

# Public Document Pack

## LICHFIELD DISTRICT COUNCIL

**Simon Fletcher**  
**Chief Executive**  
**Tel (01543) 308001**

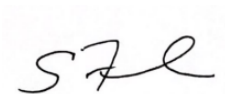
**District Council House**  
**Frog Lane**  
**Lichfield**  
**WS13 6YY**

**9 October 2023**

To: Members of the Lichfield District Council

In accordance with Paragraph 4(2) of Part 1 of Schedule 12 to the Local Government Act 1972, you are hereby summoned to attend the meeting of the Lichfield District Council which will be held in the Council Chamber, District Council House, Frog Lane Lichfield on **TUESDAY, 17 OCTOBER 2023 at 6.00 pm.**

Access to the Council Chamber is via the Members' Entrance.



Chief Executive

### **A G E N D A**

1. Apologies for Absence (If Any)
2. Declarations of Interest
3. To Approve as a Correct Record the Minutes of the Previous Meeting 3 - 12
4. Chairman's Announcements
5. Report of the Leader of the Council on Cabinet Decisions from the Meetings Held on 5 September and 10 October and Cabinet Member Decisions 13 - 18
6. **Minutes of the Overview & Scrutiny Committee**  
  
The Chair of the Overview & Scrutiny Committee to move that the proceedings of the meeting held on 2<sup>nd</sup> August and 14<sup>th</sup> September 2023 be received and where necessary approved.  
19 - 28
7. **Minutes of the Audit and Member Standards Committee**  
  
The Chair of the Audit and Member Standards Committee to move that the proceedings of the meetings held on 20 July and 27 September 2023 be received and where necessary approved and adopted.  
29 - 36

8. **Minutes of the Planning Committee**

The Chair of the Planning Committee to move that the proceedings of the meetings held on 31 July and 4 September 2023 be received and where necessary approved and adopted.

37 - 42

9. **Minutes of the Regulatory and Licensing Committee**

The Chair of the Regulatory and Licensing Committee to move that the proceedings of the meeting held on 25 September 2023 be received and where necessary approved and adopted.

43 - 46

10. Local Plan Update 47 - 60

11. Amendments to the Constitution 61 - 70

12. Political Balance and Appointment to Committees 71 - 72

13. Treasury Management Annual Report 73 - 90

14. Medium Term Financial Strategy (MTFS) Update 91 - 92

15. Questions

16. **Exclusion of Press and Public**

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

IN PRIVATE

17. **Confidential Minutes of Overview & Scrutiny Committee**

The Chair of the Overview & Scrutiny Committee to move that the confidential proceedings of the meeting held on 2<sup>nd</sup> August 2023 be received and where necessary approved.

93 - 98

**COUNCIL**

**11 JULY 2023**

**PRESENT:**

Councillors Anketell, Ashton, Booker, Bragger, Checkland, Coe, Cox, Cross, D Ennis, Evans, Farrell, Harvey-Coggins, Hawkins, Henshaw, Hill, Ho, Holland, Leung, Marshall, Mears, Norman, Powell, Pullen, Ray, Robertson, Rushton, Salter, Silvester-Hall, J Smith, Strachan, P Taylor, S Taylor, Trent, Whitehouse, Woodward and Yeates.

**15 APOLOGIES FOR ABSENCE (IF ANY)**

Apologies were received from Councillors Ball, Banevicius, Bennion, L Ennis, Galvin, Hughes, A Smith, Vernon, Warfield, M Wilcox and S Wilcox.

**16 DECLARATIONS OF INTEREST**

Councillor Woodward declared an interest in item 16 as a trustee for the charity Burntwood Be A Friend.

Councillor Robertson declared a personal interest in item 16 as a volunteer for Lichfield Foodbank.

**17 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 23 May 2023 were approved as a correct record subject to an amendment to the Chair's Announcements.

**18 CHAIRMAN'S ANNOUNCEMENTS**

The Chair informed members that he was in the process of arranging a carol service and would notify councillors of the finalised details. He advised that it had been a busy month, attending various events and conducting visits, including to dementia homes in the District.

**19 REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETINGS HELD ON 27 JUNE 2023 AND CABINET MEMBER DECISIONS**

The Leader of the Council submitted his report on Cabinet Decisions from the meeting held on 27 June 2023 and Cabinet Member Decisions.

Questions were asked by Cllr Ray in relation to the procurement matters update and the review of financial performance and Cllr Robertson suggested a non-voting observer from one of the opposition groups be included on the LLP Board formed with Evolve Estates (A Cinema for Lichfield District).

Councillor Woodward referred to the June meeting of Cabinet. She welcomed the increased transparency but noted that the audio on the livestream recordings needed to be improved.

## 20 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

Councillor Norman submitted the Minutes of the Overview and Scrutiny Committee held on 8 June 2023.

## 21 MINUTES OF THE REGULATORY AND LICENSING COMMITTEE

Councillor Bragger said the minutes did not include a point made during the discussion on the work programme on standards of private rented housing.

On item 6, Councillor Evans asked if all councillors could receive an emailed list of current enforcement issues and the progress being made.

It was proposed by Councillor Yeates, seconded by Councillor Salter and

**RESOLVED:** That the Minutes of the Meetings of the Regulatory and Licensing Committee held on 20 June 2023 be approved and adopted as per the amendments.

## 22 MINUTES OF THE EMPLOYMENT COMMITTEE

On the Pay Gap report, Councillor Robertson asked if any discussions concerning the development of a disability pay gap report had taken place. With regard to the annual review on the impact of health benefits he questioned whether there had been any communication with officers about the length of the review or whether it would be a trial.

Councillor Powell, Vice-Chair of the committee, responded that he would discuss with the Chair and provide an answer.

It was proposed by Councillor Powell, seconded by Councillor Mears and

**RESOLVED:** That the Minutes of the meeting held on 29 June 2023 be approved and adopted.

## 23 MINUTES OF THE PLANNING COMMITTEE

Councillor Norman expressed concern about the approach of the Chair in leading on a particular item. Councillor Marshall responded that he was reflecting local views and referred to a similar application that was previously approved that was now causing issues for residents.

Referring to a planning application, Councillor Ashton questioned if it was customary not to give reasons for deferring a planning application. Councillor Marshall responded that the Officer designated to lead on the application was unable to attend the meeting. As a consequence, it was determined that due to the complexity of the application it should be deferred to allow time to resolve these issues.

Councillor Woodward noted that if a Member calls-in an application and loses their seat it is undemocratic for the call-in to fall. Councillor Marshall agreed and commented that the protocol was being revised and updated to account for this situation.

It was proposed by Councillor Marshall that, subject to amendments to the attendance list and apologies for absence, the Minutes be approved and adopted. The proposal was seconded by Councillor Checkland and it was

**RESOLVED:** That the Minutes of the Meetings of the Planning Committee held on 3 July 2023 be approved and adopted subject to amendments to the attendance list and apologies for absence.

## **24 APPOINTMENT OF REPRESENTATIVES ON OUTSIDE BODIES**

It was proposed by Councillor Pullen that Councillor Checkland be appointed as substitute Member to the Police, Fire and Crime Panel.

Councillor Woodward proposed an alternative nominee on the basis that the political balance of the council was now different. She proposed that Councillor P Taylor be appointed as substitute Member to the Police, Fire and Crime Panel. Councillor Robertson seconded the nomination.

Councillor Cox commented that although he understood Councillor Woodward's view, he would be formally seconding Councillor Checkland.

Following a vote the amendment was defeated.

It was then

**RESOLVED:** That Councillor Checkland be appointed as substitute Member to the Police, Fire and Crime Panel.

## **25 APPOINTMENT OF INDEPENDENT PERSON**

The Council was advised that it was required to appoint at least one Independent Person under Section 28 of the Localism Act 2011 to assist in Councillor code of conduct allegations.

Following the retirement of the Council's Independent Person it was recommended that, following a recruitment process, Mr Jonathan Jardine be appointed for a period of three years.

It was proposed by Councillor Pullen, seconded by Councillor Whitehouse and

**RESOLVED:**

**1)** That Mr Jonathan Jardine be appointed as Independent Person for the Authority for a term of three years.

**2)** That the thanks of the Council be accorded to Mr Ray Betteridge for his work as Independent Person.

## **26 TEMPORARY APPOINTMENTS TO PARISH COUNCILS**

It was reported that a Parish Council must be quorate in order to operate and make decisions.

A quorum for parish councils was defined as being one third of its membership, but not less than three.

Circumstances can arise where a parish council becomes inquorate and unable to act. The inability to operate extended to making all decisions including the co-option of sufficient councillors to fill vacancies.

This situation currently existed at one Parish Council in the District (Fradley Parish Council) where a resignation resulted in the Council becoming inquorate immediately prior to the co-option of additional members. As a consequence the Council is no longer able to conduct business.

Section 91 of the Local Government Act 1972 (as amended) allowed a Council to appoint a sufficient number of Parish Councillors on a temporary basis, to enable the work of the Parish Council to continue until it has co-opted or elected sufficient councillors to be quorate.

Approval was therefore sought for a procedure to make appointments to inquorate parish councils under section 91 of the Local Government Act 1972.

It was proposed by Councillor Pullen, seconded by Councillor Woodward and

**RESOLVED:**

- 1) That the procedure set out in the Council report for making temporary appointments to Parish Councils in accordance with section 91 of the Local Government Act 1972 be approved.
- 2) That authority be delegated to the Monitoring Officer in consultation with Group Leaders to make appointments by Order under section 91 of the Local Government Act 1972 (as amended) and that the constitution be amended accordingly.

## **27 UPDATED PAY POLICY STATEMENT 2023**

Councillors Trent, Booker and Bragger spoke on the updated pay policy statement and expressed concerns on the use of performance related bonuses.

The term 'good cultural fit' was discussed. Councillors Booker referred to the risk of unconscious bias. Councillor Marshall responded that he thought the interpretation of 'cultural fit' had been taken too literally and referred to people who would work hard and would be dedicated to the needs of residents.

Councillor Evans questioned if the update included uplift for the lower grade employers which would take them up to the living wage. Councillor Pullen responded that it did

Councillor P Taylor stated he was uncomfortable with health insurance if it offered preferential treatment and an alternative that encouraged a healthier lifestyle should be considered.

Councillor Ashton asked how much this package was going to cost the council. Councillor Pullen responded that it would be under £100,000.

Councillor Henshaw stated he had misgivings on the commercialisation of local government and queried how the proposal would sit with electors. His particular objection was to the inclusion of private medical insurance and the inference that there was a lack of confidence in the NHS.

Councillor J Smith questioned how the costs would be met. Councillor Pullen responded it would be met within the existing budget.

Councillor Robertson added that the UK was currently experiencing a labour shortage which made recruiting and retaining staff difficult. He explained that the report reflected the current job market and tried to ensure the Council was an employer of choice. He was happy to see that there would be annual equality monitoring as it is important that unconscious bias was avoided.

Councillor Strachan supported the report and advised that staff retention was as important as staff recruitment.

It was proposed by Councillor Pullen, seconded by Councillor Strachan and

**RESOLVED:**

- 1) That the contents of the updated Pay Policy Statement as set out in Appendix A of the Council report be approved.
- 2) That authority be delegated to the Assistant Director Operations, Regulation & Enforcement in consultation with the Chair of this committee, to update and republish the pay policy in respect of the pay spine set out at Appendix 1 and any ratios once the national pay negotiations for 2023 are concluded.

**28 MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

It was proposed by Councillor Strachan and seconded by Councillor Farrell that the Council approve an update to the Capital Programme to include Rural England Prosperity funding of £400,000.

Councillor Robertson proposed that the update should be accompanied by a recommendation that 'any allocation of funding should be subject to oversight from Overview and Scrutiny Committee.'

Councillor D Ennis seconded the amendment.

Councillor Strachan responded that he understood Councillor Robertson's concern but found it difficult to see how the proposed governance structure would work. He explained that if all allocations went through Overview and Scrutiny Committee the process would become overly bureaucratic and unworkable and asked if Councillor Robertson would agree to discuss the matter with a view to arriving at a solution that the labour group could support.

Councillor Robertson agreed to withdraw the amendment on assurance that governance would be put in place.

Councillor Woodward asked whether Councillor Strachan would be formally amending the recommendation to ensure that local members get sight of expenditure. Councillor Strachan responded that at this stage the proposal was only to formally accept, and no action was being taken in connection with spending it.

Councillor Mears commented that public perception about small businesses receiving money may have a negative impact

Councillor Pullen commented that any public money spent would be fully transparent.

**RESOLVED:** That the update to the Capital Programme to include the Rural England Prosperity funding of £400,000 be approved.

## 29 A CINEMA FOR LICHFIELD DISTRICT

Councillor Woodward expressed general support of the report however she believed it would be useful to the public to see how the whole of the Birmingham Road Site fits together rather than seeing the separate components. She expressed disappointment that an animation had been shown at an external event before members had a chance to see it.

Councillor Pullen responded that the animation was the graphic representation of the phasing which had been discussed with the shadow cabinet member. Councillor Woodward responded that these discussions had been in confidence and that all members would have benefited from seeing the animation first.

Councillor P Taylor asked if the council would consider investing in better bus services between Burntwood and Lichfield so Burntwood residents could enjoy the use of the cinema and nearby amenities. It was further suggested that bus services in rural areas should also be considered.

Councillor Pullen responded that public transport was increasingly difficult across the district and ways to address this were being considered.

It was proposed by Councillor Pullen, seconded by Councillor Whitehouse and

### **RESOLVED:**

1) That approval be given for the District Council's freehold ownership of the Three Spires Shopping Centre site, excluding the Debenham's building, and six retail units (no's 32 – 44 Baker Street) to be exchanged for the leasehold of the same six retail properties be approved.

2) That the updates to the Medium Term Financial Strategy listed in the Council report be approved.

## 30 MOTIONS ON NOTICE

(A) The following Motion was submitted by Councillor Woodward and seconded by Councillor S Taylor:

*This Council acknowledges the letter received by all candidates in recent elections from the Community Liaison Volunteer of Lichfield Foodbank and now commits to doing what we can to address the concerns raised and to work, as requested, towards a "hunger-free" future for the residents of Lichfield District. We commend the work of our local Foodbanks, the other voluntary organisations across our District providing food for those in need and those generous residents who support their work via donations.*

*Research by the Trussell Trust shows that three million children are at risk of hunger during the school holidays. Here in Lichfield District, we know that as many as 1 in 5 children live in poverty and that our foodbanks issue thousands of food packages every year. Foodbank use has dramatically increased: the Trussell Trust also reports a 135% increase in the number of food parcels given out over the past 5 years and Sustain, the national food alliance, reports that 17.7% of households in the UK*



*experienced food poverty in January 2023, rising to 24.4% of households with children and 41.8% of households with people with disabilities. Lichfield District is not immune to these pressures and these figures will be reflected here with many households experiencing food insecurity.*

*This council believes that no-one in Lichfield District should go hungry, not least our District's children, and therefore resolves to*

- 1. Appoint a Food Justice Champion, who will lead at Lichfield District Council on tackling food poverty locally,*
- 2. Map and promote sources of assistance across our District,*
- 3. Set up and support a Food Partnership to bring together partners with a mutual interest in addressing food insecurity,*
- 4. Develop an action plan to address food insecurity across our District.*

Councillors Woodward, S Taylor, Trent, Pullen, Ashton, Cox, Ennis, Robertson and Evans spoke on the Motion.

During the debate Councillor S Taylor indicated her interest in the role of Food Justice Champion.

Members then voted on the Motion, and it was unanimously

**RESOLVED: That the Motion be approved.**

## 31 QUESTIONS

### Questions under Procedure Rule 11.2 for Council

#### **Q1. Question from Councillor Norman to the Cabinet Member for Community Engagement**

"I am grateful for his detailed reply to my email of the 29th of June where I asked him for the costs of the Knife Angel artwork coming to Lichfield and the reason why Lichfield was chosen.

However, he did not give me any details of the public funding costs in the email so could he list those now, both from the Police and Crime Commissioner's office and from Lichfield District Council?"

#### **Response from the Cabinet Member for Community Engagement**

"Lichfield Community Safety Partnership were offered the opportunity, which tied in with an anti-violence campaign being run this spring and summer in local schools. It also ties in with other campaigns in the community safety partnership delivery plan to fulfil its statutory obligations including raising awareness of domestic violence, anti-social behaviour, county lines, and crime prevention. So far it has been a great vehicle to engage with schools, community groups and residents on these issues."

"The bulk of the costs are being covered by Staffordshire Police and Crime Commissioner utilising £20,000 of funding. This covers transportation, the cost of hiring the crane, knife bin installations, security, insurance etc. We are incurring some installation costs of around £7,000, we have also set aside £1,000 for engagement activities."

**No supplementary question was asked.**

**Q2. Question from Councillor Norman to the Cabinet Member for Community Engagement**

“In his email reply he listed the civic award recipients which included Clive Knowles (Chairman of British Ironwork Centre), the Police Crime Commissioner, Ben Adams, and indeed himself as Cabinet Member Community Safety Partnership.

Can you tell me who decided on these “civic awards” and what the process was as I do not recall any such “civic awards” in my time on the council since 1995?”

**Response from the Cabinet Member for Community Engagement**

“The Civic Awards given out are a contractual requirement of hosting the Knife Angel.”

**Supplementary Question from Councillor Norman**

“Contract conditions dictate to the host - Lichfield District Council on this occasion - and state that civic awards have to be given to all those listed including the Chair of British Ironwork Centre?”

**Response from the Cabinet Member for Community Engagement**

“It is in the contract I’m afraid. However, there is an extraordinary amount of positivity being recognised in the issues the Knife Angel is demonstrating in terms of education for children. There are sides to it that we may wish that we were not involved with but they are insignificant when compared to the significance of the message that the Knife Angel is trying to communicate.”

**Q3. Question from Councillor Booker to the Cabinet Member for Finance and Commissioning**

"I was delighted to win my Whittington & Streethay seat but have a strong impression that the Tamworth constituency area of the District has not received the focus from LDC that residents deserve. Therefore, can the cabinet member provide a ward-by-ward breakdown of the amount of capital expenditure made by this council for each of the financial years 2011/12 to 2021/22 inclusive?"

**Response from the Cabinet Member for Finance and Commissioning**

“Can I firstly formally congratulate Cllr Booker on her election to represent Whittington with Streethay ward, from which I have fond memories of my time as District Councillor there.

I attach to this response a breakdown of spend on a parish by parish basis, which is the best data available in the time that it has been possible to collate this information. Cllr Booker will note that the parish figures are distorted against ward figures as the major population centres of Lichfield City and Burntwood include a number of wards, but nevertheless represent a significantly greater proportion of capital spend than the more rural wards that she refers to along the border with Tamworth.

This is for a number of reasons. Firstly is that capital investment has generally been focussed on the largest population centres - Lichfield and Burntwood, where there is a greater pressure on services that we as a Council can provide. Secondly is a product of how the figures are presented, as investment in Burntwood Leisure Centre is recorded against Burntwood, investment in our own building here at the District Council House, or land acquisition in the city

centre is recorded against Lichfield. Investment has generally taken place where the District Council owns assets, or where we have chosen to invest in our own property.

Finally, I would urge Cllr Booker not to disregard the greatest proportion of the spend being district-wide and not specifically allocated to wards or parishes, relating to Disabled Facilities Grants, Vehicles, Bins and ICT infrastructure, representing £17.4m over the eleven years analysed and being 46% of all spend. It is simply not possible to apportion this at a hyper local level but is probably the most direct way that this Council serves the residents that we all represent.

I can certainly reassure Cllr Booker that this does not represent any less of a focus on the Tamworth constituency area, and is more likely to simply reflect the rural nature of that area of the district combined with the District Council's greater property holdings being in the Lichfield and Burntwood areas. I am sure that with the presence of talented and engaged Tamworth constituency members on Cabinet and across the Council, it will remain prominent in everybody's thoughts as we move through the latest capital programme, and if Cllr Booker is aware of specific projects that may benefit from our intervention would encourage her to contact me to discuss them."

#### **Supplementary Question from Councillor Booker**

"Thank you for your detailed response. I understand that the largest population would receive more expenditure however I wonder if my fellow Lib Dem and Conservative councillors will be as shocked as I was to see that over 11 years our ward received less than £40,000 in expenditure. Thank you for your offer of me being able to contact you to bring to your attention any projects that may benefit from LDC's intervention – my question is are you free tomorrow?"

#### **Response from the Cabinet Member for Finance and Commissioning**

"I'm afraid that I will be attending court tomorrow, but I certainly agree to read any communication I receive."

(The Meeting closed at 8.32pm)

CHAIRMAN

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## REPORT OF THE LEADER OF THE COUNCIL

### CABINET DECISIONS – 5 September 2023

#### **1 Money Matters 2023/24 : Financial Monitoring**

The Cabinet:

- 1.1 Noted 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.
- 1.2 Recommended 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

#### **2 Local Plan Update**

The Cabinet:

- 2.1 Noted 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 Recommended 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 Recommended to Full Council to approve the draft statement of withdrawal as set out at Appendix A of the Cabinet report for release.

#### **3 Council Tax Reduction Scheme as a Discount**

The Cabinet:

- 3.1 Approved 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
- 3.2 Delegated 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).

