

Public Document Pack

LICHFIELD DISTRICT COUNCIL

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4 December 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, 12 DECEMBER 2023 at 6.00 pm.**

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



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 - 16
4. Chairman's Announcements
5. Election of Chair and Vice-Chair
6. Report of the Leader of the Council on Cabinet and Cabinet Member Decisions from the Meeting held on the 5th December 2023 17 - 20
7. Minutes of the Overview & Scrutiny Committee

The Chair of the Overview & Scrutiny Committee to move the proceedings of the meetings held on the 14 and 30 November be received and where necessary approved.
21 - 30
8. Minutes of the Audit & Member Standards Committee

The Chair of the Audit & Member Standards Committee to move that proceedings of the meeting held on 28 November 2023 be received and where necessary approved and adopted.
31 – 36

9. Minutes of the Planning Committee

The Chair of the Planning Committee to move that proceedings of the meetings held on the 30 October, 27 November and 6 December 2023 (to follow) be received and where necessary approved and adopted.

37 - 42

10. Minutes of the Employment Committee

The Chair of the Employment Committee to move that proceedings of the meeting held on the 23 November 2023 be received and where necessary approved and adopted.

43 - 44

11. Appointment to Committees

- (a) To agree the political allocation of seats on committees and panels
- (b) To receive from the Group Leaders a list of appointments to the Cabinet, committees and panels subject to no Member being disqualified from serving due to a conflict of interest
- (c) To agree the appointment of Chair and Vice Chair for Member Standards Committee

45 - 52

12. Interim Policy NR3: Biodiversity, Protected Species and their Habitats

To approve the recommendations made at the Cabinet meeting held on 5 December

13. A Cinema for Lichfield District

To approve the recommendations made at the Cabinet meeting held on 5 December

53 - 64

14. Motion on Notice

A motion has been proposed by Councillor Ball

65 - 66

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 Appendix for A Cinema for Lichfield District 67 - 100

18. Confidential Minutes of the Overview & Scrutiny Committee

The Chair of the Overview & Scrutiny Committee to move the confidential proceedings of the meetings held on 30 November be received and where necessary approved.
101 - 104

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17 OCTOBER 2023

PRESENT:

Councillors Anketell, Ashton, Ball, Banevicius, Bennion, Booker, Bragger, Checkland, Coe, Cox, Cross, Farrell, D Ennis, L Ennis, Evans, Farrell, Galvin, Harvey-Coggins, Hawkins, Henshaw, Hill, Ho, Holland, Hughes, Leung, Marshall, Mears, Norman, Powell, Pullen, Ray, Robertson, Rushton, Salter, Silvester-Hall, A Smith, J Smith, Strachan, P Taylor, Trent, Vernon, Warfield, Whitehouse, M Wilcox, S Wilcox, Woodward and B Yeates

34 APOLOGIES FOR ABSENCE (IF ANY)

An apology was received from Councillor S Taylor.

35 DECLARATIONS OF INTEREST

Councillor Woodward declared an interest during item 5 as a member on the executive board of the District Councils' Network.

Councillor Henshaw declared an interest during item 15, in his question to the Leader, as a member of Lichfield Rail Promotion Group.

36 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting held on 11 July 2023 were approved as a correct record, subject to the inclusion of a supplement detailing the breakdown of spending on a parish-by-parish basis, to be attached to item 15.

37 CHAIR'S ANNOUNCEMENTS

The Chair informed members that his civic and members service was taking place at Lichfield Cathedral on Sunday the 22nd of October 2023.

38 REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETINGS HELD ON 5 SEPTEMBER AND 10 OCTOBER AND CABINET MEMBER DECISIONS

The Leader of the Council submitted his report on Cabinet Decisions from the meeting held on 5 September 2023 and 10 October 2023 and Cabinet Member Decisions.

On the Cabinet decision Money Matters 2023/24: Financial Monitoring, Councillor Booker spoke of the need for Cabinet to collaborate with wards members on the allocation of funds. She requested a timeline for initiating ward-level discussions. Councillor Strachan responded that ward by ward meetings would be logistically challenging but assured that any member of Cabinet would be available to discuss such matters when contacted.

Councillor Woodward commented on the necessity of keeping local ward members informed on developments and decisions within their respective wards. The Leader agreed with this sentiment.

On the Cabinet decision Transforming Planning Service Proposal, Councillor Norman inquired whether enforcement issues would be included in the review of the planning service. Councillor Pullen confirmed their inclusion, and that the planning enforcement clearance week (20 - 24 November 2023) aimed to clear this backlog of enforcement cases which would facilitate the swift handling of new cases.

Councillor Evans questioned whether a week was sufficient to clear the backlog of cases and suggested reviewing the proposals to prevent future backlogs. The Leader stated the need for another clearance week would be assessed after the initial one was completed.

Councillor Robertson commented that salaries in planning were not as competitive due to continued pay constraints. He asked that representations to the District Councils' Network should be made to address this issue. The Leader responded that a case would be made to the District Councils' Network but factors such as talent retention should be looked at.

Councillor Woodward commented on the Cabinet item, Community and Voluntary Sector Funding 2024 – 2027, and stated that she had called-in the decision due to the fact the wording of the report was misleading. She informed the opposition that her party would be scrutinising reports to ensure transparency and accountability. The Leader and Councillor Cox agreed that the wording of the report could have been clearer, and Councillor Cox noted that reports would be monitored more closely going forward.

On the Cabinet Member Decision Variable Messaging Signs Hardware and Associated Services Contract Award, Councillor Ashton asked the Cabinet Member for High Streets & Visitor Economy to confirm that the installation would be completed and operational before the Christmas period. The Cabinet Member responded that she had been informed by officers that installation would be completed and tested by early December and the system would be ready to go live in the new year.

Regarding the Cabinet Member Decision 'Review of Fees & Charges - Garden Waste', Councillor P Taylor suggested exploring the possibility of implementing a variable charge based on rateable value of properties in the future. Councillor Pullen responded that officers had examined this option but existing data systems were not compatible and integrating them would require a significant amount of time, which led to the decision to proceed with a fixed charge.

Councillor Harvey-Coggins expressed concern about the price increase and its alignment with the Council's declaration of a climate emergency in 2019. The Leader responded that waste operations contribute significantly to our CO2 emissions and to reduce this, investment in the service needs to be made.

Councillor Bragger said that residents should be encouraged to compost their own garden waste as a primary option. The Leader agreed and stated that the Council supports a local composting scheme.

On the Cabinet Member Decision concerning the procurement process for the Birmingham Road multi-storey car park demolition, Councillor Smith sought assurance that the option to demolish the retail unit would not be activated until there is a definitive start date for the site. The Leader gave his assurance.

39 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

Councillor Norman submitted the Minutes of the Overview and Scrutiny Committee held on 2 August and 14 September 2023.

Councillor Ashton reiterated the importance of informing ward councillors about the feedback received from stakeholders affected by the pedestrianisation trial. He also suggested relocating the taxi rank to opposite the old library using the University Car Park as the drop off area. Councillor Bragger supported this point and raised concerns about the confusion caused by different parking rules and the need for proper planning to accommodate various uses in the Market Square area.

Councillor Coe highlighted the difficulty she and others face in finding parking and emphasised the importance of including blue badge holders in the assessment of the pedestrianisation model.

Councillor Norman clarified that a task group on the pedestrianisation was being set up. He stated the task group is open to volunteers and would be investigating these issues.

Councillor Robertson raised concerns about access to information during elections and its impact on voter turnout. He noted a clear trend where wards with lower access to information had lower turnout, while those with higher access had higher turnout. Councillor P Taylor pointed out the difficulty in measuring the impact of voter ID requirements and Councillor D Ennis commented on the difficulties faced by people wanting to vote and called for a better process and continued education on how to vote.

Councillor Woodward said the Leader had undertaken to consider the views of the committee regarding the member call-in and was surprised to see that Councillor Farrell was automatically returned as board member. The Chair of the committee said he would inquire about the consideration the Leader and Deputy Leader had given this matter.

Councillor Evans expressed concerns regarding the maternity services at Samuel Johnson and requested that the vice-Chair of the Committee continue her efforts to retain the maternity unit at County Council meetings. The vice-Chair confirmed she would and noted the upcoming meeting in November.

Councillor Pullen praised the access to data provided by SPIs and asked for steps to ensure informed decision-making within the committee. The Chair of the Committee suggested the possibility of creating a task group for this and emphasised the importance of training and involvement from volunteers for task groups.

Councillor Ball, Galvin and Evans raised concerns about attendance of the Chair of the Council at events outside the district and called for responsible use of taxpayers' money. The Chair of the Council assured members that funds were used responsibly and he often attended events at his own expense and not the Council's.

40 MINUTES OF THE AUDIT AND MEMBER STANDARDS COMMITTEE

It was proposed by Councillor Ho that the Minutes be approved and adopted subject to the amendment of small typographical error. The proposal was seconded by Councillor Whitehouse (20 July) and Councillor Vernon (27 September) and it was

RESOLVED: That the Minutes of the Meetings of the Audit and Member Standards held on 20 July and 27 September 2023 be approved and adopted.

41 MINUTES OF THE PLANNING COMMITTEE

The Committee Chair corrected the spelling of the objector's name in connection with planning application 23/00649/FU.

Councillor Harvey-Coggins and Councillor Galvin raised concerns about the inappropriate language used by some councillors during the Planning meeting on the 31 July 2023. They asked for assurances that the members involved had been addressed. The Chair of the Committee gave his assurance and was certain that this would not reoccur again in the future.

Councillor Woodward commented that this matter emphasised the need of equality and diversity training had hoped that this would be arranged soon.

It was proposed by Councillor Marshall that 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 31 July and 4 September 2023 be approved and adopted.

42 MINUTES OF THE REGULATORY AND LICENSING COMMITTEE

Councillor Salter provided an update regarding Minute 10, confirming that the diversion order would need to be made under the Highways Act.

Councillor P Taylor gave condolences on behalf of the Council to the family of Ian Price, who tragically lost his life due to a dog attack in Stonnall. He also sent his best wishes for a prompt recovery to the two women who were attacked by a dog in Shenstone. He emphasised the importance of addressing these issues.

It was proposed by Councillor Salter that the Minutes be approved and adopted subject to Councillor Henshaw being included on the list of those present. The proposal was seconded by Councillor Checkland and it was

RESOLVED: That the Minutes of the Meetings of the Regulatory and Licensing Committee held on 25 September 2023 be approved and adopted.

43 LOCAL PLAN UPDATE

Councillor Farrell submitted his report recommending the withdrawal of the current Local Plan and the creation of a new one in its place. He mentioned dissatisfaction among residents and stakeholders with the current plan.

He provided a brief history of the local plan, noting that it had been submitted for examination in June 2022 and that questions had been raised by inspectors. He highlighted the opportunity for the Council to reflect on the plan since the elections in May 2023 and explore different spatial approaches for future district development.

He presented two options: continue with the examination of the current plan or withdraw it and start working on a new plan. He acknowledged that there were potential risks and issues associated with withdrawing the plan, but he believed it presented positive opportunities for the Council, as detailed in the report.

Councillor Farrell concluded by urging members to fulfil their elected responsibilities and recommended the withdrawal of the local plan. He moved the recommendations set out in the report.

Councillor Ball proposed an amendment as follows:

- An addition to be added to the end of item 2.2: "and set out a clear timetable for a new Local Plan to be established as quickly as possible and well in advance of 2029."
- Include an additional item, 2.4: "Cabinet should also clarify its intentions regarding current Supplementary Planning Documents (SPDs), Community Infrastructure Levy (CIL), and environmental policies and obligations, in light of the withdrawal of Local Plan 2040 and subject to advice from the Planning Inspectorate."

Councillor Ball, Bragger and Woodward spoke on the clarity that the amendment would provide to residents.

The amendment was approved.

Councillor Bragger stated that the amendment provides a clear assurance to residents regarding the Council's actions and intentions. He hoped issues such as social housing for young people and environmental standards would be addressed.

Councillor Woodward said she supported the withdrawal of the local plan due to the plan's inherent flaws. She requested evidence of resident's widespread dissatisfaction with the local plan mentioned in the report, noting that, in her experience, residents were concerned with the cost of living, increases in anti-social behaviour due to inadequate policing and lack of access to healthcare services. She called attention to the significant financial implications, such as substantial expenditure and cost for taxpayers, as well as the potential risk of losing control over development and an influx of speculative planning applications.

Councillor Hill commented that residents had expressed concerns regarding the local plan, notably on insufficient infrastructure to support new housing developments.

Councillor Ball questioned how the Council found itself in the current situation, as during the development of the local plan there was no indication that there were any issues with. He highlighted the lack of social housing in the plan and the use of a dynamic model for financial viability that made it easier for developers to claim that affordable housing was not financially viable. He requested clarification on why potential judicial review was not included in the main body of the report.

Councillor Trent noted that residents raised concerns about inadequate infrastructure for housing development during the election and expressed worries about the cost and additional time required for a new local plan.

Councillor Bennion highlighted the potential impact on the villages in the district if the local plan is withdrawn, as it could lead to housing being concentrated in these areas. He questioned the potential locations for future housing developments and suggested that more thought needs to be given to the infrastructure implications, particularly in relation to transport.

