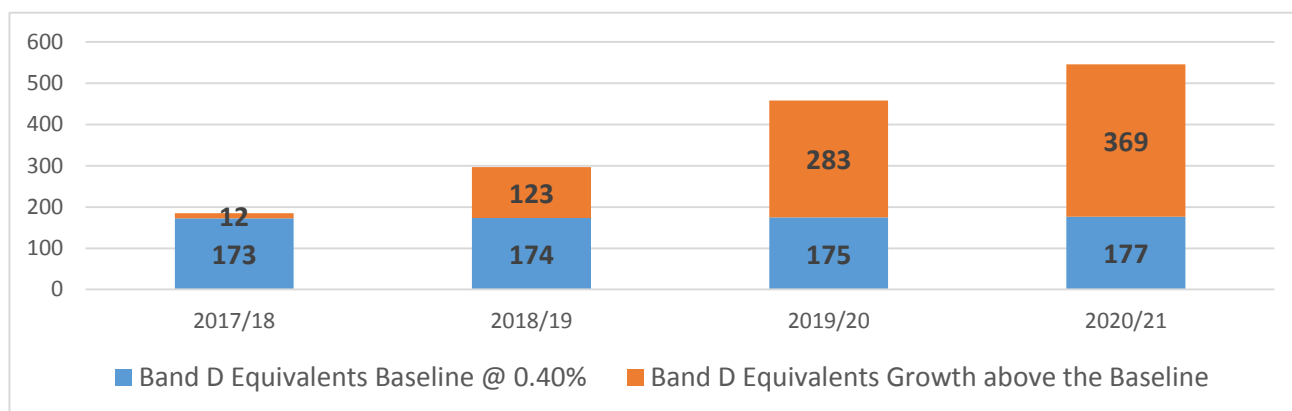


23. The use of the District Council’s SFA based figures provides a basis to determine the percentage change in funding allocated to parishes for LCTS. An alternative would be to use Government’s Core Spending Power which includes Council Tax and New Homes Bonus.
24. It is proposed that for 2017/18, a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

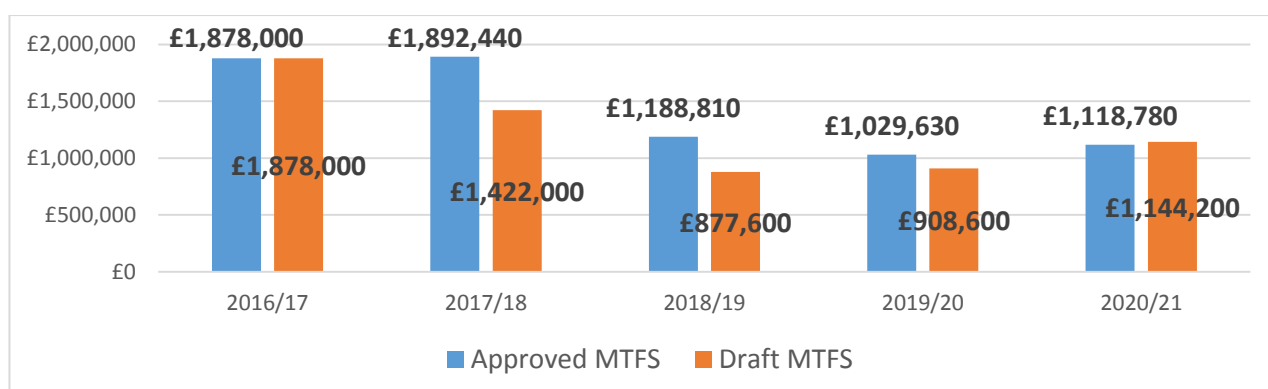


New Homes Bonus

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



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



Resourcing our Investment Plans : The Capital Programme

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

The Capital Strategy

Project Identification and Prioritisation

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

Project Prioritisation

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

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

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

The Disposal of Assets.

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

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

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

² Council Meeting held 30 September 2014.

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

Project and Service Procurement

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

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

Project Implementation and Monitoring

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

Performance Measurement

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

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

Full Capital Programme 2016-21

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

Funding the Full Capital Programme 2016-21

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

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

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

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

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

Revenue Implications

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

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

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

Context

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

Adequacy of Reserves

83. The CFO assesses and determines the appropriate level of Reserves and Provisions using a variety of mechanisms, including :

- Being significantly involved in the Budget setting process, the annual financial cycle and engaged in the strategic leadership of the organisation as a member of the Leadership Team including wider corporate roles beyond that of finance;
- Leading and writing on the annual revision of the MTFs;
- Challenging the budget at various stages of preparation, including the reasonableness of the key budget assumptions and sensitivities such as estimates for inflation and corporate financial pressures, realism of income targets and the extent to which known trends and liabilities are provided for :
 - Meetings with specific colleagues to examine particular areas or issues;
 - An in-depth review of the financial risks assessment;
 - Review of the movements, trends (including a comparison to the level at other Councils) and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
 - The use of professional experience and best professional judgement;
 - The use of appropriate professional, technical guidance and local frameworks;
 - Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
 - Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements. This is undertaken in consultation with relevant colleagues and Members of the Cabinet.

84. It is prudent for Councils to maintain an adequate 'working balance', that is part of General Reserves. A Risk Assessment approach is used to determine the required level of General Reserves and Provisions.

85. The Council's aim is to have a prudent level of General Reserves available for unforeseen financial risks. The Council projects general reserves of **£4,586,640** at 31 March 2017. The minimum level of Reserves for 2017/18 onwards is **£1,700,000** and has been determined by Risk Assessment. This is **15%** of the amount to be met from Government Grants and Local Taxpayers in 2017/18 of **£11,034,750**.