#### **4 Transforming Planning Service Proposal**

The Cabinet:

- 4.1 Approved the high-level proposals set out in section 4 of the Cabinet report to transform the planning service.
- 4.2 Delegated 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.

### **CABINET DECISIONS – 10 October 2023**

#### **5 Medium Term Financial Strategy**

The Cabinet:

- 5.1 Noted the current position on the development of the MTFS and the next steps.
- 5.2 Noted the feedback from the Overview and Scrutiny Committee on 14 September 2023.
- 5.3 Reviewed the initial revenue investment (para 3.40 of the Cabinet report) and capital investment (para 3.54 of the Cabinet report) modelling identified in this report and to identify any further revenue and capital investment priorities for 2024/25 and beyond for potential future inclusion as the development of the MTFS progresses.

#### **6 LWMTS Annual Report**

The Cabinet:

- 6.1 Received and agreed the LWTMS Annual Report 2022/23.

#### **7 Community and Voluntary Sector Funding 2024 - 2027**

The Cabinet:

- 7.1 Approved the 2024-2027 VCS Funding Prospectus at Appendix 1 of the Cabinet report to be launched on the 18th October 2023.
- 7.2 Delegated authority to the Cabinet Member for Community Engagement in conjunction with the Chief Operating Officer to agree the funding awards, subject to the awards being within existing budgets and following consultation with an Officer Panel and a Member Panel.

## **CABINET MEMBER DECISIONS**

### **8 Council Tax Support Fund Update**

The Cabinet Member for Finance and Commissioning approved:

- The updated council tax support fund policy 2023/2024 (see appendix 1 of the Cabinet Member Report), which will see the remaining council tax support funds distributed as follows:
- An additional £150 council tax reduction will be awarded to local council tax claimants who were in receipt of the limited capability to work element in their universal credit on the 1 April 2023. This is in recognition of the fact the council's new local council tax support scheme for 2023/2024 does not take this benefit payment into consideration, and so such claimants received less financial support this year through the council's main work-age council tax reduction scheme. This would benefit approximately 228 residents and award £34,200.
- Any customers who submit a new claim for local council tax support during the 2023/24 financial year will receive the same up-to £50 reduction as those who were claiming it on 1 April 2023, until such time as the funding is exhausted. It is anticipated that sufficient funds would remain to allow for 623 new applicants for council tax support to receive the funding.
- That the funds are distributed using the council's discretionary powers under S13A(1) (C) of the Local Government Finance Act 1992.

### **9 Housing Allocation Scheme Amendment**

The Cabinet Member for Housing & Local Plan approved an amendment to two sections of the housing allocations scheme to better support customers who are living in potentially overcrowded accommodation.

### **10 LWMTS Business Plan**

The Cabinet Member for Finance and Commissioning and the Cabinet Member for Leisure, Parks and Major Projects agreed the revised LWTMS Business Plan (appendix A of the Cabinet member report) approved by the Company Board in June 2023.

### **11 Variable Messaging Signs (VMS) Hardware and Associated Services Contract Award**

The Cabinet Member for High Streets & Visitor Economy approved to award:

- The contract to Clearview Intelligence Ltd to provide 3 Variable Messaging Signs.
- A 3 year maintenance contract to Clearview Intelligence Ltd.
- A 3 year back-office communication contract to Clearview Intelligence Ltd

## **12 Review of Fees & Charges - Garden Waste**

12.1. The Cabinet Member for Waste, Recycling, Ecology and Climate Change approved the recommended increase in the Garden Waste collection charges, effective for the collection year 2024, due to launch in October 2023. This includes the £40 fee via direct debit and £42 fee via other payment methods.

12.2. The Cabinet Member for Waste, Recycling, Ecology and Climate Change in consultation with the Assistant Director Operations Regulation and Enforcement will review the charge for Garden Waste on an annual basis and adjust the fee accordingly in line with CPI (the immediate preceding September for the forthcoming subscription year) and the corporate charging policy, subject to consultation with the Joint Waste Board.

## **13 Website Contract**

13.1. The Leader of the Council approved the renewal of the Jadu contract through the GCloud framework for a period of three years, with the option to extend for one year, subject to usual financial checks and guarantees. The cost of this can be met from within existing budgets and is included in the Medium-Term Financial Strategy.

13.2. The Leader of the Council noted that a design refresh of the council will be carried out in Autumn 2023 and that the costs of this can be met within from within existing capital budgets.

## **14 Appointment of LATCo Board Member (Called-in)**

The Cabinet Member for Leisure, Parks & Major Projects approved the decision to appoint Councillor Alex Farrell as Director of Lichfield West Midlands Traded Services Ltd.

## **15 To run a procurement process for the Birmingham Road multi-storey car park demolition and associated landscaping works**

The Cabinet Member for Leisure, Parks & Major Projects approved the open tender procurement process to appoint a demolition and landscaping contractor to carry out the demolition and associated works. The works will include the demolition of the Birmingham Road multi-storey car park and landscaping works, with the option to include the demolition of retail units associated with the Birmingham Road Site cinema development.

## **16 Business Rates Pilot**

The Cabinet Member for Finance & Commissioning approved a Business Rates Pilot



on the basis that this will maximise business rates revenue to the district council, up to a maximum spend of £75,000.

**17 Database support for Revenues & Benefits System**

The Cabinet Member for Finance & Commissioning approved the procurement of additional database support from NEC Software Solutions Ltd for the revenues and benefits system up until 31 March 2025. The cost of which will be met from within existing revenue budgets.

**Cllr Doug Pullen  
Leader of the Council**

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# Public Document Pack Agenda Item 6

## OVERVIEW & SCRUTINY COMMITTEE

**2 AUGUST 2023**

### PRESENT:

Councillors Norman (Chair), Leung (Vice-Chair), Ball, Booker, Ho, Hawkins, Hill, Holland, Trent, Ray, Robertson, Whitehouse and Woodward

### 8 APOLOGIES FOR ABSENCE

There were apologies from Councillor Brian Yeates.

### 9 DECLARATIONS OF INTERESTS

There were no declarations of interest made.

### 10 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 08 June 2023, previously circulated, were taken as read and approved as a correct record. It was noted that the original copy of minutes circulated had differed from those presented at full council.

### 11 HEALTH MATTERS

The Vice-Chair, Councillor Leung, attended the previous Staffordshire County Council's Health & Care Overview and Scrutiny Committee meeting on Monday 31st July 2023 to hear the agenda items – Introduction to Adult Social Care Assurance.

- Members asked how the representative to the County Council's Health & Care Overview and Scrutiny Committee is selected.

*The Chair confirmed it was his political appointment on behalf of the committee.*

Councillor Booker confirmed she would be a happy to provide support given her public health qualifications. Members asked the Vice-Chair to raise the closure of the GP practice in Burntwood and the knock-on effects of those patients being dispersed at the committee. Members also highlighted the importance of preventative care and healthy living for discussion. The Vice-Chair confirmed these were being discussed.

Members raised concerns about the ICB and additional S106 money for new GP capacity. Vice-Chair of the Health and Care Overview and Scrutiny Committee Councillor Richard Cox joined the discussion to confirm the ICB is aware of these issues and discussions are taking place. Simon Fletcher (Chief Executive) confirmed that as the planning authority, LDC is looking to push infrastructure to start of new developments, rather than coming at the end.

Members also asked the Vice-Chair to champion the maternity services at Samuel Johnson and within the district at the meeting on 16<sup>th</sup> October, as well as raise issues with delays on the A38 between Lichfield and Burton Hospital.

## 12 CITY CENTRE PEDESTRIANISATION TRIAL

The Chair welcomed Cabinet Member for High Streets & Visitor Economy Janice Silvester-Hall to the meeting. The Cabinet member confirmed the plan for a part-time, hybrid pedestrianisation approach. Conversations with city centre operators showed they were feeling significant impact. She highlighted that the 6-month consultation involved in this process, consumes a significant amount of the maximum 18-month trial period. The need for clear communications on pedestrianisation were stressed.

- It was queried why no drafts of the report had been made available for the pre-meeting given the appendices were available well before then.

*The Cabinet member said that the request to prepare the report had only come through on the Wednesday before the pre-meeting and she was not fully aware of her need to attend the meeting at that point.*

- The Chair asked about variable signage and what information these signs could provide.

*The Cabinet member confirmed these signs should be in place by the end of the year and that they can display several different messages depending on the needs of the time.*

- The Chair asked if there were any other towns or cities where this kind of pedestrianisation had worked.

*Martin Gritt (Project Officer) agreed to send information about such towns and cities to the Chair.*

- Members raised questions about the consultation timeframes at sections 3.8 & 3.9 of the report.

*The Cabinet member confirmed that the statistics were first compiled during the Covid-19 pandemic in 2021 under non-normal use circumstances. She confirmed a £7000-8,000 cost to revisit that.*

- It was asked why the decision on pedestrianisation was published last week, before the report came to O&S for consultation with members. It was also asked why the cabinet member had not referred herself to the committee for advice.

*The Cabinet member stated that having met with businesses about the plan, there was a need to respond as quickly as possible given the constraints of the 18-month trial period. She stated that it was certainly not her intention not to appear at O&S and that she valued the contribution of the committee and wanted consultation far and wide.*

Simon Fletcher added that the idea of a part-time/hybrid basis for pedestrianisation was something that emerged from the workshops conducted with consultees.

- Members asked if there has been any additional car parking provision for blue badge holders on Thursday-Sunday.

*The Cabinet member reiterated the end of year target for variable signage. She stated that data would be used to indicate occupancy levels of car parks. There has been a natural migration of blue badge holders to parking in Wade Street. She also highlighted a significant difference between peak rates and average rates of car parking. It was confirmed that the 10 disabled spaces in the multi-storey car park will be reallocated in due course and this may be the opportunity to revisit the options available with wade street.*

- Members asked what is the plan for enforcement?

*The Cabinet member said that engagement in the early days of the plan had not been strong, leading to a concern that soft enforcement would leave residents and businesses shocked by a stronger enforcement regime. Ideally, a scenario is desired where the information provided is so clear that very little enforcement is required.*

- Members asked about alternative solutions such as park and ride.

*It was confirmed that a land train and golf buggies have previously been suggested by consultees as alternative arrangements.*

- Members questioned why considerably less has been spent on comms than on consultation fees.

*The Cabinet member noted that she has previously lobbied for better comms at O&S and the authority was now better at conveying information than previously. She reiterated the need to be clear in comms, stating she would rather provide too much information than not enough.*

**RESOLVED:** 2.2 - The Overview and Scrutiny Committee provided feedback on the trial to date, focusing particularly on the lack of consultation with members, part-time/hybrid system and issues faced by blue badge holders.

The results of the consultation process will be reported to the committee prior to any potential changes to make pedestrianisation permanent

## 13 REVIEW OF THE OVERVIEW & SCRUTINY FUNCTION AT THE COUNCIL

The committee were asked for any initial views on the review of the Overview & Scrutiny function report.

It was stated by members of the committee who had sat on O&S under the previous system that Cabinet members appeared to have greater regard for O&S under the new system, bringing things to the committee for consultation. It was highlighted that this had not been the case with the report discussed at Item 5 and it was suggested that the Chair could write to the Leader, informing cabinet members to consult and attend O&S.

Members pushed for greater investment in the task groups and the value of written reports over verbal updates. The importance of encouraging all councillors to take part in task groups was highlighted and it was suggested task groups could be better served by having a fully non-O&S committee membership, guided by an O&S committee member Chair. It was indicated that task group Chairs would not just be presented with papers going forward but would instead be working with officers to guide them on the direction of travel.

Lichfield city masterplan.

Task group Chair Councillor Ball confirmed his wish to continue as Chair and to have a better gender balance of members on the taskgroup, from wards inside and outside the city.

Agenda items suggested for this group included:

- Moving the location of the bus station next to the railway station – witnesses from County Council should be questioned by the task group.
- Affordability of new housing – methods to improve this. External agencies should be interviewed to help know what options are available.

- How the joint venture agreement and future partnerships are assessed.

Taskgroups on Pedestrianisation and Public Transport were proposed, on condition of the successful completion of topic assessment documents.

**RESOLVED:** The Overview & Scrutiny provided initial views on the effectiveness of the changes to the Overview & Scrutiny function.

The Committee provided a steer on the need and membership of current Member Task Groups.

The Committee continued to review the terms of reference, to provide feedback to a full review of the O&S function which will be carried out at the end of this municipal year.

## 14 LOCAL ELECTIONS 2023 REVIEW

Christie Tims (Assistant Director Operations, Regulation and Enforcement) presented the review. She highlighted need to encourage candidates to have earlier nomination appointments. It was noted that where previous elections had been run by the election team, this was the first election with Simon Fletcher as RO and Kerry Dove first as DRO and with the Governance team led by Mark Hooper, with support from Sarah Pearce, Chris Lewis, Laura Brentnall and the rest of the new team members.

Polling day went well, with only 1 reported issue. Out of 17,721 people who voted on the day, only 24 were refused a ballot under voter ID rules and 16 of them later returned. Only 8 people did not return. If there was pattern to these 8 individuals it did not reveal itself. An experienced consultant is now aiding on revising the existing systems and processes, and to deliver the new statutory requirements by the end of the year.

The Chair gave his personal thanks to officers for their help with the nomination process.

- Members asked if there was any aggression from voters as a result of Voter ID rules.

*Ms Tims confirmed there was only 1 reported incident of unhappiness, with some people actually keen to present their ID.*

Simon Fletcher praised the team that prepared and ran the election as fantastic. He highlighted the positive buzz across the organisation following the collaborative work at the count. He did note that the verification process needs reviewing to ensure it runs more smoothly next time. He informed the committee that the SPI data will be analysed for trends and that it was recognised better engagement was needed to encourage younger voters to turn out. Members suggested using SPI data to identify reasons for any drop in turnout in specific wards including any links to higher levels of deprivation.

- Members asked what plans are in place for comms at future elections.

*Christie Tims confirmed plans for online portal. By law the council will be required to refresh all proxy voters' details via an online portal.*

- Members asked if we received any formal complaints regarding the election.

*Ms Tims confirmed that there no formal complaints she was aware of.*

**RESOLVED:** Members provided observations and comments regarding the recent elections, both district and parish, noting there were many vacancies for parish

councils and it was agreed to see if there was any way this poor response could be improved in future.

Members requested briefing papers following the full national report on Voter ID by AEA, and links concerning electoral commission results and information too.

## **15 WORK PROGRAMME**

Members requested the Compliments, complaints, MP and FOI enquiries report 2022/2023 be added to the work programme.

Members requested a brief report on the Knife Angel, covering costs; outcomes; the civic awards; engagement.

Members requested a report on ICB utilisation of section 106 money.

## **16 EXCLUSION OF PRESS AND PUBLIC**

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

IN PRIVATE

## **17 VERBAL UPDATE - CINEMA UPDATE**

The contents of this item are exempt as defined in Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

(The Meeting closed at 8.59 pm)

CHAIR

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## OVERVIEW & SCRUTINY COMMITTEE

14 SEPTEMBER 2023

### PRESENT:

Councillors Norman (Chair), Leung (Vice-Chair), Ho, Holland, Trent, Robertson, Whitehouse, Woodward and B Yeates

### 18 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Ball, Booker, Ray and Hill.

### 19 DECLARATIONS OF INTERESTS

Kerry Dove (Chief Operating Officer) declared an interest in Item 4 as a director of the LATCo.

### 20 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 02 August 2023, previously circulated, were taken as read and approved as a correct record, subject to amending Item 14 (Local Elections 2023 Review) to note the potential of using SPI information in analysing election turnout drops in specific wards.

### 21 MEMBER CALL IN - APPOINTMENT OF LATCO BOARD MEMBER

Principal Opposition Group Leader Councillor Woodward requested the call-in on the following basis: "We have not been told of the rationale behind the decision and, on the basis of the new post-May political landscape, it appears that no alternative nominees have been considered; they have certainly not been discussed with Opposition Group Leaders."

Councillor Woodward confirmed that this was not a comment on the suitability of the appointee, but instead an issue of lack-of-consultation. The appointment may be interpreted as a reactive decision rather than proactive in the new political landscape. The potential to increase the number of directors on the LATCo was highlighted.

Council Leader Councillor Pullen stated that having a councillor on the LATCo board is key to keeping the aims of the LATCo aligned with the aims and objectives of the council. Due process as set out in the constitution was followed accordingly. It was highlighted that government advice received on this indicates that mixed LATCo boards of councillors and officers work well. Any material changes to the business plan are required to be go before cabinet and Internal Audit will be looking at the Governance processes of the LATCo in their 2023/2024 review.

The Chair referred to advice from some organisations, including the district's own external auditor, that a LATCo might be more successful with no councillors on the board.

Members believed that it was important to get the LATCo board membership correct, in order to decrease the risk of related votes being lost at full council, which could subsequently jeopardise the appetite for private investment. A suggestion for a LATCo board comprised of 2 officers, 2 councillors and 3 other directors was made.

Councillor Pullen stated her would consider the views of the committee. He agreed that avoiding group think was always positive, whilst noting that the LATCo needs to be sufficient

agile and responsive. The LATCo is new and should be further established in a phased process that can be reviewed in the future.

Councillor Woodward stated that she found the discussion useful.

## 22 HEALTH MATTERS

There has only been one meeting since the last O&S committee. It was confirmed that Flu vaccines are now available for over-75s. Residents will be contacted about this so there is no need to contact GPs directly. Mental health and contributing factors were discussed.

The committee was reminded that the Samuel Johnson Birth Centre has been closed since the start of the Covid-19 pandemic. There is a reluctance to reopen the centre, due to a shortage of staff. However, the Vice-Chair confirmed she would be pushing County Council to get the centre reopened at their next meeting in November.

Members raised the possibility of a potential community booking event at Burntwood Leisure Centre, in partnership with the County Council to ease issues of GP capacity.

## 23 NOTES FROM TASK GROUPS

The notes of the recent Lichfield City Masterplan Task Group and New Leisure Centre Task Group will be ready for review at the next O&S meeting in November.

## 24 REVIEW OF CIVIC FUNCTION MATRIX

Kerry Dove (Chief Operating Officer) and Christine Lewis (Principal Governance Officer) presented the report to the committee. They confirmed that they were seeking views on the civic scoring matrix and civic allowances. The current matrix was developed by a task group in 2015. However, since then there has been an increase in the number of invites from charity and community events. When an invitation falls in the amber section of the matrix, approval is sought from the Leader or Chief Executive on that. Members were asked if that function should be delegated to the Monitoring Officer instead. The IRP have also recommended amalgamating the Chair and Vice-Chair allowances.

- Members asked if the Constitution required LDC to have a Chair of Council.

*Christine Lewis confirmed that it is a legal requirement for there to be a 'Chair' of Full Council meetings. It is only a traditional aspect of the role that the Chair would attend local events.*

- Members asked if a comparison had been conducted against other similar councils.

*It was confirmed that this had been done with the original Task Group in 2015 and could be reconducted if the committee wished.*

Kerry Dove noted that there is a personal responsibility on the Chair and Vice-Chair to ensure they are conducting appropriate checks and balances when determining if attending civic events are of clear value to residents.

- Members asked what the total allowance for the Chair and Vice-Chair was.

*It was confirmed that in 2023/2024 the Chair's allowance was £2,120. The Vice-Chair's allowance was £1,070. The Council Chair and Vice-Chair's SRA recognises that they may require additional ticket and clothing expenses.*

Members agreed that the matrix was not working effectively in its current form and suggested a point scoring system instead.

**RESOLVED:** The committee considered the matrix and the types of event invitations the Chair receives. The committee recommended a one-off Task & Finish Group be established to resolve this issue.

## 25 MEDIUM TERM FINANCIAL STRATEGY

Anthony Thomas (Assistant Director Finance & Commissioning) and Councillor Strachan (Cabinet Member for Finance and Commissioning) presented the report to the committee. The Cabinet member noted this was the first time this cycle that the MTFs had come before O&S. He confirmed that the authority is in a broadly resilient financial position, though budgeting remains challenging. The higher than expected use of reserves to balance the budget in 2023/24 at the current time is due to non-delivery or late delivery of income/savings proposals and Leadership Team is seeking to reduce the projected level through savings proposals. He stated that the Capital Programme is included in the report and sees no reason to depart from what has been set out.

Mr Thomas clarified to new members that benchmarking is conducted on nearest statistical neighbouring councils.

- Members asked what options were available for reducing the funding gap.

*The Cabinet member confirmed local taxation, cutting additional waste, cost savings and additional income proposals were all options available. Mr Thomas expressed doubts over whether local finance reform may occur in 2025/26 and noted that the modelling included was based on policy papers from before the Covid-19 pandemic.*

- Members questioned how the spending commitments would be funded.

*The Cabinet member highlighted opportunity led investment that may exist in areas of the district.*

- Members asked if car parking revenue had returned to pre-pandemic levels.

*The Cabinet member confirmed demand was still significantly reduced.*

- Members asked for more information on how the scenarios outlined are determined.

