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Monday, 2 October 2023

Dear Sir/Madam

## CABINET

A meeting of the Cabinet has been arranged to take place on **TUESDAY, 10TH OCTOBER, 2023 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

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

Yours faithfully

A handwritten signature in cursive script that reads 'Kerry Dove'.

Kerry Dove  
Chief Operating Officer

**To: Members of Cabinet**

Councillors Cox, Farrell, Pullen (Chair), Silvester-Hall, A Smith, Strachan and M Wilcox



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## AGENDA

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# Medium Term Financial Strategy (MTFS)

Cabinet Member for Finance and Commissioning

Date: 10 October 2023  
 Agenda Item: 3  
 Contact Officer: Anthony Thomas  
 Tel Number: 01543 308012  
 Email: [Anthony.thomas@lichfielddc.gov.uk](mailto:Anthony.thomas@lichfielddc.gov.uk)  
 Key Decision? YES  
 Local Ward Members: All Wards



**Cabinet**

## 1. Executive Summary

- 1.1 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 new Lichfield District 2050 strategy will be approved this year and may impact further on the MTFS.
- 1.2 The MTFS was approved by Council on 28 February 2023, and this is refreshed each year to:
  - Remove the previous financial year and in this MTFS this is 2022/23
  - Formally add the new financial year and in this MTFS this is 2027/28
  - Refresh and update assumptions to reflect the latest information available.
- 1.3 The MTFS is the overall budget framework and consists of the Revenue Budget, Capital Strategy and Capital Programme, Earmarked Reserves and General Reserves.
- 1.4 There have been reports to Cabinet and Council that have updated the MTFS since its initial approval.
- 1.5 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.
- 1.6 The timetable for MTFS development is summarised below:

	Date	Meeting	Topics
Budget Consultation (July to December)	04/07/2023	Cabinet	Budget timetable, Budget principles, MTFS update, Budget consultation and Budget assumptions for 2024/25
	14/09/2023	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	10/10/2023	Cabinet	An update on the Draft Medium Term Financial Strategy
	14/11/2023	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	05/12/2023	Cabinet	Set the Council Taxbase for 2024/25
	11/12/2023	Overview and Scrutiny	Meeting to consider Service and Financial Planning Proposals
	30/01/2024	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	01/02/2024	Audit and Member Standards Committee	To review the Treasury Management Strategy Statement
	06/02/2024	Cabinet	To recommend the Medium Term Financial Strategy and Council Tax increase to Council
	27/02/2024	Council	Approve the Medium Term Financial Strategy, updated Local Council Tax Support Scheme and set the Council Tax

- 1.7 There remains an inherently high level of uncertainty surrounding the Local Government Finance regime, the current economic climate and its impact on the cost of living plus other potential Government Policy changes.
- 1.8 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.
- 1.9 The Approved Capital Programme together with a projection for 2027/28 from the longer-term capital investment model, is also included for consideration.

## 2. Recommendations

- 2.1. To note the current position on the development of the MTFs and the next steps.
- 2.2. To note the feedback from the Overview and Scrutiny Committee on 14 September 2023.
- 2.3. To review the initial revenue investment (para 3.40) and capital investment (para 3.54) modelling identified in this report and to identify any further revenue and capital investment priorities for 2024/25 and beyond for potential future inclusion as the development of the MTFs progresses.

## 3. Background

### The Medium Term Financial Strategy (MTFS)

- 3.1. Council approved the MTFs (Revenue and Capital) 2022-27 on 28 February 2023 which covers the financial years 2022/23 to 2026/27 (with a further projection for 2027/28 prepared by Finance for forward planning purposes).
- 3.2. The MTFs includes:
  - **The Revenue Budget** related to the day to day delivery of the Council's services such as waste collection
  - **General and Earmarked Reserves** related to the amount of money available to balance the budget in the short term or fund short term initiatives
  - **The Capital Programme** and its financing for longer term expenditure in relation to the Council's assets, such as property.
- 3.3. The Revenue Budget and Capital Programme are connected by:
  - Any financing of the Capital Programme from the Revenue Budget
  - The repayment of borrowing and the receipt of income from investments
  - Expenditure, income, and savings resulting from capital investment.
- 3.4. The Council updates its Budget forecasts at 3, 6 and 8 month intervals.
- 3.5. To assist in understanding the level of uncertainty or risk present, in relation to the Local Government Funding Regime, we allocate each financial year a risk rating:
  - **Low** – all significant components of the Local Government Funding Regime are known and understood
  - **Medium** – all significant components of the Local Government Funding Regime are known although there is some uncertainty around how specific elements will operate
  - **High** – there is uncertainty around all significant components of the Local Government Funding Regime.

### MTFS Budget Principles

- 3.6. To assist in preparing the MTFs, in common with several Councils, a set of principles were established to guide the preparation and management of the MTFs.
- 3.7. Council, on 15 October 2019, approved the budget principles identified at **APPENDIX A**.

### MTFS Budget Assumptions

- 3.8. There are several key cost, income and demand drivers at a corporate level that are likely to influence the level and cost of services provided and therefore the budgets contained in the MTFs.
- 3.9. These key cost, income, and demand drivers (with significant negative changes shaded in red and significant positive changes shaded in green) initially identified for the MTFs are at **APPENDIX A**.