Councillor Pullen stated that members need to continue to work in a cross-party manner and come up with a plan that builds communities, not just houses.

Councillors D Ennis and Ashton stressed the need for transparency and openness in the decision-making process. Councillor D Ennis expressed his desire for better coordination and communication among members to ensure a comprehensive and effective new local plan. Councillor Ashton commented that the plan's withdrawal provided an opportunity to align with future national planning policies and to address residents' concerns about infrastructure.

Councillor Farrell addressed members' concerns. He stated that during the election, residents had expressed concerns about the local plan, particularly the lack of infrastructure and the potential negative impact on communities. They highlighted issues such as the lack of schools, dentists, doctors, and frequent traffic congestion.

He noted that planning applications always carry risks, regardless of the local plan. He referred to the Secretary of State's decision to overturn the Watery Lane development as an example. Additionally, he informed members of a letter from the Housing Minister.

Councillor Farrell gave assurance that there was a sufficient supply of housing for the next nine and a half years and no risk to the Council's ability to meet its housing targets.

He explained that changes in government policy were instrumental in creating the current situation. He clarified that the specific deadline of 2029 is not the desired outcome and would be instructing officers to begin the necessary actions promptly. He mentioned that the government required plans to be reviewed at least every five years, potentially sooner based on ongoing reforms.

In response to a question about a potential judicial review, Councillor Farrell expressed confidence in the Council's robust defences.

He acknowledged the challenges of articulating the spatial strategy but agreed on the importance of avoiding housing developments being imposed on communities without adequate consideration. He acknowledged the need for a new approach, which might involve the development of a new settlement. He mentioned that the location of such a settlement would be determined in subsequent stages of the process.

Councillor Farrell concluded with a reminder that the withdrawal of the local plan does not negate the possibility of housing developments. The discussion on the location and design of developments would continue alongside the development of a design code.

Councillor Pullen provided additional information about the letter received from the Housing Minister. The letter highlighted the powers that the minister possesses under the Planning and Compulsory Purchase Act 2004 but clarified that she would not exercise those powers. He informed members that a meeting had been arranged with the minister and her officers to ensure a smooth progression of the local plan.

It was proposed by Councillor Farrell, seconded by Councillor Wilcox and

RESOLVED:

(1) That Full Council note 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) 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 and set out a clear timetable for a new Local Plan to be established as quickly as possible and well in advance of 2029.

(3) That Full Council approve the draft statement of withdrawal as set out at appendix A of the Council report for release.

(4) That Cabinet should clarify its intentions regarding current Supplementary Planning Documents (SPDs), Community Infrastructure Levy (CIL), and environmental policies and obligations, in light of the withdrawal of Local Plan 2040 and subject to advice from the Planning Inspectorate.

44 AMENDMENTS TO THE CONSTITUTION

Councillor Pullen submitted his report on Amendments to the Constitution stating that the proposals were sensible and important alterations that would improve the functioning of the Council.

Councillor Robertson proposed an amendment to increase the number of members on the Member Standards Committee from nine to eleven. This was to ensure that there would always be enough members available to sit on the review panel and, the assessment panel.

The amendment was approved.

It was proposed by Councillor Pullen, seconded by Councillor Marshall and:

RESOLVED: That the following changes to the Constitution 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 of 11 members 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) That Council note that the Constitution has been updated to reflect areas of responsibility delegated to individual Members of the Cabinet.

45 POLITICAL BALANCE AND APPOINTMENT TO COMMITTEES

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

RESOLVED: That Councillor Hill be moved from Overview & Scrutiny Committee to Regulatory and Licensing Committee to maintain balance on Committees.

46 TREASURY MANAGEMENT ANNUAL REPORT

Councillor Strachan provided a summary of the Council's treasury management activity for the past financial year. He mentioned that there were some underperformances in the Council's Capital Programme, primarily due to delays in the delivery of enabling works for the Birmingham Road Site and the cinema development. Additionally, there was a slight underperformance in the funding for Disabled Facilities Grant (DFG). However, he highlighted that since taking DFG back in-house the underspend had significantly reduced.

Furthermore, he noted that there were variances in the balance sheets, particularly in assets less liabilities. These variances were due to an actuarial change that required the inclusion of pension liabilities on both sides of the balance sheet. He was clarified that it was not a cause for concern and did not affect the overall financial stability of the Council.

Regarding investments, he noted that there were 'book losses' on major investment balances, which could impact the balance sheet and might necessitate a policy change in how the Council treats its investments. He assured that there would be further information and discussion on this matter in the future.

In terms of compliance, he confirmed that the Council remained compliant with all treasury limits and all the prudential indicators set throughout the financial year. He reassured Council that the Council remained a well-run and financially stable authority.

Councillor P Taylor questioned the significant reduction in the budget for electric charge points, from £80k to £10k. It was clarified that the budget cut was due to the lack of opportunity to spend the allocated funds in the previous year. This did not reflect a shift in the Council's strategy or ambition for climate change initiatives.

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

RESOLVED: that the Annual Treasury Management Report and Prudential Indicators for 2022/23 be approved.

47 MEDIUM TERM FINANCIAL STRATEGY (MTFS) UPDATE

Submitting his report, Councillor Strachan explained that the proposal aimed to increase the budget for a Community Centre in Streethay by £250k, with the intent to positively impact the community.

Councillor Robertson raised the issue of inflation and its impact on funding, specifically that voluntary sector funding had fallen short by £86,000 when adjusted for the effects of inflation. He raised concerns about the need to protect and support the voluntary sector.

In response, Councillor Strachan reassured that the issue of protecting budgets against inflation would be considered in future discussions concerning the MTFS. These discussions would consider the challenges posed by inflation and seek to ensure that resources were appropriately allocated to support various sectors, including the voluntary sector.

It was proposed by Councillor Strachan, seconded by Councillor Silvester-Hall and

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

48 QUESTIONS

Questions under Procedure Rule 11.2 for Council

Q1. Question from Councillor Henshaw to the Leader of the Council

"Can the Council Leader consider the formation of a small task force to vigorously promote the resumption of passenger services on the Lichfield - Burton rail line. This is a line already carrying freight traffic and could be equipped for passenger trains at reasonable cost especially compared to the eye-watering cost of HS2 responsible for so much of the current congestion on the adjacent A38.

A task force would need to lobby County Council, West Midlands Railway, Network Rail, Department for Transport and the National Memorial Arboretum (site of proposed station for Alrewas) forcefully.

The benefits for the District Council's Green Agenda seem obvious.”

Response from the Cabinet Member for Waste, Recycling, Ecology & Climate Change

“I thank Councillor Henshaw for his question and he is absolutely right when he talks about the existing rail line between Lichfield and Burton carrying freight, and his desire to see passengers utilising this line has for many years been a long standing ambition of this Council. In fact County Councillor Janet Eagland has been lobbying for a new station at the National Memorial Arboretum for some considerable time with the support of the Arboretum. More recently following the decision to stop the construction of HS2 at phase one has heightened the call for a local station in Alrewas. The Staffordshire Leaders Group is one avenue where we can promote the reintroduction of passengers on this line along with the support of our MP Sir Michael Fabricant who has also been very vocal on his support of this line.

Councillor Henshaw is also correct on his assumption of the continuing congestion and the impact of traffic on the A38 (as I have first hand experience living along the slip road in Alrewas) is only going to increase unless action is taken.

We can also ensure that our New Local Plan highlights the importance of this rail line between Lichfield and Burton given the increasing number of homes and communities that will be delivered in the Plan. Given the importance and impact this could have not only on our Highways Network, but more importantly the affect this would have on our Carbon Footprint cannot be underestimated, and to this end perhaps the Chairman of Overview & Scrutiny could consider setting up a Transport Working Group to investigate this further.”

Supplementary Question from Councillor Henshaw

“When can we set up a transport working group? For which I will volunteer my own time.”

Response from the Cabinet Member for Waste, Recycling, Ecology & Climate Change

“I have made suggestions to the Chair of Overview and Scrutiny to consider this task group.”

Q2. Question from Councillor Norman to the Cabinet Member for Waste, Recycling, Ecology and Climate Change

“An order for 280,000 blue bags was submitted by this council on behalf of 5 authorities in Staffordshire for paper, card and cardboard recycling and distributed to residents early last year. At that time members supported the Council requesting a refund and/or replacement bags from the supplier because although the contract was for 81-litre capacity bags many were as small as 57-litres.

Can he set out what the result of that action was as I have not seen a report in the intervening 16 months?”

Response from the Cabinet Member for Waste, Recycling, Ecology and Climate Change

“A thorough review of the roll out of the new waste service was undertaken, with results reported to O&S committee on 17 November 2022. The review identified a number of problems with the purchase and roll out of the new service, and a number of important lessons to ensure the same mistakes are not made again.

Specifically in relation to the bags themselves, investigations were undertaken following initial concerns raised about the size and quality of the bags supplied to the five councils. An independent auditor was procured to test the bags, which took place in May 2022. The tests showed the bags varied in size, some of which were smaller than the tolerances applied, however a number of samples were also found over size which clearly contributed to the

concerns raised with visual differences between bags raised by residents. The independent auditor also found that measurement of the internal dimensions of the bags is almost impossible to achieve accurately and as such this was NOT recorded on the day. The volume of the bags also varied within the samples tested. The tested bags were filled to slightly below the actual top of the bags, such that closure could be achieved without spillage of the contents. The auditor was satisfied that the filled bags would 'almost certainly result in the overall average volume being equal to or greater than the 81 Ltr's specified'.

Given the outcome of these tests, and the limitations of the specification agreed by the five councils before the procurement was commenced, the council had no alternative other than to accept the bags supplied met the tolerances of that specification."

No supplementary question was asked.

Q3. Question from Councillor Norman to the Cabinet Member for Waste, Recycling, Ecology and Climate Change

"In 2019 DEFRA carried out a Consultation exercise considering the standardization of recycling in the country to which neither Lichfield District nor Tamworth Borough responded. Another Consultation was carried out in 2021 though the Government has still not published a report on that outcome. Then at the Conservative Party Conference a few days ago the Prime Minister announced that his government was not now going to force council to have seven recycling bins.

Has this council ever had any notice that we were going to make residents have seven recycling bins?"

Response from the Cabinet Member for Waste, Recycling, Ecology and Climate Change

"The Council has not received notice to 'make residents have seven recycling bins'. The legislative position for waste and recycling provision is set out in The Environment Act 2021, issued by Department for Environment, Food and Rural Affairs' (Defra). Under the Act the various waste streams (glass, metal, plastic, paper and card, food waste and garden waste) should be collected separately, unless this is not technically or economically practicable or provides no significant environmental benefit.

Recently, however, the Government has confirmed that policy covering 'consistent recycling' will still proceed under the new name of 'Simpler Recycling'. All authorities are awaiting further guidance on the detail of what this entails, although it is expected the date for implementation will be no earlier than October 2025.

Defra has gone on to outline some of the key points, which include:

- A requirement to recycle using seven bins will not happen
- Ensure all homes in England can recycle the same materials
- Those materials won't need to be separated at home

Defra reiterated in its announcement that 'it was never the case that seven bins would be needed by households'.

Supplementary Question from Councillor Norman

"Can I confirm that the prime minister himself did say he we would not be having seven wheeled bins?"

Response from the Cabinet Member for Waste, Recycling, Ecology and Climate Change

“I can confirm that we will not be having seven bins, but we are going to make sure we increase our recycling rates. We have a presentation on the 26th October which will be looking at ways we can do this.”

Q4. Question from Councillor Banevicius to the Leader of the Council

“Does the leader believe that the proposed traffic management scheme for Sankey's can now go ahead following the cancellation of HS2 and the reallocation of funding by the Prime Minister?”

Response from the Leader of the Council

“The County Council has informed us that they are awaiting details from central government on how HS2 funding will be reallocated to other schemes. LDC officers met with Department of Transport last week who further confirmed that there is limited detail at this stage, following the announcement. Discussions are ongoing between all three councils, including Burntwood Town Council, as to how we can move forward with regeneration opportunities at Sankey's Corner.”

Supplementary question from Councillor Banevicius

“These discussions have been going on for far too long. When is the new scheme - which has already cost £78,000 in design fees - likely to be delivered?”

-

Response from the Leader of the Council

“This is not a district council scheme, it's a County Council Scheme. We are working very closely with County Council and Burntwood Town Council to try to push this along.”

Q5. Question from Councillor Hughes to the Leader of the Council and the Chair of the Council

“Do you agree with me that upholding the highest standards of conduct, as set out in the Code of Conduct, and in the Nolan Principles, is vital to restoring public trust in politicians at local and national level?”

Response from the Leader of the Council

“Yes, I fully agree with Cllr Hughes, and I certainly expect that same commitment from every member of my Group too.”

Response from the Chair of the Council

“Thank you for your question. You and I have attended many Council Commitments together in our professional capacity for the District and City Council and you have continually seen how resolutely and robustly I adhere to the Code of Conduct and the Nolan Principles. It is promising that you illustrate your awareness of both as a New District Councillor.”

Supplementary question from Councillor Hughes

“I was gratified by the united response from the Leader and the Chair but given that there has been a public falling out between the Chair and the ruling group, it is difficult not to see that there may be some danger in the Nolan Principles of selflessness, accountability, and particularly leadership being compromised. Do you think there are measures that are needed

to be taken, quoting our code of conduct, 'to preserve the dignity and public reputation of the council' during the rest of the year?"