*Mr Thomas explained that the worst case scenario envisions low growth in the council tax base; no council tax increases in the period of the MTFs; implementation of financial forms at the more extreme levels, with no transitional arrangements; the loss of a number of grant streams.*

Mr Thomas explained that the latest modelling assumes a 4% increase on pay which may still be too low. He noted that it was appropriate not to budget for the new homes bonus beyond 2024/25 given the uncertainty around it. The Virgin Media business rate assessment has been transferred from the local list that the Council bill to the central list that the Government bill due to it being reclassified as national infrastructure. This reduces the Rateable Value the Council administers although compensations are made in other parts of the business rates system to ensure a revenue neutral outcome for the Council.

- Members questioned the departure charge for using the bus station.

*The Leader, Councillor Pullen, explained that among other authorities it is standard practice to charge fees for use of the bus station, but this was previously shelved. He noted that the viability of bus journeys and associated impacts need to be considered if revisiting decision.*

- Members asked if the 2.99% modelled on council tax increase would be permitted by the Department for Levelling Up, Housing and Communities.

*Mr Thomas stated that the settlement last year indicated council tax increases would remain at 2.99% and believes that is an option for 2024/25 however from 2025/26 it will be for a new Government to decide. The Cabinet member added he was not looking to rely on council tax increases to protect the financial position of the authority and nor would he take this lightly.*

**RESOLVED:** The committee provided views to Cabinet in relation to the Revenue Budget and Capital Investment priorities, and the potential level of the District's Council Tax increase for 2024/25.

## 26 WORK PROGRAMME

Members approved amendments to the work programme in the 2023/24 year.

## 27 EXCLUSION OF PRESS AND PUBLIC

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

## 28 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

The confidential minutes of the meeting held on 02 August 2023, previously circulated, were taken as read and approved as a correct record.

(The Meeting closed at 8.02 pm)

CHAIR

# Public Document Pack Agenda Item 7

## AUDIT AND MEMBER STANDARDS COMMITTEE

20 JULY 2023

### PRESENT:

Councillors Ho (Chair), Whitehouse (Vice-Chair), Robertson, J Smith, P Taylor, S Taylor and Sohal (External Auditor)

### 1 APOLOGIES FOR ABSENCE

Apologies were received from councillor Keith Vernon. Apologies were also received on behalf of councillor Dave Robertson, who was running late and joined the meeting during Item 7.

### 2 DECLARATIONS OF INTEREST

There were no declarations of interest received.

### 3 MINUTES OF THE PREVIOUS MEETING

With the agreement of the committee, Item 3 was moved later in the agenda – being discussed between Items 8 and 9. The minutes of the meeting held on 19 April 2023, previously circulated, were taken as read and approved as a correct record. Proposed by councillor Ho, seconded by councillor Robertson.

### 4 ANNUAL TREASURY MANAGEMENT REPORT

Anthony Thomas (Assistant Director Finance & Commissioning) presented the Annual Treasury Management Report to the committee. The funding of the Capital Programme in 2022/23 includes lower funding from capital receipts because the use of funding from other sources, that have more restrictions, was prioritised. Mr Thomas noted that the report confirms that the council is compliant with all prudential indicators 2022/2023. These will be presented to full council later in the year for formal approval. He explained that the most significant variance that always appears is the pension fund liability/asset - the valuation on this, swings significantly, influenced by changes in interest rates. Small changes in assumptions and discount rates have significant impact on the values of the accounts. Mr Thomas explained to members that these figures are primarily impacted by market-based factors outside of the councils' control.

Avtar Sohal (External Auditor – Grant Thornton) added that with higher interest rates, many councils are now showing pension assets rather than a liability. As a result, judgements have to be made on how much of that asset to recognise in your accounting statements.

**RESOLVED:** The committee reviewed the report and issues raised within. The committee reviewed the actual 2022/23 Prudential Indicators contained within the report

### 5 CIPFA RESILIENCE INDEX

Anthony Thomas presented the CIPFA Resilience Index report to the committee. He explained that index compares the council against its nearest statistical neighbours and all District Councils. He noted that the only area where risk has increased, is change in reserves. This is

broadly because the council's reserves have either not grown at the same rate or depleted at a quicker rate than other comparative authorities.

In response to member questions, Mr Thomas explained that calculations around government funding utilise a number of factors such as need and deprivation when calculating funding figures. He stated that following the approval by Council to utilise reserves for place shaping activity, whilst the council was likely to see an overall reduction in reserves, given the indicators are based on relative performance, the actions of other councils would dictate where Lichfield ultimately sits on the overall risk spectrum.

**RESOLVED:** The committee noted the results of the CIPFA Resilience Index for 2023.

## **6 INTERNAL AUDIT PROGRESS REPORT**

Andrew Wood (Audit Manager) presented the Internal Audit Progress Report to the committee. He confirmed that the team aim to complete 90% of the audit plan by 31 March 2024. He explained that internal audit is a shared service with Tamworth Borough Council and that doing this achieves savings and ensures continued best practice. As of 30 June 2023, 11% of the plan has been completed due to exceptional circumstances, but the team can draw down further support from BDO and resources if required.

**RESOLVED:** The committee noted Internal Audit's Annual Report, including results for the quarter to 30 June 2023.

## **7 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME /PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

Andrew Wood presented the report to committee. He highlighted that the report includes an agreed external quality assessment action plan. The EQA Action Plan for 2023/24 was developed in consultation with the Section 151 Officers at both Lichfield District and Tamworth Borough Councils. A number of these actions have been completed. The recommendations raised were categorised as being either 'Review' or 'Consider'. As of 30 June 2023, 3 out of 7 'Review' recommendations had been completed, alongside 3 out of 5 'Consider' recommendations.

**RESOLVED:** The Committee noted Internal Audit's compliance with the PSIAS (Appendix 1), QAIP (Appendix 2) and External Quality Assessment Action Plan (Appendix 3)

## **8 RISK MANAGEMENT UPDATE**

Andrew Wood presented the Risk Management Update report. He explained that the council operates a three lines of defence model, as set out in the report and has recently been tasked with looking at 'leisure services insourcing' risk.

In response to questions on SR7, Mr Wood explained that this was an element that naturally changes over time. The current political circumstances facing council and wider nation feed into this. The council is notified by the National Cyber Security Centre about potential attacks in the UK. SR7 moves as attacks are identified and mitigated. The importance of maintaining communication with I.T. and Leadership Team is key to ensuring multi-factor-authentication is implemented and firewalls are patched on time. As the type of attacks change over time, the council must continue mitigating those changes.

Mr Thomas added that the council has utilised Razor Blue to provide specialists skills and capacity to the I.T. team. There is also a strategy to move onto cloud-based systems, reducing

the risk of servers that need to be regularly updated. This strategy removes risks from the council and places them with teams who are better placed to manage those risks.

Members highlighted SR1, including the risk of residents defaulting on mortgages due to rising interest rates and the impact this could have on council tax revenue. Mr Thomas stated that whilst collection rates have not deteriorated yet, he could not pre-empt what will happen in the coming months. He highlighted a £50,000 budget that has been built in to deal with cost of living pressures. He confirmed that collection rates are included within the Money Matters report and any changes would be quickly identified as part of that.

**RESOLVED:** The committee noted the risk management update and received assurance on actions taking place to manage the Council's most significant risks.

## **9 COMPLIMENTS, COMPLAINTS, MP AND FOI ENQUIRIES REPORT 2022/2023**

Lizzie Barton (Assistant Director Resident and Business Services) presented the Compliments, complaints, MP and FOI enquiries report to the committee. She explained that complaints help indicate issues within the council and where training could prove beneficial. MP enquiries were highlighted as needing further work, using these in the same way complaints are used to shape the utilisation of services. She confirmed that this report will go to Cabinet, in order to form a central plank in how the council evaluates its performance.

Members suggested adding "and the Chair of the Audit & Member Standards Committee" to recommendation 2.3. A change of font, in order to better aid dyslexic accessibility, was also suggested by members.

Members agreed that MP enquiries need to be addressed, highlighting the imbalance in MP and non-MP enquiries.

Laura Brentnall (Compliance and Data Protection Officer) confirmed that FOI requests now have an internal deadline 10 days. If not completed within this timeframe, this is flagged with a tier 4 manager and those not completing FOIs on time, will be identified to Leadership Team. She explained that efforts to reduce the number of FOI requests, would not be achieved by not reduce by blocking access to information, but by working on a completely new way of engaging with residents to make data more accessible - not through reducing it but instead through increasing our transparency.

**RESOLVED:** The committee agreed to the following recommendations:

- 2.2 Committee to comment on and approve the publication of the customer feedback annual review 2022/23, subject to any feedback by committee.
- 2.3 Committee to delegate any amends to the Leader of the Council in consultation with the assistant director for customer, resident & business services, and the Chair of the Audit & Member Standards committee.
- 2.4 Committee to note that future customer feedback annual reviews will also be considered by Cabinet.

## **10 RIPA REPORTS POLICY AND MONITORING**

Laura Brentnall presented the RIPA & Policy Monitoring report to the committee. She explained that some services want to potentially use and engage RIPA. It was therefore important to seek feedback and approval from the committee before any such utilisation.

In response to questions on covert surveillance and social media, Laura explained that a one-off review of social media that is already open is acceptable, whereas daily reviews would be classified as covert surveillance. Members suggested the policy could be strengthened by

requiring any use of a covert human intelligence source to be included in the report. This would remind officers of the significance of this step.

**RESOLVED:** The committee noted the RIPA monitoring report for the 2022/23 financial year. The committee approved the updated Corporate Policy and Procedure for RIPA as set out in Appendix 1

#### **11 AUDIT PLAN (INCLUDING PLANNED AUDIT FEE 2022/23)**

Avtar Sohal presented Audit Plan to the committee. He highlighted that there is always a risk of fraud in revenue and expenditure. When it comes to reporting, the external auditors consider anything over £41,500 as a reportable error. On the value for money arrangements, he noted that they are behind, but confirmed that the intention is to combine the 2021/22 and 2022/23 reports together. Mr Sohal stated that they were hoping to sign off the audit opinions by the end of this calendar year.

Members raised concern about the lack of a value for money statement for the previous year. Mr Sohal stated that if there was a material or significant problem identified in the value for money arrangements, he would be required to report it as soon as he was made aware of it. At this stage, there has been no significant weakness uncovered in the arrangements so far. He confirmed that it was the fault of the external auditors that so much had slipped into the following years work. The fee outlined is based on 2022/23 only.

**RESOLVED:** The committee noted the contents of the Audit Plan.

#### **12 INFORMING THE AUDIT RISK ASSESSMENT - LICHFIELD DISTRICT COUNCIL**

Mr Sohal presented the report to the committee. He confirmed that this was brought to members to demonstrate what management are saying regarding responses. Mr Sohal confirmed that there was nothing to be drawn attention to, that would create a significant risk in their audit delivery.

**RESOLVED:** The committee noted the contents of the Informing the Audit Risk Assessment report.

#### **13 WORK PROGRAMME**

Members noted the contents of the work programme for 2023-24. Mr Thomas and Mr Sohal agreed that the statement of accounts would likely need to be moved to the November 2023 meeting. Mr Wood reminded members to complete their skills assessment surveys.

(The Meeting closed at 7.22 pm)

CHAIRMAN



# AUDIT AND MEMBER STANDARDS COMMITTEE

**27 SEPTEMBER 2023**

**PRESENT:**

Councillors Ho (Chair), Marshall, Robertson, J Smith, P Taylor, S Taylor and Vernon

Officers In Attendance: Laura Brentnall, Rhiannon Godley, Christine Lewis, Anthony Thomas, Andrew Wood

**14 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Whitehouse.

**15 DECLARATIONS OF INTEREST**

There were no declarations of interest received.

**16 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 20 July 2023, previously circulated, were taken as read and approved as a correct record. Proposed by Councillor Ho, seconded by Councillor Robertson.

**17 INDEPENDENT MEMBER & SKILLS AUDIT**

Andrew Wood, Audit Manager, delivered his report to the committee noting that the report considers the recently completed skills audit and identifies potential areas for development of a training plan for the committee. The skills audit pinpointed several areas that could be included in the training plan, such as local authority finance, treasury management, the roles of internal audit and external audit, governance and risk management.

Mr Wood elaborated on the recommendations from the Chartered Institute of Public Finance and Accountancy (CIPFA) that the Council should appoint two independent members to the Audit Committee. He clarified that the current committee's terms of reference allow for nine elected members, reflecting the political balance of the Council, with the option to co-opt one independent member. He noted the distinction between the roles of an independent member and an independent person, stating that best practice advises keeping these roles separate.

The primary consideration for the committee, as expressed by Mr Wood, is whether the core knowledge requirements can be met or developed relatively quickly through the training plan among the existing committee members. Alternatively, the committee may need to enhance or supplement existing knowledge and skills through the potential recruitment of an independent member.

In his conclusion Mr Wood clarified that the independent member's role would be unpaid, but any out-of-pocket expenses incurred would be reimbursed. Should the committee decide to recruit for this role, the process would adhere to the Council's existing requirements and procedures. The roles would be advertised locally and across the West Midlands region. Mr Wood explained that if members determine that the role should be remunerated, an amount would have to be determined and discussions had taken place with other chief auditors in the area to help inform an average level for the role. If two independent members are required, a

recommendation to Council would be necessary to update the Council's constitution. He further recommended that the Chair of the committee be given the authority to progress appointments.

Members agreed that appointing an independent member to the Audit & Member Standards Committee would be the most suitable course of action. They discussed the possibility of having one independent member serve the three-year term, as referenced in the report, and having the second member serve a one-year appointment, which could be extended if necessary. Members inquired if one independent member could be recruited imminently while the process of recruiting a second is approved by Council. Mr Wood confirmed that this could be done.

Anthony Thomas, Assistant Director - Finance & Commissioning, agreed with members that they should recruit an independent member to the committee. He explained that the Council's risk environment had changed and that the committee needs different or additional skills to operate effectively in this new environment.

Members raised concerns on potential delays in recruiting two independent members. Mr Wood reassured them that it is unlikely that there would be a delay and advised that they initiate the recruitment process promptly, as other authorities have received similar advice from CIPFA and would also be recruiting independent members. Christine Lewis, Principal Governance Officer, added that Council was meeting next month so members need not worry about potential delays.

Members unanimously agreed that the best way forward would be to appoint two independent members to the Audit and Member Standards Committee.

**RESOLVED:** The Committee considered the report and decided to proceed with appointing two independent members to the Audit & Member Standards Committee.

The Committee agreed it be recommended to Council that appropriate updates are applied to the Council's Constitution to allow the co-option of up to two members.

The Committee provided delegation to the Chair of Committee in respect of progressing appointment if deemed to require remuneration.

The Committee considered the report and approved the proposed training plan for 2023/24.

## 18 COMPLIANCE & DATA PROTECTION VERBAL UPDATE

Laura Brentnall, the Compliance and Data Protection Officer, gave a verbal update to the committee on compliance and data protection. In October 2022, ahead of the Compliance and Data Protection Officer being in position the internal audit had published a limited assurance audit finding, this had been the same finding for a number of years without any significant changes. At the six-month internal audit review the internal audit team changed the internal audit findings from limited assurance to substantially assured. This finding is based on the foundations built by the Compliance and Data Protection Officer and the work programmes underway.

The Compliance and Data Protection Officer further informed members that several ongoing work programmes and service reviews were underway, these include full data mapping exercises across every service. In addition, the Compliance and Data Protection Officer, mindful of the recent Information Commissioners Office (ICO) audits in other public sector bodies, conducted the ICOs recommended health check. The Compliance and Data

Protection Officer provided assurances that this health check hasn't raised any immediate concerns and the areas for development had already been identified and form part of the ongoing work programmes.

The Compliance and Data Protection Officer the committee for any questions, concerns or incorporations for the work programme. Confirming that the previous committee had raised concerns around the risks of using A. The Compliance and Data Protection Officer assured members that any A.I. that is considered would be reported to them on a regular basis and be brought to the committee for oversight. An update was provided on the pending changes to privacy notices to ensure these align with the recent developments in the ICOs expectations to the level of detail expected.

The committee had no comments but recognised the hard work undertaken to obtain a substantial assurance and noted their gratitude to the Compliance and Data Protection Officer.

**RESOLVED:** Members noted the verbal update.

## **19 WORK PROGRAMME**

**RESOLVED:** Members noted the contents of the work programme for the 2023/24 year.

(The Meeting closed at 6.25 pm)

CHAIR

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**PLANNING COMMITTEE**

**31 JULY 2023**

**PRESENT:**

Councillors Marshall (Chair), Anketell, Checkland (Vice-Chair), Evans, Powell, Salter, Vernon, Galvin, Mears, Harvey-Coggins, Hughes, Ashton and Rushton

**5 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor S.Wilcox.

**6 DECLARATIONS OF INTEREST**

Councillor Salter declared a non-pecuniary interest on Agenda Item no. 5 – Application no 22/1533/FUL as he is a ward member and speaking on this item. He did not participate or vote on this item.

Councillor Hughes declared a personal interest on Agenda item no.4 – Application no 23/00649/FUL as she is a ward councillor.

Councillor Ashton declared a personal interest on agenda item no.4 – Application no 23/00649/FUL as he is a ward Councillor

Councillor Marshall declared a pecuniary interest on agenda item no.4 - Application no 23/00519/FUL due to a business relationship between his employer and the applicant. He did not participate in any way and Councillor Checkland (Vice-Chair) chaired the meeting for this item.

**7 MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting held on 3rd July 2023 previously circulated were taken as read, approved as a correct record and signed by the Chair.

**8 PLANNING APPLICATIONS**

Applications for permission for development were considered with the recommendations of the Planning Management & Transformation Consultant and any letters of representation and petitions of observations/representations received together with the supplementary report of observations/representations received since the publication of the agenda in association with Planning Applications 23/00216/COU, 23/00519/FUL and 23/00649/FUL.

23/00216/COU - Change of Use from C3 Dwelling house to C2 Residential Institution. Rosewood House, 19, Rosemary Hill Road, Little Aston, Sutton Coldfield.

FOR: Rajan Gill

**RESOLVED:** That this planning application be approved subject to the conditions contained in the report.

(Prior to consideration of the application, representations were made by Mr Jim Good (Objector)).

23/00519/FUL- Retrospective application for the retention of a temporary two storey modular office building, associated parking and lighting (2 years). Orgreave Farm, Orgreave Hall Lane, Orgreave, Alrewas, Staffordshire DE13 7DG.

FOR: Mr J D Leavesley

**RESOLVED:** That this planning application be approved subject to the conditions contained in the report.

(Prior to consideration of the application, representations were made by Cllr M Wilcox (objector) and Cllr Cross (Supporting) Naomi Light, Leavesley Group (Applicant)).

23/00649/FUL - Application for the demolition of existing multi-storey car park and temporary erection of 15 food/retail units and associated works including hard and soft landscaping for up to three years. Multi Storey Car Park Birmingham Road Lichfield Staffordshire WS13 6HU.

FOR: Mr John Smith

**RESOLVED:** That this planning application be approved subject to the conditions contained in the report.

(Prior to consideration of the application, representations were made by Adam Lund (objector)).

**9 22/01533/FUH RETROSPECTIVE APPLICATION FOR THE RETENTION OF A DETACHED DOUBLE GARAGE. 9 FODEN CLOSE, SHENSTONE, LICHFIELD**

The Committee received a report on application 22/01533/FUH Retrospective application for the retention of a detached double garage. 9 Foden Close, Shenstone, Lichfield.

Officers advised that an appeal had been submitted, but not yet validated by the Planning Inspectorate. It was requested that Members give a clear indication as to whether they would have approved the application in accordance with the Officer recommendation or should they have been minded to refuse the application, the reasons for that refusal. This would be included in the statement of case the council submits to the Planning Inspectorate.

It was noted that some aspects of the report had been redacted as it contained confidential information and if any questions were asked on these areas, the Committee would move to private session.

**RESOLVED:** (1) That Members note that the applicant has submitted an appeal for non-determination, so the application will be determined by the Planning Inspectorate;

(2) That Members reviewed the Officer report presented to Planning Committee on 3rd July 2023 the 13 points raised by Cllr Salter at that meeting and the Officer response to those comments;

(3) That Members inform Officers that they would have approved the application with conditions, in line with their recommendation, if it had not been submitted to the Planning Inspectorate; and

(4) That subject to the appeal not being validated by the Planning Inspectorate and the council recovers jurisdiction of the application, Members delegate to officers the powers to issue the decision notice in line with the decision of planning committee.

(Prior to consideration of the report, representations were made by Mr Bews (Objector), Councillor Salter (Ward Councillor) Mr Smith (Applicant)

**10 EXCLUSION OF PUBLIC AND PRESS**

RESOLVED: That, as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted the public and press be excluded from the meeting for the following item of business which would involve the likely disclosure of exempt information as defined in Paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended.

**11 22/01533/FUH RETROSPECTIVE APPLICATION FOR THE RETENTION OF A DETACHED DOUBLE GARAGE, 9 FODEN CLOSE, SHENSTONE, LICHFIELD**

This report was dealt with in public session.

(The Meeting closed at 8.58 pm)

CHAIR

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# PLANNING COMMITTEE

**4 SEPTEMBER 2023**

**PRESENT:**

Councillors Marshall (Chair), Checkland (Vice-Chair), Anketell, Ashton, Evans, Hughes, Mears, Rushton, Salter and Vernon

**12 APOLOGIES FOR ABSENCE**

Apologies of absence were received by Councillors Galvin, S.Wilcox, Powell and Harvey-Coggins.

