

**CABINET**

**10 SEPTEMBER 2019**

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**MONEY MATTERS 2019/20: REVIEW OF THE FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY**

**1. Decision:**

The Cabinet:

- 1.1 Noted the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 1.2 Recommended to Council to approve and update the Medium Term Financial Strategy:
  - To increase the Economic Growth Budget by £50,000 in 2019/20 and £100,000 in each subsequent year to reflect the inclusion of three new posts to support this Council priority.
  - To increase the Disabled Facilities Grants budget in 2019/20 from £1,714,000 to £1,948,000 with the additional spend funded by £234,000 of additional external grant.
  - To increase the Affordable Housing budget in 2019/20 from £400,000 to £614,000 with the additional spend funded by £214,000 of Section 106.
  - To reduce the Stowe Pool Improvements project from £1,000,000 to £50,000 to reflect the removal of the Heritage Lottery Grant of £950,000.
- 1.3 Recommended to Council to approve and update the Medium Term Financial Strategy:
  - To reduce the loan to the Company from £900,000 to £675,000 (no change to the period of 5 years).
  - To undertake a £225,000 equity investment in the Company.
  - To charge 4% rate of interest on the loan to the Company to enable compliance with State Aid.
- 1.4 Recommended to Council to approve:
  - The 'Buy Out' of the remaining Actuarial Strain Payments during 2019/20.
  - The funding of the cost of the 'Buy Out' of £468,000 is provided by the earmarked reserve established for this purpose.
  - An update to the Medium Term Financial Strategy based on the information included in the financial implications section of this report.

**2. Statement of Reasons:**

The Cabinet report covered the financial performance from April to June (Quarter One) for 2019/20.

The Original Budget estimated a transfer to general reserves of £148,860. At the three month stage it is projected that a contribution of £662,740 will be made to general reserves, an increase of £489,230.

The Capital Programme is projected to be (£805,000) lower than the Approved budget.

Capital Receipts are projected to be higher than the Approved Budget by (£331,000) due to Bromford RTB Sales and higher projected receipts for asset sales.

In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:

- Council Tax collection performance was 28.86% and total arrears were £2,471,695.
- The Council Tax Collection Fund is projected to be in surplus, with the Council's 13% share being (£166,990) compared to the Approved Budget of (£34,600) in 2020/21.
- Sundry Debt for income to be collected in 2019/20 has reduced by (£30,215) compared to 2018/19 and the value outstanding at 30 June 2019 has increased by £1,183,491.
- Retained Business Rate Income is projected to be (£2,829,210) compared to the Approved Budget of (£2,525,800). This is additional income of (£303,410) and is due to additional Section 31 grants.
- The Business Rates Collection Fund is projected to be in surplus with the Council's 40% share being (£197,000) compared to the Approved Budget of £0 in 2020/21.
- Business Rates collection performance was 28.09% and total arrears were £628,268.
- The payment of suppliers within 30 days was 84.54% and remains below our 90% target.
- The Council's investments achieved a risk status of AA- that was more secure than the aim of A- and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

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| <b>3. Any Alternative Options:</b> |
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The approach to Treasury Management is currently being reviewed.

**LOCAL DEVELOPMENT SCHEME 2019**

**1. Decision:**

The Cabinet approved the revised Local Development Scheme as set out in Appendix A of the Cabinet report and agreed to its publication.

**2. Statement of Reasons:**

Local Authorities are required to prepare a Local Development Scheme (LDS), make it publically available and to keep it up to date. The LDS must specify the documents which comprise the Local Development Documents for the area, such as the Local Plan and any 'made' Neighbourhood Plans along with the Council's programme for preparing any Local Development Documents in the next 3 years.

The primary reason for updating the LDS is to identify a revised timetable for preparing the Local Plan.

**3. Any Alternative Options:**

1. The Cabinet recommends an alternative timetable for the Local Plan Review. Any alternative timetable will need to consider the various lead in dates required for the Council committee cycles, as well as taking account of the necessary evidence required for a draft plan.
2. The Cabinet recommends the current timetable set out in the approved Local Development Scheme be retained. This is not recommended because there is a risk the Council would submit an unsound Plan.

**LEASE OF TENNIS COURTS, BEACON PARK TO BEACON PARK TENNIS CIO**

**1. Decision:**

The Cabinet agreed to a 21 year lease arrangement with Beacon Park Tennis Charitable Incorporated Organisation for the tennis courts in Beacon Park.

**2. Statement of Reasons:**

Lichfield District Council owns and manages 4 tennis courts in Beacon Park.

Beacon Park Tennis (BPT) Charitable Incorporated Organisation (CIO) is a not-for-profit constituted group with the ambition of developing opportunities, accessible to the entire community, for tennis playing and coaching within the district.

BPT are willing to take on the management and maintenance of the tennis courts from the District Council and promote and increase the opportunities and use of the tennis courts for the benefit of Lichfield District residents.

This provides the council with an opportunity that enhances its existing facility with continued access.

**3. Any Alternative Options:**

Three options were set out in the Cabinet report.

**BIRMINGHAM ROAD, LICHFIELD ENABLING WORKS - SELECTION OF TENDER**

**1. Decision:**

The Cabinet:

- 1.1 Agreed that Coleman & Company be awarded the contract to undertake the commission for the tendered sum of £599,991.
- 1.2 Approved the awarding of a contract to Healthmatic for the provision and maintenance of temporary toilet facilities for a 3 year period for the tendered sum of £90,000.
- 1.3 Delegated to the Cabinet Member for Investment, Economic Growth and Tourism in consultation with the Head of Economic Growth the authority to sign the contractual agreements and to authorise any minor variations in the contractual arrangements subject to the costs being within the agreed budget.
- 1.4 Recommended that Council approve and update the Medium Term Financial Strategy to increase the Project Budget for the Birmingham Road Site by £185,000 from £2,995,000 to £3,180,000 with funding of £182,000 provided by the Earmarked Reserve and £3,000 from the Revenue Budget.

**2. Statement of Reasons:**

A tender exercise for enabling works including the redevelopment of the former police station site on Frog Lane and the associated re-modelling of the adjacent bus station off the Birmingham Road has been undertaken. Five bids were received to carry out the works.

The tenders were all appraised against defined criteria set out in the tender specification covering price and quality. The price has been carefully considered in respect of detailed costings for the various aspects of the works which the tenderers were asked to set out. The quality of the tenders has been considered in relation to five aspects: i) minimising impact on the bus station service, ii) a method statement as to how the contractor will liaise effectively with key stakeholders throughout the works, iii) the relevant skills and experience to deliver a project of this size and nature, iv) a method statement as to how the existing buildings will be safely demolished within a busy residential and commercial area and finally v) the relevant experience of those undertaking the demolition.

The contractor will deliver the works granted planning permission on the 29<sup>th</sup> July 2019. This includes the demolition of existing police station buildings and bus station kiosk/toilet buildings, a 5 year temporary consent for car parking on the police station site, and in addition the remodelling of the existing bus station to include additional coach parking, the erection of replacement bus shelters, temporary toilet facilities and associated landscaping works.

In the assessment process, Coleman & Company provided a good standard of response supported by comprehensive evidence to demonstrate they could meet the quality requirements with a reasoned justification for the price submitted.

**3. Any Alternative Options:**

1. Cabinet could decide to choose another tender however as shown these are either significantly over the allocated budget for the project or deemed not able to show with sufficient evidence deliverability against the tender specification.
2. There are no other alternative options apparent should the Council wish to carry out the enabling works other than to go out to tender again.