

# Public Document Pack

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Thursday, 26 May 2022

Dear Sir/Madam

## CABINET

A meeting of the Cabinet has been arranged to take place on **TUESDAY, 7TH JUNE, 2022** at **6.00 PM IN THE COUNCIL CHAMBER** District Council House, Lichfield to consider the following business.

Access to the Council Chamber is via the Members' Entrance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Christie Tims'.

Christie Tims  
Chief Operating Officer

**To: Members of Cabinet**

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



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## AGENDA

1. Apologies for Absence
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# Money Matters : 2021/22 Review of Financial Performance against the Financial Strategy

Agenda Item 3



## Cabinet Member for Finance and Commissioning

Date:	7 June 2022
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 for the financial year 2021/22, which continued to be impacted by COVID-19.
- 1.2 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**.
- 1.3 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)**.
- 1.4 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.
- 1.5 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.
- 1.6 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.
- 1.7 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.

## 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 To note the transfers to or from general and earmarked reserves at 31 March 2022.
- 2.3 To approve **£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**.
- 2.4 To delegate 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.

That Cabinet recommends to Council:

- 2.5 To approve the actual 2021/22 Prudential Indicators.

## 3. Background

### Budget Management

- 3.1. The MTFs, approved by Council on 16 February 2021, included the Original Budget for 2021/22 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 3.2. Throughout the financial year, Money Matters reports were provided to both Cabinet and Overview and Scrutiny Committee at three, six and eight month intervals to monitor performance.
- 3.3. The Money Matters reports update the Approved Budget for latest projections and the eight month report formed the basis of the Revised Approved Budget for 2021/22 approved by Council on 22 February 2022.

### The Revenue Budget

- 3.4. Financial performance is shown in detail at **APPENDIX A** and in summary below:



## Performance compared to the Approved Budget

3.5. The variance is shown in summary below:

	Variance		
	Virement	COVID-19	Other Variances
<b>Enabling people</b>			
• Reduced expenditure on Climate change budget			(14,000)
• Reduced expenditure on CCTV budget			(15,559)
• Lower than budgeted income from Leisure Centre agreement			18,300
• Minor balance			(2,898)
<b>Shaping place</b>			
• Additional expenditure for removal of Travellers			11,477
• Additional Government Grants received			(17,702)
• Vacancy Savings			(36,180)
• Additional income from dry recyclate sales			(315,760)
• Lower expenditure than planned on bins			(53,690)
• Waste Services Vacancy Savings			(49,080)
• Waste Services additional income & underspends transferred to Lichfield DC Earmarked Reserve			244,000
• Waste Services additional income & underspends transferred to Tamworth BC Earmarked Reserve			174,530
• Additional income from Grounds Maintenance works			(6,553)
• Transfers	(33,205)		
• Minor balance			(6,057)
<b>Developing prosperity</b>			
• Employee Termination costs			25,810
• Higher income received from rental properties that is offset by an allowance for potential repayment			93,690
• Additional utility costs			21,800
• Increased property valuation fees			31,877
• Additional Planning Application income less related expenditure			(74,400)
• Additional Trade Refuse income			(33,600)
• Minor balance			(8,131)
<b>A good council</b>			
• Vacancy Savings			(14,570)
• Transfers	33,205		
• Procurement savings not achieved			10,610
• Minor balance			(11,331)
• Increase HR consultants expenditure			20,919
<b>COVID-19</b>			
• Additional expenditure		53,179	
<b>Total - Net Cost of Services</b>	<b>0</b>	<b>53,179</b>	<b>(6,498)</b>
		<b>46,681</b>	
<b>Corporate Expenditure</b>			
Net Treasury - increased interest receipts			(0)
			<b>46,681</b>
<b>Earmarked Reserves</b>			0
<b>Funding</b>			(4,650)
<b>Transfer (to)/from General Reserves</b>			<b>£42,031</b>

## Risk and Recovery Budget

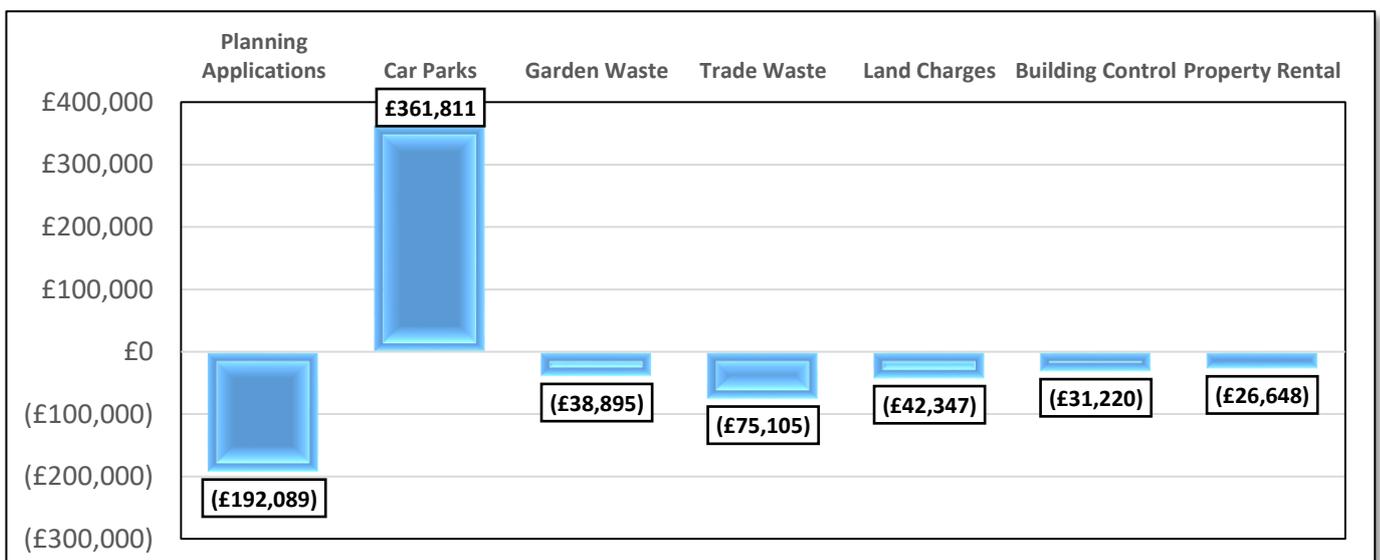
3.6. The approved and additional allocations from the risk and recovery budget are summarised below:

Name	Approved Allocation	Amendments & Additions	Revised Allocation
Supporting the Visitor Economy	246,000		246,000
Regional Marketing Strategy	45,000	(30,000)	15,000
Youth Unemployment Initiatives	105,000		105,000
Health and Wellbeing Initiatives	100,000		100,000
Apprenticeships within the Council	75,000		75,000
Enterprise for Success	10,000		10,000
Visitor Economy - Staffs Destination Management Partnership	36,000		36,000
Visitor Economy - Website Health Check	6,600		6,600
High Street Grants		250,000	250,000
Inward Investment Website		30,000	30,000
Lichfield Bower		2,000	2,000
<b>Allocated</b>	<b>£623,600</b>	<b>£252,000</b>	<b>£875,600</b>
Unallocated	517,780	(252,000)	265,780
<b>Total</b>	<b>£1,141,380</b>	<b>£0</b>	<b>£1,141,380</b>

## Fees and Charges

3.7. The gross fees and charges budgets for 2021/22, together with actual income achieved over the last seven years, are shown in detail at **APPENDIX B**.

3.8. The variances for those with the highest value (figures in brackets relate to higher income) were:



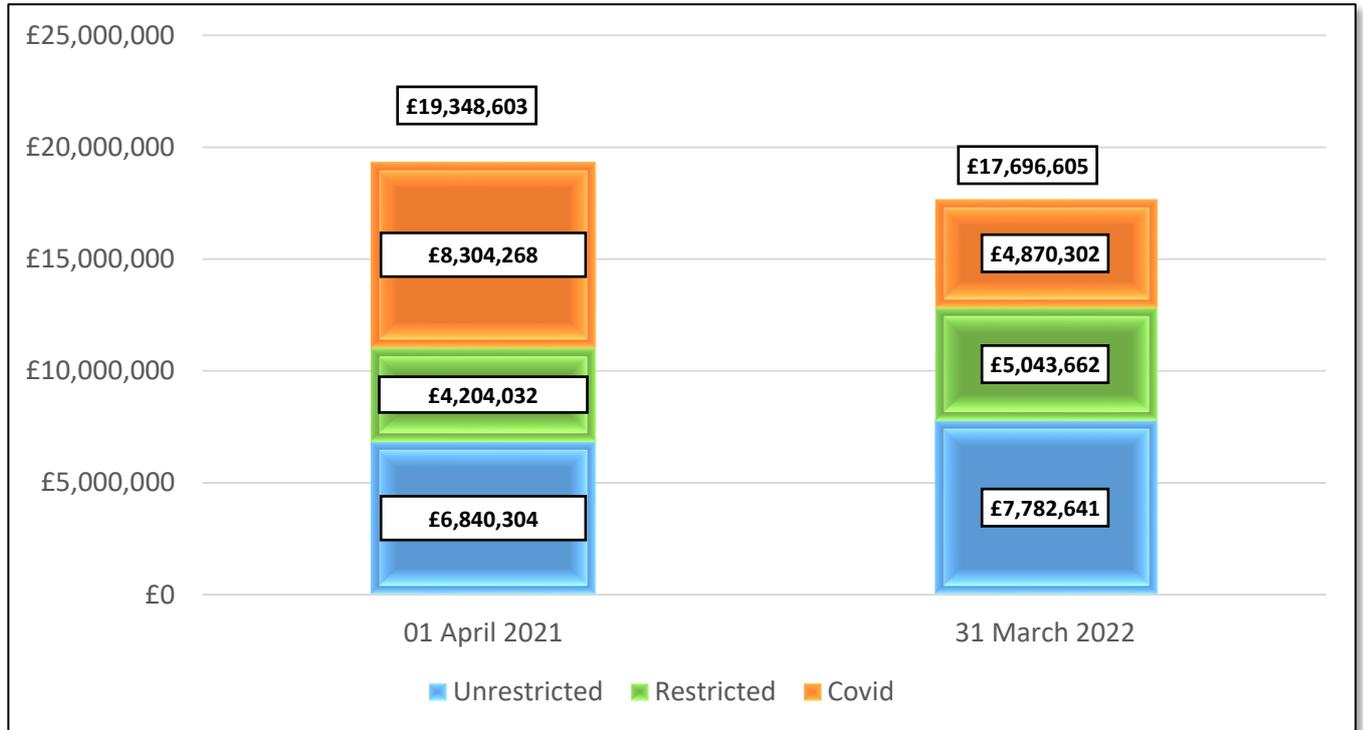
3.9. The fees and charges included in the above graph are stated gross, when there are increases in income there is also a proportionate increase in expenditure. Some of the income included above is part of revenue sharing arrangements or there are agreements for transferring to/from reserves:

- **Garden Waste** – 41.70% of income relates to Tamworth Borough Council and contributes to the cost of providing the scheme.
- **Land Charges and Building Control** – these are trading accounts and any surplus or deficit is transferred to/from the reserves.

## Earmarked Reserves

3.10. Earmarked reserves are classified into unrestricted reserves where there are no restrictions over their use and restricted reserves where their establishment or use is determined by a legal or partnership agreement such as the Building Control Shared Services Trading Account.

3.11. A summary of earmarked reserves is shown in the chart below and in detail at **APPENDIX D**:



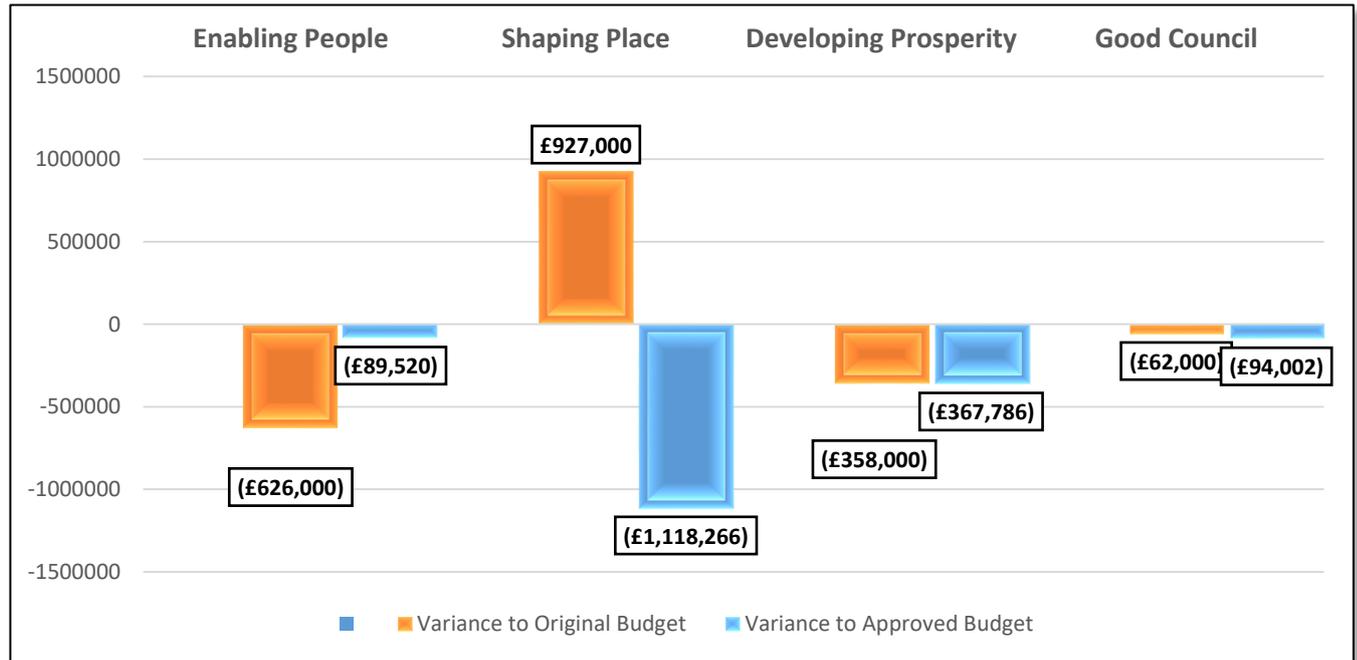
## Revenue General Reserves

3.12. The Original Budget estimated general reserves of **£6,985,824** at 31 March 2022. The actual balance is **£6,845,580**, a reduction of **(£140,244)**.



## The Capital Programme

3.13. The financial performance for the Capital Programme was below the Approved Budget by (£1,669,574) and this is shown in detail at **APPENDIX D** and in summary below:



### Performance compared to the Approved Budget

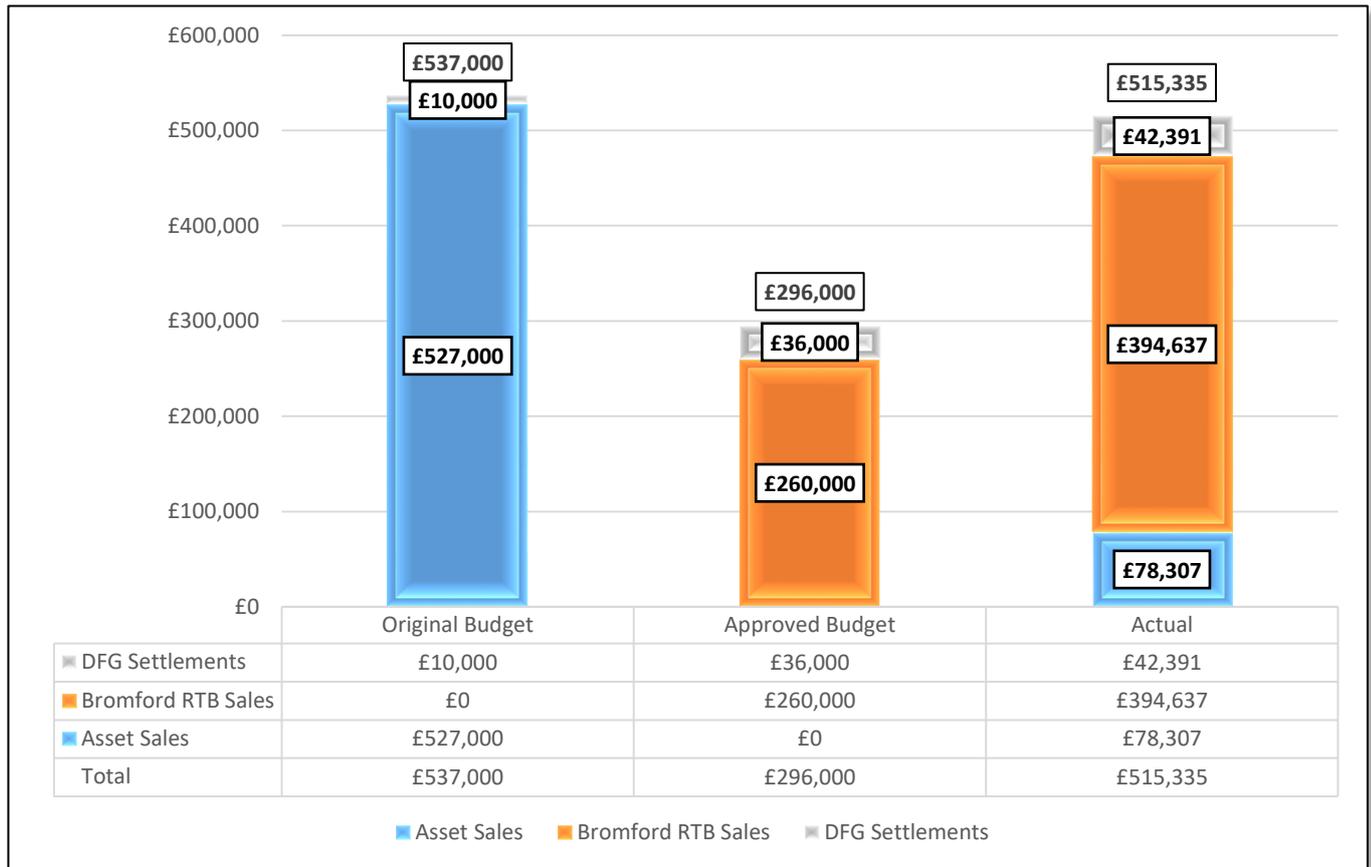
3.14. There were variances compared to the Approved Budget related to the following:

	Variances	
	Slippage	Other
* <b>Accessible Homes (Disabled Facilities Grants)</b> - reflects delivery performance on the Support for Independent Living in Staffordshire Partnership	£311,000	
* <b>Friary Grange (Short Term)</b> – slipped to 22/23, reactive budget, spent as and when required	(£158,000)	
* <b>New Leisure Centre</b> – slipped to 22/23, awaiting decisions on project	(£175,000)	
* <b>Other Projects</b>	(£213,000)	£145,480
<b>Enabling People Total</b>	<b>(£235,000)</b>	<b>£145,480</b>
* <b>Dual Stream Recycling</b> – Blue bags received in April.	(£267,000)	
* <b>Loan to Council Development Company</b> – delayed until 2022/23	(£675,000)	
* <b>Other Projects</b>	(£132,000)	(£44,266)
<b>Shaping Place Total</b>	<b>(£1,074,000)</b>	<b>(£44,266)</b>
* <b>Coach Park</b> - acquisition was not completed and therefore the enhancement works did not take place	(£293,000)	
* <b>Other Projects</b>		(£73,036)
<b>Developing Prosperity Total</b>	<b>(£293,000)</b>	<b>(£73,036)</b>
* <b>Beacon Park Equipment Storage</b> - project delayed until 2022/23	(£125,000)	
* <b>Asset Maintenance projects</b> – Overspend on office project to be taken from Property Planned Maintenance 22/23 budget	124,000	
* <b>Other Projects</b>	(£47,000)	(£46,002)
<b>A Good Council Total</b>	<b>(£48,000)</b>	<b>(£46,002)</b>
<b>Total Variance</b>	<b>(£1,650,000)</b>	<b>(£19,574)</b>
	<b>(£1,669,574)</b>	

3.15. It is recommended that the slippage of £1,650,000 is added to the Capital Programme in 2022/23 when this delayed spend is planned to take place and the Revised Budget is shown at **APPENDIX E**.