## Local Government Finance Update

### Local Government Finance Reform

- 3.10. The Strategic Risk Register includes a risk in relation to the availability of finance.
- 3.11. In April 2023, this risk is inside the risk appetite however there remains considerable uncertainty due to:
- Local Government Finance Reform
  - The residual impact of COVID-19 on the MTFS including areas such as car parking
  - The current economic climate and its impact on the cost of living
  - The geo-political events increasing inflationary pressures in the economy
- 3.12. Local Government Finance Reform remains the most significant area of uncertainty and includes Social Care Funding and Reform, New Homes Bonus, Business Rates and Needs and Resources (Fair Funding).
- 3.13. To highlight the uncertainty, despite being referenced in the Finance Settlement for 2023/24, no new consultation on New Homes Bonus scheduled for the summer 2023 has been received.
- 3.14. The MTFS assumes, based on Government Policy, that Finance reform is to be implemented in 2025/26. It also assumes based on expert advice, District Councils generally and specifically Councils such as Lichfield DC who are classed as relatively 'low need' i.e., population size, levels of deprivation and other factors and 'high tax base' i.e., a £1 Council Tax increase raises higher levels of income compared to others, will be detrimentally impacted by these changes through lower funding.
- 3.15. The timescales for implementation in 2025/26 are challenging and it is the first year following a general election. Therefore, the likelihood is that implementation will be in 2026/27 or in a later financial year.
- 3.16. Any delay in the implementation of reform would likely result in additional income should New Homes Bonus, Funding Guarantee and Business Rates growth elements all be retained in the current form.
- 3.17. The Funding Gap in 2025/26 is currently projected to be **£1,616,000** and therefore the first call for any additional resources must be to balance the budget and negate the use of general reserves.
- 3.18. The content of the Local Government Finance Settlement for 2025/26 will not be confirmed until December 2024/February 2025.

### The Office for Local Government (Oflog)

- 3.19. In July 2023 the Government established Oflog, a new performance body for local government. To better understand local government performance, a clearer view of what good performance entails as well as tell-tale signs of those on the road to serious failure needs to be attained.
- 3.20. Oflog will improve the transparency of local government performance through the publication of carefully selected data on the new Local Authority Data Explorer to foster accountability. Oflog will initially focus on bringing existing data together through the Local Authority Data Explorer.
- 3.21. Data Explorer is a new online tool which brings together a selection of existing metrics that is available at different levels of local authority. Further improvements will be made, as these metrics are developed.
- 3.22. The initial metrics specific to District Councils compared to CIPFA Nearest Neighbours, District Councils and South Staffordshire District Council is shown at **APPENDIX B** and in summary below:

Metric	Lichfield DC Position
Non-ringfenced reserves as a % of Net Revenue Expenditure	Within Median Range
Non-ringfenced reserves as a % of Service Spend	Marginally Higher than Median Range
Total Core Spending Power Per Dwelling	Within Median Range
Level of Band D Tax Rates	Within Median Range
Council Tax Revenue per Dwelling	Within Median Range
Debt Servicing (cost of finance) as a % of Core Spending Power	Within Median Range
Total Debt (borrowing and finance leases) as a % of Core Spending Power	Within Median Range

- 3.23. It is important to understand the use of earmarked reserves for Place Shaping activity and a replacement waste fleet in 2025/26 assumed to be funded through a debt type arrangement will impact on the Council's position in future releases of these metrics.

## Local Taxation

- 3.24. The Council subscribes to the LG Futures financial intelligence toolkit that provides a wide range of financial planning and benchmarking information.
- 3.25. Local taxation (Council Tax and Business Rates) is a key area of Local Government Finance in terms of finance quantum and therefore LG Futures produces a specific report.
- 3.26. The information contained in this report is shown at **APPENDIX B** and an overall summary is provided below:
- **Council Tax in 2023/24** – Lichfield District’s rate was **3.5% higher** than the nearest neighbour average, and **10.1% lower** than the England average.
  - **Council Tax income** – the amount of income collected is based on the Council Tax rate and the Council Taxbase. Over the last five years, the cumulative increase in the rate at **10.1% is lower** than both the nearest neighbour and England averages. However, the change in the Council Taxbase at **8.5% is higher** than both nearest neighbour and England averages.
  - **Non-Domestic (Business) Rates** – the gross amount of income from Business Rates is based on the Rateable Value (set by the Valuation Office Agency) and the rate in the pound or multiplier (set by the Government). Over the last five years, the cumulative reduction in Rateable Value at **(0.3%) is lower** than both the nearest neighbour and England averages. There are likely to be several local reasons for variances such as transfers of properties from the Local list to the Central list (national infrastructure related such as Virgin Media), demolitions, change of use to residential or successful appeals.
  - **Retained Business Rate Income** – the Council’s Baseline Funding Level in 2023/24 set by the Government is **£2,196,000**. Based on the NNDR1 (excluding any pooling benefits etc.), growth above the baseline level is projected to be **£914,000** which is **41.6%** above this level. This is lower than both the nearest neighbour and England averages and will be related to the change in Rateable Value, the level of reliefs and the estimates for bad debts and appeals in Lichfield District compared to the other areas.
  - **Council Tax Collection Rate in 2022/23** - Lichfield District’s rate was **98.1%** and this higher than the nearest neighbour average of **97.7%**, and the England average of **96.2%**.
  - **Non-Domestic (Business) Rates Collection Rate in 2022/23** - Lichfield District’s rate was **99.2%** and this higher than the nearest neighbour average of **97.7%**, and the England average of **97.1%**.
- 3.27. This information together with other relevant information such as appeals levels is used to inform the Council Tax and Business Rates budget assumptions in the Collection Fund.