**13 DECLARATIONS OF INTEREST**

Councillor Ashton declared a personal interest on Agenda item no.5 Application number 2023/00482/TPO as he is a ward member.

Councillor Hughes declared a personal interest on Agenda item no.5 application number 2023/00482/TPO as she is a ward member.

Councillor Checkland declared a personal interest on Agenda item no.5 application number 2023/00482/TPO as he has a foster child attending the school and previously met the applicant but not in relation to the application.

**14 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 31st July 2023 previously circulated were taken as read, approved as a correct record and signed by the chair.

**15 TREE PRESERVATION ORDER NO 2023/00481/TPO**

2023/00481/TPO – This item was withdrawn.

**16 TREE PRESERVATION ORDER NO 2023/00482/TPO**

Confirmation of Tree Preservation Order no. 2023/00482/TPO - The Lichfield District (Stowe) Tree Preservation at Lichfield Cathedral School The Palace, The Close, Lichfield.

RESOLVED: That the Tree Preservation Order be confirmed.

(Prior to consideration, representations were made by Mr John Mane (Applicant)).

**17 PLANNING APPLICATIONS**

Applications for permission for development were considered with the recommendations of the Planning Management & Transformation Consultant and any letters of representation and petitions of observations/representations received in association with Planning Applications 22/00992/COUM, 23/00573/COU and 23/00326/COU.

22/00992/COUM - Former Library The Friary Lichfield.

RESOLVED: This item was deferred.

23/00573/COU – Agricultural Building Off, London Road, Canwell, Sutton Coldfield. Change of use of barn from agricultural to residential use with erection of a pitched roof on existing flat roof and rooflights.

FOR: Mr Ian Felton

RESOLVED: Approved Subject to conditions.

23/00326/COU - Little Pipe House , Little Pipe Lane, Lichfield, Staffordshire, WS13 8BS. Change of use from barn to dwelling.

FOR: Mr M Proctor

RESOLVED: Approved subject to conditions

(Prior to consideration of the Application, representations were made by Louise Hindsley (Applicant's Agent)).

(The Meeting closed at 7.00 pm)

CHAIRMAN

## REGULATORY AND LICENSING COMMITTEE

25 SEPTEMBER 2023

### PRESENT:

Councillors Salter (Vice-Chair), Anketell, Ashton, Bragger, Checkland, Coe, L Ennis and Evans

### 8 APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillors Warfield, Leung and Yeates (Chair).

### 9 DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

### 10 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting, held on 20<sup>th</sup> June 2023, were taken as read and approved as a correct record by the Chair.

Confirmation was sought regarding whether the legislation applied to footpath diversion Fradley 42 may need changing as discussed at the last meeting and it was noted that this would be clarified and the Committee informed.

### 11 POLLING PLACES REVIEW

The Committee received a report on the forthcoming review of all parliamentary polling districts and polling places which was required every five years. It was reported that the next review must be completed by 31 January 2025 and although planned to be undertaken as soon as possible, the Parliamentary By-election in Tamworth currently underway had meant resources had been moved to that so it was planned to start the more formal review after the PFCC elections in May 2024.

Members discussed whether it was possible to ensure that residents would be aware of polling stations being moved including highlighted on poll cards. In response to members questions, it was reported that the template for poll cards were set in statute so no change could legally be made but all stations were shown on the bottom of each one and any amended details were flagged. Officers appealed for all electors to check and confirm their polling location at each election and not assume it was the same as the last.

The Committee went on to discuss the concerns about location of poll stations being in inappropriate areas, causing access and safeguarding concerns, members went on and discussed possible alternatives of other poll stations for future use.

Members discussed that there was often difficulty using schools as polling stations but suggested that in some cases only using part of the school grounds allowed residents to vote and the school to remain open. It was also noted that in some situations where schools are used, appropriate entrances should be open (where this does not cause safeguarding concerns) so the station is accessible for all.

The Committee addressed concerns about the accessibility and the distance to and from polling stations for certain residents. It was raised that in some cases it was restricting people

from voting as they were unable to walk such a distance losing their opportunity to vote in person. Members were advised of the serious consideration by the returning officer in selecting appropriate sites and local knowledge of members in identifying them.

In response to Members suggestions, it was reported that the main concern around the use of mobile stations, other than the cost, was the safety and the availability of them. It was discussed that all mobiles were there for a week which left people reluctant to have them on site as damage and reduced access for other activities could be caused within that time frame. It was also reported that not mobile stations of a suitable size were not always available to hire for the time frame and at the scale that would be necessary to ensure accessibility in all areas.

**RESOLVED:** (1) That the attached project plan and programme for the review be approved; and

(2) That any further issues the Committee considered relevant to include within the review for the impending Parliamentary by-election and ready for PFCC elections in May 2024.

## **12 ADOPTION OF REVISED CONDITIONS FOR PAVEMENT LICENCES**

The Committee received a report requesting amendments to the conditions attached to current pavement licences in order to simplify them, enable the Council to better assert and protect the rights of the public to the use and enjoyment of the highway, and remove references to restrictions that existed during the pandemic.

Members discussed and agreed that careful assessments were undertaken before issuing licences and they be monitored after.

In response to members and their questions about the number of complaints received it was confirmed that there were very few received and that the service did constantly monitor all areas as part of their normal duties. It was confirmed that they were also looking into recent cases where vehicles unloading close to outdoor seating areas took up spaces that then left little room for pedestrians.

Overall, the Committee did agree that the new conditions were more relevant and usable for both licensees and Council.

**RESOLVED:** That the proposed pavement licence conditions be approved.

## **13 EXTENSION OF AND AMENDMENTS TO THE PUBLIC SPACES PROTECTION ORDER FOR DOG CONTROL**

The Committee received a report on the Council's current dog related Public Space Protection Order (PSPO) which was due for review which would expire on August 2024. It was noted that any decision on renewal or amendment to the PSPO would have to be decided before that date. The report also proposed a way forward in ensuring relevant stakeholders were consulted on what might reasonably be included in the renewed PSPO, prior to the proposals going to formal public consultation.

Members discussed the possibility that in busy areas dogs must stay on short leads and in bigger areas such as parks/fields that there were areas for no dogs, not just children's play areas as current.

It was reported that it may be difficult to enforce some suggestions as it could be difficult to keep dogs away from certain areas of land and there needed to be proof of the dog owner having the intent to commit the offence. It was discussed that feedback from the public and dog owners must be taken into consideration and balanced when creating proposals.

**RESOLVED:** That a non-statutory general consultation exercise take place with Parish Councils in order to obtain views on the various possible dog related Public Space Protection Orders (PSPOs), prior to those views being brought back to this Committee with recommendations or options on how to proceed.

#### **14 WORK PROGRAMME**

The Committee noted the contents of the work programme for 2023-2024. It was agreed that officers would work with the Chair to see if any items could be moved to better balance the workload of upcoming meetings.

(The Meeting closed at 6.38 pm)

CHAIR

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## Local Plan Update

Councillor Alex Farrell - Cabinet Member for Housing & Local Plan

Date:	17 October 2023
Agenda Item:	10
Contact Officer:	Lucy Robinson/Patrick Jervis
Tel Number:	01543 308710 / 01543 308132
Email:	<a href="mailto:lucy.robinson@lichfielddc.gov.uk">lucy.robinson@lichfielddc.gov.uk</a> / <a href="mailto:patrick.jervis@lichfielddc.gov.uk">patrick.jervis@lichfielddc.gov.uk</a>
Key Decision?	YES
Local Ward Members	All wards.



**FULL COUNCIL**

## 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 November 2023. The purpose of this report is to provide an update to Full Council 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 following from Cabinet's consideration on 5 September 2023, on balance, recommends 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 that members have 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 Full Council 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 Full Council 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 Council approves 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<sup>1</sup>. The adopted Lichfield

<sup>1</sup> The Department for Levelling Up, Housing and Communities (DLUHC) are currently consulting on reforms to the local plan process. Within the consultation is a proposal that authorities would need to submit a Local Plan by June 2025 under the current system or prepare a plan under the reformed system once that is introduced.

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.
- 5.6 A [Local Plan Update report](#) was presented to Cabinet on 5 September 2023. This report provided the issues and matters within this report for Cabinet's consideration. Cabinet recommended that, having considered such matters, Full Council consider the withdrawal of the Local Plan 2040 from examination.

#### **Status of the Lichfield District Local Plan 2040 in examination.**

- 3.7 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'. Following the consideration of [the Local Plan Update Report](#) in September 2023 the 'pause' of examination was extended to 10 November 2023.



### **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. Further to this, DLUHC are currently consulting on further reforms to the plan-making process, including introducing a new approach to the preparation of local plans. 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), its 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. The following paragraphs seek to provide Full Council with the necessary information to make such a decision.

### **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 nor the proposed deadline of June 2025 within the current local plan reform consultation. 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 by December 2023.
- 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 Autumn 2023 and potentially the reformed plan-making system which is currently being consulted upon by DLUHC. 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 9.5 year supply of sites to meet our housing requirements as set out in the [Five Year Supply Paper 2023](#). 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 9.5 years in 2023. 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3.18 (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.

Alternative Options	<ol style="list-style-type: none"> <li>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 expeditiously 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.</li> </ol>
Consultation	<ol style="list-style-type: none"> <li>1. All stages of the Local Plan 2040 (formerly Local Plan Review) were presented to Overview &amp; Scrutiny Committees and Cabinet. Cabinet was consulted upon the consultation and submission of the publication version of the Local Plan 2040.</li> </ol>

	<ol style="list-style-type: none"> <li>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 <a href="#">Town and Country Planning (Local Planning) (England) Regulations 2012</a>, including additional stages of consultation undertaken in accordance with regulation 18.</li> <li>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.</li> <li>4. Cabinet considered the Local Plan Update report in September 2023 and have recommended the decision to withdraw the plan to Full Council.</li> <li>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).</li> </ol>
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<p><b>Financial Implications</b></p>	<ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>
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<p>Approved by Section 151 Officer</p>	<p>Yes</p>
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<p><b>Legal Implications</b></p>	<ol style="list-style-type: none"> <li>1. There is a statutory duty in the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations</li> </ol>
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	<p>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 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"> <li>2. The Local Plan has been submitted in accordance with Regulation 22 of the the Town and Country Planning (Local Planning) (England) Regulations 2012.</li> <li>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.</li> <li>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"> <li>i. make a statement about the withdrawal available on the council's website and for inspection at its offices for six weeks.</li> <li>ii. give notice of the withdrawal to general and specific consultation bodies which were notified of the submission of the plan; <b>and</b></li> <li>iii. cease to make any documents published in relation to LP2040 available on the Council's website and at its offices.</li> </ol> </li> </ol>
Approved by Monitoring Officer	Yes

Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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</li> </ol>
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Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> <li>1. An Equality Impact Assessment has been undertaken at previous stages of Local Plan preparation.</li> <li>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.</li> </ol>
EIA logged by Equalities Officer	Equalities Officer confirmed not required.
Crime & Safety Issues	<ol style="list-style-type: none"> <li>1. There are no crime and safety issues.</li> </ol>
Environmental Impact (including Climate Change and Biodiversity).	<ol style="list-style-type: none"> <li>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.</li> </ol>
GDPR / Privacy Impact Assessment	<ol style="list-style-type: none"> <li>1. A Privacy Impact Assessment has not been undertaken.</li> </ol>

	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.	Likelihood: Red Impact: Yellow Risk: Yellow

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.

### **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 30<sup>th</sup> 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](mailto: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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## Changes to the Constitution

Date:	17th October 2023
Agenda Item:	11
Contact Officer:	Mark Hooper – Governance Manager and Monitoring Officer
Tel Number:	01543 308064
Email:	Mark.hooper@lichfielddc.gov.uk
Key Decision?	No
Local Ward Members	All



**Council**

## 1. Executive Summary

- 1.1 The Council’s Constitution is reviewed and updated to ensure it remains fit for purpose, reflects changes in legislation, and provides appropriate delegations.
- 1.2 Matters for consideration arising from the most recent review are set out below.

## 2. Recommendations

- 2.1 That the following changes to the Constitution (as set out in the table below) be approved:
  - (i) That the Key Decision Limit for additional expenditure, income or savings be set at £150,000.
  - (ii) The acceptance of additional income over the key decision limit will be a key decision where there are significant resource implications/obligations for the Council (as determined by the Section 151 officer).
  - (iii) That a new Committee be established following the November/December Cycle of meetings to undertake the Member Standards functions of the Audit & Member Standards Committee.
  - (iv) That provision be made for the Audit Committee to include up to two ‘Independent Persons’.
- 2.2 That Council note that the Constitution has been updated to reflect areas of responsibility delegated to individual Members of the Cabinet

## 3. Background

Proposed Change to the Constitution	Details
<b>1. That the Key Decision Limit for additional expenditure, income or savings be set at £150,000</b>	The Key Decision limit was last reviewed in 2018.  A revised limit of £150,000 is suggested taking into account: <ul style="list-style-type: none"> <li>• The CIPFA Family Group average<sup>1</sup></li> </ul>

<sup>1</sup> Chartered Institute of Public Finance & Accountancy is the UK-based international accountancy membership and standard-setting body.

- The type of decisions that will be affected
- Inflation over the last 5 years and the need to provide a degree of future proofing until the next review.

A key decision is defined as a decision likely to:

- result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area.

Currently any decision involving additional expenditure, income or savings over £75,000 will be a key decision. The figure is not statutory and is determined by the Council.

Key Decisions have the following implications:

- The Cabinet is required to give at least 28 days' notice before making a decision.
- The decision must be made by Cabinet and cannot be made by an individual Cabinet Member (with the exception of contracts that are within budget).

The proposed key decision limit of **£150,000** would be in the context a revenue budget of £13.8m (2023/24).

### **Benchmarking**

The key decision limit was last reviewed in 2018. Allowing for inflation the original key decision limit would now be in the region of £93,000.

We have recently benchmarked with other local authorities (see **APPENDIX A**):

- The average across our CIPFA family group is £142K for revenue (170K for capital projects).
- For Staffordshire Districts, the key decision limit varies from £100K in Tamworth to £500K in Stafford Borough.

The figure of £150,000 brings the Council's key decision limit in line with the CIPFA family group average. It takes into account the nature of the decisions that would be affected and provides a degree of future proofing (preventing an increasing number of issues becoming key

	<p>decisions due to inflation).</p> <p><b>Impact of the Proposal</b></p> <p>The proposal only impacts decisions <i>within approved budgets</i> that <i>only qualify</i> as key decisions due to the expenditure incurred (i.e there is no significant impact on two or more Wards).</p> <p>As such there will be little impact on the number of reports considered by Cabinet.</p> <p>The main impact will be on decisions taken by Cabinet Members (who can approve of contracts within existing budgets up to £400,000).</p> <p>From May 2022 to September 2023 there have been 31 decisions taken by Cabinet Members of which 18 were key decisions (<b>APPENDIX B</b>). Of the 18 key decisions:</p> <ul style="list-style-type: none"> <li>• 10 (44%) were below 150K.</li> <li>• 8 (56%) were above 150K.</li> </ul> <p><b>Benefit of the Proposal:</b></p> <p>The proposed key decision limit will enable the Council to focus on strategic/significant decisions, while enabling more routine business decisions to be undertaken as quickly and efficiently as possible with reduced lead in times.</p> <p>It is important to note:</p> <ul style="list-style-type: none"> <li>• If a decision is significant in terms of its effects on communities living or working in an area comprising two or more wards, it will still be a key decision irrespective of the level of expenditure/savings.</li> <li>• Ward Members will continue to be consulted</li> <li>• all Members will continue to be notified when Decision Notices are published.</li> <li>• The ability to call-in a decision will be unaffected.</li> <li>• Any decision impacting the Medium Term Financial Strategy has to be approved by Full Council.</li> </ul>
<p><b>2. The acceptance of additional income over the key decision limit will only be a key decision where there are significant resource</b></p>	<p>The acceptance of additional income over the key decision limit is currently a key decision.</p> <p>It is proposed that this be amended/clarified so:</p> <p><i>the receipt of income is only a key decision where there are significant</i></p>

<p><b>implications/obligations for the Council.</b></p>	<p><i>resource implications/obligations for the council (e.g. match funding, staff time) as determined by the Section 151 officer.</i></p> <p><b>Impact of the Proposal</b></p> <p>Any income with implications for the council will continue to be treated as a key decision. The Council will be able to accept other grants without delay – the timetable for these is often outside the control of the Council (e.g. Government grants) and delays can jeopardise funding.</p> <p><b>Benefit of the Proposal:</b></p> <p>The ‘passporting’ of grants and receipt of additional income where there are no additional implications for the Council, will not be subject to, and potentially delayed by, key decision requirements.</p>
<p><b>3. That a new Committee be established to undertake the Member Standards functions of the Audit &amp; Member Standards Committee (to comprise 9 Members).</b></p>	<p>Member Standards and Member Complaints are currently overseen by Audit &amp; Member Standards Committee and its Sub-Committees.</p> <p>CIPFA has published guidance on the function and operation of Audit Committees in local authorities and police bodies<sup>2</sup>. On Ethical values the guidance states:</p> <p>‘Authorities have a standards committee to oversee member conduct and review complaints. <b>This is not a function of the audit committee and combining the two committees should be avoided.</b>’</p> <p><b>Benefit of the Proposal</b></p> <ul style="list-style-type: none"> <li>• The Council will comply with CIPFA guidance and best practice.</li> <li>• Audit Committee has a heavy workload and limited capacity for Member Standards work.</li> <li>• The separation of audit and member standards functions will provide greater focus and capacity for both functions.</li> </ul> <p>It is suggested that Audit and Member Standards Committee becomes Audit Committee (with provision to appoint up to two independent members as agreed at Audit &amp; Member Standards on 27 September - see 4 below).</p> <p>The new Member Standards Committee is likely to meet as and when required (one of the first tasks could, potentially, be to consider adoption of the LGA Model code of Conduct).</p> <p>The Committee will comprise 9 Members and be the parent Committee</p>

<sup>2</sup> CIPFA published guidance on the function and operation of Audit Committees in local authorities and police bodies and this represents good practice for audit committees. The guidance updated in 2022 and incorporates CIPFA’s Position Statement: Audit Committees in Local Authorities and Police (2022) (the Position Statement)



	<p>for the Review Sub-Committee and Assessment Sub-Committee. The functions, responsibilities and delegations are listed at <b>APPENDIX C</b>.</p> <p>Special Responsibility Allowances will be reviewed by the Independent Remuneration Panel. There is a strong argument that the SRA for Audit Committee should remain the same as Audit and Member Standards given the nature of the work and fact that there will be no reduction in workload for the Committee (indeed the change is in recognition of the Committees high workload).</p>
<p><b>4. That provision be made for the Audit Committee to include up to two ‘Independent Persons.</b></p>	<p>The Council’s Constitution currently allows for one independent person to be co-opted to Audit &amp; Member Standards Committee.</p> <p>In line with CIPFA guidance Audit &amp; Member Standards Committee has recommended that up to two independent members be appointed (meeting held on 27 September 2023).</p> <p>It is therefore proposed that provision be made in the constitution for <i>up to two members to be appointed to the Committee responsible for audit.</i></p> <p><b>Benefit of the Proposal</b></p> <ul style="list-style-type: none"> <li>• In line with best practice and CIPFA guidance.</li> <li>• An external view can often bring a new approach to committee discussions.</li> <li>• To bring additional knowledge and expertise to the committee where there may be skills gaps.</li> <li>• To reinforce the political neutrality and independence of the committee.</li> <li>• To maintain the continuity of committee membership where membership is affected by the electoral cycle.</li> </ul>