## Capital Receipts

3.16. The Original Budget, Approved Budget and actual capital receipts received are shown below:

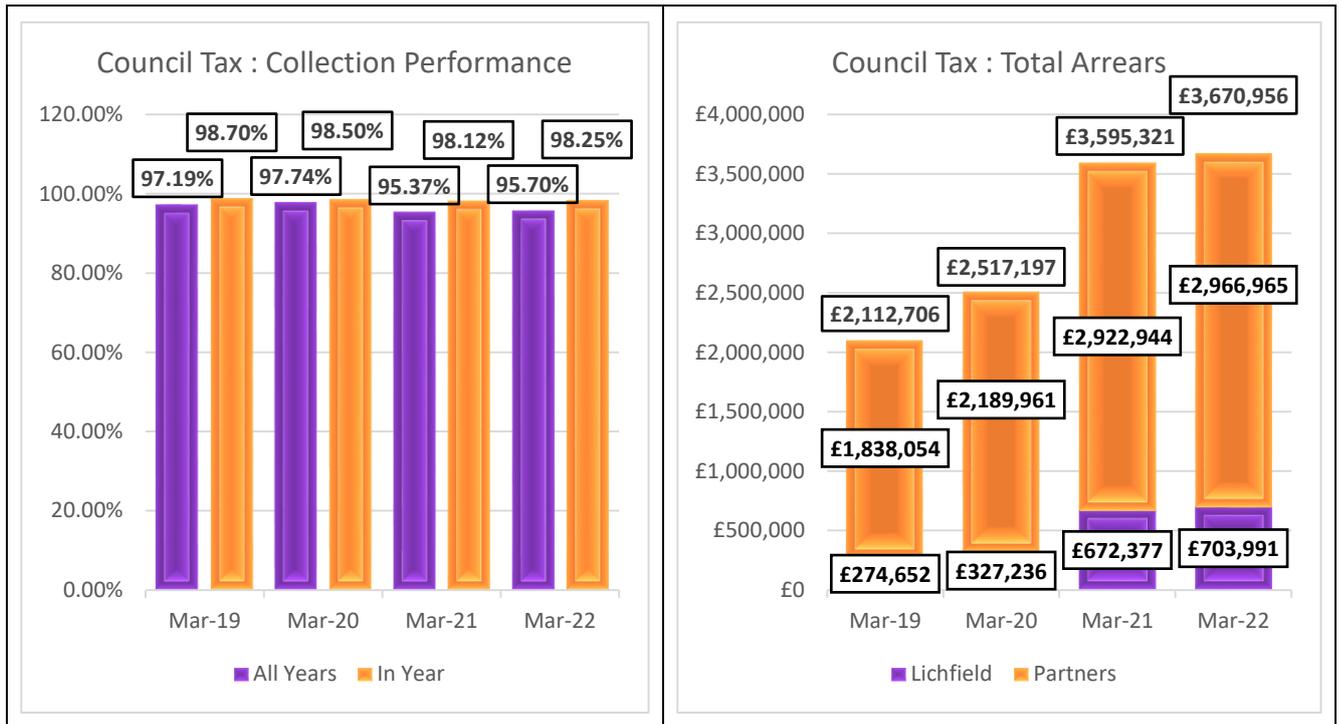


3.17. Capital receipts were **(£219,335)** higher than the Approved Budget. The main reason is that Bromford RTB Sales were higher than estimated.

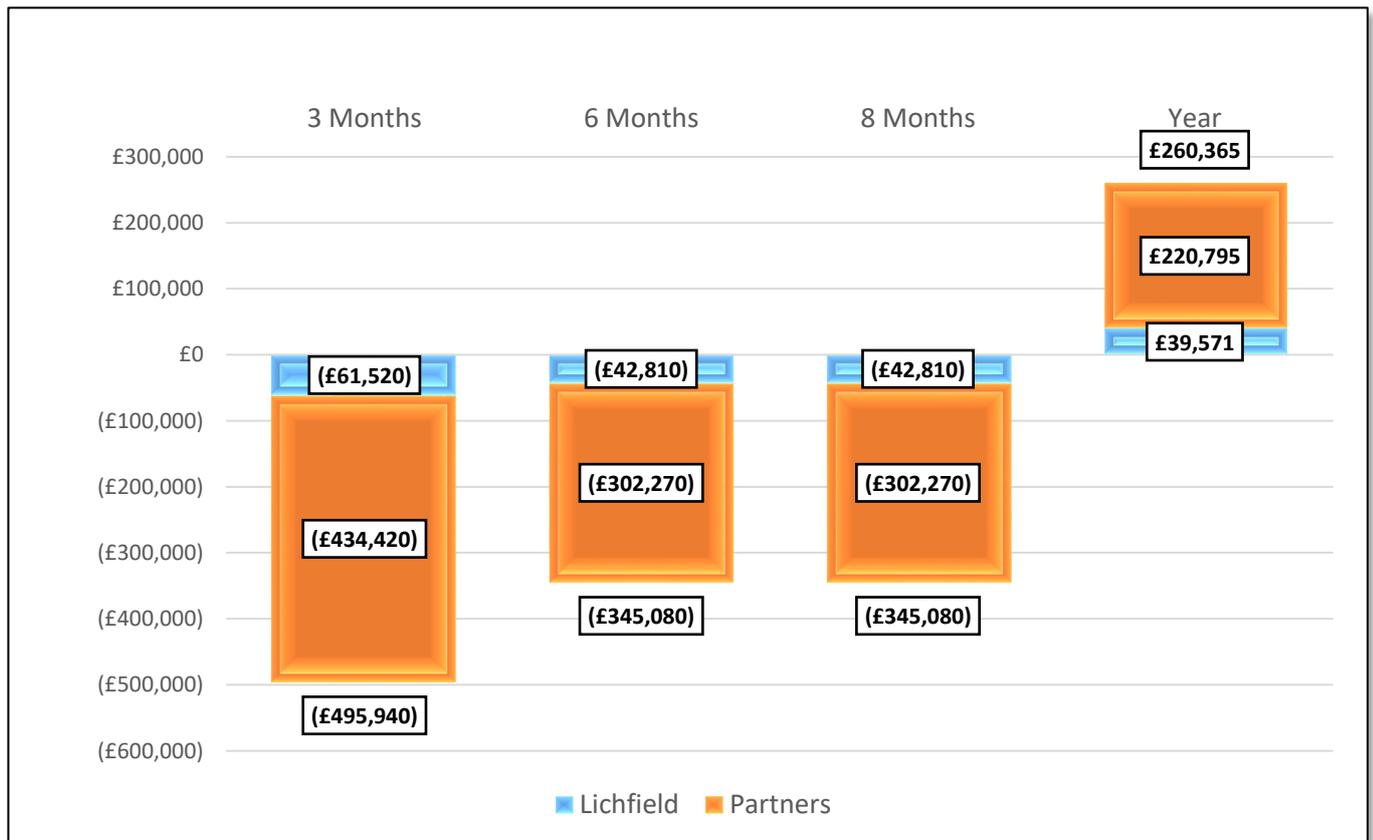
3.18. These additional Right to Buy capital receipts, under the policy approved by Council on 14 July 2020, will be earmarked towards capital investment to support delivery of the Housing, Homelessness and Rough Sleeping Strategy.

## Council Tax

3.19. The collection performance for Council Tax debt covering all years is shown below:



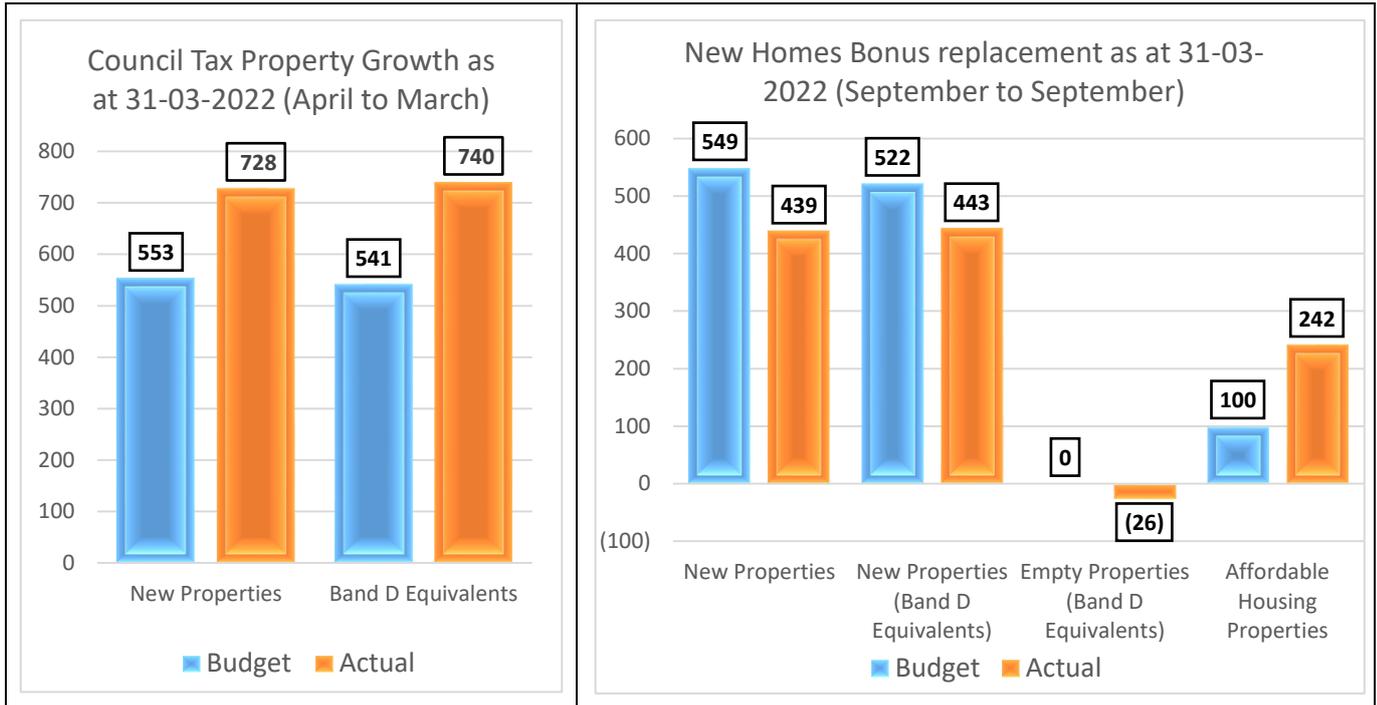
3.20. A summary of the Council Tax Collection Fund Performance is shown below and is based on Lichfield's (including Parishes) current share of Council Tax of c13%:



3.21. There was a surplus of **(£260,365)** compared to the Approved Budget (8 months), which showed a deficit. The difference of **(£605,445)** was due primarily to lower Local Council Tax Support than forecast.

## Housing Supply

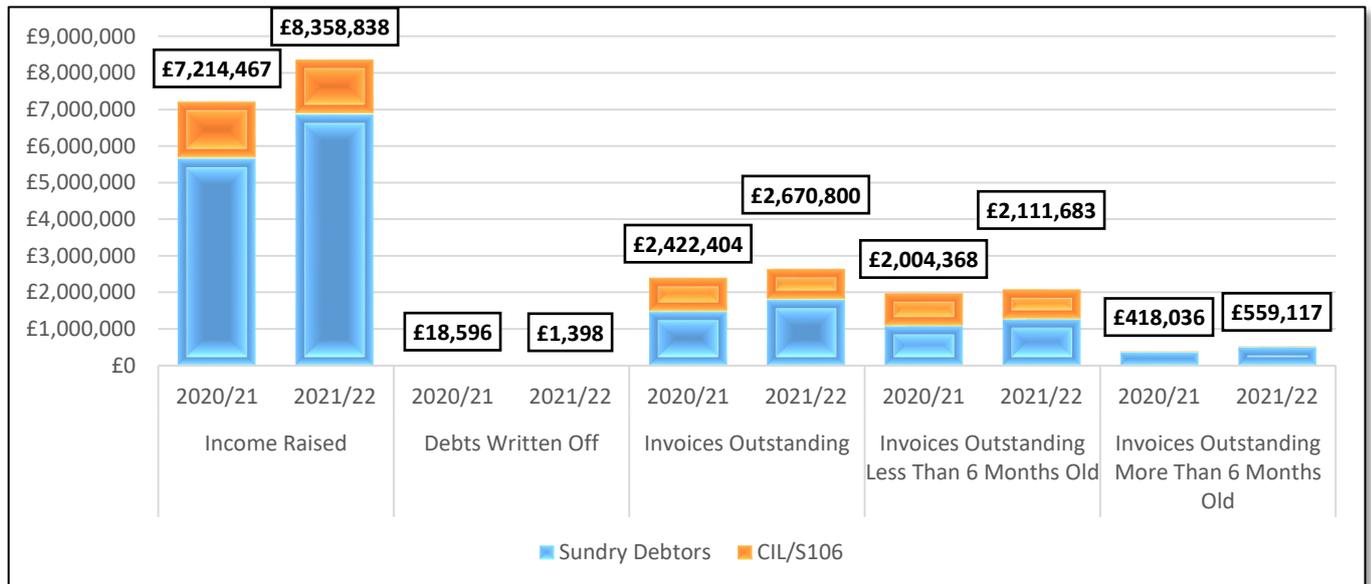
3.22. The completions for Council Tax (left hand chart) from April 2021 to March 2022 and New Homes Bonus (right hand chart) from September 2021 to March 2022 are shown below:



3.23. Housing supply has increased over the past year, following on from the 2017/18, 2018/19 and 2019/20 trend, this has been reflected in future year estimates contained in the Medium Term Financial Strategy. However, any residual impacts of COVID-19 on housing supply will need to be monitored because of the potential risk to Council Tax income estimates.

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

3.24. The transaction levels and collection performance in 2020/21 compared to 2019/20 is shown below:



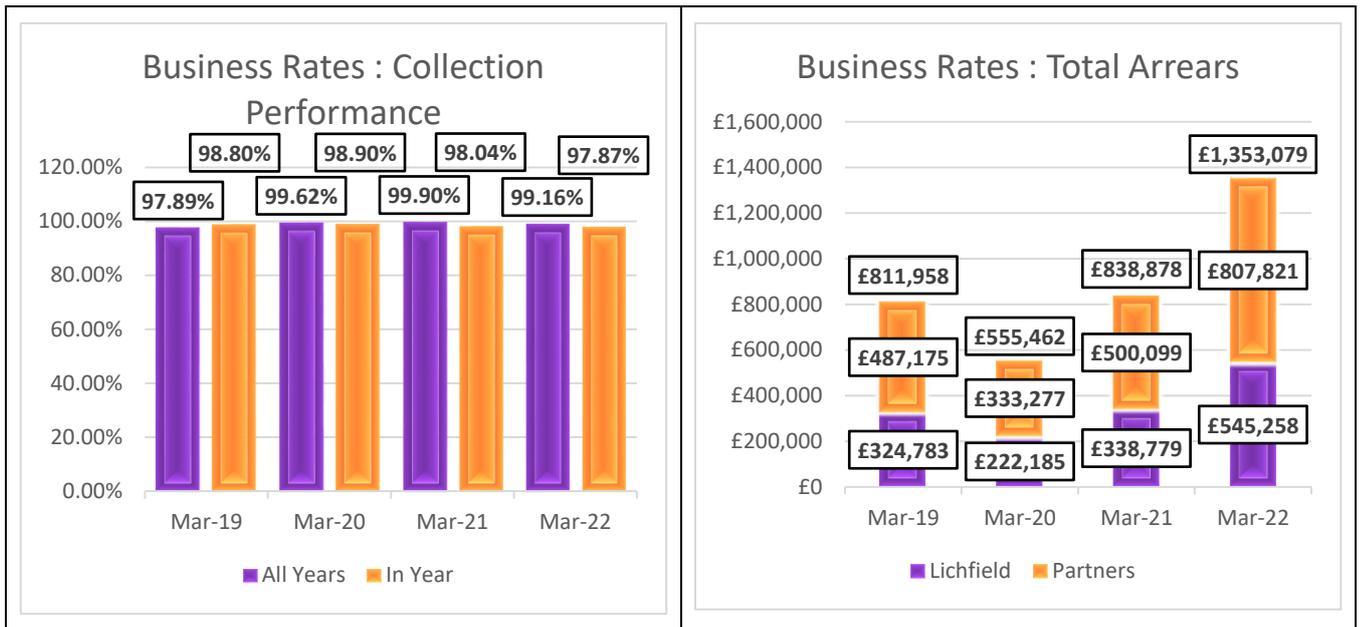
3.25. Total income raised in 2020/21 is **£1,197,326** or 21% higher than in 2020/21 due to timing differences in the raising of trade waste and Better Care Fund invoices.

