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Monday, 2 September 2019

Dear Sir/Madam

CABINET

A meeting of the Cabinet has been arranged to take place on **TUESDAY, 10TH SEPTEMBER, 2019 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner'.

Neil Turner BSc (Hons) MSc
Director of Transformation & Resources

To: Members of Cabinet

Councillors Pullen (Chairman), Eadie (Vice-Chair), E Little, Lax, Smith, Strachan and A Yeates



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AGENDA

1. Apologies for Absence
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Money Matters : 2019/20 Review of Financial Performance against the Financial Strategy

Agenda Item 3



Cabinet Member for Finance and Procurement

Date: 10 September 2019
Agenda Item: 3
Contact Officer: Anthony Thomas
Tel Number: 01543 308012
Email: Anthony.thomas@lichfielddc.gov.uk
Key Decision? YES
Local Ward Members : Full Council

Cabinet

1. Executive Summary

- 1.1 The report covers the financial performance from April to June (Quarter One) for 2019/20.
- 1.2 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**.
- 1.3 The Capital Programme is projected to be **(£805,000)** lower than the Approved budget.
- 1.4 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.
- 1.5 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.
- 1.6 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.

2. Recommendations

- 2.1 To note the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 2.2 Cabinet recommend 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**.

2.3 Cabinet recommend 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.

2.4 Cabinet recommend 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.

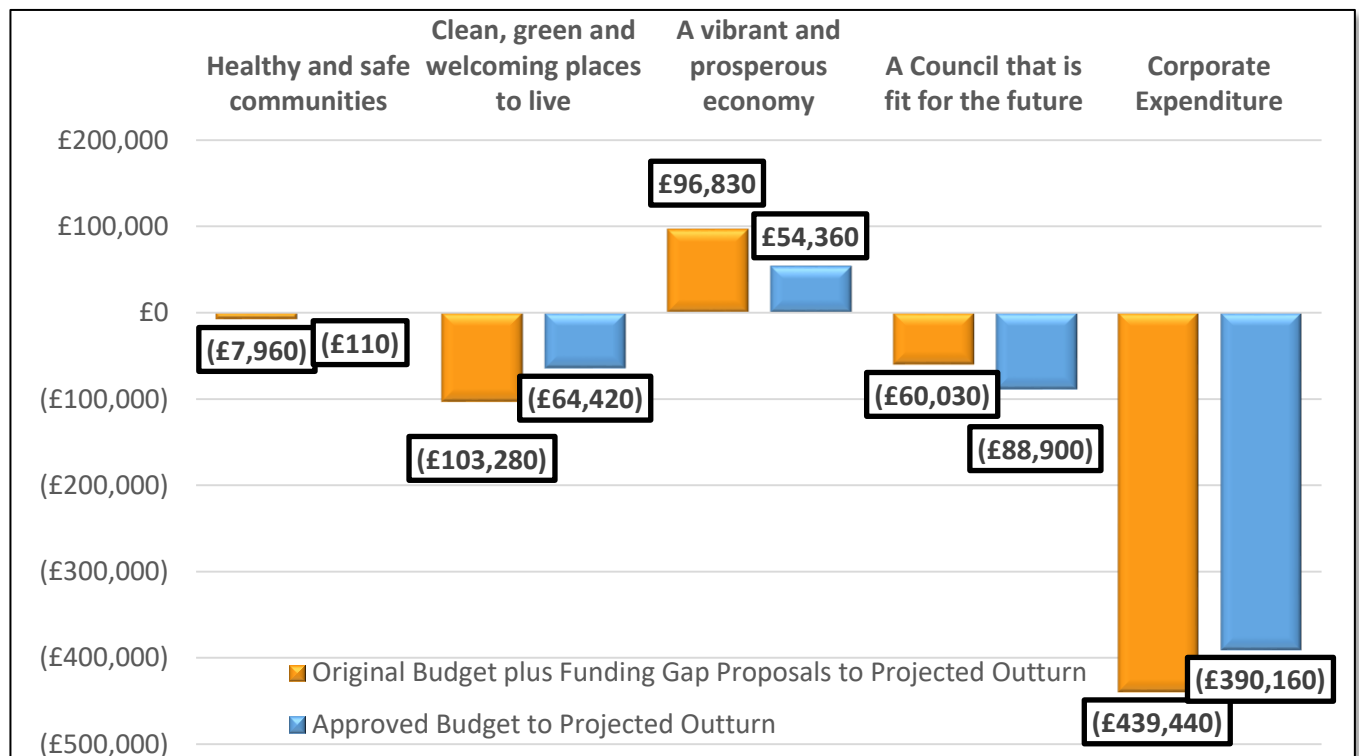
3. Background

Budget Management

- The MTFS 2018-23 approved by Council on 19 February 2019 included the Original Budget for 2019/20 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- Throughout the financial year, Money Matters reports are provided to both Cabinet and Strategic (Overview and Scrutiny) Committee at three, six and eight month intervals to monitor performance.
- The Money Matters reports update the Approved Budget for latest projections and the eight month report will form the basis of the Revised Approved Budget for 2019/20 and will be approved by Council on 18 February 2020.

The Revenue Budget

- Financial performance is shown in detail at **APPENDIX A** and in summary by Strategic Priority below:



Performance compared to the Approved Budget

3.5. The variance is shown in summary below and in detail at **APPENDIX B** by Service Area:

	Variance	
	Virement	Other Variances
Healthly and safe communities	(110)	
• Transfers		
Clean, green and welcoming places to live		
• Earmarked Reserve No Longer Required (see below)		(53,200)
• Transfers	(11,220)	
A vibrant and prosperous economy		
• Additional savings from removal of Arts Development Post		(3,090)
• Economic Growth posts		50,000
• Transfers	7,450	
A council that is fit for the future		
• Insurance Premium Increase due to property value increase		34,410
• National Living Wage - actual scale points lower than projected		(54,900)
• Chair and Vice Chair allowance underspend from previous term		(2,640)
• Earmarked Reserve No Longer Required (see below)		(69,650)
• Transfers	3,880	
Total - Net Cost of Services	0	(99,070)
Corporate Expenditure		
Net Treasury - increased interest receipts due to higher level of balances		(50,000)
Net Operating Cost		(149,070)
Earmarked Reserves		
• Lower Business Rate payments for Council Property following transition		(36,750)
Funding		
• Additional Business Rates - Section 31 Grants		(303,410)
Transfer (to)/from General Reserves		(£489,230)

Earmarked Reserves

3.6. The earmarked reserves scheduled to be returned to General Reserves in 2019/20 under the three year time limit contained in the approved policy are detailed below along with updates where appropriate:

Reserve Name	Balance 30-Jun-19 £	Earmarked Reserves No longer required £	Comments
Employee Benefits	£0	£69,650	To be reviewed at quarter 2 Awaiting outcome of the Revenues & Benefits Review Expenditure plan in place to spend during 2019/20 Expenditure plan in place to spend during 2019/20
Digitisation Programme	(£115,200)		
Revenues & Benefits Service	(£195,190)		
Individual Electoral Registration	(£50,716)		
Elections Additional Support	(£24,999)		
Inward Investment and Marketing	£0		Awaiting outcome of CCTV consultancy report findings
CCTV Sinking Fund	(£60,996)		
Historic Building Grants	£0		
Building Safer Communities	(£6,703)		To be reviewed at quarter 2 Balance to be spent during 2019/20
Stock Condition Survey	(£32,000)	£33,000	
Employee Benefits - LDC Share	£0	£20,200	
Total Earmarked Reserves	(£485,804)	£122,850	

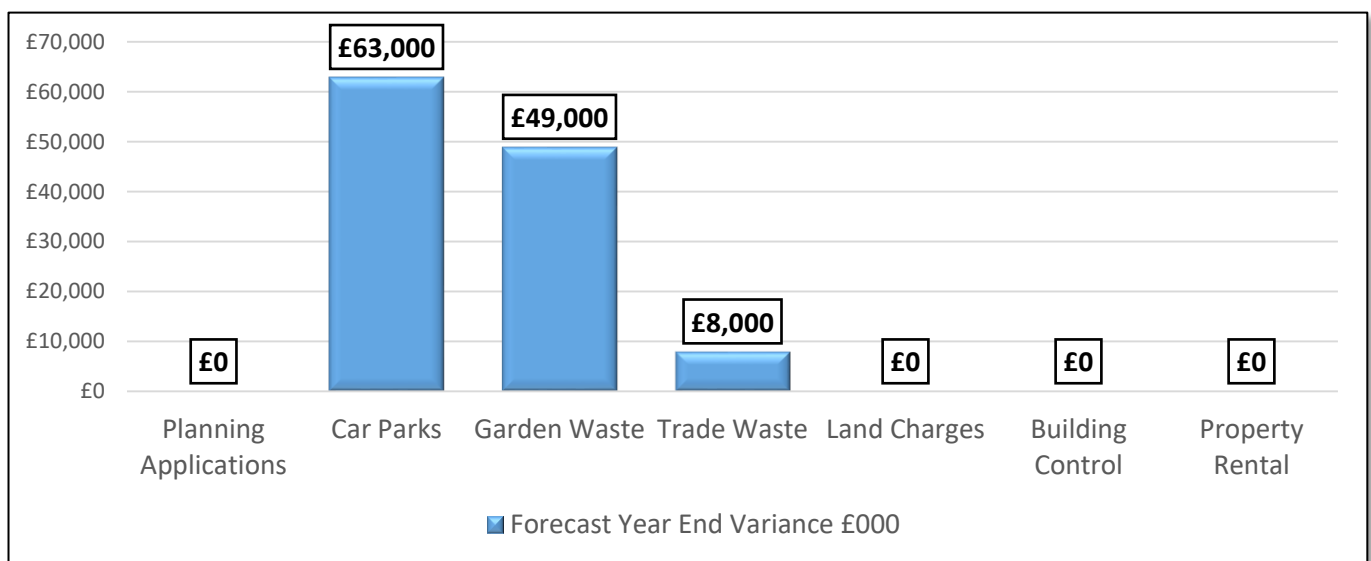
3.7. The Finance department is working with Services to determine if there are Business Cases that justify the retention beyond the three year limit.

Pensions Repayment

- 3.8. Cabinet on 13 June 2019, as part of the Money Matters Review of Financial Performance for 2018/19, approved the establishment of an earmarked reserve of **£468,000** for the early payment of pensions.
- 3.9. In addition to pension contributions set by the Pension Fund Actuary, the Council has agreed over a number of years to fund the shortfall on pension payments for certain exit packages through actuarial strain payments.
- 3.10. These actuarial strain payments were agreed to be paid over a **20 year** period at an interest rate of **78.25%**.
- 3.11. The Pension Fund has since withdrawn this facility and actuarial strain payments must now be accounted for in the year the employee leaves the Council (although payments can be made over 5 years).
- 3.12. There is the potential to 'buy out' the remaining sums outstanding at a discounted level thereby reducing the annual cost and also reducing the Funding Gap in the relevant years.
- 3.13. The detailed financial implications are shown in the financial implications section of this report.
- 3.14. It is recommended that the outstanding payments to the Pension Fund, estimated to be **£468,000**, are repaid early to produce annual savings of **(£57,970)** per annum.

Fees and Charges

- 3.15. The gross fees and charges budgets for 2019/20 together with actual income achieved over the last five years are shown in detail at **APPENDIX B**. The projected variance to Budget for those with the highest value are shown below:



- 3.16. The reasons for any significant variances are:

- **Car Parks** – April to June income shows an increased performance against budget of **£63,000**, although there is additional expenditure of **£13,000** against budget to collect this income and a further **12%** will be subject to income sharing arrangements.
- **Garden Waste** – income received to date shows an increase in subscriptions against budgets, although **42.16%** of this is payable to Tamworth Borough Council.

Closing the Funding Gap Progress

3.17. The progress to date (excluding any recommendations contained in this report) on closing the Funding Gap is summarised below:

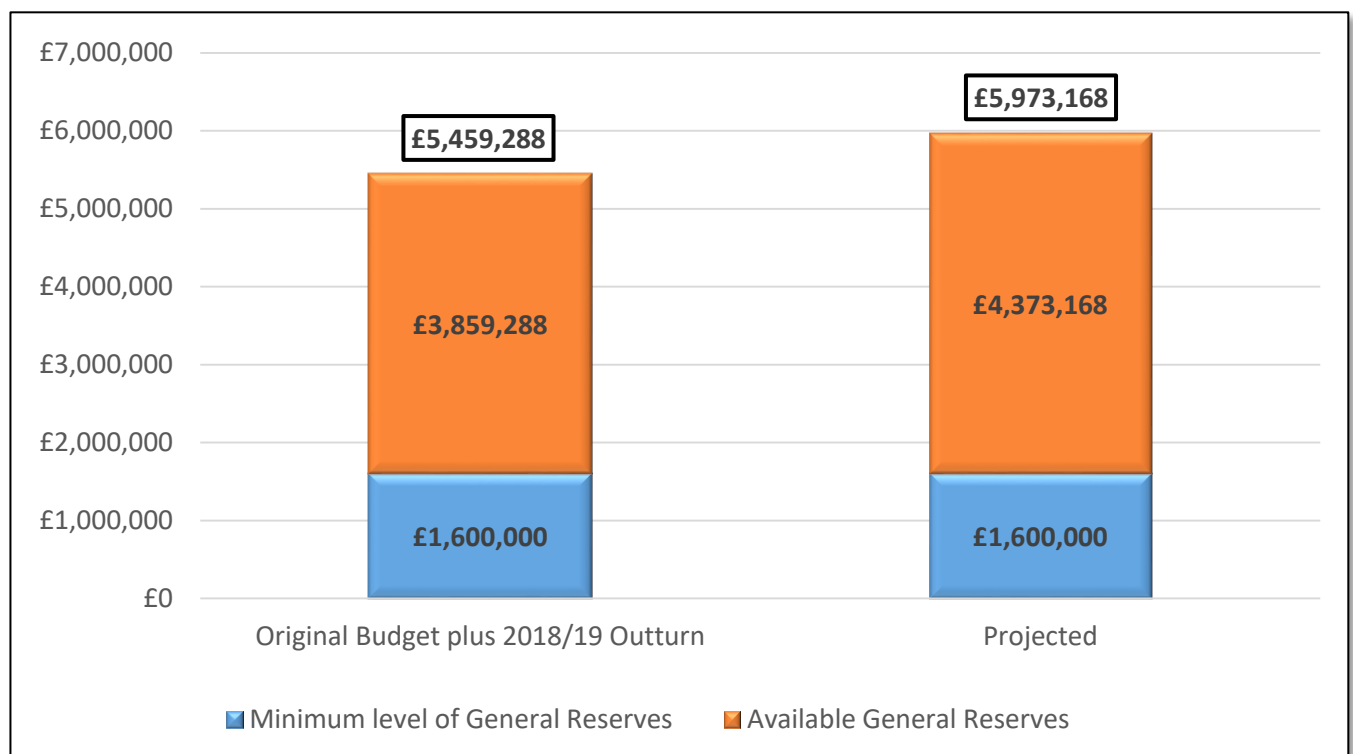
	Cabinet Report	2020/21	2021/22	2022/23	2023/24
Original Funding Gap		£841,620	£917,360	£1,012,070	£1,338,700
Upfront pension payment with savings	12/03/2019	4,420	(72,940)	(114,480)	(114,480)
Outturn 2018/19 Members Allowances	13/06/2019	(10,000)	(10,000)	(10,000)	(10,000)
Jigsaw Funding Agreement	09/07/2019	(9,660)	(9,660)	(9,660)	(9,660)
Higher Insurance - higher property values	10/09/2019	34,410	34,410	34,410	34,410
Lower Business Rate payments for Council Property following transitional arrangements		(36,750)	(36,750)	(36,750)	(36,750)
National Living Wage - scale points lower than projected		(54,900)	(54,900)	(54,900)	(54,900)
Additional Pensions – revised projections		(8,470)	(8,730)	(11,620)	(14,820)
Arts Development Residue Savings		(3,090)	(3,090)	(3,090)	(3,090)
Treasury Management - Increased Interest		(50,000)	(50,000)	(50,000)	(50,000)
Economic Growth Posts		100,000	100,000	100,000	100,000
Revised Funding Gap		£807,580	£805,700	£855,980	£1,179,410

3.18. The Finance Settlement could significantly influence the scale of the Funding Gap although initiatives, such as the recommended pension repayment to generate ongoing savings, continue to be pursued.

3.19. The progress on closing the Funding Gap will be monitored throughout the year.

Revenue General Reserves

3.20. The Original Budget estimated a contribution to general reserves of **£148,860**, the Approved Budget a contribution to General Reserves of **£173,510** and this report shows a projected contribution of **£662,740**, an increase of **£489,230** compared to Approved Budget.



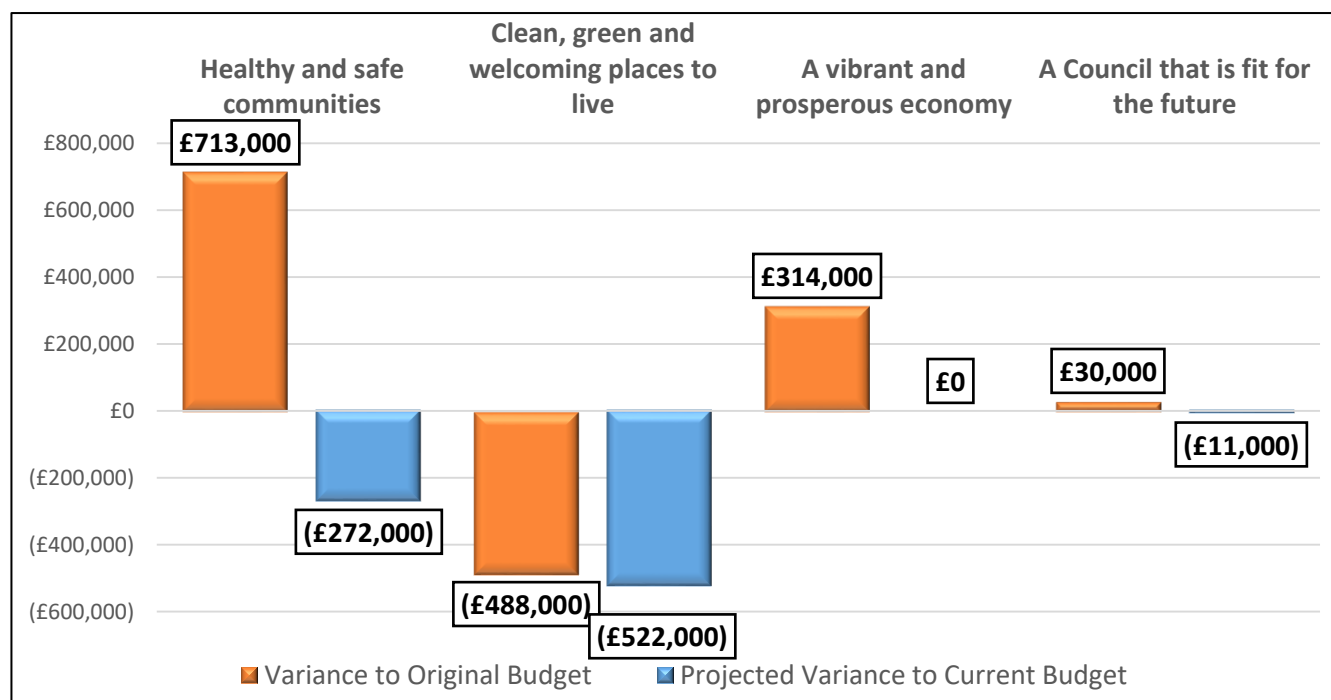
The Capital Programme

3.21. The Original Budget of **£11,618,000** was approved by Council on 19 February 2019. There have been three updates to this budget during 2019/20:

- Allocation of Community Infrastructure Levy of **£255,000** approved by Cabinet on 12 March 2019.
- Multi Storey Car Park refurbishment of **£300,000** approved by Council on 16 April 2019.
- Slippage from 2018/19 of **£819,000** approved by Cabinet on 13 June 2019.