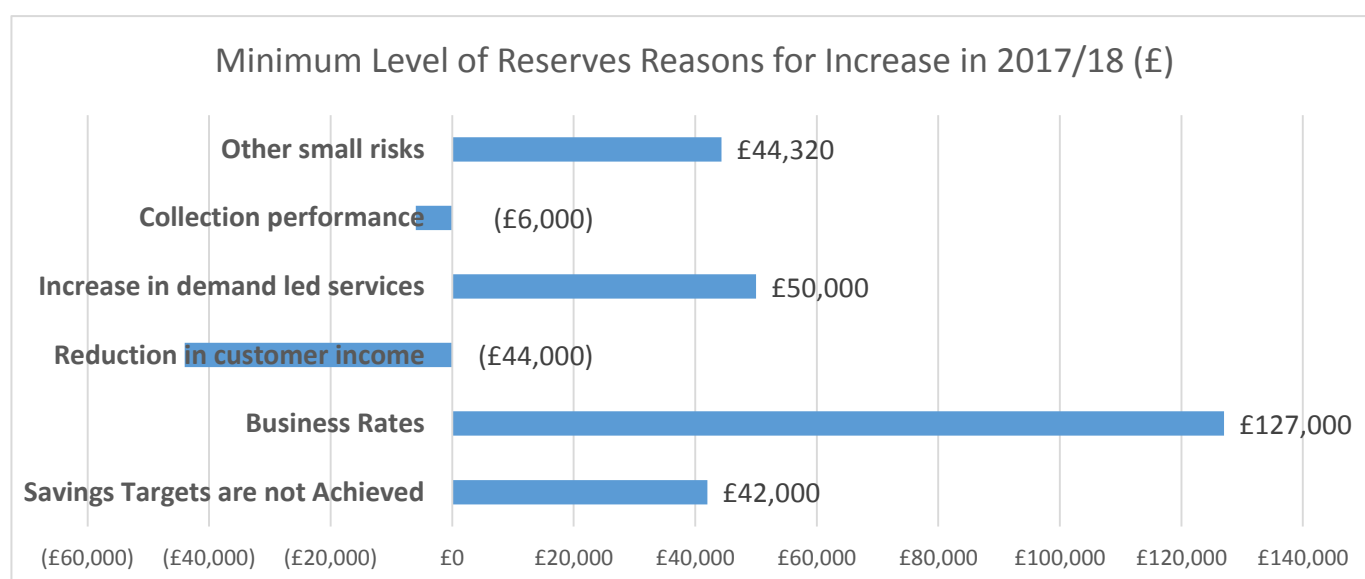
86. In recommending an adequate level of Reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of Reserves and Balances and compares these to the benefits accrued from having such Reserves. The opportunity cost of maintaining a specific level of Reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements.

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

Use of General Revenue Reserves

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

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



Other Reserves (in addition to General Reserves)

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

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

93. Ongoing review of Earmarked Reserves will take place as part of the Money Matters Reports to ensure we are only holding funds for known and essential purposes.

94. The Council also holds other Unusable Reserves that arise out of the interaction of legislation and proper accounting practice and the Balance Sheet projections are shown in the table below :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Balance Sheet Projections 2017-21

(Figures may not sum due to rounding)

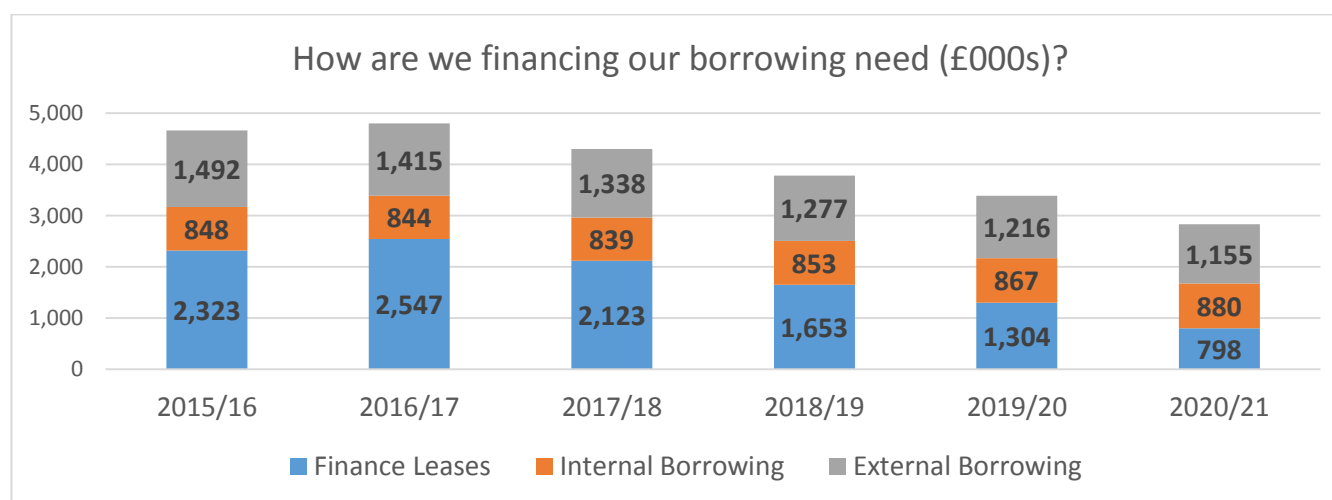
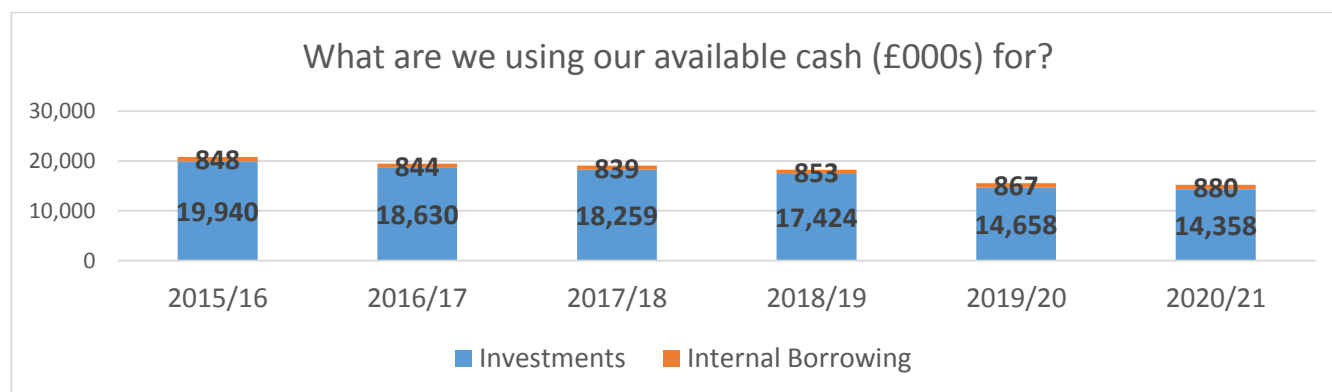
	Type	2015/16 Actual £000s	2016/17 Budget £000s	2017/18 Budget £000s	2018/19 Budget £000s	2019/20 Budget £000s	2020/21 Budget £000s
Property, Plant and Equipment	CFR	41,635	41,820	42,920	42,100	43,343	42,366
Heritage Assets	CFR	515	515	515	515	515	515
Investment Property	CFR	5,572	5,572	3,775	3,775	3,775	3,775
Intangible Assets	CFR	119	49	49	49	49	49
Assets Held for Sale	CFR	80	0	0	0	0	0
Investments	INV	19,940	18,630	18,259	17,424	14,658	14,358
Borrowing	BOR	(1,492)	(1,415)	(1,338)	(1,277)	(1,216)	(1,155)
Finance Leases	LEA	(2,323)	(2,547)	(2,123)	(1,653)	(1,304)	(798)
Working Capital	CRED	(7,174)	(7,102)	(6,688)	(6,688)	(6,667)	(6,662)
Pensions	PEN	(35,820)	(35,820)	(35,820)	(35,820)	(35,820)	(35,820)
TOTAL ASSETS LESS LIABILITIES		£21,051	£19,701	£19,548	£18,424	£17,331	£16,627

