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Monday, 28 August 2023

Dear Sir/Madam

CABINET

A meeting of the Cabinet has been arranged to take place on **TUESDAY, 5TH SEPTEMBER, 2023 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

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

Yours faithfully

A handwritten signature in cursive script that reads 'Kerry Dove'.

Kerry Dove
Chief Operating Officer

To: Members of Cabinet

Councillors Cox, Farrell, Pullen (Chairman), Silvester-Hall, A Smith, Strachan and M Wilcox



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AGENDA

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2. Declarations of Interest
3. Money Matters 2023/24 : Financial Monitoring 3 - 24
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6. Transforming Planning Service Proposal 55 - 64



Money Matters : 2023/24 Financial Monitoring

Agenda Item 3

Cabinet Member for Finance and Commissioning

Date: 5 September 2023
Agenda Item: 3
Contact Officer: Anthony Thomas
Tel Number: 01543 308012
Email: Anthony.thomas@lichfielddc.gov.uk
Key Decision? YES
Local Ward Members Full Council

Lichfield
district council

Cabinet

1. Executive Summary

- 1.1 The report covers the financial performance from April to June (Quarter One) for 2023/24.
- 1.2 The Medium Term Financial Strategy projected general reserves at 31 March 2024 would be **£6,075,329**. At this stage, general reserves are forecast to be **£5,508,584**, a decrease of **(£566,745)** related to:
 - A lower than budgeted contribution in 2022/23 of **(£90,665)**.
 - A projected decrease contained in this report for 2023/24 of **(£476,080)**.
- 1.3 Leisure centre income is projected to be **£414,110** lower than the budget and the shortfall will be funded from the earmarked reserve.
- 1.4 At the three month's stage, there are no significant financial risks that need to be highlighted to the Council as shareholder in relation to LWMTS financial performance.
- 1.5 The Capital Programme is projected to be **£19,398,000** which is **£250,000** more than the Approved Budget.
- 1.6 Capital Receipts are projected to be **(£945,000)** which is the same as the Approved Budget.
- 1.7 In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:
 - **Council Tax collection** in year performance was **29.20%** (29.10% in 2022/23) and total arrears were **£5,177,097** and the Council's share is **£608,116** (£4,121,685 and £535,819 in 2022/23).
 - The **Council Tax Collection Fund** is projected to be in surplus, with the Council's c12% share being **(£24,990)** compared to the Approved Budget of **£0**. This additional income of **(£24,990)** will be included in the 2024/25 budget.
 - Sundry Debt for income to be collected in 2023/24 has increased by **£3,041,644** or **127%** compared to 2022/23, and the value outstanding at 30 June 2023 has increased by **£1,731,088** or **88%**.
 - **Retained Business Rate Income** is projected to be **(£3,464,100)** in line with the Approved Budget.
 - The **Business Rates Collection Fund** is projected to be in surplus, with the Council's 40% share being **(£1,042,000)** compared to the Approved Budget of **£0**. This additional income of **(£1,042,000)** will be included in the 2024/25 budget.
 - **Business Rates collection** in year performance was **30.30%** (34.50% in 2022/23) and total arrears were **£786,964** and the Council's share is **£314,785** (£958,450 and £383,380 in 2022/23).
 - The payment of suppliers within 30 days was **90.92%**, which is above our **90%** target.
- 1.8 The Council's investments achieved a risk status of **A+** that was more secure than the aim of **A-** and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

2. Recommendations

- 2.1. To note the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 2.2. To recommend to Council to approve an increase in the Streethay Community Centre budget of **£250,000**. This will increase the project budget from **£600,000** to **£850,000** and will be funded by **£250,000** of Section 106 funding.

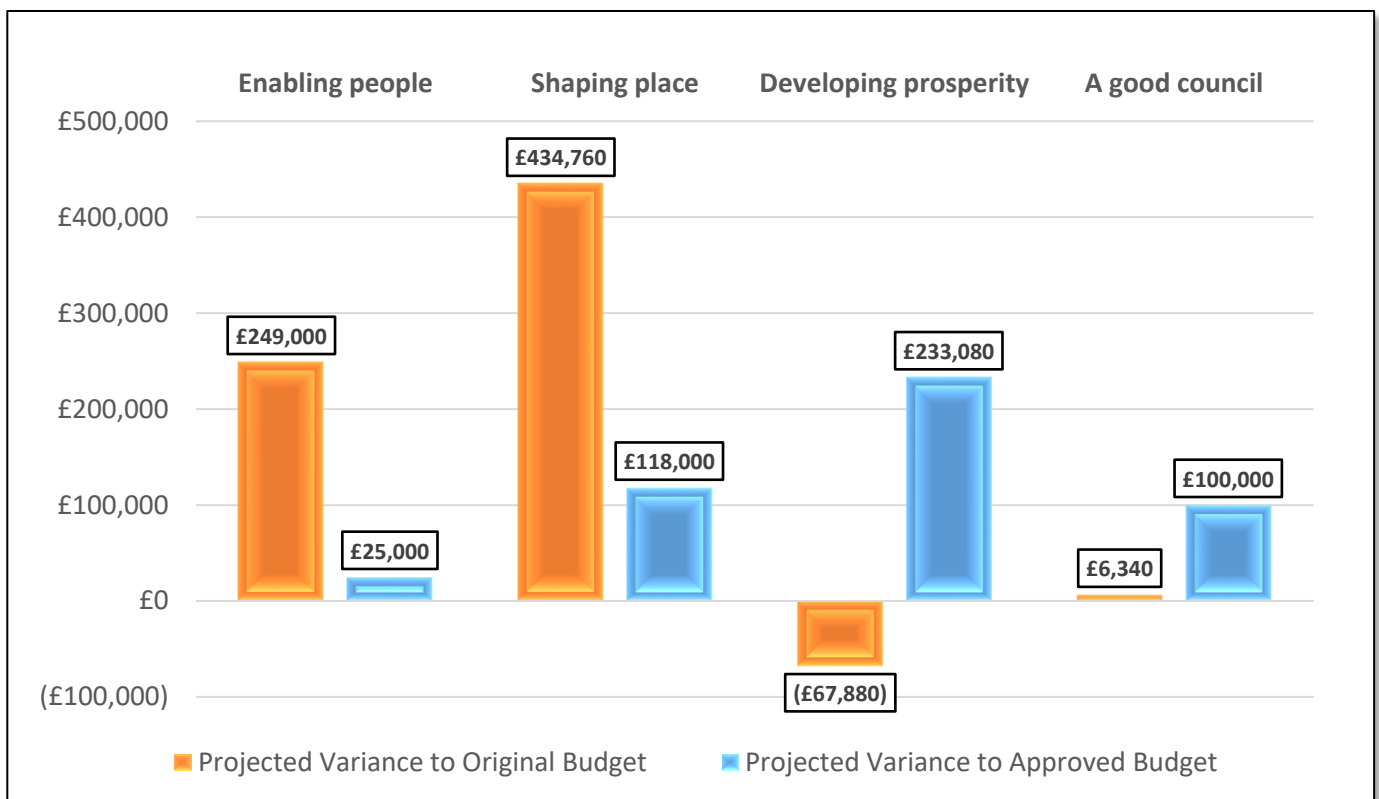
3. Background

Budget Management

- 3.1. The MTFs 2022-27, approved by Council on 28 February 2023, included the Original Budget for 2023/24 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 3.2. Throughout the financial year, Money Matters reports and Briefing Notes are provided to both Cabinet and Overview and Scrutiny Committee at three, six and eight month intervals to monitor performance.
- 3.3. The Money Matters reports update the Approved Budget for latest projections and the eight month report will form the basis of the Revised Approved Budget for 2023/24 and will be approved by Council on 27 February 2024.

The Revenue Budget

- 3.4. Financial performance is shown in detail at **APPENDIX A** and in summary below:



Performance compared to the Approved Budget

3.5. The overall projected variance is shown in summary below:

	Projected Variance		
	Virement	Vacancy Savings	Other Variances
Enabling People			
• Transfer	25,000		
Shaping place			
• Golf Course - Saving not Achieved			80,000
• Green Waste Income - Fee Increase to be Implemented			63,000
• Transfer	(25,000)		
Developing prosperity			
• LED Lighting in Car Parks - Saving not Achieved			5,000
• Car Park Income - Fee Increase to be Implemented			207,080
• Departure Charges for Bus Companies not Achieved			21,000
A good council			
• Vacancy Savings		(27,630)	(11,100)
• Achievement of the Vacancy Savings Target - Annual Target £180,000 (£150,000 target plus Talent Acquisition £30,000)		27,630	
• Additional Charge for External Audit for Grant Claims 22/23			11,100
• IT - Savings not Achieved			100,000
Total - Net Cost of Services	0	0	476,080
		476,080	
			0
Transfer (to)/from General Reserves			£476,080

3.11. The current progress on delivering savings/additional income proposals (shown in the table above in blue) included within the MTFS is also provided at **APPENDIX A**.

Leisure Centres

3.12. Cabinet on 14 February 2023 approved following a mutually agreed termination of the Leisure Operating Contract with Freedom Leisure, the transfer of the management, budget, and operation of the council's leisure portfolio (comprising Burntwood Leisure Centre and Friary Grange Leisure Centre) to the Council's wholly owned company / new organisational structure as appropriate with the Company assuming responsibility for paying the contract commercial bid and contracted indexing to the Council from 1 April 2023.

3.13. Full Council approved that the payment received from Freedom Leisure be set aside in an earmarked reserve held by the Council to cover implementation/transition costs and the additional costs of energy supply in 2023/24 and 2024/25 within the wholly owned company / new organisational structure and thereafter revert to General Reserves.

3.14. To ensure Tekkal compliance (only 20% of turnover can be external) within Lichfield West Midlands Traded Services (LWMTS) it has been necessary for the Council to receive all the income for customer use of the leisure centres.

3.15. Therefore, to enable LWMTS to recover its operating costs, a management fee based on the agreed LWMTS Business Plan will be paid.

3.16. In addition, it has been agreed that the Council as asset owner, will be responsible for paying the Business Rates for Burntwood Leisure Centre.

3.17. The budgeted income that will be retained by the Council, management fee, costs and Commercial Bid budget is provided in detail at **APPENDIX A** and in summary below:

	2023/24	2024/25	2025/26	2026/27	2027/28
Income Retained by the Council	(£2,727,740)	(£2,734,290)	(£2,978,130)	(£3,434,020)	(£3,673,950)
Management Fee and Costs	£2,641,500	£2,648,050	£2,942,130	£3,152,020	£3,317,950
Commercial Bid Budget	(£86,240)	(£86,240)	(£36,000)	(£282,000)	(£356,000)

3.18. At this early stage of the financial year, there is a projected annual shortfall of **£414,110** compared to the budgeted retained income.

3.19. An earmarked reserve was established using the compensation sum and underspends in two capital projects were repurposed to provide funding for implementation and transition.

3.20. The current position in terms of funding and costs is shown below:

Detail	Implementation/ Transition
Earmarked Reserve	(£750,000)
Underspend BABC	(£88,000)
Sinking fund BLC	(£69,000)
Total Available Funding	(£907,000)

Actual/committed spend	£372,220
Projected income shortfall	£414,110
Total Projected Spend	£786,330

Available Balance	(£120,670)
Impact on General Reserves	£0

3.21. These financial projections will be refined during the financial year and any income shortfall more than the available funding will need to be funded from general reserves.

Lichfield West Midlands Traded Services (LWMTS) Financial Performance

3.22. On 18 July 2023, the Cabinet Members for Finance and Commissioning and Leisure, Parks and Major Projects agreed the revised LWTMS Business Plan approved by the Company Board in June 2023.

3.23. The revised LWMTS Business Plan included some key changes compared to the previous version are:

- A significant increase in turnover from **£500,000** to **£7 million** mainly due to the inclusion of Leisure Centre Management, Disabled Facilities Grants and new leisure activities funded by Community Infrastructure Levy.
- A corresponding increase in operating expenditure to reflect the new activities being delivered by LWMTS.
- A projected surplus for the year of **(£263,639)** prior to payment of any Corporation Tax and distribution of any profit after tax to the Council via dividends. This is **4.05%** of operating expenditure.

3.24. The financial information contained in the Business Plan has recently been revisited to reflect:

- Projected lower levels of Disabled Facilities Grant.
- New leisure activities funded by Community Infrastructure Levy now being undertaken by the Council to remove the need for separate local grant funding agreements.

3.25. As the Company develops, and the Business Plan is refreshed, material changes will require further approval by the Council.

3.26. It is therefore important given the Council is the sole shareholder, and the significant increase in the level of financial risk that oversight is maintained on financial performance. This will enable Council to have an early indication of any areas of underperformance that could subsequently impact on the Council's Medium Term Financial Strategy.

3.27. In terms of quarter 1 LWMTS financial performance the key highlights are:

- Overall income for the 3 months Apr - June 2023 (Q1) was (£1.381m) versus budgeted income of (£1.077m).
- Operating profit of (£593,000) created for Q1 period - Apr to June 2023 versus budgeted surplus of (£1,700).
- Q1 surplus/profit much larger than expected due to extra DFG income of (£456,000) being invoiced & 2022/23 underspend amount b/fwd.
- Certain costs like utilities have been invoiced to LWMTS in July which relate to Q1 period.
- Microsport income much lower than budget due to the Council retaining management of Community Infrastructure Levy drawdown.

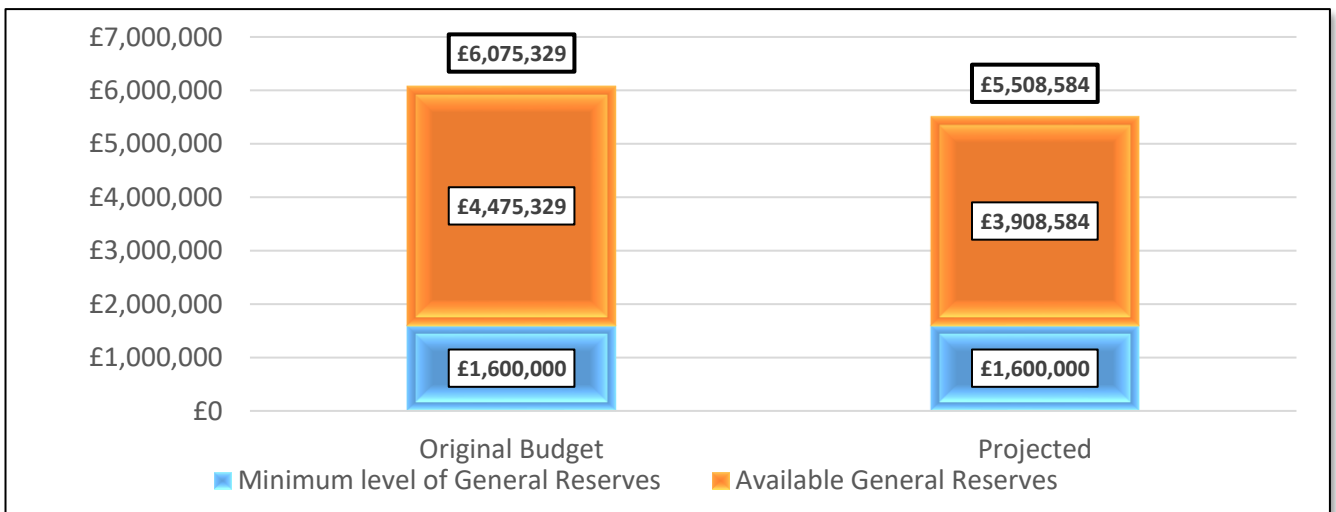
Fees and Charges

3.28. The gross fees and charges budgets for 2023/24, together with actual income achieved over the last eight years, are shown in detail at **APPENDIX B**. The projected variances (with positive figures relating to shortfalls in performance compared to budget) for those with the highest value are:



Revenue General Reserves

3.29. The Original Budget estimated general reserves of **£6,075,329** at 31 March 2024. The current projected level is **£5,508,584**, a decrease of **(£566,745)** (£90,665 related to last year and £476,080 contained in this report) as shown below:



The Capital Programme

3.30. The Original Budget of **£15,420,000** was approved by Council on 28 February 2023. There have been several updates to this budget during 2023/24:

- Slippage from 2022/23 of **£1,566,000** approved by Cabinet on 27 June 2023.
- Allocation of Section 106 Monies of **£42,000** approved by Cabinet Member decision on 24 February 2023.
- An increase Burntwood Leisure Centre project by **£85,000** approved by Cabinet on 27 June 2023 and Council.
- A fence at Chasetown Memorial Bowling Green of **£10,000** approved by Cabinet Member Briefing Note on 27 March 2023.
- A Cinema for Lichfield District budget increase of **£1,875,000** approved by Cabinet on 27 June 2023 and Council.
- **£100,000** has been allocated from the Rural England Prosperity Fund and was approved by Cabinet on 27 June 2023 and Council.

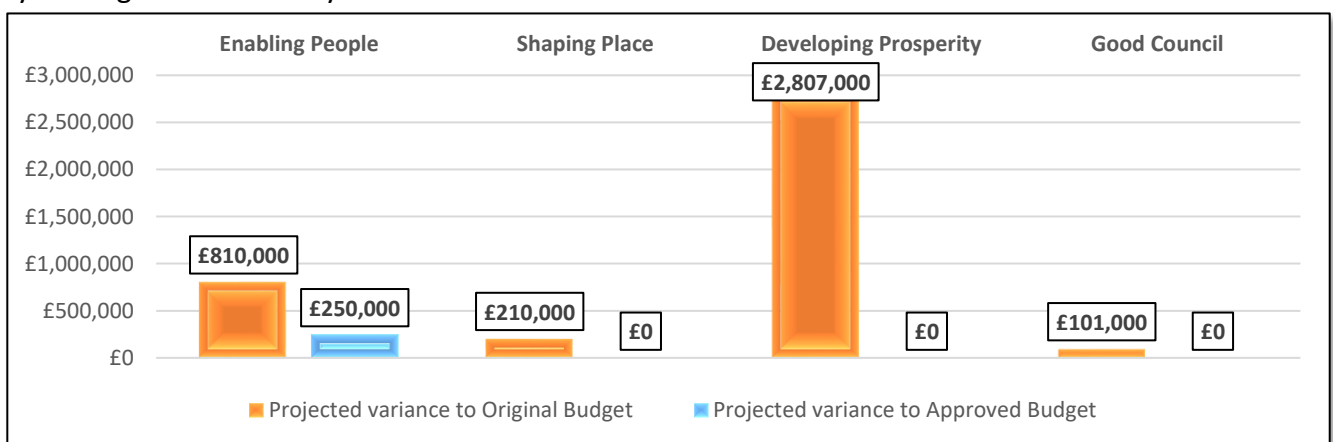
3.31. The Approved Budget is therefore **£19,098,000**.

Performance compared to the Approved Budget

3.32. The District Council now plans to lead on the construction of the Streethay Community Centre and the Parish has provided **£250,000** of additional Section 106 to fund the project. Therefore, it is recommended that the Approved Budget of **£600,000** is increased to reflect this additional funding.

3.33. Assuming this recommendation is approved, the Capital Programme is projected to be **£250,000** higher than budget at **£19,348,000**.