3.22. The Approved Budget is therefore **£12,992,000**.

3.23. The Capital Programme performance is projected to be below budget by **(£805,000)** or **6%** compared to the Approved Budget. This below budget performance compared to both the Original and the Approved Budgets, is shown by Strategic Plan's Priority below and in detail at **APPENDIX C**:



Performance compared to the Approved Budget

3.24. There are projected variances compared to the approved budget related to:-

	Approved Budget Variance
Healthy and Safe Communities <ul style="list-style-type: none"> Disabled Facilities Grants – New Grant of £234,446 and re-profiling of (£448,000) S106 Affordable Housing Monies – New income of £284,000 and re-profiling of (£342,000) 	(£214,000) (£58,000)
Clean, Green and Welcoming Places to Live <ul style="list-style-type: none"> Darnford Park (S106) – Slipped to 2020/21 Staffordshire Countryside Explorer (CIL) – Slipped to 2020/21 Vehicle Replacement Programme – Car Parks vehicle purchase slipped to 2020/21 Stowe Pool Improvements – Lottery Grant bid postponed Cannock Chase Special Areas of Conservation – More income than budgeted 	(£13,000) (£24,000) (£15,000) (£500,000) £30,000
A Council that is Fit for the Future <ul style="list-style-type: none"> Depot Sinking Fund – Slipped to 2020/21 	(£11,000)
Total Projected Variance	(£805,000)

3.25. Disabled Facilities Grants

- The Council's Better Care Fund award for 2019/20 is **(£977,562)** compared to the original budget of **(£906,000)**, an increase of **(£72,000)**.
- In addition, the Council has been allocated a further **(£162,446)** of additional Better Care Fund from Partners.
- The Revised Budget is recommended to be increased by **£234,000** from **£1,714,000** to **£1,948,000**.
- It is projected that spend for 2019/20 based on actual delivery levels will be **£1,500,000**.

3.26. Affordable Housing

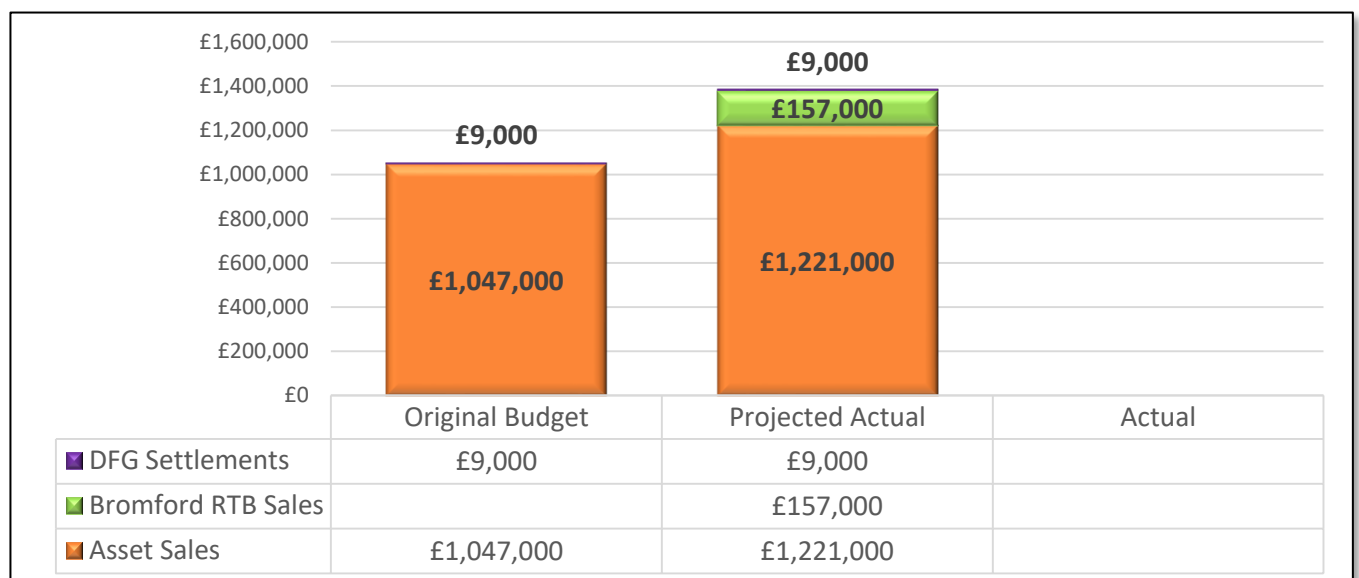
- The Council has received **(£284,000)** in additional S106 Affordable Housing monies from Former What Store, Cross Keys and Derry Farm, Shenstone.
- The Revised Budget is recommended to increase by **£284,000** from **£400,000** to **£684,000**.
- The outreach service for rough sleepers by Spring housing has been slightly delayed and is due to commence from September onwards. This project will provide the Council with the housing needs analysis needed to inform our purchase of properties for the project.
- It is projected that spend for 2019/20 will be **£342,000**.

3.27. Stowe Pool Improvements

- This project was added to the Capital Programme in 2012 and an updated capital bid of **£1,000,000** (£550,000 in 2019/20 and £450,000 in 2020/21) was submitted in 2018 that was included in the Approved Capital Programme.
- This Bid was to be funded by **£950,000** from the Heritage Lottery Fund, **£45,000** Section 106 and **£5,000** capital receipts.
- However changes to the funding requirements in the grant application process mean that Lottery funding for this project is not being pursued at this time.
- The Revised Budget is recommended to reduce by **£500,000** from **£550,000** to **£50,000** in 2019/20 and by **£450,000** from **£450,000** to **£0** in 2020/21.
- It is projected that spend for 2019/20 will be **£50,000** to purchase additional new play equipment, to enhance the existing play provision, and also to install an improved safety surface to the play area at Stowe Fields.

Capital Receipts

3.28. The Original Budget, projected and actual capital receipts received are:



3.29. Projected adjustments to the Original Budget include -

- **Bromford RTB Sales:** 3 properties have been sold with the Council's share being **£157,000**.
- **Asset Sales:** The sale of the Beacon Park Cottage and the release of the covenant at Guardian House are projected, subject to planning permission, to result in capital receipts that will be **£174,000** higher than the Budget.

The Local Authority Company

3.30. Council on 16 October 2018 approved the Report Delivering the Property Investment Strategy. This report approved a loan of up to £900,000 to the local authority company for a period of 5 years.

3.31. The Report also anticipated that the company would be funded through 75% borrowing and 25% equity.

3.32. The funding objective was to be achieved through a combination of the loan plus transfers of land from the Council to the Company in return for equity.

3.33. Since this report was approved, further financial modelling has been undertaken and the advice of Arlingclose has been obtained.

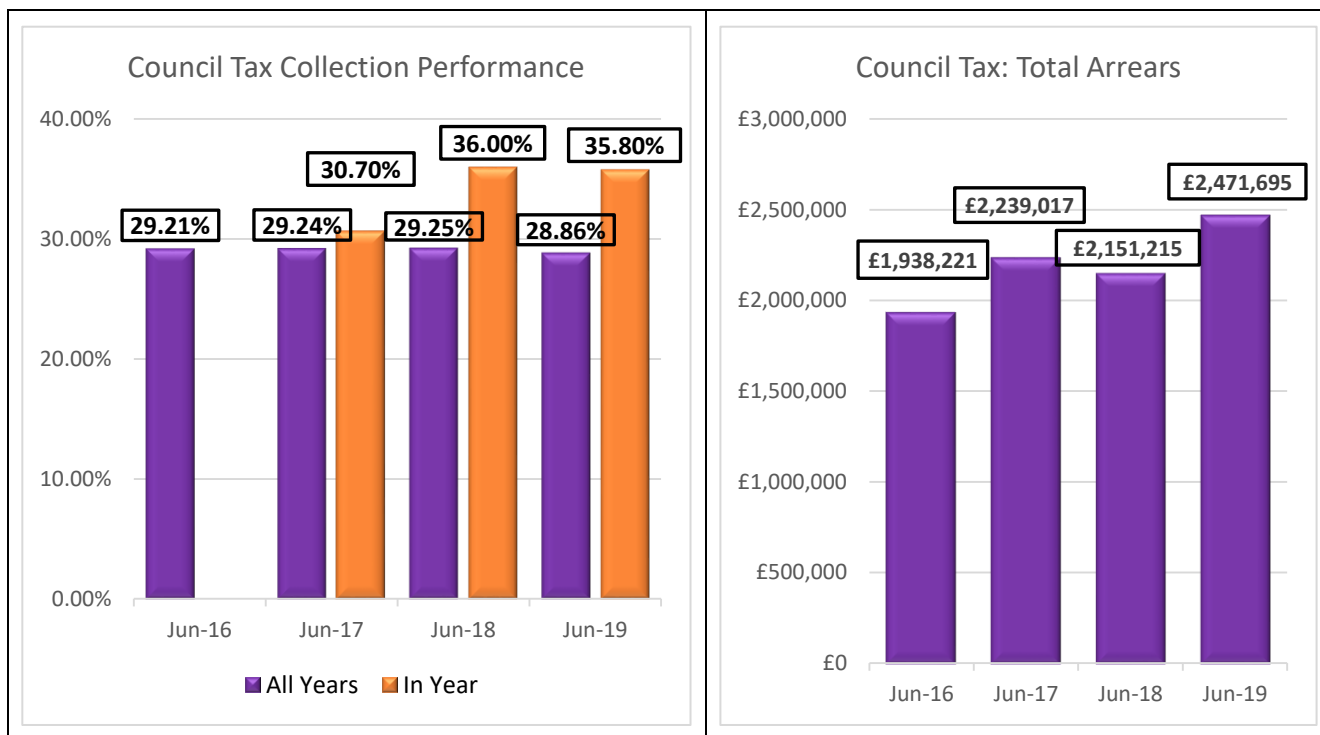
3.34. The aim of the modelling and the advice has been to optimise the funding of the Company and ensure the rate of interest charged on the loan is State Aid Compliant.

3.35. The recommendations are:

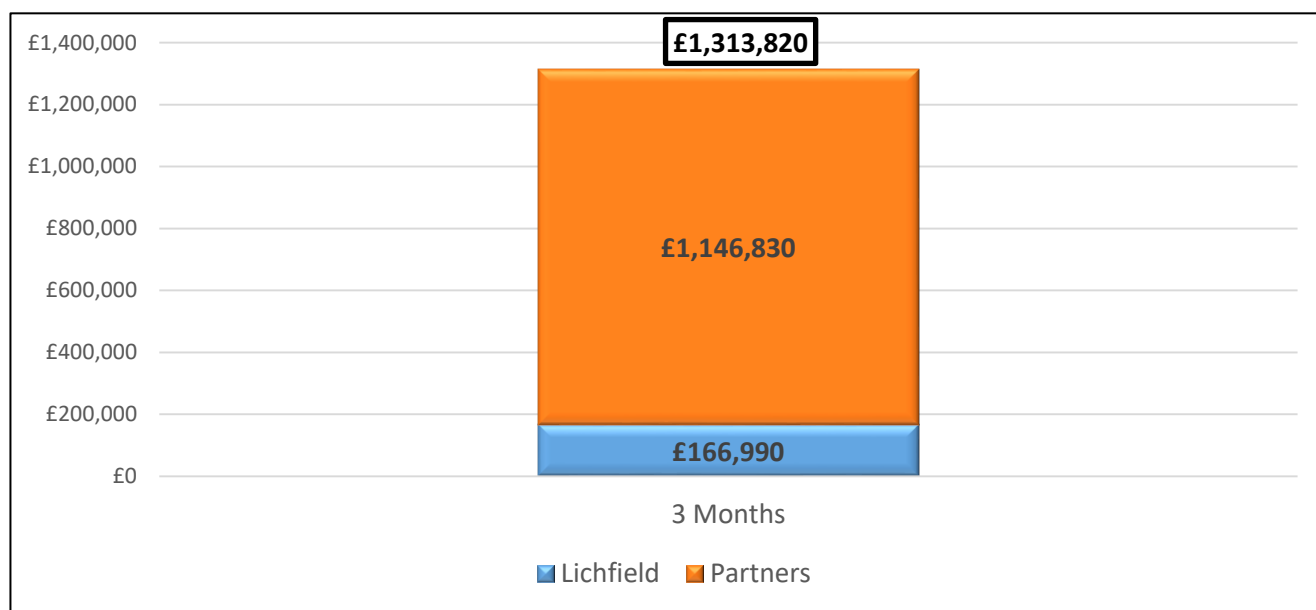
- To maintain the financial support to the Company at **£900,000** with any subsequent transfers of land to the Company treated as disposals by the Council and acquisitions by the Company.
- The funding of the Company is a **£675,000** (75%) loan for a period of 5 years and a **£225,000** (25%) equity investment with the loan secured on the assets of the Company.
- A loan rate of **4%** is charged on the **£675,000** loan to the Company based on the Market Economic Operator Principle and with a Loan to Value (LTV) of less than 90%.
- Loan payments are made in stages in line with the Company's development proposals.
- The Council will receive income for the period of the loan together with dividends for the equity investment.
- The Medium Term Financial Strategy is recommended to be updated to reflect these financial implications.

Council Tax

3.36. The collection performance for Council Tax debt is shown below:¹



3.37. The Council Tax Collection Fund is projected to be in surplus and the Council's share is **(£166,990)** based on Lichfield's (including Parishes) current share of Council Tax of **13%**:



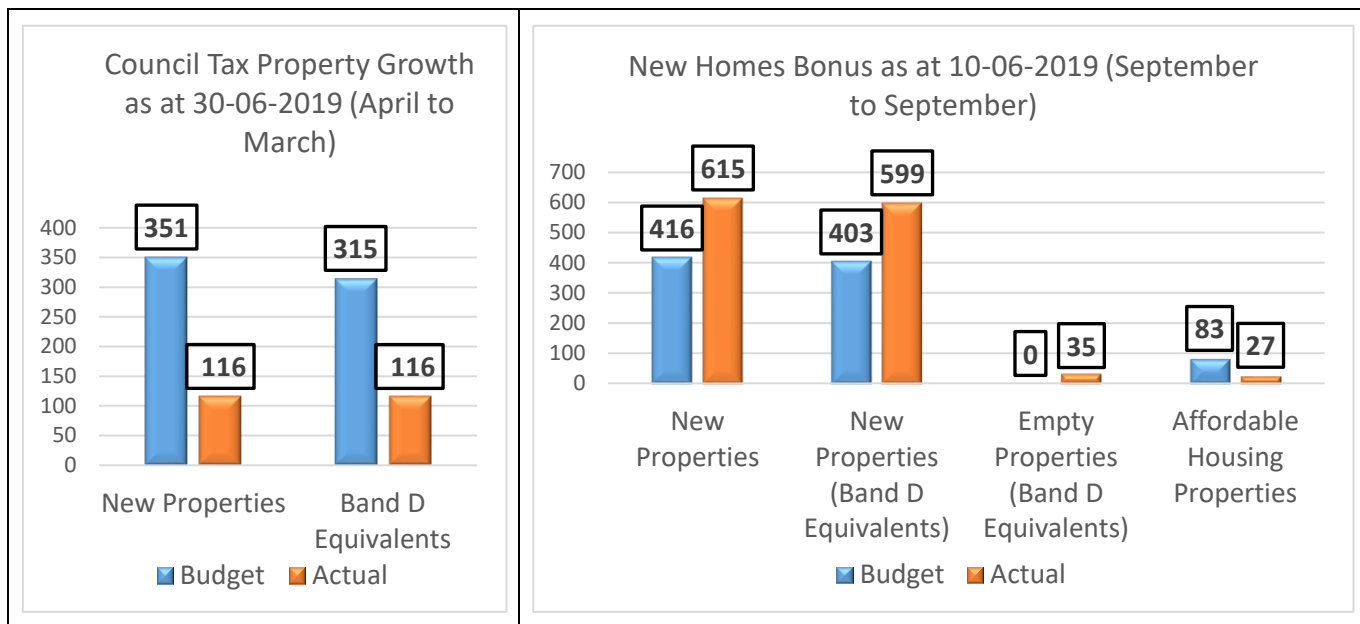
3.38. The main reasons for the surplus compared to the Approved Budget are:

- There was a higher surplus than projected in 2018/19 of **(£591,225)** due primarily to a lower level of bad debt provision.
- The projected net yield (after allowing for discounts and changes to the bad debt provision) from Council Tax in 2019/20 is **(£722,595)** higher than estimated. The Report to Cabinet on 13 June 2019 identified that Housing Supply had exceeded the Budget by **291** dwellings (68%) or **312** Band D equivalents (81%). This growth is projected to continue in 2019/20 (see Housing Supply below).

