

CABINET

8 JUNE 2021

Index

**Money Matters 2020/21 : Review of the Financial Performance against the Financial Strategy
April to March 2021 2**

Burntwood Neighbourhood Plan Final Decision Statement 4

CIL Allocation of Strategic Fund - Revised Allocation Criteria..... 5

Extension of the Vehicle Contract for Operational Services 7

MONEY MATTERS 2020/21 : REVIEW OF THE FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY APRIL TO MARCH 2021

1. Decision:

The Cabinet:

- 1.1 Noted the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 1.2 Noted the transfers to or from general and earmarked reserves at 31 March 2021.
- 1.3 Noted that, in terms of the financial impact of COVID-19, there was a significant impact in 2020/21 with a projected lower financial impact in 2021/22 and potentially beyond.
- 1.4 Approved £762,000 of Capital Programme slippage related to 2020/21 being added to the Approved Budget in 2021/22 as outlined at Appendix E of the report.

Cabinet recommended to Council:

- 1.5 To approve the actual 2020/21 Prudential Indicators contained within the report.

2. Statement of Reasons:

The report covered the financial performance for the financial year 2020/21, which had been severely impacted by COVID-19.

The Net Cost of Services had a (£188,507) favourable variance (comparable with the target of +/- £250,000), corporate accounts had a £1,974 adverse variance and funding had a £47,416 adverse variance. Therefore the overall favourable variance was (£139,117).

The Medium Term Financial Strategy projected general reserves at 31 March 2021 would be £8,056,988 and the actual level was £6,713,941. The general reserves are £1,343,047 lower than originally forecast due primarily to the ongoing financial impact of COVID-19.

The Capital Programme was (£691,227) lower than the Approved Budget with under performance on the Coach Park (£255,428) and Asset Maintenance (£140,000) being the most significant projects.

Income from Capital Receipts was higher than the Approved Budget by (£227,070) due mainly to additional Bromford Right to Buy Sales achieved at the end of the financial year.

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

- Council Tax collection in year collection was 98.12% (98.50% in 2019/20) and total arrears were £3,595,321 and the Council's share was £672,377 (£2,517,197 and £327,236 in 2019/20).
- The Council Tax Collection Fund was in deficit, as projected, with the Council's c13% share being £99,124 compared to the Approved Budget of £167,100. This additional income of (£67,976) will be included in the 2022/23 budget.
- Sundry Debt for income to be collected in 2020/21 has reduced by (£1,394,852) compared to 2019/20 and the value outstanding at 31 March 2021 has reduced by (£586,689).

- Retained Business Rate Income was (£3,020,000) compared to the Approved Budget of (£3,020,000).
- The Business Rates Collection Fund was in deficit, as projected, with the Council's 40% share being £5,933,533 compared to the Approved Budget of £5,851,000. This reduction in income of £82,533 will be included in the 2022/23 budget.
- Business Rates collection in year performance was 98.04% (98.90% in 2019/20) and total arrears were £838,878 and the Council's share was £338,779 (£555,462 and £222,185 in 2019/20).
- The payment of suppliers within 30 days was 86.08% and remains below our 90% target.

The Council's investments achieved a risk status of A+ that was more secure than the aim of A- and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

3. Any Alternative Options:

There were no alternative options.

BURNTWOOD NEIGHBOURHOOD PLAN FINAL DECISION STATEMENT

1. Decision:

The Cabinet:

- 1.1 Noted the results of the referendum for the Burntwood Neighbourhood Plan.
- 1.2 Agreed to the making of the Burntwood Neighbourhood Plan and that this decision be reported to Full Council.

2. Statement of Reasons:

The Cabinet report related to the preparation of a Neighbourhood Plan covering Burntwood which had recently been subject to referendum. The Burntwood Neighbourhood Plan received a majority 'Yes' vote at its referendum held on 6 May 2021. The District Council now had to formally 'make' the Burntwood Neighbourhood Plan, following which it could form a part of the Development Plan in Lichfield District.

3. Any Alternative Options:

The Council could refuse to make the Plan if it considers this would breach, or be incompatible with any EU Obligation or any of the Convention Rights.

Following the making of the Neighbourhood Plan, Lichfield District Council can decide to modify or revoke the Neighbourhood Plan, in line with the Regulations.