3.26. Invoices outstanding has increased by **£320,789** or 21% and is representative of an increase in income raised.

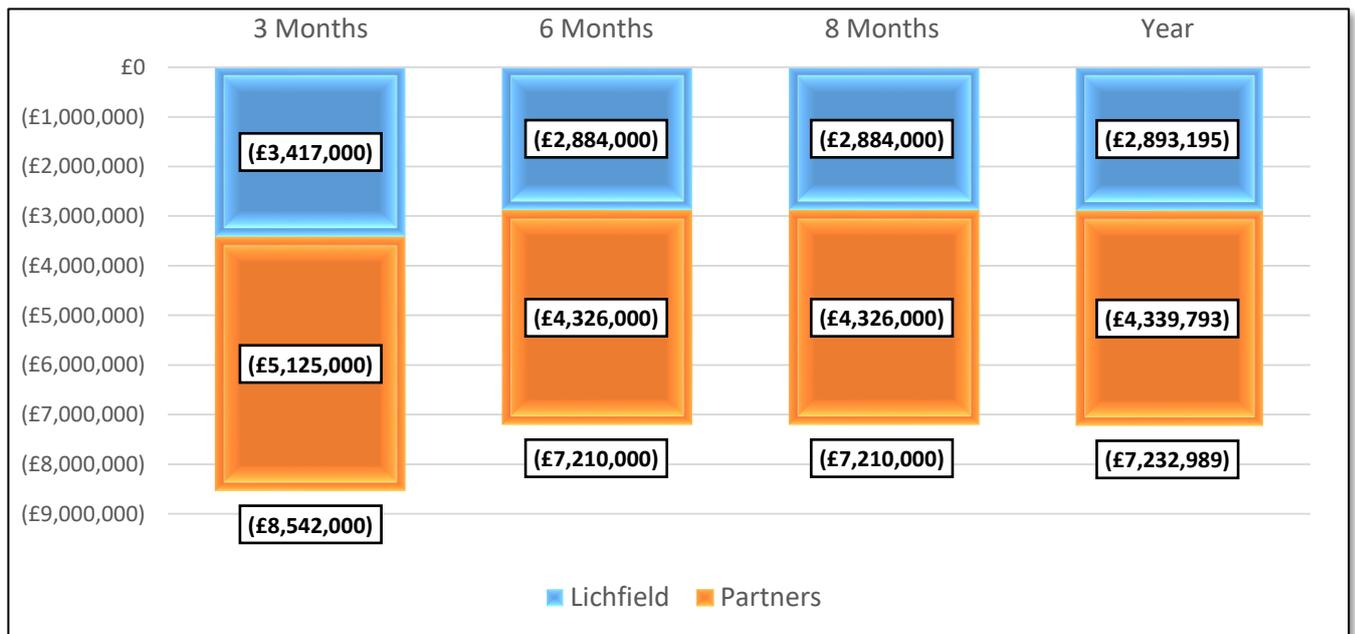
## Business Rates

3.27. The Retained Business Rate income was (£3,205,472) compared to the Approved Budget of (£3,122,000).

3.28. The collection performance for Business Rates covering all years is shown below:



3.29. The Business Rates Collection Fund Performance based on our 40% share of Business Rates is:

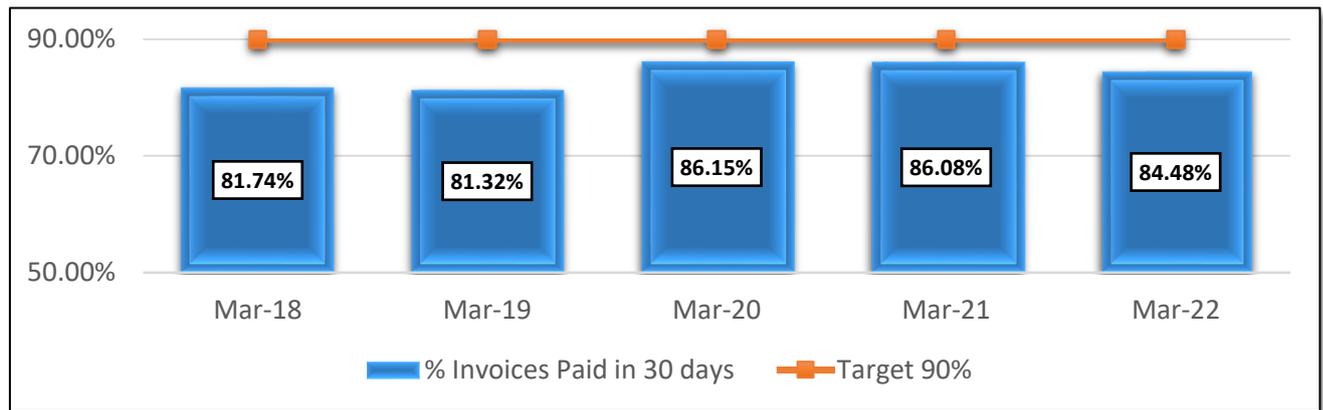


3.30. There was a higher deficit of £22,989 compared to the Approved Budget (8 months). This higher deficit was due to:

- Lower contribution to the appeals provision of (£1,074,000).
- Higher contribution to the bad debt provision of £559,351.
- Lower Business Rate Income of £537,638.

## Supplier Payment Performance

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



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

## Investment Strategy

3.33. 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**.

3.34. 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.

3.35. 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 **16 February 2021**.

## Service Investments

3.36. There was one investment of a service nature budgeted to take place in 2021/22. The investment and net return included in the Approved Budget is detailed below:

	Original Budget	Revised Budget	Actual	Variance
<b>Approved Loan to the Local Authority Company</b>	<b>£675,000</b>	<b>£675,000</b>	<b>£0</b>	<b>(£675,000)</b>
Net Income	£0	£0	£0	£0
Net Return	0.00%	0.00%	0.00%	

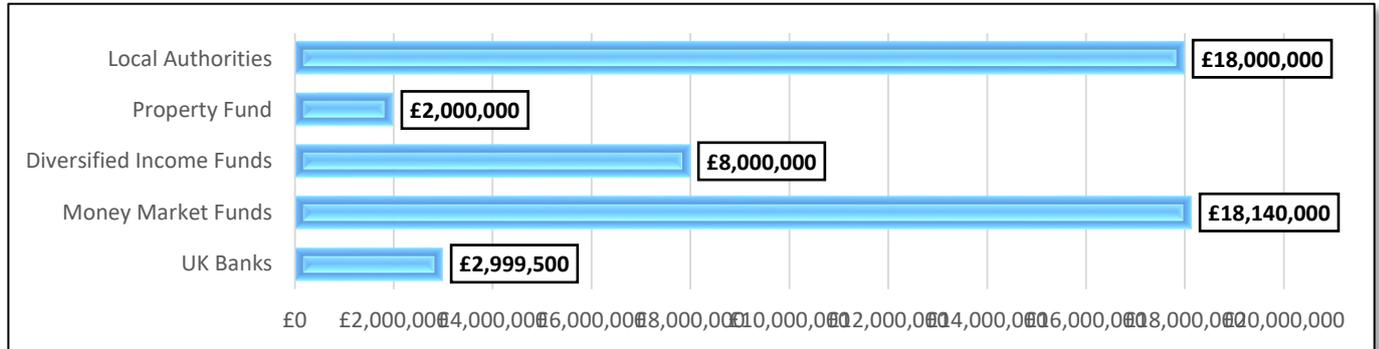
## Commercial Investments

3.37. Council on 13 October 2020 approved the removal of all budgets related to Investment in Property and therefore currently there are no commercial investments planned.

# Treasury Management Investments

## The Security of Our Investments

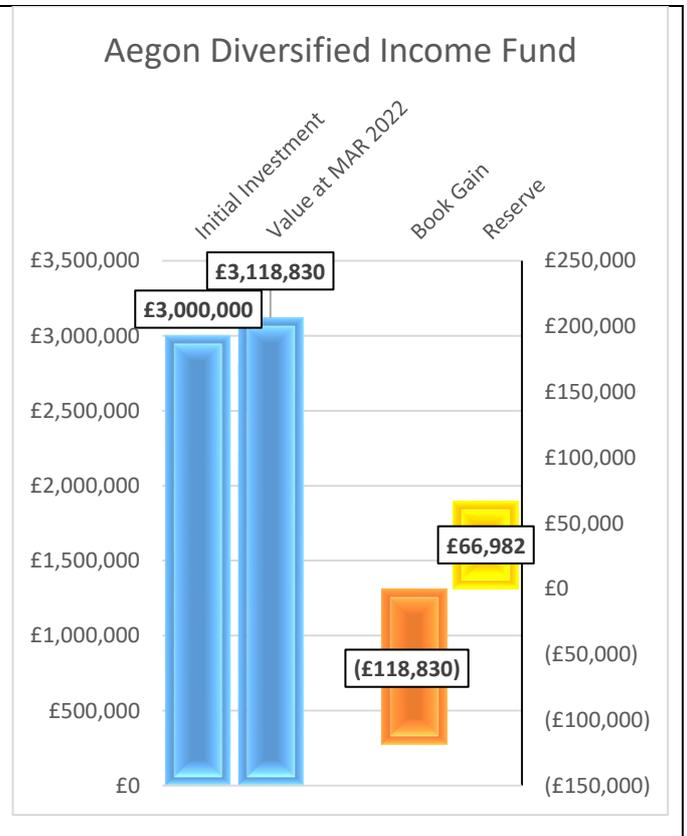
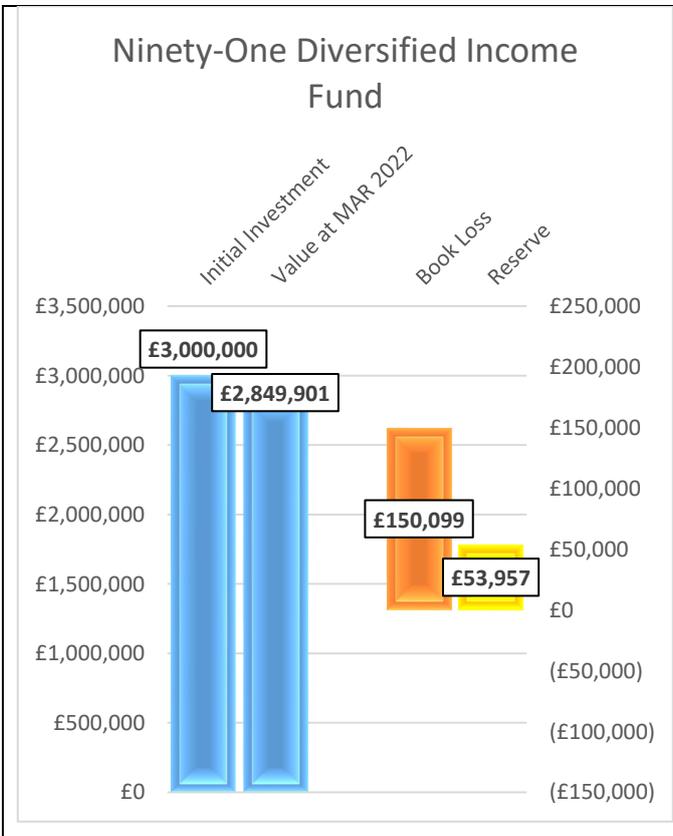
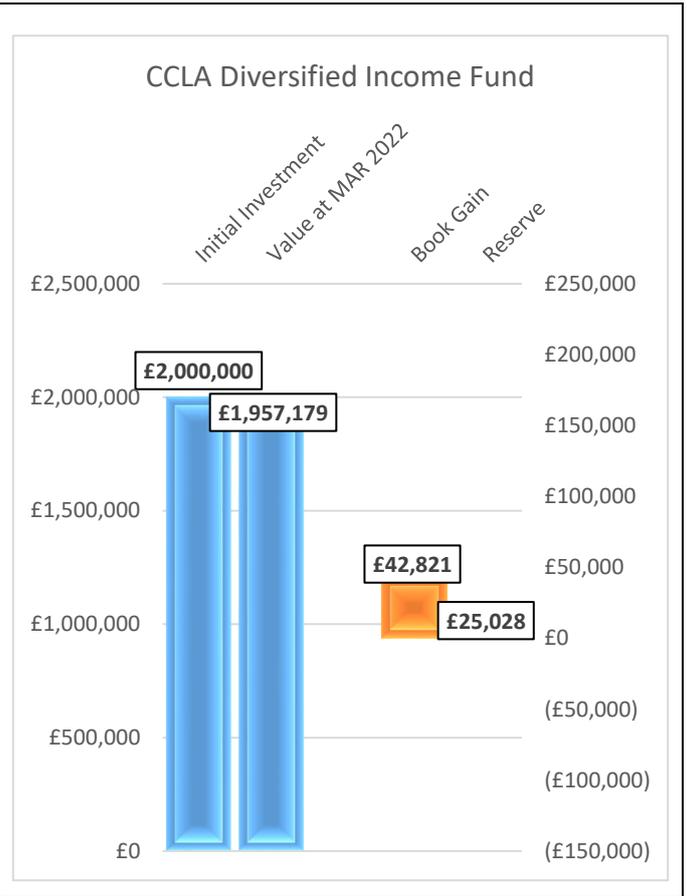
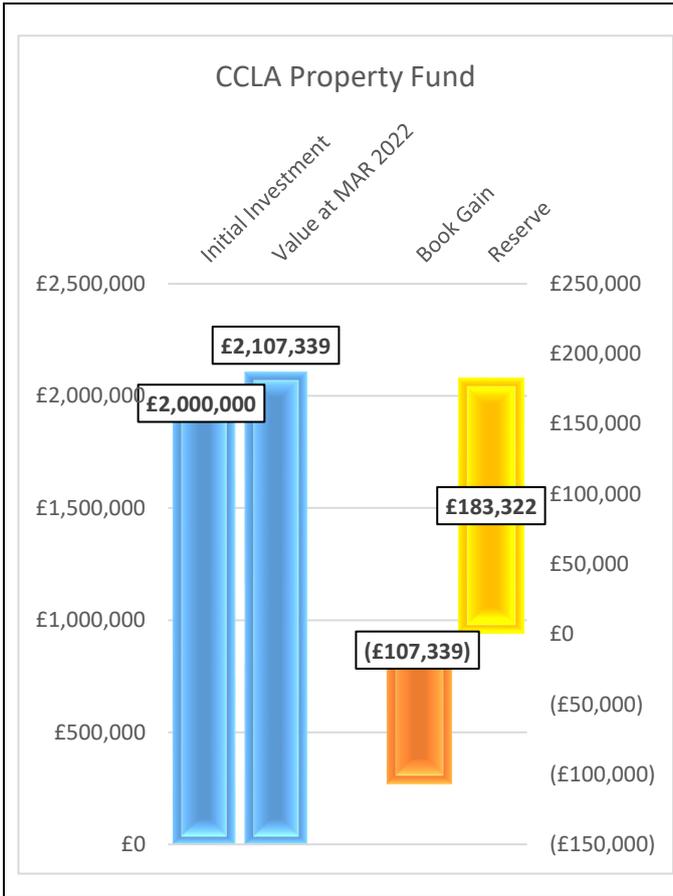
3.38. The investments the Council had at the 31 March 2022 of **£49.14m** (with the property fund and diversified income funds valued at their original investment value), by type and Country, are summarised below and in detail at **APPENDIX E**:



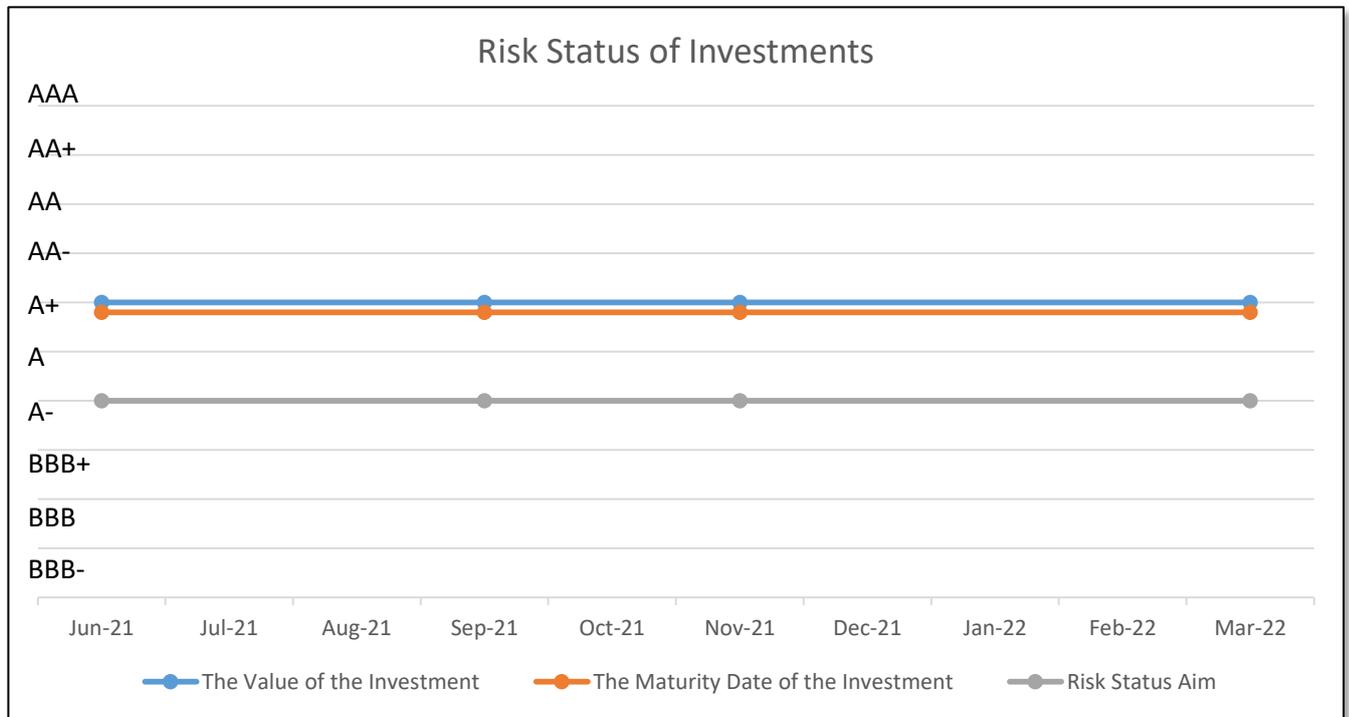
3.39. The Council’s portfolio size (with the property fund and diversified investment funds valued at their current values of **£10.2m**), average credit score, diversification and exposure to ‘Bail in’ risk compared to Arlingclose Clients is shown below:



3.40. The current value of the Property Fund and Diversified Income Fund investments, together with the value of the earmarked reserve at the end of 2021/22 intended to offset reductions in value, is shown below:

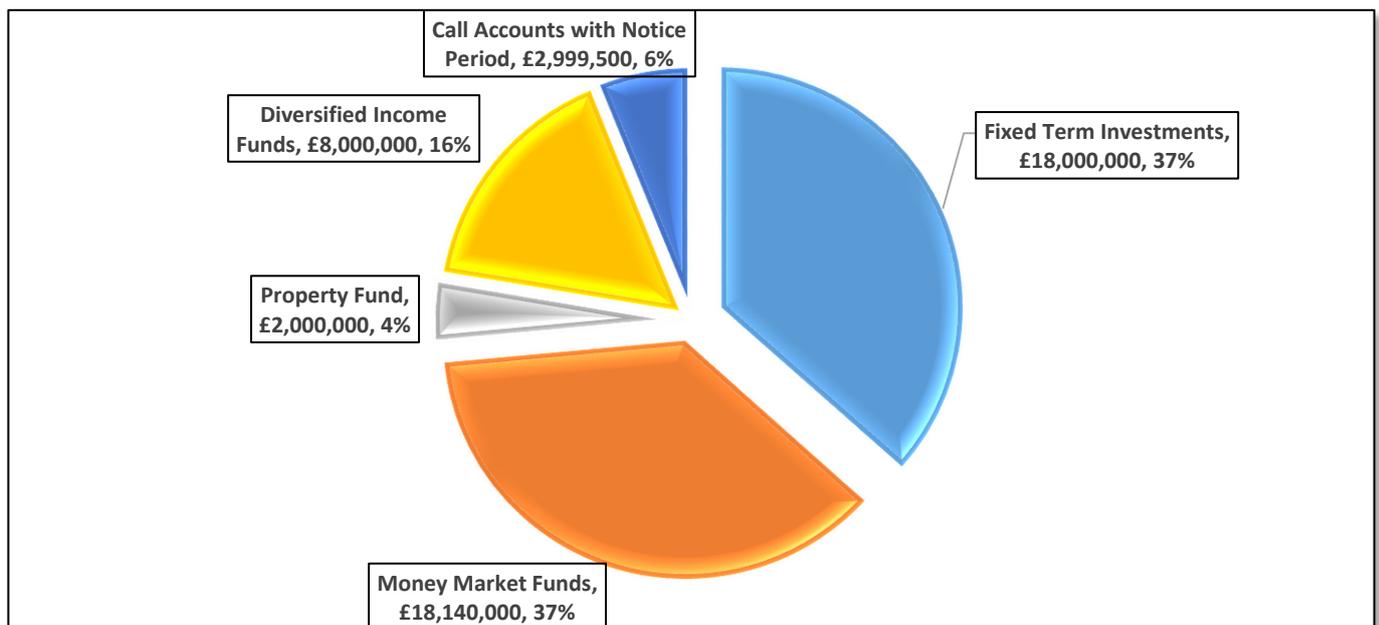


- 3.41. Overall in terms of strategic investments, there is a 'book gain' of (£33,249) and the earmarked reserve to manage volatility risk is £329,290.
- 3.42. In April 2022, the Council invested a further £2m in each of the Ninety One and Aegon Diversified Income Funds to take the total investment level for Strategic Investments to £14m in line with the approved level in the Treasury Management Strategy Statement.
- 3.43. 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 from June 2021 to March 2022 is summarised in the graph below:

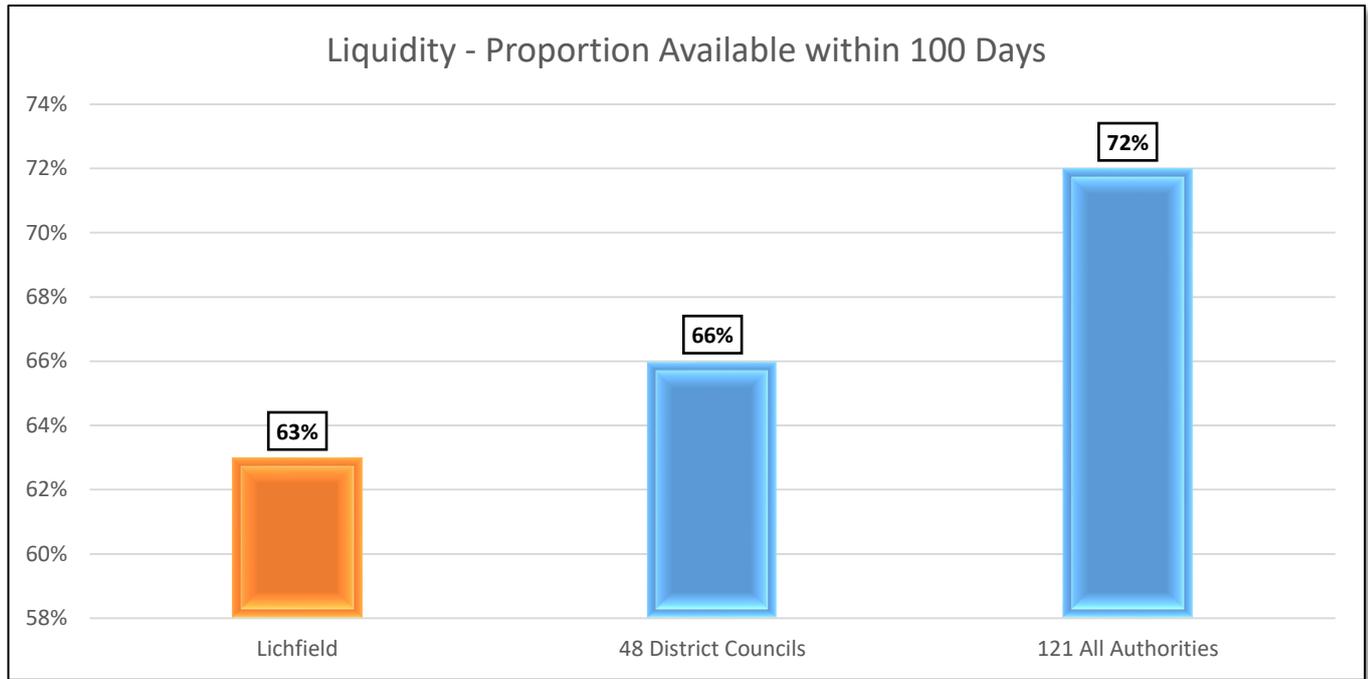


### The Liquidity of our Investments

- 3.44. The Council did not have to temporarily borrow during 2021/22. It 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 and manage cash flow volatility. The investments by type are shown below:

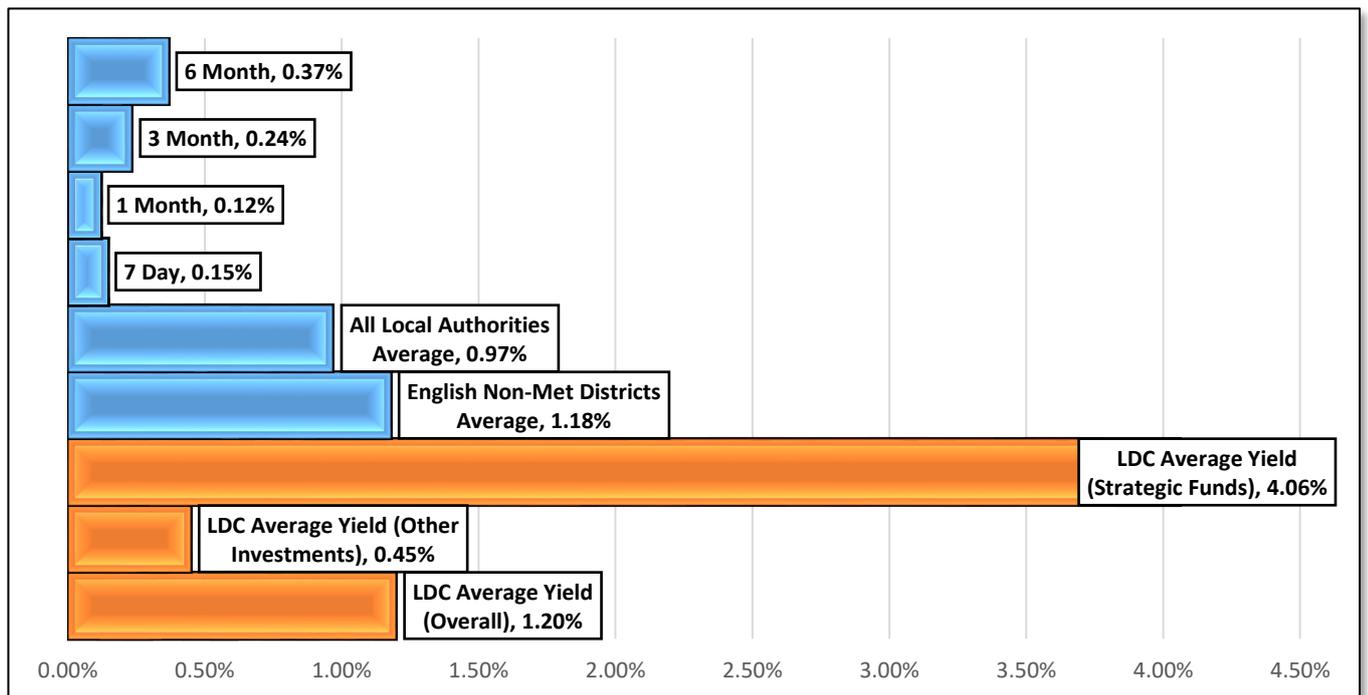


3.45. The proportion of the investment portfolio available within 100 days, compared to all Arlingclose clients, is shown in the graph below:



### The Return or Yield of our Investments

3.46. 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 in the graph below:



3.47. The investment activity during the financial year generated **(£423,797)** of gross investment income compared to a budget of **(£341,000)**.

3.48. The Council has one long-dated PWLB loan totalling **£1,126,280** that was largely unchanged over the year, other than for the scheduled semi-annual principal repayments, at an average cost of **2.59%** and with **18.01** years to maturity.

3.49. The Council repaid the other PWLB loan on 31<sup>st</sup> March 2022.

**Alternative Options**

There are no alternative options.

**Consultation**

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

**Financial Implications****General Reserves**

The Medium Term Financial Strategy projected general reserves at 31 March 2022 would be **£6,985,824** and the actual level was **£6,845,580**. This is a reduction of **(£140,244)** and is related to:

- A higher than budgeted contribution in 2020/21 of **£139,117**
- Approved updates in 2021/22 decreasing the contribution by **(£237,330)**
- A projected increased contribution contained in this report for 2021/22 of **£11,148**
- The adverse impact of COVID-19 in 2021/22 of **(£53,179)**

**Prudential indicators (PI) 2021/22:**

- We can confirm that the Council has complied with its Prudential and Local Indicators for 2021/22; these were originally approved by Council at its meeting on 16 February 2021 and were fully revised and approved by Council on 22 February 2022.
- In compliance with the requirements of the CIPFA Code of Practice this report provides members with a Summary Report of the Treasury Management Activity during 2021/22.
- None of the other Prudential and Local Indicators have been breached. The Prudential and Local Indicators are summarised in the table below :

**Capital Strategy Indicators****Prudential Indicators**

Indicators	2020/21 Actual	2021/22 Original	2021/22 Revised	2021/22 Actual	Compliant
<b>Capital Investment</b>					
Capital Expenditure (£m)	£3.264	£6.530	£6.411	£4.741	✓
Capital Financing Requirement (£m)	£3.016	£2.444	£2.747	£2.542	✓
<b>Gross Debt and the Capital Financing Requirement</b>					
Gross Debt	(£2.862)	(£2.167)	(£2.473)	(£1.509)	✓
Borrowing in Advance - Gross Debt in excess of the Capital Financing Requirement	No	No	No	No	✓
<b>Total Debt</b>					
Authorised Limit (£m)	£6.591	£15.435	£15.435	£3.204	✓
Operational Boundary (£m)	£6.591	£7.007	£7.007	£3.204	✓
Proportion of Financing Costs to Net Revenue Stream (%)	5%	5%	6%	5%	✓

**Local Indicators**

Indicators	2020/21 Actual	2021/22 Original	2021/22 Revised	2021/22 Actual	Compliant
Replacement of Debt Finance or MRP (£m)	(£0.747)	(£0.561)	(£0.663)	(£0.616)	✓
Repayment of Burntwood Leisure Centre Loan	(£0.542)	(£0.000)	(£0.306)	(£0.306)	✓
Capital Receipts (£m)	(£0.000)	(£0.537)	(£0.036)	(£0.121)	✓
Housing Capital Receipts (£m)	(£0.434)	£0.000	(£0.260)	(£0.395)	✓
Liability Benchmark (£m)	£25.033	£11.755	£23.657	£38.230 <sup>1</sup>	✓
Treasury Management Investments (£m)	£37.330	£23.813	£34.140	£49.368	✓

<sup>1</sup> This figure is provisional at this time due to the accounts not yet being completed.

## Treasury Management Indicators

### Prudential Indicators

	Lower Limit	Upper Limit	As at 31/03/22	Compliant
<b><u>Refinancing Rate Risk Indicator</u></b>				
Under 12 months	0%	100%	5.41%	
12 months and within 24 months	0%	100%	5.41%	
24 months and within 5 years	0%	100%	16.22%	
5 years and within 10 years	0%	100%	27.03%	
10 years and within 20 years	0%	100%	45.95%	✓
20 years and within 30 years	0%	100%	0%	
30 years and within 40 years	0%	100%	0%	
40 years and within 50 years	0%	100%	0%	
50 years and above	0%	100%	0%	

	2020/21 Actual	2021/22 Original	2021/22 Revised	2021/22 Actual	Compliant
<b>Indicators</b>					
Principal Sums invested for periods longer than a year (£m)	£6.000	£10.000	£10.000	£10.000	✓

### Local Indicators

	2020/21 Actual	2021/22 Original	2021/22 Revised	2021/22 Actual	Compliant
<b><u>Balance Sheet Summary and Forecast</u></b>					
Borrowing Capital Financing Requirement	£2.410	£2.336	£2.334	£2,160	✓
Internal (over) Borrowing	£0.155	£0.277	£0.274	£1.033	✓
Investments (or New Borrowing)	£37.330	£23.813	£34.140	£49.356	✓
Liability Benchmark	£25.033	£11.755	£22.081	£38.230 <sup>2</sup>	✓

	Target	2021/22 Actual	Compliant
<b><u>Security</u></b>			
Portfolio average credit rating	A-	A+	✓
<b><u>Liquidity</u></b>			
Temporary Borrowing undertaken	£0.000	£0.000	✓
Total Cash Available within 100 days (maximum)	90%	78%	✓

<b>Approved by Section 151 Officer</b>	Yes
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<b>Legal Implications</b>	<p>No specific legal implications.</p> <p>The recommended Medium Term Financial Strategy, is part of the Budget Framework and will therefore require the approval of Full Council.</p>
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<b>Approved by Monitoring Officer</b>	Yes
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<b>Contribution to the Delivery of the Strategic Plan</b>	The MTFS underpins the delivery of the Strategic Plan.
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<sup>2</sup> This figure is provisional at this time due to the accounts not yet being completed.

## 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.

## Environmental Impact

There are no additional environmental impacts.

## GDPR/Privacy Impact Assessment

There are no additional GDPR/Privacy Impact Assessment impacts.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
<b>Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2022</b>	Likelihood : Green Impact : Red Severity of Risk : Yellow	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements.	Likelihood : Green Impact : Red Severity of Risk : Yellow
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations	Likelihood : Yellow Impact : Red Severity of Risk : Red	To closely monitor the level of appeals. An allowance for appeals has been included in the Business Rate Estimates.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
C	The review of the New Homes Bonus regime	Likelihood : Red Impact : Red Severity of Risk : Red	The Council responded to the recent consultation.  Not all of the projected New Homes Bonus is included as core funding in the Base Budget. In 2022/23 £400,000 is included with the balance transferred to general reserves. At this stage, no income is assumed from 2023/24 onwards.	Likelihood : Red Impact : Yellow Severity of Risk : Yellow
D	The increased Localisation of Business Rates and the Review of Needs and Resources	Likelihood : Red Impact : Red Severity of Risk : Red	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Likelihood : Red Impact : Red Severity of Risk : Red
E	The affordability and risk associated with the Capital Strategy	Likelihood : Yellow Impact : Red Severity of Risk : Red	An estates management team has been recruited to provide professional expertise and advice in relation to property and to continue to take a prudent approach to budgeting.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
F	The public sector pay freeze in 2021/22 is not applicable to Local Government	Likelihood : Yellow Impact : Red Severity of Risk : Red	The current MTFS assumes that the pay freeze for those earning more than £24,000 per annum is applicable to Local Government. If this does not prove to be the case, an element of general reserves can be utilised to fund the increase in 2021/22 and projections for later years will be updated in the MTFS.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
G	Sustained higher levels of inflation in the economy	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow	To maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections and where possible ensure income increases are maximised to mitigate any additional cost.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
<b>Strategic Risk SR3: Capacity and capability to deliver / adapt the news</b>				
H	The financial impact of COVID-19 is not fully reimbursed by Government and exceeds the reserves available resulting in a Section	Likelihood : Yellow Impact : Red Severity of Risk : Yellow	The use of general and earmarked reserves to fund any shortfall	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
	114 notice			
I	The Council cannot achieve its approved Delivery Plan for 2022/23	Likelihood : Yellow Impact : Red Severity of Risk : Red	There will need to be consideration of additional resourcing and/or reprioritisation to reflect the ongoing impact of the pandemic	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
J	The resources available in the medium to longer term to deliver the Strategic Plan are diminished	Likelihood : Yellow Impact : Red Severity of Risk : Red	The MTFS will be updated through the normal review and approval process	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
K	Government and Regulatory Bodies introduce significant changes to the operating environment	Likelihood : Red Impact : Red Severity of Risk : Red	To review all proposed policy changes and respond to all consultations to influence outcomes in the Council's favour	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow

### Background Documents

- 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) 2020-25 – Cabinet 9 February 2021.
- Money Matters: 2020/21 Review of Financial Performance against the Financial Strategy – Cabinet 8 June 2021.
- Medium Term Financial Strategy – Cabinet 6 July 2021.
- Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 September 2021.
- Money Matters: Calculation of Business Rates in 2022/23, Council Tax Base for 2022/23 and the Projected Collection Fund Surplus / Deficit for 2021/22 - Cabinet 7 December 2021.
- Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 7 December 2021.
- Money Matters: 2021/22 Review of Financial Performance against the Financial Strategy – Cabinet 8 February 2022.
- Medium Term Financial Strategy 2021-26 – Cabinet 8 February 2022.
- Medium Term Financial Strategy 2021-26 – Council 22 February 2022.

### Relevant web link

## Revenue Financial Performance – Variance to Budget 2021/22

Area	2021/22					2021/22 Target Variance (+/-) £
	Original Budget £	Approved Budget £	Outturn £	Variance £	Variance to Original Budget £	
Enabling people	1,482,790	1,453,440	1,439,282	(14,158)	(43,508)	
Shaping place	3,401,930	3,515,400	3,427,180	(88,220)	25,250	
Developing prosperity	(620,830)	(311,290)	(254,244)	57,046	366,586	
A good council	6,320,730	6,291,400	6,330,235	38,835	9,505	
COVID-19 - General Recovery	(4,000)	(129,000)	(75,821)	53,179	(71,821)	
COVID-19 - Specific Risks	1,141,380	1,141,380	1,141,379	(1)	(1)	
<b>Net Cost of Services</b>	<b>11,722,000</b>	<b>11,961,330</b>	<b>12,008,012</b>	<b>46,682</b>	<b>286,012</b>	<b>0</b>
Chief Executive	167,130	292,230	315,237	23,007	148,107	2,000
Corporate Services	2,414,920	2,187,450	2,328,926	141,476	(85,994)	39,000
Finance and Procurement	1,881,200	1,937,700	1,935,519	(2,181)	54,319	15,000
Governance & Performance	1,874,760	1,871,810	1,868,074	(3,736)	(6,686)	15,000
Regulatory Services, Housing & Wellbeing	1,352,010	1,272,280	1,267,861	(4,419)	(84,149)	16,000
Economic Growth & Development Services	(127,210)	192,620	65,573	(127,047)	192,783	67,000
Operational Services	3,021,810	3,194,860	3,161,263	(33,597)	139,453	96,000
COVID-19 - General Recovery	(4,000)	(129,000)	(75,821)	53,179	(71,821)	-
COVID-19 - Specific Risks	1,141,380	1,141,380	1,141,379	(1)	(1)	
<b>Net Cost of Services</b>	<b>11,722,000</b>	<b>11,961,330</b>	<b>12,008,012</b>	<b>46,682</b>	<b>286,012</b>	<b>250,000</b>
Net Treasury Position	(182,000)	(173,000)	(173,000)	(0)		
<b>Net Operating Cost</b>	<b>11,540,000</b>	<b>11,788,330</b>	<b>11,835,012</b>	<b>46,682</b>		
Transfer (from) / to General Reserve	411,000	173,670	131,639	(42,031)		
<b>Net Revenue Expenditure</b>	<b>11,951,000</b>	<b>11,962,000</b>	<b>11,966,651</b>	<b>4,651</b>		
<b>Financed by:</b>						
Retained Business Rates	(3,122,000)	(3,122,000)	(3,205,472)	(83,472)		
Business Rates Cap	(110,000)	(110,000)	(10,021)	99,979		
Lower Tier Services Grant	(151,000)	(151,000)	(151,399)	(399)		
Local Council Tax Support Grant	(126,000)	(126,000)	(126,515)	(515)		
New Homes Bonus	(1,282,000)	(1,282,000)	(1,282,298)	(298)		
Other Government Grants	-	-	(20,561)	(20,561)		
Business Rates Collection Fund (Surplus)/Deficit	-	-	675	675		
Council Tax Collection Fund (Surplus)/Deficit	38,000	27,000	26,571	(429)		
Council Tax	(7,198,000)	(7,198,000)	(7,197,631)	369		