<u>Unusable Reserves</u>							
Revaluation Reserve	CFR	(6,571)	(6,491)	(6,491)	(6,491)	(6,491)	(6,491)
Capital Adjustment Account	CFR	(36,687)	(36,659)	(36,468)	(36,165)	(37,804)	(37,381)
Deferred Credits	CRED	(47)	(47)	(47)	(47)	(47)	(47)
Pension Scheme	PEN	35,820	35,820	35,820	35,820	35,820	35,820
Benefits Payable During Employment Adjustment Account	CRED	213	213	213	213	213	213
Collection Fund	BAL	46	829	0	0	0	0
<u>Usable Reserves</u>							
Unapplied Grants and Contributions - General	BAL	(759)	(734)	(4)	(4)	(4)	(4)
Unapplied Grants and Contributions - Cannock Chase	BAL	(20)	(20)	(20)	(20)	(20)	(20)
Unapplied Grants and Contributions - Section 106	BAL	(465)	(430)	(31)	(31)	(30)	(15)
Unapplied Grants and Contributions - Revenue	BAL	0	0	0	0	0	0
Usable Capital Receipts	BAL	(2,094)	(1,695)	(2,150)	(1,342)	(445)	(366)
Usable Capital Receipts - Arts Statue	BAL	(134)	(134)	(134)	(134)	(134)	(134)
Burntwood Leisure Centre Sinking Fund	BAL	(345)	(215)	(45)	(3)	0	0
Burntwood Leisure Centre Synthetic Pitch Sinking Fund	BAL	(29)	(29)	(29)	(29)	(29)	(29)
City Centre Redevelopment Sinking Fund	BAL	(25)	(25)	(25)	(25)	(25)	(25)
King Edwards Leisure Centre Sinking Fund	BAL	(17)	(17)	(17)	(17)	(17)	(17)
Lombard Street Car Park Sinking Fund	BAL	0	0	0	0	0	0
Elections	BAL	(129)	(129)	(129)	(129)	(129)	(129)
Promotion of District	BAL	0	0	0	0	0	0
Public Open Spaces	BAL	(447)	(447)	(447)	(447)	(447)	(447)
Three Spires Multi Storey	BAL	(1,716)	(1,866)	(2,016)	(2,166)	(466)	(466)
Building Regulations	BAL	(146)	(146)	(146)	(146)	(146)	(146)
Other Earmarked Reserves	BAL	(3,199)	(2,871)	(2,775)	(2,654)	(2,523)	(2,335)
Grant Aid - Development	BAL	(20)	(20)	(20)	(20)	(20)	(20)
Depot Sinking Fund	BAL	0	0	0	0	0	0
General Fund Balance	BAL	(4,279)	(4,587)	(4,587)	(4,587)	(4,587)	(4,587)
TOTAL EQUITY		(£21,051)	(£19,701)	(£19,548)	(£18,424)	(£17,331)	(£16,627)