¹ The in year council tax collection performance data has been collated since 2017 only

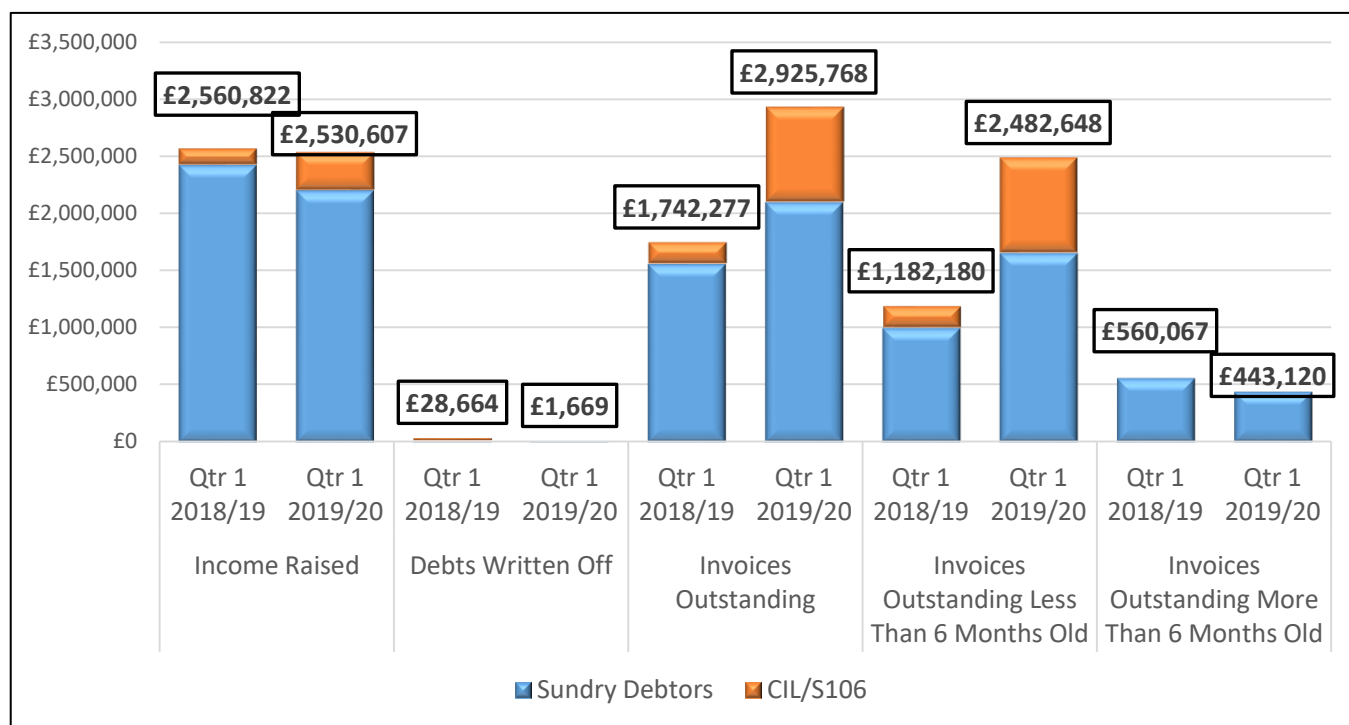
Housing Supply

3.39. The completions for Council Tax (left hand chart) from April 2019 to June 2019 and New Homes Bonus (right hand chart) from September 2018 to June 2019 are shown below:



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

3.40. The transaction levels and collection performance in 2019/20 compared to 2018/19 is shown below:



3.41. The Sundry Debtors, CIL and Section 106 performance main variances are related to:

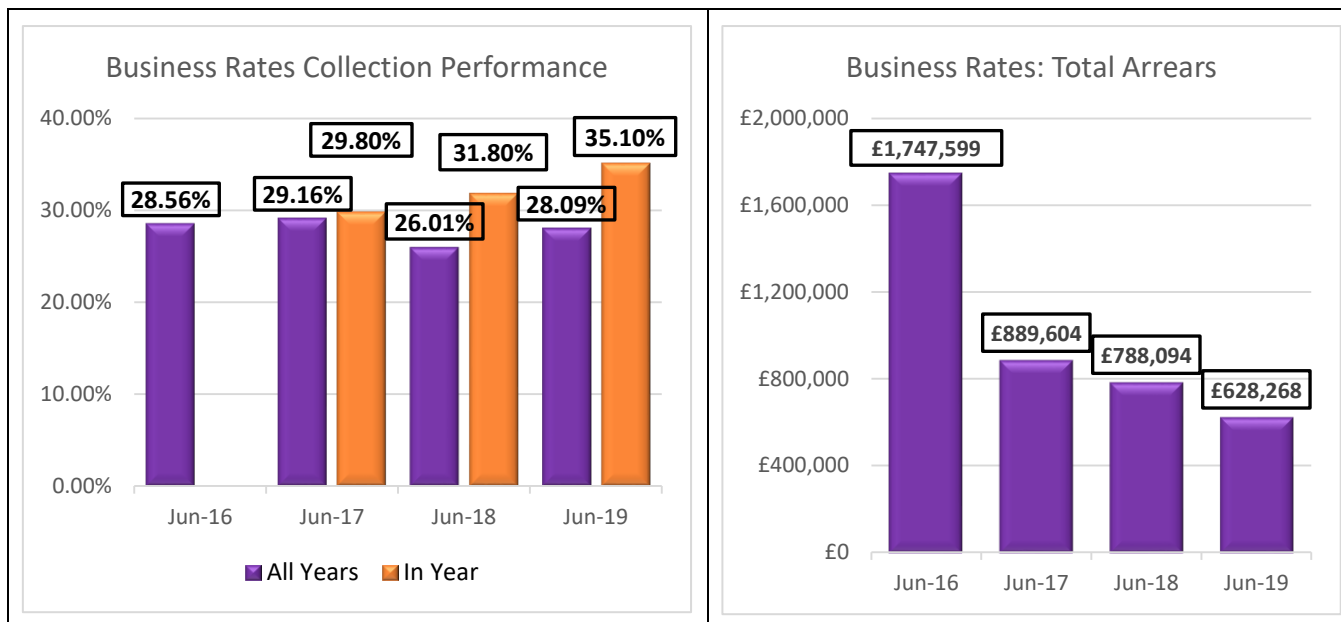
- **Invoices / Demands Issued (Income Raised):** a reduction of (£30,215).
- **Invoices / Demands Outstanding:** an increase in the total of £1,183,491 with Invoices Outstanding for less than 6 Months increasing by £1,300,468 and those more than 6 months reducing by (£116,947).

3.42. These increases are mainly related to CIL and Section 106 due as development triggers are reached.

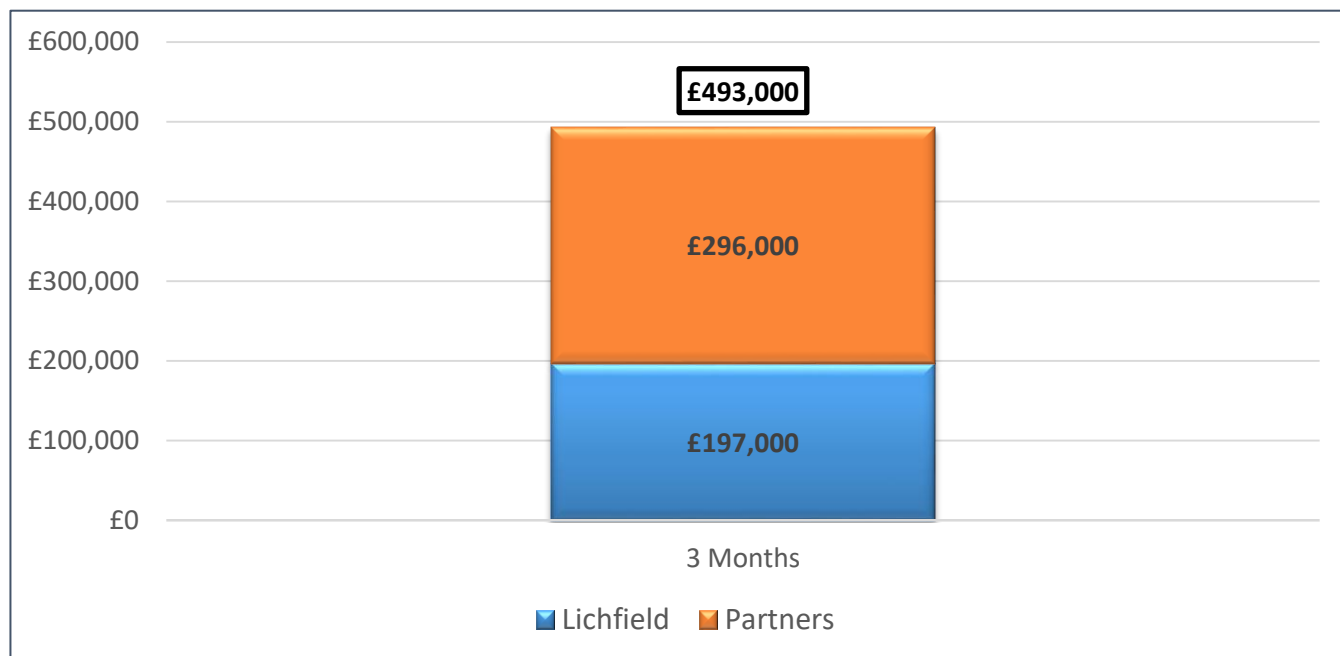
Business Rates

3.43. The Retained Business Rate income is projected to be **(£2,829,210)** compared to the Approved Budget of **(£2,525,800)**, additional income of **(£303,410)**. This additional income is related to additional Section 31 Grants of **(£303,410)**. These grants are a reimbursement of the Council's share of Government set reliefs awarded in the Collection Fund covered by the New Burdens doctrine. The reliefs are awarded in 2019/20 but under legislative requirements the budgetary impact will not occur until 2021/22.

3.44. The collection performance for Business Rates is shown below:²



3.45. The Business Rates Collection Fund is projected to be in surplus with the Council's share being **(£197,000)** based on our **40%** share of Business Rates:



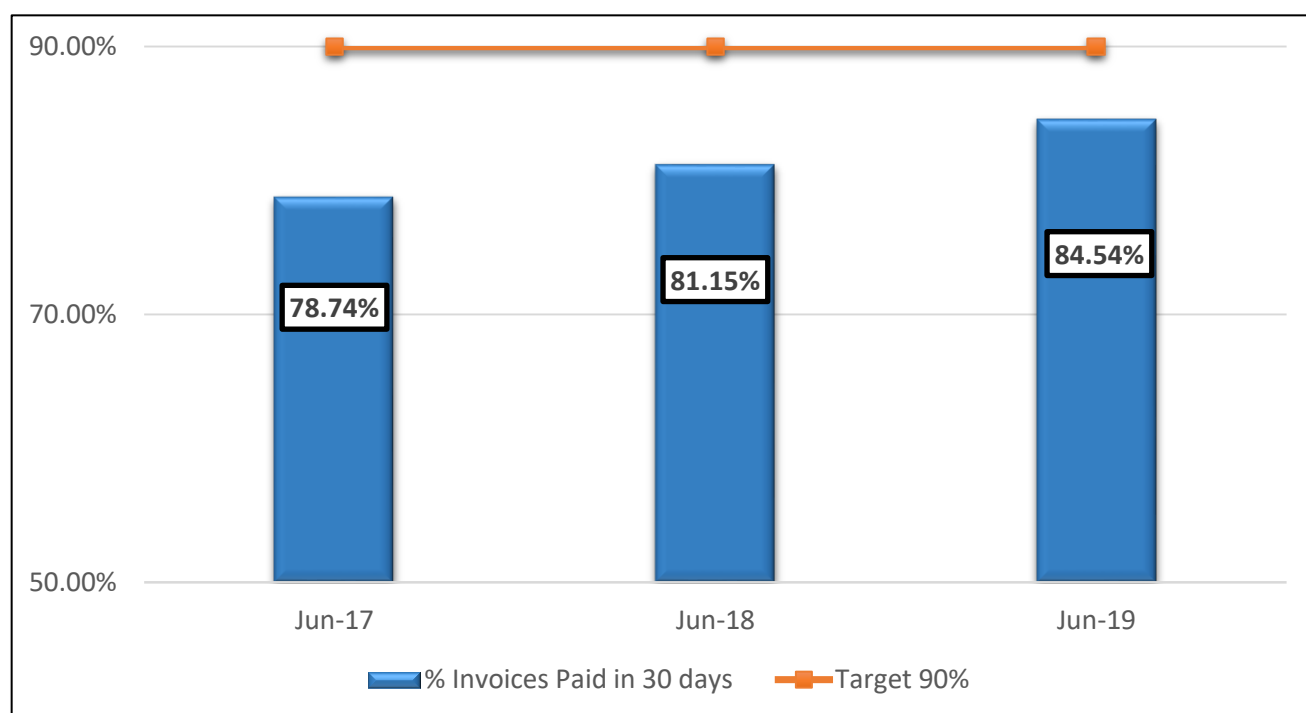
3.46. The main reasons for the projected surplus are:

- A higher than projected surplus in 2018/19 of **(£67,000)** and;
- A higher than projected surplus in 2019/20 by **(£426,000)** mainly due to lower appeals projections.

² The in year business rates collection performance data has been collated since 2017 only

Supplier Payment Performance

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



3.48. There are initiatives taking place, including the improvements to procurement detailed below, wider use of payment cards for low value transactions and analysis of the performance by Service Area, that are aimed at improving payment performance.

Procurement Activity

3.49. In this financial year to date advice and guidance has been provided on 7 procurements with ongoing support to 3 procurements from the previous year.

3.50. Two of the new procurements were above the £25,000 limit and were managed through our new process and system and have been published on the Government's Contract's Finder website.

3.51. The detail of procurement activity in 2019/20 supported under the new arrangement is provided at **APPENDIX D**.

Investment Strategy

3.52. The Council undertakes investments for three broad purposes:

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

3.53. The Government has recognised in recent Ministry of Housing, Community and Local Government (MHCLG) guidance, as a result of increased commercial activity, that the principles included in Statutory Guidance requiring that all investments should prioritise security and liquidity over yield must also be applied to service and commercial investments.

3.54. The MHCLG Guidance requires the approval by Council of an Investment Strategy Report to increase the transparency around service and commercial investment activity. The Council approved its Investment Strategy Report on **19 February 2019**.

Service Investments

3.55. There are three approved investments of a service nature (the loan to the LA Company is shown at the approved level where no income to the Council was assumed). The investment and net return included in the Approved Budget is detailed below:

	Approved Budget				
	2019/20	2020/21	2021/22	2022/23	2023/24
Approved Loan to the Local Authority Company	£900,000	£900,000	£900,000	£900,000	£900,000
Net Income	£0	£0	£0	£0	£0
Net Return	0.00%	0.00%	0.00%	0.00%	0.00%
Investment in Burntwood Leisure Centre	£1,395,000	£1,395,000	£1,395,000	£1,395,000	£1,395,000
Net Income (after loan repayments)	£38,000	£38,000	£38,000	£38,000	£38,000
Net Return	2.72%	2.72%	2.72%	2.72%	2.72%
ICT Cloud	£25,000	£125,000	£125,000	£125,000	£125,000
Net Income	£30,000	£100,000	£150,000	£150,000	£150,000
Net Return	120.00%	80.00%	120.00%	120.00%	120.00%
Total Investment	£2,320,000	£2,420,000	£2,420,000	£2,420,000	£2,420,000
Total Net Income	£68,000	£138,000	£188,000	£188,000	£188,000
Net Return	2.93%	5.70%	7.77%	7.77%	7.77%

3.56. To date, only the investment in Burntwood Leisure Centre has taken place and is generating net income.

Commercial Investments

3.57. The only commercial investment currently planned relates to the Property Investment Strategy and the investment and net return in the Approved Budget is detailed below:

	Approved Budget				
	2019/20	2020/21	2021/22	2022/23	2023/24
Property Investment	£6,000,000	£19,000,000	£32,000,000	£45,000,000	£45,000,000
Net Income		£56,000	£180,000	£303,000	£427,000
Net Return		0.93%	0.95%	0.95%	0.95%

3.58. To date, no property investment has taken place and therefore the budgeted net income is not currently being generated.