Response from the Leader of the Council

"The reasons have been documented in a short way publicly. I don't think that having an independent Chair who is not a member of the group in administration brings any of the principles into question."

Q6. Question from Councillor Robertson to the Cabinet Member for High Street and Visitor Economy

"It has now been two and half months since the implementation of your part-time pedestrianisation scheme for Lichfield City Centre as a response to significant concerns about the design of the scheme which were raised by people with disabilities, and local businesses, including health providers. Can you provide any assessment of the impact of the part-time pedestrianisation scheme has had relative to the initial full-time pedestrianisation scheme?"

Response from the Cabinet Member for High Street and Visitor Economy

"Following on from the previous ETRO and extensive consultation, we have started the implementation of a hybrid scheme that takes into account the feedback we have received.

This scheme is now informally in place while we wait for the legal process for the amended ETRO to be completed and the revised signage to be installed within the city centre.

Whilst we continue to receive feedback and respond to enquiries as a result of these changes, the formal 6 month ETRO consultation will take place when the legal work has been finalised.

The council will continue to collect data, liaise with businesses and visitors throughout. Once the revised ETRO begins additional consultation will take place and we'll continue to feedback to Members."

Supplementary question from Councillor Robertson

"The question asks very clearly 'can you provide any assessment' and the information that came back was 'we will continue to do this,' 'this is where we're at' but it doesn't actually include the words 'no we can't provide that assessment.' I asked for the data from officers a week ago and it's not available yet, so we are not currently measuring the footfall in the city centre after the introduction of this part-time pedestrianisation trial two and half months ago. That's a real concern for me and even more so a real concern for businesses in our city centre who rely on that trade to stay in business. It's going to be a real concern for the members of the community who like a pedestrianisation city centre but also like a thriving city centre and it's going to be a real concern for the members of the disabled community who do need to use those blue bay badges. So, I think the question we need to have here is when are we going to get a grip on this? When are we going to be able to see a data led response and how are we going to reassure those businesses?"

Response from the Cabinet Member for High Street and Visitor Economy

"I welcome the attention that has been given to this scheme and certainly the contributions that have been made so far this evening. With regards to the revised signage, which I think is the key element to this, that's the part where we look at putting together the statutory consultation that follows. However, in the meantime there is still that mechanism for any of the users of the city to be able to provide feedback. That feedback is being published on LDC's pedestrianisation page - whether that be from workshops and surveys - and we will continue to do so for transparency as we go forwards. So, there are some very pertinent parts of what

we're trying to do and making sure we have the legal elements of those certain before we can make sure that when we embark on the next round of the consultation that we're getting those meaningful replies. I would emphasise that the ongoing ability to be able to feedback is very much still there."

Q7. Question from Councillor P Taylor to the Leader of the Council

"In light of the recent cancellation of future phases of the HS2 project by the Prime Minister, despite years of pain for Lichfield residents, and taking his commitments to fund other transport schemes at face value; can the Leader please tell me what plans he has to take advantage of the current situation to improve local transport links - especially those bus services that I mentioned previously to allow Burntwood residents, and others, to enjoy the benefits of the proposed new cinema? Perhaps, for example, he could consider reviving the Council's previously abandoned Community Transport Scheme, to serve our community better."

Response from the Leader of the Council

"The County Council has informed us that they are awaiting details from central government on how HS2 funding will be reallocated to other schemes. LDC officers met with Department of Transport last week who further confirmed that there is limited detail at this stage, following the announcement. We are committed to working with the County Council to ensure that Lichfield District gets its 'fair share' of any transport funding opportunities that arise from this situation and that any funding is targeted to where it is needed most."

Supplementary question from Councillor P Taylor

"I thank the Leader for his response and acknowledge that transport issues like this generally are the purview of the County Council and therefore we have to work with them. I would ask him, particularly on this national community transport week, to commit to exploring using any funding we might be able to attain as District Council to apply to our priority transport issues rather than those of the County Council."

Response from the Leader of the Council

"He has my assurance."

49 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"

50 CONFIDENTIAL MINUTES OF OVERVIEW & SCRUTINY COMMITTEE

Councillor Norman submitted the Minutes of the Overview and Scrutiny Committee held on 2 August 2023.

(The Meeting closed at 9.15 pm)

CHAIR

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REPORT OF THE LEADER OF THE COUNCIL

CABINET DECISIONS – 5 December 2023

1 Money Matters: Calculation Of Business Rates 2024/25, Council Tax Base For 2024/25 And The Projected Collection Funded Surplus / Deficit For 2023/24

The Cabinet:

- 1.1 Approved in accordance with the relevant legislation and regulations, the Council Taxbase (Band D residential properties) for Lichfield District for the financial year 2024/25 of 41,115.8.
- 1.2 Noted the estimated Council Tax Collection Fund Surplus of (£846,000) (LDC Share £99,000) and the estimated Business Rates Collection Fund Surplus of (£2,826,000) (LDC Share £1,130,000) for 2023/24.
- 1.3 Delegated authority to the Cabinet Member for Finance & Commissioning and the Chief Financial Officer (Section 151) to:
 - Complete and certify the NNDR1 for 2024/25 on behalf of the Council.
 - Update the Council Taxbase for 2024/25 and Collection Fund projections for 2023/24 in the event of changes to guidance or the need for significant changes to underlying assumptions

2 Money Matters 2023/24: Financial Monitoring

The Cabinet:

- 2.1 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.
- 2.2 Noted the additional funding received from the Better Care Fund of (£97,000) that has been used to increase the Disabled Facilities Grant Budget by £97,000 in 2023/24. This increase in budget (and any further changes) will form part of the refreshed Medium Term Financial Strategy that will be recommended for approval by Council on 27 February 2024.

3 Future of the HR Function

The Cabinet:

- 3.1 Approved the proposal set out in section 4 to seek agreement from the LWMTS Board to transfer the HR function to it.
- 3.2 Delegated implementation of the proposal to the Cabinet Member for Finance and Commissioning, and the Chief Operating Officer subject to this remaining within Approved Budgets.

4 A Cinema for Lichfield District - Update

The Cabinet:

- 4.1 Agreed and recommended to Full Council to agree the inclusion of the new 'Buy Out' clause outlined in the background section. The clause would involve the 'Buy Out' of Evolve Estates interest in the Joint Venture Limited Liability Partnership, two years after completion of the development. The clause is subject to confirmation from the Council's legal team and independent valuer that the valuation approach is in line with Best Practice and the 'price' can be substantiated from a legal Best Value perspective.
- 4.2 Delegated authority to the Leader and Chief Executive in consultation with the Monitoring Officer and the Section 151 Officer to complete all contracts related to the Joint Venture Limited Liability Partnership subject to financial implications of all contracts being within Approved Budgets.
- 4.3 Agreed and recommended to Full Council to update the Medium-Term Financial Strategy:
 - i. To increase the budget in the Capital Programme by £3,999,000 to reflect the central scenario cost of the 'buy out' with funding initially based on the central scenario included in the financial implications section. The plan is for any borrowing need to be funded through internal borrowing.
 - ii. To continue the approach that the MTFFS is based on a neutral (no surplus or deficit or capital receipts are included) budget position until more informed financial projections are provided through the Business Plan. Any future changes following receipt of the Business Plan will be reported in line with the Council's budget monitoring and any budget approvals will be in line with the budget framework.
- 4.4 Agreed that Overview and Scrutiny Committee continue to be involved in the scrutiny of key elements of policy development including the Business Plan and the most appropriate ownership model. This will enable Members to fully understand the strategic, operational, and financial implications of the Council becoming the sole owner of the cinema development and the impact on the MTFFS.

CABINET MEMBER DECISIONS

5 Reviews of Fees and Charges

- 5.1 The Cabinet Member for High Street & Visitor Economy approved the recommended new car park fees as outlined in paragraph 3.6, subject to necessary consultation, and in consultation with the Assistant Director Operations Regulation and Enforcement authorises the necessary orders following the consultation period(s) for implementation no earlier than 1 January 2024, to coincide with the launch of a Variable Messaging System
- 5.2 The Cabinet Member for High Street & Visitor Economy approved that car parking fees are reviewed on an annual basis and adjusted accordingly in line with CPI (the

immediate preceding September for the forthcoming financial year) and the corporate charging policy to the nearest 10pence.

6 Infrastructure Funding Statement 2023 (IFS)

- 6.1 The Cabinet Member for Housing & Local Plan approved the publication of the District Council's Infrastructure Funding Statement (IFS) for the financial year 2022/23.

**Clr Doug Pullen
Leader of the Council**

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Public Document Pack Agenda Item 7

OVERVIEW & SCRUTINY COMMITTEE

14 NOVEMBER 2023

PRESENT:

Councillors Norman (Chair), Leung (Vice-Chair), Ball, Booker, Trent, Robertson, Woodward and B Yeates

29 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Hawkins, Ho, Holland, Ray and Whitehouse.

30 DECLARATIONS OF INTERESTS

No declarations of interest were received.

31 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 14 September 2023, previously circulated, were taken as read and approved as a correct record, subject to amending Item 24 (Review of Civic Matrix function) to include the suggestion to examine the activities of the Chair and Vice-Chair of Council outside of the district and what benefits these engagements have.

It was highlighted that the previous minutes record the Leader of the Council as stating he would consider the views of the committee. Ultimately however, the appointment of the LATCO board member proceeded, as additional action/recommendation is required during the meeting from the committee, to indicate an alternative resolution. It was felt committee members should be made aware of this.

32 HEALTH MATTERS

The Vice-Chair updated members on the recent meetings of the Staffordshire County Council Health and Care Overview & Scrutiny Committee. It was reported that retaining, retraining and reform are key factors in their strategy to help improve current staffing levels. It was noted that the ICS is prepared for up to 6 months in workforce plan to deal with any winter surge demand for healthcare. There have been efforts to encourage younger people to get involved in healthcare through work experience and school visits. The Freedom to Speak policy will be updated in January 2024 to reflect recent events and ensure a clear staff and patient process for whistleblowing.

- Members asked if SCC could provide greater clarity on items unticked in the work programme, including whether they were discussed and when results will be achieved on those items.
- Members suggested Employment Committee could look at what could be done locally to mitigate the 16% vacancy rate of staff.

33 NOTES FROM TASK GROUPS

The notes of the recent Climate Emergency Task Group, taken as read, were reviewed by the committee. Members praised the Task Groups focus on actions to be undertaken. It was highlighted that the authority is now 15% of the way towards the target date set out in the Climate Emergency declaration.

34 COUNCILLOR COMMUNITY FUND

The Cabinet Member for Community Engagement (Councillor Richard Cox) presented the report to members and sought the views of the committee. He stated he would like to continue with the scheme after ensuring the original teething issues are ironed out.

It was noted that new members did not have chance to fully utilise the scheme before the conclusion of its pilot. Members also highlighted that in principle, the scheme is designed to show local democracy in action and get members involved in their respective areas.

Members queried if the scheme was not simply duplicating what parish councils and local organisations are already doing, rather than taking advantage of existing funds.

Members suggested amalgamating the fund to support individual projects, as well as a dedicated member of staff to be assigned to aid councillors with a mix of community development and grant application advice.

- It was asked if there could training for members on how to access the fund.

The Cabinet Member recognised previous issues with the scheme and agreed with the suggestion of a training session to be arranged, including a presentation from We Love Lichfield.

The differing views of the committee were acknowledged by officers who assured members that the governance of the scheme will be improved. The Community Foundation will be commissioned to administer the scheme from end to end, as well as provide support around marketing, promotion and training with councillors. It was proposed that the scheme could be run for another year before engaging in a further reflection point at the end of that time. The ongoing relationship with Support Staffordshire, who provide support to community groups around grants and bids, could be utilised to address member concerns on this area.

RESOLVED: The committee:

- Reviewed and provided views to the Cabinet member on the impact of the Councillor Local Community Grant Fund.
- Provided views to the Cabinet member on the continuation of the scheme and the proposed improvements outlined in paragraph 4.2.
- Provided views to the Cabinet member on the level of funding available per councillor
- Proposed that employing a part time member of staff to facilitate small groups accessing grant funding may be appropriate.

35 KNIFE ANGEL

The Cabinet Member (Councillor Richard Cox) presented the report to committee. He stated that the awards involved were an acknowledgement of participation rather than self-gratification. The cabinet member outlined his hope that the Knife Angel would create a legacy of the council working in the community to tackle knife crime.

- Members asked how much LDC usually budgets for its public health messages/events, and does it have a public health programme?

The Cabinet members stated that he did not believe there was a public health programme but instead saw this in terms of public safety.

Officers explained that funding is provided yearly from the PFCC via assessment. There are currently seven priorities relating to the community safety delivery plan. The

authority has environmental health duties such as food safety and health & safety. Whilst LDC does have a health and wellbeing team, their funding is derived from external sources and employed to engage hard to reach groups and young people.

- Members asked if the community safety partnership were also offered an award.

This was confirmed.

- Members asked who made the decision that £25,000 worth of funding would come to Lichfield and when this occurred.