## The Approved MTFS (Revenue Budget)

3.28. The Approved Revenue Budget (including approved changes and a forward projection for 2027/28 from the 25 year model) is shown in detail at **APPENDIX C** and in summary below:

	2023/24		2024/25	2025/26	2026/27	2027/28
	Original Budget £000	Approved Budget £000				
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Revenue Expenditure	13,815	14,291	13,368	12,368	13,000	13,133
Revenue Funding	(13,815)	(13,815)	(13,368)	(10,752)	(11,097)	(11,363)
<b>Approved Budget Funding Gap</b>	<b>0</b>	<b>476</b>	<b>0</b>	<b>1,616</b>	<b>1,903</b>	<b>1,770</b>
<b>More Optimistic Scenario</b>	<b>0</b>	<b>476</b>	<b>0</b>	<b>(39)</b>	<b>139</b>	<b>261</b>
<b>More Pessimistic Scenario</b>	<b>0</b>	<b>476</b>	<b>0</b>	<b>2,952</b>	<b>3,485</b>	<b>3,546</b>

3.29. The table above also shows alternative scenarios where the funding gap varies based on different assumptions utilised primarily in relation to the impact of finance reform from 2025/26 onwards.

3.30. In the absence of savings or additional income being identified, funding gaps would be funded by available general reserves.

3.31. A balanced revenue budget for 2023/24 was approved by Council based on the delivery of **(£2,499,000)** of savings and additional income proposals.

3.32. A shortfall of **£476,080** is currently projected and in the absence of mitigating actions will be funded by general reserves. A trend of the use of general reserves to balance the revenue budget can be a financial resilience early warning signal.

3.33. Leadership Team are currently identifying mitigating actions to reduce the shortfall and therefore the use of general reserves.

3.34. The last six years Revenue performance and the impact on general reserves compared to Original and Approved Budgets has shown over the initial five-year period, there was a net reduction of **£1,231,000** in general reserves and this is projected to increase to **£1,707,000** with 2023/24.

3.35. This means there are lower general reserves available to mitigate short term financial shocks, to balance the budget or undertake short term investment.

3.36. External financial shocks related to COVID in 2020/21 and 2021/22 necessitated their use to balance the budget. However, from 2022/23 their actual and planned use is in part due to the inflationary climate:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Inflation Pressures	363	325	350	605	603	2,246
Modelled additional Council Tax income	(258)	(158)	(244)	(266)	(266)	(1,192)
<b>Net Financial Impact</b>	<b>105</b>	<b>167</b>	<b>106</b>	<b>339</b>	<b>337</b>	<b>1,054</b>

3.37. In 2023/24, as explained above, it is the non or late delivery of savings/income proposals that account for their projected use which can be a more concerning financial resilience related trend if it becomes embedded.

3.38. In terms of the cinema for Lichfield District, it is important to reiterate the Approved MTFS is based on a budget neutral (no surplus or deficit is included) position. In addition, capital receipts related to the loan repayment are not included in projections until more informed financial projections are provided through the Business Plan

## The Projected MTFs (Revenue Budget)

- 3.39. In terms of the revenue budget, initial projections have been made based on known budget pressures, budgetary growth, fees and charges changes and updated funding modelling (excluding Council Tax).
- 3.40. These initial projections are modelled below (savings and additional income are shown enclosed in brackets):

	2023/34 Approved Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 Projection £000
<b>Approved Budget Funding Gap</b>	<b>476</b>	<b>0</b>	<b>1,616</b>	<b>1,903</b>	<b>1,770</b>

Updated Expenditure Projections	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Increase pay award from 2% to 4% in 2024/25		250	264	281	297
Cost of Living - a budget in 2025/26			50		
Contingency/Growth Budget - a budget in 2025/26			250		
Transfer funding to earmarked reserve for capital funding in 2027/28 to negate additional borrowing		612			
Car Parking Fees - projected income above budget		(150)	(150)	(150)	(150)
Car Parking Fees - investment/contingency		150	150	150	150
Planning Fees - local changes	(258)	(199)	(199)	(199)	(50)
Planning Fees - additional investment	258	199	199	199	50
Planning Fees - national changes (net change in Planning Income based on OBR economic forecasts)		(107)	(161)	(317)	(426)
<b>Sub Total</b>	<b>0</b>	<b>755</b>	<b>403</b>	<b>(36)</b>	<b>(129)</b>