3.34. The projected budget performance compared to both the Original and the Approved Budgets, is shown by Strategic Plan's Priority below and in detail at **APPENDIX C**:



Capital Receipts

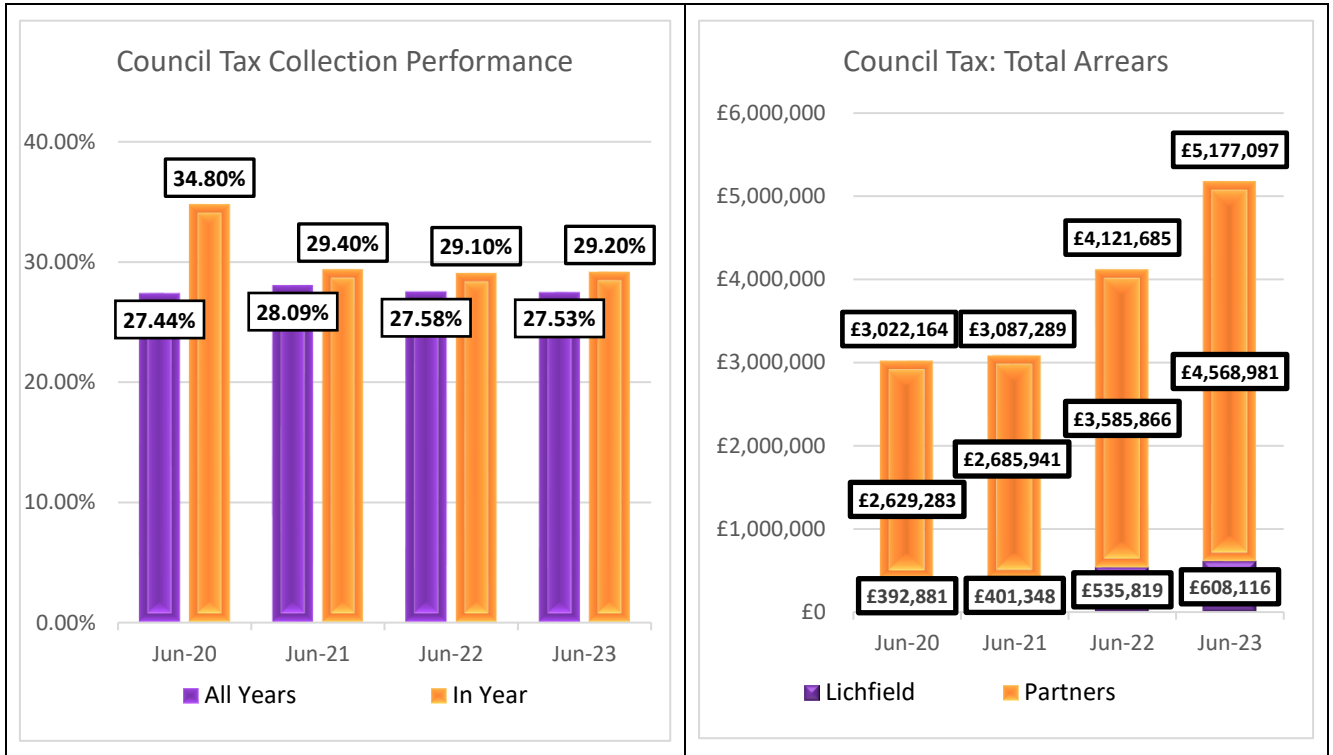
3.35. The Original and Approved Budgets, projected and actual capital receipts are shown below:

	Original Budget	Approved Budget	Projected Actual	Actual
Other Income	£30,000	£30,000	£30,000	£1,251
Asset Sales	£0	£915,000	£915,000	£0
Total	£30,000	£945,000	£945,000	£1,251

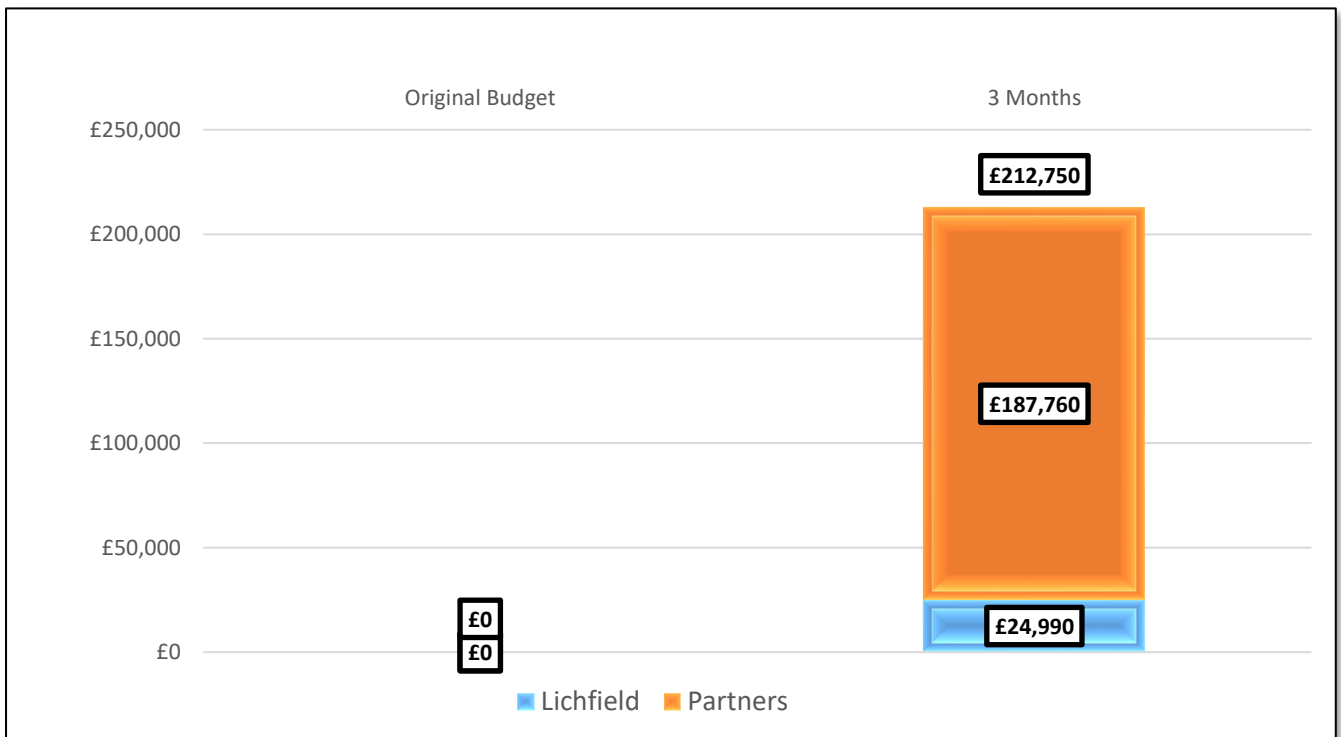
3.36. The asset sale relates to Venture House and currently this is projected to be sold for the budget level.

Council Tax

3.37. The collection performance for Council Tax debt is shown below:



3.38. The Council Tax Collection Fund is projected to be in surplus by (£212,750) and the Council's share is (£24,990) based on Lichfield's (including Parishes) current share of Council Tax of c12% (surpluses are shown as positive values in the chart):

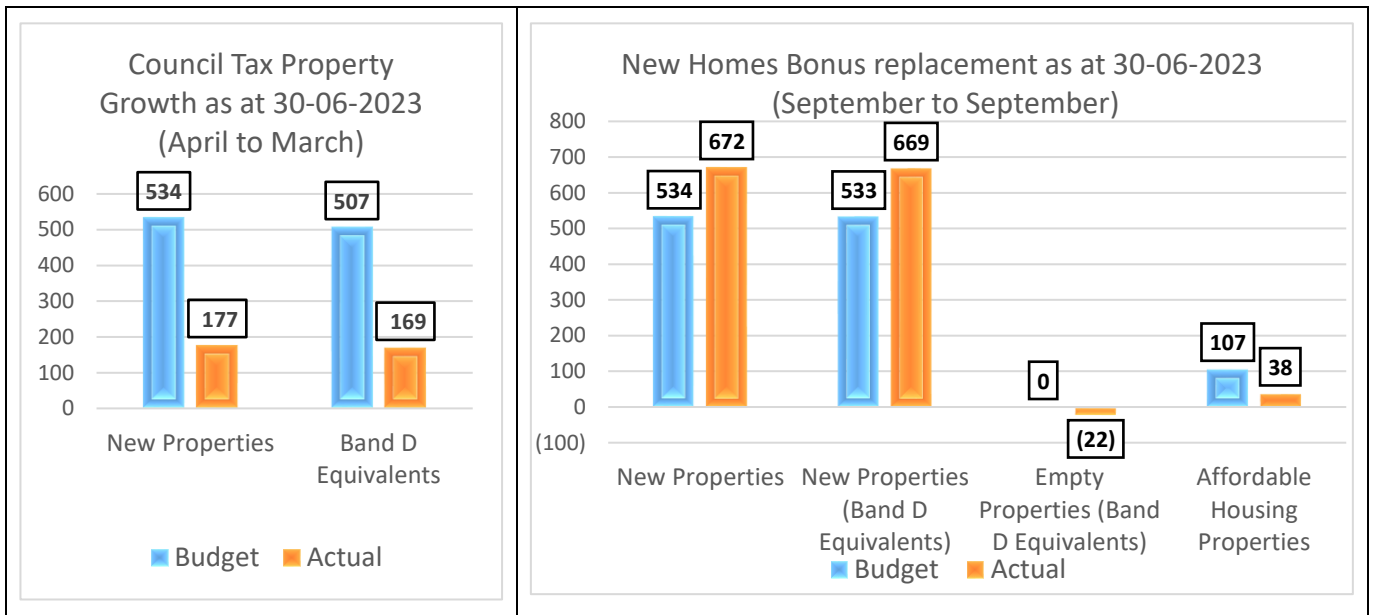


3.39. The main reasons for the projected surplus of (£212,750) are:

- A higher surplus than budgeted in 2022/23 of (£866,437) (Council share (£103,972)).
- A higher provision for bad debts of £678,000 (Council share £81,360).
- A higher Council Tax income of (£24,313) (Council share (£2,880)).

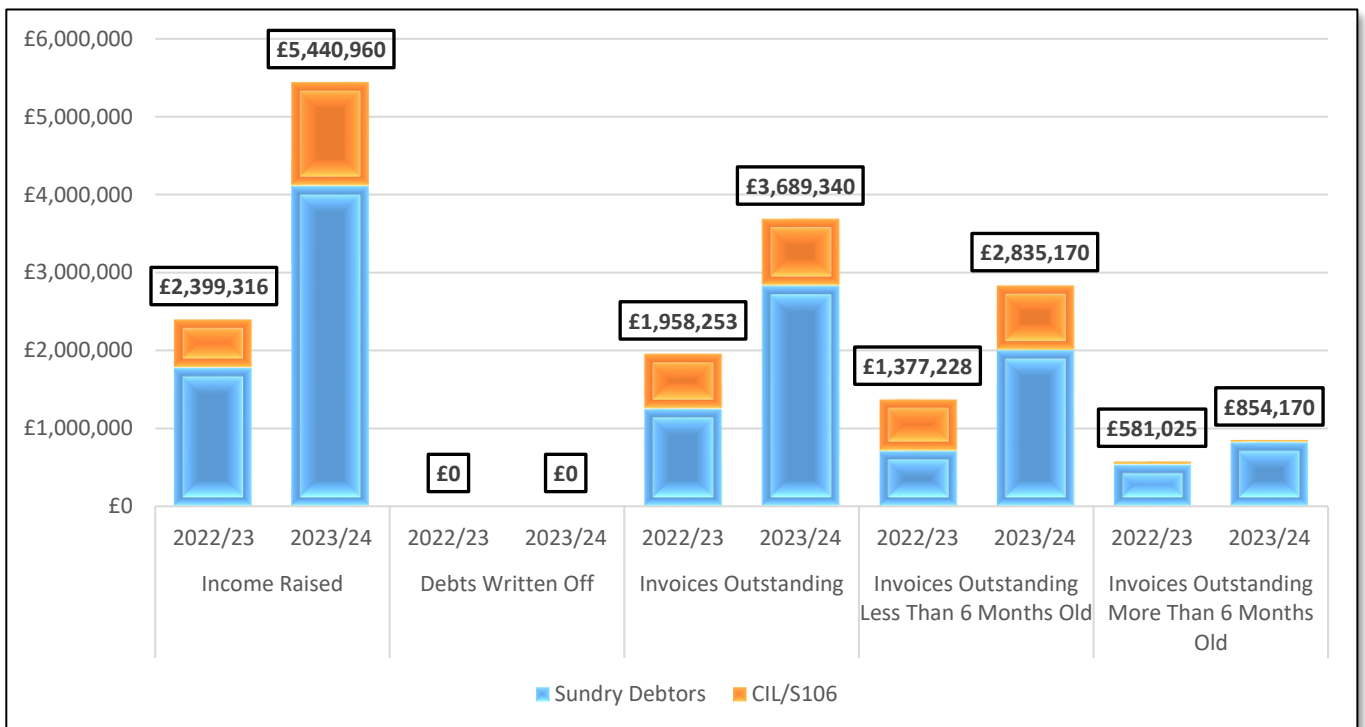
Housing Supply

3.40. The completions for Council Tax (left hand chart) from April 2023 to June 2023 and any possible New Homes Bonus replacement (right hand chart) from September 2022 to June 2023 are shown below:



Sundry Debtors (including Community Infrastructure Levy (CIL) and Section 106 (S106))

3.41. The transaction levels and collection performance in 2023/24 compared to 2022/23 is shown below:



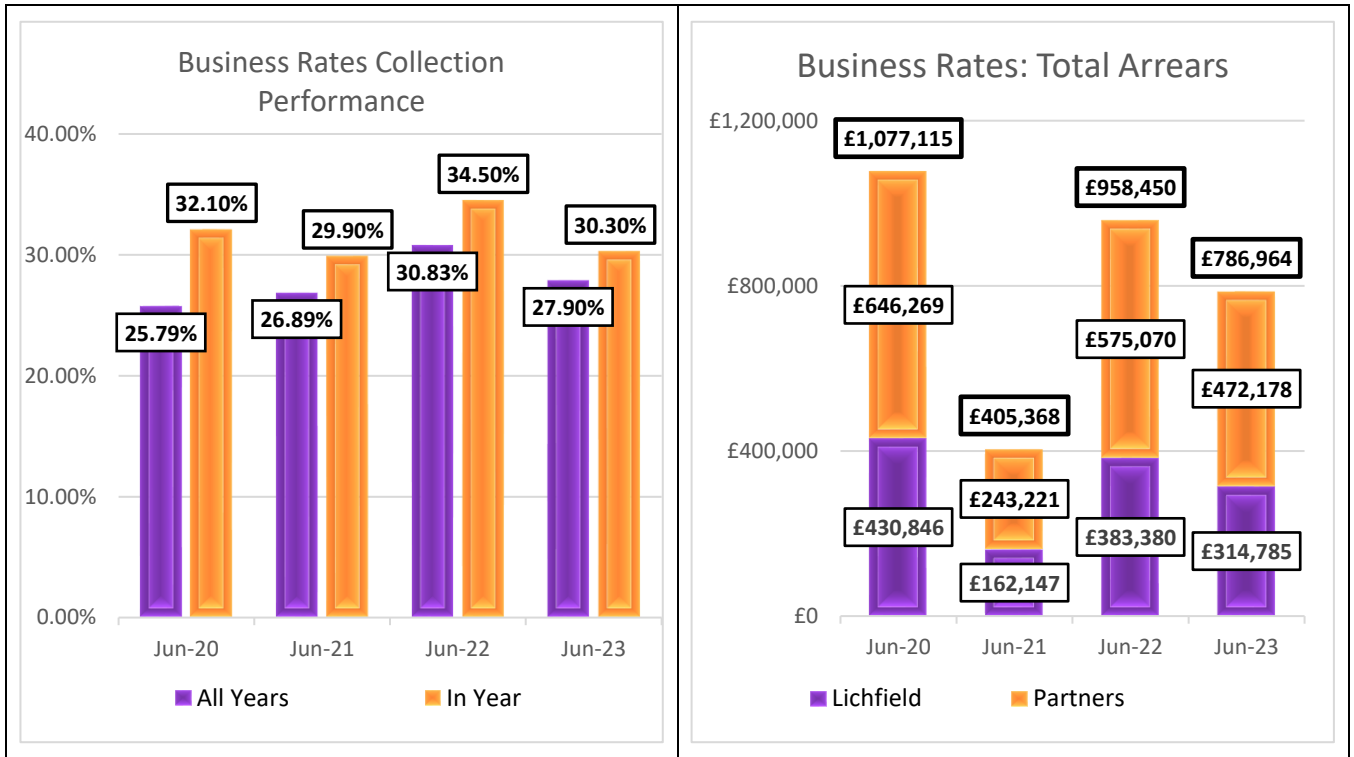
3.42. In terms of Sundry Debtor Income trends:

- Total income raised in the first three months of 2023/24 is **£3,041,644** or **127%** higher than for the same period in 2022/23. This increase is due mainly to large invoices raised to Freedom Leisure, Staffordshire County Council and two large Section 106 Demands.
- Invoices outstanding has increased by **£1,731,088** or **88%** mainly related to the increased income raised.

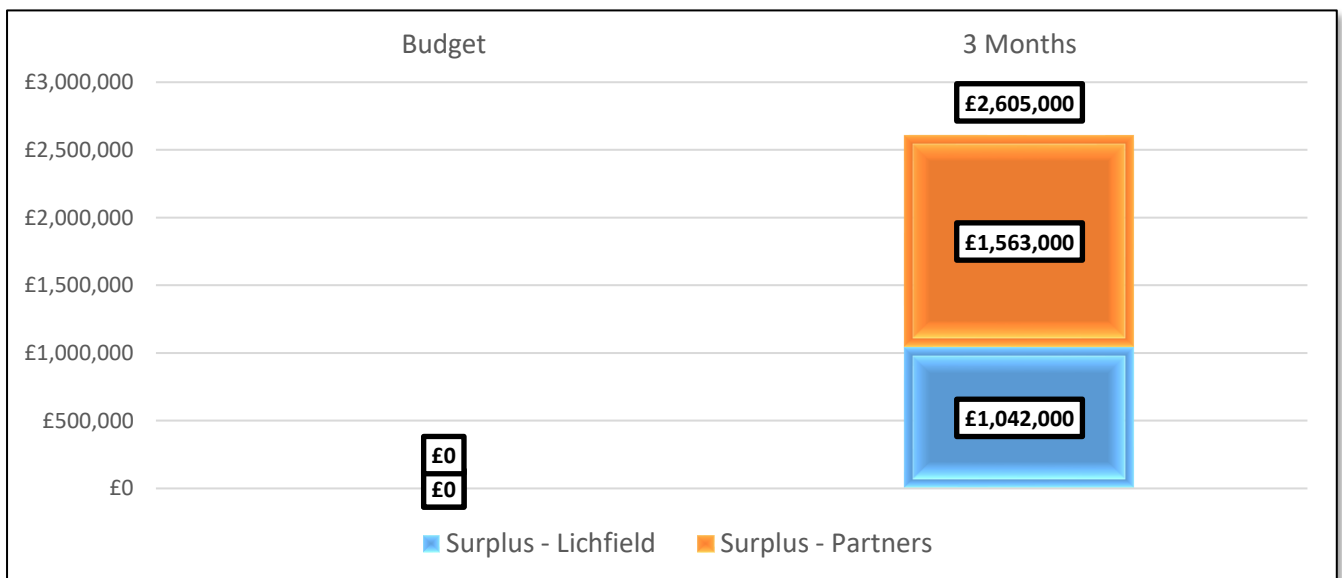
Business Rates

3.43. The Retained Business Rate income is projected to be the same as the Approved Budget of (£3,464,100).

3.44. The collection performance for Business Rates is shown below:



3.45. The Business Rates Collection Fund is projected to be in surplus by (£2,605,000) (surpluses are shown as positive values in the chart):

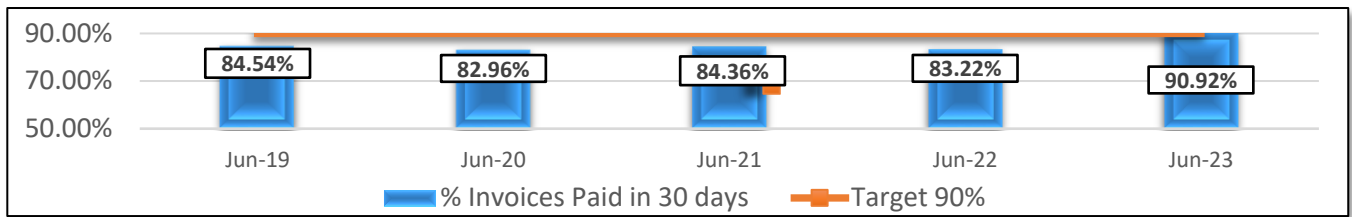


3.46. The main reasons for the projected surplus of (£2,605,000) are:

- A higher surplus than budgeted in 2022/23 of (£1,144,790) (Council share (£458,000)).
- A higher allowance for bad debts of £295,000 (Council share £117,000).
- Other changes in income including the actual increased impact (the budget was based on the draft list) of the Business Rates revaluation from 1 April 2023 of (£1,755,210) (Council share (£702,000)).

Supplier Payment Performance

3.47. The performance of invoice payments to suppliers within 30 days for the last five years is:



3.48. To provide additional capacity in this priority area, a further post in the Procure to Pay Team has been identified with funding from existing budgets and recruitment will commence when the new post has been through due process.