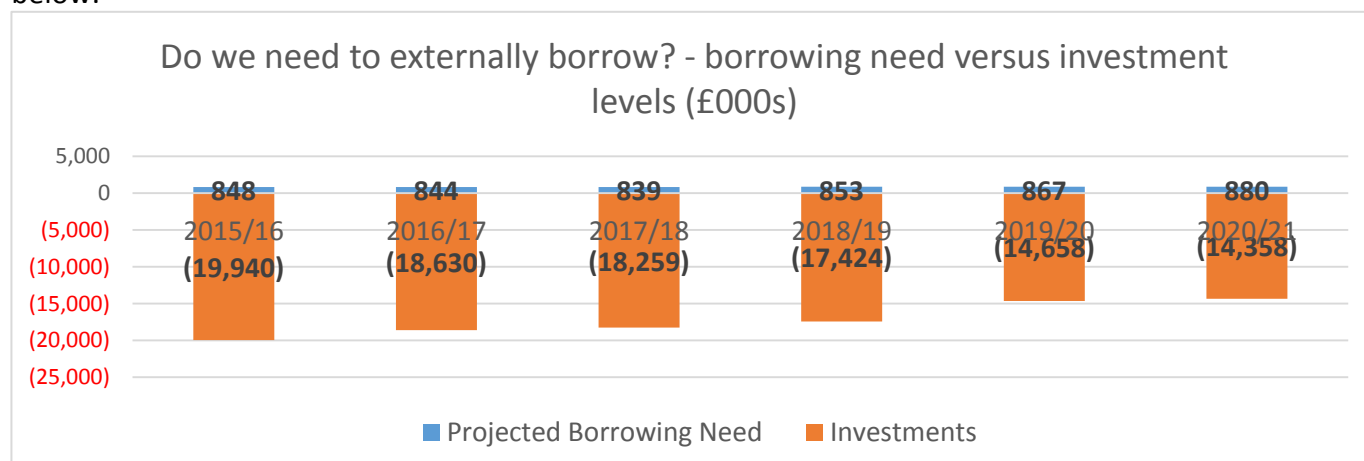
Borrowing Requirement and Strategy

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

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



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



Minimum Revenue Provision Statement 2017/18

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

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

The four Minimum Revenue Provision options available are:

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

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

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

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

In relation to Minimum Revenue Provision, the Council will:

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

Treasury Management

Introduction and Background

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

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

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

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

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

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

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

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

Policies and Objectives of Treasury Management Activities

The Council defines its treasury management activities as:

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

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

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

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

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

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

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

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

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

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

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

What if:

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

Borrowing Strategy

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

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

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

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

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

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

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

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

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

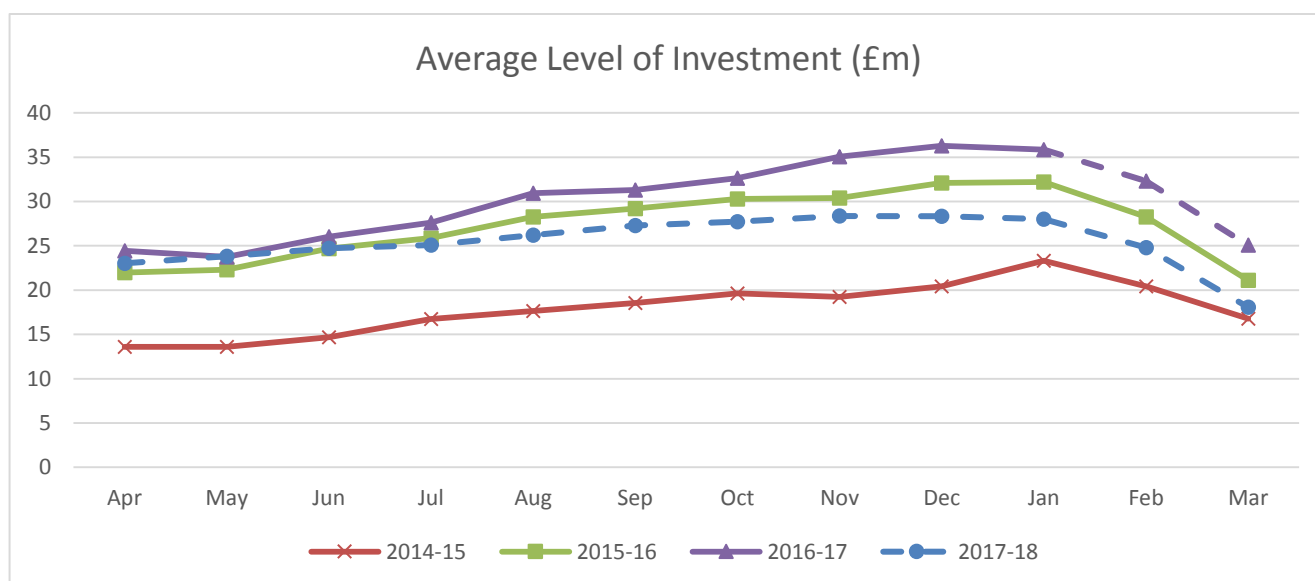
LGA Bond Agency: the UK Municipal Bonds Agency Plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for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

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

Investment Strategy

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

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



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

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

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

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

Table 1: Approved Investment Counterparties and Limits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Treasury Management Strategy

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

Other Items

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

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

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

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

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

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

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

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

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

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

Prudential Indicators 2016-21

1. Background:

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

2. Gross Borrowing and the Capital Financing Requirement:

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

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

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

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

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

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

4. Ratio of Financing Costs to Net Revenue Stream:

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

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

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

5. Capital Financing Requirement:

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

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

6. Actual External Debt:

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

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

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

7. Incremental Impact of Capital Investment Decisions:

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

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

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

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

8. Authorised Limit and Operational Boundary for External Debt:

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

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

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

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

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

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

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

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

9 Adoption of the CIPFA Treasury Management Code:

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

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

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

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

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

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

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

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

⁴ At nominal value.

12. Maturity Structure of Fixed Rate borrowing:

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

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

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

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

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

The Medium Term Financial Strategy (Revenue and Capital) 2016-21 (MTFS) – Audit Trail of Updates

Agreed by Cabinet on 7 February 2017



Report of the Cabinet Member for Finance and Democracy

Date: 21 February 2017

Agenda Item: 11(b)

Contact Officers: Diane Tilley/Anthony Thomas

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Key Decision? **YES**

Local Ward Members Full Council

COUNCIL

1. Executive Summary

The Medium Term Financial Strategy

1.1 The Medium Term Financial Strategy was updated by Cabinet on 7 February 2017 for the following changes:

- The inclusion of a further Efficiency Plan Base Budget reduction target of **(£250,000)**.
- To reflect the additional income identified in the Money Matters eight months report, the base budget for Planning Fees has been increased by **(£100,000)**.
- To reflect the additional income and savings identified in the Money Matters eight months report, the base budget for car Parking Fees / Other Savings has been increased by **(£75,000)**.