Updated Funding Projections	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Retained Business Rates Baseline Funding	0	163	47	49	51
Retained Business Rates Growth Allowance	0	(213)	112	(203)	(207)
Business Rates Cap Grant	2	102	0	0	0
Rolled in Grants	0	2	(173)	(162)	(146)
Services Grant	(4)	(4)	0	0	0
Funding Guarantee Grant	3	(57)	0	0	0
Transitional Funding	0	0	(1,050)	(53)	491
New Homes Bonus	(1)	(274)	0	0	0
Collection Fund (Surplus)/Deficit	0	(474)	0	0	0
Council Tax Income	0	0	0	0	0
<b>Sub Total - Funding Reform in 25/26</b>	<b>0</b>	<b>(755)</b>	<b>(1,064)</b>	<b>(369)</b>	<b>189</b>
<b>Sub Total - Funding Reform in 26/27</b>	<b>0</b>	<b>(755)</b>	<b>(3,409)</b>	<b>(369)</b>	<b>189</b>

<b>Projected Funding Gap - Funding Reform in 25/26</b>	<b>476</b>	<b>0</b>	<b>955</b>	<b>1,498</b>	<b>1,830</b>
<b>Projected Funding Gap - Funding Reform in 26/27</b>	<b>476</b>	<b>0</b>	<b>(1,390)</b>	<b>1,498</b>	<b>1,830</b>

- 3.41. There may however be further revenue investment priorities identified through budgetary control, service and financial planning, Members and other channels as the MTFs develops which will necessitate updates to the modelling.
- 3.42. The initial items contained in these modelled projections are explained in greater detail in the following paragraphs.



## Expenditure and Fees and Charges Projections

3.43. The expenditure budgets are modelled based on:

- **The Pay Award for 2024/25** – the Approved Budget assumes a pay award of 2% however in the current higher inflation environment an increase in this assumption to 4% is modelled.
- **Cost of Living Budget** – there is an Approved Budget of **£50,000** in 2023/24 and 2024/25. In the current economic climate, a budget of **£50,000** is provisionally included in 2025/26 subject to further information on Finance Reform.
- **Contingency / Growth Budget** - there is an Approved Budget of **£100,000** in 2023/24 and 2024/25 to address unforeseen in year pressures and capacity issues. A budget of **£250,000** is provisionally included in 2025/26 subject to further information on Finance Reform.
- **Transfer Business Rates Growth to an Earmarked Reserve** – the projected Capital Programme projects a shortfall in funding for Business-as-Usual capital investment of **£612,000** in 2027/28. In the event funding is not identified, this would result in an increase in borrowing need and therefore additional revenue costs. It is modelled that projected additional Business Rate growth in 2024/25 following the revaluation on 1 April 2023 is transferred to an earmarked reserve to fund this expenditure and negate the need for additional borrowing.

3.44. Fees and charges budgets are shown at **APPENDIX D** and the ones below will be impacted by changes:

- **Garden Waste Service** – There is a Cabinet Member decision to increase the subscription fee for the next subscription window (**included in the budget**) to reflect the additional cost of providing the service and to implement annual increases based on the Consumer Price Index.
- **Car Parking** – There will be a Cabinet Member decision to increase fees to seek to incentivise ‘long stay’ users to more appropriate locations to ensure that ‘short stay’ capacity is available at peak time (**an element is included in the budget**) and to implement annual increases based on the Consumer Price Index.
- **Planning Applications (local changes)** - Cabinet on 5 September 2023 approved a report in relation to a planning transformation plan. The plan introduced new discretionary fees and increases in existing discretionary fees to facilitate sustainable improvement in the planning service (**not included in the budget**). This additional income will be invested in Planning Team to improve and transform the service.
- **Planning Applications (National changes)** – the Government has laid draft regulations which introduce several measures (**not included in the budget**):
  - A 35% increase for major applications and 25% for all other applications.
  - The Government intends to increase fees annually, on the 1 April each year, from 1 April 2025, using the Consumer Prices Index (CPI) from the previous September. Any annual fee increase will be capped at 10%. Where there is deflation, the fee will not be adjusted.
  - Removal of the ‘free go’ repeat planning applications.
  - A fee for prior approval applications relating to development by the Crown on a closed defence site (under Class TA of Part 19 of the General Permitted Development Order 2015), to reflect the work required by local authorities in determining applications.
  - A reduction of the Planning Guarantee for non-major applications from 26 weeks to 16 weeks
  - The income from planning fees will continue to be un-ringfenced. However, the Government expects local planning authorities to protect at least the income from the planning fee increase for direct investment in planning services. Following an increase in planning fees, DLUHC expects that the performance of local planning authorities will improve. This will be monitored through a new planning performance framework to be established in the future.
  - To ensure that the introduction of the national fee increase is not delayed, the Government will continue to develop proposals to double fees for retrospective applications for delivery through regulations at the next available opportunity.
- This additional income, subject to Royal Assent will be used to support the existing Planning Team.