Investment Strategy

3.49. The Council undertakes investments for three broad purposes:

- It approves the support of public services by lending or buying shares in other organisations – **Service Investments.**
- To earn investment income – **Commercial Investments.**
- It has surplus cash, as a result of its day to day activities, when income is received in advance of expenditure or where it holds cash on behalf of another body ready for payment in the future – **Treasury Management Investments.**

3.50. The Government has recognised in recent Department of Levelling Up, Housing and Communities (DLUHC) guidance, as a result of increased commercial activity, that the principles included in Statutory Guidance requiring that all investments should prioritise security and liquidity over yield must also be applied to service and commercial investments.

3.51. The DLUHC Guidance requires the approval by Council of an Investment Strategy Report to increase the transparency around service and commercial investment activity. The Council approved its Investment Strategy Report on **28 February 2023.**

Service Investments

3.52. There are two significant approved investments of a service nature and the investment and net return either included in the Approved Budget for 2022/23 are detailed below:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Approved Loan to the LWMTS	£150,000	£150,000	£150,000	£150,000	£150,000	£150,000
Actual/Projected use of the Facility	£0	£0	£0	£0	£0	£0
Net Income	£0	£2,263	£2,263	£2,263	£2,263	£2,263
Net Return	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Approved Loan to the Joint Venture	£64,000	£3,795,000	£5,788,000	£5,788,000	£5,788,000	£5,788,000
Actual/Projected use of the Facility	£64,000	£3,795,000	£5,788,000	£5,788,000	£5,788,000	£5,788,000
Net Income (assumed revenue budget neutral)	0	0	0	0	0	0
Net Return	0	0	0	0	0	0

Commercial Investments

3.53. No commercial investments are currently planned.

Treasury Management Investments

3.54. The security, liquidity and yield for the investment portfolio is shown at **APPENDIX D** and in summary:

- **Security** – total investments **£46.64m** with a risk status **A+** compared to the target of **A-**.
- **Security** – a ‘book loss’ more than the volatility reserve on strategic investments of **£455,555.**
- **Liquidity** – **63%** available within 100 days compared to Arlingclose clients of **61%** or **72%.**
- **Yield** – yield of **4.40%** compared to Arlingclose clients of **4.26%** or **4.32%.**

Alternative Options	These are considered as part of the ongoing development of the Strategic Plan and the Medium Term Financial Strategy.
Consultation	Consultation is undertaken as part of the Strategic Plan and with Leadership Team.
Financial Implications	<p>The MTFFS projected general reserves at 31 March 2024 would be £6,075,329.</p> <p>At this three month stage, general reserves are forecast to be £5,508,584. This is a decrease of (£566,745) and is related to:</p> <ul style="list-style-type: none"> • A lower than budgeted contribution in 2022/23 of (£90,665). • A projected decrease contained in this report for 2023/24 of (£476,080).
Approved by Section 151 Officer	Yes
Legal Implications	<p>No specific legal implications.</p> <p>The recommended changes to the Medium Term Financial Strategy not part of the approved Budget Framework will be required the approval of Full Council.</p>
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The MTFFS underpins the delivery of the Strategic Plan.
Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
Crime & Safety Issues	There are no additional Crime and Safety Issues.
Data assessment	<p>The ability to deliver the outcomes set out in the Lichfield District Council Strategic Plan, and beyond, is dependent on the resources available in the MTFFS. The MTFFS identifies the level of resources available and spend necessary to deliver the outcomes across the entire District.</p> <p>However, the application of relevant data and the Social Progress Index can be considered for new budget pressures, savings and income proposals as they are developed.</p>
Environmental Impact	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.
GDPR/Privacy Impact Assessment	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance				
A	Council Tax is not set by the Statutory Date of 11 March 2024	Likelihood: Green Impact: Red Severity of Risk: Yellow	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements.	Likelihood: Green Impact: Red Severity of Risk: Yellow
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations	Likelihood: Yellow Impact: Red Severity of Risk: Red	To closely monitor the level of appeals. An allowance for appeals has been included in the Business Rate Estimates.	Likelihood: Green Impact: Green Severity of Risk: Green
C	The review of the New Homes Bonus regime	Likelihood: Red Impact: Red Severity of Risk: Red	The Council responded to the consultation. In the MTFS, no income is assumed beyond 2024/25.	Likelihood: Red Impact: Yellow Severity of Risk: Yellow
D	The increased Localisation of Business Rates, Business Rate Reset and the Review of Needs and Resources	Likelihood: Red Impact: Red Severity of Risk: Red	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Likelihood: Red Impact: Red Severity of Risk: Red
E	The affordability and risk associated with the Capital Strategy	Likelihood: Yellow Impact: Red Severity of Risk: Red	A property team has been recruited via the Company to provide professional expertise and advice in relation to property and to continue to take a prudent approach to budgeting.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
F	Sustained higher levels of inflation in the economy	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	To maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections and where possible ensure income increases are maximised to mitigate any additional cost.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
Strategic Risk SR3: Capacity and capability to deliver / adapt the new strategic plan to the emerging landscape				
G	The Council cannot achieve its approved Delivery Plan	Likelihood: Yellow Impact: Red Severity of Risk: Red	There will need to be consideration of additional resourcing and/or reprioritisation.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
H	The resources available in the medium to longer term to deliver the Strategic Plan are diminished	Likelihood: Yellow Impact: Red Severity of Risk: Red	The MTFS will be updated through the normal review and approval process.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
I	Government and Regulatory Bodies introduce significant changes to the operating environment	Likelihood: Red Impact: Red Severity of Risk: Red	To review all proposed policy changes and respond to all consultations to influence outcomes in the Council's favour.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow

Background documents

- Medium Term Financial Strategy (Revenue and Capital) 2023-27 and the addendum – Cabinet 14 February 2023
- Insourcing Leisure Provision – Cabinet 14 February 2023
- New Leisure Facility at Stychbrook Park – Cabinet 14 February 2023
- Community Infrastructure Levy (CIL) Allocation – Cabinet 14 February 2023
- Medium Term Financial Strategy (Revenue and Capital) 2023-27 – Council 28 February 2023
- Money Matters 2022/23: Review of Financial Performance – Cabinet 27 June 2023
- Medium Term Financial Strategy (MTFS) – Cabinet 27 June 2023

Relevant web link

Revenue Financial Performance – Variance to Budget 2023/24

Area	2023/24					
	Original Budget £	Approved Budget £	Projected Outturn £	Projected Variance £	Variance to Original Budget £	2023/24 Target (+/-) £
Enabling people	1,479,870	1,703,870	1,728,870	25,000	249,000	
Shaping place	4,004,340	4,321,100	4,439,100	118,000	434,760	
Developing prosperity	(721,040)	(1,022,000)	(788,920)	233,080	(67,880)	
A good council	9,984,160	9,809,360	9,909,360	100,000	(74,800)	
Net Cost of Services	14,747,330	14,812,330	15,288,410	476,080	541,080	250,000
Net Treasury Position	(1,170,230)	(1,170,230)	(1,170,230)	-		
Revenue Contributions to the Capital Programme	238,000	173,000	173,000	-		
Net Operating Cost	13,815,100	13,815,100	14,291,180	476,080		
Transfer (from) / to General Reserve	0	0	(476,080)	(476,080)		
Transfer (from) / to Earmarked Reserves	0	0	0	-		
Net Revenue Expenditure	13,815,100	13,815,100	13,815,100	0		
Financed by:						
Retained Business Rates	(3,464,100)	(3,464,100)	(3,464,100)	-		
Business Rates Cap	(680,000)	(680,000)	(680,000)	-		
Revenue Support Grant	(106,000)	(106,000)	(106,000)	-		
Funding Guarantee Grant	(561,000)	(561,000)	(561,000)	-		
Services Grant	(82,000)	(82,000)	(82,000)	-		
New Homes Bonus	(992,000)	(992,000)	(992,000)	-		
Business Rates Collection Fund (Surplus)/Deficit	(242,000)	(242,000)	(242,000)	-		
Council Tax Collection Fund (Surplus)/Deficit	(74,000)	(74,000)	(74,000)	-		
Council Tax	(7,614,000)	(7,614,000)	(7,614,000)	-		

General Reserves

	Original	Approved	Projected
Start of year	£6,075,329	£5,984,664	£5,984,664
This Report	£0	£0	(£476,080)
Sub Total In Year	£0	£0	(£476,080)
End of year	£6,075,329	£5,984,664	£5,508,584
Change to Original		(£90,665)	(£566,745)

Savings and Additional Income Proposals Monitoring

Targets			Progress on Achievement			
No	Saving	MTFS Target 2023/24	Green - achieved or likely to be achieved	Amber - risk to full achievement	Red - risk to achievement or achieved in later years	Comments on Amber and Red items
	Achieved Savings	1,704,000	1,704,000			
21	Vacancy savings	150,000		150,000		Monitored during the year
26	Garden Waste Price increase	84,000		21,000	63,000	Cabinet Member Decision
30	Car Parking Charges	355,000		147,920	207,080	Cabinet Member Decision
4	LED lighting / Car park	5,000			5,000	Not yet implemented
17	Golf course	80,000			80,000	Not yet implemented
23	IT savings	100,000			100,000	Not yet implemented
32	Introduce a departure charge to all bus companies using Lichfield Bus Station.	21,000			21,000	Not yet implemented
	Total	2,499,000	1,704,000	318,920	476,080	

Total Green and Amber Progress	2,022,920
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Shortfall to MTFS Target	476,080
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Leisure Centres Financial Performance and Budgets

Budget Projection Assumptions:	2023/24			
	MTFS Budget	Actual Ytd	Projected Actual	Projected Variance
Inflation Projection				
Human Resources				
ICT				
Insurance				
Operating Expenditure - LWMTS + inflation	£2,299,290	£574,823	£2,299,290	£0
Burntwood Leisure Centre Business Rates	£196,000	£195,840	£195,840	(£160)
Human Resources	£60,500	£15,125	£60,500	£0
ICT	£60,500	£15,125	£60,500	£0
Insurance	£25,210	£6,303	£25,210	£0
Less: Friary Grange Leisure Centre (Freedom Bid)	£0	£0	£0	£0
Add: New Leisure Centre (Max Associates)	£0	£0	£0	£0
Add: Projected Corporation Tax (25% of surplus)	£0	£0	£0	£0
Sub Total - Contract Fee Payment to LWMTS	£2,641,500	£807,215	£2,641,340	(£160)

Income - implied level to achieve Cabinet Report Budget	(£2,727,740)	(£529,408)	(£2,313,470)	£414,270
Less: Friary Grange Leisure Centre (Freedom Bid)	£0	£0	£0	£0
Add: New Leisure Centre (Max Associates)	£0	£0	£0	£0
Sub Total - Income retained by the Council	(£2,727,740)	(£529,408)	(£2,313,470)	£414,270

Commercial Bid Budget	(£86,240)	£277,807	£327,870	£414,110
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2024/25	2025/26	2026/27	2027/28
Budget Projections			
2%	2%	2%	2%
75%	75%	75%	75%
50%	50%	50%	50%
100%	100%	100%	100%
£2,345,280	£2,392,190	£2,440,030	£2,488,830
£199,920	£203,920	£208,000	£212,160
£46,280	£47,210	£48,150	£49,110
£30,860	£31,480	£32,110	£32,750
£25,710	£26,220	£26,740	£27,270
£0	(£840,640)	(£841,280)	(£841,920)
£0	£1,081,750	£1,234,270	£1,321,750
£0	£0	£4,000	£28,000
£2,648,050	£2,942,130	£3,152,020	£3,317,950

(£2,734,290)	(£2,912,120)	(£3,020,190)	(£3,130,040)
£0	£780,660	£785,650	£790,670
£0	(£846,670)	(£1,199,480)	(£1,334,580)
(£2,734,290)	(£2,978,130)	(£3,434,020)	(£3,673,950)

(£86,240)	(£36,000)	(£282,000)	(£356,000)
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Fees and Charges

Income Type	Annual Budget £000	Actual £000	Year End Variance £000	Annual Trend							
				2015/16 Actual £000	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000
Planning Applications	781	373	0	629	1,030	824	797	744	695	974	649
Car Parks	2,096	445	207	1,748	1,986	2,078	2,198	2,105	752	1,515	1,814
Garden Waste	1,566	1,320	63	0	0	231	1,495	1,478	1,618	1,609	1,601
Trade Waste	489	587	0	390	407	415	443	469	485	522	560
Land Charges	311	50	0	297	312	279	286	253	272	341	258
Building Control	1,113	300	0	507	557	547	553	896	1,032	948	935
Property Rental	840	129	0	681	687	729	839	744	680	674	598
Total of Highest Value Fees & Charges	7,196	3,204	270	4,251	4,980	5,102	6,611	6,689	5,535	6,583	6,414
Other Income											
Licensing				185	236	224	241	245	160	184	195
Leisure Centres				1,819	1,879	1,629	183	0	0	0	0
VAT Claim				0	0	0	1,103	0	0	0	0
Court Costs				233	218	198	214	222	154	247	249
Recycling				347	439	463	331	283	280	560	654
Grounds Maintenance				161	168	195	217	264	273	234	220
Other				1,139	1,319	1,124	1,057	1,063	908	1,166	1,112
Total Income				8,136	9,239	8,936	9,957	8,766	7,310	8,974	8,845

Capital Programme Performance in 2023/24

Project	Original Budget	Approved Budget	Actual to Date	Projected Actual	Variance
New Build Parish Office/Community Hub	30,000	92,000	0	92,000	0
Burntwood Leisure Centre Sinking Fund Projects	69,000	144,000	45,543	144,000	0
Friary Grange - Short Term Refurbishment	0	134,000	24,630	134,000	0
Replacement Leisure Centre	5,087,000	5,123,000	5,272	5,123,000	0
Accessible Homes (Disabled Facilities Grants)	1,615,000	1,796,000	798,725	1,796,000	0
Decent Homes Standard	97,000	97,000	0	97,000	0
Energy Insulation Programme	22,000	22,000	0	22,000	0
Unallocated S106 Affordable Housing Monies	260,000	264,000	0	264,000	0
Conversion of 36a Bore Street	542,000	492,000	0	492,000	0
Streethay Community Centre	600,000	600,000	0	850,000	250,000
Changing Places Fund	0	36,000	31,185	36,000	0
Zip Wire in Burntwood	0	30,000	0	30,000	0
Burntwood Community Hub	250,000	250,000	0	250,000	0
Climbing Wall at Burntwood Leisure Centre	50,000	50,000	0	50,000	0
Pre-school soft play facility at Burntwood LC	50,000	50,000	0	50,000	0
Adventure Golf at Beacon Park	150,000	150,000	0	150,000	0
Paddle Tennis courts	200,000	200,000	0	200,000	0
New 3G Pitch in Lichfield	200,000	200,000	0	200,000	0
Mavesyn Ridware Village Hall Play Area	0	5,000	0	5,000	0
Fradley BMX Pumptrack	0	33,000	0	33,000	0
Electrical heating in St Stephens Church, Fradley	0	4,000	0	4,000	0
Fence at Chasetown Memorial Bowling Green	0	10,000	0	10,000	0
Enabling People Total	9,222,000	9,782,000	905,355	10,032,000	250,000
Loan to Council Dev Co.	93,000	150,000	0	150,000	0
Lichfield St Johns Community Link (CIL)	35,000	35,000	0	35,000	0
Lichfield Public Conveniences	0	40,000	0	40,000	0
Bin Purchase	150,000	150,000	0	150,000	0
Vehicle Replacement Programme (Other)	281,000	318,000	0	318,000	0
Dual Stream Recycling	0	31,000	16,006	31,000	0
Burntwood Public Conveniences	0	45,000	0	45,000	0
Falkland Road Fosseyway Canal Walk	260,000	260,000	0	260,000	0
Shaping Place Total	819,000	1,029,000	16,006	1,029,000	0
Coach Park	300,000	349,000	0	349,000	0
Car Parks Variable Message Signing	0	130,000	1,155	130,000	0
Pay on Exit System at Friary Multi Storey	0	2,000	0	2,000	0
Pay on Exit System at Lombard Street	150,000	150,000	0	150,000	0
Electric Vehicle Charge Points	70,000	80,000	0	80,000	0
BRS Enabling Works	685,000	1,070,000	0	1,070,000	0
Cinema Development	3,326,000	3,795,000	(0)	3,795,000	0
Incubator Space	300,000	380,000	204,994	380,000	0
New 3G Pitch at Chasetown Football Club	100,000	100,000	0	100,000	0
32-44 Bakers Lane	0	1,582,000	0	1,582,000	0
Small scale investment in micro and small enterprises	0	50,000	0	50,000	0
Development and promotion of the visitor economy	0	25,000	0	25,000	0
Active travel enhancements in the local area	0	25,000	0	25,000	0
Developing Prosperity Total	4,931,000	7,738,000	206,149	7,738,000	0
Property Planned Maintenance	213,000	133,000	0	133,000	0
IT Infrastructure	235,000	254,000	(19,460)	254,000	0
Building a Better Council	0	77,000	25,000	77,000	0
Committee Audio-Visual Hybrid Meetings	0	85,000	0	85,000	0
Good Council Total	448,000	549,000	5,540	549,000	0
Approved Budget	15,420,000	19,098,000	1,133,051	19,348,000	250,000

Funding Source	Original Budget	Approved Budget	Projected Actual	Variance
Capital Receipts	1,660,000	3,659,000	3,659,000	0
Corporate Revenue	238,000	173,000	173,000	0
Borrowing Need - Borrowing and Finance Leases	2,333,000	2,359,000	2,359,000	0
Capital Grants and Contributions	4,522,000	4,926,000	5,176,000	250,000
Reserves, Existing Revenue and Sinking Funds	6,667,000	7,981,000	7,981,000	0
Capital Programme Total	15,420,000	19,098,000	19,348,000	250,000

Treasury Management Investments in the 2023/24 Financial Year

The table below shows a breakdown of our investments at the 30 June 2023:

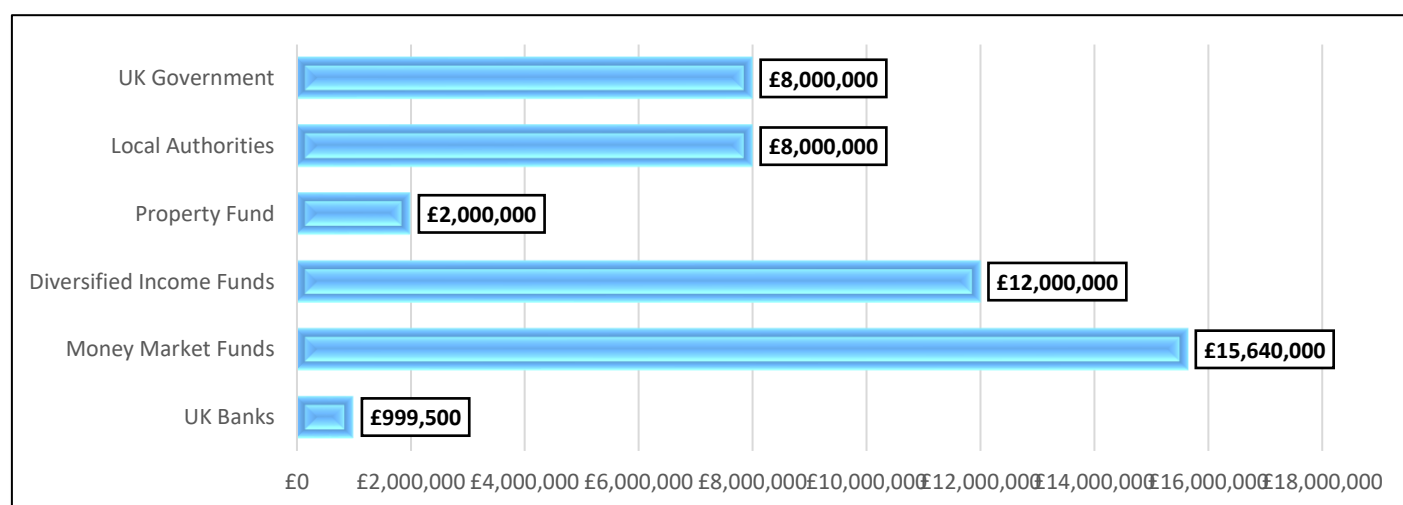
Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
Money Market Funds						
Federated	£2,670,000	01-Jul-23	Instant Access	4.51%	AAAMMF	N/A
Blackrock	£3,970,000	01-Jul-23	Instant Access	4.52%	AAAMMF	N/A
BNP Paribas MMF	£4,000,000	01-Jul-23	Instant Access	4.57%	AAAMMF	N/A
CCLA MMF	£5,000,000	01-Jul-23	Instant Access	4.57%	AAAMMF	N/A
Strategic Funds						
CCLA Property Fund	£2,000,000	N/A	N/A	3.51%	N/A	No
Ninety-One Diversified Income Fund	£5,000,000	N/A	N/A	4.09%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	3.07%	N/A	No
Aegon Diversified Income Fund	£5,000,000	N/A	N/A	5.81%	N/A	No
Fixed Term Investments						
North Lanarkshire Council	£2,000,000	31-Jul-23	31	3.99%	LOCAL	
Brentwood Borough Council	£2,000,000	01-Mar-24	245	4.40%	LOCAL	
Folkestone and Hythe District Council	£2,000,000	07-Mar-24	251	4.40%	LOCAL	
West Dunbartonshire	£2,000,000	04-Sep-23	66	4.40%	LOCAL	
Debt Management Office	£4,000,000	19-Jul-23	19	4.17%	UK Government	
Debt Management Office	£4,000,000	21-Aug-23	52	4.61%	UK Government	
Call Accounts with Notice Period						
HSBC	£999,500	31-Jul-23	31	4.75%	A+	No
Total Investments	£46,639,500					

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

In addition, external borrowing is considered against the objectives of it being affordable (the impact on the budget and Council Tax), prudent and sustainable (over the whole life).