Alternative Options	1. That one or more of the changes are amended or not approved.
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Consultation	1. As a decision of full council all members will be able to speak on the matter.
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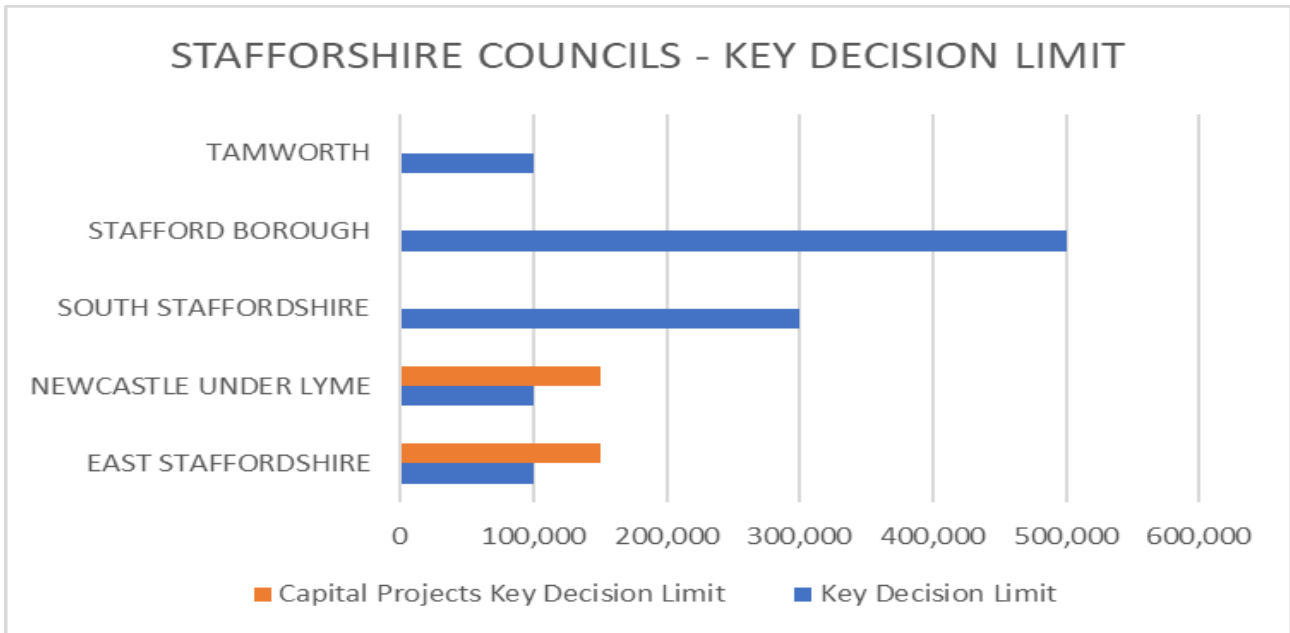
Financial Implications	<ol style="list-style-type: none"> <li>1. There are no direct financial implications from these proposals.</li> <li>2. The proposal that the constitution be updated to include up to two ‘independent persons’ was reviewed by Audit and Member Standards Committee on 27 September 2023 prior to the recommendation to Council.</li> <li>3. Consideration should be given, where practicable, to broader changes to the Constitution (subject to minor and consequential amendments continuing to be delegated to the Monitoring Officer) being reported for consideration by the Audit Committee prior to consideration by Full Council. This approach would be in line with Good Practice adopted at</li> </ol>
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	many other Councils and would require a further constitutional update.
Approved by Section 151 Officer	Yes
Legal Implications	1. The constitution sets out how the Council conducts its business and is regularly reviewed to ensure it reflects legislative changes and best practice.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	1. The proposal will contribute towards the following strategic objectives: <ul style="list-style-type: none"> <li>• A council that is transparent and accountable</li> </ul>
Equality, Diversity and Human Rights Implications	1. None
Approved by Equalities Officer	Yes/no*
Crime & Safety Issues	1. None
Environmental Impact (including Climate Change and Biodiversity).	1. None
GDPR / Privacy Impact Assessment	1. None

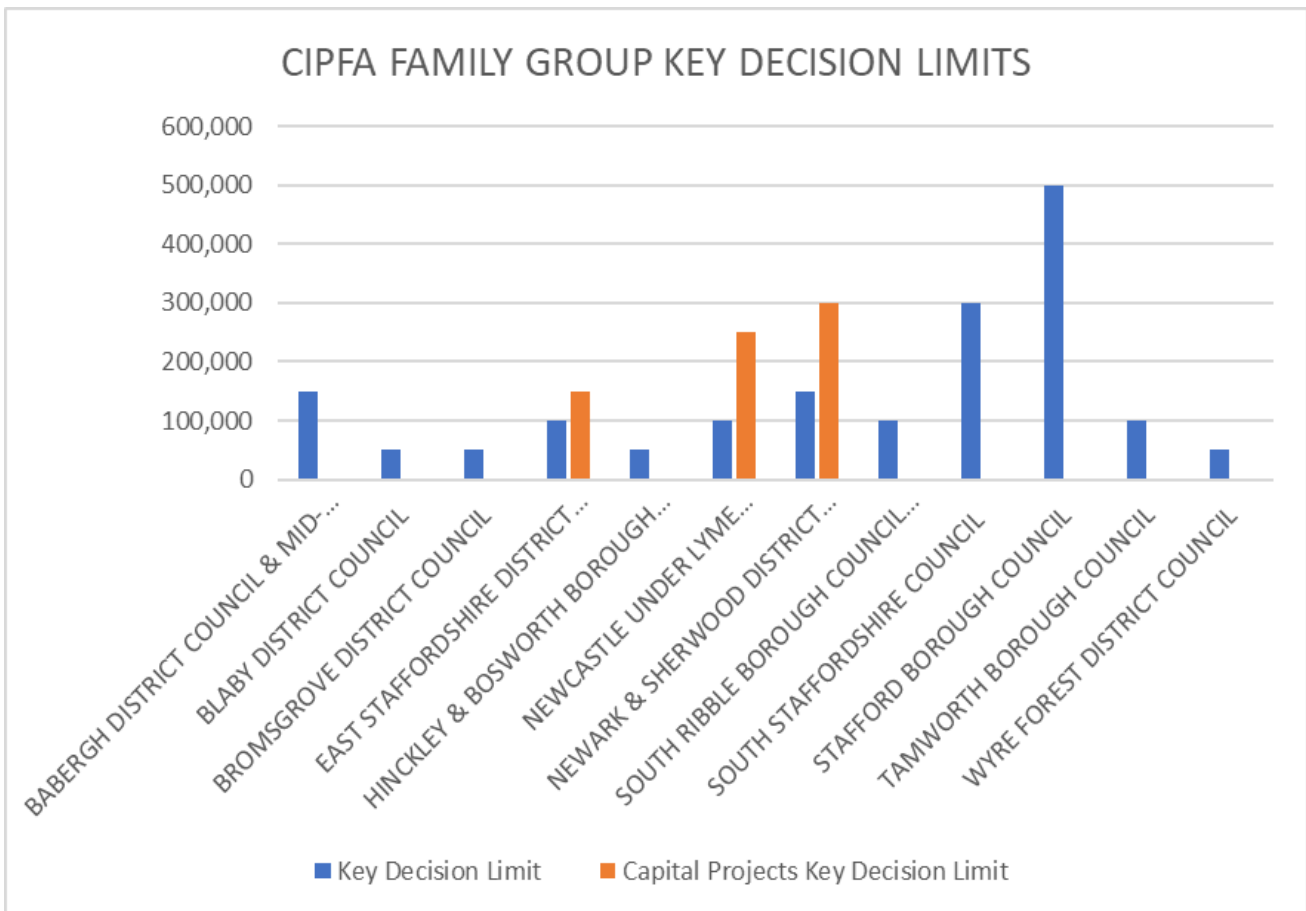
	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Legal Challenge due to the Constitution not being up to date.	Yellow	Review the constitution on a regular basis	Green
B	Insufficient Awareness of Decisions below the Key Decision Limit	Yellow	Ward Members are consulted, Members are notified when decisions are made, decisions are published, Call-In is still applicable.	Green

	Background documents
--	----------------------

	Relevant web links
--	--------------------



\* The chart above shows published fixed key decision limits. A minority of authorities use alternative methods. Cannock Chase District Council sets the key decision threshold at 0.5% of the gross turnover of the Council. Staffordshire Moorlands refers to significant expenditure but has not published a set figure on its Forward Plan.



**Impact of increasing the Key Decision Limit to £150,000**

From May 2022 to September 2023 there have been 31 decisions taken by Cabinet Members of which 18 were key decisions.

Of the 18 key decisions:

- 10 (56%) were below 150K (shown in green).
- 8 (44%) were above (shown in orange).

Cabinet Member Decision	Decision Date
*Temporary Agency Staffing	21/09/2022
*Fuel Supply Framework Contract Award	15/02/2023
*Incubator Space Phase 3 First Floor Refurbishment	20/04/2023
*Contract Award for Insurance	15/02/2023
*IT Strategy - scaffolding and interim support	02/12/2022
*Incubator Space Upgrade	02/11/2022
*Write-off of council tax debt relating to current Local Council Tax Support (LCTS) claimants	06/03/2023
*LDC-254 MPF	16/11/2022
*Works for the Ground Floor Redevelopment at DCH	26/05/2022
*Council Tax Energy Rebate Implementing the Discretionary Fund	16/06/2022
*Housing Benefit Assurance Contract Award	13/02/2023
*Contract Award for Garden Waste Stickers	30/06/2022
*Hybrid & Bulk Mail Solution	20/03/2023
*Incubator Space Phase 3	06/01/2023
*Chatbot Implementation	24/05/2022
*Contract for Learning Management Software	27/06/2022
*Treasury Management Contract Award	07/06/2022
*Contract Award for the Development of a Design Code SPD	28/11/2022

## MEMBER STANDARDS COMMITTEE – FUNCTIONS

Function	Delegations
To promote and maintain high standards of conduct by Councillors (including Parish Councillors)	
To be the Standards Committee for the Parish Councils in the District of Lichfield	
To consider and determine allegations the Councillors, including Parish Councillors have breached the Code of Conduct of the relevant authority in accordance with the arrangements approved by the principal Council.	Assessment Sub-Committee Review Sub-Committee Monitoring Officer initial assessment of complaint and local resolution.
To monitor that such Member Codes of Conduct have been adopted by the Council and the Parish Councils and that Members of the Councils concerned have signed to accept the provisions of the relevant Code	Monitoring Officer
To ensure that arrangements are made for advice to be available to assist members to comply with the adopted Codes of Conduct	Monitoring Officer
To ensure that arrangements are put in place for keeping and updating the Registers of Members' Interests for the Council and for the Parish Councils	Monitoring Officer
Advising on training for Councillors, Parish Councillors and co-opted members on matters relating to the Code of Conduct	Monitoring Officer
Functions relating to standards of conduct of councillors under any relevant statutory	Monitoring Officer
Functions relating to standards of conduct of councillors under any relevant statutory provision	Monitoring Officer
The determination of applications from Lichfield District Councillors for dispensations in accordance with statutory provision	Monitoring Officer as set out in Part 3 of the Constitution.

**CONSTITUTION OF COMMITTEES AND PANELS:  
(Calculated in October 2023)**

COMMITTEE / PANEL	SIZE	Con	Lab	Lib Dem	Vacant due to Political Balance
Council	47	21	17	7	
Leader and Cabinet	7				
Overview and Scrutiny Committee	14	6	5	2	1
Audit and Member Standards Committee	9	4	3	1	1
Planning Committee	15	7	5	2	1
Regulatory and Licensing Committee	13	6	5	2	
Employment Committee	10	4	4	1	1
Disciplinary and Grievance Appeals Committee	7	3	2	1	1
Investigatory and Disciplinary Committee	7	3	3	1	
Appointments Committee <ul style="list-style-type: none"> <li>• <i>To be made of four Cabinet Members and the Leader of the Principal Opposition Group</i></li> </ul>	5				
Joint Committee for Waste Management <ul style="list-style-type: none"> <li>• <i>The Leader of the Council or authorised deputy</i></li> <li>• <i>The Portfolio Holder responsible for Waste or authorised deputy</i></li> </ul>	2				
Licensing and Consents Appeals Sub-Committee <ul style="list-style-type: none"> <li>• <i>Any 3 from Regulatory and Licensing Committee</i></li> </ul>	3				
Review Sub-Committee <ul style="list-style-type: none"> <li>• <i>Any 4 from Audit and Member Standards Committee</i></li> </ul>	4				
Assessment Sub-Committee <ul style="list-style-type: none"> <li>• <i>Any 5 from Audit and Member Standards Committee (plus the Independent Person)</i></li> </ul>	5				

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# Annual Treasury Management Report

Agenda Item 13

## Cabinet Member for Finance and Commissioning

Date: 17 October 2023  
Agenda Item:  
Contact Officer: Anthony Thomas  
Tel Number: 01543 308012  
Email: Anthony.thomas@lichfielddc.gov.uk  
Key Decision? YES  
Local Ward Members: Full Council



Full Council

## 1. Executive Summary

- 1.1 The report covers the Treasury Management performance for the financial year 2022/23.
- 1.2 The Capital Programme was (**£1,177,055**) lower than the Approved Budget with under performance on the Birmingham Road Site Enabling Works (**£385,000**), Disabled Facilities Grants (**£181,327**) and Cinema Development (**£175,613**) being the most significant projects.
- 1.3 Income from Capital Receipts was lower than the Approved Budget by **£699,990**. The main reason is that the planned sale of Venture House was not completed.
- 1.4 The funding of the Capital Programme in 2022/23 reflects the actual expenditure of (**£3,572,946**). This includes lower funding from capital receipts because the use of funding from other sources, that have more restrictions, was prioritised.
- 1.5 Minimum Revenue Provision at **£429,204** was in line with the Approved Budget of **£430,000**.
- 1.6 Assets less liabilities on the Balance Sheet at **£82,879,666<sup>1</sup>** is **£38,476,666** higher than the budget of **£44,403,000** and this variance is offset in Total Equity (Usable and Unusable Reserves). These variances are explained at 3.22 and 3.23 however; are in the main related to the Long Term Pension Liability assessed by the Pension Fund Actuary becoming a Long Term Asset. These accounting entries are statutorily offset by an Unusable Pension Reserve.
- 1.7 Investments at **£45,549,524** were **£603,524** higher than the Approved Budget of **£44,946,000**. This was due to higher working capital (amounts owed to other bodies or grants received in advance of payment) and higher unapplied grants and contributions. This is also reflected in the lower liability benchmark of (**£34,484,124**) compared to the Approved Budget of (**£33,882,000**) shown at **APPENDIX B**.
- 1.8 The net treasury position was in line with the Approved Budget.
- 1.9 The Council's investments achieved a risk status of **A+**, which was more secure than the aim of **A-**, and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.
- 1.10 The report confirms the Council was compliant with all Treasury Limits and Prudential Indicators for 2022/23.

## 2. Recommendations

- 2.1 To approve the Annual Treasury Management Report and Prudential Indicators for 2022/23.

<sup>1</sup> Subject to the Audit Opinion for both 2021/22 and 2022/23 Financial Statements.

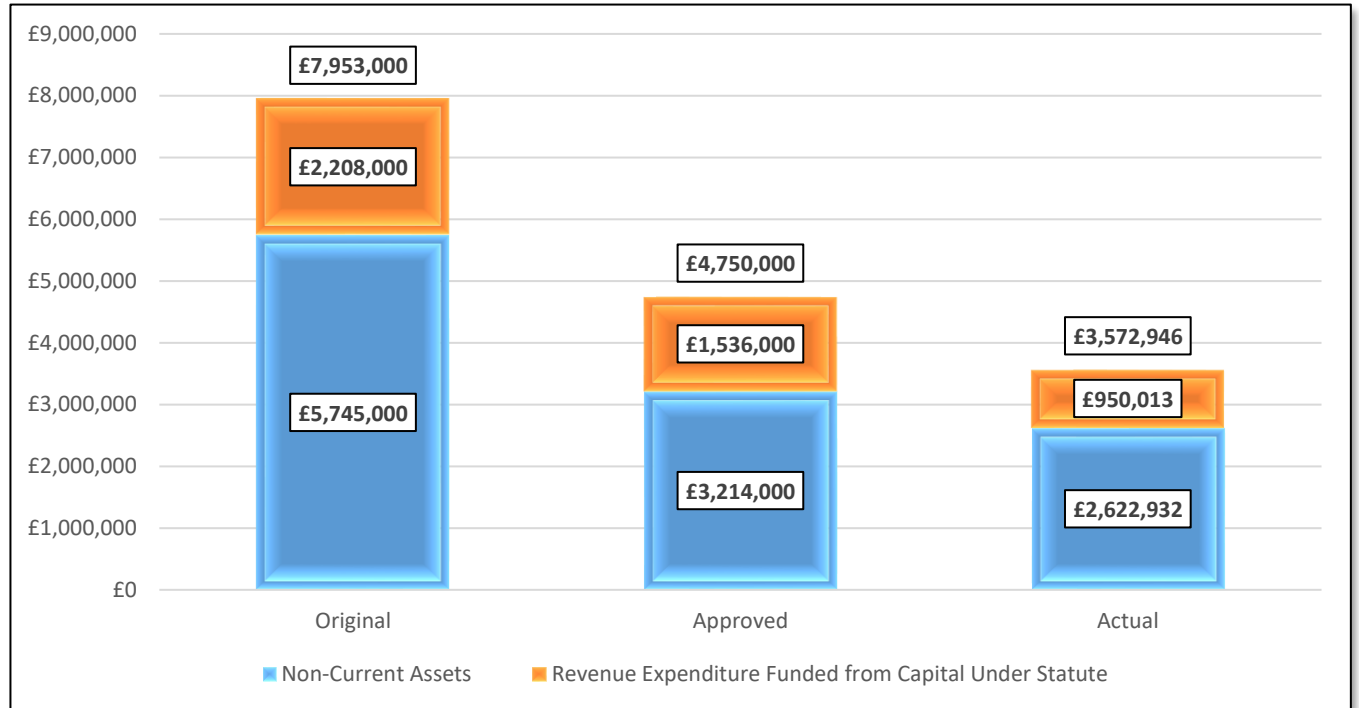
## 3. Background

### The Capital Programme and Treasury Management

- 3.1 This Annual Treasury Report is a requirement of the Council's reporting procedures. It covers the Treasury activity during 2022/23 and the actual Prudential Indicators for 2022/23.
- 3.2 Treasury Management is defined as: *"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 3.3 Overall responsibility for Treasury Management remains with the Council. No Treasury Management activity is without risk; the effective identification and management of risk are integral to our Treasury Management objectives.
- 3.4 Our Treasury Management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members be informed of treasury management activities at least twice a year. We report regularly to the Cabinet and Audit and Member Standards Committee on Treasury policy, strategy and activity.
- 3.5 This report is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential code and
- presents details of capital spend, capital financing, borrowing and investment transactions;
  - reports on the risk implications of Treasury decisions and transactions;
  - gives details of the outturn position on Treasury Management transactions in 2022/23;
  - confirms compliance with Treasury limits and Prudential Indicators.
- 3.6 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) contained in Statutory Guidance.
- 3.7 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 Capital Programme

3.8 A summary of the Capital Programme performance from Budget to the Actual for 2022/23 is shown in detail at **APPENDIX A** and in the chart below:



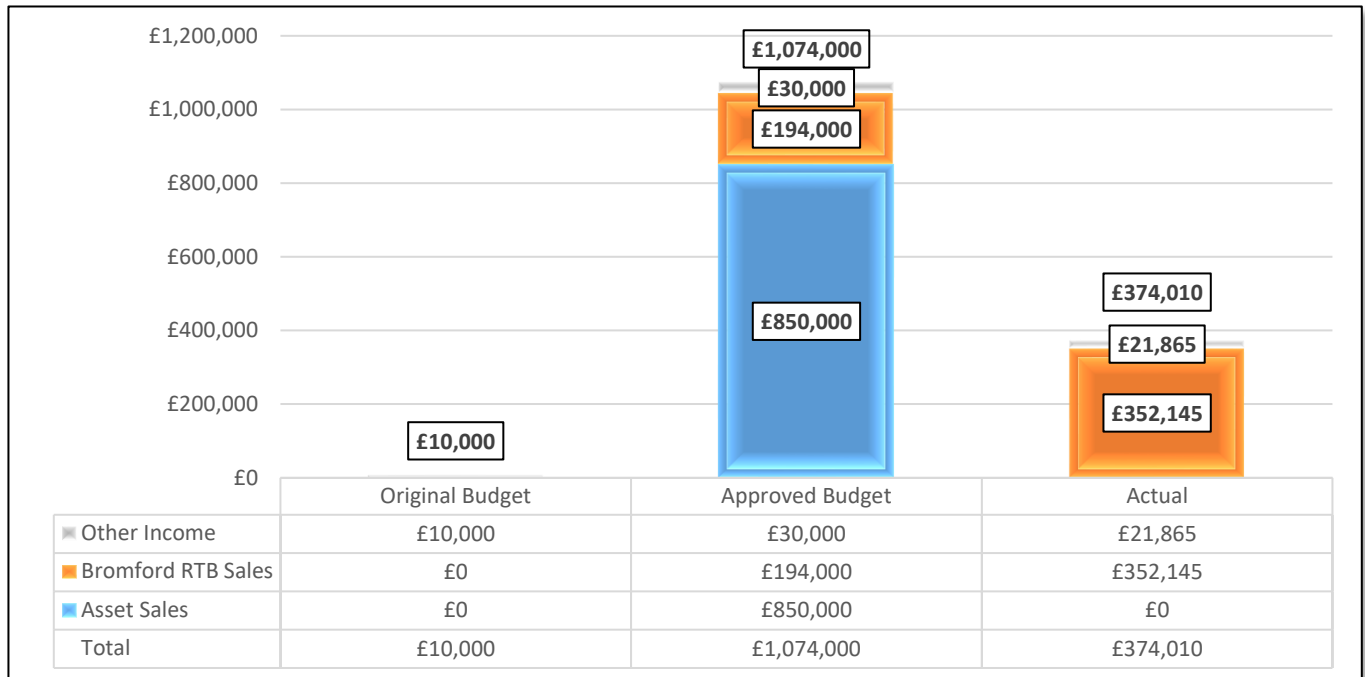
3.9 Capital expenditure was **£3,572,946** and this is **(£1,177,055)** or **25%** less than the Revised Approved Budget of **£4,750,000**.