## Funding Projections

- 3.45. The MTFs assumes, based on Government Policy, that Finance reform is to be implemented in 2025/26. It also assumes based on expert advice, District Councils generally and specifically Councils such as Lichfield DC will be detrimentally impacted by these changes through lower funding.
- 3.46. There is a high degree of uncertainty that Finance reform will be implemented in the first year following a general election of 2025/26 and it is possible that any reform will be delayed to 2026/27 or beyond.
- 3.47. Therefore, two scenarios have currently been prepared with updated funding projections (excluding any changes in the Council Taxbase or Council Tax Level) using the latest available information, expert advice, and external funding models:
- **Finance Reform is implemented in 2025/26** – this is projected to provide additional funding in 2025/26 of **(£1,064,000)** and the projected funding gap would be **£955,000**.
  - **Finance Reform is implemented in 2026/27** – this is projected to provide additional funding in 2025/26 of **(£3,409,000)** and the projected funding surplus would be **(£1,390,000)**.
- 3.48. These projections will be refined as further information is provided by the Government in the provisional Finance Settlement for 2024/25 in December 2023 and using the latest information available for areas such as housing growth and Business Rates income.
- 3.49. In addition, as in previous years, three funding scenarios will be developed using different assumptions – a central scenario, a more optimistic scenario and a more pessimistic scenario.
- 3.50. These scenarios will provide further information on the range of possible outcomes from the use of different assumptions such as Council Tax increases, housing and business rates growth and the impact of Finance reform including any potential transitional arrangements.

## The MTFS (Capital Programme)

- 3.51. The Capital Strategy approved by Council on 28 February 2023 included a risk assessment by the Chief Finance Officer.
- 3.52. The risk was assessed as Tolerable (Green) following the inclusion of additional funding for a new Leisure Centre in Lichfield City, the Cinema Development and enabling works for the Birmingham Road Site.
- 3.53. There are however Business-as-Usual capital investment requirements such as ICT, Vehicles and Property Planned Maintenance that will require funding to be identified.
- 3.54. At this stage, the projected level of investment included in the longer-term capital investment model approved by Council on 28 February 2023 of **£1,701,000** has been utilised for 2027/28 in the draft Capital Programme:

Details	Source	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
IT Hardware	25 year model					175
Property Maintenance	25 year model					230
Bin Purchases	25 year model					150
Vehicles	25 year model					207
Disabled Facilities Grants	25 year model					914
Home Repair Assistance	25 year model					25
Decent Homes Standard	Update	(25)				
<b>Projected Capital Spend</b>		<b>(25)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,701</b>
External Funding		25				(939)
Existing Revenue Budgets						(150)
Council Funding (see above)						(612)
<b>Total Funding</b>		<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,701)</b>
<b>Shortfall in Funding &amp; Borrowing Need</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 3.55. There may however be further capital investment needs identified through budgetary control, service and financial planning, Members and other channels as the MTFS develops which will necessitate updates to the modelling.
- 3.56. At present, no capital receipts are included in the MTFS for any potential disposal of assets that form part of the Birmingham Road Site that could be used to fund new or existing capital expenditure.
- 3.57. Any capital investment that cannot be funded by capital receipts, revenue, grants, contributions, or reserves will result in a borrowing need. Any borrowing need will be financed through borrowing, and this will result in additional capital financing costs together with any costs of operation being incurred in the revenue budget.
- 3.58. The Projected Capital Programme including 2027/28 is shown at **APPENDIX E** and below:

Strategic Priority	Projected Capital Programme					
	2023/24		2024/25	2025/26	2026/27	2027/28
	Original Budget £000	Approved Budget £000	Budget £000	Budget £000	Budget £000	Projection £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Enabling People	9,222	10,007	6,762	939	959	939
Shaping Place	819	1,029	397	6,367	150	357
Developing Prosperity	4,931	8,038	2,332	0	10	0
Good Council	448	549	111	365	405	405
<b>Capital Expenditure</b>	<b>15,420</b>	<b>19,623</b>	<b>9,602</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>
Capital Funding	13,087	17,264	7,177	7,671	1,524	1,701
Borrowing Need	2,333	2,359	2,425	0	0	0
General Capital Receipts	(481)	(199)	(156)	(186)	0	(2)
Housing Capital Receipts	(663)	(821)	(821)	(821)	(821)	(821)
<b>Total Capital Receipts</b>	<b>(1,144)</b>	<b>(1,020)</b>	<b>(977)</b>	<b>(1,007)</b>	<b>(821)</b>	<b>(823)</b>