The Security of Our Investments

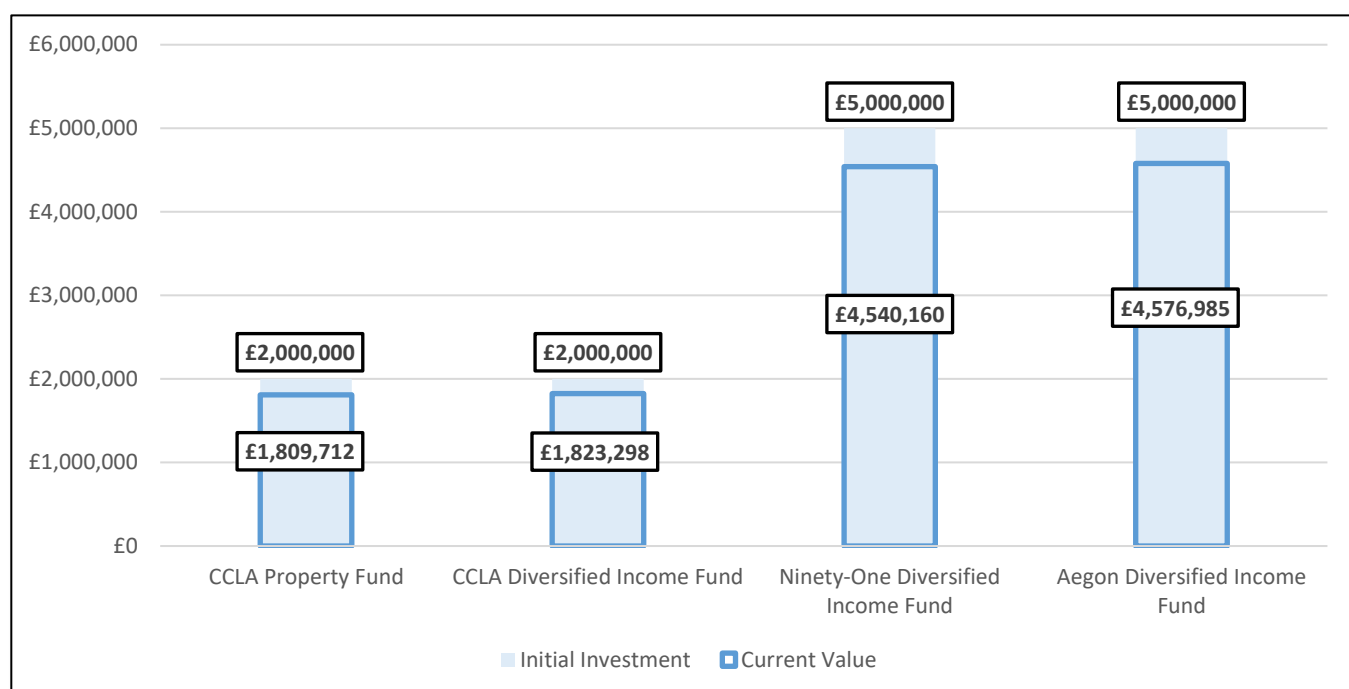
The investments the Council had at the 30 June 2023 of **£46,639,500** (with the Property and Diversified Income Funds valued at original investment for each) by type and Country are summarised below.



The Council’s portfolio size (with the Property and Diversified Income Funds valued at its current value of **£12.8m**), average credit score, diversification and exposure to ‘Bail in’ risk compared to Arlingclose Clients is shown below



The current value of the Property Fund and the Diversified Income Funds are:

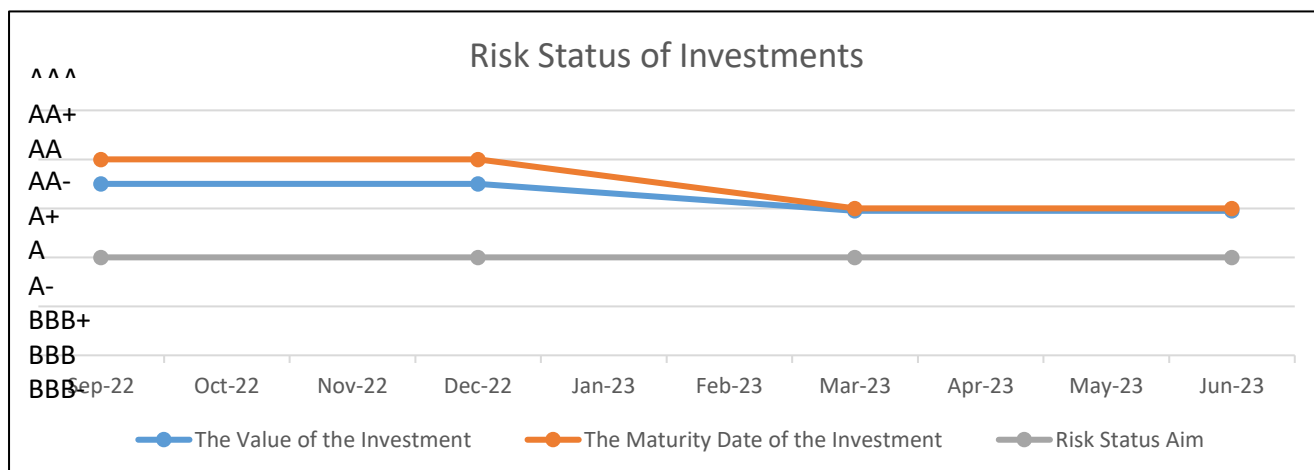


Overall in terms of strategic investments there is a 'book loss' of (£1,249,845) and the earmarked reserve to manage volatility risk is projected to be £794,290.

Strategic Investments Volatility Reserve	
Opening Balance 01/04/2023	£720,290
Approved Transfers 2023/24	£74,000
Projected Transfers Qtr 1	£0
Projected Closing Balance 31/03/2024	£794,290
Fund Book Gains/(Losses)	
CCLA Property Fund	(£190,288)
CCLA Diversified Income Fund	(£176,702)
Ninety-One Diversified Income Fund	(£459,840)
Aegon Diversified Income Fund	(£423,015)
Net Book Loss as at 30/06/2023	(£1,249,845)
Projected Shortfall	(£455,555)

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 medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years, but with the confidence that over a three to five-year period total returns will exceed cash interest rates.

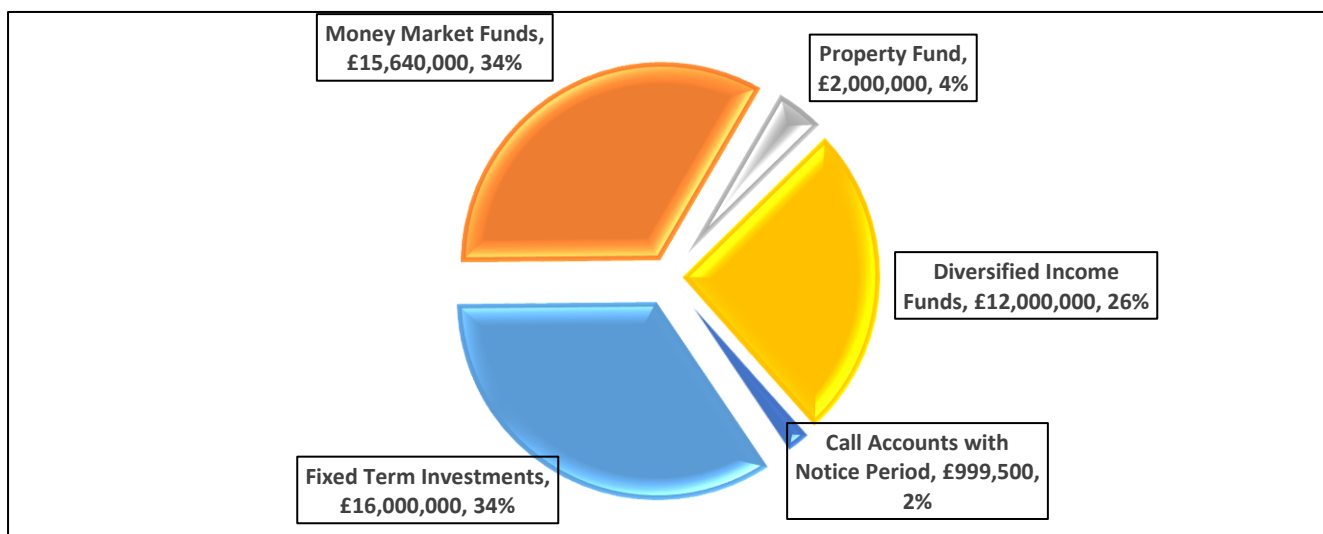
Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value for a 10 month period is summarised in the graph below:



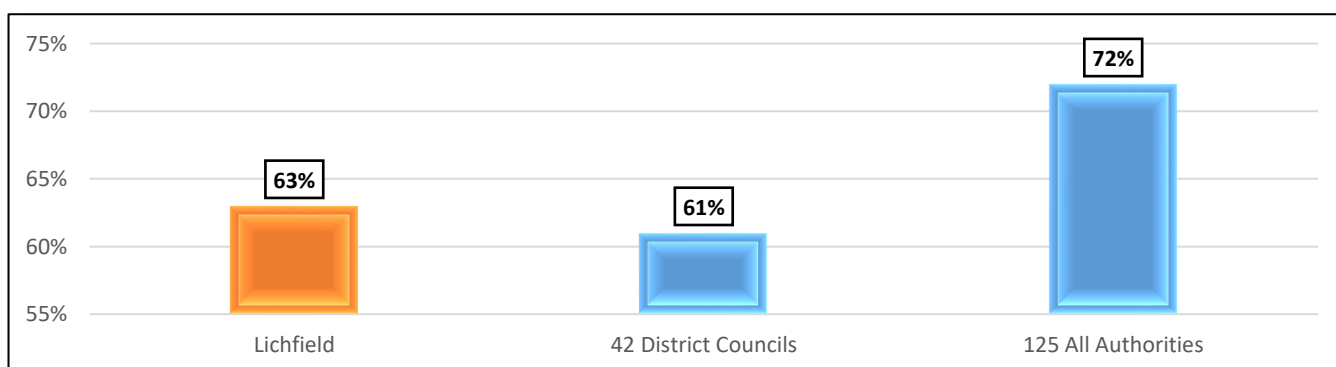
The Liquidity of our Investments

The Council has not had to temporarily borrow during 2023/24.

A significant proportion of investments are retained in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services and to be able to take advantage of interest rate increases. The investments by type are shown below:

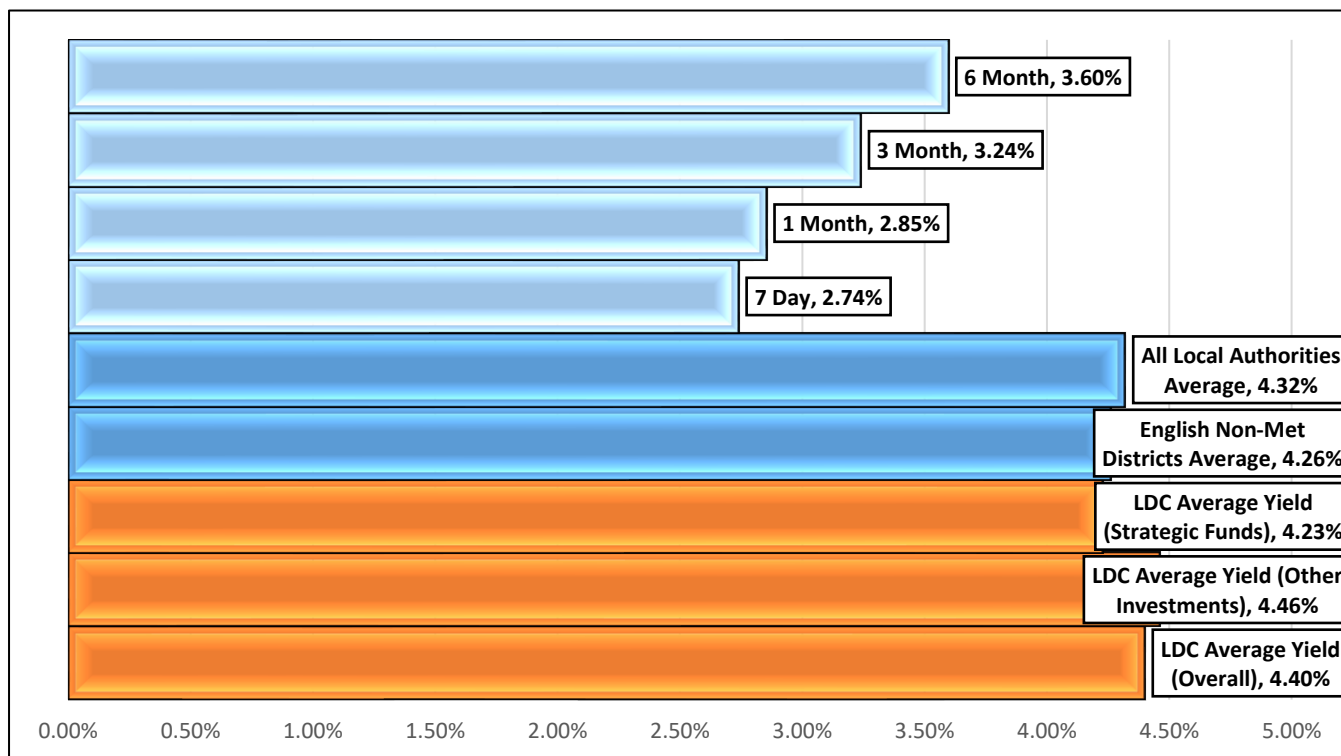


The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is shown below



The Return or Yield of our Investments

The yield the Council achieved compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) is shown below:



The investment activity during the financial year is projected to generate **(£1,322,960)** of gross investment income compared to a budget of **(£1,322,960)**.

The External Borrowing Portfolio

The Council's external borrowing portfolio including the premiums for early repayment is shown below:

	Principal	Average Rate	Years to Final Maturity	(Premium) /Discount
PWLB Fixed Equal Instalment of Principal (EIP)	£1,034,960	2.59%	16.7	£122,316
TOTAL BORROWING	£1,034,960	2.59%	16.7	£122,316

Local Plan Update

Councillor Alex Farrell - Cabinet Member for Housing & Local Plan

Date:	5 September 2023
Agenda Item:	4
Contact Officer:	Lucy Robinson/Patrick Jervis
Tel Number:	01543 308710 / 01543 308132
Email:	lucy.robinson@lichfielddc.gov.uk / patrick.jervis@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	All wards.



CABINET

1. Executive Summary

- 1.1 The Local Plan 2040 (LP2040) was submitted for examination in June 2022, with that examination currently paused following initial comments and queries received from the inspectors until October 2023. The purpose of this report is to provide an update to Cabinet on the progress of responding to those queries and, importantly, to reflect on the continued appropriateness of the key approaches developed through the plan in its current draft, in the context of the local elections which took place in Lichfield District in May 2023.
- 1.2 The council has choices over how to proceed with the LP2040, even though it has been formally submitted for examination. This report introduces and considers those options and, on balance, proposes to recommend to Full Council that the plan is withdrawn from its examination in public in accordance with section 22 of the Planning and Compulsory Purchase Act 2004 and that a new, appropriate, Local Plan for Lichfield District is prepared in its place.
- 1.3 To decide this, it is important Cabinet has all relevant information and details of the risks and implications of withdrawal, as well as the opportunities a withdrawal would present, and these are set out in detail in this paper.

2. Recommendations

- 2.1 That Cabinet notes the progress made in responding to initial comments and queries received from the examiner, as part of the current progress of the plan submitted for examination in June 2022.
- 2.2 That Cabinet recommends to Full Council to approve and instruct officers to take all necessary steps, including giving the required notice under the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), to withdraw the Local Plan 2040 from examination, in accordance with section 22 of the Planning and Compulsory Purchase Act 2004.
- 2.3 That Cabinet recommends to Full Council to approve the draft statement of withdrawal as set out at **Appendix A** for release.

3. Background

- 3.1 As a local planning authority, Lichfield District Council understands that government requires all councils to have an up-to-date local plan contributing to the achievement of sustainable development and has reiterated the requirement for plans to be in place by December 2023. The adopted Lichfield District Local Plan is made up of two parts; the [Local Plan Strategy](#) (adopted in 2015) and the [Local Plan Allocations](#) (adopted in 2019). These documents set out how the district would grow across the plan period to 2029. The Local Plan Allocations document includes a policy commitment to carry out an

early review of the Local Plan for Lichfield that will be submitted to the Secretary of State for examination in accordance with the latest Local Development Scheme or no later than the end of December 2021. Where plans are not progressing or are severely delayed, government has powers to intervene in plan preparation and directly appoint government officials, at the council's expense, to prepare a plan for its area and take away the responsibility from the local authority.

3.2 Our plan, which would replace the adopted Local Plan, the Lichfield District Local Plan 2040 (LP2040), was developed over a period of approximately five years and has been the subject of four formal consultation stages as set out below:

- [Local Plan Review: Scope, Issues & Options](#) (April 2018).
- [Local Plan Review: Preferred Options & Policy Directions](#) (January 2019).
- [Local Plan Review: Preferred Options](#) (November 2019).
- [Local Plan 2040 Publication](#) (July 2021).

3.3 The decision to submit the LP2040, taken by [Cabinet on 10 May 2022](#), was contentious, opinion was divided and support for its submission was only achieved following a deferral until May 2022 (rather than the originally planned 31 December 2021), to allow time to further consider whether:

- the plan adequately addresses the council's climate change aspirations and,
- the plans current spatial strategy, and reliance on urban expansions and use of the green belt, was right for the district.

3.4 During that deferral period, advice on how to proceed was commissioned from independent specialists (through a critical friend review) and tested with the Planning Inspectorate (through an advisory visit) as detailed in the 10 May 2022 Cabinet report. The consequence of the decision to delay submission of the plan, a scenario where elements of the adopted Local Plan may be considered out-of-date (i.e., where a plan is out-of-date, less weight may be attributed to certain policies when the council is determining planning applications), was also weighed.

3.5 The LP2040 was submitted to the Planning Inspectorate on behalf of the Secretary of State for examination in June 2022.

Status of the Lichfield District Local Plan 2040 in examination.

3.5 Following the submission, the appointed inspectors issued an [Inspectors' Initial Letter](#) (IL) on 8 August 2022 which set out a series of approximately forty initial queries to which the inspectors were seeking clarification. The IL made clear that whilst the inspectors were in the early stages of their preparation and reading for the examination, responses to the questions within the letter would enable them to determine how the examination should proceed.

3.8 The council provided an [initial response](#) to the IL on 23 September 2022, along with a proposed timeline of works for the council to undertake in order to provide comprehensive responses to the remaining matters raised in the IL. This was followed by a [request from the council's Chief Executive](#) to 'pause' the examination of the plan for a period of up to twelve months, in order for that work to be resourced and undertaken. A pause was confirmed by the inspectors on 11 October 2022

3.9 At present the examination of the LP2040 remains 'paused' and officers continue to undertake works in response to the IL for the examination to resume expediently in October this year.

Revisions to the National Planning Policy Framework (NPPF).

3.10 On 22 December 2022, the Department for Levelling Up, Housing and Communities (DLUHC) published a consultation on proposed revisions to the National Planning Policy Framework (NPPF) which ran until 2 March 2022. The outcomes of the consultation, including a revised NPPF are still awaited. However, the proposed revisions to the NPPF include several changes to national policy which could have implications for the development and content of Local Plans in the future, including changes to green belt policy and the Duty to Cooperate.