CIL ALLOCATION OF STRATEGIC FUND - REVISED ALLOCATION CRITERIA

1. Decision:

The Cabinet:

- 1.1 Approved the revised policy and procedure for determining the allocation of Community Infrastructure Levy (CIL) monies to meet strategic infrastructure requirements.
- 1.2 Agreed that the implementation of the approach be monitored and kept under review in order to ensure that it reflects up to date Local Plan policy with regard to infrastructure needs and also any future relevant legislative changes to CIL.
- 1.3 Agreed the following revisions to the CIL governance process:
 - That the CIL Annual Financial Monitoring report (April) and mid-year update (October) are agreed by the Cabinet member for Economic Development and Local Plan, Parks & Leisure in consultation with the Head of Economic Growth and Development and reported as a briefing paper to the Council's Overview & Scrutiny committee.
 - That the approval of transfer of CIL monies related to the Cannock Chase and River Mease Special Areas of Conservation (SACs) and Neighbourhood CIL is delegated to the Cabinet member for Economic Development and Local Plan, Parks & Leisure in consultation with the Head of Economic Growth and Development.
 - That the current Joint Member and Officer Group (JMOG) is disbanded and consideration of the future preparation and revision of CIL policies, procedures and proposals including approval of spending discretionary CIL allocations for strategic infrastructure projects is made the responsibility of the Strategic Infrastructure Group (SIG) in conjunction with the Cabinet member for Economic Development and Local Plan, Parks & Leisure.
 - That the operation of the SIG is scrutinised by the new Overview & Scrutiny committee and/or any such Task Group established for this purpose.
- 1.4 The Cabinet recommended to Council that the revised policy, procedure and governance arrangements be approved and adopted.

2. Statement of Reasons:

This Cabinet report presented a revised policy and procedure for allocating the discretionary element of Community Infrastructure Levy (CIL) funding for strategic projects.

The revised approach included a new scoring regime for assessing expressions of interest including establishing a set of principles to help justify recommendations and provide further clarification as to how they will be implemented. It was considered the approach would ensure a better alignment with the emerging Local Plan and related Infrastructure Delivery Plan and accord with the Council's adopted governance procedures.

The Cabinet report recommended that if Cabinet is minded to approve the revised CIL allocation criteria, expressions of interest relating to the next round of CIL allocations be invited for a two month period during the summer of 2021.

Finally, the Cabinet report recognised that the Council has recently changed its committee structure and proposed changes to the current CIL governance process to ensure it is agile and therefore efficient in decision making, oversight and delivery.

3. Any Alternative Options:

1. Not implement the proposed criteria this would require the current CIL process to continue. This would be more time consuming and risks CIL being spent on less important infrastructure and without a full evidence-based picture of infrastructure needs and cost. It may result in a shortfall in CIL to spend on larger future essential projects.
2. Not implementing the changes in governance arrangements could result in the continuation of the current process which can lead to inefficient use of officer and member time and a disconnect between those proposing recommendations and the wider scrutiny of members from Overview & Scrutiny before decisions are taken to Cabinet.
3. Cabinet recommend officers create an alternative allocations procedure. This would be difficult to justify and potentially further delay the allocation of accrued CIL monies to support infrastructure projects.

(Councillor Cox declared an interest in this item as a Member of Staffordshire County Council)

EXTENSION OF THE VEHICLE CONTRACT FOR OPERATIONAL SERVICES

1. Decision:

The Cabinet approved:

- An extension to the existing fleet contract with SFS Ltd for a period of one year from 1st April 2022.
- The expenditure on ancillary equipment and its funding from existing budgets,
- The undertaking of a review of procurement options for the replacement of the vehicle fleet in April 2023.

2. Statement of Reasons:

Lichfield District Council has a contract with SFS Ltd for the provision and maintenance of vehicles used by both the Joint Waste Service (JWS) and Street Cleansing.

The contract is due to expire on 31st March 2022 but there is provision to extend the arrangement for further periods totalling up to six years and two months.

The JWS is currently evaluating options for the future of the dry recycling service because the disposal contract for the dry recycling material (DMR) collected in the blue bin is also due to expire in March 2022 and the service will need to be aligned with emerging National Waste Policy. However it is unlikely that the future of the service will be determined before July 2021 which doesn't give sufficient time to consider and implement procurement options for the next vehicle contract.

In order to secure a vehicle resource for the JWS and Street Cleansing whilst service delivery and procurement options are being considered, it is proposed that the existing contract with SFS Ltd be extended for a period of one year.

During the contract extension some vehicles may need to be swapped depending on the outcome of the recycling service review and also the ancillary equipment installed on the vehicles (CCTV cameras and Bartec Units) requires replacement because of its age.

3. Any Alternative Options:

1. The extension will enable the authority to consider different procurement options for acquiring the next fleet. The appraisal will consider both capital purchase using prudential borrowing and contract hire.
2. There are not considered to be any other options that will ensure continuity of fleet provision by April 2022.