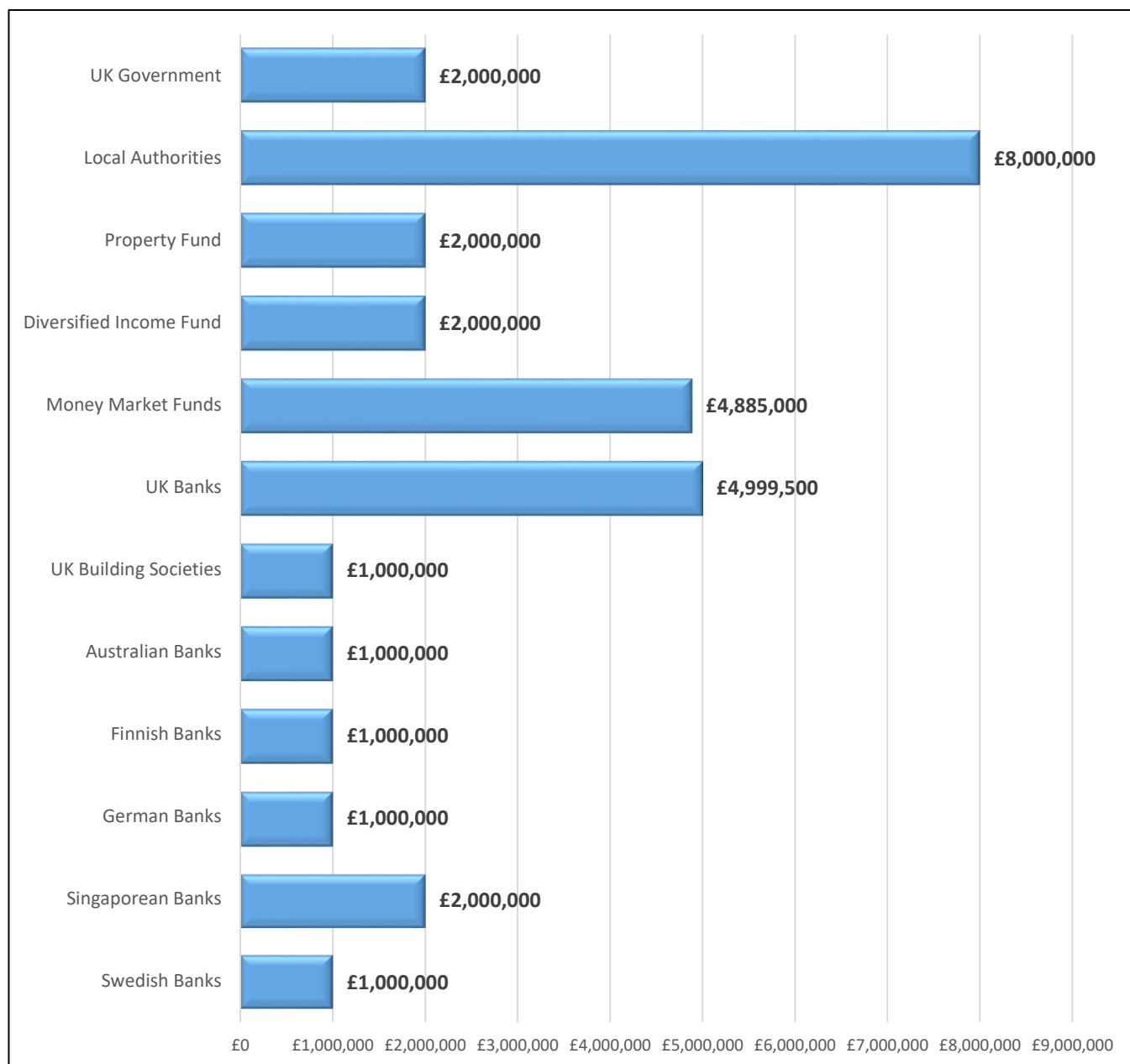
Treasury Management Investments

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

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

The Security of Our Investments

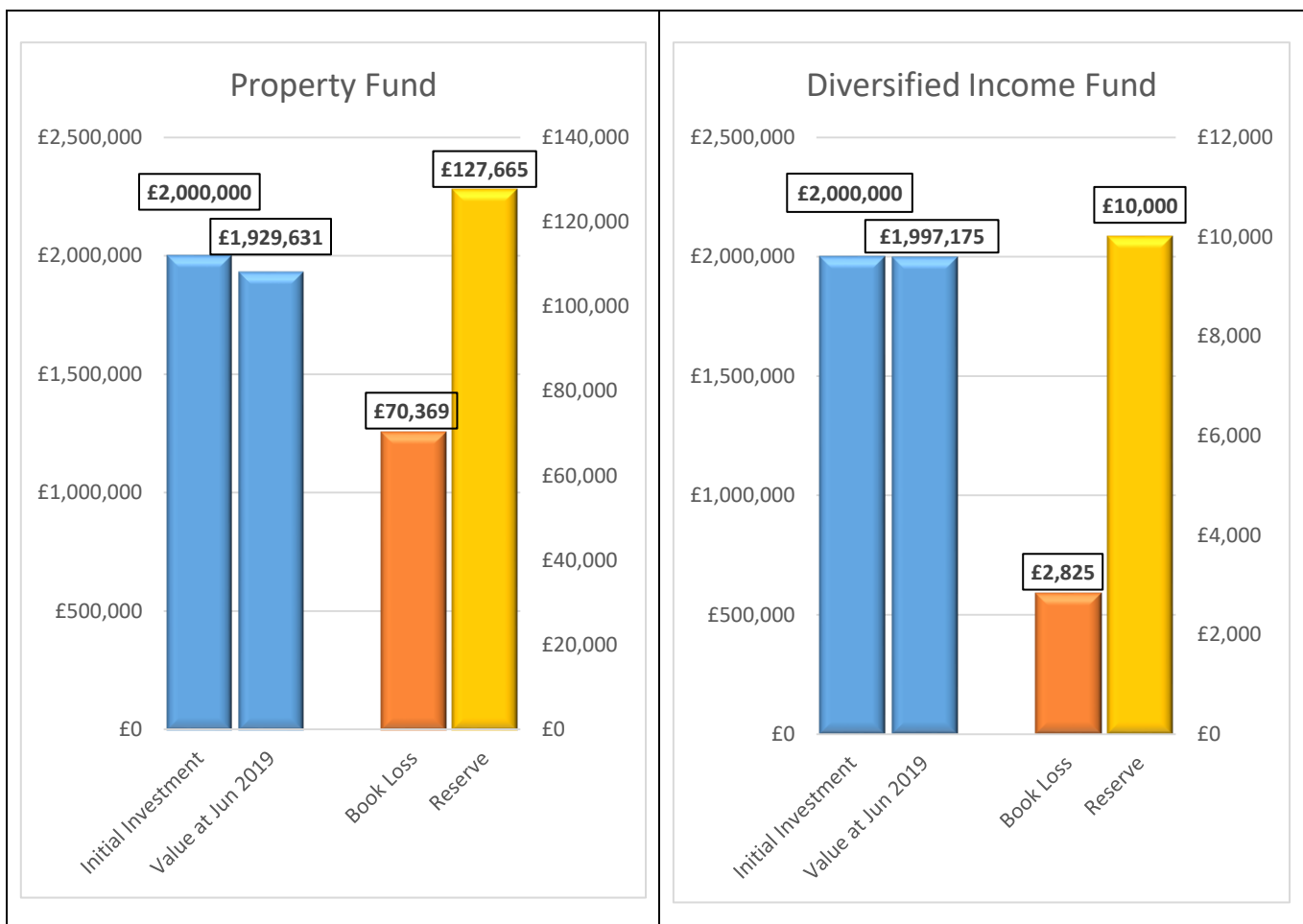
3.61. The investments the Council had at the 30 June 2019 of **£30.88m** (with the Property and Diversified Income Fund valued at original investment of **£2m** that was undertaken on 23 May 2019) by type and Country are summarised below and in detail at **APPENDIX D**:



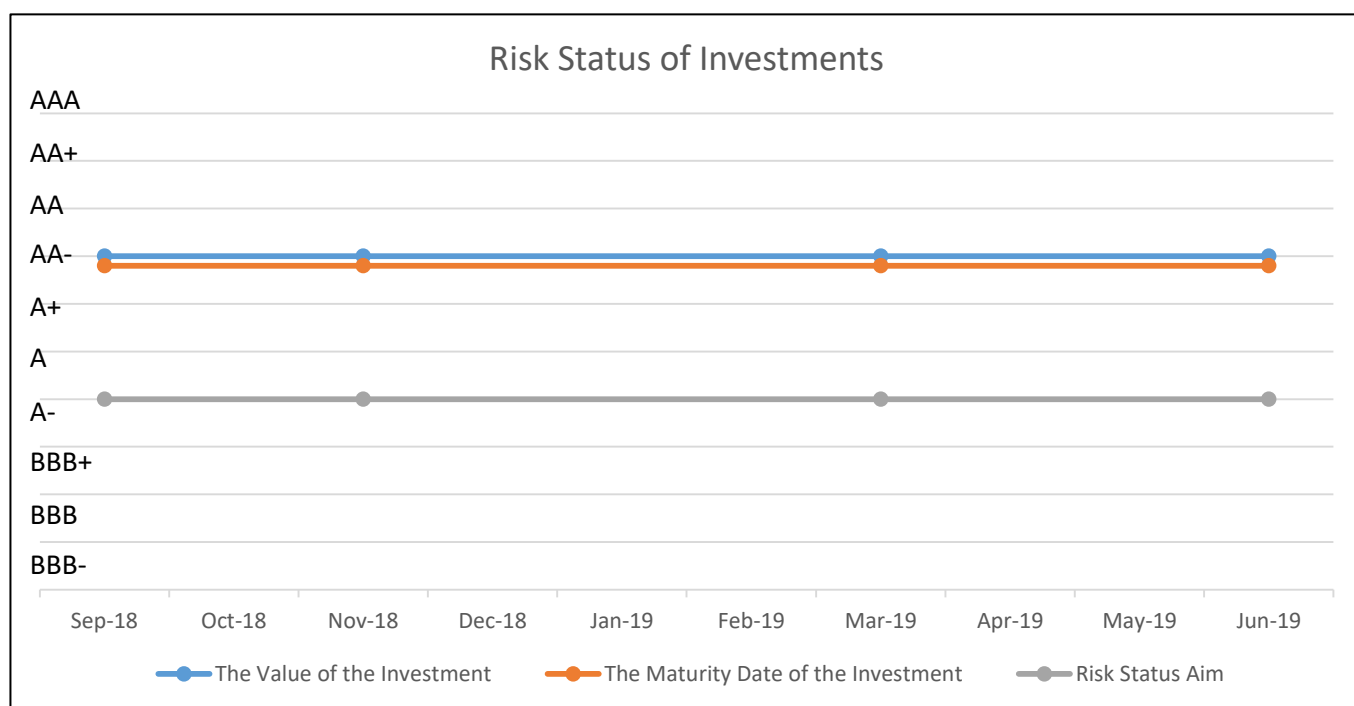
3.62. The Council's portfolio size (with the Property and Diversified Income Fund valued at its current value of **£3.9m**), average credit score, diversification and exposure to 'Bail in' risk compared to Arlingclose Clients is shown below:



3.63. The current value of the Property Fund and the new Diversified Income Fund together with the projected value of the earmarked reserves in 2019/20 intended to offset reductions in value (these are a book loss until the investment is sold and they become actual) are shown below:

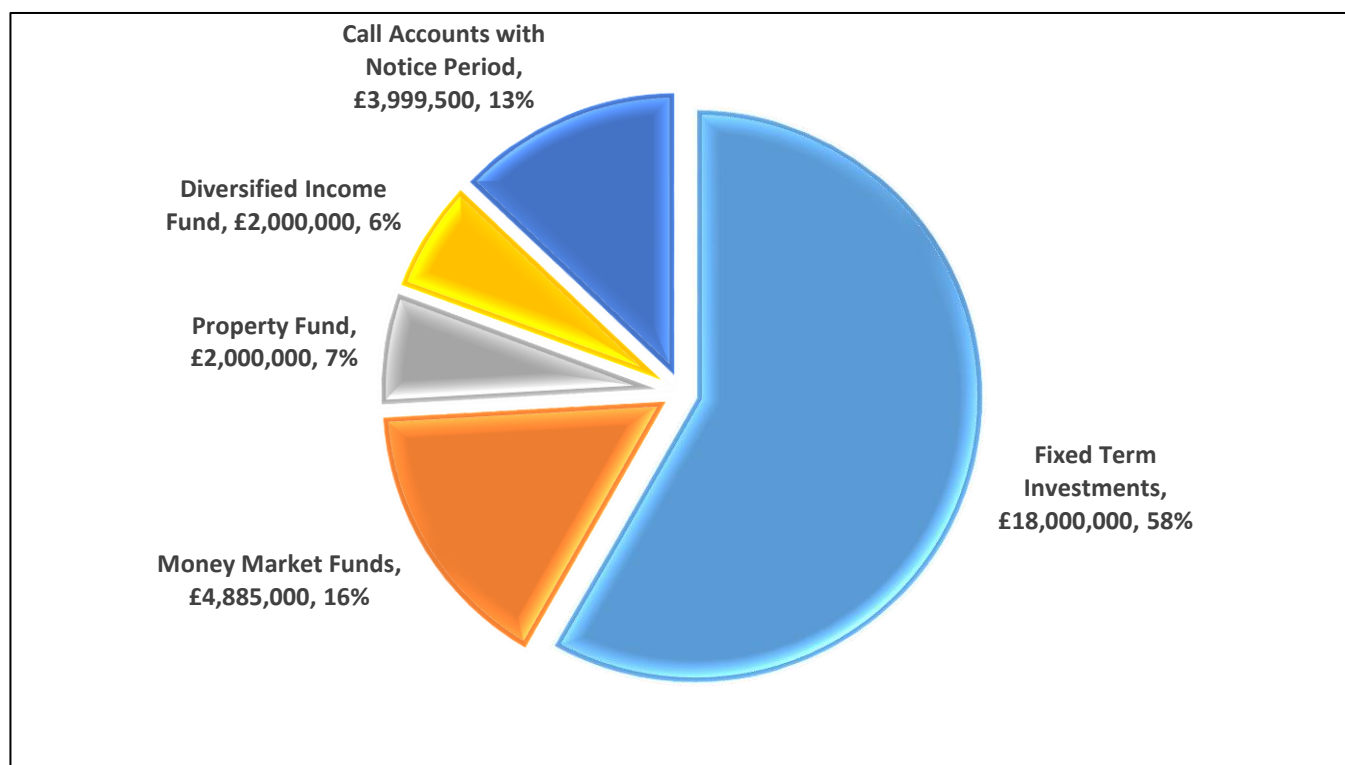


3.64. Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value for a 9 month period is summarised in the graph below:

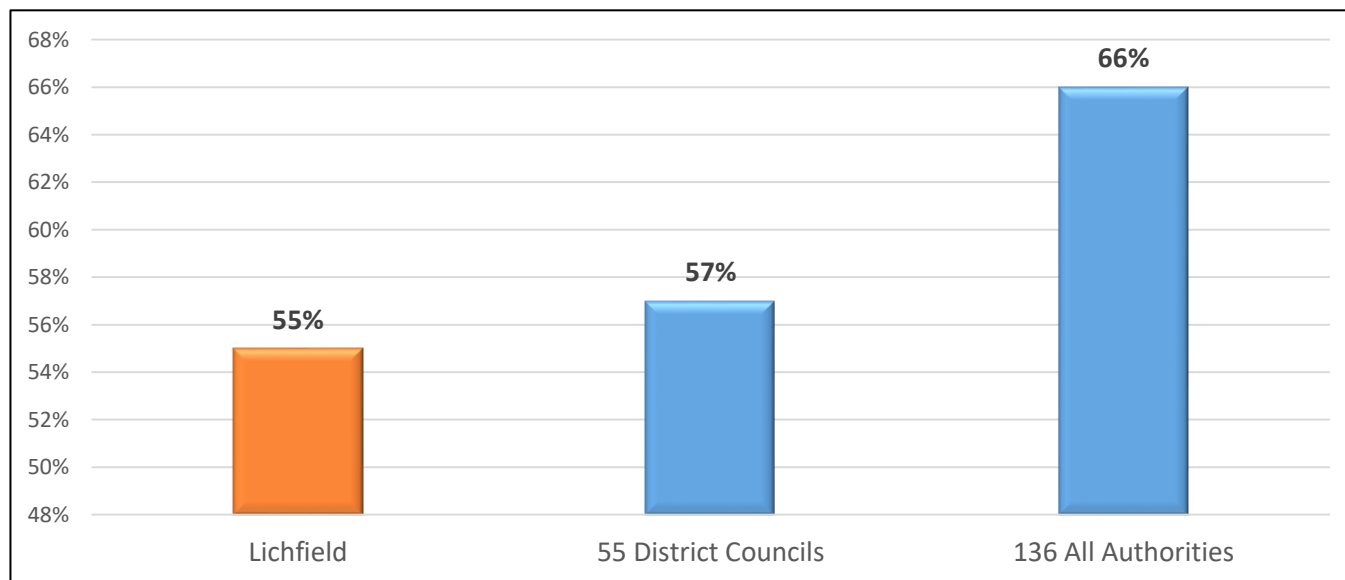


The Liquidity of our Investments

3.65. The Council has not had to temporarily borrow during 2019/20 and retains a proportion of its investments in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown below:

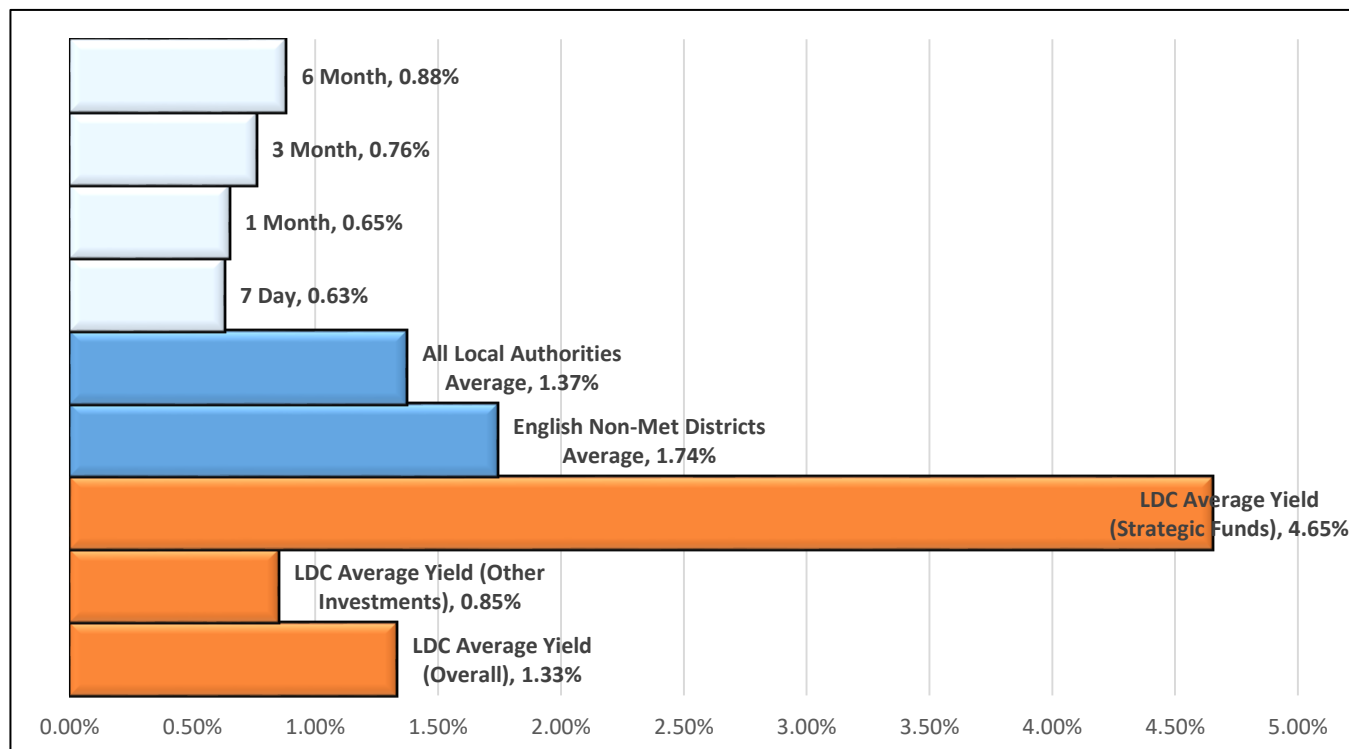


3.66. The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is shown below:



The Return or Yield of our Investments

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



3.68. The investment activity during the financial year is projected to generate **(£341,000)** of gross investment income compared to a budget of **(£291,000)**.

The External Borrowing Portfolio

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

	Principal	Average Rate	Years to Final Maturity	(Premium) /Discount
PWLB Fixed Maturity	£0	-	-	£0
PWLB Fixed Equal Instalment of Principal (EIP)	£1,278,480	2.59%	20.6	(£272,260)
PWLB Fixed Annuity	£1,265,944	1.71%	8.8	(£86,733)
PWLB Variable Maturity	£0	-	-	£0
PWLB Variable EIP	£0	-	-	£0
TOTAL PWLB	£2,544,424	2.15%	14.7	(£358,993)
Lender Option Borrower Option (LOBO) Loans	£0	-	-	£0
Other Loans	£0	-	-	£0
TOTAL BORROWING	£2,544,424	2.15%	14.7	(£358,993)

Alternative Options

The approach to Treasury Management is currently being reviewed.

Consultation

Consultation is undertaken as part of the Strategic Plan 2016-20 and with Leadership Team.

Financial Implications

General Reserves

At this three months stage in the year, for the period up to June 2019, we forecast a contribution to general reserves of **£662,740** will be made, against a budgeted contribution of **£148,860** (£38,860 related to the Revenue Budget plus £110,000 of New Homes Bonus in excess of the 'cap') to general reserves.

Pensions Repayment

The profile of current Actuarial Strain Payments, their status in the Approved Medium Term Financial Strategy (MTFS) and the Net Present Value taking account the time value of money at **8%** is shown below:

Year	MTFS	Strain	Interest	Total	Net Present Value
2019/20	Budget	£32,524	£25,450	£57,974	£53,680
2020/21	Budget	£32,524	£25,450	£57,974	£49,703
2021/22	Budget	£32,524	£25,450	£57,974	£46,022
2022/23	Budget	£32,524	£25,450	£57,974	£42,613
2023/24	Projection	£32,524	£25,450	£57,974	£39,456
2024/25	Projection	£32,524	£25,450	£57,974	£36,534
2025/26	Projection	£32,524	£25,450	£57,974	£33,827
2026/27	Projection	£32,524	£25,450	£57,974	£31,322
2027/28	Projection	£32,524	£25,450	£57,974	£29,001
2028/29	Projection	£32,524	£25,450	£57,974	£26,853
2029/30	Projection	£32,524	£25,450	£57,974	£24,864
2030/31	Projection	£32,524	£25,450	£57,974	£23,022
2031/32	Projection	£32,254	£25,239	£57,493	£21,140
2032/33	Projection	£19,753	£15,457	£35,210	£11,988
2033/34	Projection	£15,432	£12,076	£27,508	£8,672
2034/35	Projection	£3,353	£2,623	£5,976	£1,744
Total		£461,081	£360,796	£821,877	£480,441

The cost of 'buying out' these payments has been estimated by the SCC Pensions Team as circa **£468,000**.