- 3.11 With the LP2040 having been submitted under the current version of the NPPF (2021), it falls to be tested against that version of the NPPF, not the revised NPPF. As such any changes to future national policy would not necessarily be reflected within the submitted plan.

Impact of the District and Parish Elections 2023.

- 3.12 Undoubtedly the impact of the current spatial strategy, and reliance on urban expansions and use of the green belt, was an issue raised by residents with candidates of all political affiliations (and none) in the run up to the election held in May 2023.
- 3.13 Since the election, the new Cabinet Member for Housing and the Local Plan (the portfolio which now has responsibility for the Local Plan) has indicated publicly a desire on the part of the council to explore a different spatial approach to that set out in the submitted Local Plan, in respect of the use of significant urban extensions and the use of green belt land to meet the needs of the district and neighbouring authorities. Given that clear intent, it is highly likely the council would not now adopt the current submitted plan on completion of its examination; the appropriate course of action is therefore to withdraw the existing plan from examination and begin preparation of a new local plan for Lichfield District.
- 3.14 It is important any decision to withdraw the Local Plan 2040 from examination (and possibly to commence the preparation of a new one) is informed, with all the implications, issues and risks understood and accepted by members making that decision. The decision whether or not to withdraw a Local Plan is one which must be made by Full Council, rather than Cabinet. Nevertheless, it is considered appropriate for Cabinet to make recommendations to Full Council. The following paragraphs seek to provide Cabinet with the necessary information to make such recommendations.

Adverse issues and risks associated with withdrawing the plan.

- 3.15 Firstly, withdrawal of the submitted Local Plan would mean there will not be a 'sound' replacement local plan, capable of adoption for the district in place by central Government's deadline of December 2023. However, it should be noted that in any case due to the pause in the examination process, realistically LP2040 could not successfully complete examination and be ready for adoption by the Council within that timeframe.
- 3.16 One impact of this will be a reduced level of certainty for stakeholders in respect of where development to meet future needs will and will not be directed to; nor will there be a suite of up-to-date policies to be used when determining planning applications. Paragraph 11(d) of the NPPF sets out the 'presumption in favour of sustainable development' which is at 'the heart' of the NPPF and states that where a local plan is not in place or relevant policies are out-of-date then an application should be approved unless it is in a protected area (as defined by the NPPF) or the harms caused by the application significantly outweigh its benefit. This is often referred to as the 'tilted balance'. This will potentially make it more difficult for the council to resist planning applications for unacceptable development proposals, as some policies of the current adopted Local Plan may be given reduced weight in the 'tilted balance'. This in turn may present a greater risk of decisions to refuse applications being overturned at appeal. This scenario is sometimes referred to as 'planning by appeal', as opposed to a plan-led system.
- 3.17 On the other hand, the council's confidential 'critical friend' review of the submitted LP2040 identified several areas of the plan which may not currently be sound and as such would require modifications during the examination process. Even after the council completes its responses to the initial queries contained within the IL, and if the examination was resumed, inspectors could therefore still raise further matters, or call hearing sessions into the main matters they wish to explore. A common result of the examination process is that inspectors recommend main modifications to the Local Plan to make the plan sound. Any such modifications would not however enable the council to make fundamental changes to the submitted plan which do not relate to the matters of soundness raised by the inspectors.

3.18 Withdrawal of the plan from examination effectively sends the council back to the start of the plan-making process. This would enable the preparation of a plan in accordance with the revised NPPF, which is expected to be published in Summer/Autumn 2023. The council would be required to undertake significant further evidence base work to underpin a new Local Plan, which subject to resource available, may take a several years to complete. More specifically though, a restart of the process will mean:

a) The council will be without an up-to-date Local Plan for longer than if the plan were not withdrawn.

The withdrawal of the Local Plan will result in the district being without an up-to-date plan for longer than would be the case if the submitted Local Plan were pursued to adoption. The policies within a withdrawn LP2040 will have no weight in determining planning applications or during any planning appeals. As set out at paragraph 3.16 in respect of decision-taking the Council will need to consider whether the 'titled balance' is engaged.

b) Requirement to prepare a new Local Plan & likely time period involved in preparing and adopting a new sound plan.

The NPPF and associated legislation requires Local Planning Authorities to prepare and maintain up-to-date Local Plan's to cover their administrative areas. Local Plans are required to be reviewed and updated where necessary at every five years. As noted in paragraph 3.3 the adopted Local Plan Allocations document included a policy which required the council to undertake a review of its Local Plan and achieve submission no later than 31 December 2021.

Withdrawing the Local Plan 2040 will require us to begin the process of drafting a new version to replace the adopted plan. A Local Plan is underpinned by a very extensive evidence base which is used to inform the plan and the strategy and policies contained within it. Such evidence must be collected throughout the production of the plan and inform its various stages. In addition to the collection of the evidence base, a local plan is required to go through several statutory stages, including public consultation, which informs the production of the plan. Whilst there is no statutory timetable to produce a new Local Plan, based upon the production of the adopted Local Plan and the time it has taken to get to the current stage with Local Plan 2040, it can be anticipated that the production of any new plan would likely take a minimum of 3 years.

The withdrawal of the Local Plan 2040 and commencement of a new one will require the production of a new Local Development Scheme (LDS). The LDS is a timetable for the preparation of the documents which, when prepared, will comprise the development plan for the area. This will include any Local Plan document(s) and any other development plan documents (for example area action plans or tier 2 plans) an authority is intending to prepare. Should the LP2040 be withdrawn as is proposed, then officers will be required to prepare an updated LDS which sets out the proposed timetable for any new local plan and keep this updated as the plan progresses.

c) Addressing development needs and meeting the requirements to provide five years supply of housing land and the housing delivery test.

A key requirement of a Local Plan is to provide a spatial strategy and allocations which meet the identified development needs for the district. With the new plan route, there will be a potential delay in allocating and delivering development to meet the needs of the district beyond the end of the adopted Local Plan's timeframe (to 2029).

This will have implications for the council's ability to demonstrate a five-year supply of housing land against its housing requirements. The NPPF requires council's to annually assess whether it has a sufficient supply of sites to provide for this requirement. At present the district can demonstrate a 9 year supply of sites to meet our housing requirements as set out in the [Five Year Supply Paper 2022](#). Whilst this represents a strong current position, members should be

aware that this position is likely to decrease in the coming years. Indeed, the supply decreased from approximately 13 years in 2021 to 9 years in 2022. As the allocations made through the adopted Local Plan are built-out and completed, further supply is required to be identified and permitted to maintain a healthy five-year supply. However, without further allocations being made through the local plan process in the medium term, it is unlikely that windfall permissions will prevent the council's overall supply from decreasing and potentially falling below the required five years. The lack of a demonstrable five-year supply of housing land can impact upon our ability to refuse developments which do not conform with the adopted plan and defend planning appeals.

On the other hand, it is recognised that some members have expressed opposition in the past to the spatial strategy and land allocations contained in LP2040; and these concerns appear to have become more widespread following the elections in May 2023. Furthermore, the 'critical friend review' of LP2040 also questions the soundness of some policies and allocations in the document.

In addition to the question of housing supply, Government has put in place a Housing Delivery test (HDT) which applies to all local planning authorities. This tests overall housing delivery against an authority's housing requirement, across the preceding three-year period. The [latest results](#), published by central government, demonstrate that Lichfield District currently passes the HDT with a result of 192%. This is a result of high levels of housing completions recorded in the district between 2018 and 2021, which is primarily driven by several strategic allocations of the adopted Local Plan delivering concurrently.

Where an authority fails the HDT then several consequences may be applied including the preparation of an action plan to improve housing delivery, the application of a 20% buffer to the five-year housing land supply and ultimately the presumption in favour of sustainable development (NPPF paragraph 11) being applied. Given the current level of housing delivery and supply of housing sites it is not considered likely that the council will fail the HDT in the short/medium term. However, as housing supply decreases (as set out above), it is likely that housing delivery will consequently start to decrease over time.

d) Future financial implications and the cost of preparing a new Local Plan.

These are set out below in the 'Financial Implications' section of the report. It should be noted however, that whilst significant expense has been incurred in progressing the LP2040 much of this work will be able to be reviewed and revised and will assist in informing the progression of any new local plan for the district. Nevertheless, restarting the Local Plan review process will incur significant additional expenditure to progress a new plan to adoptions stage.

At the same time, if significant changes are made to the NPPF as anticipated, the new plan would have a longer 'shelf life' and be more likely to avoid the need for early review in the future.

e) Impacts on planning service.

As a result of withdrawing the Local Plan, there is the potential for increased workload in some services including the Place function in the Policy and Strategy Service of the Core Team and the Development Management function of the Resident and Business Services Team. Should the adopted plan be considered to be out-of-date in part and/or the five-supply of land decreases then there is the potential for an increased number of planning appeals, particularly for major developments as applicants pursue unallocated sites.

f) Potential negative impact on infrastructure.

The lack of up-to-date policy in a revised Local Plan supported by relevant evidence may restrict the capacity of the council to secure all necessary and cumulative infrastructure. Therefore,

there is a potential loss of section 106 contributions for necessary education, highway, healthcare, and green infrastructure. This reflects that:

- The LP2040 contains policies which form the basis of requesting planning obligations/contributions.
- This could lead to an uncoordinated approach to infrastructure delivery. Particularly in respect of education and the provision of new and expanded schools/academies.
- Infrastructure requirements identified within the emerging Local Plan and its evidence base may not be delivered.
- It may impact upon opportunities to seek other funding streams to support infrastructure delivery as an up-to-date plan is not in place.

g) Possible consequences of government intervention.

As noted, central government has the powers under the Planning and Compulsory Purchase Act 2004 ('the 2004 Act') to intervene in plan making where it concludes an authority is not making satisfactory progress in the preparation, revision and modification, examination and adoption of its development plan documents; or indeed if it considers that a development plan document should be withdrawn. Under sections 21, 21A, 27 and 27A of the 2004 Act, the Secretary of State (SoS) can issue directions with several different outcomes. These can include the Secretary of State pausing or taking over the plan preparation, submission, examination and adoption stages; or requiring approval of changes to be made to the plan before it can proceed further. The Secretary of State can also involve a higher tier authority to prepare the plan, such as a County Council. The Secretary of State can recover from the local planning authority the Government's costs of such interventions.

In considering any intervention, the government would need to be satisfied that the requirements in section 27(1) of the 2004 Act are met. Also relevant to this assessment are the following factors which had been set out in the '2017 Fixing our broken housing market white paper' and have been referenced where intervention has been made in other authorities:

- The council does not have an up-to-date Local Plan in place.
- The council has failed to meet the milestones in at least five Local Development Schemes since 2006; and
- has failed to plan for and deliver the homes people need in the district.

The implications of Secretary of State intervention would be that local plan making would be taken out of council control to a greater or lesser degree. Outcomes could include the imposition of a very compressed timetable to produce a plan, with the government monitoring progress closely.

Members should note that such intervention has previously taken place in [South Oxfordshire District](#) where in October 2019 a holding direction under s21A of the 2004 Act was placed upon the local planning authority following its decision to withdraw its emerging Local Plan. In a letter to the Council on 3rd of March 2022 several reasons as to why the Secretary of State had made the intervention and instruction were provided. This included that those factors set out section 27(1) of the 2004 Act had been met. Other factors considered were that; intervention would have the greatest impact in accelerating Local Plan production; wider planning context in the region and that withdrawal of the plan would negatively impact on other emerging local plans; potential impact a delay in local plan production would have upon the progression of neighbourhood plans. In the 3rd of March letter the Secretary of State removed the holding direction and intervened in the plan-making process, instructing South Oxfordshire District Council to continue to progress its Local Plan through examination to adoption, and to provide monthly progress reports to the Ministry. The council progressed the plan under this direction to adoption in late 2020.

Opportunities associated with withdrawing the plan.

- 3.19 Paragraphs 3.15 to 3.17 (above) have summarised the adverse issues and risks associated with withdrawing the submitted LP2040. However, doing so and starting again with the plan also offers opportunities for the council.
- 3.20 Currently, although the Local Plan 2040 is not an adopted part of the statutory development plan, it has reached an advanced stage of development, having been submitted for examination. Whilst this means that it is not possible to give the emerging LP2040 policies full weight in decisions on planning applications, at present those policies can be given some weight in appropriate circumstances. Upon withdrawal of Local Plan 2040 the council would no longer place any weight upon the policies of the submitted plan in accordance with paragraph 48 of the NPPF.
- 3.21 Withdrawal of Local Plan 2040 would mean that the proposed strategy including the four strategic housing allocations at North of Lichfield, Fradley, West of Fazeley and at Whittington, would no longer form part of the emerging policy framework being pursued by the council. This includes no longer proposing to release land from the Green Belt to accommodate those sites at Fazeley and Whittington.
- 3.22 Instead, in respect of 'decision-taking' the council would continue to use the policies within the adopted local Plan Strategy and Allocations documents, along with any relevant neighbourhood plan when determining planning applications. The council would continue to make decisions on planning proposals in accordance with its adopted Local Plan; and this will mean that when making decisions on applications the council will not evaluate any differences between the adopted Local Plan and the LP2040.
- 3.23 In the longer term, the key benefit of the withdrawal of the plan is that it will enable the council to develop a new local plan, and so have full and fresh consideration of all the potential options available to it to meet the needs of the district. This will enable the consideration and development of a new plan which will set:
- The key issues and priorities which the council wants the new local plan to address.
 - The overall spatial strategy of the new local plan, where development should and shouldn't be permitted including new allocations for land uses including housing and employment.
 - The levels of growth which are needed to meet the needs of the district's residents and business including what assistance can be provided to neighbouring authorities where they can demonstrate an inability to meet their own needs.
 - Areas of land, buildings and other assets which are to be protected and enhanced within the district.
- 3.24 A new local plan will be developed across a number of years and in conjunction with a wide range of stakeholders. This will include several opportunities for further formal consultation with our communities, which will enable the council to develop a plan which meets resident's needs in a way which engages with local stakeholders. By their nature, local plans tend to be contentious. Whilst there will remain opposing views it is important for the council to progress a plan in a manner that is positive, evidence based, objective and collaborative to secure the best outcomes for the future of the district's residents and their needs.
- 3.25 As noted above there is an expectation that government will publish a revised NPPF during 2023 which could include changes to national policy in relation to plan-making. Indeed, further changes to the planning system are anticipated in the longer term through legislation such as the Levelling-up and Regeneration Bill (LuRB). By progressing a new local plan in this context, it will enable the plan to reflect the latest national government policy and guidance ensuring the plan is robust as possible and in accordance with the most up to date national policy.
- 3.26 In addition to being able to better align a new Local Plan to the latest national policy and legislation, a new local plan will be developed having full regard to and integration with the latest council policy, including the latest strategic plan, Lichfield 2050, and emerging documents such as the Lichfield District

Design Code. The Council has undergone significant change in recent years and is advancing several key projects including those at Birmingham Road and a new Leisure Centre all of which can be integrated into a new Local Plan.

Next steps.

- 3.27 We will need to begin preparation of a new Local Plan as expeditiously as possible, having regard to the implications summarised above as there is an existing government requirement for Local Plans to be in place by the end of 2023. The council will need to consider the resource and capacity available to commence the new plan, realistically in Autumn 2023, and recognise this will take a minimum of 3 years to complete, unless additional capacity is introduced.
- 3.28 An Autumn 2023 restart would align well with the expected publication of the revised NPPF and enable the plan to be progressed in that context. Whilst it is not now possible to meet the government’s deadline of the end of 2023 with the existing LP2040 or as a result of withdrawal, it remains important to prepare a new local plan as soon as possible, particularly to enable all stakeholders to be engaged in shaping the Local plan for the district and to provide certainty for our communities, business, and other stakeholders and Cabinet should commit to doing just that.

<p>Alternative Options</p>	<ol style="list-style-type: none"> 1. To not withdraw but proceed with the examination of the submitted Local Plan 2040. Officers would be required to continue to progress work in relation to the matters identified in the IL to ensure a resumption of the examination as expediently as possible. Should the examination recommence then officers will be required to provide responses to issues raised by the inspectors throughout the examination. Should the examination be progressed the LP2040 would likely remain fundamentally the same with a similar strategy and many policies remaining largely or wholly intact. Should the examination continue the submitted plan would likely be subject to further changes, known as main modifications, to assist with matters of soundness raised by the inspectors. Such modifications would be required to be formally consulted upon and reported to Members. Should issues and modifications be identified at examination then the Local Plan 2040 would not be able to be adopted without such modifications being made. It is also possible that should the examination be progressed that the matters of soundness may not be solvable through modification. In such circumstances the examination would be unable to continue, and the plan would fail.
<p>Consultation</p>	<ol style="list-style-type: none"> 1. All stages of the Local Plan 2040 (formerly Local Plan Review) were presented to Overview & Scrutiny Committees and Cabinet. Cabinet was consulted upon the consultation and submission of the publication version of the Local Plan 2040. 2. The Local Plan 2040 has been subject to four formal stages of consultation, undertaken in accordance with the Regulation 18 and Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, including additional stages of consultation undertaken in accordance with regulation 18. 3. The publication version of the Local Plan was consulted upon, often called the Regulation 19 consultation, between the 5th of July 2021 and the 30th of August 2021. All representations received during the Regulation 19 consultation have been submitted to the Planning Inspectorate as part of the Examination in Public. 4. Following Cabinet’s consideration of this report, and subject to the recommendations of this report, the decision to withdraw the plan will be presented to Full Council.

	<p>5. Subject to that decision the Council will be required to publish notification of the withdrawal of the Local Plan and undertake necessary steps to withdraw the plan as set out at section 27 of the Local Planning Regulations (2012).</p>
<p>Financial Implications</p>	<ol style="list-style-type: none"> 1. The development of a local plan and its associated evidence base represents a significant cost to the authority. Between 2018/19 and 2022/23, the Council incurred significant costs of approximately £436,000 (not including staff costs). As noted at paragraph 3.21 a proportion of this resource will be lost. However, it should be noted that a significant degree of this expenditure has been upon evidence-based studies which, whilst may need updating, will continue to underpin and inform a new Local Plan. 2. Payment of outstanding committed expenditure for the appointed Programme Officer and Planning Inspectorate costs for the examination of the Local Plan 2040. Sufficient budget is in secured for committed expenditure (see below). 3. There is an earmarked reserve set aside for the Local Plan examination and review costs on 1 April 2023 of £241,040. The MTFS to 2026/2027 includes a total budget of £360,000 (£90,000 per annum for four years). Therefore, the total available budget is £601,040. 4. Following withdrawal and the payment of committed expenditure relating to the examination of the LP2040 the council will not then need to fund the remainder of the examination including legal costs. As such that budget will be available for further activity in relation to any new local plan. 5. Appropriate budget will need to be considered and set aside for the progression of a new Local Plan including staff resources, budget for evidence base and ultimately to finance any future examination in public. Based upon the progression of the LP2040 it is anticipated that the progression of a new Local Plan will cost significantly more than that noted at point 1. 6. As set out at paragraph 3.18(g) of this report, should Government intervention take place the Secretary of State is able to recover any costs incurred because of that intervention. 7. Members are reminded of their duty to consider best value and the implications of the withdrawal of the Local Plan having regard to the associated costs which have been set out above in progressing the Local Plan 2040 to this stage.
<p>Approved by Section 151 Officer</p>	<p>Yes</p>
<p>Legal Implications</p>	<ol style="list-style-type: none"> 1. There is a statutory duty in the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 for the local authority to prepare a Local Plan and to review and keep it up to date by review at least every 5 years. The current Local Plan Strategy was adopted in 2015, and the Allocations document adopted in July 2019. It is possible, though perhaps unlikely, that LP2040 could be adopted prior to July 2024, even if the examination is resumed in October 2023. However, withdrawal of LP2040 is likely to delay the adoption of a new Local Plan further. There is no automatic sanction for failure to meet the statutory deadline, though a delay could be a factor in the decision of the Secretary of State whether to use his intervention powers; and potentially for a third party to seek judicial review of the decision to withdraw the plan. The risk of such actions is greatly reduced by clearly establishing planning reasons for the decision to withdraw LP2040. The council would seek to robustly defend any

	<p>such challenge if there are reasonable grounds for doing so. The potential costs of which would depend upon the council's ability to resist any such challenge, and which cannot be accurately quantified at this point.</p> <ol style="list-style-type: none"> 2. The Local Plan has been submitted in accordance with Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012. 3. The power to withdraw a local plan prior to adoption is set out in Section 22 of the Planning and Compulsory Purchase Act 2004, which provides for a local planning authority to withdraw a local development document at any time prior to its adoption under Section 23. The statute does not prescribe or limit the reasons for withdrawal, though the risk of intervention by the Secretary of State or a legal challenge by a third party will greatly reduced by clearly establishing planning reasons for the decision to withdraw LP2040. 4. As soon as reasonably practicable after resolving to withdraw LP2040, in accordance with regulation 27 of the Town and Country Planning (Local Planning) (England) Regulations 2012 the council must: <ol style="list-style-type: none"> i. make a statement about the withdrawal available on the council's website and for inspection at its offices for six weeks. ii. give notice of the withdrawal to general and specific consultation bodies which were notified of the submission of the plan; and iii. cease to make any documents published in relation to LP2040 available on the Council's website and at its offices.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. Supports the priority of 'Enabling People' through Local Plan preparation which makes provision for growth in housing and other land uses informed by public consultation so they can live healthy and active lives. 2. Supports the priority of 'Shaping Place' through the Local Plan preparation for allocation of new land uses, preserving the districts assets and ensuring growth is done sustainably and with balanced infrastructure provision. 3. Supports the priority of 'Developing Prosperity' through the Local Plan preparation which makes provision for land use allocations including employment and residential use, thereby encouraging economic growth, enhancing the district, and providing certainty for investment. 4. Supports the priority of being a 'Good Council' by accountability, transparency and responsiveness as the update enables the community, business, developers, service and infrastructure providers and other interested organisations to know how the Local Plan review is progressing
Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. An Equality Impact Assessment has been undertaken at previous stages of Local Plan preparation. 2. Withdrawal of the Local Plan 2040 will mean that there is a delay in adopting an up-to-date policy framework which makes provision for the delivery of specialist accommodation for the needs of people with a protected characteristic. The adopted Local Plan includes policies which provide support for such provision. Therefore, it is concluded that withdrawal of LP2040 will not have significant implications for equality, diversity and human rights.
EIA logged by Equalities Officer	Equalities Officer confirmed not required.