It was confirmed that there was no single decision on this. The opportunity arose April, the first £10,000 was allocated in May, whilst the second £10,000 was allocated in June. The financial figures in question fall into the delegation officers possess to make decisions on.

- Members asked if any elected members – including the Police Fire and Crime Commissioner – were involved in that decision.

The Cabinet member confirmed the proposal was presented to him and whilst he felt there was justification in proceeding there was no formal decision process as this was an operational decision within the funding allowances permitted. However, he acknowledged that in retrospect this proposal should have come to O&S beforehand.

- Members asked if any monitoring was being carried out on the kinds of knife disposal. *The Cabinet member confirmed the police are regularly monitoring the bins and storing the knives before they are melted down by the British ironworks.*

- Members asked what was being done with schools to ensure a legacy of this project.

It was confirmed that as part of an ongoing education program, relationships have been created with schools that visited the site. LDC can continue to repeat that messaging with these schools as a result of the knife angel.

Members noted that the publicity saying knives were “seized” is incorrect and should instead say that they were donated.

RESOLVED: The committee reviewed and commented on the findings of the report.

36 MEDIUM TERM FINANCIAL STRATEGY

The Cabinet Member for Finance and Commissioning (Councillor Rob Strachan) presented the report. He highlighted that although two further updates to O&S were intended, this may fall to one following discussion with the Chair, as the Government has announced the financial settlement was likely to be delayed due to the later Autumn Statement. He proposed that one option is that any windfall from the business rates revaluation is transferred to reserves to address any funding shortfall in the Capital Programme and negate the need for borrowing. The significant pressure on general reserves was highlighted, although this excludes any potential returns or development costs relating to the Birmingham Road Site. The Assistant Director Finance & Commissioning (Anthony Thomas) recommended an increase of minimum reserves to £2,000,000 from the current £1,900,000. Members were encouraged to engage with the budget consultation.

Members stated that the reports predication that the Lichfield 2050 strategy “may” impact on MTFS should be changed to “will” impact on MTFS.

Members urged that any returns to be invested from the Birmingham Road Site need something firm identified to attach that to.

Members proposed leveraging external investment by looking at the National Lottery Heritage Fund as a potential source of significant funds.

It was stated that the protection of VCSE funds in cash terms raises real concerns, as that is in effect a real term cut given the inflation rate of 17% across 3 years.

The pressures on voluntary and community sector funding were raised by members, highlighting that the whole council supports the need to take food security seriously and funding is required to support this.

- Members questions the figures in Appendix C, including £400,000 for paddle tennis courts in Beacon Park, £10,000 for a fence around Chasetown Memorial Bowling Green, £4,000 on an upgrade to the heating system at St Stephens Church.

The Cabinet member confirmed he would write to members regarding the specific figures outlined.

It was noted that Appendix C includes all projects and all sources of funding including Section 106 bids. The waste fleet figures are based on a straight replacement of the current fleet. This does not include food waste, although central government have indicated they will fund that implementation.

- Members reiterated that resident's ability to pay council tax should be included as a key factor when considering any rise in the council tax level.

The Cabinet member highlighted the council tax support scheme and encouraged any residents who find themselves unable to pay to contact the team.

RESOLVED: The committee:

- Noted the current position on the development of the MTFs and the next steps.
- Provided views to the Cabinet member on the initial revenue investment and capital investment modelling identified in the report.
- Provided views to the Cabinet member on the projected Minimum Level of General Reserves and the modelled initial approach to beginning the process of replenishing the level of Total Reserves.

37 WORK PROGRAMME

Proposals were discussed for task groups on Public Transport and Local Health Scrutiny. The request for a Civic Matrix Task & Finish Group made at the last Overview & Scrutiny committee was also noted. Members were reminded that the authority only has the capacity to run a limited number of Task Groups at any one time and requests for new Task Groups may have to wait until that capacity is available.

It was confirmed that the Empty Homes Policy will come to O&S before being presented at Cabinet.

38 EXCLUSION OF PRESS AND PUBLIC

39 CONFIDENTIAL NOTES FROM TASK GROUPS

The confidential notes of the recent Lichfield City Masterplan Task Group and New Leisure Centre Task Group, taken as read, were reviewed by the committee.

(The Meeting closed at 9.08 pm)

CHAIR

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OVERVIEW & SCRUTINY COMMITTEE

30 NOVEMBER 2023

PRESENT:

Councillors Norman (Chair), Ball, Booker, Ho, Holland, Trent, Ray, Robertson, Whitehouse and Woodward

40 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Leung, Yeates, Hawkins and Booker. Councillor Booker later joined during Item 5.

41 DECLARATIONS OF INTERESTS

There were no declarations of interest received.

42 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on November 14th, 2023, taken as read, were approved as a correct record, subject to the following changes:

- Changing “Chase Terrace” to “Chasetown” in the Medium Term Financial Strategy Item.
- Correcting the attendance details of Cllr Ho and Cllr Whitehouse.

43 EXCLUSION OF PRESS AND PUBLIC

Item 4 was deferred until discussions on the publicly available main body of the Cinema report were completed. Item 4 was formally moved later, to facilitate members questions on the confidential appendix to the report.

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”.

44 A CINEMA FOR LICHFIELD - UPDATE

The Chair introduced the item by requesting members not to refer to the specifics in the confidential section of the report as that would mean the meeting would have to exclude the public at an earlier stage than he planned. Before inviting questions from members, he drew attention to the Recommendations that are to be considered by members.

The committee then scrutinised the cinema report, due for Cabinet discussion on Tuesday 5th December, raising questions and providing feedback to be incorporated.

- Members asked who the independent valuer was.
It was confirmed that Aspinall Verdi were specialists in regeneration, with expertise in the holistic aspects of regeneration as well as valuation.

- Members asked why no business plan had been produced yet.
Cllr A. Smith (Deputy Leader and Cabinet Member for Leisure, Parks & Major Projects) agreed that he had raised the same question previously. He confirmed he wanted the finalised business plan to come before O&S when it is available. It was noted that the business plan would not cover the operation of the cinema as LDC would be operating as a landlord in that environment. Simon Fletcher (Chief Executive) added that the authority has a clear focus on development alongside the business case. The business plan will need to be approved before trading begins but development of the scheme would be focused on first.
- Members asked for clarification on the differing figures mentioned in the report. *Anthony Thomas (Assistant Director Finance & Commissioning) explained that £3.5 million is the figure that Evolve Estates have put forward as the potential cost of the buyout. The £3.999 million figure is related to the cost of the development but that an element of the calculation related to the development cost is a moveable number, and based on the Council's independently reviewed budget this would account for £200,000 of additional budget, and the potential for stamp duty land tax around £300,000 – this could potentially be mitigated, reduced or not payable. Mr Thomas highlighted it was his responsibility to put forward a budget that takes account of that risk.*

It was confirmed that the sum of costs would include the £3.999 million in addition to the £5.788 million set out in the capital programme.

- Members asked when it would be possible to see the draft business plan.
Mr Fletcher confirmed the authority had worked closely with Evolve to understand both the cost of the development and the projected income from the first 3-5 years of trading. This would be shared with the committee following the meeting.
- Members asked when the legal advice would be available.
It was confirmed a draft version of the legal advice had been received. The outstanding parts remain 'best value' and that there are no subsidy control concerns. It was expected that would be closed by the time of Full Council on 12/12/2023.

Cllr A. Smith confirmed the Cabinet decision is fully dependent on that legal advice.

- Members asked for reassurance on changes to the original budget.
Mr Thomas explained that the original proposal in October 2022 went to Cabinet with a figure of £5.3 million. Subsequent independent scrutiny by a Quantity Surveyor and Price Waterhouse Coopers (PWC) recommended further increases to the contingency budget to take inflationary pressures into account inflation. He confirmed all contingency budgets are based on independent advice and are therefore robust.

Members highlighted that a commitment to buy-out represented a change from the previous position that this was just an opportunity.

- Members asked how secure the £3.5 million pre-agreed figure is.
Mr Thomas explained that figure is a higher number with contingency built in. However, within two years the economic landscape could change in relation to stamp duty and land tax regime. The figures included are based on what is known at the present time.
- Members asked when the buyout clause would take effect.
Mr Fletcher stated that he believed this should be when construction is done and retail units are trading, not from when the contract is signed. This will be defined very clearly in the contract.

Members suggested that if the situation outlined in 3.17b occurs, then the authority should take an additional 1% share to create a 51/49 balance and mitigate potential issues on future agreements. Mr Fletcher agreed this was a smart suggestion and should be kept as an option going forward. He stated that what Evolve is asking for is a commitment to exercise the buyout clause in 2 years' time, regardless of whether LDC choose to buy out or take things Page 20

Members recommended that the contract should include a commitment that Evolve will seek the 'best possible price' when taking this to market. Mr Fletcher agreed to include this.

- Members asked for clarification on how the future of the Limited Liability Partnership (LLP) was envisioned.

Cllr Doug Pullen (Leader of the Council) explained there were a number of options available including dissolving the LLP, taking it to an LTD company, or connecting it to LWMTS to replace the other 50% share.

Members recommended that the possibility of dissolving the LLP should be included in the report.

- In reference to recommendation 2.2ii, members requested clarification on what future scrutiny of the ownership model would members have.
Mr Fletcher welcomed members views on this. He agreed to take the question away and return to O&S with proposals on this.

Cllr Pullen confirmed the wording of recommendation 2.2 would be clarified if not amended for the Cabinet recommendation. He explained that the decision currently before members was on whether to commit to exercise the right of the buyout clause in two years' time. It was not a commitment on what the ownership model looks like.

Members recommended that reference to the ownership model should be included at 3.17.

- Members raised concerns about the 5% "central" running void figure in Appendix A.
Cllr A. Smith agreed it was quite right to raise the risks, although highlighted that the Lichfield high street is in a much better position than most other districts.

Mr Thomas explained that vacant void and sinking fund are effectively risk management tools. 3 scenarios modelled (optimistic, central & pessimistic) and robust amounts set aside.

- Members asked why risks E and F appeared to not be reduced via mitigation.

Mr Thomas explained E and F had been assessed prudently. Regarding E, there is not currently full visibility on the service change arrangement. Until full visibility is available the authority cannot know how effective mitigation is. Regarding F, there is an element of risk around cost increase here, whilst contingency had been built in there is always a risk that that may not be enough.

- Members asked for clarification on the difference in figures between the three scenarios outlined in the table.
Mr Thomas explained that the rental income stays consistent through all scenarios, but increasingly cautious assumptions are then applied, meaning the amount of net income generated is calculated as lower the more pessimistic the scenario. The level of the borrowing need also changes across the three scenarios.

Members highlighted that "considering" was not an ideal word to be used in the report in relation to the costs included. Mr Fletcher agreed to obtain assurance on the allocation of this money to the Council given its significance in the funding budget.

- Members requested clarity on the figures relating to the Greater Birmingham & Solihull Local Enterprise Partnership (GBS LEP).
Cllr A. Smith agreed that references to the GBS LEP would be reworded where possible.

The committee formally moved Item 4 – Exclusion of Press & Public to continue discussions on the confidential appendix.

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Public Document Pack Agenda Item 8

AUDIT AND MEMBER STANDARDS COMMITTEE

28 NOVEMBER 2023

PRESENT:

Councillors Ho (Chair), Whitehouse (Vice-Chair), Marshall, J Smith, P Taylor, S Taylor, Vernon

20 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Robertson.

21 DECLARATIONS OF INTEREST

No declarations of interest were received.

22 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held 27th September 2023 were taken as read and approved as a correct record.

23 AUDIT FINDINGS REPORT FOR LICHFIELD DISTRICT COUNCIL 2021/22

Avtar Sohal (External Auditors) presented the report to the committee. He confirmed testing had been completed on all outstanding areas. Mr Sohal confirmed the financial statements had been updated and he was content that the figures were free from material error. Assurances from Staffordshire Pension Fund auditors are still being sought for 2021/22 before the audit opinion can be signed off – this is expected in January 2024 though he highlighted that this is outside of his control.

It was confirmed that if they are not signed off by January and central government introduces emergency measures, then he would have to issue a disclaimed opinion that it has not been possible to provide assurances by that point. However, it was noted this would impact multiple authorities if it were to occur so would not result in any significant reputational damage to LDC.

RESOLVED: The committee reviewed and noted the contents of the report.

24 AUDIT FINDINGS REPORT FOR LICHFIELD DISTRICT COUNCIL 2022/23

Mr Sohal presented the report to the committee. He confirmed that the external auditors are in the final stages of their audit. It was noted that the same issues around assurances explained in the previous item would impact this statement too. He highlighted the valuation of land and buildings and valuation of investment property, noting LDC had identified two investment properties that had been omitted in previous years. The authority had received valuations from the Valuer that identified they were below the materiality level.

It was confirmed that this was a historic asset picked up as part of a review of the fixed asset register and was valued lower than the materiality level. It was noted that the trend of valuations had been impacted significantly by Covid-19 and more recent inflationary pressures, creating an inconsistent set of underlying assumptions. Roughly 90% of the authority's assets are valued every year.

RESOLVED: The committee reviewed and noted the contents of the report.