## General Reserves

	Original	Approved	Actual
<b>Start of year</b>	<b>£6,574,824</b>	<b>£6,713,941</b>	<b>£6,713,941</b>
Budgeted Contribution	£411,000	£411,000	£411,000
Approved Updates	£0	(£211,650)	(£237,330)
Money Matters Reports	£0	£167,320	£11,148
COVID-19	£0	(£193,000)	(£53,179)
<b>Sub Total In Year</b>	<b>£411,000</b>	<b>£173,670</b>	<b>£131,639</b>
<b>End of year</b>	<b>£6,985,824</b>	<b>£6,887,611</b>	<b>£6,845,580</b>
<b>Change to Original</b>		<b>(£98,213)</b>	<b>(£140,244)</b>

## Fees and Charges

Income Type	2021/22		
	Annual Budget	Actual	Actual Variance
	£000	£000	£000
Planning Applications	781	974	(192)
Car Parks	1,877	1,515	362
Garden Waste	1,570	1,609	(39)
Trade Waste	447	522	(75)
Land Charges	298	341	(42)
Building Control	917	948	(31)
Property Rental	648	674	(27)
<b>Total of Highest Value Fees &amp; Charges</b>	<b>6,538</b>	<b>6,583</b>	<b>(44)</b>
<b>Other Income</b>			
Licensing			
Leisure Centre			
VAT Claim			
Court Costs			
Recycling			
Grounds Maintenance			
Other			
<b>Total Income</b>			

Annual Trend						
2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Actual						
£000	£000	£000	£000	£000	£000	£000
771	629	1,030	824	797	744	695
1,746	1,748	1,986	2,078	2,198	2,105	752
0	0	0	231	1,495	1,478	1,618
338	390	407	415	443	469	485
183	297	312	279	286	253	272
454	507	557	547	553	896	1,032
644	681	687	729	839	744	680
<b>4,134</b>	<b>4,251</b>	<b>4,980</b>	<b>5,102</b>	<b>6,611</b>	<b>6,689</b>	<b>5,535</b>
217	185	236	224	241	245	160
1,782	1,819	1,879	1,629	183	0	0
0	0	0	0	1,103	0	0
252	233	218	198	214	222	154
14	347	439	463	331	283	280
162	161	168	195	217	264	273
1,839	1,139	1,319	1,124	1,057	1,063	908
<b>8,400</b>	<b>8,136</b>	<b>9,239</b>	<b>8,936</b>	<b>9,957</b>	<b>8,766</b>	<b>7,310</b>

## Earmarked Reserves

Unrestricted Earmarked Reserves

Reserve Name	Initial Set Up Year	Year to be Returned	Earmarked Reserves 1 April 2021 £	Earmarked Reserves 31 March 2022 £	Purpose
<b>Chief Executive</b>					
Leisure VAT Reclaim	2018/19	2022/23	(276,885)	(226,131)	To be used to fund the Friary Grange LC refurbishment project.
Strategic Priorities	2021/22	2025/26	0	(589,586)	To be used to fund Strategic Priorities
Restructure & Other Costs	2021/22	2025/26	0	(200,000)	To be used to fund restructure and other costs
<b>Chief Executive Total</b>			<b>(276,885)</b>	<b>(1,015,717)</b>	
<b>Corporate Services</b>					
Digitisation Programme	2015/16	2023/24	(59,999)	(59,999)	Website Replacement & Digitisation
Condition Survey of District Council House	2016/17	Retain	(37,741)	(0)	Revenue works from the Condition Survey of District Council House
Single Customer Account	2018/19	2022/23	(57,910)	(72,610)	Top up each year as per MTFS budget
Property Company Loan	2018/19	2022/23	(559,000)	(559,000)	Part funding for Property Company Loan (Lichfield Housing Limited) and subject to repurposing the Company
Potential Employee Costs	2019/20	2023/24	(30,000)	0	Communications Review
Party Wall Lichfield City Council	2020/21	2021/22	(40,000)	(40,000)	To cover the cost of party wall due to slippage into 2022/23
ICT Additional Staffing	2020/21	2024/25	(30,000)	(24,537)	To cover the cost of an additional staff member during 2022/23
Climate Change Initiatives	2020/21	2024/25	(99,050)	(74,100)	Remainder from the £100,000 Approved Budget
Revenues and Benefits Service Improvement	2019/20	2023/24	(109,409)	(74,409)	New Burdens Grants - for RBS review changes will be used over the next three years maximum
Revenues and Benefits Service Improvement	2019/20	2023/24	(50,000)	0	Funding for the debtors module of the Financial Information System project in the Capital Programme
<b>Corporate Services Total</b>			<b>(1,073,109)</b>	<b>(904,655)</b>	
<b>Finance &amp; Procurement</b>					
Business Rates Volatility Reserve	2017/18	Retain	(1,550,816)	(1,745,246)	To manage the inherent volatility of the Business Rates Regime.
Strategic Investments Volatility	2015/16	Retain	(236,172)	(329,290)	To manage the risk of value fluctuations and reductions in income returns in relation to strategic investments
Fees and Charges Review	2020/21	2021/22	(29,350)	0	Fees and charges review that will be completed in 2021/22.
Calculation of Appeals Provision	2020/21	2021/22	(5,000)	0	External support to calculate the Business Rates Appeals Provision
<b>Finance &amp; Procurement Total</b>			<b>(1,821,338)</b>	<b>(2,074,536)</b>	

## APPENDIX C

<b>Governance &amp; Performance</b>					
Zurich Insurance	2019/20	2023/24	(33,473)	(29,473)	Risk Management Consultancy Service Fees - £4k Drawdown Per Annum
Terms and Conditions Review	2019/20	2023/24	(40,000)	(40,000)	To be used to cover terms and conditions review - project delayed
People Strategy	2019/20	2023/24	(82,476)	(33,739)	To cover the expenditure for the People Strategy
Lichfield District Council Elections	2015/16	Retain	(143,087)	(205,493)	To meet the cost of District Councils Elections every 4 years and any other Elections that may arise
Payroll System Implementation	2020/21	2021/22	(14,910)	0	To cover the extra costs during the implementation of the new payroll contract
Apprenticeships	2021/22	2025/26	0	(400,000)	To fund the Apprenticeship programme
Community Governance Review Funding	2021/22	2022/23	0	(38,090)	To be completed in 2022/23
<b>Governance &amp; Performance Total</b>			<b>(313,947)</b>	<b>(746,795)</b>	
<b>Regulatory Services, Housing &amp; Wellbeing</b>					
Environmental Health - Vehicle Maintenance/Replacement	2015/16	Retain	(16,999)	(19,499)	Maintenance and future replacement of Environmental Health Van
Homeless & Repossession Prevention Fund	2015/16	Retain	(27,146)	(28,856)	Homeless & Repossession Prevention Fund
IDOX Staffing Cost Support	2018/19	2022/23	(38,449)	(38,449)	The final element of the project is being scoped and costed to ensure it provides value for money before it is completed.
Locality Commissioning & Small Grants Funding	2020/21	2021/22	(34,931)	0	Delay in community projects due to COVID
Environmental Health additional staffing	2020/21	2024/25	(160,000)	(145,186)	Additional staff to cover missed work due to COVID
Property Maintenance Sink Fund	2021/22	Retain	0	(2,420)	Approved by Cabinet to manage the maintenance of properties
Community Lottery Sink Fund	2021/22	Retain	0	(1,940)	To be used to fund voluntary sector projects
Housing Register	2021/22	2025/26	0	(64,200)	Future funding of Housing Register
Locality Commissioning Funding	2021/22	2022/23	0	(34,220)	To be used in 2022/23 for community projects
<b>Regulatory Services, Housing &amp; Wellbeing Total</b>			<b>(277,524)</b>	<b>(334,770)</b>	
<b>Economic Growth &amp; Development Services</b>					
Grant Aid -Development Historic Building Grants	2020/21	2024/25	(5,000)	(15,000)	To assist in repairs to listed and unlisted buildings within a conservation area that have an Article 4(2) direction applied to them
HS2	2015/16	Retain	(35,413)	0	Costs associated with High Speed 2
Judicial Review/Planning Appeals	2015/16	Retain	(200,862)	(200,862)	To fund the costs related to planning appeals
Birmingham Road Site	2015/16	Retain	(100,360)	(72,705)	Funding for the approved commitment of temporary toilet block

## APPENDIX C

Lichfield City Master Plan	2020/21	2024/25	(318,897)	(210,721)	Budget agreed as per cabinet report dated 6th October 2020
Multi Storey Car Park Refurbishment	2020/21	2024/25	(298,688)	(60,469)	To fund the project in the Capital Programme
Back scanning of Planning Apps	2020/21	2024/25	(40,388)	(40,388)	Digitisation of historical Planning Applications project
Planning Agency Staff	2020/21	2024/25	(60,000)	0	To fund short term agency staff
Improvement Programme	2018/19	2022/23	(5,350)	(5,350)	Development Management Improvement Programme
Museum Collections Officer	2019/20	2020/21	(6,565)	0	Temporary funding to manage museums collection
Growth Hub Advisor	2019/20	2023/24	(7,000)	0	Growth Hub Advisor Contribution
Self/Custom Build/Brownsfield Grants 2019/20 Grants	2019/20	2023/24	(13,933)	(13,933)	Government grants received short term contribution to staffing costs
Conservation Policy	2019/20	2023/24	(15,720)	(8,815)	Undertake review of Conservation policy
University Car Park Sinking Fund	2018/19	Retain	(50,000)	(60,000)	As per agreement of £10,000 per annum
Neighbourhood Plans Grant	2018/19	2022/23	(49,003)	(34,726)	To fund costs of any future Neighbourhood plan referendums
Economic Growth (Business Rates Pilot)	2019/20	2023/24	(605,959)	(599,184)	To fund Coach Park Project in the Capital Programme
Local Plan Allocations Examination & Review	2016/17	Retain	(257,020)	(238,430)	Examination & Review Costs
Car Parks Vehicle Sinking Fund	2017/18	Retain	(13,334)	(16,668)	Vehicle Replacement
Small Business Grant Scheme	2018/19	Retain	(16,313)	0	Grants to be distributed for the 3 year scheme
Community Infrastructure Levy Volatility	2018/19	Retain	(83,619)	(107,577)	5% administration element - volatility reserve.
Ecology Land Search Brief	2020/21	2024/25	(13,000)	(13,000)	Procurement of Ecology Land Search Brief. Mapping potential biodiversity offsets. Related to emerging Environment Bill and Local Policy NR4
Events Budget	2020/21	2021/22	(10,000)	(18,000)	Events Budget from 2021/22 unspent
Marketing Campaign	2020/21	2021/22	(22,000)	0	Marketing Campaign
Tourism Website	2020/21	2024/25	(30,000)	0	Tourism Website replacement
Ecology Net Gain Government Grant	2021/22	2025/26	0	(10,047)	Government Grant received
Planning Agency Staff	2021/22	2022/23	0	(12,250)	To be used in 2022/23
<b>Economic Growth &amp; Development Services Total</b>			<b>(2,258,423)</b>	<b>(1,738,125)</b>	
<b>Operational Services</b>					
Dry Recycling Contract - LDC Share	2015/16	Retain	(104,020)	(104,020)	Dry Recycling Contract - LDC Share 57.5% to cover the cost of any losses on the contract
Freedom Pensions Guarantee	2018/19	Retain	(86,810)	(113,520)	To manage the risk of the Freedom Pensions Guarantee
Local Authority Parks Improvement Programme	2018/19	Retain	(340)	(0)	Balance of MHCLG grant received March 2019
Parks Sink Fund	2020/21	2024/25	(20,000)	(40,000)	To cover maintenance of premises on a rolling programme – started in 2020/21
Burntwood Parks Tree Survey	2020/21	2021/22	(20,990)	0	Slippage on tree survey work due to Covid-19 to be utilised 2021/22

## APPENDIX C

Burntwood Works	2021/22	2022/23	0	(160,330)	Slippage on Burntwood projects - will be completed in 2022/23
Active Lichfield Sports Development	2020/21	2021/22	(32,630)	0	Slippage on projects due to Covid-19 agreed to do carry forward and used in 2021/22
Trunk Road Sweeping	2020/21	2021/22	(58,000)	(8,500)	Delay in cleaning trunk roads during 2020/21 due to SCC to be used in 2021/22
Leisure & Parks Restructure	2020/21	2024/25	(49,000)	(49,000)	To manage the cost of a restructure in the Leisure and Parks Team
Friary Grange LC Refurbishment	2020/21	2021/22	(77,330)	(77,330)	Balance of budget for revenue implications for FGLC refurb slippage
Trunk Road Sweeping	2021/22	2022/23	0	(40,500)	Delay in cleaning trunk roads during 2021/22 to be used in 2022/23
Sports Development Get into It Funding	2021/22	2022/23	0	(12,000)	To be used in 2022/23
Grounds Maintenance Vehicles and Equipment Sinking Fund	2015/16	Retain	(369,956)	(362,843)	To fund the replacement of vehicles and equipment contained in the asset management schedule (Capital Programme)
<b>Operational Services Total</b>			<b>(819,076)</b>	<b>(968,043)</b>	
<b>COVID</b>					
Section 31 Grant - Hardship Fund	2020/21	2024/25	(60,886)	0	Balance of Hardship Grant not spent in 2020/21 that has been allocated in 2021/22.
Section 31 Grant - Council Tax Compensation	2020/21	2024/25	(34,227)	(22,818)	Will be utilised to offset the Council Tax Collection Fund deficit chargeable to revenue in 2021/22 to 2023/24.
Section 31 Grant - Specific Covid-19 grants	2020/21	2024/25	(331,112)	(280,740)	Covid-19 Balance of specific grants such as Test and Trace etc.
Section 31 grant - Additional Restrictions Grant	2020/21	2024/25	(404,173)	0	Covid-19 ARG Grant
Risk - COVID-19 Housing / Hardship	2020/21	2024/25	(226,000)	(60,000)	Earmarked Reserve for Housing / Hardship related risks
Section 31 Grant - additional reliefs for leisure, hospitality, leisure and nurseries.	2020/21	2024/25	(6,588,096)	(3,398,998)	Section 31 grants received for reliefs granted - will offset deficit over next three years.
Section 31 grant - Revenues & Benefits Service Improvement	2020/21	2024/25	(166,800)	(116,800)	New Burdens Allocation for Administering the Business Support Grants
Risk - Operational Services Contract Reserve	2020/21	2024/25	(492,974)	0	Potential Support for Operational Services activities due to Covid-19
Risk & Recovery	2021/22	2025/26	0	(990,946)	Support for identified projects
<b>COVID Total</b>			<b>(8,304,268)</b>	<b>(4,870,302)</b>	
<b>Total Unrestricted Earmarked Reserves</b>			<b>(£15,144,572)</b>	<b>(£12,652,942)</b>	

**Restricted Earmarked Reserves**

<b>Reserve Name</b>	<b>Earmarked Reserves 1 April 2021</b>	<b>Earmarked Reserves 31 March 2022</b>	<b>Purpose</b>
	<b>£</b>	<b>£</b>	
<b>Regulatory Services, Housing &amp; Wellbeing</b>			
Flexible Homelessness Grant	(427,688)	(510,037)	To be used to deal with and prevent homelessness
RSI (Housing First)	(64,015)	(88,074)	To be used for two year project for the Rough Sleeping Initiative - in conjunction with CCDC
SILIS Project Management	(28,099)	(20,278)	To be used in 22/23 for project management costs - in conjunction with other Local Authorities
NSAP - Personalisation Funding	(9,792)	(7,854)	To be used for the personalisation of rented accommodation for the homeless - ten clients at £1k each
Vulnerable Renters Funding	0	(37,320)	Government funding received
COMF Surge Funding for COVID	0	(20,280)	To be used for COVID outbreak management
SCC Test and Trace Funding	0	(130,090)	To be used to reduce the backlog created from COVID
Domestic Abuse Funding	0	(20,210)	Government funding received
<b>Regulatory Services, Housing &amp; Wellbeing Total</b>	<b>(529,594)</b>	<b>(834,143)</b>	
<b>Economic Growth &amp; Development Services</b>			
Central Building Control Partnership - Building Regulations Reserve	(296,250)	(289,089)	To offset surplus or deficits against future building regulation charges. This must be reinvested to improve the quality of the service and there are now more partners.
Local Authority Trading Company Set Up Costs	(25,000)	(25,000)	Budget to set up a Building Control Trading Company - related to certain partners.
Planning Applications Income Increase	(163,385)	(280,283)	20% increase in Planning Application fees that must be spent on Planning
Birmingham Road (BR) Car Park Repairs and Renewals	(1,978,417)	(608,782)	To be held for the purpose of City Centre redevelopment as per agreement
BR - Staffing/Support	0	(802,000)	To be held for the purpose of City Centre redevelopment as per agreement
BR - Car Parking Strategy	0	(480,000)	To be held for the purpose of City Centre redevelopment as per agreement
Friary Multi Storey Bromford Sinking Fund	(4,315)	(4,989)	Required under the legal agreement with Bromford.
South Staffs DC and Lichfield DC Partnership Land Charges Reserve	(98,366)	(220,895)	To offset surplus or deficits against future land charges. This will be reinvested to improve the quality of the service.
<b>Economic Growth &amp; Development Services Total</b>	<b>(2,565,733)</b>	<b>(2,711,037)</b>	
<b>Operational Services</b>			
Public Open Space -St Matthews Site, Burntwood	(64,541)	(64,541)	To cover the ongoing maintenance of the site
Commuted sums for Hawksyard	(167,785)	(167,785)	To cover the ongoing maintenance of the site
Commuted sums for Darwin Park	(9,886)	(8,294)	To cover the ongoing maintenance of the site

## APPENDIX C

Public Open Space at Darwin Park	(158,676)	(148,458)	To cover the ongoing maintenance of the site
Charter Place Shortbutts Lane S106	(26,275)	(26,275)	To cover the ongoing maintenance of the site
Heritage Lottery Fund LDC Contribution	(25,301)	(25,301)	Agreed as part of the Heritage Lottery Fund award
Heritage Lottery Fund - Management	(8,250)	(8,250)	Agreement with HLF to use Greenstat funding to monitor and encourage participation
Friary Grange LC Synthetic Pitch Sinking Fund	(16,700)	(16,700)	Will be used to fund the Friary Grange LC refurbishment project.
Victoria Hospital Friary Road Lichfield	(25,894)	(25,894)	To cover the ongoing maintenance of the site
Waste Shared Service Property growth - LDC	(214,372)	(421,557)	Servicing new properties in the future Lichfield DC
Waste Shared Service Property growth - TBC	(242,330)	(425,682)	Servicing new properties in the future TBC
Dry Recycling Contract - TBC	(78,815)	(78,815)	Dry Recycling Contract - TBC Share 42.5%
Employee Benefits - TBC	(14,930)	(14,930)	Holiday Pay Overtime - TBC Share 42.5%
Payments in Adv. for Fleet - TBC	(54,950)	(66,000)	Payments in Adv for Fleet - TBC Share
<b>Operational Services Total</b>	<b>(1,108,705)</b>	<b>(1,498,482)</b>	
<b>Total Restricted Earmarked Reserves</b>	<b>(£4,204,032)</b>	<b>(£5,043,662)</b>	

TBC relates to reserves retained on behalf of Tamworth Borough Council as part of the Joint Waste Service.