Crime & Safety Issues	1. There are no crime and safety issues.
Environmental Impact (including Climate Change and Biodiversity).	1. Withdrawal of the Local Plan 2040 from examination will mean there is a delay in adopting an up-to-date policy framework for planning decisions. Policies related to environmental impact and climate change are included within the emerging Local Plan 2040. In making planning decisions it will still be possible to engage the policies of the adopted plan and refer to national guidance. A new plan will be progressed to adoption within as short a timescale as possible.
GDPR / Privacy Impact Assessment	1. A Privacy Impact Assessment has not been undertaken.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Legal challenge to decision to Withdraw from examination from site promoters.	Likelihood: Yellow Impact: Red Risk: Yellow	Ensure withdrawal is undertaken in accordance with Section 22 of the Planning and Compulsory Purchase Act 2004, which provides for a local planning authority to withdraw a local development document at any time prior to its adoption under Section 23. Ensure that members are fully aware of the planning basis for withdrawal when taking this decision. Undertake all duties as soon as is practicably possible after withdrawal in accordance with the above act.	Likelihood: Green Impact: Yellow Risk: Green
B	Risk of government intervention	Likelihood: Yellow Impact: Red Risk: Yellow	Prepare and update Local Development Scheme (LDS) with a realistic proposed timetable for Local Plan production and keep DLUHC informed of plan progression. Progress a new Local Plan in accordance with updated LDS and maintain updates to ensure programme reflected is correct. Submitted Local Plan unlikely to be adopted by of the December 2023 government deadline. Many authorities are in this position and as such it is considered unlikely that government would be able to intervene in all such cases.	Likelihood: Green Impact: Yellow Risk: Green
C	Loss of control over development, risk of speculative planning applications and loss at planning appeal	Likelihood: Red Impact: Red Risk: Red	By withdrawing the Local Plan 2040 from examination there will be a longer period where the council is without an up-to-date local plan and as such will continue to rely on the adopted Local Plan, parts of which may be out of date. Determination of planning applications takes account of diminished weight of some local plan policies and other material considerations having regard to the lack of up-to-date policies. Where planning appeals are made, the council will need to defend such appeals appropriately having regard to the policy context at the time of any such decision.	Likelihood: Red Impact: Yellow Risk: Yellow

Background documents

[Local Plan 2040 Publication \(Regulation 19\) Consultation – Cabinet Report 9 February 2021](#)
[Local Plan 2040 Submission – Cabinet report 10 May 2022](#)
[Local Plan 2040 Submission document](#)
[Inspectors Initial Letter](#)

Relevant web links

[Local Plan 2040](#)
[Local Plan 2040 Examination](#)
[Planning and Compulsory Purchase Act 2004](#)
[The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)
[National Planning Policy Framework](#)
[National Planning Policy Framework 2022 consultation document](#)
[Letters from SoS to South Oxfordshire District Council in respect of Local Plan intervention](#)

LICHFIELD DISTRICT COUNCIL

LICHFIELD DISTRICT LOCAL PLAN 2040

STATEMENT OF WITHDRAWAL – Notification to those bodies set out under Regulation 27(b) The Town and Country Planning (Local Planning) (England) Regulations 2012

In accordance with Section 22(1) of the Planning and Compulsory Purchase Act 2004 and Regulation 27(a) of the Town and Country Planning (Local Planning) (England) Regulations 2012, this statement hereby gives notice that Lichfield District Council has withdrawn the Lichfield District Local Plan 2040 Publication Document, which had been submitted to the Secretary of State for Examination on 30th June 2022.

The decision to withdraw the Lichfield District Local Plan 2040 was made at a Full Council meeting held on the **XXX** 2023. The resolution to withdraw was made under the provisions of Section 22 of the Planning and Compulsory Purchase Act 2004, which states that a local planning authority may withdraw a local development document at any time before its adoption.

Any questions regarding the withdrawal of the Proposed Submission version of the Lichfield District Local Plan 2040 please contact the Council at:

Email: developmentplans@lichfielddc.gov.uk

Telephone: 01543 308000

Address:

Local Plans

Lichfield District Council

District Council House

Frog Lane

Lichfield

Staffs

WS16 6YY

DATED: **XX** 2023.

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Council tax reduction scheme as a discount

Councillor Rob Strachan, Cabinet Member for Finance & Commissioning

Date: 5 September 2023

Agenda Item: 5

Contact Officer: Lizzie Barton, Assistant Director of Customer, Resident & Business Services

Tel Number: 01543 308060

Email: lizzie.barton@lichfielddc.gov.uk

Key Decision? YES

Local Ward Members All



CABINET

1. Executive Summary

- 1.1 Lichfield District Council launched its new banded council tax reduction scheme for working-age claimants on 1 April 2023.
- 1.2 Cabinet previously on 5 April 2022 approved the desired outcomes for the new scheme (those in bold are most relevant to this decision):
- **A simplified scheme for the customer.**
 - Future proofed as far as possible.
 - **Simplified administration.**
 - Reduction in poverty and refocus on ability to pay.
 - To recognise and tackle exceptional hardship.
 - To remain affordable.
 - The costs of implementation are affordable.
- 1.3 The new scheme makes it possible to for the council to alter the way it processes claims for support and transfer them from a complex 'benefits' approach to a straightforward 'discount' – a bit like a single person discount.
- 1.4 Transferring the scheme from a benefit to a discount simplifies both the customer experience and the back-office processing of the scheme and will speed up processing decisions and awards of financial support to local people.
- 1.5 This paper proposes that the council adopts transforms its council tax reduction scheme from a benefit to a discount from 1 November 2023.

2. Recommendations

- 2.1 That Cabinet approve transforming the way the council administers the local council tax reduction scheme and transforms it into a discount-based scheme from 1 November 2023, including the procurement of an intuitive form and campaign technology that can be met from within existing service budgets.
- 2.2 That Cabinet delegates any final decisions in relation to the roll out of the transformed scheme to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151).

3. Background

Benefits

- 3.1 Many customers are currently confused about local council tax support and whether they can claim it – because of this many don't claim it when they could be entitled. A discount is far easier to understand than a benefit – if you are on a low income, you can get a discount – and the discount you get depends on the income you get. Anecdotal evidence from councils who have transformed their council tax reduction scheme into a discount is that customers find it easier to understand and are more willing to claim support if they think they may be entitled.
- 3.2 Currently benefit assessors with complex benefits knowledge are required to process new council tax reduction claims and changes to claims. Our current performance target baseline is 20 days for new claims and 5 days for changes in circumstances and the team is utilising robotics to speed up some change of circumstances. A move to a discount, with the support of an intuitive form, would mean staff with no benefits skills could process a new claim or a change in circumstance (or they could be automated), leading to same day processing and immediate awards of financial support for new claims and changes, exceeding our target of two and one day respectively. In place of the existing robot, the team has identified further processes within the service to benefit from robotics processing.
- 3.3 The move to a discount would also allow the team to deliver within its new structure which was reduced in size in readiness for administrative savings that are achievable through such a move. The change will also help to improve processing timeframes in relation to housing benefit claims through a reduction in team workload in relation to the current scheme.

The proposed customer experience

- 3.4 New customers will complete an online application form to make a claim. In most cases they will be told immediately whether they are eligible and what their discount is, along with details of how much their income will need to change (up or down) before they are required to report a change. Currently new claims are uploaded to our benefit system and pended until the DWP report the amount of universal credit awarded. The claim is then created which requires an enhanced level of skill and understanding of LCTS legislation and can create delays in awarding support to the customer. **See Appendix 1 for an overview of the customer journey.**
- 3.5 Existing claimants who have a change to their income will complete an online form to update their details and be told immediately whether their income change has affected their discount and by how much. Any change would then be applied immediately. Currently changes of circumstances are received, processed by robotics where possible, authorized manually and then each claim is reassessed and LCTS is adjusted manually, which requires an enhanced level of skill and understanding of LCTS legislation. Again, this can cause delays in awarding support to the customer.
- 3.6 Requesting all claimants to report any changes in income is a change from the current scheme for Universal Credit claimants, insofar as currently the council processes updates to UC claimants' income based on a daily file it receives from the DWP, the vast majority of which does not change customers' claims, as most income changes do not alter the discount band a customer is within. Processing this file is not a requirement and the council is keen for all customers to manage their own discount and report changes to their income, regardless of whether they claim Universal Credit. Anecdotally this approach has led to customers better understanding their discount and has not generated any negative customer feedback.

3.7 Further to this, some councils have adopted a penalty charge system to encourage customers to report changes in circumstances. Whilst this paper does not propose this approach is adopted initially, it recommends that the decision to implement such an approach is delegated to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151).

Evidence gathering and risk

3.8 Currently the council requests evidence of all income (benefits or earnings), bank statements, proof of ID of all household members from all claimants, even if customers claim Universal Credit and have already been checked by the DW&P. This can significantly slow down a claim and cause delays in awarding support to the customer.

3.9 Several councils who have moved to a discount-based approach, have reduced the upfront evidence requirement on customers when making a new claim or reporting a change in circumstances, and have moved instead to a risk-based audit approach, which has seen a proportionate number of claims assessed annually based on risk levels. These councils have seen no rise in fraud or levels of claims through adopting this approach.

3.10 The council tax reduction scheme for working-age claimants' costs approximately £2,400,000 per annum, of which the council funds approximately £240,000. Conversely, the single person discount scheme is approximately £6,700,000 per annum, of which the council funds approximately £670,000. Currently the council requests no evidence when someone contacts us to let us know they are living alone and carries out risk-based sample checks to satisfy audit requirements post award.

3.11 As such, this paper recommends the council adopts a similar approach to working-age council tax reduction claimants and works closely with the audit team and the council's S151 officer to monitor the impact of this approach on the overall cost of the scheme, and to implement robust audit checking procedures to ensure the council remains robust in its approach to risk and fraud in this regard. In line with the roll out of the scheme, the agreed audit checking levels will be delegated to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151). These checking levels will be determined before the scheme is implemented, and an audit will be carried out during early implementation to ensure the levels of checking are adequate.

3.12 To provide assurance to the organisation that arrangements are in place on the adequacy of the internal control environment, a risk-based audit plan is produced. Therefore, in addition to ongoing checking detailed above, a wider assessment of this discount based scheme could be incorporated into a future audit plan to provide assurance to the Council. A review of the revised scheme including performance measures will also be presented to Audit & Member Standards Committee within the first year of operation.

3.13 To support robust audit checking, the team are investigating automated software that will enable the council to request evidence from customers to support claim reviews in line with audit recommendations. This technology is available from our system supplier for the cost of £5,000 per annum, with an additional £1,100 set-up cost in year one, and can be met from within existing budgets. This tool can also be used to carry out checks on single person discount, empty homes and other council tax discounts.

- 3.14 Should the audit checking raise any concerns about cases, the council could revert to requesting full evidence at point of application/change of circumstances, through the intuitive form. This could be adopted at any point should the council want a more robust approach to evidence gathering but would slow down processing times. The council also retains the ability to check claimant's income with the DWP, so at any point any claim can be appropriately verified.
- 3.15 This approach has been reviewed the council's audit team who have advised accordingly (see 3.11). Councils who have moved to a light touch approach to evidence include Rochford and Basildon, the later who uses the same intuitive form proposed within this paper.

The online form

- 3.16 This paper proposes the council adopts a specialist form to support year one of the roll out of the discount-based scheme as a minimum. This form has been tried and tested with other authorities and has delivered positive results.
- 3.17 Longer term, the council will consider incorporating the application process into the council's existing CRM forms package, however, recommends adopting a specialist form for the first year of operation, to help to increase the success of the scheme overall and minimise risks.
- 3.18 The cost of the form is £15,000 in year 1 and approximately £6,000 per annum and can be met from within existing service budgets.

Roll-out of the new approach

- 3.19 Subject to approval by Cabinet, the council will implement the following to ensure that all customers are aware of the changes to the scheme and feel confident and able to claim/report any changes to their income:
- Write to existing claimants to tell them what income band they are in (also shown on their council tax bill) and that they must notify us if their income goes up or down.
 - Contact new claimants, following a DWP report, to signpost them to the new form.
 - Meet with the Job Centre and CAB to advise them of the new process so they can direct claimants to our online form.
 - Deliver regular campaigns to inform current claimants of the need to report changes of circumstances.
 - Offer a six-month back date period that will allow sufficient time for a claimant to apply should they receive a demand notice or recovery notices. Customer's discounts will be backdated to the start of the claim or six-months, whichever is the longest.
 - Continue to process stop notifications from the DWP where Universal Credit has been terminated to stop discounts in a timely fashion.

Alternative Options	<p>1. To not implement the discount-based approach. As the team has already been reduced in size because of financial pressures and the anticipation such a scheme will be implemented in due course, this would result in an ongoing financial pressure due to the need for additional processing resource. It would also impact negatively on the timeliness of processing of new claims and change of circumstances.</p>
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Consultation	<ol style="list-style-type: none"> 1. We have consulted with our housing team, customer services, the Citizens Advice Bureau (CAB) and the Job Centre, who all support customers who apply for council tax reductions. All have supported a simplified approach to application and management of claims. 2. We have also consulted with Leadership Team who support the proposed change. 3. We have also consulted with audit in relation to the reduced evidence requirements who have advised accordingly.
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Financial Implications	<ol style="list-style-type: none"> 1. The online form will cost approximately £15,000 in year 1 and then £6,000 per annum and can be met from within existing service budgets. 2. The campaigns module will cost approximately £6,100 in year one and then £5,000 per annum and can be met from within existing budgets. 3. The Local Council Tax Support Scheme is budgeted to cost £5,770,988 (including the pensioner scheme) which is borne by the Council's Collection Fund. The budgeted cost is shared between the Council and the major precepting authorities in the following proportions in 2023/24: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Band D</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Staffordshire County Council</td> <td>£1,471.23</td> <td>71.50%</td> </tr> <tr> <td>Staffordshire Commissioner - Police and Crime</td> <td>£260.57</td> <td>12.66%</td> </tr> <tr> <td>Staffordshire Commissioner - Fire & Rescue</td> <td>£84.25</td> <td>4.09%</td> </tr> <tr> <td>Lichfield District Council</td> <td>£187.85</td> <td>9.13%</td> </tr> <tr> <td>Parish Councils (Average)</td> <td>£53.86</td> <td>2.62%</td> </tr> <tr> <td>Total</td> <td>£2,057.76</td> <td>100.00%</td> </tr> </tbody> </table> 4. The budgeted cost of the scheme (excluding any bad debt provision allowance) to each precepting body together with the position at the 3 month's stage of the 2023/24 financial year is shown below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Approved Budget</th> <th>3 Months</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Staffordshire County Council</td> <td>(£4,126,065)</td> <td>(£4,146,958)</td> <td>(£20,894)</td> </tr> <tr> <td>Staffordshire Commissioner - Police and Crime</td> <td>(£730,769)</td> <td>(£734,469)</td> <td>(£3,700)</td> </tr> <tr> <td>Staffordshire Commissioner - Fire & Rescue</td> <td>(£236,279)</td> <td>(£237,476)</td> <td>(£1,196)</td> </tr> <tr> <td>Lichfield District Council</td> <td>(£526,825)</td> <td>(£529,493)</td> <td>(£2,668)</td> </tr> <tr> <td>Parish Councils (Average)</td> <td>(£151,050)</td> <td>(£151,815)</td> <td>(£765)</td> </tr> <tr> <td>Total</td> <td>(£5,770,988)</td> <td>(£5,800,211)</td> <td>(£29,223)</td> </tr> </tbody> </table> 5. At the 3 month's stage, the variance to budget is 0.5%. 6. The cost of the scheme compared to the Approved Budget will continue to be monitored through the Council Tax Collection Fund projections contained in Money Matters Reports. 7. The budget for the scheme will also be reviewed as part of the Council Tax Base projections that will be considered by Cabinet on 5 December 2023. 		Band D	%	Staffordshire County Council	£1,471.23	71.50%	Staffordshire Commissioner - Police and Crime	£260.57	12.66%	Staffordshire Commissioner - Fire & Rescue	£84.25	4.09%	Lichfield District Council	£187.85	9.13%	Parish Councils (Average)	£53.86	2.62%	Total	£2,057.76	100.00%		Approved Budget	3 Months	Variance	Staffordshire County Council	(£4,126,065)	(£4,146,958)	(£20,894)	Staffordshire Commissioner - Police and Crime	(£730,769)	(£734,469)	(£3,700)	Staffordshire Commissioner - Fire & Rescue	(£236,279)	(£237,476)	(£1,196)	Lichfield District Council	(£526,825)	(£529,493)	(£2,668)	Parish Councils (Average)	(£151,050)	(£151,815)	(£765)	Total	(£5,770,988)	(£5,800,211)	(£29,223)
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Total	(£5,770,988)	(£5,800,211)	(£29,223)																																															

Approved by Section 151 Officer	Yes
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Legal Implications	1. There are no legal implications.
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Approved by	Yes
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Monitoring Officer	
Contribution to the Delivery of the Strategic Plan	<p>This proposal contributes to the council's strategic plan in the following ways:</p> <ul style="list-style-type: none"> • It enables people to help themselves and others. • It encourages economic growth by distributing financial support faster. • It is responsive and customer focused in that it leads to faster processing of claims for financial support.
Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. A full equality impact assessment has been carried out and is attached at Appendix 2. 2. No negative impacts on any protected characteristics were identified, however it was noted that the change to the scheme will increase capacity within the customer services team to better support customers who need additional support to make a new claim or report a change in circumstances.
EIA logged by Equalities Officer	Yes