The 'buy out' would result in an annual saving of **(£57,970)** per annum throughout the period of the Approved Medium Term Financial Strategy and beyond.

The investment ratios that can be used to assess the 'Buy Out' are shown below:

Buyout Value	£467,590
Net Present Value of Payments using 8%	£480,441
Payback Period (years)	8
Rate of Return (Average)	11%

Further detailed analysis on the Financial Performance up to June 2019 is shown in the attached Appendices.

Contribution to the Delivery of the Strategic Plan

The MTFS underpins the delivery of the Strategic Plan 2016-20.

Equality, Diversity and Human Rights Implications

There are no additional Equality, Diversity or Human Rights implications.

Crime & Safety Issues

There are no additional Crime and Safety Issues.

	Risk Description	How We Manage It	Severity of Risk
A	Achievement of The Council's key Council priorities.	Close monitoring of performance and expenditure; maximising the potential of efficiency gains; early identification of any unexpected impact on costs including Central Government Policy changes, movement in the markets, and changes in the economic climate.	Green - Tolerable

	Risk Description	How We Manage It	Severity of Risk
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations.	To closely monitor the level of appeals. An allowance of 4.7% (in line with the MHCLG Allowance) for appeals has been included in the Business Rate Estimates.	Red - Severe
C	The review of the New Homes Bonus regime in 2020/21.	Not all of the projected New Homes Bonus is included as core funding in the Base Budget. In 2020/21 £600,000 is included and this is then being reduced by £100,000 per annum.	Red - Severe
D	The increased Localisation of Business Rates and the Fair Funding Review in 2020/2021.	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Red - Severe
E	The affordability and risk associated with the Capital Strategy.		Yellow - Material
E1	Planned Capital Receipts are not received.	The budget for capital receipts will be monitored as part of the Council's normal budget monitoring procedures.	Yellow - Material
E2	Slippage Occurs in the Capital Spend	Spend will be monitored through normal budget monitoring procedures with budgets updated to reflect latest plans and projections.	Yellow - Material
E3	Actual cash flows differ planned cash flows	Cash flow is monitored on a daily basis through normal Treasury Management processes.	Green Tolerable
F	The affordability and risk associated with the Property Investment Strategy.		Yellow - Material
F1	Slippage occurs in the Capital Spend	Spend will be monitored through normal budget monitoring procedures with budgets updated to reflect latest plans and projections.	Yellow - Material
F2	Change in Government Policy including Regulatory Change	To monitor proposed changes to policy and regulation and seek to influence in the Council's favour.	Yellow - Material
F3	The form of exit from the EU adversely impacts on the UK economy including the Property Market and Borrowing Costs	To monitor the situation and where possible identify alternative options.	Red - Severe
F4	There is a cyclical 'downturn' in the wider markets	To monitor the wider markets and where possible adapt plans to minimise the Council's risk exposure.	Yellow - Material
F5	There is insufficient expertise to implement the Property Investment Strategy	Recruit an estates management team to provide professional expertise and advice in relation to the Property Investment Strategy.	Yellow - Material
F6	Inability to acquire or dispose of assets due to good opportunities not being identified	To utilise Property Agents to identify opportunities for potential acquisitions and disposals.	Red - Severe
Background Documents		<ul style="list-style-type: none"> • CIPFA Code of Practice for Treasury Management in the Public Services • The Prudential Code for Capital Finance in Local Authorities • Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2018-23 – Cabinet 12 February 2019. • Money Matters: 2018/19 Review of Financial Performance against the Financial Strategy – Cabinet 13 June 2019. 	

Relevant web link	
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Revenue Financial Performance – Variance to Budget 2019/20

Area	2019/20						
	Original Budget plus Funding Gap Proposals £	Approved Budget £	Projected Outturn £	Projected Variance £	● = adverse ☑ = favourable	Variance to Original Budget £	2019/20 Target Variance (+/-) £
Healthy and safe communities	1,529,270	1,521,420	1,521,310	(110)	☑	(7,960)	
Clean, green and welcoming places to live	3,258,720	3,219,860	3,155,440	(64,420)	☑	(103,280)	
A vibrant and prosperous economy	(1,079,200)	(1,036,730)	(982,370)	54,360	●	96,830	
A council that is fit for the future	6,184,720	6,213,590	6,124,690	(88,900)	☑	(60,030)	
Net Cost of Services	9,893,510	9,918,140	9,819,070	(99,070)		(74,440)	
Chief Executive	459,650	458,300	388,650	(69,650)	☑	(71,000)	4,000
Finance and Procurement	1,764,980	1,810,950	1,756,050	(54,900)	☑	(8,930)	15,000
Legal, Property and Democratic Services	348,790	337,040	334,400	(2,640)	☑	(14,390)	18,000
Revenues, Benefits and Customer Services	761,530	757,240	757,240	-		(4,290)	17,000
Corporate Services	2,609,180	2,605,210	2,639,620	34,410	●	30,440	23,000
Leisure & Operational Services	2,142,850	2,126,880	2,123,790	(3,090)	☑	(19,060)	27,000
Regulatory Services, Housing & Wellbeing	1,300,670	1,292,390	1,259,390	(33,000)	☑	(41,280)	16,000
Development Services	(25,550)	(26,930)	(26,930)	-		(1,380)	32,000
Economic Growth	(248,500)	(194,330)	(144,330)	50,000	●	104,170	34,000
Waste Services	779,910	751,390	731,190	(20,200)	☑	(48,720)	64,000
Net Cost of Services	9,893,510	9,918,140	9,819,070	(99,070)		(74,440)	250,000
Net Treasury Position	(6,000)	(6,000)	(56,000)	(50,000)			
Net Operating Cost	9,887,510	9,912,140	9,763,070	(149,070)			
Transfer (from) / to General Reserve	148,860	173,510	662,740	489,230			
Transfer (from) / to Earmarked Reserves	1,335,030	1,285,750	1,249,000	(36,750)			
Net Revenue Expenditure	11,371,400	11,371,400	11,674,810	303,410			
Financed by:							
Retained Business Rates	(2,525,800)	(2,525,800)	(2,829,210)	(303,410)			
Business Rates Cap	(68,000)	(68,000)	(68,000)	-			
Business Rates Pilot	(568,000)	(568,000)	(568,000)	-			
New Homes Bonus	(1,278,000)	(1,278,000)	(1,278,000)	-			
Business Rates Collection Fund (Surplus)/Deficit	(213,000)	(213,000)	(213,000)	-			
Council Tax Collection Fund (Surplus)/Deficit	(63,600)	(63,600)	(63,600)	-			
Council Tax	(6,655,000)	(6,655,000)	(6,655,000)	-			

Reasons for the Outturn Budget Performance by Service Area

Projected Variance £		Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(69,650)	Chief Executive	(69,650)	-	-	-
(54,900)	Finance and Procurement	-	(54,900)	-	-
(2,640)	Legal, Property and Democratic Services	(2,640)	-	-	-
-	Revenues, Benefits and Customer Services	-	-	-	-
34,410	Corporate Services	-	34,410	-	-
(3,090)	Leisure & Operational Services	-	(3,090)	-	-
(33,000)	Regulatory Services, Housing & Wellbeing	-	-	(33,000)	-
-	Development Services	-	-	-	-
50,000	Economic Growth	-	50,000	-	-
(20,200)	Waste Services	(20,200)	-	-	-
(50,000)	Net Treasury Position	-	-	-	(50,000)
-	Efficiency Plan	-	-	-	-
(£149,070)	Net Operating Cost	(£92,490)	£26,420	(£33,000)	(£50,000)
(36,750)	Earmarked Reserves	-	(36,750)	-	-
(£185,820)	Net Operating Cost	(£92,490)	(£10,330)	(£33,000)	(£50,000)
(£303,410)	Funding	-	-	(£303,410)	-
(£489,230)	Transfer (to)/from General Reserves	(£92,490)	(£10,330)	(£336,410)	(£50,000)

Chief Executive

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(69,650)	Employee benefits earmarked reserve no longer required	(69,650)			
(£69,650)	Total	(£69,650)	-	-	-

Finance and Procurement

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(54,900)	National Living Wage savings		(54,900)		
(£54,900)	Total	-	(£54,900)	-	-

Legal, Property and Democratic Services

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(2,640)	Chair and Vice Chair allowance remaining from 2018/19 year	(2,640)			
(£2,640)	Total	(£2,640)	-	-	-

Corporate Services

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
34,410	Insurance policy pressure		34,410		
£34,410	Total	-	£34,410	-	-

Leisure & Operational Services

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(3,090)	Additional savings from Arts Development Post		(3,090)		
(3,090)	Total	-	(3,090)	-	-

Regulatory Services, Housing & Wellbeing

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(33,000)	Stock Condition Survey reserve balance not required			(33,000)	
(£33,000)	Total	-	-	(£33,000)	-

Economic Growth

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
50,000	Economic Growth posts		50,000		
£50,000	Total	-	£50,000	-	-

Waste Services

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(20,200)	Employee benefits earmarked reserve no longer required	(20,200)			
(£20,200)	Total	(£20,000)	-	-	-

Net Treasury Position

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(50,000)	Increased interest receipts				(50,000)
(£50,000)	Total	-	-	-	(£50,000)

Funding

Projected Variance £	Reason	Expenditure		Income	
		One Off £	Recurring £	One Off £	Recurring £
(303,410)	Additional Business Rates			(303,410)	
(£303,410)	Total	-	-	(£303,410)	-

Fees and Charges

Income Type	Annual Budget £000	Forecast	Forecast
		Year End	Year End
		Q1 £000	Variance £000
Planning Applications	781	781	0
Car Parks	2,110	2,173	63
Garden Waste	1,351	1,400	49
Trade Waste	440	448	8
Land Charges	283	283	0
Building Control ³	869	869	0
Property Rental	845	845	0
Total of Highest Value Fees & Charges	6,680	6,799	120
Other Income			
Licensing			
Leisure Centres ⁴			
VAT Claim ⁵			
Court Costs			
Recycling			
Grounds Maintenance			
Other			
Total Income			

Annual Trend				
2014/15	2015/16	2016/17	2017/18	2018/19
Actual	Actual	Actual	Actual	Actual
£000	£000	£000	£000	£000
771	629	1,030	824	797
1,746	1,748	1,986	2,078	2,198
0	0	0	231	1,495
338	390	407	415	443
183	297	312	279	286
454	507	557	547	553
644	681	687	729	839
4,134	4,251	4,980	5,102	6,611
217	185	236	224	241
1,782	1,819	1,879	1,629	183
0	0	0	0	1,103
252	233	218	198	214
14	347	439	463	331
162	161	168	195	217
1,839	1,139	1,319	1,124	1,057
8,400	8,136	9,239	8,936	9,957

³ The shared service has expanded in 2019/20.

⁴ Responsibility transferred to Freedom Leisure from February 2018.

⁵ Gross income before the deduction of related expenditure.

Capital Programme Performance in 2019/20

Project	Original Budget	Approved Budget	Actual to Date	Projected Actual	Projected Variance
Burntwood Leisure Centre CHP Unit	235,000	235,000	0	235,000	0
Leisure Review: Capital Investment	0	30,000	20,360	30,000	0
Replacement of Play Equipment at Hill Ridware Village Hall	71,000	30,000	30,000	30,000	0
New Build Parish Office/Community Hub	92,000	92,000	0	92,000	0
Fradley Village Heating & CCTV	0	5,000	0	5,000	0
Fradley Youth & Community Centre Cladding & Porch	0	15,000	10,000	15,000	0
Armitage with Handsacre Village Hall heating upgrade	0	5,000	0	5,000	0
Armitage with Handsacre Village Hall storage container	0	6,000	0	6,000	0
Re-siting/improvement of Armitage War Memorial	40,000	120,000	0	120,000	0
Canopy and installation of artificial grass at Armitage	0	13,000	5,000	13,000	0
Westgate Practice Refurbishment (CIL)	0	120,000	0	120,000	0
King Edwards VI School (CIL)	0	101,000	0	101,000	0
Accessible Homes (Disabled Facilities Grants)	1,104,000	1,714,000	660,449	1,500,000	(214,000)
Home Repair Assistance Grants	15,000	28,000	0	28,000	0
Decent Homes Standard	197,000	197,000	0	197,000	0
Energy Insulation Programme	10,000	38,000	0	38,000	0
DCLG Monies	212,000	212,000	0	212,000	0
Unallocated S106 Affordable Housing Monies	400,000	400,000	0	342,000	(58,000)
Healthy and Safe Communities	£2,376,000	£3,361,000	£725,809	£3,089,000	(£272,000)
Darnford Park	13,000	13,000	0	0	(13,000)
Canal Towpath Improvements (Brereton & Ravenhill)	211,000	211,000	0	211,000	0
Loan to Council Dev Co.	900,000	900,000	0	900,000	0
Lichfield St Johns Community Link (CIL)	0	10,000	0	10,000	0
Staffordshire Countryside Explorer (CIL)	0	24,000	0	0	(24,000)
Vehicle Replacement Programme	140,000	140,000	0	140,000	0
Vehicle Replacement Programme	301,000	301,000	0	286,000	(15,000)
Shortbutts Park, Lichfield	23,000	23,000	0	23,000	0
Env. Improvements - Upper St John St & Birmingham Road	7,000	7,000	0	7,000	0
Stowe Pool Improvements	550,000	550,000	0	50,000	(500,000)
The Leomansley Area Improvement Project	0	3,000	0	3,000	0
Cannock Chase SAC	13,000	10,000	38,852	40,000	30,000
Clean, Green and Welcoming Places to Live	£2,158,000	£2,192,000	£38,852	£1,670,000	(£522,000)
Multi Storey Car Park Refurbishment	0	300,000	0	300,000	0
Birmingham Road Site - Coach Park	238,000	236,000	0	236,000	0
Birmingham Road Site - Short Term Redevelopment	353,000	353,000	0	353,000	0
Car Parks Variable Message Signing	32,000	32,000	0	32,000	0
Old Mining College - Refurbish access and signs	0	13,000	0	13,000	0
Erasmus Darwin Lunar Legacy (Lichfield City Art Fund)	0	3,000	3,000	3,000	0
St. Chads Sculpture (Lichfield City Art Fund)	50,000	50,000	0	50,000	0
A Vibrant and Prosperous Economy	£673,000	£987,000	£3,000	£987,000	0
Property Investment Strategy	6,000,000	6,000,000	0	6,000,000	0
Depot Sinking Fund	11,000	11,000	0	0	(11,000)
IT Infrastructure	105,000	105,000	0	105,000	0
IT Cloud	25,000	25,000	0	25,000	0
IT Innovation	167,000	200,000	5,400	200,000	0
District Council House Repair Programme	103,000	111,000	0	111,000	0
A Council that is Fit for the Future	£6,411,000	£6,452,000	£5,400	£6,441,000	(£11,000)
Grand Total	£11,618,000	£12,992,000	£773,061	£12,187,000	(£805,000)

Funding	Original Budget	Approved Budget	Projected Actual	Variance
Capital Receipts	976,000	957,000	728,000	(229,000)
Borrowing Need	6,000,000	6,030,000	6,030,000	£0
Finance Leases	140,000	140,000	140,000	£0
Capital Grants and Contributions	2,769,000	3,749,000	3,188,000	(£561,000)
Reserves and Sinking Funds	1,733,000	2,116,000	2,101,000	(£15,000)
Total Funding	£11,618,000	£12,992,000	£12,187,000	(£805,000)

Procurement Activity in 2019/20

Reference	Procurement	Procurement	Advice Only	Advice & LDC Led Procurement	Advice & WCC Led Procurement	Type
LDC19015	Independent Living Research	Services		24,000		One-off
LDC19016	Homelessness database, Housing register & Choice based lettings system	Services	17,000			One-off
LDC19017	Birmingham Road Enabling Works	Works		600,000		One-off
LDC19018	GDPR Case Management	Services				One-off
LDC19019	Amazon for Business	Services				Recurring
LDC19020	Target Hardening Scheme	Services	5,000			Recurring
LDC19021	CHP System for Burntwood Leisure Centre	Works		200,000		One-off
Continued from Previous Year						
LDC18001	Rough Sleeper Housing First	Services			500,000	One-off
LDC19006	Playing Pitch Strategy	Services		30,000		One-off
LDC19013	Birmingham Road Master Planning	Services		60,000		One-off

Note

- **One Off** – relates to project related activity either funded by revenue or capital.
- **Recurring** – relates to annual revenue projects.

Investments in the 2019/20 Financial Year

The table below shows a breakdown of our investments at the end of June 2019:

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
Money Market Funds						
Federated	£4,885,000	01-Jul-19	Instant Access	0.72%	AAAMMF	N/A
Strategic Funds						
CCLA Property Fund	£2,000,000	N/A	N/A	3.92%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	3.82%	N/A	No
Fixed Term Investments						
Highland Council	£2,000,000	29-Jul-19	29	0.93%	LOCAL	No
Merthyr Tydfil Council	£2,000,000	22-Jul-19	22	0.95%	LOCAL	No
DBS Bank	£1,000,000	19-Sep-19	81	0.99%	AA-	Yes
Lloyds	£1,000,000	15-Nov-19	138	1.00%	A+	No
Coventry Building Society	£1,000,000	04-Oct-19	96	0.93%	A-	No
Landesbank Hessen-Thüringen (Helaba)	£1,000,000	09-Oct-19	101	0.89%	A	Yes
Fife Council	£2,000,000	07-Feb-20	222	1.00%	LOCAL	No
United Overseas Bank	£1,000,000	18-Nov-19	141	0.86%	AA-	Yes
Surrey Heath Borough Council	£2,000,000	13-Dec-19	166	0.80%	LOCAL	No
Australia and New Zealand Banking Group	£1,000,000	12-Dec-19	165	0.92%	AA-UK	Yes
Treasury Bills	£2,000,000	22-Jul-19	22	0.64%	Government	No
Call Accounts with Notice Period						
Santander	£1,000,000	27-Dec-19	180	0.95%	A	No
Goldman Sachs International Bank	£1,000,000	03-Oct-19	95	0.89%	A	No
Handelsbanken	£1,000,000	04-Aug-19	35	0.65%	AA-	No
HSBC	£999,500	31-Jul-19	31	0.85%	AA-	No
Certificates of Deposit						
Standard Chartered	£1,000,000	04-Oct-19	96	0.98%	A	No
Nordea Bank AB	£1,000,000	17-Oct-19	109	0.85%	AA-	Yes
Total Investments	£30,884,500					

Local Development Scheme 2019

Councillor Iain Eadie, Cabinet Member for Investment, Economic Growth & Tourism

Date:	10 September 2019
Agenda Item:	4
Contact Officer:	Heidi Hollins/Ashley Baldwin
Tel Number:	01543 308234/308147
Email:	Heidi.hollins@lichfielddc.gov.uk
Key Decision?	Yes
Local Ward Members	All



CABINET

1. Executive Summary

- 1.1 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.
- 1.2 This primary reason for updating the LDS is to identify a revised timetable for preparing the Local Plan.