## Capital Programme Performance in 2021/22

Project	Original Budget	Approved Budget	Actual	Variance
New Build Parish Office/Community Hub	92,000	0	0	0
Armitage with Handsacre storage container	6,000	6,000	5,700	(300)
Armitage War Memorial and surrounding area	120,000	120,000	120,000	0
Installation of artificial grass at Armitage	3,000	3,000	0	(3,000)
Burntwood LC CHP Unit	0	64,000	(4,835)	(68,835)
Friary Grange - Short Term Refurbishment	240,000	209,000	50,754	(158,246)
Replacement Leisure Centre	278,000	328,000	152,917	(175,083)
Beacon Park Pathway	0	37,000	36,500	(500)
Burntwood Leisure Centre - Decarbonisation	532,000	443,000	425,400	(17,600)
Accessible Homes (Disabled Facilities Grants)	1,272,000	921,000	1,231,709	310,709
Home Repair Assistance Grants	22,000	6,000	5,185	(815)
Decent Homes Standard	147,000	0	0	0
Energy Insulation Programme	22,000	0	0	0
DCLG Monies	212,000	0	0	0
Unallocated S106 Affordable Housing Monies	429,000	496,000	588,479	92,479
Burntwood Park Resurfacing	0	11,000	11,170	170
Burntwood Park Play Equipment	0	75,000	0	(75,000)
Burntwood Park Fencing	0	30,000	36,500	6,500
<b>Enabling People Total</b>	<b>3,375,000</b>	<b>2,749,000</b>	<b>2,659,480</b>	<b>(89,520)</b>
Canal Towpath Improvements (Brereton & Ravenhill)	36,000	44,000	43,656	(344)
Loan to Council Dev Co.	675,000	675,000	0	(675,000)
Lichfield St Johns Community Link	35,000	0	0	0
Staffordshire Countryside Explorer	44,000	44,000	0	(44,000)
Lichfield Public Conveniences	0	40,000	0	(40,000)
Vehicle Replacement Programme (Waste)	0	437,000	407,633	(29,367)
Bin Purchase	150,000	240,000	195,188	(44,812)
Dual Stream Recycling	0	329,000	62,400	(266,600)
Vehicle Replacement Programme (Other)	108,000	128,000	127,643	(357)
Upper St John St & Birmingham Road Improvements	7,000	0	0	0
The Leomansley Area Improvement Project	3,000	3,000	0	(3,000)
Cannock Chase SAC	44,000	44,000	57,539	13,539
Welcome Back Fund - Park Furniture	0	0	16,675	16,675
Burntwood Public Conveniences	0	45,000	0	(45,000)
<b>Shaping Place Total</b>	<b>1,102,000</b>	<b>2,029,000</b>	<b>910,734</b>	<b>(1,118,266)</b>
Multi Storey Car Park Refurbishment Project	250,000	259,000	198,219	(60,781)
Vehicle Replacement Programme (Car Parks)	10,000	0	0	0
Birmingham Road Site - Coach Park	625,000	300,000	6,775	(293,225)
Birmingham Road Site - Short Term Redevelopment	0	13,000	970	(12,030)
Car Parks Variable Message Signing	32,000	0	0	0
Old Mining College - Refurbish access and signs	13,000	0	0	0
City Centre Strat and Interpretation S106	0	0	(1,750)	(1,750)
St. Chads Sculpture (Lichfield City Art Fund)	5,000	5,000	5,000	0
<b>Developing Prosperity Total</b>	<b>935,000</b>	<b>577,000</b>	<b>209,214</b>	<b>(367,786)</b>
Equipment Storage	0	125,000	0	(125,000)
Property Planned Maintenance	289,000	0	0	0
New Financial Information System	225,000	225,000	199,296	(25,704)
Depot Sinking Fund	11,000	0	0	0
Carbonisation Project - District Council House	0	263,000	268,528	5,528
IT Infrastructure	35,000	108,000	83,553	(24,447)
ICT Hardware	165,000	5,000	4,570	(430)
IT Innovation	205,000	18,000	16,950	(1,050)
District Council House Repair Programme	188,000	0	0	0
Building a Better Council	0	150,000	85,069	(64,931)
Committee Audio-Visual Hybrid Meeting Platform	0	0	18,409	18,409
First Floor Office Refit	0	162,000	285,623	123,623
<b>Good Council Total</b>	<b>1,118,000</b>	<b>1,056,000</b>	<b>961,998</b>	<b>(94,002)</b>
<b>Capital Programme Total</b>	<b>6,530,000</b>	<b>6,411,000</b>	<b>4,741,426</b>	<b>(1,669,574)</b>

<b>Funding Source</b>	<b>Original Budget</b>	<b>Approved Budget</b>	<b>Actual to Date</b>	<b>Variance</b>
Capital Receipts	1,301,000	914,000	684,229	(229,771)
Borrowing Need - Borrowing and Finance Leases	278,000	700,000	495,460	(204,540)
Capital Grants and Contributions	3,071,000	2,385,000	2,733,425	348,425
Reserves, Existing Revenue Budgets and Sinking Funds	1,880,000	2,412,000	828,312	(1,589,318)
<b>Capital Programme Total</b>	<b>6,530,000</b>	<b>6,411,000</b>	<b>4,741,426</b>	<b>(1,669,574)</b>

### Capital Programme Slippage and Revised Budget in 2022/23

Project	Original Budget	Budget Updates	Slippage	Revised Budget
New Build Parish Office/Community Hub	92,000		0	92,000
Replacement of canopy and installation of artificial grass at Armitage	0		3,000	3,000
Burntwood LC CHP Unit	0		69,000	69,000
Friary Grange - Short Term Refurbishment	0		158,000	158,000
Replacement Leisure Centre	2,349,000		175,000	2,524,000
Burntwood Leisure Centre - Decarbonisation Scheme	0		18,000	18,000
Accessible Homes (Disabled Facilities Grants)	1,654,000		(311,000)	1,343,000
Home Repair Assistance Grants	4,000		0	4,000
Decent Homes Standard	147,000		0	147,000
DCLG Monies	212,000	(212,000)	0	0
Unallocated S106 Affordable Housing Monies	334,000		48,000	382,000
Burntwood Park Play Equipment	0		75,000	75,000
Conversion of 36a Bore Street	0	572,000	0	572,000
Streethay Community Centre	0	600,000	0	600,000
<b>Enabling People Total</b>	<b>4,792,000</b>	<b>960,000</b>	<b>235,000</b>	<b>5,987,000</b>
Loan to Council Dev Co.	0		675,000	675,000
Lichfield St Johns Community Link (CIL)	35,000		0	35,000
Staffordshire Countryside Explorer (CIL)	0		44,000	44,000
Lichfield Public Conveniences	0		40,000	40,000
Bin Purchase	150,000		0	150,000
Dual Stream Recycling	0		267,000	267,000
Vehicle Replacement Programme (Other)	229,000		0	229,000
Env. Improvements - Upper St John St & Birmingham Road	7,000		0	7,000
The Leomansley Area Improvement Project	0		3,000	3,000
Burntwood Public Conveniences	0		45,000	45,000
Falkland Road Fosseyway Canal Walk	0	200,000	0	200,000
<b>Shaping Place Total</b>	<b>421,000</b>	<b>200,000</b>	<b>1,074,000</b>	<b>1,695,000</b>
Vehicle Replacement Programme (Car Parks)	10,000		0	10,000
Birmingham Road Site - Coach Park	1,137,000		293,000	1,430,000
Car Parks Variable Message Signing	150,000		0	150,000
Old Mining College - Refurbish access and signs	13,000		0	13,000
Pay on Exit System at Friary Multi Storey	150,000		0	150,000
Card Payment in All Car Parks	100,000		0	100,000
Electric Vehicle Charge Points	80,000		0	80,000
Car Park Barriers	36,000		0	36,000
<b>Developing Prosperity Total</b>	<b>1,676,000</b>	<b>0</b>	<b>293,000</b>	<b>1,969,000</b>
Equipment Storage	0		125,000	125,000
Property Planned Maintenance	230,000		(124,000)	106,000
New Financial Information System	44,000		0	44,000
Building a Better Council	600,000		65,000	665,000
Committee Audio-Visual Hybrid Meeting Platform	90,000		(18,000)	72,000
Construction Inflation Contingency	100,000		0	100,000
<b>Good Council Total</b>	<b>1,064,000</b>	<b>0</b>	<b>48,000</b>	<b>1,112,000</b>
<b>TOTAL</b>	<b>7,953,000</b>	<b>1,160,000</b>	<b>1,650,000</b>	<b>10,763,000</b>

### Investments in the 2021/22 Financial Year

The table below shows a breakdown of our investments at the end of March 2022:

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
<b>Money Market Funds</b>						
Legal & General	£4,000,000	01-Apr-22	Instant Access	0.54%	0	N/A
Federated	£3,820,000	01-Apr-22	Instant Access	0.40%	0	N/A
Insight	£1,320,000	01-Apr-22	Instant Access	0.36%	0	N/A
BNP Paribas MMF	£4,000,000	01-Apr-22	Instant Access	0.50%	0	N/A
CCLA MMF	£5,000,000	01-Apr-22	Instant Access	0.47%	0	N/A
<b>Strategic Funds</b>						
CCLA Property Fund	£2,000,000	N/A	N/A	3.64%	N/A	No
Ninety-One Diversified Income Fund	£3,000,000	N/A	N/A	3.52%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	2.39%	N/A	No
Aegon Diversified Income Fund	£3,000,000	N/A	N/A	4.97%	N/A	No
<b>Fixed Term Investments</b>						
Monmouthshire Council	£2,000,000	28-Apr-22	28	0.10%	LOCAL	
Ashford Borough Council	£2,000,000	19-Apr-22	19	0.07%	LOCAL	
Cheltenham Borough Council	£2,000,000	12-May-22	42	0.05%	LOCAL	
Eastleigh Borough Council	£2,000,000	08-Jun-22	69	0.07%	LOCAL	
Moray Council	£2,000,000	22-Aug-22	144	0.20%	LOCAL	
Surrey Heath Borough Council	£2,000,000	15-Jun-22	76	0.10%	LOCAL	
Conwy County Borough Council	£2,000,000	23-Jan-23	298	0.30%	LOCAL	
Folkestone and Hythe District Council	£2,000,000	09-Mar-23	343	0.95%	LOCAL	
North Lanarkshire Council	£2,000,000	21-Dec-22	265	0.85%	LOCAL	
<b>Call Accounts with Notice Period</b>						
Santander	£1,000,000	04-Jul-22	95	0.55%	A	
Lloyds	£1,000,000	04-Jul-22	95	0.03%	A+	
HSBC	£999,500	01-May-22	31	0.72%	A+	
<b>Total Investments</b>	<b>£49,139,500</b>					

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## Procurement Matters Update 2021/22

### Cabinet Member for Finance and Commissioning

Date:	7 June 2022
Agenda Item:	4
Contact Officer:	Anthony Thomas / Oliver Shaw
Tel Number:	01543 308012 / 308026
Email:	<a href="mailto:anthony.thomas@lichfielddc.gov.uk">anthony.thomas@lichfielddc.gov.uk</a> / <a href="mailto:oliver.shaw@lichfielddc.gov.uk">oliver.shaw@lichfielddc.gov.uk</a>
Key Decision?	<b>NO</b>
Local Ward Members	<b>Full Council</b>



**Cabinet**

## 1. Executive Summary

- 1.1 The Procurement Team was established in Oct/Nov 2020 and the Procurement Strategy was approved in December 2020.
- 1.2 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** and Key Performance Indicators, as well as reflecting on the wider work undertaken to date by the Procurement Team.

## 2. Recommendations

- 2.1 To note the contents of this report and the planned actions in the Action Plan at **APPENDIX A**.

## 3. Background

- 3.1. In December 2020 the Procurement Strategy was approved by Cabinet and the Procurement Team has been working to deliver the action plan and support the aspirations in the document.
- 3.2. The Procurement Strategy was developed following an assessment against the Local Government Association's toolkit with an initial focus on 'getting the basics right' and recognising the need to be realistic with aims and timescales with a relatively small team in place.
- 3.3. The Local Government Association invited all councils to carry out a self-assessment against the National Procurement Strategy Maturity Assessment. We have completed this assessment and submitted the results. Following a period of evaluation we will receive a report that will enable us to benchmark ourselves against other similar organisations.
- 3.4. The Maturity Assessment includes 11 main sections which are then broken up into sub-sections. A summary assessment was carried out in 2020 against the main sections only as part of the Procurement Strategy development work.
- 3.5. In this subsequent self-assessment, the Council has either maintained or improved our scores in the past 12 months. More details are provided at **APPENDIX B**.
- 3.6. The Procurement Strategy has overall aims of improving the way in which we carry out procurement activities, moving from a reactive to a proactive model based on forward planning, as well as seeking to develop the added value we can obtain via social value and environmental sustainability.
- 3.7. The Procurement Team has continued to work across the whole organisation to:
  - understand the current procurement and contracting environment both internally and externally
  - build relationships with colleagues to make the team known and accessible
  - improve record keeping including contracts register and forward procurement plan
  - provide guidance and support in relation to procurement and contracting activity

## The Progress on the Action Plan during 2021/22

- 3.8. The Procurement Strategy has an initial focus on 'getting the basics right' and recognises the need to be realistic with aims and timescales with a relatively small team in place.
- 3.9. Therefore the Action Plan will be delivered over a number of years and realistic timescales have been assigned by the Procurement Manager to each action.
- 3.10. The Action Plan update at **APPENDIX A** shows progress to date with those actions scheduled for 2021/22 summarised below:

What we plan to achieve	Status	Procurement Strategy Outcomes
<b>A flexible and responsive procurement team</b>		
<ul style="list-style-type: none"> <li>Undertake engagement with customers through a feedback survey</li> </ul>	Ongoing	Regular feedback sought and received from stakeholders during projects and via management/LT
<b>A fully populated electronic contract register</b>		
<ul style="list-style-type: none"> <li>Update with information received</li> </ul>	Completed	All contracts that we are aware of are now published on the contracts register if required
<b>A fully populated forward looking work plan</b>		
<ul style="list-style-type: none"> <li>Update with information received and procurement initiation form content</li> <li>Regular engagement with officers and managers</li> <li>Regular procurement updates to officers</li> </ul>	Completed (Bfwd from 2020/21)	<p>Future Procurement Plan has been approved by cabinet</p> <p>Meetings with Finance Team and budget holders continuing. Ad-hoc meetings with stakeholders</p> <p>Regular attendance at LT booked in the diary</p>
<b>Improve visibility of procurement opportunities</b>		
<ul style="list-style-type: none"> <li>Future Procurement plan to be published on the website in the form of anticipated procurement opportunities</li> </ul>	Completed	Future Procurement Plan approved by Cabinet. Committee report will show on LDC website
<b>Recognise and embed social value (potentially adopt National Themes, Outcomes and Measures (TOMs) Framework for Social Value measurement)</b>		
<ul style="list-style-type: none"> <li>Develop a social value policy and guide for officers</li> </ul>	Pending	A Member Task Group may be utilised to establish priorities for the Council in this area of developing policy
<ul style="list-style-type: none"> <li>Consider the inclusion of social value criteria in each relevant procurement</li> </ul>	Completed	Social Value has a 10% evaluation weighting on each procurement that requires a Procurement Initiation Plan
<b>Environmental Sustainability</b>		
<ul style="list-style-type: none"> <li>Develop criteria for environmental sustainability for inclusion in procurement</li> </ul>	Pending	A Member Task Group may be utilised to establish priorities for the Council in this area of developing policy
<b>Improve engagement with local suppliers</b>		
<ul style="list-style-type: none"> <li>Widen advertising of relevant contract opportunities to include social media</li> <li>Identify local suppliers and encourage them to register on e-tendering system</li> </ul>	Completed (Bfwd from 2020/21)	<p>New CPRs include advertisement pathways and suggested routes</p> <p>Think Local approach is in development. Procurement team always advise stakeholders to gain quotes from local companies</p>
<b>All procurements with a value of over £10,000 are agreed with Procurement Team</b>		
<ul style="list-style-type: none"> <li>Regular monitoring process</li> </ul>	Completed	New CPRs include requirement for this liaison directly including Procurement Initiation Plan
<b>Ensure that the procurement elements of the Contract Procedure Rules (CPRs) remain fit for purpose</b>		
<ul style="list-style-type: none"> <li>To review the procurement elements of the CPRs</li> </ul>	Completed	New CPRs approved by Council and are now in use
<b>Procurement Information Transparency Code 2015 requirements are met</b>		
<ul style="list-style-type: none"> <li>Regular monitoring process</li> </ul>	Ongoing	Working through Transparency requirements and identifying any missing publications
<b>Ensure opportunities for collaboration are explored</b>		
<ul style="list-style-type: none"> <li>Approach local authorities when a new procurement is initiated to understand scope for collaboration</li> </ul>	Ongoing	<p>Procurement Manager is a member of the west midlands heads of procurement network</p> <p>Ad-hoc emails sent when appropriate</p> <p>Joint procurements with Tamworth for Occupational Health Services etc.</p>

- 3.11. To measure the success of the Procurement Strategy a 'balanced scorecard' of Key Performance Indicators (KPIs) was developed based on strategic, financial, operational and compliance/risk themes.
- 3.12. The Procurement Strategy will be delivered over several years and therefore improvements in some KPIs will take time to manifest.
- 3.13. The baseline for each KPI identified in the Procurement Strategy together with the 2021/22 performance, where it has been possible to collect data, is shown in detail below:

Key Performance Indicator	Baseline	2020/21	2021/22	Trend	Procurement Strategy Outcomes
<b>Strategic</b>					
% of spend in Lichfield District	12%	9.05%	11.36%	Positive	The level of Council spend in Lichfield District.
Number of tenders with social value criteria	NEW	2	8	Positive	To assess the application of social value principles in procurement activity.
<b>Financial</b>					
Financial savings in total (cashable)	NEW	(£40,000)	(£99,351)	Positive	The level of contract cashable savings.
Gross annual financial savings achieved (cashable)	NEW	(£10,000)	(£25,900)	Positive	The level of annual cashable savings.
Net annual financial cost/(savings) achieved (cashable)	£120,832	£110,832	£88,158	Positive	The net level of annual cashable savings after taking into account the direct cost of the Procurement Team.
Any other annual financial savings (non-cashable)	NEW	(£2,740)	(£97,606)	Positive	The level of other annual efficiency non cashable savings.
<b>Operational</b>					
% of suppliers paid within 30 days – target 90%	86.15%	86.06%	84.48%	Negative	How promptly suppliers are paid in line with social value objectives.
% of procurement opportunities published	NEW	0%	7%	Positive	The level of procurement opportunity provided to suppliers through open procurements.
<b>Compliance / Risk</b>					
Number of waivers to Contract Procedure Rules (CPRs)	10	21	41	Negative	The number of times the application of Contract Procedure Rules are 'waived'. The detailed reasons are reported annually to Audit & Member Standards Committee.
Number of legal challenges	0	0	0	Positive	The number of times the Council is legally challenged in Procurement activity.

- 3.14. In addition, the Forward Procurement Plan has been developed and therefore we expect to see the number of procurement activities for like-for-like requirements increase. This, together with regularising current arrangements to inform the plan, will hopefully increase the amount of 'cashable' savings.
- 3.15. The Action Plan update at **APPENDIX A** also shows that in addition to the ongoing and pending actions in 2021/22, there are a **6 actions** scheduled for 2022/23.