3.10 There were variances compared to the Approved Budget related to the following:

	Variances	
	Slippage	Other
* Disabled Facilities Grants	(£181,000)	
* Friary Grange Refurbishment	(£134,000)	
* <b>Other Projects</b>	(£20,000)	(£33,607)
<b>Enabling People Total</b>	<b>(£335,000)</b>	<b>(£33,607)</b>
* Bin Purchase (funded from the Revenue Budget)		98,600
* Loan to Council Owned Company	(£57,000)	
* Public Conveniences	(£85,000)	
* <b>Other Projects</b>	(£68,000)	(£1,107)
<b>Shaping Place Total</b>	<b>(£210,000)</b>	<b>£97,493</b>
* BRS Enabling Works	(£385,000)	
* Cinema Development	(£176,000)	
* Car Parks – Variable Message Signing	(£130,000)	
* <b>Other Projects</b>	(£61,000)	£16,176
<b>Developing Prosperity Total</b>	<b>(£609,000)</b>	<b>£16,176</b>
* Building a Better Council	(£165,000)	
* <b>Other Projects</b>	£25,000	£36,883
<b>A Good Council Total</b>	<b>(£140,000)</b>	<b>£36,883</b>
<b>Total Variance</b>	<b>(£1,294,000)</b>	<b>£116,945</b>
	<b>(£1,177,055)</b>	

## Capital Receipts

3.11 The budgeted and actual capital receipts received are shown below:

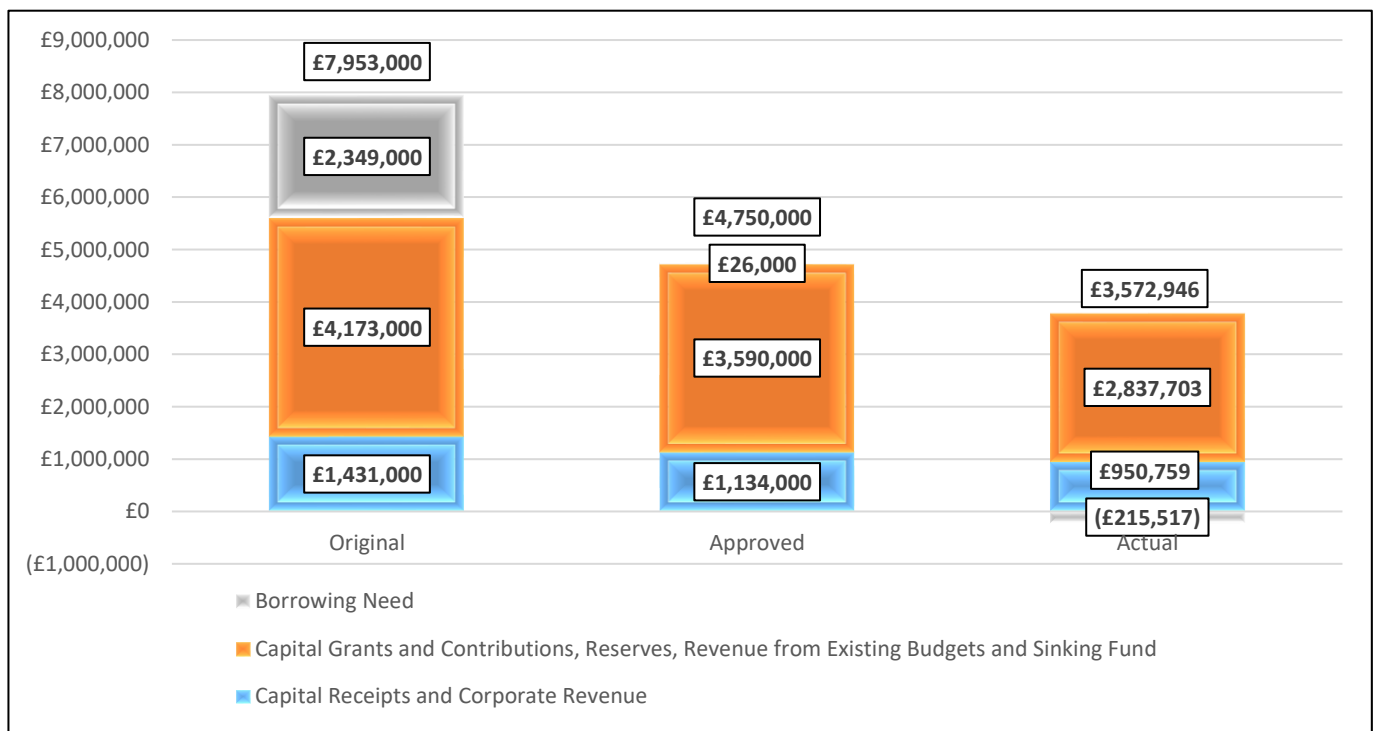


3.12 Capital receipts were **£699,990** lower than the Approved Budget. The main reason is that the planned sale of Venture House was not completed during 2022/23.

3.13 The Right to Buy capital receipts, under the policy approved by Council on 14 July 2020, will be earmarked towards capital investment to support delivery of the Housing, Homelessness and Rough Sleeping Strategy.

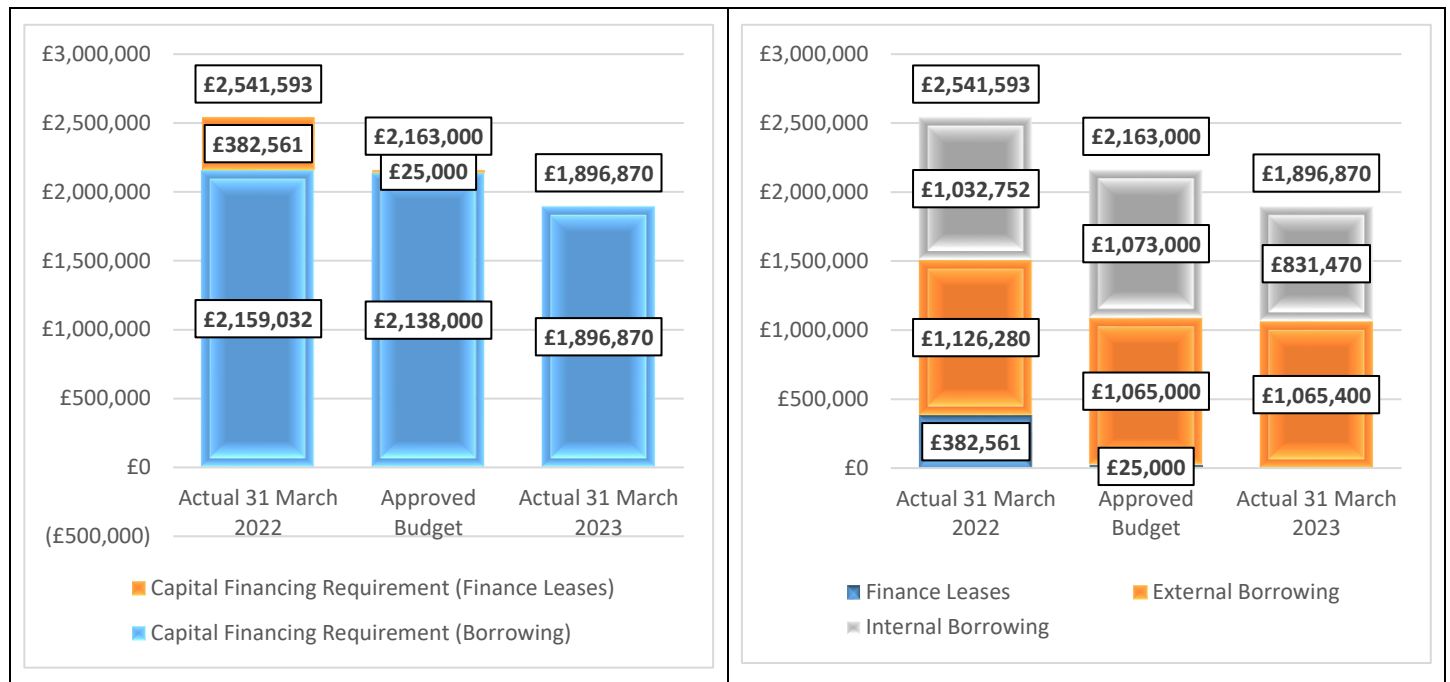
## The Funding of the Capital Programme

3.14 The budgeted and actual sources of funding for the Capital Programme are shown below:



## The Capital Financing Requirement (Borrowing Need) and its Financing

3.15 The actual and Budgeted Borrowing Need and its financing is shown below:



3.16 The report to Cabinet on 14 February 2023, identified that **£216,000** of development costs for the new Leisure Centre would be funded by existing budgets or an earmarked reserve.

3.17 As part of the MTFs approved by Council on 28 February 2023, this funding was allocated from an earmarked reserve.

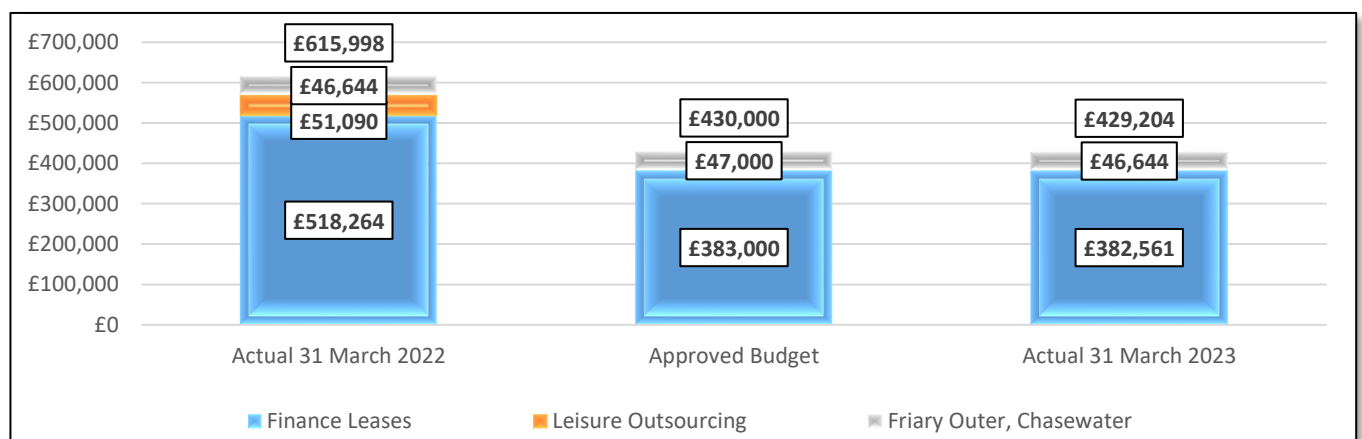
3.18 This approach ensures £10m of funding is available for the new leisure centre and has also reduced the Capital Financing Requirement (Borrowing Need) by **(£216,000)**.

3.19 The Liability Benchmark (the lowest risk level of borrowing) was **(£34,484,000)** and is lower compared to the Approved Budget of **(£33,882,000)** as shown at **APPENDIX B**. This is primarily due to higher usable reserves.

3.20 It indicates that the Council does not currently need to externally borrow to fund its Capital Financing Requirement and was the reason Council was able to approve £5m of internal borrowing to fund the new leisure centre.

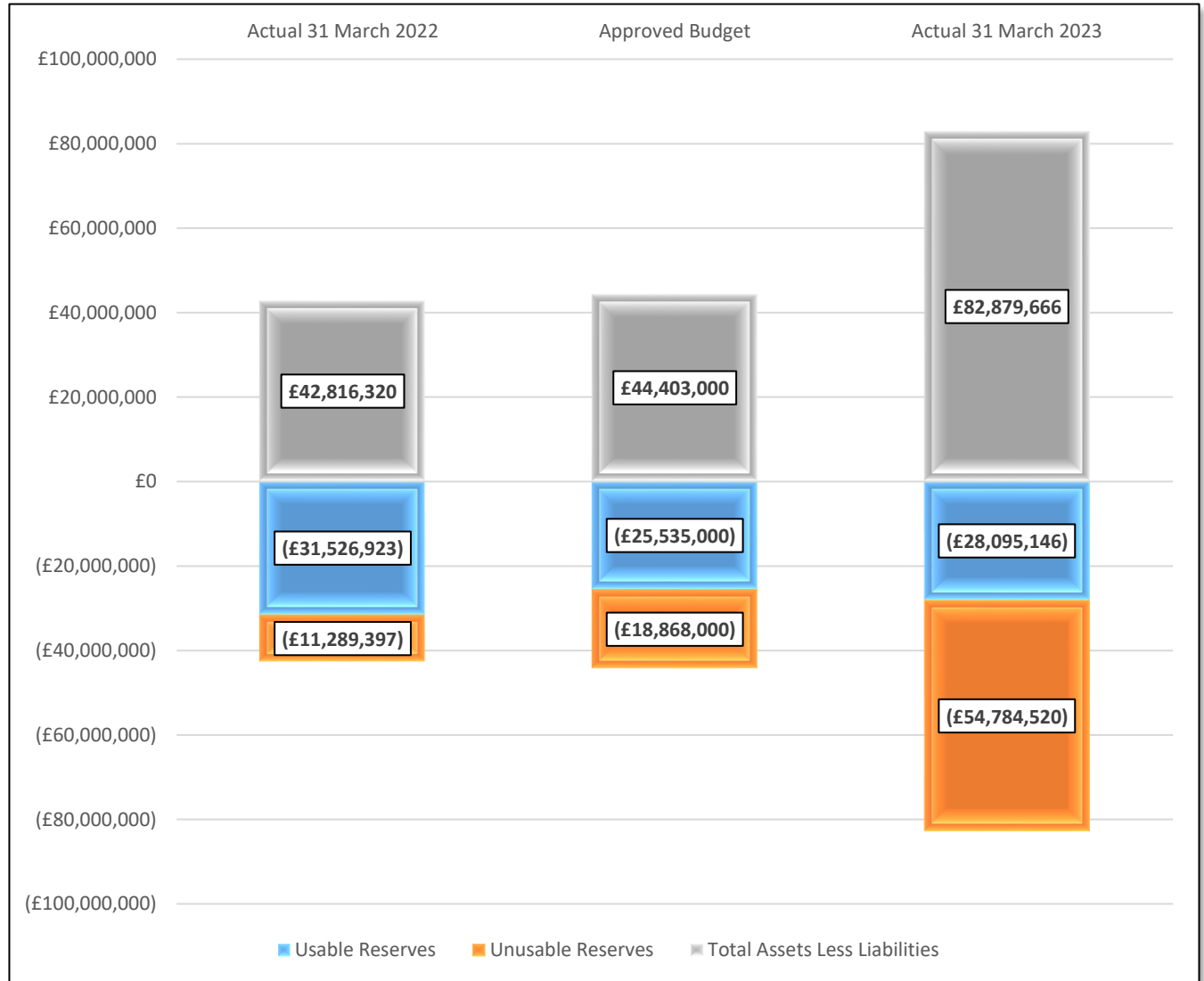
### Minimum Revenue Provision in 2022/23

3.21 The Minimum Revenue Provision charged to revenue in 2021/22, budgeted in 2022/23 and the actual in 2022/23 is shown below:



## The Balance Sheet

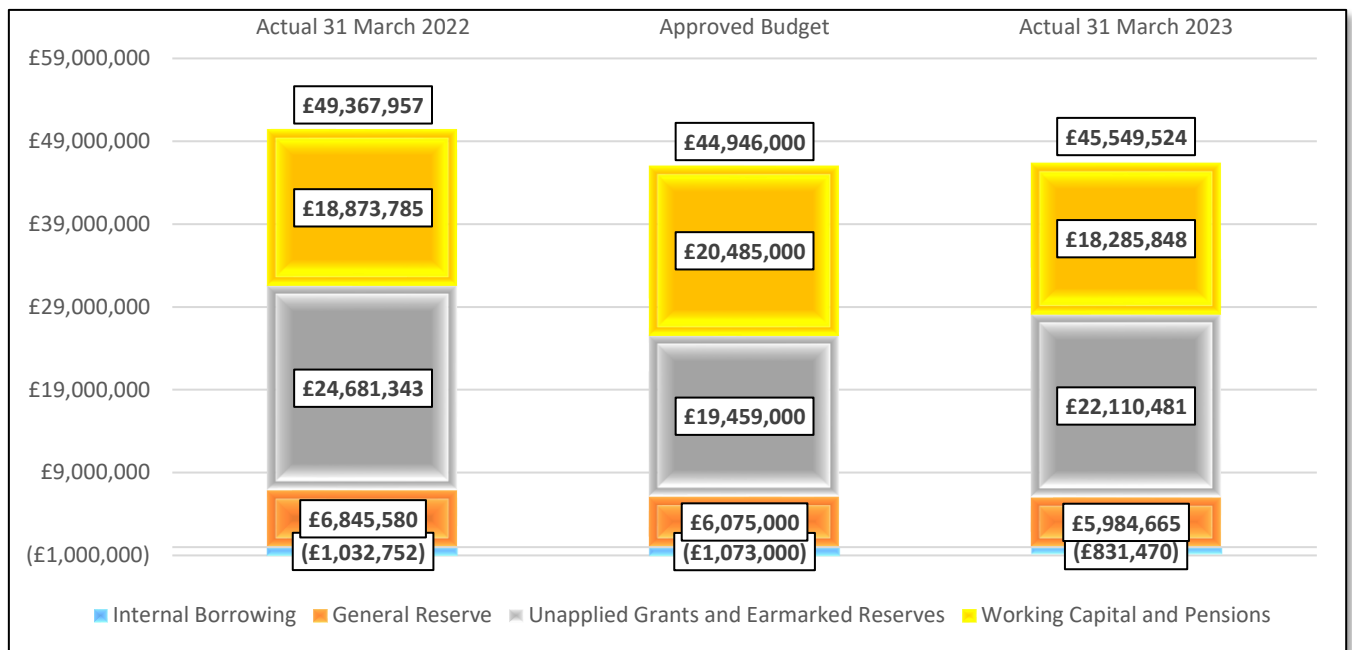
3.22 The actual Balance Sheet for 2021/22 together with the budgeted and actual Balance Sheet for 2022/23 are shown in detail at **APPENDIX B** and are summarised below:



3.23 The main reasons for the variance between the budgeted and actual Balance Sheet for 2022/23 are:

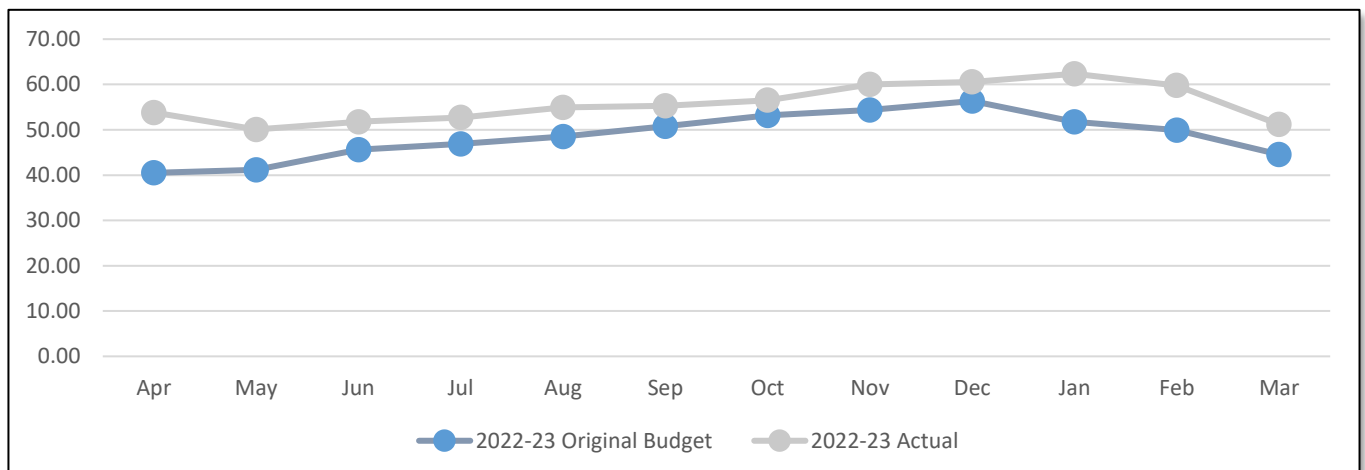
Area	Pensions £000	Assets £000	Current £000	Total £000
Pension liability now assessed as an asset by the Actuary	30,569			30,569
Higher Investments due to more net cash from changes in reserves and working capital			1,164	1,164
Higher Non-current assets due to valuation increases and spend		3,591		3,591
Lower Working capital			3,472	3,472
Other			(319)	(319)
<b>Total Assets less Liabilities</b>	<b>30,569</b>	<b>3,591</b>	<b>4,317</b>	<b>38,477</b>
Higher Earmarked Reserves			(3,403)	(3,403)
Lower Capital Receipts and Burntwood Sinking Fund			587	587
Lower Unapplied Capital Grants			165	165
Lower General Reserves			90	90
<b>Total Usable Reserves</b>			<b>(2,561)</b>	<b>(2,561)</b>
Lower Pensions Reserve to match the Pension liability	(30,569)		(1,218)	(31,787)
Increase in Revaluation Reserve and Capital Adjustment Account		(3,591)	(249)	(3,840)
Lower Other Reserves including Collection Fund			(289)	(289)
<b>Total Unusable Reserves</b>	<b>(30,569)</b>	<b>(3,591)</b>	<b>(1,756)</b>	<b>(35,916)</b>
<b>Total Equity</b>	<b>(30,569)</b>	<b>(3,591)</b>	<b>(4,317)</b>	<b>(38,477)</b>

3.24 The level of investments and the sources of cash are shown in the chart below:



### Cash Flow Forecasts

3.25 The graph below shows the average investment levels (in £m) throughout the 2022/23 financial year compared to the Original budget:



3.26 The cash flow variance is primarily due to lower spend than forecast.

3.27 The Treasury Management Performance for both investment income and borrowing in 2022/23 was:

Treasury Management	2022/23			
	Revised Budget		Actual	
	Investment Income	Borrowing	Investment Income	Borrowing
Average Balance	£55.96m	£1.08m	£55.72m	£1.08m
Average Rate	2.44%	2.59%	2.55%	2.59%
Gross Investment Income	(£1,367,500)		(£1,434,614)	
Pooled Fund Transfer to Reserves	£390,500		£492,545	
External Interest		£67,000		£28,136
Internal Interest		£1,000		£2,663
Minimum Revenue Provision (less Finance Leases)		£47,000		£46,644
<b>Net Treasury Position</b>	<b>(£977,000)</b>	<b>£115,000</b>	<b>(£942,069)</b>	<b>£77,443</b>
	<b>(£864,270)</b>		<b>(£864,626)</b>	

## Investment Strategy

3.28 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**.