1.2 These changes together with the revised Funding Gap are shown in the table below:

	2017/18	2018/19	2019/20	2020/21
Level of Uncertainty	Low	Medium	High	High
Funding Gap	£423,940	£1,050,840	£2,452,710	£2,743,060
Efficiency Plan	(£250,000)	(£250,000)	(£250,000)	(£250,000)
Planning Fees	(£100,000)	(£100,000)	(£100,000)	(£100,000)
Car Parking Fees / Other	(£75,000)	(£75,000)	(£75,000)	(£75,000)
Revised Funding Gap	(£1,060)	£625,840	£2,027,710	£2,318,060
Contribution to general reserves	£1,060			
Savings to be identified		£625,840	£2,027,710	£2,318,060

1.3 These changes impact on a number of areas of the Medium Term Financial Strategy:

MTFS Reference	Update Details
Page 1, Paragraph 1.4	Text reflects a contribution to General Reserves in 2017/18 and the Funding Gap graph has been updated to: <ul style="list-style-type: none"> • 2017/18 Funding Gap £423,940 becomes a contribution to General Reserves of (£1,060) an update of (£425,000). • 2018/19 Funding Gap £1,050,840 becomes £625,840, an update of (£425,000). • 2019/20 Funding Gap £2,452,710 becomes £2,027,710, an update of (£425,000). • 2019/20 Funding Gap £2,743,060 becomes £2,318,060, an update of (£425,000).
Page 2, Paragraph 1.6	Text updated to reflect a transfer to General Reserves of £1,060 for 2017/18 (was a contribution from General Reserves of (£423,940)) and available General Reserves increases from £2,462,700 to £2,887,700 , an increase of £425,000 .
Page 3, Paragraph 2.1	Included reference to the recommended increase in Council Tax Band D of £5 and the percentage increase of 3.1% .
Page 4, Paragraph 3.4	Funding Gaps and increases updated to: <ul style="list-style-type: none"> • 2017/18 Funding Gap updated to (£1,060) and increase is (£149,590). • 2018/19 Funding Gap updated to £625,840 and increase is £122,610. • 2018/19 Funding Gap updated to £2,027,710 and increase is £1,018,220. • 2019/20 Funding Gap updated to £2,318,060 and increase is £1,137,490.
Page 4, Paragraph 3.5	Changes in expenditure and totals updated to: <ul style="list-style-type: none"> • 2017/18 total updated to (£149,590), was £275,410. • 2018/19 total updated to £122,610, was £547,610. • 2019/20 total updated to £1,018,220, was £1,443,220. • 2020/21 total updated to £1,137,490, was £1,562,490.
Page 5, Paragraph 3.8	Included savings and additional income of (£425,000) in 2017/18, 2018/19, 2019/20 and 2020/21. <ul style="list-style-type: none"> • 2017/18 total £1,810, was £426,810. • 2018/19 total £290,410, was £715,410. • 2019/20 total £411,590, was £836,590. • 2020/21 total £710,710, was £1,135,710.
Page 6, Paragraph 3.9	New bullet point added to explain the Planning Fees, Car Parking Fees / Other and a new Efficiency Plan target.
Page 8, Paragraph 3.19	Available General Reserves in 2017/18, 2018/19, 2019/20 and 2020/21 updated from £2,462,700 to £2,887,700 , an increase of £425,000 .
Page 13, APPENDIX A	Inclusion of the Efficiency Plan and Income of (£425,000) in 2017/18, 2018/19, 2019/20 and 2020/21. 2017/18 – contribution to reserves of £1,060 (was a contribution from General Reserves of (£423,940)). 2018/19 – Savings Required £625,840 (was £1,050,840). 2019/20 – Savings Required £2,027,710 (was £2,452,710). 2020/21 – Savings Required £2,318,060 (was £2,743,060).
Page 28, APPENDIX E	Balance Sheet Projections for the General Fund Balance updated to £4,587,000 for 2017/18 to 2020/21 (also impacts on Investment Projections).

MTFS Reference	Update Details
Page 29, APPENDIX E	What are we using our available cash for? and Do we need to externally borrow? graphs for investment projections have been updated to reflect the updated General Fund Balance for 2017/18 to 2020/21 of £4,587,000 .



Lichfield District Council
Community Infrastructure Levy
Regulation 123 List

Effective from **Day/Month/2016**

What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a charge on development, calculated on a £ per square metre (sq.m) basis of development. CIL is intended to be used to help fund infrastructure to support the development of an area rather than making an individual planning application acceptable in planning terms, which is the purpose of Section 106 Agreements. CIL does not fully replace Section 106 Agreements. For more information you can also:

- Visit the Council's CIL web pages: www.lichfielddc.gov.uk/CIL
- Read the CIL Planning Policy Guidance (PPG):
<http://planningguidance.communities.gov.uk/blog/guidance/community-infrastructure-levy/>
- Email: CIL@lichfielddc.gov.uk
- Call Lichfield's Planning enquiry line: 01543 308174
- Visit the [Planning Portal](#).
- Lichfield District Council's Planning Obligations Supplementary Planning Document

What is this document?

CIL income from new development can be spent on anything that constitutes "infrastructure" as defined by Regulation 216 of the 2008 Planning Act and the CIL Regulations 2010 (as amended). This includes but is not limited to: roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces. Regulation 123 of the CIL Regulations 2010 (as amended) sets out the need for local authorities to produce a list of "relevant infrastructure" which will be funded in whole or part by the CIL.