25 AUDITOR'S ANNUAL REPORT FOR LICHFIELD DISTRICT COUNCIL 2022/23

Mr Sohal presented the Auditor's Annual Report for LDC covering 2021/22 and 2022/23 to the committee. He confirmed that this was a very clean report and that the authority's financial arrangements were stronger than most others. He confirmed that Grant Thornton will certify that the audits are complete, and an opinion issued before handing over to the new auditors on a clean slate.

Members praised the officers involved for putting the council in such a strong financial position.

RESOLVED: Members reviewed and approved the contents of the report.

26 STATEMENT OF ACCOUNTS 2021/22

Anthony Thomas (Assistant Director Finance & Commissioning) presented the report to the committee. He noted that just 12% of local audit opinions have been issued across the country, highlighting this is a large-scale problem across multiple authorities with consequences for budget setting at councils. The Department for Levelling Up, Housing and Communities (DLUHC) has announced a range of options to fix the backlog but it is not clear that central government have implemented those yet. Mr Thomas confirmed the main issue relating to 2021/22 is the impact of the more recently completed 3-year pension valuation on the pension figures used in the accounts. He confirmed he was seeking approval subject to a delegation to the chair.

RESOLVED: The committee:

- Noted the External Auditor's Audit Findings Report (Agenda Item 4).
- Approved the Letter of Representation at APPENDIX A.
- Approved the Councils Statement of Accounts for 2021/22.
- Approved the delegation of authority to the Chair of Audit and Member Standards Committee to approve any changes and potentially resign the accounts once we have received assurance from Staffordshire County Council's external auditors in relation to the Staffordshire Pension Fund.

27 STATEMENT OF ACCOUNTS 2022/23

Mr Thomas presented the report to the committee. It was confirmed formal completion will occur when the auditors release their audit opinion. The pension funds valuation was again highlighted as the main impact on these accounts. The interest rate increase (and increases in gilt yields) means that the pension liability has become an asset for the first time and therefore with CIPFA issuing guidance for authorities in this position in the last week, the approach now needed to be agreed with the auditors. LDC is also currently awaiting a formal audit opinion from the pension fund auditors. Approval was again being sought for the accounts subject to any non-material changes being delegated to the committee Chair.

RESOLVED: The Committee:

- Noted the External Auditor's Audit Findings Report (Agenda Item 5).
- Approved the Letter of Representation at APPENDIX A.
- Approves the Councils Statement of Accounts for 2022/23.
- Approves the delegation of authority to the Chair of Audit and Member Standards Committee to approve any changes and potentially re-sign the accounts once we have received assurance from Staffordshire County

Council's external auditors in relation to the Staffordshire Pension Fund, and once the changes needed to reflect the national technical issue relating to the actuarial valuation of the Council's pension fund has been agreed with the External Auditors.

28 MID-YEAR TREASURY MANAGEMENT REPORT

Mr Thomas presented the Mid-Year Treasury Management report to the committee. He stated that it included Prudential Indicators however these are not intended to be benchmarked or compared to other authorities they determine if capital investment is affordable, prudent and sustainable. He highlighted capital expenditure as being £9.3 million lower than budgeted. This mainly relates to the reprofiling of the Leisure Centre, clearing the Disabled Facilities Grants backlog, the cinema and BRS enabling works. He also noted that the council has only 1 external loan at present.

Mr Thomas explained that the authority was now looking to change its strategic or pooled investment approach due to increased volatility in the financial environment. The authority is looking to reduce its exposure to financial risks before the statutory override is potentially not extended past March 2025 and also to provide cash to fund the £5m of internal borrowing for the leisure centre.

In response to member questions, Mr Thomas confirmed it was within the authority's power to provide mortgages, but this would need a much more thorough appraisal process. Mr Sohal added that not many authorities provide mortgages today and would advise LDC to think long and hard before considering any such move.

Mr Thomas confirmed that he would ideally like the authority to have a link between internal borrowing and the level of strategic or pooled investments and that internal borrowing reduces any risk on credit, is less costly and can be repaid from windfalls without penalty.

RESOLVED: The committee:

- Reviewed the report and issues raised within.
- Provided views on the recommended revised approach to Strategic Investments.
- Reviewed the Prudential Indicators contained within the report.

29 LWMTS – ANNUAL REPORT

Simon Fletcher (Chief Executive LDC / Managing Director LWMTS) presented the report to the committee. He passed on the apologies of Cllr Alex Farrell (Chair of the LWMTS Board). Mr Fletcher stated that the report was open and transparent about what had taken place during the previous year. He highlighted the profit of £13,000 made by the company during a year in which the target had been to break-even. Mr Fletcher confirmed that satisfaction and membership levels were up at the leisure centre. He also confirmed that careful budgeted may result in a small underspend.

RESOLVED: The Committee reviewed the LWTMS Annual Report 2022/23.

30 INTERNAL AUDIT PROGRESS REPORT

Andrew wood (Audit Manager) presented the report to the committee. He noted the exceptional circumstances affecting the section and confirmed that additional resources had been drawn down from BDO, allowing additional work to be fully resourced. He stated that he expected completion rates to pick up in the new year in time for the next meeting in February.

Mr Thomas added that the section was having to manage a set level of resources and balance their focus across multiple priorities.

In response to questions, Mr Thomas explained that roughly £100,000 had been set aside for climate change. If central government impose requirements on the council then the government is obligated to provide additional funding to councils to implement those proposals. However, recent government food waste requirements have seen funding being committed at “a reasonable level”.

Mr Wood confirmed that the Cross Departmental Working Group had not yet met as far as he was aware but that this would be part of follow up reviews and driven forward with support from Leadership Team (LT).

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

31 RISK MANAGEMENT UPDATE

Mr Wood presented the Risk Management Update report to the committee. He highlighted that between July 2023 and now, the councils risk profile has not changed but will continue to be reviewed on a regular basis.

RESOLVED: The committee endorsed the contents of this Counter Fraud update report.

32 COUNTER FRAUD UPDATE REPORT

Mr Wood presented the Counter Fraud Update report to the committee. The council takes part in the national fraud initiative with work progressing and the refreshing of data to be coordinated alongside this. LWMTS will be developing their own policies in due course. Following this committee meeting, all staff will be circulated copies of the appendices.

Members recommended including a section on advice for elected members alongside the advice for managers and staff.

Mr Wood confirmed LDC has a whistle-blowers policy and that this had been provided as part of the confidential reporting policy. Any whistleblowing is dealt with in a serious manner and investigated thoroughly with a requirement to protect the whistle-blower. LDC accepts both named and anonymous whistleblowing events.

Members asked if 1 incident in 5 years suggested staff did not understand the process for whistleblowing. Mr Wood confirmed that the policies are annually communicated to members of staff but annual tests to ensure these were understood could be investigated. Mr Thomas highlighted that 1 incident in 5 years could indicate that staff feel a positive workplace culture means they do not need to revert to whistleblowing.

In response to questions, Mr Wood confirmed he would review why gender was included in the relevant questions on the reporting form.

RESOLVED: The committee endorsed the contents of this Counter Fraud update report.

33 WORK PROGRAMME

Will Stevenson (Principal Governance Officer) confirmed that the work programme remained mostly unchanged. He highlighted that whilst there were currently sections for two sets of external auditors, these would merge into one set of items in due course.

34 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 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.

35 PRIVATE MEETING WITH EXTERNAL AUDITORS

RESOLVED: It was agreed to defer the private meeting with the external auditors to the next committee meeting.

(The Meeting closed at 7.33 pm)

CHAIR

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PLANNING COMMITTEE

30 OCTOBER 2023

PRESENT:

Councillors Marshall (Chair), Anketell, Ashton, Evans, Galvin, Harvey-Coggins, Hughes, Powell, Rushton, Vernon and S Wilcox

18 APOLOGIES FOR ABSENCE

Apologies of absence were received by Cllrs Checkland and Salter.

19 DECLARATIONS OF INTEREST

Councillor Ashton declared a personal interest on Agenda item no.4 Application number 23/01010/COU & 23/01056/LBC as he is a ward member of Stowe.

Councillor Hughes declared a personal interest on Agenda item no.4 Application number 23/01010/COU & 23/01056/LBC as she is a ward member.

Councillor Marshall declared a personal interest on Agenda item no.4 Application number 22/00516/FUH as he is Chairman of parish council at Armitage with Handsacre.

20 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 4th September 2023 previously circulated were taken as read, approved as a correct record and signed by the chair.

21 PLANNING APPLICATIONS

23/00516/FUH - Erection of single storey granny annex for ancillary use to the main dwelling.
FOR: Mr and Mrs Kipps

RESOLVED: This item was Deferred

22/00992/COUM - Conversion of former Library building to residential apartments (21 units) together with associated demolition, alterations, ancillary structures, external site works and landscaping.

FOR: GR8Space (Library) Limited

RESOLVED: Approved

(Prior to consideration of the Application, representations were made by Bernice Eisner (Objector) and Martin Mence (Applicant's Agent)).

23/00694/COU - Demolition of existing structures, conversion of barn to a dwelling house (use class C3) and erection of double garage.

FOR: Mr David Shaw

RESOLVED: Approved

23/00603/FUH - Demolition of existing garage and conservatory. Erection of two storey wraparound extension.
FOR: Mrs Pauline McHale

RESOLVED: Approved subject to conditions and an additional condition that The extension shall not be brought into use until the window shown in the side elevation has been fitted with obscure glazing to Pilkington Level 3 standard. The window shall be non-opening . The obscure glazed non opening window shall be retained as such throughout the lifetime of the development.

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

23/00248/FUH - Proposed two storey extension and porch to front elevation. Minor changes to garage and driveway resurfacing.
FOR: Mr Steve Kirwan

RESOLVED: Approved subject to conditions with an additional condition that The windows to be installed at first floor level in the front (northern) elevation of new extension, serving the master bedroom, shall only be fitted with obscure glazing to Pilkington Level 3 standard and non-opening, unless that part of the window that can be opened is no lower than 1.7m above the finished floor level of the room that it serves. Thereafter the windows shall be retained and maintained as such for the lifetime of the development.

23/01010/COU - Creation of a temporary overflow car park to provide 60 spaces, installation of 2m high wooden fence and alterations to boundary wall.
FOR: Mrs Helen Mckenzie

RESOLVED: Approved subject to conditions

23/01056/LBC - Listed Building Consent for the creation of a temporary overflow car park to provide 60 spaces, installation of 2m high wooden fence and alterations to boundary wall.
FOR: Mrs Helen McKenzie

RESOLVED: Approved subject to conditions

(The Meeting closed at 19:44)

CHAIRMAN

PLANNING COMMITTEE

27 NOVEMBER 2023

PRESENT:

Councillors Marshall (Chair), Checkland (Vice-Chair), Anketell, Ashton, Evans, Harvey-Coggins, Hughes, Powell, Salter, Vernon and S Wilcox

22 APOLOGIES FOR ABSENCE

Apologies of absence were received by Councillors Galvin and Rushton.

23 DECLARATIONS OF INTEREST

Councillor David Salter also declared a personal interest in item no.2 Application no. 23/01004/FULM.

Councillor David Salter declared a non-pecuniary interest in item no.4 application no. 23/01139/FUL as he is the Chair of the Parish Council who have objected. He notified the Committee that he came to the meeting with an open mind and any decision he made would be unfettered and based on the information received.

24 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 30th October 2023 previously circulated were taken as read, approved as a correct record and signed by the chair.

25 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 18/00840/OUTMEI, 23/01004/FULM, 21/00545/OUTM and 23/01139/FUL

18/00840/OUTME - Land North Of Browns Lane, Tamworth, Staffordshire
FOR: Summix BLT Developments Ltd

RESOLVED: That this application be refused in line with Officers recommendations and reasons as set out in the report.

(Prior to Consideration of the Application, Representations were made by Tamworth Borough and Wigginton Parish Councillor Robert Prichard (Objector) and Grey Mitchell (Applicant)).

23/01004/FULM - Fairfield's Farm, Raikes Lane, Lichfield, Staffordshire
FOR: Mr George Adsetts

RESOLVED: That this application be approved subject to conditions in line with officer's recommendations and reasons as set out in the report.

(Prior to Consideration of the Application, Representations were made by David Thompson (Objector), Mr Sam Harrison (Agent) and Mr George (Applicants Applicant)).

21/00545/OUTM - Maff Warehouse, Burton Road, Streethay, Lichfield
FOR: Network Rail Infrastructure

RESOLVED: (1) That this application be approved subject to conditions and the completion of a S106 TCPA 1990 agreement to secure education, healthcare and Cannock Chase SAC mitigation payments; and

(2) That if the S106 legal agreement not be signed/completed by 27th February 2024 or the expiration of any further agreed extension of time, then powers to be delegated to officers to refuse planning permission, based on the unacceptability of the development, without the required contributions and undertakings, as outlined in the report.

23/01139/FUL - 18 Eastridge Croft, Shenstone, Lichfield, Staffordshire
FOR: Mr and Mrs Wright

RESOLVED: That this application be approved subject to the owners/applicants submitting a Unilateral Undertaking relating to the payment for recreational mitigation for the Cannock Chase SAC and the conditions.

(Prior to Consideration of the application, representations were made by David Thompson (Objector))

(The Meeting closed at 7.36 pm)

CHAIRMAN

PLANNING COMMITTEE

6 DECEMBER 2023

PRESENT:

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

26 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Powell, Harvey-Coggins and Hughes

27 DECLARATIONS OF INTEREST

There were no declarations of interests.