3.29 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.

3.30 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 **16 February 2022 (updated 28 February 2023)**.

## Service Investments

3.31 There are two significant approved investments of a service nature included in the Approved Budget for 2022/23 and these are detailed below:

	Budget	Actual	Variance
<b>Approved Loan to the LWMTS</b>	<b>£57,000</b>	<b>£0</b>	<b>(£57,000)</b>
Net Income	£860	£0	(£860)
Net Return	4.00%	0%	(4.00%)
<b>Approved Loan to the Joint Venture</b>	<b>£240,000</b>	<b>£64,387</b>	<b>(£175,613)</b>
Net Income (assumed revenue budget neutral)	0	0	0
Net Return	0	0	0

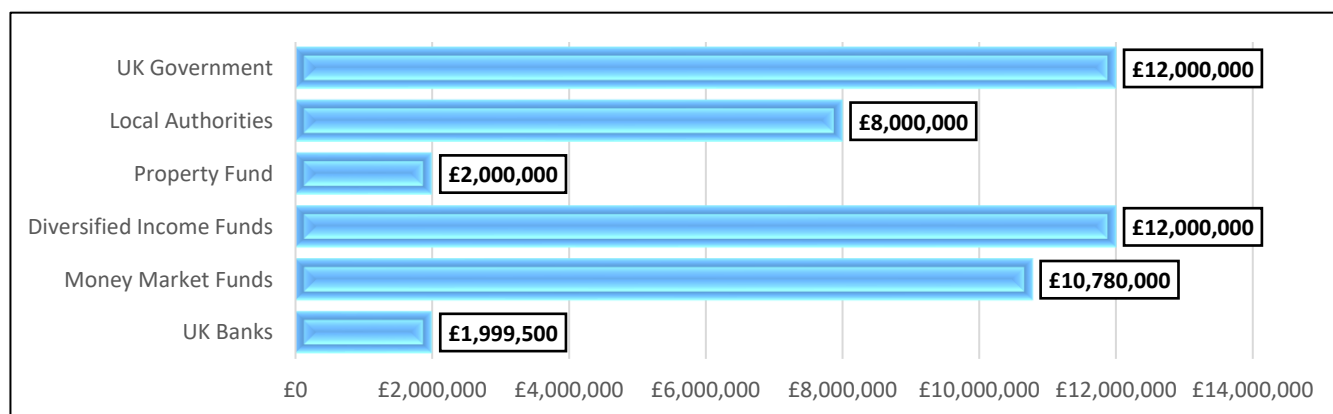
## Commercial Investments

3.32 Council on 13 October 2020 approved the removal of all budgets related to Investment in Property and therefore currently there are no commercial investments planned.

## Treasury Management Investments

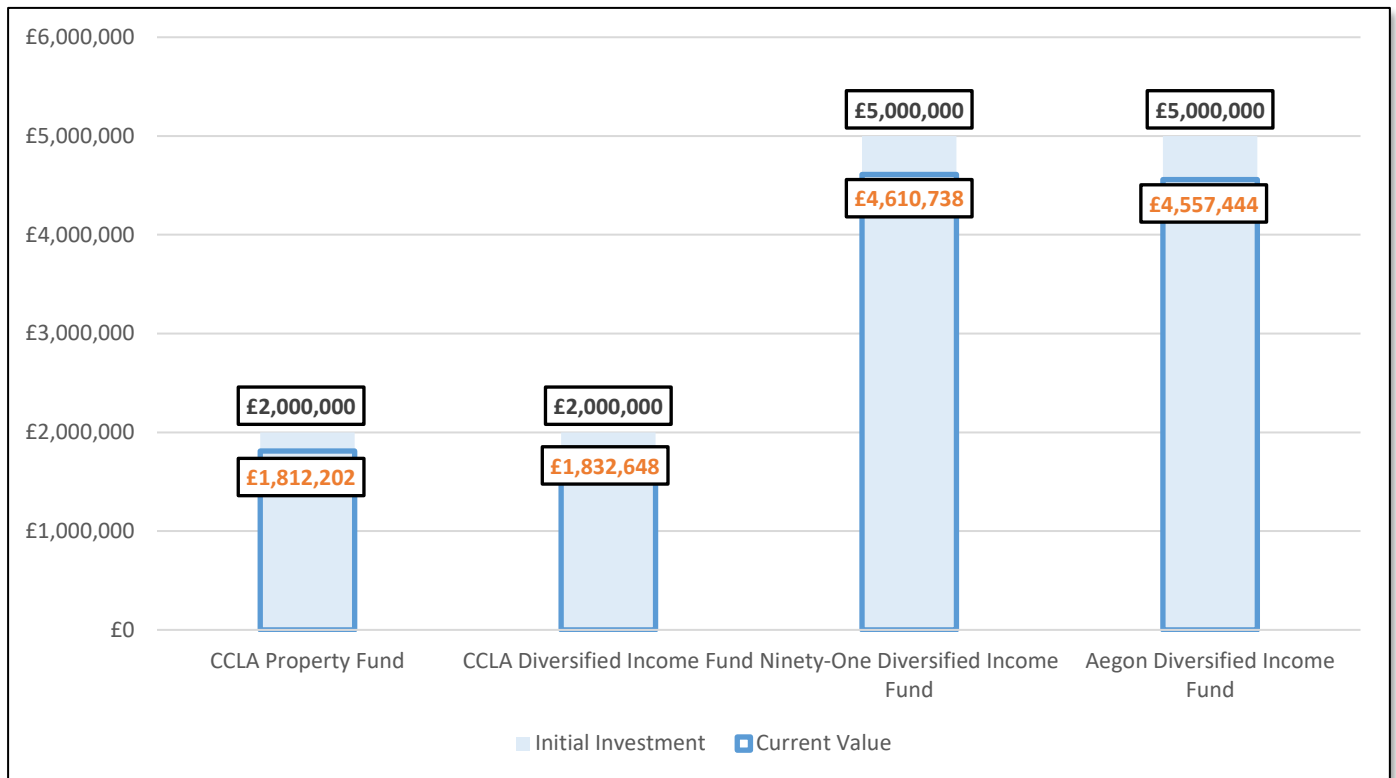
### The Security of Our Investments

3.33 The investments the Council had at the 31 March 2023 of **£46.78m** (with the property fund and diversified income funds valued at their original investment value), by type and Country, are summarised below and in detail at **APPENDIX C**:





3.34 The current value of the Property Fund and Diversified Income Fund investments is:



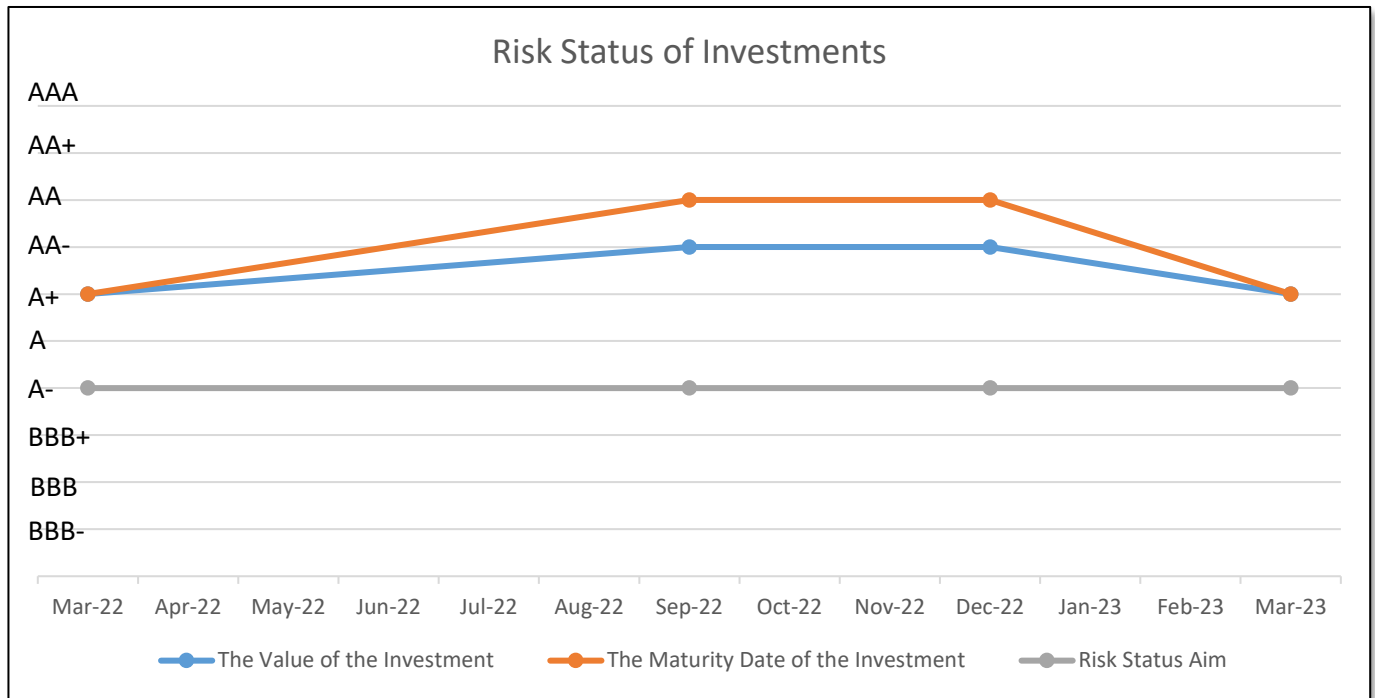
3.35 In terms of strategic investments, there is a 'book loss' of **£1,186,969** and the earmarked reserve to manage volatility risk is **£821,835**.

Strategic Investments Volatility Reserve		Fund Book Gains/(Losses)	
Opening Balance 01/04/2022	£329,290	CCLA Property Fund	(£187,798)
Approved Transfers 2022/23	£492,545	CCLA Diversified Income Fund	(£167,352)
		Ninety-One Diversified Income Fund	(£389,262)
		Aegon Diversified Income Fund	(£442,556)
<b>Closing Balance 31/03/2023</b>	<b>£821,835</b>	<b>Net Book Loss as at 31/03/2023</b>	<b>(£1,186,969)</b>
<b>Shortfall</b>	<b>(£365,134)</b>		

3.36 The Council's portfolio size (with the property fund and diversified investment funds valued at their current values of **£12.8m**), average credit score, diversification, and exposure to 'Bail in' risk compared to Arlingclose Clients is shown below:

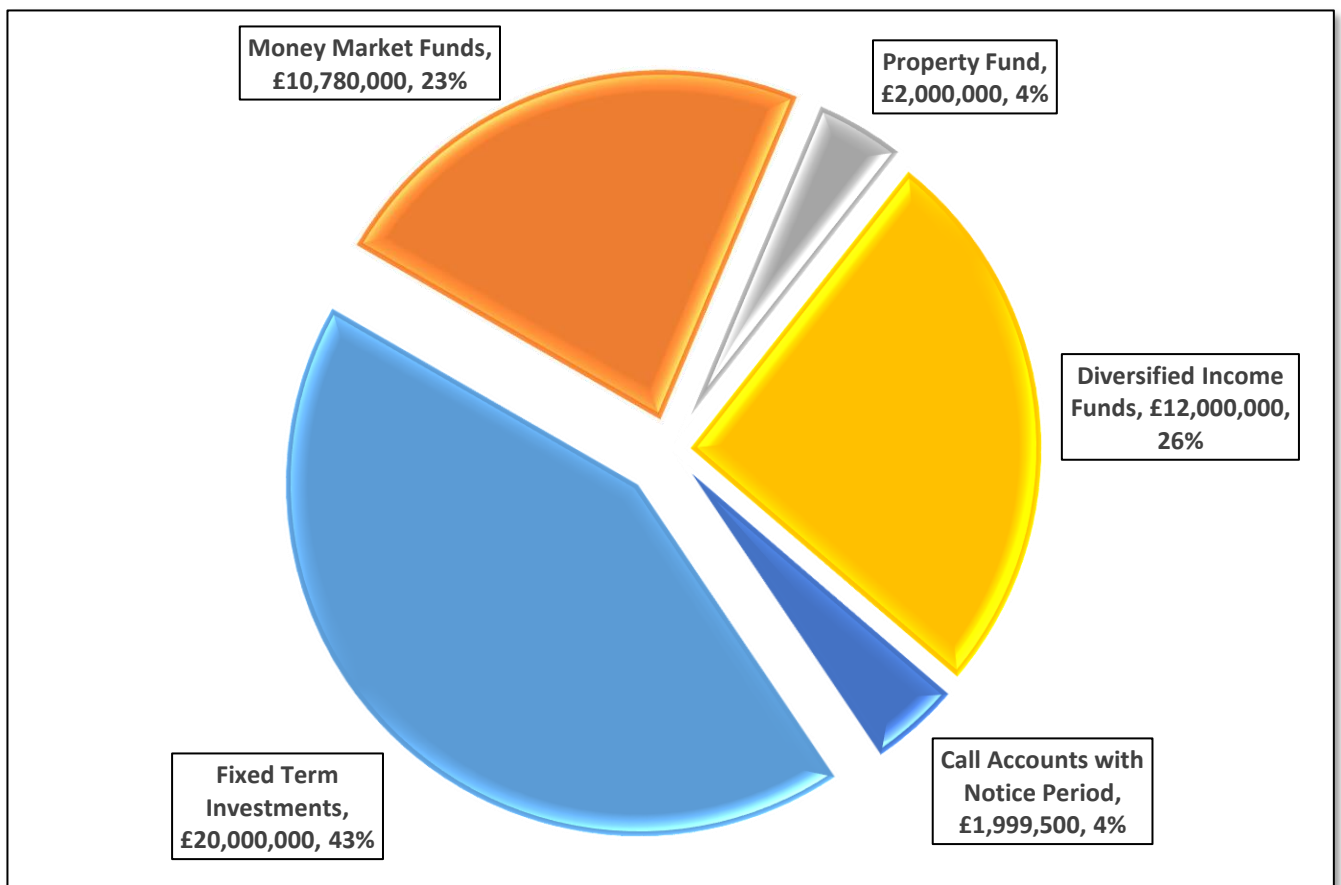


3.37 Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value from March 2022 to March 2023 is summarised in the graph below:

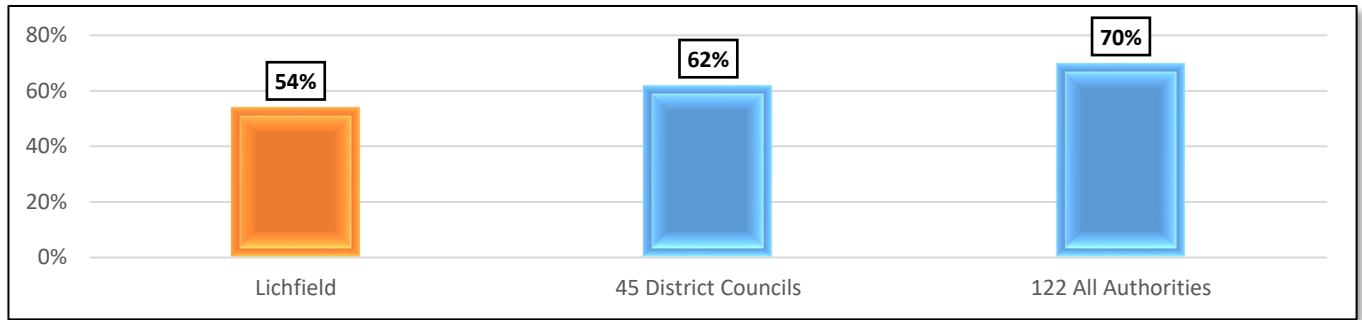


**The Liquidity of our Investments**

3.38 The Council did not have to temporarily borrow during 2022/23. It retains a proportion of its investments in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown below:

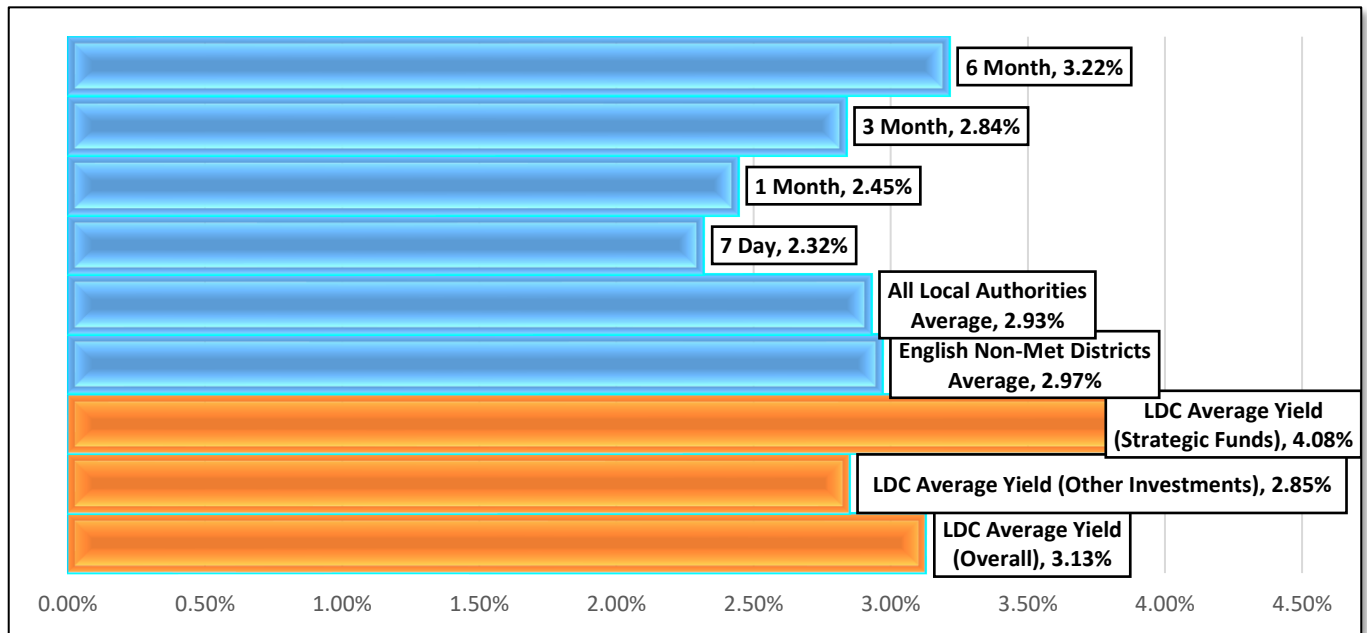


3.39 The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is below:



### The Return or Yield of our Investments

3.40 The yield the Council was achieving as at 31 March 2023 compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) and all Arlingclose clients is shown below:



3.41 This graph shows the rate achieved on 31 March 2023, whereas the table at 3.25 shows the average yield for the whole financial year.

### **External Borrowing**

3.42 At the end of the year, the Council had one long-dated PWLB loan totalling **£1,065,400** that was largely unchanged over the year, other than for the scheduled semi-annual principal repayments, at an interest rate of **2.59%** with **17.01** years to maturity. This is shown in detail at **APPENDIX C**.

### **IFRS 9 Statutory Override**

3.43 In early 2023 there was informal notification that the IFRS 9 statutory override on accounting for gains and losses on pooled investment funds would be extended for two years and remain in place for the 2023/24 and 2024/25 financial years. This was confirmed by DLUHC on 6<sup>th</sup> April. Whether the override will be extended beyond the new end date is unknown but the commentary to the consultation outcome suggests maybe not.

### **Alternative Options**

There are no alternative options.

### **Consultation**

Consultation is undertaken as part of the Strategic Plan and with Leadership Team.