## What is on the Horizon for Procurement?

- 3.16. **Draft Procurement Bill**– In response to the green paper that was published on the Government’s proposed changes to public procurement as a result of Brexit and joining the World Trade Organisation Government Procurement Agreement (WTO GPA) directly. Headlines of the green paper included are; a reduction in the number of Above Threshold procedures to 3 (Open, Flexible, Emergency), stronger support for social value, localism and environmental impact being included in evaluation criteria, longer terms for framework agreements, and a rationalisation of the legislation into one document (currently general, utilities, defence and concessions). This bill will now make its way through the Houses of Parliament when Parliamentary time allows and eventually will be published as an Act.
- 3.17. **Procurement Policy Note (PPN) 01/22 Contracts with suppliers from Russia and Belarus** – the first PPN of 2022 in response to the Russian invasion of Ukraine. The aim of the PPN is to inform contracting authorities on how they can cut ties with companies backed by the states of Russia and Belarus. As far as we are aware, we do not have any contracts with companies from Russia or Belarus.
- In relation to new procurements the PPN suggests “Decline to consider (or otherwise exclude from participating in the procurement) bids from suppliers who are constituted or organised under the law of Russia or Belarus, or whose ‘Persons of Significant Control’ information states Russia or Belarus as the place of residency”
- 3.18. **Social Value, Think Local & Environmental Sustainability** – we are planning to work with Members to explore the variety of formats social value, think local, and environmental sustainability can take, drafting Social Value, Think Local and Environmental Sustainability policies and an action plan to implement them. We have already started to make contact with local colleges in order to capitalise on those commitments already received from contractors in the intervening period as well as continuing to ask bidders for commitments in appropriate procurement projects.
- 3.19. **Local & Regional Spend** – in order to provide more in depth data on this, in addition to the KPI for % of spend in Lichfield District above, we will monitor the number of local and regional suppliers that are invited to participate in procurement activities and the number of those that are then successful at contract award. This information will reflect procurement related activity in particular and the impact of the Think Local policy referred to above.

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.																				
Consultation	The Leadership Team have provided input into this report.																				
Financial Implications	<p>The Medium Term Financial Strategy included a Revised budget for savings in 2021/22 from procurement of <b>(£49,860)</b>.</p> <p>The budgetary treatment of annual savings identified in the Key Performance Indicators is shown below:</p> <table border="1"> <thead> <tr> <th></th> <th>Procurement</th> <th>Service Areas</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Approved Budget</b></td> <td><b>£49,860</b></td> <td></td> <td><b>£49,860</b></td> </tr> <tr> <td><b>Procurement Savings</b></td> <td><b>(£24,500)</b></td> <td><b>(£1,400)</b></td> <td><b>(£25,900)</b></td> </tr> <tr> <td>Finance &amp; Procurement other savings/income</td> <td>(£24,750)</td> <td></td> <td></td> </tr> <tr> <td><b>Budget not achieved</b></td> <td><b>£10,610</b></td> <td></td> <td></td> </tr> </tbody> </table>		Procurement	Service Areas	Total	<b>Approved Budget</b>	<b>£49,860</b>		<b>£49,860</b>	<b>Procurement Savings</b>	<b>(£24,500)</b>	<b>(£1,400)</b>	<b>(£25,900)</b>	Finance & Procurement other savings/income	(£24,750)			<b>Budget not achieved</b>	<b>£10,610</b>		
	Procurement	Service Areas	Total																		
<b>Approved Budget</b>	<b>£49,860</b>		<b>£49,860</b>																		
<b>Procurement Savings</b>	<b>(£24,500)</b>	<b>(£1,400)</b>	<b>(£25,900)</b>																		
Finance & Procurement other savings/income	(£24,750)																				
<b>Budget not achieved</b>	<b>£10,610</b>																				
Approved by Section 151 Officer	Yes																				
Legal Implications	Potential forthcoming changes to procurement legislation as detailed above. The Procurement Manager will keep monitoring this area for any developments.																				

Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> <li>1. The work of the Procurement Team contributes towards the strategic aim of “a council that is fit for the future” ensuring compliance to internal and external regulations as well as seeking value for money outcomes.</li> <li>2. Effective procurement can contribute to the achievement of Strategic Plan outcomes primarily in relation to developing prosperity and being a good Council.</li> </ol>
Equality, Diversity and Human Rights Implications	No specific implications.
Crime & Safety Issues	No specific implications.
Environmental Impact	<ol style="list-style-type: none"> <li>1. Social Value and Environmental Sustainability form part of the Procurement Strategy.</li> <li>2. Environmental impact can be considered as part of procurement exercises, where applicable and proportionate, and included in evaluation criteria; improvement in environmental measures possible through application of Procurement Strategy (for example reduction in CO2 emissions, increased use of sustainable materials, reduction in waste).</li> </ol>
GDPR / Privacy Impact Assessment	No specific implications.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	The Council’s procurement ambitions have not been articulated and agreed Head of Finance and Procurement / Procurement Manager	Likelihood : Red Impact : Yellow Severity : Yellow	The Procurement Strategy will articulate where the Council wants to be and how it plans to get there	Likelihood : Green Impact : Green Severity : Green
B	Local suppliers are not provided with the opportunity to bid for Council procurements Head of Finance and Procurement / Procurement Manager	Likelihood : Red Impact : Yellow Severity : Yellow	Procurement opportunities will be part of a forward looking plan and will also be communicated more widely to provide greater opportunities	Likelihood : Yellow Impact : Yellow Severity : Yellow
C	Procurement performance is not monitored and transparent Head of Finance and Procurement / Procurement Manager	Likelihood : Yellow Impact : Yellow Severity : Yellow	There will be a suite of Key Performance Indicators that will be regularly monitored	Likelihood : Green Impact : Green Severity : Green

D	Non-compliance with legal, regulatory and constitutional requirements Head of Finance and Procurement / Procurement Manager	Likelihood : Yellow Impact : Yellow Severity : Yellow	The new Procurement Team will be able to ensure compliance and this will also will be monitored by Internal Audit	Likelihood : Green Impact : Yellow Severity : Yellow
E	Procurement savings/value for money are unrealised Head of Finance and Procurement / Procurement Manager	Likelihood : Red Impact : Yellow Severity : Yellow	The new Procurement Team will be able to establish greater rigour in the Procurement process	Likelihood : Green Impact : Yellow Severity : Yellow
F	Procurements are reactive rather than planned and therefore do not achieve value for money Head of Finance and Procurement / Procurement Manager	Likelihood : Red Impact : Yellow Severity : Yellow	The Procurement Team will engage with service areas to minimise reactive procurement	Likelihood : Yellow Impact : Yellow Severity : Yellow

Background documents	Cabinet Report December 2020 (Procurement Strategy) Cabinet Report September 2021 (Procurement Matters Update) Cabinet Report May 2022 (Future Procurement Plan)
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Relevant web links	
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Action Plan Update

	What we plan to achieve	What we plan to do	Target Year	2021/22 Status	2022/23 Status to date	Comments
		Support CIPS training and appropriate legal courses	2020/21	On-Going	On-Going	Procurement Specialist CIPS Level 5 to develop knowledge and skills, potential to move on to Level 6
	Enhance procurement knowledge in the council	Identify gaps in knowledge and develop additional training courses	2022/23	Pending	Pending	Will link in with new CPRs <sup>1</sup> and ways of working to upskill colleagues across the council
	A flexible and responsive procurement team	Undertake engagement with customers through a feedback survey	2021/22	Pending	On-Going	Regular feedback sought and received from stakeholders during projects and via management/LT
Systems and Processes	A fully populated electronic contract register	Update with information received	2021/22	Completed	Completed	All contracts that we are aware of are now published on the contracts register if required
	To move towards LDC Requests for Quotations (RFQs) and Invitations to Tender (ITTs) to be run via e-tendering system	Training programme for staff	2022/23	Started	Started	Procurement Team has completed ProActis 2 day training on use and admin of the system New CPRs direct use of the system dependent upon different pathways - training programme to reflect this
Visibility and Data		Update with information received and procurement initiation form content	2021/22	On-going	Completed	Forward plan approved by cabinet
	A fully populated forward looking work plan	Regular engagement with officers and managers	2021/22	Completed	Completed	Meetings with Finance Team and budget holders continuing Ad-hoc meetings with stakeholders
		Regular procurement updates to officers	2021/22	Completed	Completed	Regular attendance at Leadership Team and engagement in Manager’s Forum when needed
	Improve visibility of procurement opportunities	Future work plan to be published on the website in the form of anticipated procurement opportunities	2021/22	On-Going	Completed	Forward plan approved by Cabinet. Committee report will show on website

<sup>1</sup> Contract Procedure Rules – Part of the Council’s Constitution

	What we plan to achieve	What we plan to do	Target Year	2021/22 Status	2022/23 Status to date	Comments
		All current procurement opportunities to be published	2021/22	On-Going	On-Going	New CPRs include updated guidance on when to advertise opportunities
	Publish and monitor expenditure with suppliers, SMEs and VCSEs in Lichfield District	Monitoring spend through the new finance system	2022/23	Started	On-Going	Basic information already published; more detailed information pending implementation of new finance system
Suppliers and Social Value	Recognise and embed social value (potentially adopt National Themes, Outcomes and Measures (TOMs) Framework for Social Value measurement)	Develop a social value policy and guide for officers	2021/22	On-Going	On-Going	Waiting for Member Task Groups to be started for work to commence in detail; some background work has been undertaken
		Consider the inclusion of social value criteria in each relevant procurement	2021/22	On-Going	Completed	Social Value has a 10% evaluation weighting on each procurement that requires a Procurement Initiation Plan
	Environmental Sustainability	Develop criteria for environmental sustainability for inclusion in procurement	2021/22	Pending	Pending	Waiting for Member Task Groups to be started for work to commence in detail in conjunction with Social Value Policy; some background work has been undertaken
	Improve engagement with local suppliers	Develop selling to the council guidance and publish on LDC website	2022/23	Pending	Pending	New CPRs being in place to ensure information provided is up-to-date
		Attendance at any relevant Meet the Buyer events	2020/21	Pending	Pending	Will form part of the social value policy The new Procurement Manager will work towards this
		Widen advertising of relevant contract opportunities to include social media	2021/22	On-Going	Completed	New CPRs include advertisement pathways and suggested routes
		Identify local suppliers and encourage them to register on e-tendering system	2021/22	Completed	Completed	Think Local approach is in development Procurement team always advise stakeholders to gain quotes from local companies
		Identify demand for 'how to tender' workshop in advance of any significant procurements and or general workshop	2022/23	Pending	Pending	Will follow from above engagement project
All procurements with a value of over £10,000 are	Regular monitoring process	2021/22	Completed	Completed	New CPRs include requirement for this liaison directly including Procurement Initiation Plan	

	What we plan to achieve	What we plan to do	Target Year	2021/22 Status	2022/23 Status to date	Comments
	agreed with Procurement Team					
	Ensure that the procurement elements of the CPRs remain fit for purpose	To review the procurement elements of the CPRs	2021/22	Completed	Completed	New CPRs are now in use
	Procurement Information Transparency Code 2015 requirements are met	Regular monitoring process	2021/22	On-Going	On-Going	Working through Transparency requirements and identifying any missing publications
Collaboration	Ensure opportunities for collaboration are explored	Completion of all relevant surveys from buying organisations	2020/21	On-Going	On-Going	Completed as and when received
		Host or attend knowledge transfer meetings with neighbouring authorities to share forward looking work plans	2022/23	Pending	On-Going	Ad-hoc chats taking place as needed
		Approach local authorities when a new procurement is initiated to understand scope for collaboration	2021/22	On-Going	On-Going	Procurement Manager is a member of the west midlands heads of procurement network Ad-hoc emails sent when appropriate Joint procurements with Tamworth for Occupational Health Services etc.
Contract Management	Improve post contract award and commercial outcomes	Development of a contract management guide for officers	Later Years	Pending	Pending	Ad-hoc support being given when needed
		Support key officers in commercial negotiations and continuous improvement activities	2020/21	Started	On-Going	Ad-hoc when requested Income achieved through procurement of contactless car park payments

Completed in 2020/21

	What we plan to achieve	What we plan to do	Target Year	2021/22 Status	2022/23 Status to date	Comments
Professionalise Procurement	A fully staffed & trained procurement team	Recruit to permanent roles	2020/21	Completed	Completed	Procurement Manager & Procurement Specialist joined Oct/Nov; immediate engagement with the Procurement Team from across the organisation
	High performing procurement function	Develop a series of KPIs	2020/21	Completed	Completed	KPIs included in Procurement Strategy and being monitored
		Continue to support the embedding of self-service	2020/21	Completed	Completed	New CPRs state that Procurement Team will upload all contracts to the register
		Procurement Team to use the system on behalf of officers as required	2020/21	Completed	Completed	Procurement Team using e-tendering system as needed to run RFQ/ITT/Further Competitions
Compliance	All relevant contracts are advertised on Contracts Finder (CF)	Regular monitoring process	2020/21	Completed	Completed	When appropriate CF is used to advertise opportunities CPRs state this must occur
		Representation at heads of procurement networks	2020/21	Completed	Completed	Member of West Midlands Social Value Taskforce; liaising with West Midlands Heads of Procurement Group

Local Government Association National Procurement Strategy  
Maturity Assessment

1 - Minimum 4 - Leader  
2 - Developing 5 - Innovator  
3 - Mature

Main Section	Sub-Section	Sep-20	Sep-21
Engaging Councillors	Proc. and commercial champions	1	3
	Reporting		3
	Councillor development		1
Engaging senior managers	Influence and impact	2	3
	Mission and strategy		3
	Processes		1
	Senior managers development		2
Working with partners	Culture	2	2
	Governance and processes		2
	Staff development for partnership working		1
Engaging strategic suppliers	Data collection and analysis	1	2
	Existing strategic supplier engagement		1
	Early engagement with future suppliers		1
Creating commercial opportunities	Forward planning	1	2
	Options appraisal (Make or Buy)		1
	Market/supplier research/analysis		1
	Tendering		1
	Performance reporting		1
	Post contract review		1
Contract and relationship management	Information storage/accessibility	1	2
	Change control		1
	Supplier financial distress		1
	Savings and benefits delivery		1
	Recognition/cultural acceptance		1
	C&RM skills and knowledge		1
Managing strategic risk	Fraud and financial loss	2	2
	Supply chain and contractor failure		2
	Modern slavery (Legislation)		2
	GDPR (Legislation)		2
	External events (e.g. Brexit)		2
			2
Obtaining social value	Policy and scope (social value)	1	2
	Social value internal management		2
	Social value TOMs (themes, outcomes and measures)		2
	Commissioning for social value		2
	Procurement (social value)		2
	Social value market engagement		1
	Social value contract management		2
	Cross sector collaboration		2
	Reporting social value		2
	Social value governance		2
Local SME and micro-business engagement	Policy and scope (SMEs)	2	1
	SME relationships		2
	Commissioning with SMEs		1
	Market engagement with SMEs		2
	Procurement with SMEs		2
	Contract management with SMEs		1
	Governance of SME engagement		2
Engaging VCSEs	Policy and scope (VCSEs)	2	1
	VCSE relationships		2
	VCSE engagement measurement		2
	Commissioning with VCSEs		2
	VCSE market engagement		2
	Procurement with VCSEs		2
	Contract management with VCSEs		1
	Governance of VCSE engagement		2
Enablers	Developing talent		3
	Exploring digital technology		2
	Enabling innovation		2
	Embedding change		2

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## Nature Recovery Declaration

Cabinet Member for Housing, Ecology and Climate Change



Date: 07/06/2022  
 Agenda Item: 5  
 Contact Officer: Kristie Charlesworth  
 Tel Number: 07816 084921  
 Email: kristie.charlesworth@lichfielddc.gov.uk  
 Key Decision? YES  
 Local Ward All  
 Members

**CABINET**

### 1. Executive Summary

- 1.1 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.
- 1.2 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.
- 1.3 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.
- 1.4 This paper proposes the council makes a Nature Recovery Declaration, obligating it to targeted actions which make a difference to nature locally.

### 2. Recommendations

- 2.1 That Cabinet approves the text of and makes a Nature Recovery Declaration.

### 3. Background

- 3.1 The UK is facing wide scale habitat loss, and its state of nature and species are under threat. However, figures show that restoring nature habitat systems could provide up to 37% of the CO<sub>2</sub> mitigation required to meet the Paris Agreement.
- 3.2 Committing to nature’s recovery, through a Nature Recovery Declaration would obligate the council to undertake targeted actions which make a real difference to nature locally, and to work towards a Nature Recovery Network, along with embedding nature recovery across Council policy and all work areas. The declaration is a first step for each authority, and the Staffordshire Wildlife Trust has worked with the council to create a declaration unique to the district (see Appendix).

- 3.3 The Wildlife Trust are creating a ‘Nature Recovery Network’ which would work towards establishing a coherent and resilient ecological network where wildlife can live, commute, forage, and breed. For its part, in 2019 Lichfield District Council commissioned the Staffordshire Wildlife Trust to complete a Nature Recovery Network map of the whole District.
- 3.4 This work links to the Environment Act 2021, in particular three sections (in part 6 of the Act) which link to biodiversity. Staffordshire County Council is required to produce and implement a Local Nature Recovery Strategy (LNRS), and been requested by DEFRA to be the provisional LNRS responsible authority – whilst recognising that this required a collaborative partnership approach which Lichfield District Council will be involved in. The Nature Recovery Declarations acknowledge the issues around biodiversity and contain actions linked to the LNRS. The LNRS includes a map and strategy setting out nature recovery priorities in Staffordshire and Stoke, and was agreed on the 10th of February 2022.
- 3.5 Only a handful of local authorities around the country have declared an ecological emergency, and by making this commitment, with Cabinet’s endorsement, to support nature’s recovery, Lichfield is demonstrating leadership by recognising the urgency of the nature crisis – that it is no longer enough to simply try and halt the decline of nature, but to try and reverse the decline, and increase species and habitat abundance.