28 MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting were approved and signed as a correct record.

29 PLANNING APPLICATIONS

The Application for permission for development were considered with the recommendation of the Planning Management & Transformation Consultant and any letters of representation and petitions of observations/representations received in association with Planning Application 22/01612/FULM

22/01612/FULM – The National Memorial Arboretum, Coxall Road, Alrewas
FOR: National Memorial Arboretum

RESOLVED: That the application be approved with conditions and that due to the scale of development and location within flood zone 3b, be referred to the Secretary of State for Levelling Up, Housing and Communities for their confirmation as to whether they agree with the resolution or if they intend to further assess or refuse the application. This is in accordance with the requirements of the Town and Country Planning (Consultation) (England)

(Prior to Consideration of the Application, Representations were made by Marie Stacey (Applicant's Agent).

(The Meeting closed at 6.30 pm)

CHAIRMAN

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EMPLOYMENT COMMITTEE

23 NOVEMBER 2023

PRESENT:

Councillors S Wilcox (Chair), Powell (Vice-Chair), Bennion, Bragger, Harvey-Coggins, Hill and Robertson

6 APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillors Banevicious and Hawkins.

7 DECLARATIONS OF INTEREST

Councillor Powell declared a non-pecuniary interest in item no. 6.

8 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were signed and approved as a correct record.

9 FOUNDATION LIVING WAGE

The Assistant Director Operations, Regulation and Enforcement presented a report on the Foundation Living Wage (FLW). It was reported that the council was following in line with this.

The Committee discussed the commitment on this matter and if it could in the future be re considered if the National minimum wage were to change. Members were reminded that it was the council that bought forward the proposal and that it would be down to them to do the opposite as long as it is maintained.

Members discussed the importance of the Living Wage and to keep maintaining the Living wage for all Council staff. It was confirmed that all the arrangements are in place for the payments.

RESOLVED: Approved

10 DISCIPLINARY POLICY

The Committee received an updated report from the Strategic HR Manager on the disciplinary policy. It was noted that in 2022 the existing disciplinary policy needed to be reviewed in areas such as what's expected of all District Council employees. They ensured that with the new policy all situations are dealt with in a fair and transparent manor. The code of practice and the officers code of conduct was also looked at for this policy. There are changes to the policy such as: an easier to read document, issues that arise need to be handled quickly and not delayed, clarification on the role of different individuals and that they are fair in the way employees are dealt with.

The Committee discussed the reasons to why the policy doesn't apply to Lichfield west midlands trade and services company with it being due to them having their own set of policies being a limited company even though they are all based on the same code of conduct.

Members discussed the importance of having a smoother policy to help people understand so that there are less questions to HR and giving managers more autonomy to resolve difficulties at an informal stage with managers knowing what they can and can't do.

RESOLVED: That the following be approved

- The contents of the updated Disciplinary and Grievance Policy as set out in Appendix A to the report; and
- Delegated authority be given to the Assistant Director Operations, Regulation & Enforcement in consultation with the Chair of this committee, to update and republish the Disciplinary and Grievance policy in respect of wider application across the council managing employee performance/conduct and the process and procedures to follow.

11 EXCLUSION OF PRESS AND PUBLIC

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

12 FLEX RETIREMENT REPORT

The Assistant Director Operations, Regulation and Enforcement presented the report to the committee. No significant concerns were raised by the committee

RESOLVED: The Committee approved the recommendation as set out in the report.

(The Meeting closed at 6.33 pm)

CHAIR

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

COMMITTEE / PANEL	SIZE	Con	Lab	Lib Dem	Ind
Council	47	21	17	7	
Leader and Cabinet	7				
Overview and Scrutiny Committee	14	6	5	2	
Audit Committee	9	4	3	1	
Member Standards Committee	11	5	4	2	
Planning Committee	15	6	5	2	2
Regulatory and Licensing Committee	13	6	5	2	
Employment Committee	10	4	4	1	1
Disciplinary and Grievance Appeals Committee	7	3	2	1	
Investigatory and Disciplinary Committee	7	3	3	1	
Appointments Committee • <i>To be made of four Cabinet Members and the Leader of the Principal Opposition Group</i>	5				
Joint Committee for Waste Management • <i>The Leader of the Council or authorised deputy</i> • <i>The Portfolio Holder responsible for Waste or authorised deputy</i>	2				
Licensing and Consents Appeals Sub-Committee • <i>Any 3 from Regulatory and Licensing Committee</i>	3				
Review Sub-Committee • <i>Any 4 from the Member Standards Committee (plus the Independent Person)</i>	4				
Assessment Sub-Committee • <i>Any 5 from the Member Standards Committee (plus the Independent Person)</i>	5				

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**FOR: Approval at Full Council
December 2023**

CABINET	
Leader of Cabinet	D. Pullen
Deputy Leader and Cabinet Member for Leisure, Parks & Major Projects	A. Smith
Cabinet Member for Finance and Commissioning	R. Strachan
Cabinet Member for Community Engagement	R. Cox
Cabinet Member for High Streets & Visitor Economy	J. Silvester-Hall
Cabinet Member for Housing & Local Plan	A. Farrell
Cabinet Member for Waste, Recycling, Ecology & Climate Change,	M. Wilcox

OVERVIEW & SCRUTINY COMMITTEE			
Constitution – Up to 14 Members			
Composition			
Conservative 6	Labour 5	Liberal Democrat 2	Independent 0
L. Leung	C. Ball	P. Ray	
P. Whitehouse	C. Booker	M. Trent	
N. Hawkins	S. Norman		
B. Yeates	D. Robertson		
R. Holland	S. Woodward		
W-L. Ho			

AUDIT COMMITTEE			
Constitution – Up to 9 Members			
Composition			
Conservative 4	Labour 3	Liberal Democrat 1	Independent 0
W-L. Ho	D. Robertson	J. Smith	
P. Whitehouse	P. Taylor		
K. Vernon	S. Taylor		
T. Marshall			

MEMBER STANDARDS COMMITTEE Constitution – Up to 11 Members Composition			
Conservative 5	Labour 4	Liberal Democrat 2	Independent 0
P. Whitehouse	A. Hughes	H. Ashton	
J. Hill	S. Norman	J. Smith	
L. Leung	D. Robertson		
D. Salter	S. Woodward		
S. Wilcox			

PLANNING COMMITTEE Constitution – Up to 15 Members Composition			
Conservative 6	Labour 5	Liberal Democrat 2	Independent 2
T. Marshall	J. Anketell	H. Ashton	D. Cross
J. Checkland	D. Evans	A. Rushton	S. Mears
S. Wilcox	M. Galvin		
J. Powell	R. Harvey-Coggins		
D. Salter	A. Hughes		
K. Vernon			

REGULATORY & LICENSING COMMITTEE Constitution – Up to 13 Members Composition			
Conservative 6	Labour 5	Liberal Democrat 2	Independent 0
B. Yeates	J. Anketell	H. Ashton	
D. Salter	R. Bragger	R. Henshaw	
J. Checkland	K. Coe		
M. Warfield	L. Ennis		
L. Leung	D. Evans		
J. Hill			

EMPLOYMENT COMMITTEE Constitution – Up to 10 Members Composition			
Conservative 4	Labour 4	Liberal Democrat 1	Independent 1
S. Wilcox	S. Banevicius	P. Bennion	S. Mears
J. Powell	R. Bragger		
J. Hill	R. Harvey-Coggins		
N. Hawkins	D. Robertson		

DISCIPLINARY AND GRIEVANCE APPEALS COMMITTEE
Constitution – 7 Members to be appointed when required
Composition

At least one Member to be from the Cabinet

***Chair is elected from those Members present**

Conservative 3	Labour 2	Liberal Democrat 1	Independent 0
A. Smith	D. Ennis	A. Rushton	
S. Wilcox	A. Hughes		
W-L. Ho			

INVESTIGATORY AND DISCIPLINARY COMMITTEE
Constitution – 7 Members to be appointed when required
Composition

At least one Member to be from the Cabinet
 No members from the Disciplinary and Grievance Appeals Committee

***Chair is elected from those Members present**

Conservative 3	Labour 3	Liberal Democrat 1	Independent 0
M. Wilcox	R. Bragger	M. Trent	
B. Yeates	M. Galvin		
J. Silvester-Hall	S. Taylor		

JOINT COMMITTEE FOR WASTE MANAGEMENT
Constitution – 2 District Members
Composition

The Leader of the Council or authorised deputy
 The Portfolio Holder responsible for Waste or authorised deputy

*Chair is elected from those Members present

APPOINTMENTS COMMITTEE
Constitution – 5 Members to be appointed when required
Composition

Four Cabinet Members and Leader of the Principal Opposition Group

*Chair is elected from those Members present

LICENSING & CONSENTS APPEALS COMMITTEE
Constitution – 3 Members
Composition

Any three from Regulatory & Licensing Committee but including the Chair of Regulatory & Licensing Committee as standing Chair

ASSESSMENT SUB-COMMITTEE
Constitution – 5 Members
Composition

Any five from the Member Standards Committee including the Independent Person

*Chair is elected from those Members present

REVIEW SUB-COMMITTEE
Constitution – 4 Members
Composition

Any four from the Member Standards Committee including the Independent Person

*Chair is elected from those Members present

CHAIRS AND VICE- CHAIRS 2023/24

Meeting	Chair	Vice-Chair
Overview & Scrutiny Committee	Steve Norman - elected at Annual Council	Leona Leung
Planning Committee	Tom Marshall	Jamie Checkland
Regulatory and Licensing Committee	Brian Yeates	David Salter
Audit Committee	Wai-Lee Ho	Phil Whitehouse
Member Standards Committee	Phil Whitehouse	John Hill
Employment Committee	Sonia Wilcox	Joe Powell
Disciplinary and Grievance Committee	To be elected from the Members present	n/a
Investigatory and Disciplinary Committee		
Licensing and Consents Appeals Committee	To be elected from the Members present	n/a

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A Cinema for Lichfield District – Update

Deputy Leader of the Council and Cabinet Member for Leisure, Parks and Major Projects

Date: 12 December 2023

Contact Officer: Simon Fletcher, Chief Executive, Anthony Thomas, Assistant Director Finance & Commissioning and S151 Officer, and John Smith, Performance & Programmes Manager

Tel Number: 07961 202055 (SF)

Email: simon.fletcher@lichfielddc.gov.uk
anthony.thomas@lichfielddc.gov.uk
john.smith@lichfielddc.gov.uk

Key Decision? YES

Local Ward All

Members



Council

1. Executive Summary

- 1.1 This paper provides Council with a further update (since the last update on 27 June 2023) on progress with the creation of a new joint venture partnership, a Limited Liability Partnership (LLP), with Evolve Estates, through which a new cinema and associated food and beverage (F&B) units will be developed in the former Debenhams unit in the Three Spires shopping centre.
- 1.2 It provides a final update for Council on the outcome of negotiations with Evolve Estates over the structure and detail of the LLP.
- 1.3 The paper proposes and recommends the introduction of a new clause, requested by Evolve Estates, to commit the council to 'buy-out' their shareholding in the LLP, two years after completion of the development.

2. Recommendations

- 2.1 Council agree to the inclusion of the new 'Buy Out' clause outlined in the background section. The clause would involve the 'Buy Out' of Evolve Estates interest in the Joint Venture Limited Liability Partnership, two years after completion of the development.
- 2.2 Full Council approves an update to the Medium-Term Financial Strategy:
 - i. To increase the budget in the Capital Programme by **£3,999,000** to reflect the central scenario cost of the 'buy out' with funding initially based on the central scenario included in the financial implications section. The plan is for any borrowing need to be funded through internal borrowing.
 - ii. To continue the approach that the MTFs is based on a neutral (no surplus or deficit or capital receipts are included) budget position until more informed financial projections are provided through the Business Plan. Any future changes following receipt of the Business Plan will be reported in line with the Council's budget monitoring and any budget approvals will be in line with the budget framework.
- 2.3 Overview and Scrutiny Committee will continue to be involved in the scrutiny of key elements of policy development including the Business Plan and the most appropriate ownership model. This will enable Members to fully understand the strategic, operational, and financial implications of

the Council becoming the sole owner of the cinema development and the impact on the MTFS.