## Financial Implications

- We can confirm that the Council has complied with its Prudential and Local Indicators for 2022/23; these were originally approved by Council at its meeting on 22 February 2022 and were fully revised and approved by Council on 28 February 2023.
- In compliance with the requirements of the CIPFA Code of Practice this report provides members with a Summary Report of the Treasury Management Activity during 2022/23.
- None of the other Prudential and Local Indicators have been breached. The Prudential and Local Indicators are summarised in the table below:

Capital Strategy Indicators					
Prudential Indicators					
Indicators	2021/22 Actual	2022/23 Original	2022/23 Revised	2022/23 Actual	Compliant
<b>Capital Investment</b>					
Capital Expenditure (£m)	£4.741	£7.953	£4.750	£3.573	✓
Capital Financing Requirement (£m)	£2.542	£4.637	£2.163	£1.897	✓
<b>Gross Debt and the Capital Financing Requirement</b>					
Gross Debt	(£1.509)	(£1.863)	(£1.066)	(£1.065)	✓
Borrowing in Advance – is Gross Debt higher than the Capital Financing Requirement	No	No	No	No	✓
<b>Total Debt</b>					
Authorised Limit (£m)	£3.204	£15.238	£19.993	£1.509	✓
Operational Boundary (£m)	£3.204	£6.811	£7.565	£1.509	✓
Proportion of Financing Costs to Net Revenue Stream (%)	5%	4%	4%	4%	✓

Local Indicators					
Indicators	2021/22 Actual	2022/23 Original	2022/23 Revised	2022/23 Actual	Compliant
Replacement of Debt Finance or MRP (£m)	(£0.616)	(£0.459)	(£0.429)	(£0.429)	✓
Repayment of Burntwood Leisure Centre Loan (£m)	(£0.306)	£0.000	£0.000	£0.000	✓
Funding Development based Costs for Leisure Centre (£m)	£0.000	£0.000	£0.000	(£0.216)	✓
Capital Receipts (£m)	(£0.121)	(£0.010)	(£0.880)	(£0.022)	✓
Housing Capital Receipts (£m)	(£0.395)	£0.000	(£0.194)	(£0.352)	✓
Liability Benchmark (£m)	£38.242	£19.075	£33.881	£34.484 <sup>2</sup>	✓
Treasury Management Investments (£m)	£49.368	£30.936	£44.946	£45.550 <sup>3</sup>	✓

Treasury Management Indicators				
Prudential Indicators				
	Lower Limit	Upper Limit	As at 31/03/23	Compliant
<b>Refinancing Rate Risk Indicator</b>				
Under 12 months	0%	100%	5.71%	
12 months and within 24 months	0%	100%	5.71%	
24 months and within 5 years	0%	100%	17.14%	
5 years and within 10 years	0%	100%	28.57%	
10 years and within 20 years	0%	100%	42.86%	✓
20 years and within 30 years	0%	100%	0%	
30 years and within 40 years	0%	100%	0%	
40 years and within 50 years	0%	100%	0%	
50 years and above	0%	100%	0%	

<sup>2</sup> This figure is provisional at this time due to the accounts not yet being completed.

<sup>3</sup> Excluding accounting adjustments

	2021/22	2022/23	2022/23	2022/23	Compliant
Indicators	Actual	Original	Revised	Actual	
Principal Sums invested for periods longer than a year (£m)	£10.000	£15.000	£15.000	£14.000	✓
Local Indicators					
	2021/22	2022/23	2022/23	2022/23	Compliant
Indicators	Actual	Original	Revised	Actual	
<b>Balance Sheet Summary and Forecast</b>					
Borrowing Capital Financing Requirement	£2.160	£4.636	£2.138	£1.897	✓
Internal (over) Borrowing	£1.033	£2.773	£1.073	£0.832	✓
Investments (or New Borrowing)	(£49.368)	(£30.936)	(£44.946)	(£45,550)	✓
Liability Benchmark	(£38.242)	(£19.075)	(£33.881)	(£34.484) <sup>4</sup>	✓
	Target	2022/23	Compliant		
		Actual			
<b>Security</b>					
Portfolio average credit rating	A-	A+	✓		
<b>Liquidity</b>					
Temporary Borrowing undertaken	£0.000	£0.000	✓		
Total Cash Available within 100 days (maximum)	90%	71%	✓		

Approved by Section 151 Officer	Yes
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Legal Implications	No specific legal implications. The recommended Medium Term Financial Strategy, is part of the Budget Framework and will therefore require the approval of Full Council.
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Approved by Monitoring Officer	Yes
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Contribution to the Delivery of the Strategic Plan	The MTFs underpins the delivery of the Strategic Plan.
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Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
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EIA logged by Equalities Officer	Equalities Officer confirmed not required.
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Crime & Safety Issues	There are no additional Crime and Safety Issues.
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Environmental Impact (including Climate Change and Biodiversity).	There are no additional Environmental Impacts. Environmental, Social and Governance (ESG) of counterparties is a factor that will likely form part of the revised Treasury Management Code.
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GDPR/Privacy Impact Assessment	There are no additional GDPR/Privacy Impact Assessment Impacts.
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<sup>4</sup> This figure is provisional at this time due to the accounts not yet being completed.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
<b>Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2024</b>	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
<b>Strategic Risk SR3: Capacity and capability to deliver / strategic plan to the emerging landscape</b>				
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

<b>Background Documents</b>	<ul style="list-style-type: none"> <li>• CIPFA Code of Practice for Treasury Management in the Public Services</li> <li>• The Prudential Code for Capital Finance in Local Authorities</li> <li>• The Treasury Management Strategy Statement (TMSS) 2022/23 – Audit and Member Standards Committee 3 February 2022</li> <li>• Mid-Year Treasury Management Report – Audit and Member Standards Committee 30 November 2022</li> <li>• The Treasury Management Strategy Statement (TMSS) 2023/24 – Audit and Member Standards Committee 2 February 2023</li> </ul>
<b>Relevant web link</b>	

## Capital Programme Performance in 2022/23

Project	Original Budget	Approved Budget	Actual	Variance
New Build Parish Office/Community Hub	92,000	62,000	0	(62,000)
Burntwood Leisure Centre (leisure insourcing)	0	0	97,921	97,921
Friary Grange - Short Term Refurbishment	0	158,000	24,272	(133,728)
Replacement Leisure Centre	2,349,000	50,000	14,000	(36,000)
Burntwood Leisure Centre - Decarbonisation Scheme	0	18,000	(9,356)	(27,356)
Accessible Homes (Disabled Facilities Grants)	1,654,000	1,000,000	818,673	(181,327)
Home Repair Assistance Grants	4,000	0	0	0
Decent Homes Standard	147,000	0	0	0
DCLG Monies	212,000	0	0	0
Unallocated S106 Affordable Housing Monies	334,000	4,000	0	(4,000)
Burntwood Park Play Equipment	0	75,000	74,000	(1,000)
Conversion of 36a Bore Street	0	34,000	84,043	50,043
Changing Places Fund	0	94,000	57,627	(36,373)
Play Equipment at Chase Terrace Park	0	25,000	20,618	(4,382)
Play Area at Burntwood Leisure Centre	0	35,000	34,596	(404)
Zip Wire in Burntwood	0	30,000	0	(30,000)
<b>Enabling People Total</b>	<b>4,792,000</b>	<b>1,585,000</b>	<b>1,216,393</b>	<b>(368,607)</b>
Loan to Council Dev Co.	0	57,000	0	(57,000)
Lichfield St Johns Community Link (CIL)	35,000	0	0	0
Staffordshire Countryside Explorer (CIL)	0	44,000	42,681	(1,319)
Lichfield Public Conveniences	0	40,000	0	(40,000)
Bin Purchase	150,000	150,000	248,600	98,600
Dual Stream Recycling	0	267,000	235,995	(31,005)
Vehicle Replacement Programme (Other)	229,000	261,000	224,218	(36,782)
Env. Improvements - Upper St John St & Birmingham Road	7,000	0	0	0
Burntwood Public Conveniences	0	45,000	0	(45,000)
<b>Shaping Place Total</b>	<b>421,000</b>	<b>864,000</b>	<b>751,493</b>	<b>(112,507)</b>
Vehicle Replacement Programme (Car Parks)	10,000	0	0	0
Coach Park	1,137,000	50,000	1,200	(48,800)
Car Parks Variable Message Signing	150,000	150,000	19,985	(130,015)
Old Mining College - Refurbish access and signs (S106)	13,000	0	0	0
Pay on Exit System at Friary Multi Storey	150,000	93,000	90,858	(2,142)
BRS Enabling Works	0	385,000	0	(385,000)
Cinema Development	0	240,000	64,387	(175,613)
Multi Storey	0	0	512	512
Incubator Space	0	354,000	497,140	143,140
Card Payment in All Car Parks	100,000	123,000	138,093	15,093
Electric Vehicle Charge Points	80,000	10,000	0	(10,000)
Car Park Barriers	36,000	0	0	0
<b>Developing Prosperity Total</b>	<b>1,676,000</b>	<b>1,405,000</b>	<b>812,176</b>	<b>(592,824)</b>
LDC Carbonisation	0	0	(6,432)	(6,432)
Property Planned Maintenance	230,000	206,000	378,322	172,322
New Financial Information System	44,000	0	0	0
IT Infrastructure	0	115,000	96,234	(18,766)
Building a Better Council	600,000	490,000	324,760	(165,240)
Committee Audio-Visual Hybrid Meeting Platform	90,000	85,000	0	(85,000)
Construction Inflation Contingency	100,000	0	0	0
<b>Good Council Total</b>	<b>1,064,000</b>	<b>896,000</b>	<b>792,883</b>	<b>(103,117)</b>
<b>Total</b>	<b>7,953,000</b>	<b>4,750,000</b>	<b>3,572,946</b>	<b>(1,177,055)</b>

Funding Source	Original Budget	Approved Budget	Actual	Variance
Capital Receipts	£1,331,000	£1,134,000	£950,759	(£183,241)
Borrowing Need - Borrowing and Finance Leases	£2,349,000	£26,000	(£215,517) <sup>5</sup>	(£241,517)
Capital Grants and Contributions	£3,030,000	£1,709,000	£1,415,637	(£293,363)
Reserves, Existing Revenue Budgets and Sinking Funds	£1,143,000	£1,881,000	£1,422,067	(£458,933)
Corporate Revenue	£100,000	£0	£0	£0
<b>Funding Total</b>	<b>£7,953,000</b>	<b>£4,750,000</b>	<b>£3,572,946</b>	<b>(£1,177,055)</b>

Funding Source	Original Budget	Approved Budget	Actual	Variance
Non-Current Assets	£5,745,000	£3,214,000	£2,622,932	(£591,068)
REFCUS	£2,208,000	£1,536,000	£950,013	(£585,987)
<b>Capital Programme Total</b>	<b>£7,953,000</b>	<b>£4,750,000</b>	<b>£3,572,946</b>	<b>(£1,177,055)</b>

<sup>5</sup> A negative Borrowing Need is due to the funding of development costs for the new leisure centre from an earmarked reserve. These costs were previously assumed, as part of the Capital Financing Requirement, to be funded by borrowing.



## The Council's Balance Sheet

	Type	2021/22	2022/23	2022/23	Variance to
		Actual £000s	Budget £000s	Actual £000s	Approved Budget £000s
Non-Current Assets	ASSET	48,033	48,480	52,071	3,591
Equity Investment in Local Authority Company	ASSET	225	225	225	0
Long Term Debtors	DEBT	143	143	57	(86)
Long Term Debtors - Cinema	DEBT	0	240	64	(176)
Long Term Investment (Company Loan)	LOAN	0	57	0	(57)
Investments	INV	49,784	44,946	46,110	1,164
Borrowing	BOLE	(1,126)	(1,065)	(1,065)	(0)
Finance Leases	BOLE	(383)	(0)	(0)	0
Working Capital	CRED	(23,592)	(23,100)	(19,628)	3,472
Pensions	CRED	(30,268)	(25,523)	5,046	30,569
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>42,816</b>	<b>44,403</b>	<b>82,880</b>	<b>38,477</b>

<b>Unusable Reserves</b>					
Revaluation Reserve	REV	(11,897)	(11,897)	(14,969)	(3,072)
Capital Adjustment Account	CAP	(33,819)	(34,966)	(35,494)	(528)
Deferred Credits	CRED	(47)	(47)	(47)	0
Pension Scheme	CRED	31,431	26,741	(5,046)	(31,787)
Benefits Payable During Employment Adjustment Account	CRED	409	409	409	0
Collection Fund	CRED	2,863	(305)	(867)	(562)
Available for Sale Financial Instruments Reserve	CRED	(228)	1,197	1,230	33
<b>Usable Reserves</b>					0
Unapplied Grants and Contributions	UGER	(4,057)	(4,353)	(4,188)	165
Usable Capital Receipts	UGER	(2,858)	(2,799)	(2,281)	518
Burntwood Leisure Centre Sinking Fund	UGER	(69)	(69)	0	69
Earmarked Reserves - Unrestricted	UGER	(12,654)	(7,952)	(11,700)	(3,748)
Earmarked Reserves - Restricted	UGER	(5,044)	(4,287)	(3,942)	345
General Fund Balance	GEN	(6,846)	(6,075)	(5,985)	90
<b>TOTAL EQUITY</b>		<b>(42,816)</b>	<b>(44,403)</b>	<b>(82,880)</b>	<b>(38,477)</b>

<b>Reserves Available to cover investment Losses</b>		<b>(19,500)</b>	<b>(14,027)</b>	<b>(17,685)</b>	<b>(3,658)</b>
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<b>Summary</b>					
Capital Funding	CAP	(33,819)	(34,966)	(35,494)	(528)
Revaluation Reserve	REV	(11,897)	(11,897)	(14,969)	(3,072)
Borrowing and Leasing	BOLE	(1,509)	(1,066)	(1,065)	0
Non-Current Assets	ASSET	48,258	48,705	52,296	3,591
Investments	INV	49,784	44,946	46,110	1,164
Unapplied Grants & Earmarked Reserves	UGER	(24,682)	(19,460)	(22,111)	(2,651)
General Reserve	GEN	(6,846)	(6,075)	(5,985)	90
Long Term Debtors	DEBT	143	143	57	(86)
Long Term Debtors - Cinema	DEBT	0	240	64	(176)
Long Term Investment (Company Loan)	ASSET	0	57	0	(57)
Working Capital & Pensions	CRED	(19,432)	(20,628)	(18,903)	1,725
<b>Total</b>		<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Internal Borrowing</b>		<b>1,033</b>	<b>1,073</b>	<b>832</b>	<b>(241)</b>

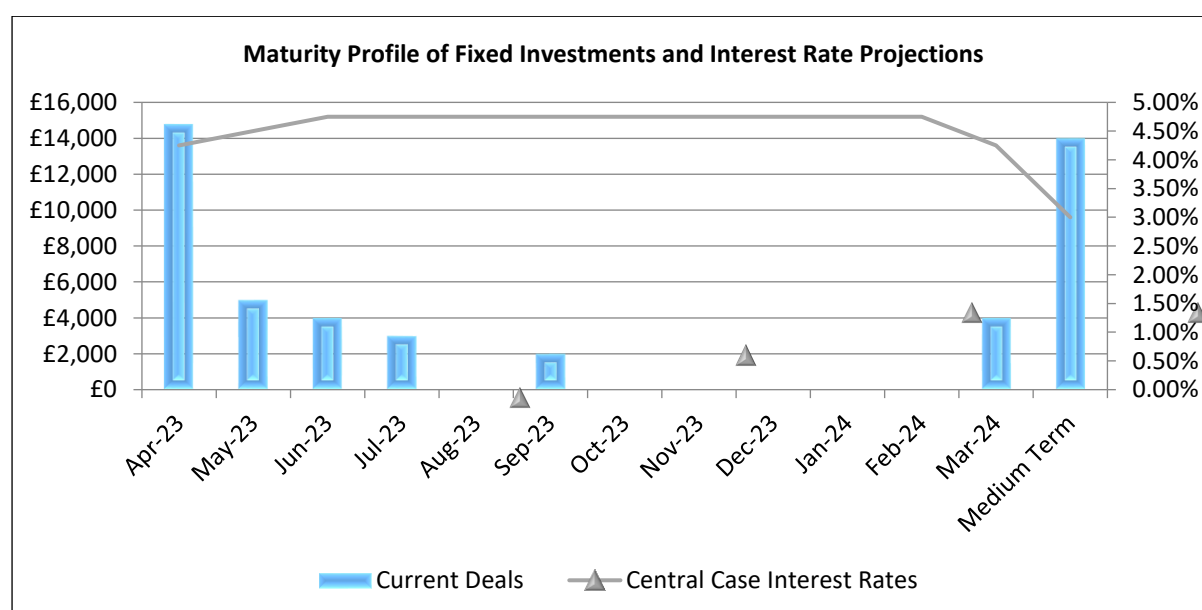
<b>Liability Benchmark</b>					
Capital Financing Requirement (Borrowing)		2,160	2,138	1,897	(241)
Working Capital		(18,875)	(20,485)	(18,286)	2,199
Usable Reserves		(31,527)	(25,535)	(28,095)	(2,560)
Minimum Level of Investments		10,000	10,000	10,000	0
<b>Total</b>		<b>(38,242)</b>	<b>(33,882)</b>	<b>(34,484)</b>	<b>(602)</b>

## Investments in the 2022/23 Financial Year

The table below shows a breakdown of our investments at the end of March 2023:

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
<b>Money Market Funds</b>						
Blackrock Institutional	£2,870,000	01-Apr-23	Instant Access	3.98%	0	N/A
Legal & General	£2,080,000	01-Apr-23	Instant Access	4.01%	0	N/A
BNP Paribas MMF	£830,000	01-Apr-23	Instant Access	5.11%	0	N/A
CCLA MMF	£5,000,000	01-Apr-23	Instant Access	3.98%	0	N/A
<b>Strategic Funds</b>						
CCLA Property Fund	£2,000,000	N/A	N/A	3.79%	N/A	No
Ninety-One Diversified Income Fund	£5,000,000	N/A	N/A	4.23%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	2.90%	N/A	No
Aegon Diversified Income Fund	£5,000,000	N/A	N/A	5.47%	N/A	No
<b>Fixed Term Investments</b>						
Debt Management Office	£4,000,000	19-Apr-23	19	3.06%	UK Government	
Debt Management Office	£4,000,000	22-May-23	52	3.38%	UK Government	
Debt Management Office	£4,000,000	19-Jun-23	80	3.68%	UK Government	
North Lanarkshire Council	£2,000,000	31-Jul-23	122	3.99%	LOCAL	
Brentwood Borough Council	£2,000,000	01-Mar-24	336	4.40%	LOCAL	
Folkestone and Hythe District Council	£2,000,000	07-Mar-24	342	4.40%	LOCAL	
West Dunbartonshire	£2,000,000	04-Sep-23	157	4.40%	LOCAL	
<b>Call Accounts with Notice Period</b>						
Santander	£1,000,000	26-Jun-23	84	3.62%	A	
HSBC	£999,500	01-May-23	31	4.17%	A+	
<b>Total Investments</b>	<b>£46,779,500</b>					

The maturity profile of these investments at 31 March 2023, compared to our Treasury Management advisor Arlingclose interest rate forecasts, is shown in the graph below:



## External Borrowing

Source	Loan Amount	Maturity Date	Interest Rate	Outstanding Balance as at 31 March 2023
Public Works Loan Board	£1,522,000	08-Apr-40	2.59%	£1,065,400

# Medium Term Financial Strategy (MTFS) Update



Cabinet Member for Finance & Commissioning

Date: 17 October 2023

Agenda Item:

Contact Officer: Anthony Thomas

Tel Number: 01543 308012

Email: Anthony.thomas@lichfielddc.gov.uk

Key Decision? YES

Local Ward All Members

Members

**Full Council**

## 1. Executive Summary

- 1.1 Cabinet considered a report on Money Matters: 2023/24 Financial Monitoring at their meeting on the 5<sup>th</sup> September 2023.
- 1.2 Within the report, it was recommended to request Council approve an increase in the Streethay Community Centre budget of £250,000.
- 1.3 This will increase the project budget from £600,000 to £850,000 and will be funded by £250,000 of Section 106 funding.

## 2. Recommendations

- 2.1 That the Approved Budget of £600,000 for the Streethay Community Centre be increased to £850,000 to reflect additional funding.

## 3. Background

- 3.1 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.
- 3.2 Assuming this recommendation is approved, the Capital Programme is projected to be £250,000 higher than budget at £19,348,000.
- 3.3 The full Money Matters: 2023/24 Financial Monitoring report can be accessed via the following link <https://democracy.lichfielddc.gov.uk/documents/s16827/Cabinet%20Report%20-%20Money%20Matters%202023-24.pdf>

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	The Capital Programme is projected to be £250,000 higher than budget at £19,348,000.

Approved by Section 151 Officer	Yes
Legal Implications	No specific legal implications.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The MTFS underpins the delivery of the Strategic Plan.
Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
EIA logged by Equalities Officer	Equalities Officer confirmed not required.
Crime & Safety Issues	There are no additional Crime and Safety Issues
Data assessment	The ability to deliver the outcomes set out in the <i>Lichfield District Council Strategic Plan</i> , and beyond, is dependent on the resources available in the MTFS. The MTFS identifies the level of resources available and spend necessary to deliver the outcomes across the entire District. 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.
Environmental Impact (including Climate Change and Biodiversity).	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)
A	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

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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