## The MTFS (General Reserves and Total Reserves)

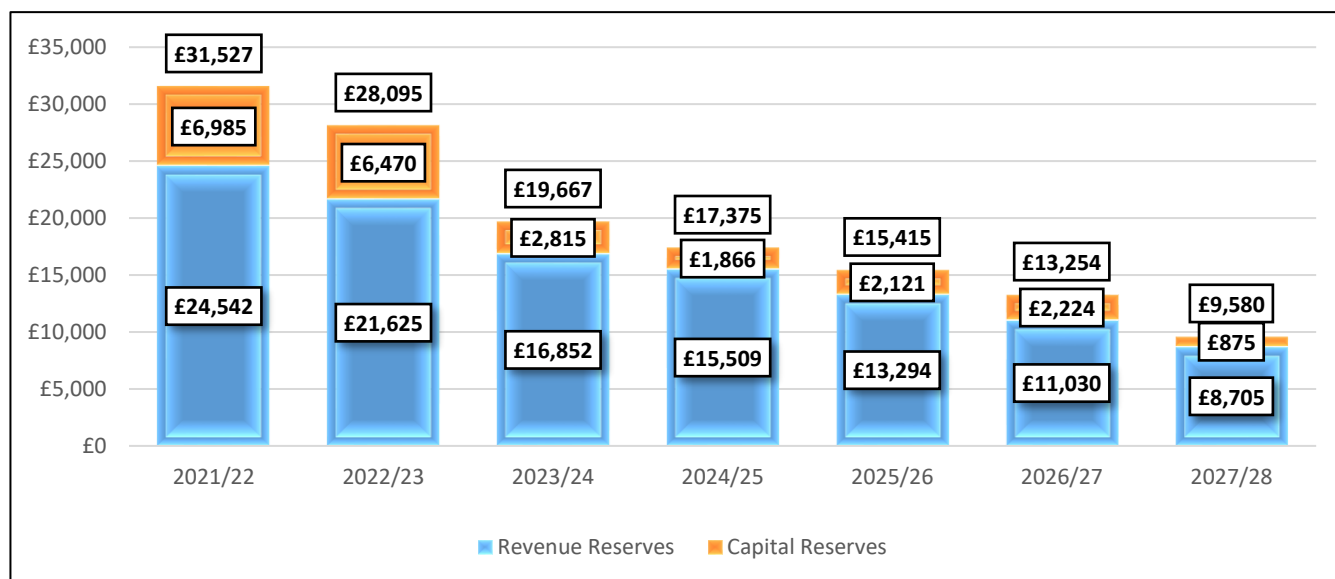
3.59. The Council has total general reserves available based on the Approved Budget, to manage the impact of Local Government Finance Reform and other risks such as the inflationary economic environment:

	2023/24		2024/25	2025/26	2026/27	2027/28
	Original Budget £000	Approved Budget £000	Budget £000	Budget £000	Budget £000	Projection £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Available General Reserves Year Start	4,175 <sup>1</sup>	4,085	3,609	3,609	1,993	90
(Funding Gap)	0	(476)	0	(1,616)	(1,903)	(1,770)
Available General Reserves Year End	4,175	3,609	3,609	1,993	90	(1,680)
Minimum Level	1,900	1,900	1,900	1,900	1,900	1,900
<b>Total Approved General Reserves</b>	<b>6,075</b>	<b>5,509</b>	<b>5,509</b>	<b>3,893</b>	<b>1,990</b>	<b>220</b>

Projected Finance Reform in 2025/26	6,075	5,509	5,509	4,554	3,056	1,226
Projected Finance Reform in 2026/27	6,075	5,509	5,509	6,899	5,401	3,571

3.60. The level of uncertainty together with the level of total general reserves available, mean that the Council will be able to implement a sustainable approach to balancing the budget. The approach can be adapted as more information on Finance Reform and its impact becomes available, including transitional funding.

3.61. In terms of total usable reserves (revenue and capital), the current projections (assuming finance reform in 2025/26) are also shown below:



3.62. The reduction in total usable reserves from 2021/22 to 2022/23 was **11%** (COVID reserves being the main reason), in comparison, nationally where accounts have been published, the reduction was also **11%**.

3.63. The projections indicate with the use of earmarked reserves for place shaping, capital reserves to fund the Capital Programme and general reserves to potentially balance the revenue budget, total reserves are currently projected to reduce significantly.

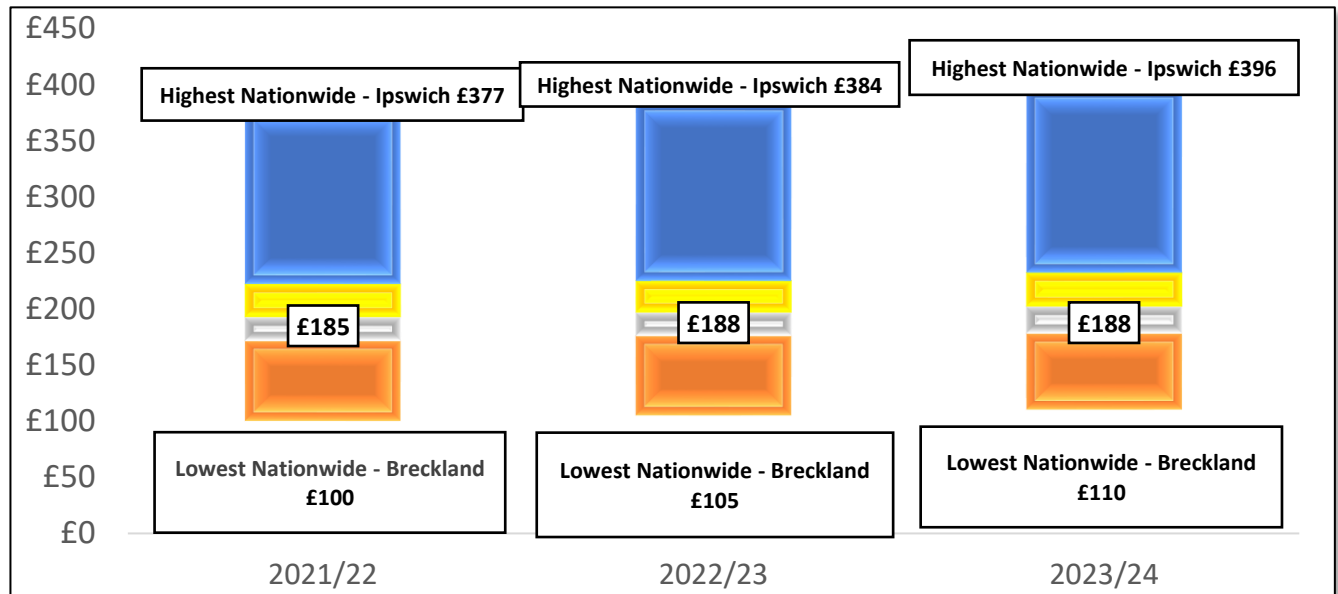
3.64. This means there are a reduced level of reserves available to mitigate short term financial shocks, manage financial risks (such as inflation and reduced leisure centre income), balance the budget or undertake short term or capital investment.