3. Background

- 3.1 On 11 October 2022, Cabinet agreed and recommended to Full Council that Lichfield District Council enter a joint venture Limited Liability Partnership (LLP) with Evolve Estates for the purposes of developing a new cinema and associated food and beverage units in the former Debenhams store on the Three Spires retail site. Full Council subsequently agreed the same, on 20 October 2022. Delegated authority was granted to the Leader and Chief Executive to finalise the details of the LLP, in consultation with the Monitoring Officer and S151 Officer, subject to financial implications remaining within the budget framework recommended for approval.
- 3.2 On 23 June 2023, an update was brought to Cabinet showing progress of ongoing negotiations and setting out adaptations to the proposed LLP structure and commercial assumptions, for Cabinet to approve and recommend to Full Council. These adaptations were agreed and subsequently approved by Full Council on 11 July 2023 and included:
- *Cabinet agreeing and recommending to Full Council that Lichfield 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) be exchanged for the leasehold of the same six retail properties.*
 - *Cabinet approving the Leader, Chief Executive and another Member of Leadership Team being the Council's three representatives on the LLP Board.*
 - *Cabinet approving delegated authority to the Cabinet Member for Finance and Commissioning in consultation with the Assistant Director – Finance and Commissioning (S151) and Monitoring officer (as non-LLP Board Members) to approve the Business Plan and any other documents pertinent to the operation of the LLP on behalf of the Council subject to financial implications remaining within the approved budget framework.*
 - *Cabinet delegating authority to the Leader and Chief Executive in consultation with the Monitoring Officer and the Section 151 Officer to complete all contracts and demolition related to enabling works on the Birmingham Road Site subject to the financial implications being within Approved Budgets.*
 - *Cabinet recommends to Council to update the Medium-Term Financial Strategy:*
 - i. *To reflect the financial and accounting implications related to the land exchange, the projected payment of Stamp Duty Land Tax for the leasehold units of **£85,000** and to fund this cost from the former car park reserve approved to deliver the Lichfield City Masterplan.*
 - ii. *To increase the budget in the Capital Programme for the Joint Venture loan advance to reflect additional cost inflation by **£439,000** from **£5,349,000** to **£5,788,000** and to fund this additional capital investment from the former car park reserve approved to deliver the Lichfield City Masterplan.*
 - iii. *To continue with the approach that the revenue budget is based on a budget neutral (no surplus or deficit is included) position. In addition, capital receipts related to the loan repayment will at this stage not be included in projections until more informed financial projections are provided through the Business Plan. Any future changes following receipt of the Business Plan will be reported in line with the Council's budget monitoring and any budget approvals will be in line with the budget framework.*
- 3.3 Since Full Council on 11 July 2023, the Chief Executive, with support from the S151 Officer, and through continuous engagement with the Leader and Deputy Leader of the Council, has sought to conclude negotiations with Evolve Estates over the final details of the LLP.

- 3.4 Towards the end of this summer as negotiations were concluding, the Council was approached by Evolve Estates about one amended and two new clauses they sought to include into the agreement:
- **Amended** - That the Council's independent valuation of the freehold for the former Debenhams building (46 Bakers Lane) was incorrect and should be revalued.
 - **New** - That all elements of the cinema scheme must be pre-let before the LLP was concluded.
 - **New** – That the council commits to a buy-out of Evolve Estates shareholding two years after completion of the scheme.

3.5 The first two of these issues have been resolved through negotiation. Evolve Estates accepts the Council's valuation of the freehold to 46 Bakers Lane, and we have agreed a need to constitute the LLP before we finalise leases and pre-lets, as many of the potential tenants require this themselves.

3.6 The issue of the Council agreeing to buy-out Evolve Estates shareholding requires Cabinet and ultimately Full Council's support.

Why does Evolve Estates want a buy-out clause?

3.7 Evolve Estates purchase (through Rookman holdings) of the Three Spires shopping centre has been a positive for the city and district. They are a very present landlord, aligned with the Council's ambition to ensure a vibrant city centre shopping experience for residents and visitors. In the last twelve months we have seen long term vacant units on the site populated with brands such as Starbucks, Edinburgh Wool Mill and latterly KFC.

3.8 In October 2022, Full Council supported entering a joint venture (LLP) with Evolve Estates to bring forward an ambitious place shaping ambition for the district, to introduce a high-quality cinema operator and complementary food and beverage outlets to add to the already well-established independents the city enjoys.

3.9 Due diligence undertaken from October 2022 to June 2023 proved for Full Council that Evolve Estates was the right commercial partner, with an aligned ambition for the site and understanding of the greater benefits the development would bring to the remainder of the city centre regeneration aspirations of the Council.

3.10 None of the above points has changed. Evolve Estates remain a committed partner, determined to deliver the cinema complex at the heart of their Three Spires estate – and this report seeks final sign off from Cabinet, and a recommendation to Full Council, that we do the same.

3.11 See confidential appendix.

3.12 See confidential appendix.

3.13 See confidential appendix.

3.14 See confidential appendix.

3.15 This sale of shareholding is already accounted for in the structure of the LLP contract, which currently states both parties will hold their shareholding for a minimum of two years. At that point, if one party would like to divest themselves of the investment, the remaining party has what is known as 'first refusal rights', the right to buy-out the partner shareholding.

3.16 Through their request for the introduction of a strengthened clause to this part of the LLP agreement, Evolve Estates is making clear its intention to sell its shareholding – specifically - two years following completion of the development. Evolve Estates is simply requesting a firmer commitment from the Council now that it will buy-out their shareholding at that point.

What the new clause means

3.17 If agreed by Council, signing up to the new clause will result in one of two outcomes, two-years after completion of the development:

- a) The Council will purchase Evolve Estates shareholding in full, for a pre-agreed price initially estimated at £3.5m (the most appropriate ownership model will be determined). This £3.5m is made up of two parts (see confidential appendix).

Evolve Estates is **not** seeking payment for the value of the asset (the Debenhams building) it is putting into the LLP.

- b) If the Council decides not to purchase Evolve Estates shareholding, then Evolve Estates will be entitled to sell its holding on the open market. In the event it did not achieve the pre-agreed price of £3.5m on the open market, then the Council would fund any gap between its sale price and £3.5m.

What this means for the Council.

- 3.18 If Cabinet and Full Council agree to the inclusion of the new clause, negotiations over the LLP can be concluded and the development of the cinema complex can commence.
- 3.19 Several months of work by our partners in Evolve Estates has now concluded the deal for a 25-year lease for a cinema operator to move to Lichfield. The ability to exchange contracts with that cinema operator awaits only the conclusion of the LLP now. Alongside the cinema operator, Evolve Estates has successfully pre-let all but one of the food and beverage / leisure units that will be created within the centre. Again, exchange of contracts for these leases awaits only the conclusion of this LLP deal.
- 3.20 If the LLP amendment set out in this paper is approved, by Cabinet and Full Council, then these contractual negotiations can be concluded and then work on site can commence to complete the development. Once completed, and associated obligations on Evolve Estates as development lead achieved, the development would 'go live' and the clock would start on the buy-out clause.
- 3.21 At that stage, and assuming Cabinet and Full Council decide to buy out Evolve's shareholding, then the Council will become the 100% owner of the development, its risks, and financial benefits.
- 3.22 At that point, the Council will have options of its own:

Option 1 **Retain 100% ownership of the development**, alongside 100% of the return. A profitable development of this nature offers significant additional annual revenue to the council to support provision of its services or delivery of its priorities.

Option 2 **Seek to sell on part / all of its ownership** of the development. There may be an argument, once the development is up and running that the Council has achieved its place shaping ambition and should divest itself of the investment to reinvest in other activities in the district.

Financial Implications of buying out Evolve Estates shareholding

- 3.23 The Council's independent valuer has reviewed the valuation approach and value of the 'Buy Out' to determine if it is in accordance with Best Practice and Best Value to the Council can be substantiated.
- 3.24 The outcome of this review through quantitative analysis indicated that, in principle and based on the current estimate of costs and the projected 50% Market Value (GDV) the scheme on completion would satisfy the payment required under the proposed buyout clause (see confidential appendix for details).

Implications for the LLP of a buy-out

- 3.25 A Limited Liability Partnerships (LLP) is by its very nature intended to be a partnership between two or more organisations. The partnership structure allows for each partner's liabilities to be limited to the amount they put into the business. Clearly, if the Council buys Evolve Estates shareholding, then the partnership will only have one party, and as such an LLP structure would not work without changes.

- 3.26 The Council could transfer the asset and its operation to the Council, seek to change the nature of the company (for example to a Limited Company) or connect the LLP to its existing wholly owned company, Lichfield West Midlands Traded Services, and maintain the LLP as is.
- 3.27 Alternatively, if the council was minded to sell part of its shareholding at this stage, then it could either retain the LLP and welcome a new partner to it, or indeed sell its entire interest.

Consultation	The Overview and Scrutiny Committee considered the issue on 30 November 2023. The views of the Committee were reported to Cabinet on 5 December 2023 and amendments have been made to the recommendations and other parts of this report to reflect these comments.
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Financial Implications	<p><u>The Approved Medium Term Financial Strategy</u></p> <p>Council on 11 July 2023 approved updates to the MTFs detailed and these are summarised below:</p> <ul style="list-style-type: none"> • A Capital Programme Loan Advance budget of £5,788,000 (a project budget of £4,905,000 and client contingency of £883,000 (18%) based on the advice of an independent Quantity Surveyor and PWC) – APPENDIX A. • Capital funding of (£5,788,000) provided by United Kingdom Shared Prosperity Fund (UKSPF), capital receipts and earmarked reserves – APPENDIX A. • No borrowing need and therefore no Minimum Revenue Provision (MRP). • No projections were provided by Evolve Estates although the Council did prepare three scenarios to inform Payback and Investment appraisal information and the budgetary approach to be adopted. • However, the lack of projections provided by Evolve Estates resulted in the Revenue Budget being based on a budget neutral (no surplus or deficit is included) position. In addition, capital receipts related to the repayment of the capital loan are also not included in projections. This aim was that this approach would be updated when more informed financial projections are provided through the Business Plan. Any future changes following receipt of the Business Plan will be reported in line with the Council’s budget monitoring and any budget approvals (such as this one) will be in line with the budget framework. <p><u>The Projected cost of the ‘Buy Out’ to the Council</u></p> <p>The value of the ‘Buy Out’ is <u>initially estimated</u> by Evolve Estates to be £3,500,000 and is based on two components (see confidential appendix).</p> <p>PWC’s advice has been sought on any indirect tax implications and it is not possible to fully quantify the potential Stamp Duty Land Tax (SDLT) implications without information from Evolve Estates. However, to the extent the transfer of Evolve Estate’s share is within the scope of the tax, the potential rate of tax is up to 5% of the "chargeable consideration". This is on the basis that the underlying land is commercial. For a Limited Liability Partnership (LLP) based transfer, the chargeable consideration is limited to:</p> <ul style="list-style-type: none"> • The % of partnership interest acquired x the market value of the land/property in the Joint Venture. <p>The above excludes any SDLT which may arise on the initial contribution/purchase of the land by the LLP. Further advice on managing the tax implications will be sought from PWC.</p>
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A projection of the full cost of the 'Buy Out' based on three different scenarios is provided in the confidential appendix.

Potential Options to fund the Projected Cost of the 'Buy Out'

The Projected Cost of the 'Buy Out' is not included in the Medium Term Financial Strategy. Therefore, either funding will need to be identified or a borrowing need will be created that will result in an additional cost to the Revenue Budget for capital financing costs.

Potential External Funding

The Council was a member of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). There is £20m of funding related to the 8 District/Borough Councils that were members of GBSLEP. This funding is split into two tranches:

- A tranche of £12m that has been equally allocated to each authority resulting in funding of **(£1,500,000)**.
- A further tranche of £8m that was initially set aside for a competitive process for all 8 local authorities to bid against each other for funds to deliver projects on a case by case basis. However, the project administrators are considering removing the £8million pot and allocating the monies equally to the 8 LAs instead. This would result in a further funding of **(£925,000)** (after the deduction of an administration fee of 3%).
- Therefore, total projected funding over a three year period 2024/25 to 2026/27 would be **(£2,425,000)**. This funding could be allocated to fund the Cinema for Lichfield District project.

Potential Funding from Council Sources

The Capital Programme has been reviewed to identify funding from capital receipts and earmarked reserves that could be reallocated to this project. In addition, the element of the projected Collection Fund surplus in 2023/24 more than the level of **(£474,000)** included in the draft MTFS could be utilised to fund the projected full cost of the 'Buy Out'. The three scenarios above together with funding options are shown below:

	Scenario		
	Optimistic £	Central £	Pessimistic £
Projected Full Cost of the 'Buy Out'	£3,775,000	£3,999,000	£4,382,000
External Funding			
Potential Funding from GBSLEP	(£2,425,000)	(£2,425,000)	(£1,500,000)
<u>Potential Funding from Council Sources</u>			
Loan to the Company	(£150,000)	(£150,000)	(£150,000)
Coach Park	(£274,000)	(£174,000)	
Public Conveniences in Lichfield & Burntwood	(£85,000)		
Zip Wire in Burntwood	(£30,000)		
Projected Collection Fund Surplus > (£474,000)	(£755,000)	(£755,000)	
Projected Borrowing Need	£56,000	£495,000	£2,732,000

In addition, the funding can be revisited following the receipt of the Local Government Finance Settlement for 2024/25 as part of the new MTFS to reduce the Borrowing Need and the consequent capital financing costs potentially further.

Where a Borrowing Need results, this would involve capital financing costs in relation to:

- **Minimum Revenue Provision (MRP)** – the Council’s approved policy is based on asset life.
- **Cost of finance** – for internal borrowing this would be the loss of investment income and for external borrowing it would be the cost of the loan.