<b>Alternative Options</b>	<ol style="list-style-type: none"> <li>1. 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.</li> </ol>
<b>Consultation</b>	<ol style="list-style-type: none"> <li>1. Leadership Team</li> <li>2. Staffordshire Wildlife Trust (SWT)</li> </ol>
<b>Financial Implications</b>	<p>There are no direct financial implications associated with making a Nature Recovery Declaration.</p> <p>However, responding to the nature crisis, which has been articulated within this document, may have financial implications which would be dependent on the mitigating activities chosen and carried out.</p> <p>By investing in Nature Based Solutions, there are opportunities to generate revenue funding for the council – through managing offsets on our own land and assets, and becoming a broker to connect buyers and sellers.</p>
<b>Approved by Section 151 Officer</b>	Yes
<b>Legal Implications</b>	<p>There are no direct legal implications associated with making a Nature Recovery Declaration.</p> <p>However, if not approved, Lichfield District Council may be at risk and vulnerable to challenge (i.e., by the public, community groups, media) – over our response to the climate and nature crisis. Without the declaration, and associated works, LDC will be less prepared for the full legal obligations and responsibilities of the new Environment Act.</p>
<b>Approved by Monitoring Officer</b>	Yes

<p><b>Contribution to the Delivery of the Strategic Plan</b></p>	<ul style="list-style-type: none"> <li>• <b>Enable people to:</b> <ul style="list-style-type: none"> <li>– live healthy and active lives</li> </ul> </li> <li>• <b>Shape place to:</b> <ul style="list-style-type: none"> <li>– keep it clean, green and safe</li> <li>– preserve the characteristics</li> <li>– make sure sustainability and infrastructure needs are balanced</li> </ul> </li> <li>• <b>Develop prosperity to:</b> <ul style="list-style-type: none"> <li>– enhance the district for all</li> <li>– invest in the future</li> </ul> </li> <li>• <b>Be a good council that is:</b> <ul style="list-style-type: none"> <li>– transparent and accountable</li> <li>– responsive and customer focussed</li> </ul> </li> </ul>
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<p><b>Equality, Diversity and Human Rights Implications</b></p>	<p>None</p>
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<p><b>Crime &amp; Safety Issues</b></p>	<p>None</p>
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<p><b>Environmental Impact</b></p>	<p>By making a Nature Recovery Declaration, the council will be developing and building on the work it is already undertaking and collaborating with other authorities of the Staffordshire Sustainability Board (SSB), with regards to the climate and nature crisis. It will help focus on the important commitments to the environment by helping create more, bigger, better, and joined up habitats. Investing in nature recovery and Nature Based Solutions will also help alleviate and resolve impacts of Climate Change.</p> <p>Not making a Nature Recovery Declaration would leave Lichfield District Council behind the rest of Staffordshire and the SSB with regards to the climate and nature crisis – potentially missing out on opportunities for collaborative works that have bigger impact and better outcomes for the environment and the district.</p>
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<p><b>GDPR / Privacy Impact Assessment</b></p>	<p>None</p>
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	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Reputational. Lichfield’s current reputation as a lead authority in ecological matters is jeopardised - owned by Cabinet	<p>LIKLIHOOD</p> <p>IMPACT</p> <p>SEVERITY</p>	Lichfield District Council will retain their reputation and legacy for being a lead in environmental matters, with; Natural England, other organisations, and partners, and within the Staffordshire Sustainability Board (SSB) by making a Nature Recovery Declaration.	<p>LIKLIHOOD</p> <p>IMPACT</p> <p>SEVERITY</p>
B	Environmental. Impacts to the environment are not mitigated or worsened - owned by Cabinet	<p>LIKLIHOOD</p> <p>IMPACT</p> <p>SEVERITY</p>	By making a Nature Recovery Declaration, Lichfield District Council will actively work to create, restore, and enhance the districts local wildlife, which will positively impact the environment and respond to the climate and nature crisis. Staying ahead and involved with the collaborative work from the Staffordshire Sustainability Board (SSB) can lead to bigger/better environmental outcomes.	<p>LIKLIHOOD</p> <p>IMPACT</p> <p>SEVERITY</p>

C	Legal Responsibilities towards the Climate and Nature Crisis are not met - owned by Cabinet	LIKLIHOOD	Lichfield District Council has until 2023 to be fully compliant with the Environment Act 2021. Making a Nature Recovery Declaration will put the council in a stronger position to understand and fulfil those requirements and legal obligations.	LIKLIHOOD
		IMPACT		IMPACT
		SEVERITY		SEVERITY
D	Legal, Open to Challenge due to lack of action or refusal to work with SSB in regards to the Climate and Nature Crisis - owned by Cabinet	LIKLIHOOD	Through making a Nature Recovery Declaration, and remaining an active and involved member of the Staffordshire Sustainability Board (SSB), Lichfield District Council will be able to demonstrate our willingness to respond to the climate and nature crisis alongside other Staffordshire authorities, and can receive support by the SSB should challenge occur.	LIKLIHOOD
		IMPACT		IMPACT
		SEVERITY		SEVERITY

<b>Background documents</b> Any previous reports or decisions linked to this item	Lichfield District Council (LDC) Nature Recovery Declaration
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<b>Relevant web links</b> Any links for background information which may be useful to understand the context of the report	<a href="https://www.staffs-wildlife.org.uk/blog/liz-peck/staffordshire-county-councils-declaration-natures-recovery">https://www.staffs-wildlife.org.uk/blog/liz-peck/staffordshire-county-councils-declaration-natures-recovery</a>  <a href="https://www.lichfielddc.gov.uk/downloads/file/1400/ecology-nature-recovery-network-mapping-2019">https://www.lichfielddc.gov.uk/downloads/file/1400/ecology-nature-recovery-network-mapping-2019</a>
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NATURE  
RECOVERY  
DECLARATION



## This council acknowledges that:

**We are experiencing a nature crisis. We recognise that with 41 per cent of wild species in decline nationally, and 15 per cent facing extinction:**

- Nature is in long term decline, and the requirement to take action to reverse this is urgent.
- Nature provides us with vital support systems [‘ecosystem services’], and severe declines in biodiversity are undermining nature’s productivity and adaptability, posing excessive uncertainty for our economies and wellbeing.
- A thriving natural environment underpins a healthy, happy, prosperous society.
- The nature crisis and the climate emergency are intrinsically linked. The impacts of the climate crisis are driving nature’s decline, while restoring nature provides a wide variety of cost-effective benefits to mitigate and adapt to the impacts of climate change.
- Many of our areas of work across the district of Lichfield have an impact on nature, and we have responsibilities to make decisions to protect and enhance it.

**To address the nature crisis and aim to achieve the multiple environmental benefits that nature can bring to people, this council acknowledges that the ‘Bigger, Better, More and Joined-up’ principles of the 2010 Lawton Report should be followed:**

- There must be more space given to wildlife.
- Existing wild spaces must be expanded.
- The quality of existing wild spaces should be improved.
- The connectivity between wild spaces must be increased.

To support the recovery of nature across Lichfield, this council commits to:

## Nature and climate

### **1. Apply and implement the new Local Nature Recovery Strategy (LNRS) that will sit within the national Nature Recovery Network and ensure it underpins all planning, development, and land management decisions, including the Local Plan.**

#### **As part of this, the council will:**

- In line with the LNRS, use the council's habitat/Nature Recovery Network map to prioritise sites within the ecological network to provide a strategic base for the creation of a Nature Recovery Network.
- Use the council's habitat/Nature Recovery Network map to inform the selection of biodiversity net gain projects within the region.
- Increase space for wildlife and commit to the long-term maintenance and expansion of a Nature Recovery Network.
- Seek to manage at least 30% of council-owned land for the benefit of wildlife by 2030 (in line with UK Government's national and international commitments).
- Maintain a commitment to achieve a net-gain to biodiversity across all development, meeting the Environment Act requirement of 10% biodiversity net-gain, and 20% above the biodiversity unit value of habitats lost using the Lichfield District 'replacement percentage'.
- Improve the landscape's resilience to climate change, employing nature-based solutions to mitigate and adapt to the impacts of climate change on the District, including carbon storage and sequestration, managing flood risk, improving water quality, and sustaining vital ecosystems.
- Formulate a tree strategy which is underpinned by Nature Recovery Network mapping across the local authority area, pursuing a "right tree, right place" approach.
- After satisfying safety and visibility priorities, develop greenspace cutting regimes to maximise potential for biodiversity, carbon storage and sequestration.
- Carry out a carbon audit of local authority sites to establish how carbon storage/sequestration could be improved.
- Prioritise the protection of heathland habitats, focussing on restoration and increasing ecological connectivity.
- Adopting a peat-free policy for all council contracts and supplies.
- Aim to achieve favourable condition on all council-managed protected and designated nature sites (e.g., SSSIs (Site of Special Scientific Interest), LNRs (Local Nature Reserves), LWSs (Local Wildlife Sites)) by 2030.
- Continue to support the Transforming the Trent Valley Landscape Partnership, seeking ways to continue its work and secure its legacy.

## People, health, and wellbeing

### **2. Improve access to nature by following the Natural England 'Nature Nearby' Accessible Natural Greenspace Guidance<sup>1</sup>.**

**Regard will be given to:**

- Areas with high levels of physical health problems.
- Areas with high levels of mental health problems.
- Areas where the amount and quality of accessible natural greenspace is below Natural England's targets.

### **3. Demonstrate leadership by supporting and educating businesses, communities and the wider public to take action to put nature into recovery.**

## Strategic planning and development

### **4. Develop a biodiversity evidence-based strategy and action plan, as part of the upcoming wider 2050 Lichfield District Strategy, which includes short and long-term targets to reverse the decline of nature and increase species abundance by 2030. Publish interim reports on the progress made with regards to the above-mentioned action plan. This should complement the Local Nature Recovery Strategy.**

**Areas of focus will include:**

- Planning and development, including Biodiversity Net Gain
- Land management
- Biodiversity
- People and communities, access to nature
- Roads networks and highways
- Nature-based solutions
- Air quality
- Transforming urban spaces
- Health and wellbeing
- Education and awareness



- 5. Embed nature’s recovery into all strategic plans, including the Local Plan, and all policy areas, not just those directly related to the environment. Ensure the LNRS is well understood across the authority and complements other relevant plans and strategies.**
- 6. Integrate the targets, objectives, and outcomes of this motion, i.e., the biodiversity strategy and action plan, with those outlined in the upcoming wider 2050 Lichfield District Strategy and Organisational Carbon Reduction Plan, to ensure measures to tackle climate issues do not contravene the principles of enhancing biodiversity. Wherever possible, the council will invest in nature-based solutions to climate change to tackle the nature crisis and climate emergency together.**
- 7. Provide training and resources for councillors and council employees about the ecological emergency.**
- 8. Ensure monitoring occurs to focus on achieving the targets and objectives outlined in this declaration. Working and sharing results with; cross-party representatives, council staff and relevant experts from external organisations. Monitoring progress and identifying opportunities for improvement to report back to the Council, and reporting progress alongside the requirements of the Environment Act through the production of a ‘Biodiversity Report’ every five years.**
- 9. Issue a declaration of compatibility alongside all future council motions and policy to ensure that any conflicts with nature’s recovery are made apparent.**
- 10. Appoint a member of the Cabinet as the designated lead for tackling the nature crisis.**
- 11. Appoint a council employee as the designated lead for coordinating council operations in relation to the ecological emergency.**

<sup>1</sup> ‘Nature Nearby’ Accessible Natural Greenspace Guidance, Natural England: [http://www.ukmaburbanforum.co.uk/documents/other/nature\\_nearby.pdf](http://www.ukmaburbanforum.co.uk/documents/other/nature_nearby.pdf)

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## Staffordshire Sustainability Board

### Vision and Pledge

Cabinet Member for Housing, Ecology and Climate Change



Date:	07/06/2022
Agenda Item:	6
Contact Officer:	Kristie Charlesworth
Tel Number:	07816 084921
Email:	kristie.charlesworth@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	All

**CABINET**

## 1. Executive Summary

- 1.1 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.
- 1.2 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.
- 1.3 This paper introduces the SSB Vision and Pledge (see Appendix 1) and seeks authority to adopt it.

## 2. Recommendations

- 2.1 That Cabinet approves and adopts the Staffordshire Sustainability Board (SSB) Vision and Pledge.
- 2.2 That, subject to Council approval, the Cabinet Member for Housing, Biodiversity and Climate Change be appointed as the Council's representative on the SSB.

## 3. Background

- 3.1 The Staffordshire Leaders and Chief Executives Group has committed to work collaboratively to successfully achieve net carbon zero in line with each authority's climate change declarations.
- 3.2 While the councils' collective carbon footprint is less than 2% of Staffordshire's 5.8MtCO<sub>2</sub>e annual carbon footprint, collectively they could have an influence on a significant proportion of these emissions. This collaboration is to enable and facilitate change, where possible, throughout the geographic area of Staffordshire as a whole.
- 3.3 Work in the longer term will also bring into discussion and actions, climate change adaptation and sustainable environment concerns. Sustainability and habitat biodiversity will be reviewed throughout 2022 and shall be considered in a revised vision in January 2023.
- 3.4 The SSB will actively engage with external organisations that can bring specialist knowledge, understanding and facilitation to the board throughout all activities and discussion. The SSB will comprise senior members of each authority and supported by a team of advisors drawn from across the authorities.

3.5 The SSB Vision and Pledge asks each member and council of the SSB to agree to the same 10 commitments. The commitments help the council work towards net zero targets, and help halt and reduce the impacts of Climate Change (see Appendix). The SSB is a new but active group that has already created actions and work that make a difference. It is in the council's best interest to sign up to the Vision and Pledge so the council stays up to date and involved with the ongoing work of the SBB, demonstrating our willingness to respond to the climate and nature crisis, in a collaborative way with the rest of the county.

Alternative Options	<ol style="list-style-type: none"> <li>1. Do nothing. Lichfield District Council will 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.</li> </ol>
Consultation	<ol style="list-style-type: none"> <li>1. Leadership Team</li> <li>2. Staffordshire Sustainability Board (SSB)</li> </ol>
Financial Implications	<p>There are no direct financial implications associated with adopting this pledge.</p> <p>However, responding to the climate crisis, which has been articulated within this document, may have financial implications, which would be dependent on the mitigating activities chosen and carried out.</p>
Approved by Section 151 Officer	Yes
Legal Implications	<p>There are no direct legal implications associated with adopting this pledge.</p> <p>However, if the pledge is not approved and adopted, Lichfield District Council may be at risk and vulnerable to challenge (i.e., by the public, community groups, media) – over our response to the climate and nature crisis.</p>
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	<ul style="list-style-type: none"> <li>• <b>Enable people to:</b> <ul style="list-style-type: none"> <li>– live healthy and active lives</li> </ul> </li> <li>• <b>Shape place to:</b> <ul style="list-style-type: none"> <li>– keep it clean, green and safe</li> <li>– preserve the characteristics</li> <li>– make sure sustainability and infrastructure needs are balanced</li> </ul> </li> <li>• <b>Develop prosperity to:</b> <ul style="list-style-type: none"> <li>– enhance the district for all</li> <li>– invest in the future</li> </ul> </li> <li>• <b>Be a good council that is:</b> <ul style="list-style-type: none"> <li>– transparent and accountable</li> <li>– responsive and customer focussed</li> </ul> </li> </ul>
Equality, Diversity and Human Rights Implications	None
Crime & Safety Issues	None

<b>Environmental Impact</b>	<p>Approving and adopting the SSB Vision and Pledge sets the council’s ambition to halt and combat the impacts of climate change, and work to become a more sustainable organisation. Remaining an active member of the SSB allows us to work collectively with other Staffordshire authorities sharing data, opportunities and resources, whilst helping achieve our own targets for the organisation (net zero by 2035), all of which will positively enhance and protect the environment and help halt and reverse damage being caused.</p> <p>Not approving the SSB Vision and Pledge, will require Lichfield District Council to define their own commitments, separate to those of the rest of the county, and respond to the climate and nature crisis independently. This may lead to lesser outcomes that aren’t as significant and more difficult to achieve, than if the work is accomplished collaboratively.</p>
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<b>GDPR / Privacy Impact Assessment</b>	None
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	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Reputational. Lichfield’s current reputation as a lead authority in ecological matters is jeopardised - owned by Cabinet	LIKLIHOOD IMPACT SEVERITY	By remaining a member of the Staffordshire Sustainability Board (SSB), Lichfield District Council will be playing an active role in a collaborative forum to respond to the climate and nature crisis, which will reflect on the organisation’s reputation positively.	LIKLIHOOD IMPACT SEVERITY
B	Environmental. Impacts to the environment are not mitigated or worsened - owned by Cabinet	LIKLIHOOD IMPACT SEVERITY	By adopting the SSB Vision and Pledge, Lichfield District Council will take action towards implementing the commitments articulated within the document, which will positively impact the environment and respond to the climate and nature crisis.	LIKLIHOOD IMPACT SEVERITY
C	Legal Responsibilities towards the Climate and Nature Crisis are not met - owned by Cabinet	LIKLIHOOD IMPACT SEVERITY	As an organisation, our active role in the SSB and work to respond to the climate and nature crisis, helps us satisfy environmental legislation and show we are having due regard to biodiversity. Local authorities do not have a statutory duty to reduce emissions in line with the Climate Change Act, but they do need to produce plans that have a big bearing on emissions (e.g. transport, local plans, minerals plans, procurement).	LIKLIHOOD IMPACT SEVERITY
D	Legal, Open to Challenge due to lack of action or refusal to work with SSB in regards to the Climate and Nature Crisis - owned by Cabinet	LIKLIHOOD IMPACT SEVERITY	By remaining a member of the Staffordshire Sustainability Board (SSB), Lichfield District Council will be able to demonstrate their willingness to respond to the climate and nature crisis alongside other Staffordshire authorities and can receive support by the SSB should challenge occur.	LIKLIHOOD IMPACT SEVERITY

<b>Background documents</b> Any previous reports or decisions linked to this item	Staffordshire Sustainability Board (SSB) Vision and Pledge
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<b>Relevant web links</b> Any links for background information which may be useful to understand the context of the report	None
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# Staffordshire Sustainability Board

## Vision and council commitments 2022-2023

### **Vision**

The Staffordshire Sustainability Board (SSB) is to facilitate the collaborative forum, to work together, as the democratically elected bodies in Staffordshire, to influence change and to encourage organisations and individuals to ensure that Staffordshire is net carbon zero by at least 2050 or before.

The board will also work as a collective to address climate change adaptation measures that are within individual organisations leverage, to influence and facilitate change with adaptation to climatic changes that are already locked in. Sustainability and habitat biodiversity will be reviewed throughout 2022 and shall be considered in a revised vision in January 2023.

### **Context**

The Staffordshire Leaders and Chief Executives Group has committed to work collaboratively to successfully achieve net carbon zero in line with our independent authority's climate change declarations.

It is recognised that the council's collective carbon footprint is less than 2% of Staffordshire's 5.8MtCO<sub>2</sub>e annual carbon footprint however it is documented that, collectively, the councils could have an influence on a significant proportion of these emissions. This collaboration is to enable and facilitate change, where possible, throughout the geographic area of Staffordshire as a whole.

Work in the longer term will also bring into the discussion and actions, climate change adaptation and sustainable environment concerns.

Throughout all the activities and discussion that resonate from the SSB, we shall actively engage with external organisations that can bring specialist knowledge, understanding and facilitation to the board.

The SSB will comprise senior members of each authority and supported by a team of advisors drawn from across the authorities.

### **Council commitments**

It is proposed that as an initial commitment, the combined councils will within their own carbon emissions boundary initiate the following but acknowledge that the larger scope of climate change mitigation and adaptation is within the wider community of Staffordshire.

**1. Baseline and Reporting** – All Councils will prepare and publish an annual baseline analysis of their organisation's carbon footprint. All Councils will assess and publish progress in reducing their carbon footprint in October each year.

**2. Carbon Literacy Training & Awareness** – All Councillors and Senior Management Teams will undertake carbon literacy training to build corporate awareness of the issue and the Council’s role in securing carbon reduction. All Councils will conduct a community impact assessment for key projects and proposals and include an assessment of Climate Change Implications in all key decision reports.

**3. Ambassadors** - All Councils will encourage members to act as climate change ambassadors, to encourage reduction in organisational carbon footprints and champion this in their own division/ward areas.

**4. Green Travel Planning** – All Councils will support and facilitate green travel by members, employees, and their communities through promotion of green travel planning. Policy implementation on green transport and ways of working

**5. Communications** – All Councils will contribute to a countywide communications group who will plan to deliver and manage a countywide Communications Plan, working together to drive our collective net zero visions forward, throughout the County.

**6. Green Energy** – All the Councils will commit to procure 100% green energy supplies for their electricity as soon as existing contract commitments allow.

**7. Energy Reduction** – By January 2023, all Councils will have established plans to reduce energy consumption across their estates.

**8. Low carbon fuelled fleet vehicles** – Moving towards an aspirational zero emission operational vehicle fleet, the Councils will by 2025, establish a plan to move to low carbon fuels within their internal fleets by 2030.

**9. Waste & Recycling** – By 2025 there will be a countywide waste strategy that all authorities will adhere to. This strategy will cover all aspects of the countywide waste operation, to reduce residual waste creation, increase recycling rates, promote composting of food waste at home and establish food waste collections throughout the County.

**10. Innovation and Technology** – Working collaboratively with research institutions, businesses and partners the Councils will encourage both innovation and technology development, that will assist the delivery of our combined net zero visions.