3.65. There is an aim to replenish the level of reserves from 2024/25 following their use for place shaping investment to improve financial resilience. The approach to achieving this aim will need to be developed as the MTFS is updated.

<sup>1</sup> Original Budget excluding actual budget performance in 2022/23 of £91k.

## The MTFS (Council Tax)

3.66. The Council's Band D Council Tax compared to all District Councils over the last three years is:



3.67. The Approved MTFS modelled that Council Tax would increase annually by **1.99%**.

3.68. There are, however, alternative approaches available and a selection of options have been identified for consideration (projections are based on the Approved Council Taxbase and additional income is enclosed by brackets):

	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 Projection £000
Approved / Modelled Increase	0.00%	1.99%	1.99%	1.99%	1.99%
Approved / Modelled Council Tax Band D	£187.85	£191.58	£195.40	£199.29	£203.25
Approved / Modelled Council Taxbase	40,534	41,016	41,579	42,233	42,718
<b>Approved MTFS Council Tax Income</b>	<b>(£7,614)</b>	<b>(£7,858)</b>	<b>(£8,124)</b>	<b>(£8,416)</b>	<b>(£8,682)</b>

A selection of options available and the impact on Council Tax income is shown below:	
2.99% increase in all years	(£77)
£5 increase in all years	(£52)
1.5% increase in 2024/25 and 2025/26 and then £5	£38
1.5% increase in 2024/25 and 2025/26 and then 1.99%	£38
1.0% increase in all years	£76
Freeze in all years	£153

(£160)	(£250)	(£345)
(£101)	(£150)	(£196)
£78	£33	(£11)
£78	£81	£84
£157	£243	£333
£314	£484	£658

3.69. The Council Tax base will be reviewed based on current information and the updated level will be approved by Cabinet on 5 December 2023.

3.70. In determining the level of Council Tax increase for 2024/25 and beyond, Cabinet and Council will need to take into consideration the following key factors:

- The relevant budget principles approved by Council
- The projected funding gap from 2025/26 onwards, the significant level of uncertainty related to Local Government Finance Reform and the legal requirement to set a balanced budget (considering the level of general reserves)
- The Council's Band D Council Tax and comparisons to other similar authorities
- The assumptions the Government utilises to calculate Core Spending Power in the Finance Settlement and Council Tax Referendum Principles for 2024/25

Alternative Options	In the main, the options are focused on the level of resource allocated to Strategic Priorities, the strategy to be utilised to achieve a balanced budget and the level of Council Tax increase. These options are considered in the Report.
Consultation	<p>The budget consultation project will commence in September 2023 running through to December 2023.</p> <p>The views of the Overview and Scrutiny Committee were requested at the meeting on 15 September 2023 on the following areas:</p> <ul style="list-style-type: none"> <li>• Revenue Budget and Capital Investment priorities.</li> <li>• The potential level of the District's Council Tax increase for 2024/25.</li> </ul> <p>The views of the Committee were:</p> <p><u>Revenue Budget and Capital Investment priorities.</u></p> <ul style="list-style-type: none"> <li>• The equity of spend across the District must be addressed.</li> <li>• The wider Council must be able to identify capital investment priorities for consideration as part of the MTFS development.</li> <li>• The inflation assumptions identified may need to be revisited in light of more recent data.</li> </ul> <p><u>Potential Council Tax increase for 2024/25</u></p> <ul style="list-style-type: none"> <li>• There is uncertainty around the 2.99% option beyond 2024/25.</li> <li>• The £5 for Lichfield District Council is 2.66% and an increase at this level will not fully address the projected funding gap.</li> <li>• The sole use of Council Tax to address the funding gap is the not the best way forward and other options should be considered.</li> </ul>
Financial Implications	These are included in the background section of the report.
Approved by Section 151 Officer	Yes
Legal Implications	<p>No specific legal implications.</p> <p>The recommended changes to the Medium Term Financial Strategy not part of the approved Budget Framework will be required the approval of Full Council.</p>
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The report directly links to overall performance and especially the delivery of the Strategic Plan.
Equality, Diversity and Human Rights Implications	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
Crime & Safety Issues	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.