Crime & Safety Issues	<ol style="list-style-type: none"> 1. The scheme will award financial support to claimants more quickly, so could ultimately have a positive impact on crime and safety levels as residents will face fewer financial pressures overall.
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Environmental Impact (including Climate Change and Biodiversity)	<ol style="list-style-type: none"> 1. There are no direct environmental impacts, however the change to a banded scheme did reduce the number of award letters sent to residents thereby reducing the carbon footprint of the scheme.
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GDPR / Privacy Impact Assessment	<ol style="list-style-type: none"> 1. The use of a third-party forms system has been assessed and it has been identified that whilst the form presents customers with a decision based on the scheme regulations it does not store customer data and passes successful claims into the council's back-office system which has been fully assessed from a GDPR perspective. 2. A full privacy notice will be created to describe the process and the way in which data is handled to customers. This will be approved by the council's data protection officer.
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	Risk Description & Risk Owner	Original Score	How We Manage It	Current Score
A	Removal of evidence submission could lead to increase in fraudulent claims and impact on council finances.	Likelihood: Red Impact: Red Score: Red	Monitor new claim levels and work with audit to identify and assess a proportionate number of claims that will be assessed annually, based on risk levels. If needed, introduce more upfront evidence requirements based on outcome of risk-based audits.	Likelihood: Green Impact: Yellow Score: Green
B	Requirement for customers to actively manage their claims could lead to a fall in change of circumstances.	Likelihood: Red Impact: Red Score: Red	Monitor change in circumstance reports/levels. Utilise robust audit checking/campaign technologies to encourage customers to update claims regularly and check a proportion of claims. Consider implementation of a penalty charge if necessary. We still retain the ability to verify any claim via the DWP.	Likelihood: Green Impact: Yellow Score: Green
C	Requirement for customers to actively manage their claims could lead to negative customer feedback.	Likelihood: Red Impact: Orange Score: Red	Write to all customers with easy to read/understand guide to managing their council tax reduction. Explain the benefits of the approach in terms of timeliness of delivery of new claims and changes. Provide tailored support on the phone/live chat to help customers get to grips with updating their claims.	Likelihood: Green Impact: Yellow Score: Green

D	If we simplify the system, an increased number of applications/successful claims could have a financial impact on the value of the scheme to the district council.	Likelihood: Red Impact: Orange Score: Red	The council has no powers to limit applications, particularly during a cost-of-living crisis. The recent simplification of the scheme has already raised the profile of the reduction and increased the number of people entitled to claim however the cost of scheme has not grown beyond forecast expectations. Whilst this change will make it simpler again for customers to claim, it is not envisaged this change alone will increase the cost of the scheme beyond existing forecasts.	Likelihood: Green Impact: Yellow Score: Green
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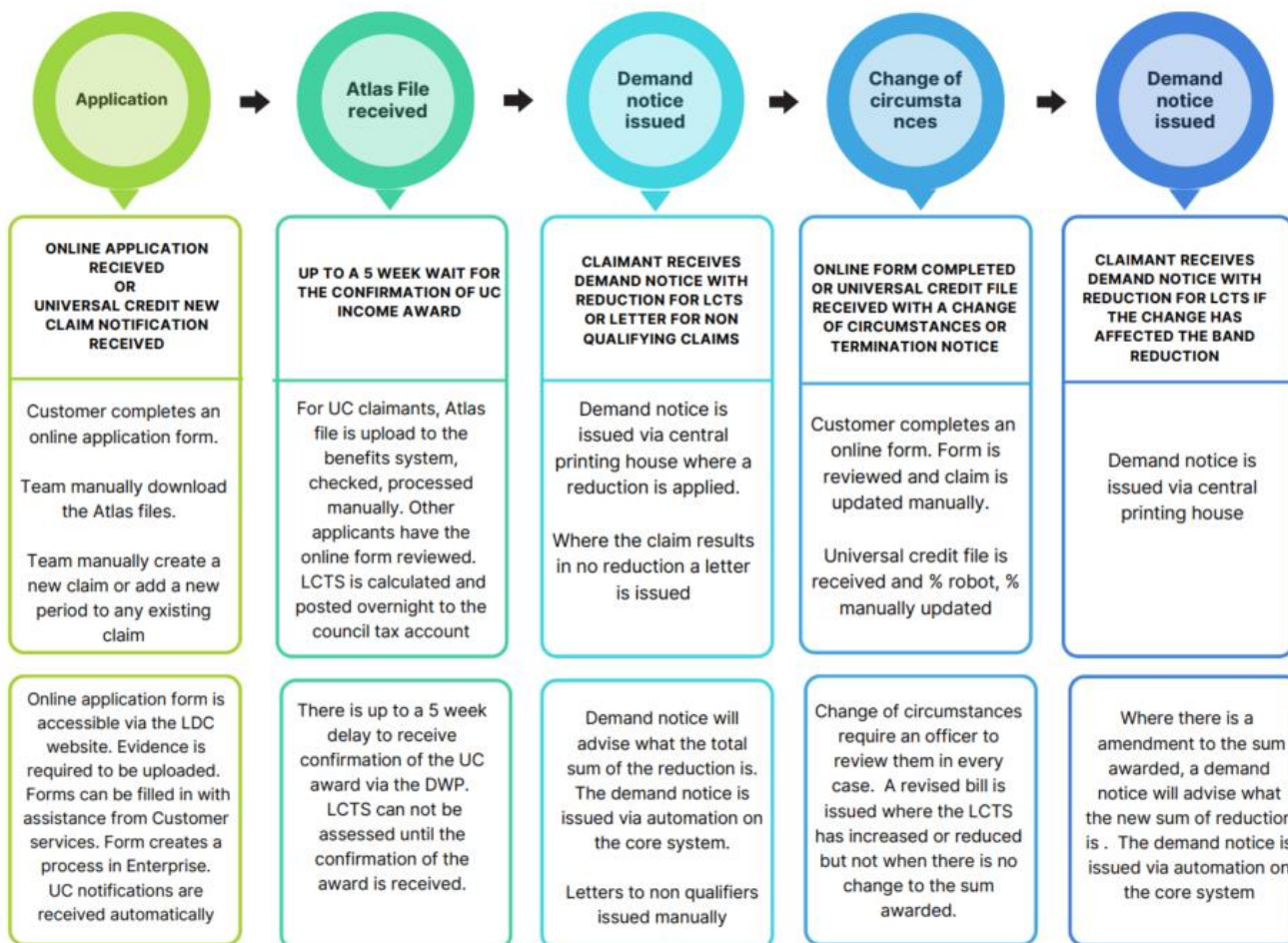
	<p>Background documents</p> <p>Appendix 1 The customer journey Appendix 2 Equality impact Assessment</p> <p>Linked reports</p> <p>Report to Cabinet 5 April 2022 Report to Cabinet 5/11 July 2022 (date was altered) Report to Cabinet 14 February 2023 Report to Council 28 February 2023</p>
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	<p>Relevant web links</p> <ul style="list-style-type: none"> • Lichfield District Council's council tax reduction scheme • Basildon council tax reduction scheme application process • Somerset council tax reduction scheme application process • Rochford council tax reduction scheme application process
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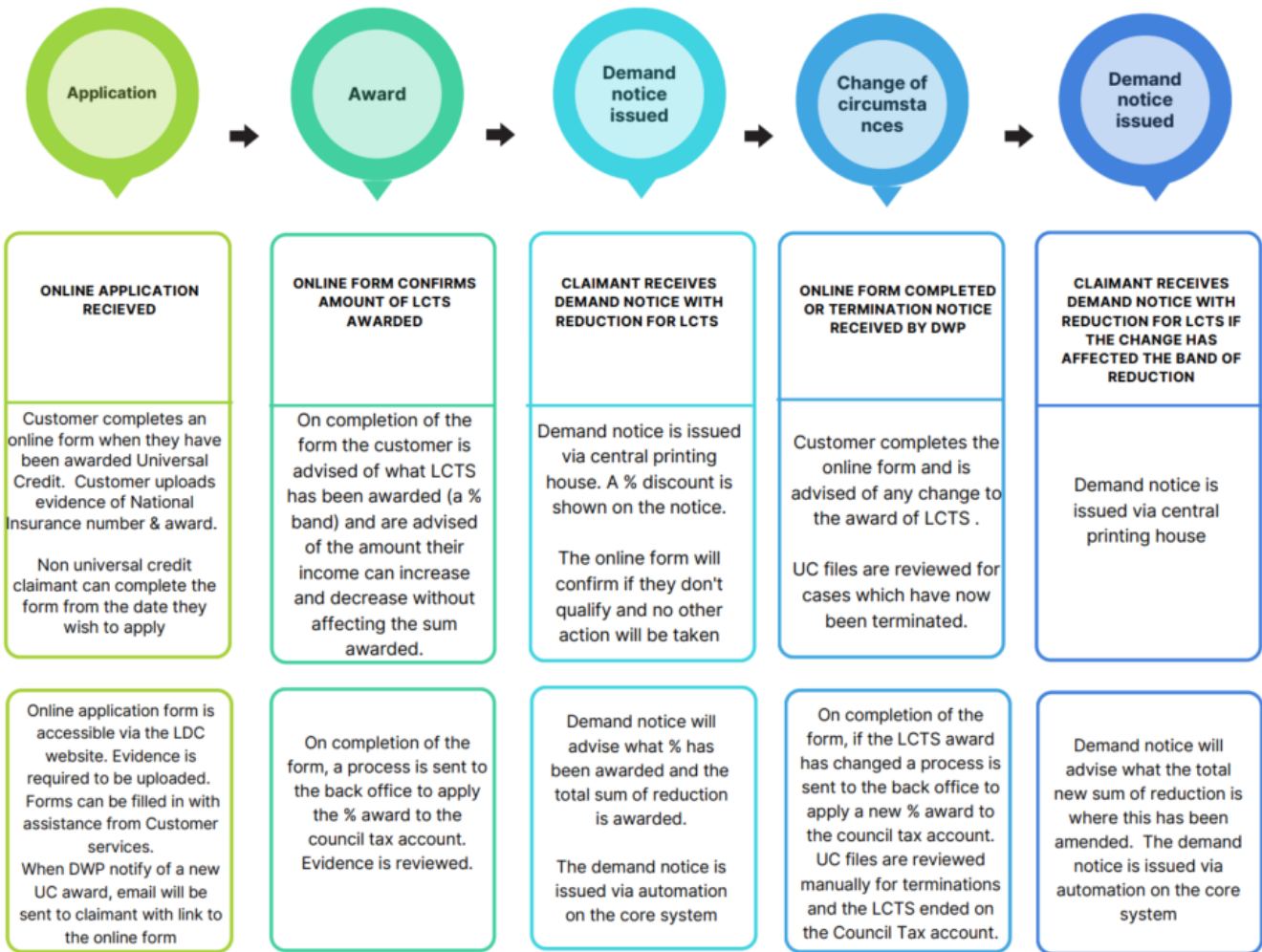
Appendix 1

Overview of customer journey

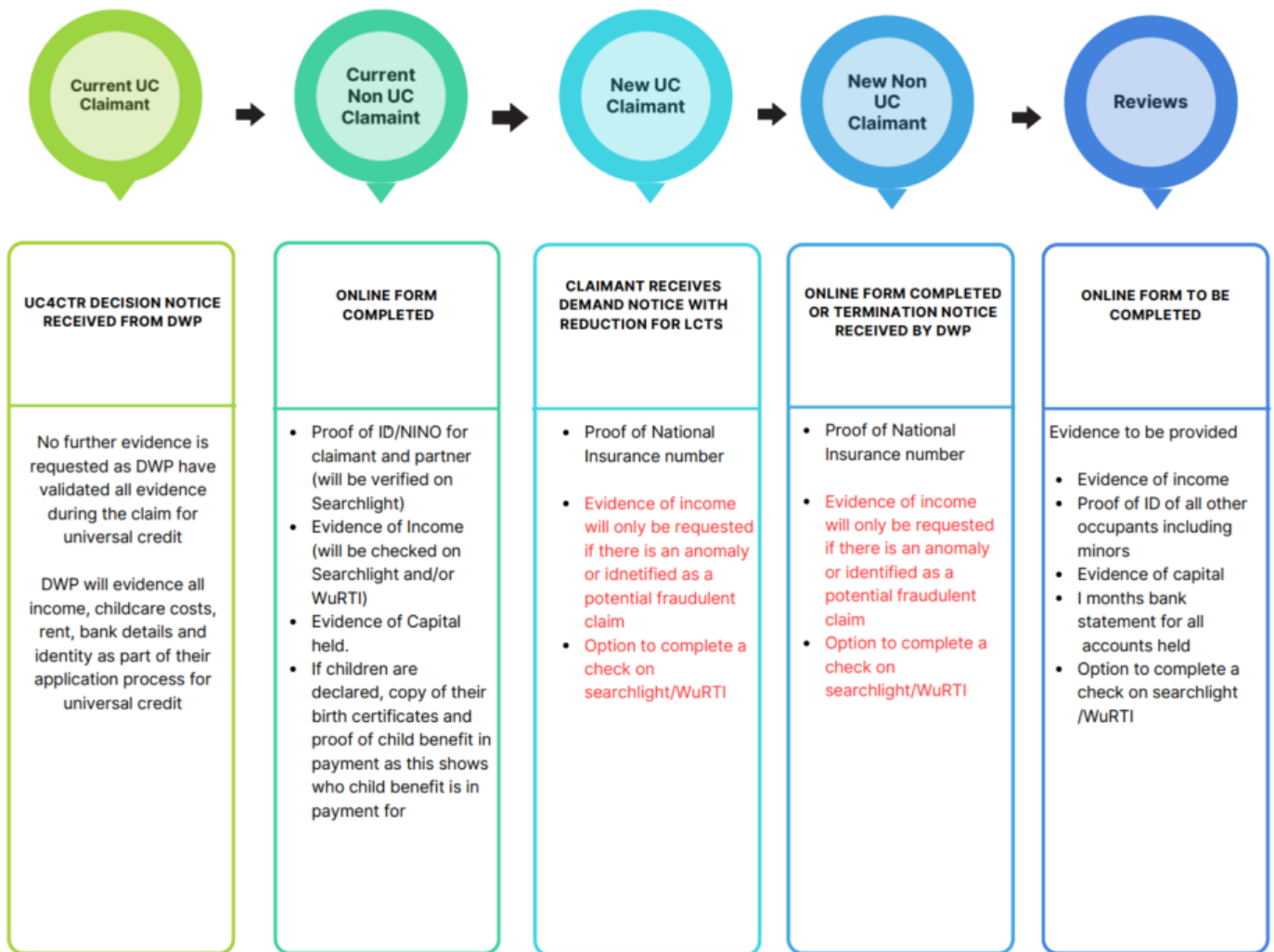
Local Council Tax Support Claimant Current Process



Local Council Tax Support claimant New Process



Local Council Tax Support claimant Evidence Statement



Appendix 2

Equality impact assessment

Council tax reduction scheme as a discount



Section 1: About the service area

Your name:	Nicola Begley
Your service area:	Customer, Residents and Business
Your assistant director:	Lizzie Barton, Assistant Director, Customer, Residents & Business
Your cabinet member:	Cllr Rob Strachan, Cabinet Member for Finance & Commissioning

Section 2: Overview

Name of service/policy you are assessing:	Administration of the local council tax reduction scheme (LCTRS) for working age applicants.
Detail of proposed change:	Changes to the way we administer the form.
Main users of your service/policy	<p>The change will apply to all working age claimants (new and existing) for council tax support on or after 1 January 2024.</p> <p>Pension age claimants (where both members of a household are of pension age) will not be affected. Such claimants will claim under the national scheme for pension age customers</p>

Section 3: About the proposed change

The council wants to change the way it administers the council tax reduction scheme for working age claimants. The current new banded scheme is based on a council tax discount and not a benefit. The council is keen to move to an alternative method for several reasons:

- Many customers are currently confused about local council tax support and whether they can claim it – because of this many don't claim it when they could be entitled. A discount is far easier to understand than a benefit – if you are on a low income, you can get a discount – and the discount you get depends on the income you get. Anecdotal evidence from councils who have transformed their council tax reduction scheme into a discount is that customers find it easier to understand and are more willing to claim support if they think they may be entitled.
- Currently benefit assessors with complex benefits knowledge are required to process new council tax reduction claims and changes to claims and above all, the cost of administering the scheme remains high. With the new discount and with the support of an intuitive form, staff with no benefits skills could process a new claim or a change in circumstance (or they could be automated), leading to same day processing and immediate awards of financial support for new claims and changes, exceeding our target of two days.
- New customers will complete an online application form to make a claim and in most cases, they will be told immediately whether they are eligible and what the discount is along with details of how much their income will need to change (up or down) before they are required to report a change.
- Existing claimants who have a change to their income will complete an online form to update their details and be told immediately whether their income change has affected their discount and by how much. Any change would then be applied immediately.
- Evidence will no longer be requested at the time of application and risk based reviews will be completed annually where evidence of income will be required. Access to the DWP information on income will be available to confirm any applications if necessary.
- The council can apply a penalty charge if customers don't report a change in circumstances in time or provide false information. This will not apply initially, but can be introduced at a later date. The penalty is applied to the council tax account and collected in the same way as any outstanding council tax.

It is proposed that an alternative approach be adopted from 1 January 2024. The approach will be to fundamentally change how claimants apply for and how the council administer local council tax reduction.

Section 4: How will your plans impact on customers with protected characteristics?

Protected characteristic	Positive impact	Negative impact	Mitigating measures
Disability (physical, sensory or learning)	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected	Those with no access or who have difficulty accessing online services will not be able to complete the application form.	Assisted applications via telephone and in person can be made with customer services
Gender/sex	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Transgender/ gender reassignment	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Race (includes ethnic or national origins, colour or nationality)	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Gypsies and travelers	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Refugees / asylum seekers	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Sexual orientation	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Marriage and civil partnerships	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services

Protected characteristic	Positive impact	Negative impact	Mitigating measures
Religion or belief (includes lack of belief)	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services
Pregnancy and maternity	The administration changes apply equally to all working age applicants – this protected characteristic is not disproportionately affected.	Those with no access to online services will not be able to complete the application form	Assisted applications via telephone and in person can be made with customer services

Section 5: Can you justify and evidence, or lessen any impact?

Justification/evidence in relation to the proposed changes:

The changes will provide a modern, and future proofed process that will significantly simplify the application process for applicants and make the administration of the scheme more straightforward.

The new application process will provide claimants with certainty and immediate notification of their local council tax support discount award.

The council recognises that some claimants will not be able to complete the online form. The current local Council tax support and housing benefit application form is only available online. Customer services will continue to offer assisted applications over the phone and in person by appointment. The housing and tenancy support teams, as well as external agencies including the Citizens Advice Bureau and Job Centre will also be able to assist claimants in completing the application form.

Several councils who have moved to a discount-based approach, have reduced the upfront evidence requirement on customers when making a new claim or reporting a change in circumstances, and have instead moved to a risk-based audit approach, which has seen a proportionate number of claims assessed annually based on risk levels. These councils have seen no rise in fraud or levels of claims through adopting this approach.

The council tax reduction scheme for working-age claimants' costs approximately £2,400,000 per annum, of which the council funds approximately £240,000. Conversely, the single person discount scheme is approximately £6,700,000 per annum, of which the council funds approximately £670,000. Currently the council requests no evidence when someone contacts us to let us know they are living alone and carries out risk-based sample checks to satisfy audit requirements post award.

Section 6: Action plan

The new administration process and form will be implemented with effect 1 January 2024. The council will complete the following:

- Write to existing claimants to tell them what income band they are in (also shown on their council tax bill) and that they must notify us if their income goes up or down.
- Contact new claimants, following a DWP report, to signpost them to the new form.
- Meet with internal teams, the Job Centre plus and CAB to advise them of the new process so they can direct claimants to our online form/provide assistance to customers needing to complete the form.
- Deliver regular campaigns to inform current claimants of the need to report changes of circumstances.
- Offer a six-month back date period that will allow sufficient time for a claimant to apply should they receive a demand notice or recovery notices. Customer's discounts will be backdated to the start of the claim or six-months, whichever is the longest.
- Continue to process notifications from the DWP where universal credit has been terminated to stop discounts in a timely fashion.

Section 6: Record your actions

Sent this to the equalities team for publication on www.lichfielddc.gov.uk	Yes
Date completed:	11/08/2023

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Transforming Planning Service Proposal

Councillor Doug Pullen, Leader of Lichfield District Council

Date: 5 September 2023
 Agenda Item: 6
 Contact Officer: Lizzie Barton, Assistant Director of Customer, Resident & Business Services
 Tel Number: 01543 308060
 Email: lizzie.barton@lichfielddc.gov.uk
 Key Decision? YES
 Local Ward Members All



CABINET

1. Executive Summary

- 1.1 This paper outlines high level proposals to transform the planning service, with the aim of creating the best planning service in the country. The objectives are to:
- eradicate wasted processes and delays in our current processes and drive-up performance standards.
 - offer non-major and householder applicants a robust standard service. Offer householder and simple applications a fast-track service to meet their project timescales, significantly faster than the service has been able to in recent years.
 - provide a welcoming ‘open for business’ offer to developers of major sites with effective collaboration to help shape applications for the benefit of our community, attracting new investment, innovation and the right mix of housing and new employment opportunities to the district, as articulated in the local plan.
- 1.2 Following cabinet agreement, a detailed project plan will be developed to implement the proposals, including working with staff, legal and the unions to review structures and proposals.

