

CABINET

7 JUNE 2022

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MONEY MATTERS : 2021/22 REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY

1. Decision:

The Cabinet:

- 1.1. Noted the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 1.2. Noted the transfers to or from general and earmarked reserves at 31 March 2022.
- 1.3. Approved £1,650,000 of Capital Programme slippage related to 2021/22 being added to the Approved Budget in 2022/23 as outlined at APPENDIX D.
- 1.4. Delegated responsibility to the Cabinet Member for Finance, Procurement and Revenues & Benefits and the Head of Finance and Procurement to make updates to Prudential Indicators based on more up to date information as the accounts are finalised in advance of approval by Council.
- 1.5. Recommended to Council to approve the actual 2021/22 Prudential Indicators.

2. Statement of Reasons:

The report covers the financial performance for the financial year 2021/22, which continued to be impacted by COVID-19.

Revenue Budget financial performance was **£42,031** higher than budget and therefore has reduced the contribution to General Reserves from **£173,670** to **£131,639**.

The level of General Reserves at 31 March 2022 is **(£6,845,580)** and this is **£140,244** lower than the Original Budget of **(£6,985,824)**.

The Capital Programme was **(£1,669,574)** lower than the Approved Budget with under performance on the Loan to the Council Development Company **(£675,000)**, Coach Park **(£293,000)** and Dual Stream Recycling **(£267,000)** being the most significant projects.

Income from Capital Receipts was higher than the Approved Budget by **(£219,335)** 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 **98.25%** (98.12% in 2020/21) and total arrears were **£3,670,956** and the Council's share was **£703,991** (£3,595,321 and £672,377 in 2020/21).
- The **Council Tax Collection Fund** was in surplus, with the Council's c13% share being **(£39,571)** compared to the Approved Budget of **£42,810**. This additional income of **(£82,381)** will be included in the 2023/24 budget.
- **Sundry Debt for income** to be collected in 2021/22 has increased by **£1,197,326** compared to 2020/21 and the value outstanding at 31 March 2022 has increased by **£320,789**.
- **Retained Business Rate Income** was **(£3,205,472)** 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 **£2,893,195** compared to the Approved Budget of **£2,884,000**. This reduction in income of **£9,195** will be included in the 2023/24 budget.
- **Business Rates collection** in year performance was **97.87%** (98.04% in 2020/21) and total arrears were **£1,353,079** and the Council's share was **£545,258** (£838,878 and £338,779 in 2020/21).
- The **payment of suppliers** within 30 days was **84.48%** 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 are no alternative options.

PROCUREMENT MATTERS UPDATE 2021/2022

1. Decision:

The Cabinet:

- 1.1. Noted the contents of the Cabinet report and the planned actions in the Action Plan at **appendix A** of the report.

2. Statement of Reasons:

The Procurement Team was established in Oct/Nov 2020 and the Procurement Strategy was approved in December 2020.

This is the second Procurement Matters report to Cabinet covering 2021/22 and provides an update on progress made against the Action Plan in **APPENDIX A** of the Cabinet report and Key Performance Indicators, as well as reflecting on the wider work undertaken to date by the Procurement Team.

3. Any Alternative Options:

The Council could decide that a new Procurement Strategy is needed and develop one that is different in the outcomes it would like to achieve.

NATURE RECOVERY DECLARATION

1. Decision:

The Cabinet:

- 1.1. Approved the text of and made a Nature Recovery Declaration.

2. Statement of Reasons:

Nationally we face a nature crisis where wild species are in decline, habitats are being destroyed, and the UK is the most nature-depleted country in Europe. Climate change and nature recovery are inextricably linked – as many promising and effective solutions to the climate crisis are Nature Based Solutions, which have the potential to bring in funding for the council.

The Wildlife Trust is encouraging local authorities to make a commitment to nature's recovery by implementing a Nature Recovery Declaration. Making a Nature Recovery Declaration is an action from the Staffordshire Sustainability Board (SSB), of which Lichfield District Council is a member. There is a push from the SSB and chair of the Wildlife Trust, for the authorities who haven't already done so to take action. There is more focus now on the climate and nature crisis than there has ever been, with mounting pressure on businesses, authorities and organisations to respond through recognition, commitment, and action.

The Declaration builds on momentum from COP26 and would place the council in a strong position to fulfil the aspirations and legal requirements of the new Environment Act, which became law in November 2021. Lichfield District Council has a reputation for being a leading authority in Ecology and Biodiversity Net Gain, and there is a desire to keep that notoriety.

This paper proposes the council makes a Nature Recovery Declaration, obligating it to targeted actions which make a difference to nature locally.

3. Any Alternative Options:

Do nothing. Not approving and making a Nature Recovery Declaration, will result in Lichfield District Council not making progress against the objectives of the Staffordshire Sustainability Board (SSB). The Council's reputation as a leader in considering Ecology and Biodiversity Net Gain may be jeopardised.

STAFFORDSHIRE SUSTAINABILITY BOARD CLIMATE CHANGE VISION AND PLEDGE

1. Decision:

The Cabinet:

- 1.1. Approved and adopted the Staffordshire Sustainability Board (SSB) Vision and Pledge.
- 1.2. Approved that, subject to Council approval, the Cabinet Member for Housing, Biodiversity and Climate Change be appointed as the Council's representative on the SSB.

2. Statement of Reasons:

Lichfield District Council is a member of the newly formed Staffordshire Sustainability Board (SSB), alongside 8 other Staffordshire authorities. The SSB facilitates the collaborative forum, to work together as democratically elected bodies in Staffordshire, to influence change and to encourage organisations and individuals to ensure Staffordshire is net carbon zero by at least 2050 or before.

The board works collectively to both curb and cope with the impacts of climate change and to influence and facilitate change. It is proposed as an initial commitment, each council will implement the same ten commitments – articulated through a common vision and pledge - but acknowledge that the larger scope of climate change mitigation and adaptation is within the wider community of Staffordshire.

This paper introduces the SSB Vision and Pledge (see **Appendix 1** of the Cabinet report) and seeks authority to adopt it.

3. Any Alternative Options:

Do nothing. Lichfield District Council would become detached from the Staffordshire Sustainability Board (SSB), and disconnected from the other Staffordshire authorities who are working together to become more sustainable and respond to the climate crisis in a more joined up, collaborative approach.