The Community Infrastructure Regulations 2010 (as amended) restricts the use of planning obligations secured through S106 agreements for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy. This is to ensure there is no duplication between CIL and planning obligations in funding the same infrastructure projects. In addition, a development should not have to contribute twice towards the same piece of highways infrastructure through works carried out under Section 278 of the Highways Act 1980, and monies or land provided through CIL. The CIL Regulations 2010 (as amended) prescribe that a condition must not be imposed on the grant of planning permission to require a highway agreement for the funding or provision of infrastructure that is included on the Regulation 123 list, nor must a planning condition be used that prevents or restricts the carrying out of development (sometimes referred to as a 'Grampian condition') until a highway agreement has been entered into which is also included on the Regulation 123 list of infrastructure.

The relationship between CIL and planning obligations is explained in the Planning Practice Guidance¹ where it notes that it is possible that site specific mitigation may still be necessary subject to certain limits, namely:

¹ Paragraphs 93 to 107; Reference ID:25-093-20140612 to Reference ID: 25-107-20140612

- The application of the statutory test with respect to planning obligations (Regulation 122);
- Ensuring no overlap between CIL and planning obligations as noted above; and
- Imposing a limit on pooled contributions from planning obligations towards infrastructure that may be funded by the levy.

The list below sets out those infrastructure projects that Lichfield District Council currently intends may be wholly or partly funded by CIL, together with clarification notes and S106 requirements. The order in the table does not imply any order of preference for spend, it just signifies projects that will be considered by the council in its decision as to what might receive CIL funding. This list will be updated on a regular basis, taking into account the Council's Infrastructure Delivery Plan (IDP) and any changes to the CIL regulations.

Transport	
Infrastructure to be funded in whole or in part by CIL	Notes
<p>Completion of the Lichfield Southern Bypass via provision of new underbridge section.</p>	<ul style="list-style-type: none"> • Section from east of new bridge structure to London Road to be delivered by developer as part of site access road layout. • New underbridge section will be funded by existing s106 and possible Local Growth Fund. • Section to west of new bridge to be delivered on land currently owned by developers.
<p>Improvements to the Strategic Highway Network as identified by the Highways England at:</p> <ul style="list-style-type: none"> • Muckley Corner • Swinfen • Further junction improvements and safer access to A38 (Hilliards Cross and Fradley South) 	<p>CIL funds may be used to form part of package for Local Enterprise Partnership (LEP) bids.</p>
<p>Transport improvement scheme from the integrated Transport Strategy for Lichfield:</p> <p>Lichfield City Centre Transport Package including:</p> <ul style="list-style-type: none"> • Bus network improvements • Cycle and walking routes within the City • Electric Charging Points • Delivery of a traffic directional signage scheme. • Designated Coach Parking area • Real Time Passenger Information, including signage to car parks <p>East Lichfield Local Transport Package (including Fradley) including:</p>	<p>Delivery of other schemes/projects within the District Integrated Transport Strategy not listed will continue to be delivered via S106 and/or Planning Condition where appropriate'.</p>

- HGV routing and parking arrangements in Fradley

Burntwood Transport Package including:

- Cannock Road – public realm enhancements and access modifications
- Improved walking and cycling links from southern to northern Burntwood
- Bus access and service improvements linking to Cannock and Lichfield
- Burntwood Bus interchange

District wide measures including

- A5 (T) and A38 (T)
- Route signage Lichfield to Tamworth

Education	
Infrastructure to be funded in whole or in part by CIL	Notes
<p>Primary Education</p> <p>Primary School provision to deliver the Local Plan Strategy will be generated through S106 agreements apart from the following projects that may benefit from CIL funds:</p> <ul style="list-style-type: none"> • A 105 place expansion of Hob Hill Primary School, Rugeley to increase the school from 210 to 315 places • A 77 place expansion of All Saint's Alrewas Primary School to increase the school from 238 places to 315 places 	<p>S106 agreements will be required to secure the provision of primary education facilities to mitigate the need generated by site specific developments, and growth within the Strategic Development Allocations (SDAs) identified in the Lichfield District Local Plan as:</p> <ul style="list-style-type: none"> • South of Lichfield • Deans Slade Farm • Cricket Lane • East of Lichfield (Streethay) • Fradley • East of Burntwood Bypass • East of Rugeley • North of Tamworth (BDL)
<p>Secondary Education</p> <p>Delivery of Five Forms of Entry of additional secondary education facilities through:</p> <ul style="list-style-type: none"> • Expansion to Nether Stowe School • Expansion to The Friary School • Expansion to King Edward VI School 	<p>CIL provides for the required secondary pupil places for the growth in housing in Lichfield City and its immediate environs. Housing development elsewhere in the District which does not feed into the three Lichfield City secondary schools will where necessary contribute via S106 to projects at other schools to provide places to mitigate their developments' impact.</p>

Open Spaces, Sporting and Recreational Facilities

Infrastructure to be funded in whole or in part by CIL

Notes

Open Space

Improvements to open space provision, including play provision for key sites, in line with the Open Space Assessment.

S106 agreements will be required to secure the on-site provision and maintenance of recreation and open space needs generated by growth within the Strategic Development Allocations (SDAs) and the North of Tamworth Broad Development Location identified in the Lichfield District Local Plan as:

- South of Lichfield
- Deans Slade Farm
- Cricket Lane
- East of Lichfield (Streethay)
- Fradley
- East of Burntwood Bypass
- East of Rugeley
- North of Tamworth Broad Development Location

Indoor Sports

CIL funds may be spent on improving indoor sports provision to serve Lichfield City and its hinterland as set out in the Swimming Pool and Sports Hall Feasibility Study 2013.

No specific elements for indoor sports provision have been identified for new S106 funding.

Playing Pitches

CIL funds may be spent on improving playing pitch provision in line with the deficiencies identified in the Playing Pitch, Tennis and Bowls Strategy.

