

**CABINET**

**11 OCTOBER 2022**

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**MEDIUM TERM FINANCIAL STRATEGY (REVENUE AND CAPITAL) 2023-27**

**1. Decision:**

The Cabinet:

- 1.1. Noted the current position on the development of the Medium-Term Financial Strategy and the next steps.
- 1.2. Noted the feedback from the Overview and Scrutiny Committee meeting on 4 October 2022

**2. Statement of Reasons:**

The ability to deliver the outcomes set out in the Lichfield District Council Strategic Plan, and beyond, is dependent on the resources available in the MTFS.

The MTFS was approved by Council on 22 February 2022 and this is refreshed each year to:

- Remove the previous financial year and in this MTFS this is 2021/22
- Formally add the new financial year and in this MTFS this is 2026/27 and;
- Refresh and update assumptions to reflect the latest information available.

The MTFS is the overall budget framework and consists of the Revenue Budget, Capital Strategy and Capital Programme, Earmarked Reserves and General Reserves.

There have been reports to Cabinet and Council that have updated the MTFS since its initial approval.

The Treasury Management Strategy Statement and Annual Investment Strategy are also important components of the MTFS. These components, under the Constitution are the responsibility of the Audit and Member Standards Committee and, therefore, will be considered by that Committee as part of the development of the Draft MTFS.

The timetable for the MTFS development is summarised at 1.6 of the Cabinet report.

There remains an inherently high level of uncertainty surrounding the Local Government Finance regime with the residual impact of the COVID-19 pandemic, the cost of living crisis and other potential Government Policy changes.

The Council has a statutory duty to undertake budget consultation, set a balanced budget and to calculate the level of Council Tax for its area.

The Approved Capital Programme together with a projection for 2026/27 from the longer term capital investment model, is also included for consideration.

**3. Any Alternative Options:**

1. In the main, the options are focused on the strategy to be utilised to achieve a balanced budget and the level of Council Tax increase. These options are considered in the Cabinet report.

**DELIVERY OF DISABLED FACILITIES GRANTS**

**1. Decision:**

The Cabinet:

- 1.1. Approved that Lichfield District Council award a contract to LWMTS to deliver DFGs and associated works/services from 1st April 2023 without undertaking a competitive tender process in reliance of the 'Teckal' exemption.
- 1.2. Delegated authority to the Cabinet Member for Housing, Ecology and Climate Change in consultation with the Chief Executive and Monitoring Officer to agree the final arrangements/service structure and governance with LWMTS.
- 1.3. Agreed to carry out a formal review of the service once launched after 6 months, 12 months and then annually thereafter with a performance report being considered by Overview & Scrutiny Committee and Cabinet.

**2. Statement of Reasons:**

The purpose of this report is to provide an update on the future delivery of Disabled Facilities Grants (DFGs) and associated works/services from 1st April 2023 following the report to Cabinet on 8th February 2022.

Following lengthy discussions with Tamworth Borough Council (TBC) a shared service with them is no longer an option and approval is sought to deliver the service for our residents through a team to be established in our Local Authority Trading Company - Lichfield West Midlands Trading services (LWMTS).

A detailed project plan is in place and actions are in progress to establish the service before the financial year end.

**3. Any Alternative Options:**

1. To try and procure another external provider. This is not a realistic option due to the timescale, and from knowledge of consultants of similar tenders there are a lack of providers in the market. Also, a smaller contract for LDC alone would not be attractive enough for a private provider.
2. To set up an in house service. This would not be as suitable an option as the one proposed due to the advantages outlined in section 3.3 of the Cabinet report.
3. To try to set up another shared service. This would not be as suitable an option as the one proposed due to the advantages outlined in section 3.3 of the Cabinet report.
4. The following options have been considered for delivery of DFG services by way of a Council owned trading company:
  - through a team to be established in our existing Local Authority Trading Company Lichfield West Midlands Trading services (LWMTS);
  - the incorporation of subsidiary of LWMTS dedicated to the delivery of DFG services; or

- the incorporation of a new and separate local authority trading company dedicated to the delivery of DFG services. Utilising the existing trading company of the Council, LWMTS, is the favoured option on the basis that it results in minimal administrative burden to the Council.

(The Leader of the Councillor declared a personal interest in this item as a member of his household had been a recipient of a disabled facilities grant)

(The Deputy Leader of the Council and the Chief Executive declared a personal interest in this item as they are both directors of LWMTS)

**STAFFORDSHIRE LEADERS BOARD - UPDATE TO THE TERMS OF REFERENCE**

**1. Decision:**

The Cabinet:

- 1.1. Endorsed the revised Terms of Reference for the Staffordshire Leaders' Board (as attached at Appendix A of the Cabinet report).

**2. Statement of Reasons:**

Revised Terms of Reference have been agreed by the Staffordshire Leaders' Board and are submitted for endorsement.

**3. Any Alternative Options:**

1. Not to agree the amended terms of reference.

**JOINT VENTURE - A CINEMA FOR LICHFIELD DISTRICT**

**1. Decision:**

The Cabinet agreed and recommended to Council that:

- 1.1. Lichfield District Council enter a joint venture Limited Liability Partnership (LLP) with Evolve Estates (subject to any issues identified in relation to financial standing and independent valuation of the Debenham's building being satisfactorily addressed) for the purposes of developing a new cinema and associated food and beverage units in the former Debenhams store on the Three Spires retail site.
- 1.2. Delegated authority be granted to the Leader and Chief Executive Officer to finalise the details of the LLP in consultation with the Monitoring Officer and S151 Officer subject to financial implications remaining within the budget framework recommended for approval below.
- 1.3. The Leader and Chief Executive be approved as the Council's representatives on the LLP board.
- 1.4. The Medium-Term Financial Strategy is updated to include:
  - A budget in the Capital Programme for the Joint Venture loan advance totalling **£5,349,000** (including £400,000 being funded by the UKSPF).
  - To fund the capital investment through UKSPF funding of **(£400,000)**, the capital receipt from the sale of Venture House of **(£850,000)** (an increase from the Review of Reserves Report recommendation of (£650,000) and the strategic priorities earmarked reserve of **(£4,099,000)**).
  - A BRS enabling works budget of **£1,070,000** (a reduction from the Review of Reserves Report recommendation of £2,000,000) funded by the strategic priorities earmarked reserve of **(£1,070,000)**.
  - At this stage, the Revenue Budget will be based on a budget neutral (no surplus or deficit is included) position until the projections included in this report have been reviewed. Any future changes following independent review will be reported in line with the Council's budget monitoring and any budget approvals will be in line with the budget framework.

**2. Statement of Reasons:**

This paper proposes a significant financial investment by the council in its role as place-shaper for our district, to spark the regeneration of the site known as 'Birmingham Road', adjacent to the district council house in the centre of Lichfield city.

It seeks Cabinet support for the creation of a joint venture partnership with Evolve Estates (owners of the Three Spires Shopping Centre) through which a new cinema and associated food and beverage (F&B) units will be developed.

**3. Any Alternative Options:**

1. Cabinet could decide not to enter into a Joint Venture with Evolve Estates to redevelop the Debenhams site as a cinema and leave the market to invest in the district. This impairs the council's ability to place shape and we could end up with a facility that we don't want.

2. Cabinet could intervene in place of the market and directly fund the full cost of the development – i.e., identify a site and raise investment required to develop a scheme and operator. This places all risk on the council and we know we don't currently have the necessary skills to deliver it.