The capital financing costs for the period 2025/26 to 2029/30 is provided for scenarios where there is a projected borrowing need based on an asset life of **25 years, internal borrowing**, and an investment return of **3.50%**:

Capital Financing Costs	Borrowing Need	2025/26	2026/27	2027/28	2028/29	2029/30
		£	£	£	£	£
Optimistic	£56,000	£4,200	£4,120	£4,040	£3,960	£3,890
Central	£495,000	£37,130	£36,430	£35,740	£35,050	£34,350
Pessimistic	£2,732,000	£204,900	£201,080	£197,250	£193,430	£189,600

An increase in Capital Expenditure and Borrowing Need (Capital Financing Requirement) will also mean that several Prudential and Local Indicators related to replacement of Debt Finance or MRP, the Liability Benchmark, Treasury Management Investments and Internal Borrowing will be updated in the new MTFs.

Projected Revenue Budget Implications

Evolve Estates have only provided rental income projections and in the absence of a Business Plan, an illustrative set of Revenue Budget projections has been prepared. The key assumptions in each scenario are shown below:

	Optimistic	Central	Pessimistic
Full Year rental income	(£600,000)	(£600,000)	(£600,000)
Running Void	0%	5%	10%
Asset Manager Cost Per Annum	£50,000	£75,000	£100,000
Asset Manager Annual Inflation assumption	2%	2%	2%
Desired Sinking Fund Total	£4,236,100	£6,354,150	£7,413,175
Annual Sinking Fund contribution over 25 years	£169,000	£254,000	£297,000
Capital Financing Costs	Report Calculations		

These illustrative Revenue Budget projections from 2025/26 are shown in summary below and in detail at **APPENDIX A** together with a payback period and return on investment:

Revenue Budget Implications (Net Income is enclosed in brackets)						
	2025/26	2026/27	2027/28	2027/28	Payback	Return on
	£	£	£	£	(Years)	Investment
Optimistic	(£376,800)	(£375,880)	(£374,960)	(£374,040)	25	4%
Central	(£203,870)	(£202,570)	(£201,260)	(£199,950)	48	2%
Pessimistic	£61,900	£60,080	£58,250	£56,430	0	0%

It is important to note that these illustrative projections will be revised when the Business Plan is developed. Therefore, until the development is complete, and the Business Plan has been approved it remains prudent to retain the approach that the Revenue Budget is based on a budget neutral (no surplus or deficit is included) position.

The original plan was the acquisition and demolition of the six retail units as part of the land exchange. However, whilst all six units will be acquired, the current plan is for only four to be demolished immediately with the remaining two remaining occupied until their leases end. This will result in the Council retaining rental income (see confidential appendix) although lease obligations could reduce the sum retained.

	<p><u>Service Charge Budgets</u></p> <p>Service charges deal with the costs of servicing and operating a property, to comply with the landlord lease obligations for the provision of services. The key elements are:</p> <ul style="list-style-type: none"> • The service charge arrangement is set down in the lease(s) and the aim is to entitle the owner to recover their charges and any associated administrative costs incurred in the operational management of the property. This will include reasonable costs of maintenance, repair, and replacement (usually where beyond economic repair) of the fabric, plant, equipment, and materials necessary for the property's operation, plus any other works and services the parties agree are to be provided by the owner, but subject to reimbursement by the occupier. • If the property is fully let, the owner will normally be able to recover all expenditure on services through the service charge, except any concessionary discounts or 'caps' the owner may have given. • Usually, there will be a manager who administers those services, for which they will receive a fee. • The Council as owner will inherit or will need to develop Service Charge Budgets that will be recharged to occupiers.
Approved by Section 151 Officer	Yes
Legal Implications	Throughout the cinema project the council has retained legal advisors who have been actively engaged with creating the LLP and providing advice where needed. The council is taking further legal advice on subsidy control with regards to the buyout clause, but given the independent valuer report, it's not needed in order for Council to approve the recommendations.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. This will particularly support and deliver the Council's strategic objectives of shaping place and developing prosperity and will enhance the district to visitors. 2. Having a cinema situated within the district supports our enabling people to live healthy and active lives. 3. Through the JV approach, it shows that we're a good council that is financially sound, transparent and accountable, including further collaborative working with key partners.
Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. There are no equality, diversity or human right implications associated with the proposals at this stage.
Crime & Safety Issues	<ol style="list-style-type: none"> 1. As the project moves through the planning and redevelopment phases these elements will be considered further to ensure the proposed development plays a positive role in the reduction of crime and safety.
Data assessment	<ol style="list-style-type: none"> 1. To be added.
Environmental Impact (including	<ol style="list-style-type: none"> 2. Repurposing the former Anchor Store unit as a cinema will give the building an expected additional lifespan of 25 years.

Climate Change and Biodiversity).	3. The design of the development will incorporate sustainable elements in line with Council policies.
GDPR / Privacy Impact Assessment	1. Data processing arrangements will be addressed as part of the LLP Partnership Agreement.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
	Finance			
A	The capital cost of the development exceeds the Approved Budget	Likelihood: Yellow Impact: Red Score: Yellow	Inclusion of Developer contingency, 50:50 cost sharing arrangement and specialist asset management partner. Review by independent Quantity Surveyor and inclusion of Client Contingency. Client Contingency increased based on PWC/QS further review of projected cost inflation to Dec 24.	Likelihood: Green Impact: Yellow Score: Yellow
B	The financial projections including taxation implications are inaccurate or too optimistic leading to budget pressures	Likelihood: Yellow Impact: Yellow Score: Yellow	Three scenarios prepared using different assumptions and recommendation is to initially adopt a budget neutral position with the MTFs. Review by independent set of advisors and subject to approval of Joint Venture Business Plan.	Likelihood: Green Impact: Yellow Score: Yellow
C	The partner in the Joint Venture cannot meet obligations or gets into financial difficulty	Likelihood: Yellow Impact: Yellow Score: Yellow	Financial standing review by independent set of advisors.	Likelihood: Green Impact: Yellow Score: Yellow
D	NEW The Stamp Duty Land Tax rate or regime changes increasing the cost	Likelihood: Yellow Impact: Yellow Score: Yellow	Projections has been developed and included in the scenarios based on the current regime. Client contingency budget.	Likelihood: Yellow Impact: Green Score: Yellow
E	NEW Service charges do not fully recover costs due to 'caps'	Likelihood: Yellow Impact: Yellow Score: Yellow	The revenue budget is prepared on a 'budget neutral' basis and this provides an element of 'headroom' for operating expenditure increases.	Likelihood: Yellow Impact: Yellow Score: Yellow
F	NEW The cost of the 'Buy Out' exceeds the Budget	Likelihood: Yellow Impact: Yellow Score: Yellow	Projections have been developed using different scenarios. Client contingency budget.	Likelihood: Yellow Impact: Yellow Score: Yellow
G	NEW The funding from GBSLEP is not fully provided	Likelihood: Yellow Impact: Yellow Score: Yellow	Views from the 8 authorities on preferred approach being sought. Projections have been developed using different scenarios. Client contingency budget.	Likelihood: Green Impact: Yellow Score: Yellow
	Corporate entity and structure			
H	Legal Challenge from another developer.	Likelihood: Yellow Impact: Red Score: Yellow	Legal advice suggests that legal challenge is unlikely when entering a JV through an LLP for the purposes of place shaping.	Likelihood: Green Impact: Yellow Score: Yellow
	Governance			
I	The council need to ensure that once the company is set up it is run day to day in an acceptable manner.	Likelihood: Yellow Impact: Yellow Score: Yellow	Governance arrangements to be agreed with by both partners and implemented as part of the corporate structure.	Likelihood: Green Impact: Yellow Score: Yellow

J	There will be times when decisions being taken by the joint venture will need to revert to primary organisations.	Likelihood: Yellow Impact: Yellow Score: Yellow	Parameters for decision making set out in the governance arrangements including when there's a need to revert.	Likelihood: Green Impact: Yellow Score: Yellow
Development failure				
K	The scheme does not attract occupiers.	Likelihood: Yellow Impact: Yellow Score: Yellow	Evolve Estates has now concluded the deal for a 25-year lease for a cinema operator. Evolve Estates has successfully pre-let all but one of the food and beverage / leisure units	Likelihood: Green Impact: Yellow Score: Yellow
L	Developer does not perform.	Likelihood: Yellow Impact: Yellow Score: Yellow	Monitoring of milestones. The developer forms part of the JV and shares the same risks as the council in terms of under performance.	Likelihood: Green Impact: Yellow Score: Yellow

Background documents

A Cinema for Lichfield District – Report to Cabinet 27 June 2023.
A Cinema for Lichfield District - Report to Cabinet 11 October 2022.
PWC Report
Confidential - Aspinall Verdi Report – December 2023
Medium Term Financial Strategy – Report to Council 28 February 2023.
A Cinema for Lichfield District - Report to Cabinet 5 December 2023.

Relevant web links

Approved Capital Programme Budget

Investment Profile							
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£	£	£	£	£	£	£
Capital Budget	£64,000	£2,443,000	£2,398,000				£4,905,000
Client Contingency		£446,000	£437,000				£883,000
Total Approved Budget	£64,000	£2,889,000	£2,835,000	£0	£0	£0	£5,788,000

UKSPF			(£400,000)				(£400,000)
Capital Receipts	(£22,000)	(£850,000)					(£872,000)
Earmarked Reserves	(£42,000)	(£2,039,000)	(£2,435,000)				(£4,516,000)
Total Approved Funding	(£64,000)	(£2,889,000)	(£2,835,000)	£0	£0	£0	(£5,788,000)

Borrowing Need	£0	£0	£0	£0	£0	£0	£0
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Illustrative Revenue Budget Implications¹

Optimistic							
	2023/24	2024/25	2025/26	2026/27	2027/28	2027/28	
	£	£	£	£	£	£	£
Rental Income	£0	£0	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)
Running Void @ 0%	£0	£0	£0	£0	£0	£0	£0
Asset Manager	£0	£0	£50,000	£51,000	£52,000	£53,000	£53,000
Asset Owner Sinking Fund	£0	£0	£169,000	£169,000	£169,000	£169,000	£169,000
Capital Financing Costs	£0	£0	£4,200	£4,120	£4,040	£3,960	£3,960
Revenue Budget Implications	£0	£0	(£376,800)	(£375,880)	(£374,960)	(£374,040)	(£374,040)

Central							
	2023/24	2024/25	2025/26	2026/27	2027/28	2027/28	
	£	£	£	£	£	£	£
Rental Income	£0	£0	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)
Running Void @ 5%	£0	£0	£30,000	£30,000	£30,000	£30,000	£30,000
Asset Manager	£0	£0	£75,000	£77,000	£79,000	£81,000	£81,000
Asset Owner Sinking Fund	£0	£0	£254,000	£254,000	£254,000	£254,000	£254,000
Capital Financing Costs	£0	£0	£37,130	£36,430	£35,740	£35,050	£35,050
Revenue Budget Implications	£0	£0	(£203,870)	(£202,570)	(£201,260)	(£201,260)	(£199,950)

Pessimistic							
	2023/24	2024/25	2025/26	2026/27	2027/28	2027/28	
	£	£	£	£	£	£	£
Rental Income	£0	£0	(£600,000)	(£600,000)	(£600,000)	(£600,000)	(£600,000)
Running Void @ 10%	£0	£0	£60,000	£60,000	£60,000	£60,000	£60,000
Asset Manager	£0	£0	£100,000	£102,000	£104,000	£106,000	£106,000
Asset Owner Sinking Fund	£0	£0	£297,000	£297,000	£297,000	£297,000	£297,000
Capital Financing Costs	£0	£0	£204,900	£201,080	£197,250	£193,430	£193,430
Revenue Budget Implications	£0	£0	£61,900	£60,080	£58,250	£58,250	£56,430

¹ Updated from the Cabinet and Overview and Scrutiny Committee Reports to reflect summary information included in the financial implications section.

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Motion on Notice

Submitted by Councillor Ball

This Council recognises the increase in homelessness both in the District and across the country, as well as the acute cost-of-living crisis facing people in Lichfield, Burntwood and surrounding areas. The Council further notes that rapidly increasing rents and mortgage rates since the 2022 autumn statement, coupled with a shortage of genuinely affordable housing at social rents locally, have made the financial pressure facing residents of our District much worse. This Council therefore resolves:

1. To follow up the Leader signing the District Councils' Network letter to the Chancellor, asking him to review the Local Housing Allowance (LHA) and the Chancellor's decision to unfreeze this in the Autumn statement, by writing to our local MPs, urging them to press the Chancellor to end the freeze in Local Housing Allowance (LHA) immediately, as he has done with the reduction in National Insurance rates, as Shelter and many other housing bodies have called for, to ensure that the level of LHA allows everyone in Lichfield District depending on this to secure a roof over their heads over the coming winter months.
2. As the current model for assessing financial viability of housing developments and the level of "affordable housing" on sites favours developers by putting a ceiling on house value estimates but not on cost estimates, this Council requires the Cabinet Member for Housing and the Local Plan, to review this model and look at ways to increase levels of "affordable housing" and ensure that developments meet the needs of local people. This review should be carried out, fully involving a wide range of Councillors in this, and evaluate the evidence bases used within the model, with the aim of delivering much nearer to 40% affordable housing on new housing sites and certainly no less than 20% and a significant part of that at social rents.
3. To require the Cabinet Member for Housing and the Local Plan to work with a cross section of all Councillors and Officers and whatever outside bodies can offer support on this to look at ways of developing a Living Rent model (rents based on a third of local household incomes) for all new rented housing across the District provided by social landlords.

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