S106 agreements will be required to secure the on-site provision and maintenance of playing pitch provision for the following SDAs and the North of Tamworth Broad Development Location identified in the Lichfield District Local Plan as:

- South of Lichfield
- Deans Slade Farm
- Cricket Lane
- East of Lichfield (Streethay)
- Fradley
- East of Burntwood Bypass
- East of Rugeley
- North of Tamworth Broad Development Location

Environment and Biodiversity

Infrastructure to be funded in whole or in part by CIL

Notes

Environment and Biodiversity

CIL funds may be spent on improving the public realm, landscapes and habitats; and improving access to green space, to include:

- Chasewater Country Park improvements.
- Central Rivers Initiative projects.
- Improvements to the canal network to improve Green Infrastructure Links.
- Local Nature Reserves.
- Woodland and hedgerow projects.

Except on sites identified as biodiversity offsetting recipient sites.

Infrastructure works relating to the restoration of the Lichfield Canal will potentially benefit from CIL funds, *apart from works required in relation to any on-site provision by the developers connected to the three SDAs in the vicinity of the canal: South of Lichfield, Deans Slade Farm, Cricket Lane.*

S106 agreements will be required to fund biodiversity offsetting measures where appropriate and as outlined in Local Plan Strategy 2008-2029 Policy NR3 and expanded upon within the Biodiversity and Development SPD.

Section 106 agreements will be required where appropriate to secure infrastructure works relating to the restoration of the Lichfield Canal for the three SDAs in the vicinity of the canal: South of Lichfield, Deans Slade Farm, Cricket Lane.

Cannock Chase Special Area of Conservation

CIL funds may be spent on measures for preventing harm to the Cannock Chase Special Area of Conservation (CCSAC) agreed by the Cannock Chase SAC partnership i.e. the Strategic Access Management and Monitoring Measures (SAMMM) *apart from works required in relation to interpretation panels and waymarking as identified in the SAMMM.*

S106 agreements will be required for the Strategic Development Allocations (SDAs) to secure the provision of bespoke mitigation measures in relation to the Cannock Chase Special Area of Conservation other than the mitigation contained within the SAMMM.

To satisfy Habitats Regulations and prevent harm to the Cannock Chase SAC, contributions via S106 agreements/unilateral undertakings will be required towards works required in relation to interpretation panels and waymarking as identified in the SAMMM by all new net dwellings which are not liable to, or exempt from CIL charges within the 0-8km Zone of Influence.

Other Infrastructure	
Infrastructure to be funded in whole or in part by CIL	Notes
<p>Flood Mitigation General measures may benefit from CIL funds.</p>	<p>Site specific SUDS and offsite flood mitigation measures where they are required directly as a result of the development will be secured through planning conditions or S106 agreements.</p>
<p>Health facilities CIL funds may be used where evidence is provided that there is no local capacity and expansion of services is required to support growth across the district.</p>	<p>S106 agreements will be required for the Strategic Development Allocations (SDAs) to secure the provision of health care as identified in the Local Plan Strategy concept statements.</p>
<p>Social and community facilities will benefit from the local slice of CIL funds (15-25%) raised within their area. These funds can be distributed by Parish Councils and any neighbourhood planning forums that emerge, in line with evidence of local need.</p>	<p>S106 agreements will be required for the Strategic Development Allocations (SDAs) to secure the provision of community centres/hubs as identified in the Local Plan concept statements.</p>
<p>Low Carbon Initiatives / Carbon Investment Fund CIL funds may be used to support the delivery of Local Plan policy SC1 which states: The District Council is developing a Carbon Community Fund (CCF) which will support the achievement of carbon targets through financial contributions.</p>	

CALENDAR OF MEETINGS**May 2017 – May 2018****(Meetings will commence at 6pm except Asset Strategy Group which commences at 4pm)**

Overview and Scrutiny arrangements are currently under review. Dates have been reserved in the calendar for Overview and Scrutiny meetings so they can be programmed in once the outcome of the review is known.

Planning Committee is scheduled every 4 weeks from 30 May 2017

Date	Meeting
Monday 8 May 2017	Planning Committee
Wednesday 10 May 2017	Audit Committee
Tuesday 16 May 2017	ANNUAL COUNCIL
Tuesday 25 May 2017	Cabinet
Monday 29 May 2017	BANK HOLIDAY
Tuesday 30 May 2017	Planning Committee
Thursday 1 June 2017 (4pm)	Asset Strategy
Tuesday 6 June 2017	Overview & Scrutiny Committee
Thursday 8 June 2017	Employment Committee
Tuesday 13 June 2017	Cabinet
Wednesday 14 June 2017	Planning Training
Tuesday 20 June 2017	PROVISIONAL DATE
Wednesday 21 June 2017	Member Training
Thursday 22 June 2017	District Board
Monday 26 June 2017	Planning Committee
Tuesday 27 June 2017	Audit Committee
Wednesday 28 June 2017	Overview & Scrutiny Committee
Tuesday 4 July 2017	Regulatory & Licensing Committee
Thursday 6 July 2017	Parish Forum
Tuesday 11 July 2017	Cabinet
Tuesday 18 July 2017	COUNCIL
Monday 24 July 2017	Planning Committee
Monday 21 August 2017	Planning Committee
Monday 28 August 2017	BANK HOLIDAY
Tuesday 5 September 2017	Cabinet
Wednesday 6 September 2017	Overview & Scrutiny Committee
Thursday 7 September 2017 (4pm)	Asset Strategy
Tuesday 12 September 2017	Overview & Scrutiny Committee
Wednesday 13 September 2017	Planning Training
Monday 18 September 2017	Planning Committee
Tuesday 19 September 2017	PROVISIONAL DATE
Wednesday 20 September 2017	Member Training
Tuesday 26 September 2017	Audit Committee – Including Statement of Accounts
Monday 2 October 2017	Regulatory & Licensing Committee
Tuesday 10 October 2017	Cabinet
Thursday 5 October 2017	Employment Committee
Monday 16 October 2017	Planning Committee
Tuesday 17 October 2017	COUNCIL
Tuesday 31 October 2017	Audit Committee
Wednesday 1 November 2017	Overview & Scrutiny Committee
Tuesday 7 November 2017	Cabinet
Monday 13 November 2017	Planning Committee
Wednesday 15 November 2017	Overview & Scrutiny Committee
Tuesday 21 November 2017	Member Training