2. Recommendations

- 2.1 That the Cabinet approves the revised Local Development Scheme as set out in **APPENDIX A** to this report and agrees to its publication.

3. Background

- 3.1 Councils are required under section 15 of the Planning and Compulsory Purchase Act 2004 to produce a Local Development Scheme (LDS). The LDS must specify which documents form the local development documents for the area such as the Local Plan, any made Neighbourhood Plans and any other supporting documents such as supplementary planning documents.
- 3.2 The LDS enables the community, business, developers, service and infrastructure providers and other interested organisations to know the timetable for the production of the Local Plan and can identify any Supplementary Planning Documents (SPD) which the Council wants to prepare during the next 3 years and when they are able to participate.
- 3.3 The meeting of the Economic Growth, Environment and Development (Overview and Scrutiny) Committee in June 2019 considered a revised timetable and based on the report they recommend to Cabinet that this timetable proceed. The timetable proposed is as follows:
 - Preferred Options consultation – November 2019
 - Publication – May 2020
 - Submission – January 2021
 - Examination in Public – May 2021
 - Adoption – February 2022
- 3.4 Within the existing Local Plan there is a commitment to revise the Local Plan. The proposed timetable will provide an 11 month buffer on the existing timetable whilst still meeting the timetable prescribed through the Main Modifications to the Allocations DPD which were adopted by Full Council 16th July, 2019. The additional time is needed in response to the additional pressures placed on the team, it enables the completion and preparation of further evidence to inform the Local Plan and adds a

further consultation period. Since the consultation in January 2019 a considerable body of evidence on a wide range of topics within the Local Plan has been completed. The additional stage of consultation will allow more detailed comments to be made on a preferred growth strategy and enables the refinement of policies within the plan, which will make them more robust for decision making. The current LDS should be refined as it proposes the next step in the preparation of the Local Plan is to consult on a Publication version of the Local Plan. The Publication stage represents the version of the Plan that the Council intend to submit to the Planning Inspectorate for Examination and as such there is little scope to change the Local Plan as a result of the consultation feedback. The programme within the current LDS is therefore considered to propose a risk to the Council as it would not enable all the evidence to be considered and feedback received before the Plan had to be submitted for Examination.

3.5 While the primary purpose of the LDS update is to enable a revised Local Plan timetable to be created the following updates have also been undertaken:

- Slimmed the document size;
- References to the Statement of Community Involvement (SCI) which has been recently amended and adopted;
- The Local Plan Document profile, following the adoption of the Local Plan Allocations Document;
- The number of made Neighbourhood Plans and designated Neighbourhood Plan areas;
- The status of the adopted supplementary planning documents (SPD's);
- The list of saved Local Plan documents and Local Plan policies;
- The list of background evidence which will inform the Local Plan Review; and
- The timetable for production of the Local Plan Review.

3.6 If approved it would supersede the previous LDS which was approved in December 2017.

Alternative Options	<ol style="list-style-type: none"> 1. 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. That the Cabinet recommend 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.
Consultation	<ol style="list-style-type: none"> 1. Consultation has taken place with the Economic Growth, Environment and Development (Overview and Scrutiny) Committee 20th June 2019. 2. There is no requirement to undertake further consultation on the Local Development Scheme.
Financial Implications	<ol style="list-style-type: none"> 1. There will be no cost implications with regard to the production of the LDS.
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. Supports the priority of a vibrant and prosperous economy as it assists in the delivery of the planning function of the Council. 2. Supports the priority of Healthy and Safe communities by ensuring the provision of housing. 3. Supports the priority of clean, green and welcoming places to live by assisting in allocating land for affordable housing, as well as supporting the delivery of residential and commercial developments.

Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. It is important that local communities and interested parties can keep track of the progress of Development Plan documents. This opportunity is provided through the LDS which will be published on the District Council's website. 2. The development of the Development Plan documents, and engagement and consultation on them is agreed and monitored through the Statement of Community Involvement which ensures that all sectors of the local and wider community have an opportunity to input into the planning process.

Crime & Safety Issues	<ol style="list-style-type: none"> 1. None.
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GDPR/Privacy Impact Assessment	<ol style="list-style-type: none"> 1. A Privacy Impact Assessment has been undertaken.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	If we do not have an up-to-date LDS our procedures may be found unsound at Public Examination of local development documents.	Ensure that an up to date LDS exists to support the development of Development Plan documents.	Yellow
B	The risk of changing legislation during the preparation of the Local Plan is a challenge. Publication of national policy statements can generate new issues that the Local Plan or its preparation must address.	Ensure that a review of the LDS is undertaken to ensure it remains up to date. LDS to support the development of Development Plan documents	Green
C	Not meeting the timetable proposed within the LDS.	Timetable should be set on realistic basis taking into account the staff resources available	Yellow
D	Staff turnover and difficulties in recruitment	Fill vacancies promptly where possible. Consider and assess options to meet key targets and milestones.	Yellow

Background documents <ol style="list-style-type: none"> 1. Local Development Scheme 2017 2. Lichfield Local Plan Allocations DPD 2019
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Relevant web links <ul style="list-style-type: none"> • Copies of the submitted neighbourhood plans can be found via: www.lichfielddc.gov.uk/neighbourhood-plans • Local Development Scheme 2017 • Lichfield Local Plan Allocations DPD 2019
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Lichfield District Council

Local Development Scheme 2019



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1 The Purpose of the Local Development Scheme

1 The Purpose of the Local Development Scheme

1.1 Councils are required to produce a Local Development Scheme (LDS) under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). The LDS must specify the documents which when prepared will comprise the Local Development Documents for the area (LDDs). For Lichfield District the LDD's are the Local Plan which is a development plan document (DPD) and any supplementary planning documents (SPDs) such as the Rugeley Power Station SPD.

1.2 This Local Development Scheme (LDS), sets out the timetable for the production of the LDDs which will be produced by Lichfield District Council over the next three year period (*November 2019 to November 2022*). This supersedes the Council's 2017 LDS. It enables everyone to know the timetable for the production of the Local Plan and any Supplementary Planning Documents if known at the time of producing the LDS.⁽ⁱ⁾

1.3 The National Planning Policy Framework ([NPFF](#)) and the associated [Planning Practice Guidance \(PPG\)](#) sets the national context. The District Council must take account of this national policy in preparing plans. This national policy may also be relevant to decisions on individual planning applications and appeals.

1.4 The current DPD for Lichfield District comprises the Lichfield Local Plan Strategy which was adopted in 2015 and the Lichfield District Local Plan Allocations Document which was adopted in July 2019. Additional localised detail is provided by the 'made' Neighbourhood Plans.

1.5 The Local Plan is accompanied by other planning documents which are not Local Plan Documents, these documents, including SPDs, Statement of Community Involvement (SCI) and the Authority Monitoring Report (AMR), Chapter 2 provides the context to their relationship with the Local Plan.

1.6 The LDS is available on the Council's website www.lichfielddc.gov.uk/localplan and is available in hard copy from the District Council on request. It will be subject to an annual review linked to the District Council's Authority Monitoring Report which is published on the District Council's website.

i Local Planning Authorities can decide to produce an SPD without it being identified in the LDS.

2 Content of the Local Development Scheme

Local Development Plan Documents (DPDs)

2.1 Within Lichfield District the DPDs are the Lichfield District Local Plan which comprises the Lichfield District Local Plan Strategy (2015) and the Lichfield District Local Plan Allocations document (June 2019) and the made Neighbourhood Plans. The Local Plan Strategy and Allocations document will be replaced with a document called the Lichfield District Local Plan. The DPDs provide the framework for managing development, addressing key planning issues and guiding investment across the District.

Development Plan Document (DPD) - Lichfield District Local Plan

2.2 The Council began reviewing its Local Plan in April 2018 to meet its commitment to address the Greater Birmingham and Black Country Housing Market Area housing shortfall and update the Local Plan policies so they accord with the new national planning policy framework published in 2018 and 2019 whilst reflecting local circumstances. The Council is undertaking a comprehensive review of its evidence base and continues to work proactively with partners. It is not proposed to prepare any joint Local Plan Documents with other authorities requiring adoption by all parties.

2.3 The following table describes the content, coverage, status, chain of conformity and key stages within the timetable for the production of the review of the Lichfield Local Plan Strategy and Allocations DPDs.

Table 2.1

Lichfield District Local Plan 2018-2040	
Role and Content - To produce a document that will review the Local Plan in totality. The document will set a framework for the future sustainable development of the District. It will set out the spatial profile and issues facing the district and a vision of how Lichfield District will appear in 2040. It will contain strategic objectives and priorities and a spatial strategy with strategic and non-strategic policies to guide future sustainable development.	
Coverage - District wide.	
Status - Development Plan Document.	
Conformity - It will be in conformity with the National Planning Policy Framework, influenced by local strategies and other cross boundary strategic matters underpinned by relevant and up to date local evidence.	
Timetable - Key stages	
Scope, Issues and Options	April 2018
Preferred Options and Policy Directions	January 2019
Preferred Options	November 2019

Lichfield District Local Plan 2018-2040	
Publication	May 2020
Submission	January 2021
Examination	May 2021
Adoption	February 2022

Neighbourhood Plans

2.4 The Localism Act 2011 enables local communities to produce a neighbourhood plan to support the development of their area. A neighbourhood plan becomes part of the statutory development plan once it has been agreed at a referendum and is made (brought into legal force) by the local planning authority. Applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise.

2.5 The District Council supports the development of Neighbourhood Plans that will form part of the Local Plan for Lichfield District. At present there are 17 designated Neighbourhood Areas where Neighbourhood Plans are being progressed. Currently 11 Neighbourhood Plans have been 'made' namely Stonnall, Shenstone, Little Aston, Wiggington, Hopwas & Comberford, Lichfield City, Whittington & Fisherwick, Fradley, Elford, Longdon, Alrewas and Armitage with Handsacre. At the time of writing the remaining designated neighbourhood areas are: Colton, Burntwood, Wall, Hammwerwich, Fazeley and Streethay.

2.6 Details of each Neighbourhood Plan is published on the District Council's website at www.lichfielddc.gov.uk/neighbourhoodplans

Other Supporting Documents:

Supplementary Planning Documents

2.7 SPDs expand on policies and proposals contained in the Local Plan. They do not form part of the statutory development plan and are not subject to formal independent examination. No further SPDs are currently proposed and the following table shows the SPDs with the date they were adopted:

Table 2.2

Supplementary Planning Documents	Adopted
Rural Development	December 2015
Historic Environment	December 2015
Sustainable Design	December 2015 (Appendix A updated Spring 2019)
Biodiversity	May 2016

Supplementary Planning Documents	Adopted
Developer Contributions SPD	May 2016
Trees and Landscape SPD	May 2016
Rugeley Power Station Development Brief SPD	April 2018

Statement of Community Involvement

2.8 The District Council adopted its Statement of Community Involvement (SCI) in April 2019. It sets out the standards that the District Council intends to achieve in relation to involving the community in the preparation, alteration and continuing review of all local development documents and in development control decisions. The SCI goes beyond the statutory minimum requirements for consultation. All documents are required to be prepared in accordance with the SCI.

Sustainability Appraisal

2.9 Where required Development Plan Documents will be subject to a Sustainability Appraisal (SA) that fully meets the requirements of the Strategic Environmental Assessment (SEA) Directive. The main purpose of an SA is to appraise the social, environmental and economic effects of strategies and policies from the outset of the preparation process, so that decisions can be made that accord with the objectives of sustainable development. The SA process will be completed to support the various plan making stages as required by the legislation.

Habitats Regulations Assessment

2.10 A Habitats Regulations Assessment identifies whether a plan is likely to have a significant effect on a European site, either alone or in combination with other plans or projects. This assessment must determine whether significant effects on a European site can be ruled out on the basis of objective information. It has already been established that the Cannock Chase Special Area of Conservation (SAC) River Mease SAC and Cannock Extension Canal SAC could potentially be affected by land-use proposals within the Lichfield Local Plan. Studies are prepared to prevent harm arising along with developing mitigation strategies. These are being monitored and updated through partnership working.

Authority Monitoring Report

2.11 Local planning authorities are required to publish an annual report that monitors the progress and implementation of their local plans. It must specify whether adopted policies are meeting their stated objectives. The District Council's [AMRs](#) are available on the website with the latest version published in August 2019.

Infrastructure Delivery Plan

2.12 An Infrastructure Delivery Plan (IDP) sets out what infrastructure improvements will be required to help deliver the aspirations of the Local Plan. It includes transport improvements, social and community facilities, utility services and green spaces, it sets out what is committed and what will be required to deliver the Local Plan as well as the longer term and aspirational infrastructure projects within the District.

Community Infrastructure Levy

2.13 The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 (as amended) and is based on a £ per sqm charge.

2.14 Lichfield District Council adopted its CIL on 19th April 2016 and commenced charging on 13th June 2016. A CIL charge applies to all relevant applications determined on or after this date. A number of policies to support the CIL were also adopted including an Instalment Policy, In Kind Policy and Exemptions and Relief Policy. The Regulation 123 (revised list adopted February 2017) of the CIL Regulations sets out a list of those projects or types of infrastructure that LDC will fund in whole or in part through the levy.

3 Background Evidence

3.1 When preparing its LDDs the Council seeks to ensure that these are integrated with and complimentary to a range of adopted policies and strategies, including those produced by other partners. This helps us ensure issues which also effect our neighbours and partners are addressed as part of our Duty to Cooperate.

3.2 A wide range of background work needs to be undertaken and taken into account when preparing the Local Plan. This background work will be the evidence base that supports the strategy and policies of the Local Plan. Some of the evidence base studies will be undertaken in house, however specialist knowledge will be required for other studies and as such will be undertaken by consultants.

3.3 The range of strategies, policies and background technical studies includes the following documents, the full locally prepared evidence base can be viewed at www.lichfielddc.gov.uk/evidence

4 Resources, Monitoring and Review

4.1 The broad resources and management arrangements for each LDD are primarily located within the spatial policy and delivery team. However, there will be significant involvement of other officers across the District Council and assistance from the County Council, for example in relation to transportation and education issues.

4.2 Throughout the process the input from our elected members will be vital and this will be through the Local Plan Sub Committee, Economic Growth Environment and Development (Overview and Scrutiny) Committee, CIL Joint Member/Officer Working Group, Cabinet and Full Council.

4.3 There will always be a degree of uncertainty associated with preparing a LDS as new technical information, other reviews and other unforeseen circumstances that warrant changes or review may delay the production of the Local Plan. In order to identify any issues as soon as possible the Council will monitor the progress of the preparation of the local plan and neighbourhood plans through the authority monitoring report.

4.4 The Council has carried out a risk assessment of the projects contained in this document as set out in the table below.

Table 4.1 Risks to Production

Risk	Impact	Mitigating Actions
New National Policies published	Additional work to comply with new requirements	<ul style="list-style-type: none"> Respond to changes as early as possible
Level of public engagement proves greater than the assumption made	Increased time required for public and stakeholder involvement. Possible programme slippage	<ul style="list-style-type: none"> Build in some flexibility in programme Monitor progress Consider drawing in additional resources
Staff turnover and difficulties in recruitment	Reduced capacity may cause slippage in Local Plan preparation	<ul style="list-style-type: none"> Fill vacancies promptly where possible Consider re-deployment to meet key targets and milestones Consider recruitment incentives Consider using consultants where specific expertise is required.
Unforeseen pressures on staff time for other work	Staff diverted to other work may cause slippage in Local Plan preparation	<ul style="list-style-type: none"> Local Plan to be a Strategic Plan priority Closely manage staff tasks and consider re-deployment

Risk	Impact	Mitigating Actions
Insufficient financial resources, including lower levels of grant than anticipated	Danger that quality of evidence base is compromised and/ or key milestones unable to be met	<ul style="list-style-type: none"> Closely monitor costs
Commissioned evidence not delivered on time	Key milestones unable to be met	<ul style="list-style-type: none"> Closely monitor delivery of contracts
IT systems unreliable or inadequate for consultation and Examination processes	Possible delays in consultation administrative processes causing slippage	<ul style="list-style-type: none"> Ensure corporate liaison on IT and communications issues Invest early in IT systems and GIS
LDS programme too ambitious	Key milestones may not be met	<ul style="list-style-type: none"> Use experience already gained to ensure programme is realistic Monitor progress of the LDS through the AMR Prioritise documents
Planning Inspectorate unable to meet post submission process timescales	Examination and/ or report is delayed and key milestones not met	<ul style="list-style-type: none"> Close liaison with PINS to ensure problems identified
Local Plan document found unsound	Document requires additional work and repetition of specific stages of the process	<ul style="list-style-type: none"> As far as possible ensure evidence base is robust and up-to-date on submission Engage with the community and stakeholders Critical friend analysis prior to submission
Legal Challenge	Possible quashing of document or requirement to repeat work	<ul style="list-style-type: none"> Ensure Regulations complied with and processes audited Carefully consider Inspector's recommendations

THE LEASE OF THE DISTRICT COUNCIL'S TENNIS COURTS IN BEACON PARK TO BEACON PARK TENNIS CIO



Report of Cllr Elizabeth Little, Cabinet Member for Recycling and Leisure

Date: 10 September 2019

Agenda Item: 5

Contact Officer: John Smith, LOPS Business Development Manager

Tel Number: 01543 308016

Email: John.smith@lichfielddc.gov.uk

Key Decision? NO

Local Ward Cllr Checkland, Eadie and Smith

Members

CABINET

1. Executive Summary

- 1.1 Lichfield District Council owns and manages 4 tennis courts in Beacon Park.
- 1.2 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.
- 1.3 BPT are willing to take on the management and maintenance of the tennis courts from LDC and promote and increase the opportunities and use of the tennis courts for the benefit of Lichfield district residents.
- 1.4 This provides the council with an opportunity that enhances its existing facility with continued access.

2. Recommendations

- 2.1 That Cabinet agree to a 21 year lease arrangement with Beacon Park Tennis Charitable Incorporated Organisation for the tennis courts in Beacon Park.

3. Background

- 3.1 Beacon Park Tennis (BPT) is registered in England and Wales as a Charitable Incorporated Organisation. It has no paid staff and a volunteer management team consisting of 5 trustees with varied complementary backgrounds. The team met through the coaching programme offered on the courts and formed a strong bond with a desire to see the continued use of the facilities for the general public.
- 3.2 Since its inception BPT has been in dialogue with LDC to bring forward a new arrangement for the management of the tennis courts in Beacon Park, which was predicated on BPT securing sufficient funding to deliver a renovation project for the tennis courts.
- 3.3 The trustees have worked with a steering group of stakeholders on the regeneration proposal, including Lichfield District Council Leisure Team, local schools (Erasmus Darwin Academy and Lichfield Cathedral School) and the Lawn Tennis Association in a bid to facilitate this project. Current users of the facilities are all in support of BPT taking on a leasehold arrangement and have worked with them to raise funds for a regeneration project.
- 3.4 BPT are aiming to provide the local community and surrounding areas with a first-class public park tennis and netball facility by creating a professional and safer playing surface that this will attract more

players including families and visitors. This supports the delivery of ambitions in the councils Physical Activity and Sports Strategy and Health and Well-being Strategy.