2. Recommendations

- 2.1 That cabinet approves the high-level proposals set out in section 4 to transform the planning service.
- 2.2 That cabinet delegates implementation of the proposals, including the potential to utilise the council’s wholly owned trading company to deliver and enhance elements of the planning service, to the Leader of the Council, Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151), in particular where doing so will deliver a more strategic, robust and welcoming approach to major developments and is within existing budgets.

3. Background

- 3.1 Planning is a critical universal service delivered by the council and has a significant impact on our residents, businesses and prosperity of the district. We are an ambitious council, and in its current form and operation, the planning service is not able to deliver the council’s ambitious or meet the expectations of our residents and businesses.

3.2 We have a significantly high proportion of both non-major and major planning applications that require time extensions. This is having a detrimental impact on our residents and businesses. An extension of time is negotiated when a planning application is going to take longer than the government target timescales. Currently 43% of non-major planning applications and 86% of major planning applications determined during the year have an ‘agreed extension’ of time. We currently do not have data on the average extension of time, but anecdotally we know that some extensions can be months, even years.

Comparative extension of time performance on non-major apps	
Best performer (Barking & Dagenham)	6.7%
National average	42.2%
Lichfield District Council	43%
Worst performers (Cheshire authorities)	83% & 87%

3.3 Like many planning authorities, we receive a high number of complaints about planning and the delivery of Section 106 agreements, and we want to see the number of complaints reduce, with a focus on significantly reducing complaints made about process issues and timeliness. In 2021/2022 36% of all complaints received by the council were about planning. Whilst the level of complaints about planning dropped to 14% in 2022/2023, and the level of compliments increased, the number of complex planning complaints the team are handling is still the highest across the council.

3.4 To support us to transform the planning service, we have engaged a Planning Advisory Service (PAS) Peer Reviewer and PAS recognised planning transformation expert. The council also commissioned a PAS review in October 2020 which identified serious failings within the service. Whilst some of these issues have since been addressed, the transformation plan will ensure all issues are addressed and documented.

3.5 Whilst the above highlights some significant issues that we need to address, we have a dedicated and skilled planning workforce who share our ambitions for the service to be the best in the country and will be fully engaged in the transformation process.

4. Proposals

4.1 To enable us to achieve our ambition of being the best planning service in the country we are proposing to:

- Implement several operational changes including a series of new or amended discretionary fees and charges, subject to legal advice, that are projected to generate additional income for reinvestment in the service. In addition, a national increase to statutory fees is set to be approved by Parliament in April 2024 and is projected to generate further income for the planning service.
- Explore structural changes to the service to ensure the right resource is deployed where most required.

4.2 The proposed operational changes are summarised in the table overleaf:

Proposal	Description (all proposed fees exclude VAT)	Reason
<p>Introduction of guaranteed fast track service for householders, certificates and prior approvals</p>	<p>Enable customers to pay a premium fee, on top of their planning application fee to receive a faster decision*.</p> <ul style="list-style-type: none"> • Prior approvals Guaranteed decision within 5 working days (post 23-day period). • Householders Guaranteed decision within 5 working days (post 23-day period). • Certificates Guaranteed within 10 working days of validation. <p>Proposed charges £85 - prior approvals £165 - householder £85 – certificates</p> <p>* Subject to call in. ** A <i>guaranteed decision</i> is not guaranteed approval and an application could be approved or refused.</p>	<p>Currently customers have no choice but go to the back of the queue with an application. Some customers, either for business, economic or personal reasons will require a faster decision and doing so can have a direct impact on their wellbeing/lining up contractors etc. When you consider the average price of a householder extension is £15,000 - £125,000¹ a fast-track fee is a small additional cost.</p> <p>A refund policy allowing for monies to be refunded if the council doesn't deliver in time will be developed, unless the application is called in (householder only).</p>
<p>New Planning Performance Agreement (PPA) charging regime</p>	<p>To include a more robust and reflective charging approach in line with other leading authorities. To include drafting of S106, ready for signing post committee.</p>	<p>Currently PPAs are not adequately resourced, which has resulted in backlogs in the team on non PPA applications, as PPAs have been prioritised. The proposal to increase the fees is in line with fees charged by other leading authorities and will enable the council to deliver a top-quality service to PPA clients, whilst maintaining service levels across the rest of the service.</p>
<p>Removal of duty planner and promotion of pre-app service</p>	<p>To remove the duty planner service and promote pre-app service.</p> <p>Proposed charges for householders £75 - first enquiry (currently £63) £100 - second enquiry</p> <p>Retention of existing fees for other app types – view fees.</p>	<p>Currently the team spend a significant amount of time managing a daily rota to support customer queries. Often when customers request information this way, they do not provide sufficient information to enable the council to advise correctly, and then later can be unsatisfied when on deeper investigation they get a different response. Under the new proposals, if an applicant wants to query a planning application issue, they will be encouraged to sign up to a pre-app. When you consider the average price of a householder extension is £15,000 - £125,000² a pre-app fee is a small additional cost.</p>

Proposal	Description	Reason
<p>Introduction of invalid application fees</p>	<p>Introduce a sliding scale fee charging system (admin cost) for invalid applications.</p> <p>Charged for each submission, with a cap of three attempts for majors, one for minor & other apps.</p> <p>Proposed charges £50 - householder £150 - minors £200 - small majors £300 - majors (if not in PPA)</p> <p>In addition, if a customer withdraws an application, vs pays the invalid fee, it is proposed that the council mirrors the Planning Portal and retains 10% of the fee to cover the administrative charge to date.</p> <p>Therefore, for a householder application which currently costs £206, the customer can choose to withdraw and lose £41.20 and redo the application again or pay a further £50 to keep the application in process and submit the missing information.</p>	<p>Currently the team spend a significant amount of time supporting customers who haven't adequately prepared applications, which mean that in addition to assessing an application (which is the fee the customer has paid for) they spend hours going back and forth requesting missing information and data. This means customers are receiving support they have not paid for and affecting the service levels provided to other customers. Under the proposals, when an application is deemed not valid, a customer can either withdraw it and try again, or can pay a fee for the team to help them to make it valid.</p> <p>Currently it can take between one week and six months to validate an application because the applicant has not provided adequate information. Often used as a negotiating tactic by some agents to make their scheme acceptable prior to it being fully registered.</p>
<p>Introduction of amendments charges</p>	<p>Introduce limits and charges on amendments to submitted applications.</p> <ul style="list-style-type: none"> • Householders No amendments accepted. • Minors Sliding scale charging system. Maximum one material amendment that triggers a reconsultation, or up to three non-material that do not trigger a reconsultation. • Majors Sliding scale charging system (as above). Does not apply to apps in a PPA. <p>Proposed charges £150 - £200 - minors (by type) £350 - £600 - majors (£350 first, £450 second, £600 third)</p>	<p>Currently the team support applicants to make significant amendments to their plans midway through the application assessment process. This can trigger a second public consultation, significantly extend the officer time spent on the application, and require an extension of time.</p> <p>It is proposed that householders will not be permitted to submit amendments and minors/non-majors will not be able to submit material amendments that require re-consultation.</p>

Proposal	Description	Reason
Review of Section 106 process, CIL and SAC	<p>End-to-end review of S106 process – from design and delivery through to monitoring.</p> <p>Review of monitoring and allocation of CIL and SAC.</p>	<p>Currently signing of Section 106 agreements can occur months if not years after developments are approved. This can cause delays to the delivery of developments and operational issues for developers. This review will seek to ensure S106s are delivered swiftly post planning approval and monitored to ensure the funding allocated through the agreements achieves maximum benefit for the local community.</p>

- 4.3 As well as the above operational changes, we are also seeking approval to further explore structural changes to the service. Recruiting and retaining high-quality planners is a national challenge facing all planning authorities, with many planners moving to the private sector due to more competitive salaries. As such we are seeking approval to explore with the council's wholly owned trading company (LWM Traded Services Ltd) the benefits and implications of transferring elements of the planning service to boost recruitment and service levels.
- 4.4 In particular we want to explore, the benefits and implications of transferring elements of major applications to LWM Traded Services Ltd. As well as providing greater flexibility to recruit and retain staff, this would also open the potential to increase income generation via offering services to neighbouring authorities (subject to Teckal considerations), and the better use of PPA funding to deliver a timely and welcoming services to developers. Legal advice will be sought to understand all implications, as well as full engagement with staff, and where appropriate union engagement.
- 4.5. We are also seeking to re-organise how we are structured to process non-major applications. Creating a dedicated 'fast track householder team' as part of a Planning School with academic links to Birmingham and Westminster universities, and a 'non-majors planning team'. This will help to target the correctly skilled resources at the right areas, streamlining and speeding up processing times.
- 4.6 Planning enforcement is a key element to delivering against the council's ambitions. As part of the above structural changes, we would seek to increase the amount of enforcement resource, by creating an additional strategic fixed term post. This additional resource would be focused on clearing the case backlog and transforming processes and procedures.
- 4.7 All structural changes will be delivered within existing budgets and additional projected income generation. Subject to Cabinet approval, we would seek to launch formal consultation with staff on draft structural changes in October 2023

Alternative Options	<p>To do nothing and leave the service as is. This will see the team not adequately resourced to deliver major applications, enforcement and daily work. It will also not see any significant shift in service improvements delivered.</p> <p>Consider alternative structure within reduced funding to deliver as many service improvements as possible within reduced fee scale. This will likely not address all existing known issues.</p>
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Consultation

Initial consultation has begun with the senior management of the team and their feedback and views will be fed into the development of the project plan. Wider consultation with all staff included in the team will be carried out as part of the consultation on the new structure.

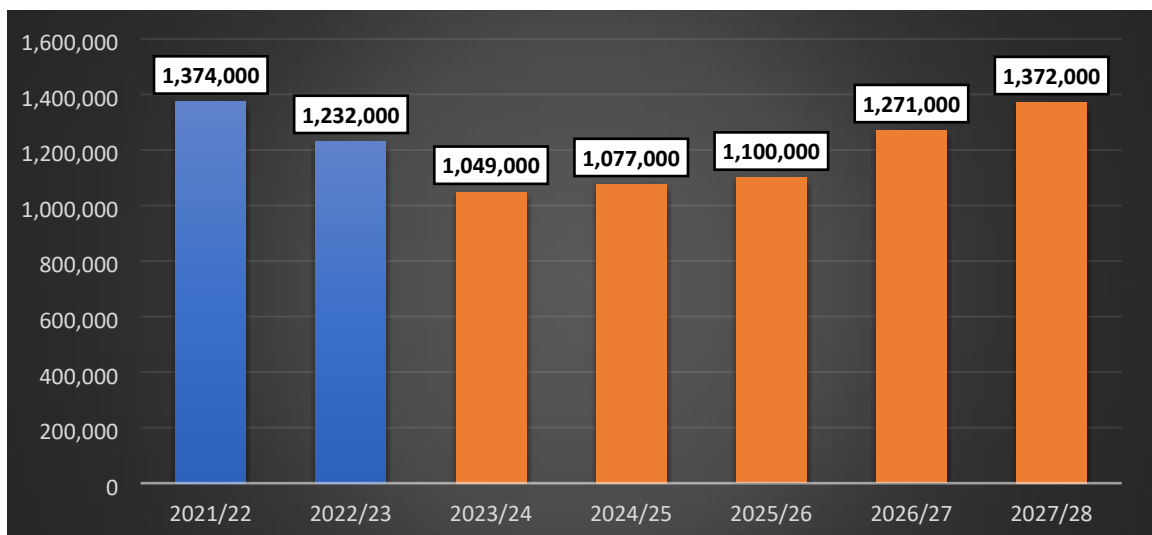
Financial Implications

The current Approved Budget for the Development Management Team and Planning Income Earmarked Reserve:

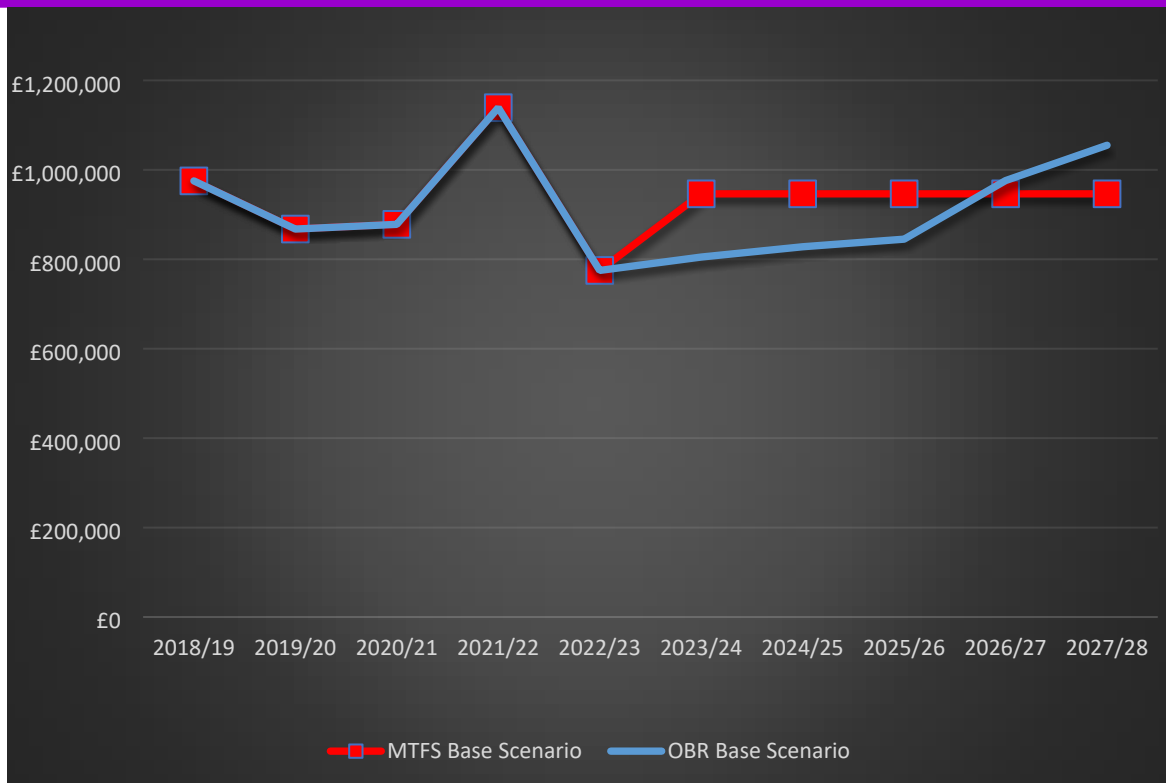
	Budget				
	2023/24	2024/25	2025/26	2026/27	2027/28
Minor	(£328,000)	(£328,000)	(£328,000)	(£328,000)	(£328,000)
Major	(£410,000)	(£410,000)	(£410,000)	(£410,000)	(£410,000)
20%	(£146,000)	(£146,000)	(£146,000)	(£146,000)	(£146,000)
Pre Application Fees	(£40,000)	(£40,000)	(£40,000)	(£40,000)	(£40,000)
Other	(£22,350)	(£22,350)	(£22,350)	(£22,350)	(£22,350)
Budgeted Income	(£946,350)	(£946,350)	(£946,350)	(£946,350)	(£946,350)
Employees	£853,910	£878,300	£903,820	£927,250	£949,590
Other Operating Expenditure	£32,310	£32,110	£31,920	£31,740	£31,560
20% Transfer to Reserves	£146,000	£146,000	£146,000	£146,000	£146,000
Total Expenditure	£1,032,220	£1,056,410	£1,081,740	£1,104,990	£1,127,150
Net Expenditure	£85,870	£110,060	£135,390	£158,640	£180,800

Opening Balance	(£265,688)	(£275,630)	(£282,574)	(£286,433)	(£287,113)
Budgeted expenditure	£136,058	£139,056	£142,141	£145,320	£147,801
Budgeted income	(£146,000)	(£146,000)	(£146,000)	(£146,000)	(£146,000)
Closing Balance	(£275,630)	(£282,574)	(£286,433)	(£287,113)	(£285,312)

These budgets were approved in February 2023 and prudently assumed no increases in planning income over the period of the Medium Term Financial Strategy. However, the economic climate has become increasingly challenging as evidenced by the Office for Budget Responsibility (OBR) Economic and Fiscal forecast for residential property transactions. This forecast assumes a reduction in transaction numbers as shown below:



The chart overleaf illustrates how the budget for planning fees compares to historic levels of income and in the last two years there is a correlation with the OBR based scenario:



Therefore, income projections related to these proposals have been undertaken using the more up to date OBR based scenario with all proposed fees assumed to be exclusive of VAT.

Approved by Section 151 Officer	Yes
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Legal Implications	The council is seeking legal support to ensure that structural changes are legally sound and not open to challenge and the division of delegable and non-delegable functions between the council and LATCO are appropriately considered and robustly structured.
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Approved by Monitoring Officer	Yes
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Contribution to the Delivery of the Strategic Plan	<p>The strategic plan contains the following ambitions, which will be supported by this proposal:</p> <p>Shape place to:</p> <ul style="list-style-type: none"> • preserve the characteristics • make sure sustainability and infrastructure needs are balanced <p>Develop prosperity to:</p> <ul style="list-style-type: none"> • encourage economic growth • enhance the district for all • invest in the future
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Equality, Diversity and Human Rights Implications	The proposed restructure will be conducted in consultation with the Employee Liaison Group, the Union and HR representatives, and will be supported by legal advice, to ensure that staff wellbeing and needs are considered and supported.
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EIA logged by Equalities Officer	EIA officer notified.
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Crime & Safety Issues	None
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Data assessment	The relevant data has been addressed in the body of the report in section 3 and the financial implications section. The data demonstrates that the service needs the enhancements set out in this report to deliver target performance.
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Environmental Impact (including Climate Change and Biodiversity).	None
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GDPR / Privacy Impact Assessment	None
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	Risk Description & Risk Owner	Original Score	How We Manage It	Current Score
A	That staff will feel uncomfortable because of the changes and will choose to leave due to uncertainty.	Likelihood: Yellow Impact: Yellow Score: Yellow	Move swiftly to undertake consultation with the staff, so they understand the changes, have chance to feed in and the staff have adequate information to inform their decisions. Provide confidence that this is about bolstering the team, not streamlining or reducing the team.	Likelihood: Green Impact: Yellow Score: Green
B	Cabinet does not support the increased fees, and therefore the new proposed structure and service enhancements cannot be delivered.	Likelihood: Yellow Impact: Yellow Score: Yellow	Consider alternative structure within reduced funding to deliver as many service improvements as possible within reduced fee scale. This will likely not address all existing known issues.	Likelihood: Yellow Impact: Yellow Score: Yellow
C	New structure within LATCO will give rise to legal challenge over decisions.	Likelihood: Red Impact: Orange Score: Red	Seek legal support to ensure the proposed structure is legally sound and not open to challenge and the division of delegable and non-delegable functions between the council and LATCO are appropriately considered and robustly structured. Full details of the legal advice provided will be included in the paper to Cabinet in December.	Likelihood: Green Impact: Yellow Score: Green
D	Negative customer feedback at additional fees	Likelihood: Yellow Impact: Yellow Score: Yellow	Currently the council is handling significant negative feedback in terms of complex complaints derived from planning. The new fees will ensure that the service is more robust and efficient and delivers a better ultimate service to customers. Need to promote the fact the fees, in comparison to the cost of a new extension, that does not include redecoration fees are very small in comparison. Council could consider a way to waive fees if someone can demonstrate financial hardship. An agent and developer forum will be held to discuss the roll out of the proposed changes, timings and any enhancements.	Likelihood: Green Impact: Yellow Score: Green

E	Projected income levels are not achieved	Likelihood: Yellow Impact: Yellow Score: Yellow	OBR based scenario has been used for central projections. No additional income from national planning fee increases has been assumed at this stage. Earmarked reserve can be used to manage an element of volatility. Elements of expenditure are short term or are matched to income streams and therefore can be reduced to reflect income levels.	Likelihood: Green Impact: Yellow Score: Yellow
F	Actual or perceived conflict of interest if major planning applications submitted by LWMTS	Likelihood: Yellow Impact: Yellow Score: Yellow	Seek legal guidance to ensure that the structure and non-delegable functions are managed/delivered within an appropriate legal framework.	Likelihood: Yellow Impact: Yellow Score: Yellow
G	Commercial/inward investment objectives are perceived to comprise planning balance in determining the Planning Application	Likelihood: Yellow Impact: Yellow Score: Yellow	Seek legal guidance to ensure that the structure and non-delegable functions are managed/delivered within an appropriate legal framework.	Likelihood: Yellow Impact: Yellow Score: Yellow

	Background documents None
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	Relevant web links None
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