Wednesday 29 November 2017	District Board
Monday 4 December 2017	PROVISIONAL DATE
Tuesday 5 December 2017	Cabinet
Wednesday 6 December 2017	Planning Training
Monday 11 December 2017	Planning Committee
Thursday 14 December 2017 (4pm)	Asset Strategy
Tuesday 19 December 2017	COUNCIL
Monday 25 December 2017	BANK HOLIDAY
Monday 26 December 2017	BANK HOLIDAY
Monday 1 January 2018	BANK HOLIDAY
Wednesday 10 January 2018	Cabinet
Thursday 11 January 2018	Overview & Scrutiny Committee
Monday 15 January 2018	Planning Committee
Monday 22 January 2018	Audit Committee
Tuesday 23 January 2018	Overview & Scrutiny Committee Meeting
Wednesday 31 January 2018	PROVISIONAL DATE
Thursday 1 February 2018	Employment Committee
Tuesday 6 February 2018	Regulatory & Licensing Committee
Wednesday 7 February 2018	Standards Committee
Monday 12 February 2018	Planning Committee
Tuesday 13 February 2018	Cabinet
Thursday 15 February 2018	Member Training
Tuesday 20 February 2018	COUNCIL
Tuesday 27 February 2018	Overview & Scrutiny Committee
Thursday 8 March 2018 (4pm)	Asset Strategy
Monday 12 March 2018	Planning Committee
Tuesday 13 March 2018	Cabinet
Wednesday 14 March 2018	Overview & Scrutiny Committee
Monday 19 March 2018	PROVISIONAL DATE
Wednesday 21 March 2018	Planning Training
Wednesday 28 March 2018	District Board
Friday 30 March 2018	BANK HOLIDAY
Monday 2 April 2018	BANK HOLIDAY
Wednesday 4 April 2018	Parish Forum
Monday 9 April 2018	Planning Committee
Tuesday 10 April 2018	Cabinet
Tuesday 17 April 2018	COUNCIL
Thursday 19 April 2018	Member Training
Tuesday 1 May 2018	Cabinet
Monday 7 May 2018	BANK HOLIDAY
Tuesday 8 May 2018	Planning Committee
Tuesday 15 May 2018	ANNUAL COUNCIL
Monday 28 May 2018	BANK HOLIDAY
Monday 4 June 2018	Planning Committee

our strategic plan at a glance

Read in full at www.lichfielddc.gov.uk/strategicplan

To be a strong, flexible council that delivers good value, quality services and helps to support a **vibrant and prosperous economy, healthy and safe communities** and **clean, green and welcoming places to live**.

How we create a vibrant and prosperous economy

How we create healthy and safe communities

How we create clean, green & welcoming places to live

What we will do

Between 2016 and 2020 we will place particular importance on:

- Promoting Lichfield District as a good place to invest through the roll out of the Local Plan.
- Ensuring our district is 'open for business' by welcoming and nurturing new enterprises to start up and succeed in our key business centres and rural areas.
- Delivering support, signposting and networking opportunities to existing businesses to help them thrive.
- Making it easy for businesses to interact with us.
- Understanding, monitoring and adapting to business needs and issues across the district.
- Encouraging increased visitors to our district, increased spend in the local economy and more overnight visitors.
- Delivering good quality and safe car parking in our key retail areas.

- Creating policies and events that promote healthy and active lifestyles for all, including young people – from cycle and safe walking routes, through to events, community activities and more.
- Providing support to help those with disabilities and older people stay healthy and active.
- Creating opportunities to increase the number of residents who are physically active, especially in hard to reach groups.
- Supporting and encouraging the development of clubs and other organisations to increase the quantity and quality of leisure and cultural opportunities across the district.
- Delivering a programme of disabled facilities grants to help people remain living safely at home
- Providing help and advice to prevent homelessness.

- Implementing our Local Plan which will ensure a controlled and balanced growth of the district.
- Developing supplementary planning guidance which will help to preserve our historic environment, support rural communities, and ensure the district continues to be an attractive place.
- Maintaining our parks and open spaces which encourage residents to enjoy the outdoors.
- Restoring the historic features of Stowe Pool and Fields.
- Our joint waste service continues to help our residents recycle a large percentage of their waste.
- Pursuing opportunities to transfer some open spaces to local organisations who can look after them for the enjoyment of all (e.g. playing fields).

By 2020 there will be:

- More local jobs and more people in employment.
- More new businesses locate in our district.
- More businesses succeed.
- More visitors and greater visitor spend in our district.
- A regenerated Lichfield City centre and an improved retail offer in Burntwood.

- More people will be active and healthy.
- More people will be involved in volunteering and community activity.
- Fewer people and families will be homeless.
- More people will feel safer and less worried about crime and anti-social behaviour.
- More people will be living independently at home.

- More affordable homes in the district.
- Our heritage and open spaces will be well maintained or enhanced.
- Our streets will be clean and well maintained.
- More people will use parks and open spaces.
- New homes, office, retail and manufacturing spaces will be built or developed in line with our Local Plan and planning guidance.

Our council By 2020:

- Our customers will be more satisfied.
- We will continue to be financially responsible.
- Our organisation will have clear corporate values and be committed to openness and transparency.
- More people will interact with us through our website and digital channels.
- We'll be more innovative in how we deliver services and make a difference locally.

This plan sets out the high level outcomes we want to achieve over the next four years. Every year we produce a one-year action plan that sets out the key activities we will deliver to drive forward the priorities set out in this plan in detail, and the measures and targets we use to check how we are doing. Read our actions plans at www.lichfielddc.gov.uk/actionplans



Lichfield
district council
www.lichfielddc.gov.uk