- 3.5 BPT's project is to raise sufficient funds to resurface Lichfield's four public tennis courts which are used for tennis, netball and school PE and add new floodlighting to extend play throughout the year. By installing usable floodlights they aim to extend both the playing time in the summer and the ability to play in late afternoons and evenings during the winter months.
- 3.6 The total regeneration project will cost £208,000 and BPT have already secured this in donations and funding from organisations such as the Lawn Tennis Association and Sport England. The project has a sustainable business plan generating revenue from 'pay as you go' usage, school bookings and annual passes, as well a regular income stream from the Spires Netball club. Their P&L projections demonstrate that they will have sufficient funds in ten years' time to cover the costs of future resurfacing work.
- 3.7 The resurface project will also include an LTA approved online booking facility with PIN entry access to the courts. This will allow easier management of the courts via a 'pay and play' system. In addition, BPT will work in collaboration with TFF to provide funding for free tennis coaching in Lichfield and Burntwood.
- 3.8 BPT have a planning application logged – reference 19/00762/FUL with an expectation to go to Planning Committee on 30th September. BPT has received letters of support for the regeneration project from the following partners: Lichfield Cathedral School, Mircosport (tennis coaching) and the Lichfield Spires Netball club. Additionally, Lichfield Spires Netball Club now have a Trustee position on the BPT Charity.
- 3.9 Draft Heads of Terms (Appendix A) have been prepared between LDC and BPT for a 21-year lease for the tennis courts so that BPT can carry out the regeneration project and provide low-cost tennis and multi-sport services on the site.
- 3.10 The draft Heads of Terms outline the continued requirements from LDC for the operational support of the council for court cleaning, refuse collection and ensuring access to the courts. The financial cost of this support from the council is de minimis because it forms part of a much wider work programme.
- 3.11 The timing for delivery of BPTs renovation project means that they will need to start work in the winter of 2019. (The playing surface will not last into 2020). The timescales for delivering a lease arrangement can take several months which could ultimately frustrate BPTs ability to deliver the regeneration project this winter. In order to facilitate the works in a timely manner, it would make sense to offer BPT a license to occupy (Appendix C) Beacon Park's tennis courts and ensure that the works can be completed.
- 3.12 Beacon Park has featured tennis courts in one way or another for over 80 years. The current facility's condition has been deteriorating for some time and in 2014 was subject to a quick fix to extend the lifespan of the courts for a few more years. This consisted of a tarmac bonding and repaint which tried to bond the fragile and eroding tarmac surface material together and then paint over it. The life expectancy of the courts from this project was for up to 5 years.
- 3.13 At the time of the fix, LDC sought indicative costs for a re-surfacing of the 4 tennis courts and initial estimates put this at approximately £60,000. This was to resurface the existing courts in the current layout with no improvement to lighting or improvements based on Lawn Tennis Association (LTA) national standards for space between courts.
- 3.14 The Council's H&S Manager has inspected the courts and determined that without some form of remediation the courts will soon become unplayable and will need to be closed. In order to make the courts playable, due to their condition, resurfacing would be the minimum requirement. Alternatively the courts would need to be closed in the not too distant future and the tennis and netball facilities would be removed from public use.

- 3.15 Shortly after the improvements works were completed, the Tennis For Free (TFF) initiative began in February 2016 and was introduced to increase participation in tennis for all ages. Since its launch there has been 1072 unique users of the facility with 162 unique users since March 2019. The total attendances since the launch in February 2016 is 5574 (average 41 per week) and attendance since March 2019 is 630 (average 27 per week).
- 3.16 The legacy figures since the TFF launch are impressive especially because the facility has not been promoted this year due to the condition of the courts, but an average of 27 per week is still well above the national average. These are mainly made up of regular players.
- 3.17 The success of the TFF Scheme has led to extended use of the courts during the last three and a half years with an increase of over 5000 attendances since this time and many of the TFF members now having increased their playing time by joining a local tennis league and/or a tennis club. In addition to TFF, Lichfield and Burntwood Tennis League runs 4 competitions per year on the courts, with between 6 to 16 people in each competition.
- 3.18 Netball began in Beacon Park in 2013 via funding from Sport England's Sportivate programme, led by the councils Sports Development Team, the success was so astonishing that the Sports Development Team and England Netball supported the making of Lichfield Spires Netball Club. The club has since gone from strength to strength with its current membership at:
- 32 Adults playing with 2 leagues teams
 - 91 new adults players registered through back to netball and 2 new league teams
 - 50 older ladies registered with walking netball
 - 110 girls attending 5 weekly junior netball sessions
 - The club has also upskilled 2 level two coaches and 2 level one coaches.
 - The club has a wealth of volunteers including a treasure, welfare officer and club secretary.
- 3.19 Lichfield Cathedral School use the tennis courts for its sports curriculum and has approximately 400 pupils who use the court on a weekly basis to play netball and tennis. It would struggle to find alternative arrangements for these activities if Beacon Park's tennis courts were to close.
- 3.20 The district council has 3 options all detailed below, with option 3 being the recommended option:
- 1) To keep the tennis courts open and for the council to refurbish them at its own cost.
 - 2) To continue to make the tennis courts available for public use until they have to be closed for health and safety reasons.
 - 3) To transfer the courts to BPT on a 21-year lease so that they can significantly improve the courts using externally funded grants.

1)	To keep the tennis courts open and for the council to refurbish them at its own cost.	
Advantages		Disadvantages
<ul style="list-style-type: none"> • Control of the facility remains with the council. • Those using Tennis for Free or similar future offer will continue to be able to use this facility. • The netball club will still be able to use Beacon Park to play its home matches and practice sessions. • Lichfield Cathedral School will continue to use Beacon Park for its curriculum sports activities linked to tennis and netball. 		<ul style="list-style-type: none"> • The facility is refurbished to a basic standard with no enhancements. • The council will need to use its own reserves to deliver the capital improvements.

<ul style="list-style-type: none"> This reflects positively when considering the council's health and wellbeing strategy and physical activity and sports strategy. 					
		Operational Costs			Total
Capital Investment	Sub Total	Income		Sub Total	
£60,000	£60,000	(£1300)		(£1300)	£58,700

2)	To continue to make the tennis courts available for public use until they have to be closed for health and safety reasons.				
Advantages		Disadvantages			
<ul style="list-style-type: none"> The council doesn't need to invest its capital into the facility. There will be a revenue saving in terms of maintenance. 		<ul style="list-style-type: none"> At some point in the future, the facility will no longer be available for public use. There would be a £1300 budget pressure if the facility closes. Those using Tennis for Free will not have access to this facility. The Netball club will need to find an alternative site to play its home matches and practice sessions. Lichfield Cathedral School will need to make alternative arrangements for its curriculum sports activities linked to tennis and netball. This doesn't reflect positively when considering the council's health and wellbeing strategy and physical activity and sports strategy. Many of those affected are within our strategic plan target group's for instance young females, the elderly and those on low income. The condition of the courts means that the closure is imminent and therefore the facility would not be available beyond the next few months. The equalities impact assessment suggests that closing the courts will impact on hard to reach groups such as teenage girls and women, disability sports users, the school and affordable activities through TFF. 			
					Total
Capital Investment	Sub Total	Income		Sub Total	
£0	£0	(£1300)		£0	(£1300)

3)	To transfer the courts to BPT on a 21-year lease so that they can significantly improve the courts using externally funded grants.				
Advantages		Disadvantages			
<ul style="list-style-type: none"> LDC doesn't need to invest in the courts as it would in option 1, but gets the benefit of having one of its assets significantly improved. 		<ul style="list-style-type: none"> LDC passes control of a public facility to a third party. LDC would still contribute £5000 towards the regeneration works. This would be funded through Beacon Park's revenue budget for the 			

<ul style="list-style-type: none">Those using Tennis for Free or similar future offer will continue to be able to use this facility.The netball club will still be able to use Beacon Park to play its home matches and practice sessions.Lichfield Cathedral School will continue to use Beacon Park for its curriculum sports activities linked to tennis and netball.This reflects positively when considering the council’s health and wellbeing strategy and physical activity and sports strategy.		<p>relevant year and a sink fund held to support transition within LOPS.</p> <ul style="list-style-type: none">LDC would contribute up to £1500 towards BPTs legal costs for the lease. This would be funded through Beacon Park’s revenue budget for the relevant year and a sink fund held to support transition within LOPS.			
					Total
Capital Investment	Sub Total	LDC Contribution	Legal Costs	LDC Sub Total	
(Externally funded) £203,000	£203,000	£5000	£1500	£6500	£209,500
Budget pressure of £1300 per year for loss of income to be contained through existing budgets.					

Alternative Options	There are three options that have been considered in paragraph 3.20 above.
Consultation	The Council has discussed the proposals with Ward Members from Leomansley and the Friends of Historic Parks who are supportive of the proposals.
Financial Implications	<p>The maintenance cost associated with the tennis courts is de minimis because it forms part of a much wider work programme.</p> <p>Total income from the tennis courts over the past 5 years: 2014/15 £696 2015/16 £1674 2016/17 £1320 2017/18 £1427 2018/19 £2865</p> <p>Any financial pressures emerging will be contained in existing budgets.</p> <p>LDC capital requirements to keep tennis courts open. (i.e. basic resurfacing) £60,000</p> <p>Based on a £208k refurbishment project, BPT has all the funding agreed in principle through grants, loans, donations and income already generated.</p>
Contribution to the Delivery of the Strategic Plan	<p>The provision of well-maintained publicly accessible sports facilities helps achieve the following:</p> <ul style="list-style-type: none"> The creation of safe, strong and proud communities The improvement of people's health and wellbeing.

	The lease of the tennis courts will protect and enhance them because BPT is looking to invest significantly to raise the standard of the playing facility.
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Equality, Diversity and Human Rights Implications	An equality Impact assessment has been completed which suggests that closing the courts will impact on hard to reach groups such as teenage girls and women, disability sports users, the school and affordable activities through TFF. (See Appendix B).
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Crime & Safety Issues	Sport is a diversionary activity that helps to reduce anti-social behaviour.
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GDPR/Privacy Impact Assessment	A Privacy Impact Assessment has been undertaken
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The district council cannot agree terms with BPT.	Negotiations and discussions have taken place at an appropriately senior level with both parties and HOTs for a lease have been agreed in principle.	Green
B	Adverse reaction from users and residents	A communications plan will be prepared and implemented to explain why these proposals are in the best interests of the sites, users and taxpayers.	Green
C	The other party fail to manage the sites properly and associated reputational issues	The lease agreements will commit BPT to maintain the tennis courts to a decent standard.	Green
D	BPT cease to exist within the next 21 years.	The tennis courts would revert back to LDC, in better condition than at present. LDC would generate income from that point.	Green

<p>Background documents:</p> <p>Appendix A – HOTs for a 21 year lease.</p> <p>Appendix B – Equalities Impact Assessment</p> <p>Appendix C – License to occupy for renovation project</p>
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Relevant web links

Draft Heads of Terms

The Tennis Courts in Beacon Park

Transfer of land, and other assets and obligations

Lichfield District Council and Beacon Park Tennis

(Beacon Park Tennis is registered in England and Wales as a charitable incorporated organisation No. 1174799).

Subject to contract and without prejudice

Vendor	Lichfield District Council (LDC) District Council House Frog Lane Lichfield WS13 6YY
Purchaser	Beacon Park Tennis (BPT) C/o Phil Shaw
Land to be transferred	LDC's interests and other obligations relating to the tennis courts in Beacon Park only; including properties, structures, assets and other obligations as marked in blue on the attached plan.
Consideration	£1 (one pound) p/a. Not collected.
Length of lease	21 years. Extension period can be negotiated with LDC Head of Leisure and Operational Services or relevant director
Conditions of Agreement	The land to be leased in one transaction with an effective date of October 2019. Beacon Park Tennis will continue with a Tennis for Free or similar externally funded community tennis project

Appendix A – HoTs for a 21-year lease

	<p>Sponsorship and signage by BPT will be allowed on the tennis court fence line as long as LDC retains all editorial rights and signage areas for its own purposes.</p> <p>Beacon Park Tennis will continue to provide court facilities for other activity groups such as netball. All income generated by such activities will remain with BPT.</p> <p>Beacon Park Tennis will manage all associated concessions and set appropriate fees in liaison with LDC for all existing and new concessions.</p> <p>Beacon Park Tennis to become liable for all costs associated with the land from that point including ancillary items such as floodlighting utility costs.</p> <p>That all land covered by this agreement remains in use as tennis/netball courts unless separate agreement is reached between the two parties.</p> <p>That LDC will continue to provide a bin emptying service.</p> <p>LDC to provide access and use to the Discovery Hub for Beacon Park Tennis at a negotiable rate.</p> <p>To provide support for Beacon Park Tennis for improvements to the facilities and to continue to ensure that access to the courts is granted.</p> <p>Court cleaning - the council to include the cleaning of the courts. i.e. The annual washing and moss removal but no more than is currently being provided.</p> <p>The council will nominate a responsible officer that can have representation on the board of trustees but will not act as a trustee or have voting rights.</p>
Costs	<p>LDC will contribute up to £1500 towards BPT's legal costs and LDC will be responsible for its own legal costs.</p>
Other	<p>These terms are subject to contract and without prejudice and the right are reserved for the Director of Place and community in consultation with the lessee to incorporate such other terms or conditions as they deem necessary or appropriate to give effect to the agreement.</p>

equality impact assessment

stage 1 quick check

questionnaire



If you are planning on making a change to an existing service or policy, or launching something new, fill out this quick questionnaire to find out if you need to complete a full equality impact assessment. You can also use this form to check your current services or policies.

To find out more about the legal background to equality impact assessments, or for advice on which of your current services should be assessed, read our equality impact assessment help notes.

Section 1: About you and your service area

Your name:	Sarah Sleigh
Your service area:	LOPS
Your director/line manager:	Richard King
Your cabinet member:	Liz Little

Section 2: About your plans

Name of service/policy you are assessing:	Beacon Park Tennis Court
---	--------------------------

Is it? (please delete as appropriate)

- A proposal to close a service

Who are the main users of your service/policy? (please delete any that are not appropriate)

- Mixture of residents and visitors
- Users of a specific service (e.g. leisure centre customers)
- Older people
- Young people
- Other (please specify)

Beacon Park has featured tennis courts in one way or another for 85 years. In order to continue in safe public use significant investment is required to the facilities so the Council must decide how this can be achieved in the most effective way.

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

This supports the principle of devolvement, community ownership and is an approach that has been successfully developed previously by LDC with the transfer of public open space

The district council has 3 options all detailed below, with option 3 being the recommended option:

- 1) To keep the tennis courts open and for the council to refurbish them at its own cost.

- 2) To continue to make the tennis courts available for public use until they have to be closed for health and safety reasons.
- 3) To transfer the courts to BPT on a 21-year lease so that they can significantly improve the courts using externally funded grants.


The Tennis For Free (TFF) initiative began in February 2016 and was introduced to increase participation in tennis for all ages. Since its launch there has been 1072 unique users of the facility with 162 unique users since March 2019. The total attendances since the launch in February 2016 is 5574 (average 41 per week) and attendance since March 2019 is 630 (average 27 per week). Lichfield Spires Netball Club and Lichfield Cathedral School are also regular users of the courts.

Beacon Park Tennis (BPT) is registered in England and Wales as a Charitable Incorporated Organisation. The team have a strong desire to see the continued use of the facilities for the general public. Since its inception BPT has been in dialogue with LDC to bring forward a new arrangement for the management of the tennis courts in Beacon Park.

Section 3: Will your plans impact on any particular groups?

3a:  Please fill in all boxes that apply in the table below. If any boxes don't apply, please leave blank.

Hints & tips Think about who will benefit from or be affected by your plans/policy. Will any particular group be negatively affected, or not able to use the service? For further guidance please see Section 3 of the help notes.

Impact of plans	Will your plans have a positive impact on this group? If so please explain why?	Will your plans have a negative impact? If so please explain why?  If there is a negative impact on any group(s), please complete section 4 for each group.
Groups of users		
Age ranges (indicate range/ranges)	TFF and BPT have demonstrated significant participation from all age groups.	All age ranges will be affected by the closure of the tennis courts if they are not refurbished in the near future.
Disability (physical, sensory or learning)		
Gender/sex	TFF and BPT have demonstrated significant participation from women and girls.	Women and girls, will be affected by the closure of the tennis courts if they are not refurbished in the near future
Transgender/gender reassignment		
Race (includes ethnic or national origins, colour or nationality)		
Gypsies and travellers		
Refugees / asylum seekers		
Sexual orientation		
Marriage and civil partnerships		
Religion or belief (includes lack of belief)		
Pregnancy and maternity		
Carers or the people cared for (dependants)		
Other (please specify)		

3b: Further details

Please use this space to provide further details if necessary
Loss of the facility would have a Health and Wellbeing impact on some of the Councils identified target groups.

Section 4: Can you justify and evidence, or lessen any impact?

4a: ☒ If you have identified a negative impact(s) on any group(s) please complete the below table for each affected each group. If any boxes don't apply, please leave blank. If you didn't identify any negative impact(s) on the previous page, skip to section 6.

Hints & tips Is there something you can do to reduce or alter any negative impact you have identified? *For example when we changed waste and recycling collections to kerbside collections, we offered disabled/less able people assisted collections.* Please list all the evidence you have gathered to support your decision(s) – this could include customer feedback, statistics, comparable policies, consultation results. If you don't have any evidence, please carry out appropriate studies and research to gather the evidence you need to support your decision(s). If you have no/insufficient evidence or cannot gather any, you will need to complete a full EIA. For further guidance, see Section 4 of the help notes.

Actions you need to take	We will make the following change(s) to the service/policy to reduce the negative impact. Explain the change(s) and the evidence you have to support your decision? ☒ Use section 4b below if you want to give more details.	We won't make changes as we can justify our decision and there are sound reasons behind our decision. Justify why and detail the evidence you have gathered to support your decision. ☒ Use section 4c below if you want to give more details.	There is a negative impact, and we cannot justify it and/or have no, or insufficient, evidence to support our decision. ☒ You will need complete a full equality impact assessment. See the help notes for more details.
Groups of users			
Age ranges (indicate range/ranges)	A recommendation is being taken to Cabinet to transfer the Tennis Courts to Beacon Park Tennis (BPT) for a 21-year lease for the tennis courts so that BPT can carry out the regeneration project and provide low-cost tennis and multi-sport services on the site.		
Disability (physical, sensory or learning)			
Gender / sex	A recommendation is being taken to Cabinet to transfer the Tennis Courts to Beacon Park Tennis (BPT) for a 21-year lease for the tennis courts so that BPT can carry out the regeneration project and provide low-cost tennis and multi-sport services on the site.		
Transgender / gender reassignment			

Race (includes ethnic or national origins, colour or nationality)			
Gypsies and travellers			
Refugees / asylum seekers			
Sexual orientation			
Marriage and civil partnerships			
Religion or belief (includes lack of belief)			
Pregnancy and maternity			
Carers or the people cared for (dependants)			
Other (please specify) Women and Girls Young People Older Adults	A recommendation is being taken to Cabinet to transfer the Tennis Courts to Beacon Park Tennis (BPT) for a 21-year lease for the tennis courts so that BPT can carry out the regeneration project and provide low-cost tennis and multi-sport services on the site.		

4b: Further details on changes

Please use the space below to give more details on the changes you will make, if necessary:

BPT's goal is to extend the longevity of Lichfield's public tennis courts and ensure they are not closed as a public facility due to deteriorating playing conditions.

4c: Further details on justification

Please use the space below to give more details on the justification/evidence you have gathered, if necessary:

The total regeneration project will cost £208,000 and BPT have already secured this in donations and funding from the LTA, HS2 and Sport England. The project has a sustainable business plan generating revenue from 'pay as you go' usage, school bookings and annual passes, as well a regular income stream from the Spires Netball club. Their P&L projections demonstrate that they will have sufficient funds in ten years' time to cover the costs of future resurfacing work.

Section 5: Your action plan

Help notes If, as a result of this assessment, you are going to adapt your plans or policy, please include details below. Please include a quick action plan and key dates that will show how you will review your decisions and when. Please include responsibility and expected outcomes. For full guidance on how to complete this section, please refer to the help notes.

Recommendation to Cabinet to agree to a 21 year lease arrangement with Beacon Park Tennis Charitable Incorporated Organisation for the tennis courts in Beacon Park. - Sept 2019

5

For help or guidance contact Colin Cooke on 01543 308121 or Alison Bowen on 01543 308129 or email colin.cooke@lichfielddc.gov.uk or alison.bowen@lichfielddc.gov.uk

Lichfield
district council
www.lichfielddc.gov.uk

Section 6: Record your actions (delete as appropriate)

I have sent this to Policy and Performance for publication on the intranet and on www.lichfielddc.gov.uk	Yes
Date completed: 29 August 2019	

Phil Shaw
Trustee
Beacon Park Tennis
33 Cherry Orchard
Lichfield
Staffordshire
WS14 9AN

Fax No. (01543) 309899
Please ask for: Karen Cannon
Telephone: (01543) 308061
e-mail: karen.cannon@lichfielddc.gov.uk

Lichfield District Council
Frog Lane
Lichfield
Staffordshire
WS13 6YU

My Ref: BPT/BP/TCR **Your Ref:** Beacon Park Tennis

11 September 2019

Dear Sirs

Land within Beacon Park defined as the tennis courts including access point via Bunkers Hill Car Park, Lichfield, Staffordshire.

Lichfield District Council ("the Council") is prepared to grant a licence to Beacon Park Tennis ("BPT") to enable it to enter into occupation of land which is in the ownership of the Council (Title Number 4509 6317, Grid Reference SK113 095) and shown edged red on the attached plan ("the Land"). The licence will be on the following terms and conditions:

1. With effect from the date that this letter is signed and dated on behalf of both parties, the Council licences and permits BPT, its workmen, contractors, agents, surveyors and all other persons authorised by BPT (acting reasonably) to enter onto the Land.
2. BPT shall only be permitted to use the Land for the purposes of completing the works as described as **Beacon Park Tennis Courts Renovation Project and other associated works**. These works are defined at Appendix A, and illustrated on the plan at Appendix B.
3. When exercising the Licence, BPT shall (at its own expense):
 - (1) be responsible for obtaining in advance and then complying with any and all planning and building consents and permits and any other consents or approvals whatsoever as maybe required to lawfully carry out the Works;
 - (2) be responsible for complying with all applicable health and safety requirements and all other laws and other legal requirements that apply to the Works;
 - (3) ensure that its workmen, agents, contractors and whomsoever else it authorises to enter onto the Land (or any part thereof) use reasonable care and skill at all times when carrying out the Works;
 - (4) use its reasonable endeavours when exercising this Licence to minimise both any resulting damage to the Land and also any material disturbance to the Council, visitors and park users, and the owners and occupiers of adjoining or neighbouring land and property;

- (5)** make good all resulting damage arising from the exercise of this Licence by BPT without delay to the reasonable satisfaction of the Council;
- (6)** ensure that all equipment which is used or installed by it on the Land is well maintained, in good working order at all times and does not create any material hazard or material health and safety risk;
- (7)** not store any dangerous or hazardous materials or substances or gases on the Land at any time pursuant to the carrying out of the Works without first obtaining the Council's written consent (at the Council's absolute discretion);
- (8)** comply diligently and at its own expense with any and all requirements which are notified in writing to BPT by the Council (acting reasonably) for the purpose of averting or preventing or abating any material health and safety risk, nuisance, unreasonable disturbance, or any other material problem which either has arisen or which the Council anticipates (acting reasonably) may arise out of BPT's exercise of the Licence and the carrying out of the Works;
- (9)** at all times while this Licence is in force maintain a public liability indemnity insurance policy ("the Policy") with a reputable insurer in a minimum sum of £5,000,000 per claim and upon reasonable written request provide reasonable documentary evidence to satisfy the Council (acting reasonably) that (firstly) the said policy is in force in relation to the operation of this Licence and that (secondly) BPT is complying with and has complied with the requirements of this clause;
- (10)** not commit any act or omission which may make the Policy void or voidable and comply with the relevant related requirements of its insurer at all times;
- (11)** indemnify the Council from and against all actions, losses, claims, costs, demands, proceedings and any other legal liability which may be brought or made against the Council arising out of the exercise or performance or non-performance by or on behalf of BPT of its obligations and rights under this Licence and also from and against any consequential costs, damages, losses and expenses which are incurred by the Council, provided that this indemnity shall not apply to the extent that any such liability or other matter is a reasonably foreseeable consequence of any negligent act or omission which is committed by or on behalf of the Council and provided further that the Council takes all reasonable steps to mitigate its loss and does not compromise or settle any claim without BPT consent (not to be unreasonably withheld or delayed);
- (12)** co-operate with officers of the Council to ensure that the progress of the project is monitored, reported and understood.

Termination

4. The Licence shall come to a substantive end within 12 weeks of a start on site of the works – the date to be agreed - or upon completion of the Works by BPT, whichever is the earlier. BPT will continue to be allowed access to the Land for the foreseeable future in order to complete low level maintenance and identified snagging works.

5. The Council may serve notice on BPT at any time in order to terminate this Licence with immediate effect if BPT commits a material breach of any of the requirements of this Licence and the Council has served notice on BPT requiring the remedy of the breach in question and BPT has failed to comply with such notice within a reasonable time (which shall be specified by the Council, acting reasonably).

Completion of the Licence

If the terms and conditions of this letter Licence are acceptable to BPT, can you please arrange for the attached duplicate copy of this letter to be signed and dated below by an authorised signatory on behalf of BPT and then return the duplicate copy to the Council by return of post, whereupon I will contact you on behalf of the Council to acknowledge receipt and to confirm the formal completion of the Licence.

Yours faithfully

Karen Cannon
Property Manager

SIGNED by an authorised signatory
for and on behalf of **Lichfield District Council**:

.....
Authorised Signatory

Date: 2019.

SIGNED by an authorised signatory
for and on behalf of **Beacon Park Tennis**:

.....
Authorised Signatory

Date: 2019.

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Birmingham Road, Lichfield Enabling Works – Selection of Tender

Report of the Cabinet Member for Investment, Environment & Tourism Development Services:

Councillor I. Eadie



Date:	10 th September 2019
Agenda Item:	6
Contact Officer:	Stephen Stray/ Craig Jordan
Tel Number:	01543 308760/ 308202
Email:	stephen.stray@lichfielddc.gov.uk craig.jordan@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	ALL

CABINET

1. Executive Summary

- 1.1 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.
- 1.2 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.
- 1.3 The contractor will deliver the works granted planning permission on the 29th 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.
- 1.4 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.

2. Recommendations

- 2.1 That the Cabinet agrees to the recommendation that Coleman & Company be awarded the contract to undertake the commission for the tendered sum of **£599,991**.
- 2.2 That the Cabinet approve 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**.
- 2.3 That the Cabinet delegates 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.

- 2.4 Cabinet recommend to Council to 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.

3. Background

- 3.1 Members will be aware of the decision of the District Council not to fund the Friarsgate scheme and the consequent demise of that project in 2018. Since then the Council has determined to bring forward alternative proposals for the Birmingham Road site.
- 3.2 In the above context, members will be aware of the recent decision to appoint David Lock Associates (DLA) following a tendering exercise to prepare a City Centre Masterplan which will include the preparation of longer term proposals for the Birmingham Road site. DLA has now commenced its work.
- 3.3 At the same time as wishing to bring forward plans for the longer term use of the Birmingham Road site, the Council has also recognised a need to address issues pertaining to the land which it acquired as part of the former Friarsgate project. A scheme of enabling works was duly prepared and was the subject of a planning application to the Authority earlier this year.
- 3.4 There is now a need to deliver on the enabling works set out in planning application 19/00260/FULM which was approved by the Council's Planning Committee on the 29th July 2019. That is for 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. The works are intended to provide an improvement to the town centre over the next 5 years whilst the longer term proposals for Birmingham Road are considered through the master planning exercise and will also prime the site for when the delivery of the longer term scheme can be achieved.
- 3.5 Alongside the submission of planning proposals, the Council initiated a tender exercise to appoint contractors to undertake the said works subject to the necessary consents being confirmed. At the conclusion of the period for submission of tenders 5 had been submitted to the Council.
- 3.6 All submissions have been appraised in detail against the criteria set out in the tender specification. Because, the works are planned for a temporary period only, price was a significant factor in the determination process making up 70% of the awarded mark with the remaining 30% of the mark on the quality of the proposals. The overall budget set aside for the enabling works is approximately £541,000.
- 3.7 The five tenders were fully judged in relation to a series of mandatory criteria including in relation to their compliance with statutory regulations, declaration of any past actions against them and then a detailed assessment of their proposed price by analysis of their costs breakdown and the five quality elements of:
- i) Minimising impact of works on the bus station services,
 - 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.

- 3.8 Judged on the above criteria, three of the five tenders scored well in respect of quality. In respect of the other two tenders, one tender did not comply with the tender specification, in particular it only covered the demolition aspect of the tender specification and did not set out any proposals for the public realm improvements including the remodelling of the bus station and additional coach and car parking. The other tenderer did submit bid proposals at a significantly lower price covering both demolition and the relevant public realm improvement works to the bus station and creation of car parking on the police station site. However, concerns were identified in respect of gaps in their detailed costs break down that could not be fully substantiated. Concerns were also identified over the credibility of their work programme and project methodology which could impact on the operation of the bus station and service.
- 3.9 In respect of the three remaining tenders that all scored well in respect of quality, one of the proposed bids came in at significantly above the budget price and another bid whilst not as high was also over budget price by a significant amount and therefore they did not score as well when compared to the third bid which came in again over budget but not to the extent of the aforementioned two.
- 3.10 Taking price and quality of bid together, it is recommended following assessment of the tenders that Coleman & Company is commissioned to undertake the work at a price of **£599,991**. This would provide for a budgetary pressure of **£60,000** which can be accommodated. With any project of this kind there is the potential for additional costs to be incurred and therefore it is suggested that any additional budget includes a contingency to cover supplementary justifiable works and associated fees - **£60,000**.
- 3.11 In agreeing to progress an interim scheme pending agreement of longer term proposals for the Birmingham Road site, members had previously indicated that they wished to see replacement toilet provision made in response to the loss of the existing toilet facilities adjacent the bus station. Officers have duly engaged with potential suppliers of such facilities and discussed the different offers available and associated costs. A proposal to supply and maintain a toilet facility for 3 years at a confirmed price of **£30,000** per annum from company Healthmatic is deemed acceptable and is recommended to members. This cost would be **£6,000** above budget.
- 3.12 With the appointment of a contractor it is hoped to commence the works as soon as is possible. This will occur once the conditions of the planning permission are formally discharged. This work is in progress however the timing of the planned demolition works is an issue in terms of potential business rate liabilities to the Council and additional budget provision is required to ensure liabilities can be duly met - **£36,000**.
- 3.13 The hoardings around the former Tempest Ford garage site whilst functionally appropriate in maintaining site security and protecting the safety of the public, do not present an aesthetically pleasing image. Officers have been asked to take forward a scheme which would introduce an enhanced set of hoardings using suitable designs. This would complement the aforementioned enabling works. This has been costed at approximately **£23,000**.
- 3.14 In summary, the preferred tender has come in approximately £60,000 over the approved budget of £540,000 and replacement toilets at a cost of £90,000 over 3 years (supply and maintenance contract) £6,000 above the agreed budget of £84,000. Outside the previously agreed budgets new and additional costs would include a contingency, payment of business rates whilst the Police Station remains in situ and improvements to the hoardings equating to £119,000.

Item	Approved Budget	Cost	Difference
Enabling works	£540,000	£599,991	£59,991
Replacement toilets	£84,000	£90,000	£6,000
Contingency	£0	£60,000	£60,000
Business rates	£0	£36,000	£36,000
Hoardings	£0	£23,000	£23,000

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.

Consultation

1. The tender evaluation process has been undertaken with support from Greenwoods Projects, Lichfield in respect of contract sum analysis and evaluation of the quality of the tenders.

Financial Implications

1. The Approved Budget for the Birmingham Road Site was approved by Council on 19 February 2019 and totalled **£2,995,000** for the acquisitions of the Police Station, Coach Park and professional support (£2,299,000) plus enabling works and future options appraisal (£696,000).
2. The Approved Budget assumed that the Police Station would be demolished during 2018/19 and no enhancement would be made to the hoardings surrounding the former Garage site.
3. The project has progressed and the following cost pressures have been identified:
 - **Business Rates for the Police Station** – the demolition of the Police Station is scheduled to take place later this year as a result of the need to comply with planning requirements. This means the Council will be required to pay nine months of Business Rates of **£36,000 (a)**.
 - **Artwork to the Hoardings** – the hoardings do not present an attractive impression to visitors and therefore it is recommended that artwork is added with a cost of **£23,000 (b)** (£3,000 can be funded from existing revenue funding).
4. The preferred tender bid by Coleman and Company of **£599,991** and given the Approved Budget for the enabling works is **£541,000** (in green below) there is a cost pressure of circa **£60,000 (c)**.
5. The provision and maintenance of temporary toilet facilities for a 3 year period will cost **£90,000** and this is **£6,000 (d)** above the Approved Budget of **£84,000**.
6. It is also recommended that a contingency sum of **£60,000 (e)** is included in the project budget to reflect known risks and uncertainties with the enabling works.
7. The Approved Budget, Recommended Budget Changes and Project funding including the element from the Earmarked Reserve established for the Project is shown in the tables below:

BRS - Short Term Redevelopment and Future Options Appraisal (2018/19 to 2021/22)				
Details	Approved Budgets		Recommended Budget Changes	Project Budget
	BRS Site	Short Term Development		
Support	£143,000			£143,000
Police Station Acquisition	£1,805,000			£1,805,000
Coach Park Acquisition	£243,000			£243,000
Bus Station Works		£167,000		£167,000
Landscaping Works		£111,000		£111,000
Other Works		£30,000	£60,000 (c)	£90,000
Fees		£45,000		£45,000
Contingency			£60,000 (e)	£60,000
Sub Total Capital Programme	£2,191,000	£353,000	£120,000	£2,664,000
Fees		£66,000		£66,000
Temporary Toilets		£84,000	£6,000 (d)	£90,000
Master Planning		£60,000		£60,000
Hoardings			£23,000 (b)	£23,000
Police Station Acquisition - Other	£8,000			£8,000
Police Station - Business Rates			£36,000 (a)	£36,000
Demolitions	£100,000	£133,000		£233,000
Sub Total Revenue Budget	£108,000	£343,000	£65,000	£516,000
Total Approved Budget	£2,299,000	£696,000	£185,000	£3,180,000

BRS Project Funding (2018/19 to 2021/22)				
Funded by:				
Corporate Capital Resources	(£2,062,000)			(£2,062,000)
Revenue Funding			(£3,000)	(£3,000)
Earmarked Reserve - Condition Survey	(£39,000)			(£39,000)
Earmarked Reserve - BRS	(£198,000)	(£696,000)	(£182,000)	(£1,076,000)
Total Funding	(£2,299,000)	(£696,000)	(£185,000)	(£3,180,000)

Please note, in terms of the Earmarked Reserve – BRS of the £1,076,000 shown in the table above, £147,000 related to budgeted spend in 2018/19 (actual was £145,738). This means £929,000 is budgeted to be funded from the Earmarked Reserve for 2019/20 to 2021/22 and this is shown in the table below.

Projected Birmingham Road Site Earmarked Reserve				
	2019/20	2020/21	2021/22	Total
Opening Balance	(£1,160,550)	(£280,340)	(£238,700)	(£1,160,550)
Actual / Budgeted Spend in Year	£869,000	£30,000	£30,000	£929,000
Major Projects Team	£11,210	£11,640		£22,850
Closing Balance	(£280,340)	(£238,700)	(£208,700)	(£208,700)

Contribution to the Delivery of the Strategic Plan

1. The tender selection process has been carried out to ensure a scheme of enabling works is selected that provides value for money and in ensuring Lichfield is a vibrant and prosperous place, is a clean, green and welcoming place and provides for a healthy and safe community by removing derelict and potentially dangerous eye-sore buildings and vacant land on a key through route into the town centre for residents, businesses, shoppers and tourists.

Equality, Diversity and Human Rights Implications

1. The procurement process has required all tenderers to comply with relevant legislation. There are no equality, diversity and human right implications associated with the award of the contract. Therefore an equality impact assessment has not been necessary.

Crime & Safety Issues	1. The award of the contract itself will not have an impact on crime and safety issues. The enabling works should assist in addressing problems that can be associated with derelict and vacant land and buildings.
GDPR/Privacy Impact Assessment	1. A Privacy Impact Assessment has not been undertaken because the contractor will not be handling any personal data. Greenwoods and relevant officers of the District Council have signed relevant confidentially clauses to not disclose sensitive information provided by the tenderers in their bid documents.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The appointed contractor fails to deliver the required level of service	Robust contract specification and monitoring with regular contract review meetings will ensure the project is delivered to the quality required by the tender specification.	Yellow
B	The appointed contractor ceases trading	Robust contract specification and monitoring with regular contract review meetings. A commitment for a performance bond has been required to be provided by the contractor.	Yellow
C	The required works to meet with the approved planning consent and contract specification results in costs above the Approved Budget	Robust evaluation of the tenders received, contract specification and monitoring with regular meetings should ensure the project remains within acceptable budget limits. A contingency sum of £60,000 has been included in the project budget.	Yellow

Background documents Tender Specification
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Relevant web links N/A