<b>Data assessment</b>	The ability to deliver the outcomes set out in the <b>Lichfield District Council Strategic Plan</b> , and beyond, is dependent on the resources available in the MTFs. The MTFs identifies the level of resources available and spend necessary to deliver the outcomes across the entire District.  However, the application of relevant data and the Social Progress Index can be considered for new budget pressures, savings and income proposals as they are developed.
<b>Environmental Impact</b> (including Climate Change and Biodiversity).	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.

<b>GDPR/Privacy Impact Assessment</b>	There are no specific implications related to the Medium Term Financial Strategy.
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	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 of Finance</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2024</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: Green Impact: Green Severity of Risk: Green
C	The review of the New Homes Bonus regime	Likelihood: Red Impact: Red Severity of Risk: Red	The Council responded to the consultation. In the MTFs, no income is assumed beyond 2024/25.	Likelihood: Red Impact: Yellow Severity of Risk: Yellow
D	The increased Localisation of Business Rates, Business Rate Reset 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	A property team has been recruited via the Company 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	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 new strategic plan to the emerging landscape</b>				
G	The Council cannot achieve its approved Delivery Plan	Likelihood: Yellow Impact: Red Severity of Risk: Red	There will need to be consideration of additional resourcing and/or reprioritisation.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
H	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
I	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**

- Medium Term Financial Strategy (Revenue and Capital) 2023-27 and the addendum – Cabinet 14 February 2023
- Insourcing Leisure Provision – Cabinet 14 February 2023
- New Leisure Facility at Stychbrook Park – Cabinet 14 February 2023
- Community Infrastructure Levy (CIL) Allocation – Cabinet 14 February 2023
- Medium Term Financial Strategy (Revenue and Capital) 2023-27 – Council 28 February 2023
- Money Matters: 2022/23 Review of Financial Performance against the Financial Strategy – Cabinet 27 June 2023
- Medium Term Financial Strategy – Cabinet 27 June 2023
- Money Matters: Financial Monitoring in 2023/24 – Cabinet 5 September 2023

**Relevant web links**



### MTFS Budget Principals

- Council will consider the medium-term outlook when setting the level of Council Tax to ensure that a sustainable budget position is maintained
- Council will prioritise funding for statutory and regulatory responsibilities to ensure these are delivered in a way that meets our legal requirements and customer needs
- Council will continue to seek continuous improvement to enable further savings, efficiencies and income gains and provide budgets that are appropriate to service needs
- Council will ensure that all growth in the staffing establishment will be fully understood through robust business cases in order to ensure our resources match service and customer needs. Growth will usually be allowed where costs are offset by external funding, savings or additional income
- Council will not add to other ongoing revenue budgets unless these are unavoidable costs or corresponding savings are identified elsewhere
- Council will use robust business cases to prioritise capital funding so that we have a sustainable Capital Programme that meets statutory responsibilities, benefits the Council's overall revenue budget position, and ensures that existing assets are properly maintained
- Council will maintain an overall level of revenue reserves that are appropriate for the overall level of risks that the organisation faces, in order to overcome any foreseeable financial impact.

### MTFS Budget Assumptions

Key Cost and Income Drivers						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Full Time Equivalents	328	308	308	308	308	308
Pay Award	4.00%	4.00%	2.00%	2.00%	2.00%	2.00%
Employers National Insurance	8.87%	9.36%	9.46%	9.57%	9.66%	9.75%
Employers Pension (%)	16.20%	22.00%	22.00%	22.00%	22.00%	22.00%
Employers Pension (Past Service)	£1,206,520	£697,040	£716,670	£736,290	£1,131,270	£1,181,270
Employers Pension (Other)	£109,260	£108,260	£111,540	£114,920	£118,400	£121,880
Non-Contractual Inflation (CPI) (OBR)	9.90%	4.10%	0.60%	0.00%	0.80%	1.70%
Non-Contractual Inflation (RPI) (OBR)	12.70%	6.40%	1.20%	1.00%	2.10%	2.90%
Applicable Fees and Charges (minimum)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Council Tax Increase (actual/modelled)	1.50%	0.00%	1.99%	1.99%	1.99%	1.99%
Base Rate	2.34%	4.63%	3.39%	3.00%	3.00%	3.00%
Investment Return	2.55%	4.21%	3.81%	3.50%	3.50%	3.50%
Key Demand Drivers						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Population Projections	105,709	106,073	106,432	106,749	107,070	107,398
Residential Properties	47,939	48,488	49,183	49,918	50,420	50,922
Business Properties	3,040	3,041	3,041	3,041	3,041	3,041
Number of visitors to the district	2,200,000	2,500,000	2,600,000	2,700,000	2,800,000	2,900,000

	% Increase
Population Projections	1.60%
Residential Properties	6.22%
Business Properties	0.03%
Number of visitors to the district	31.82%

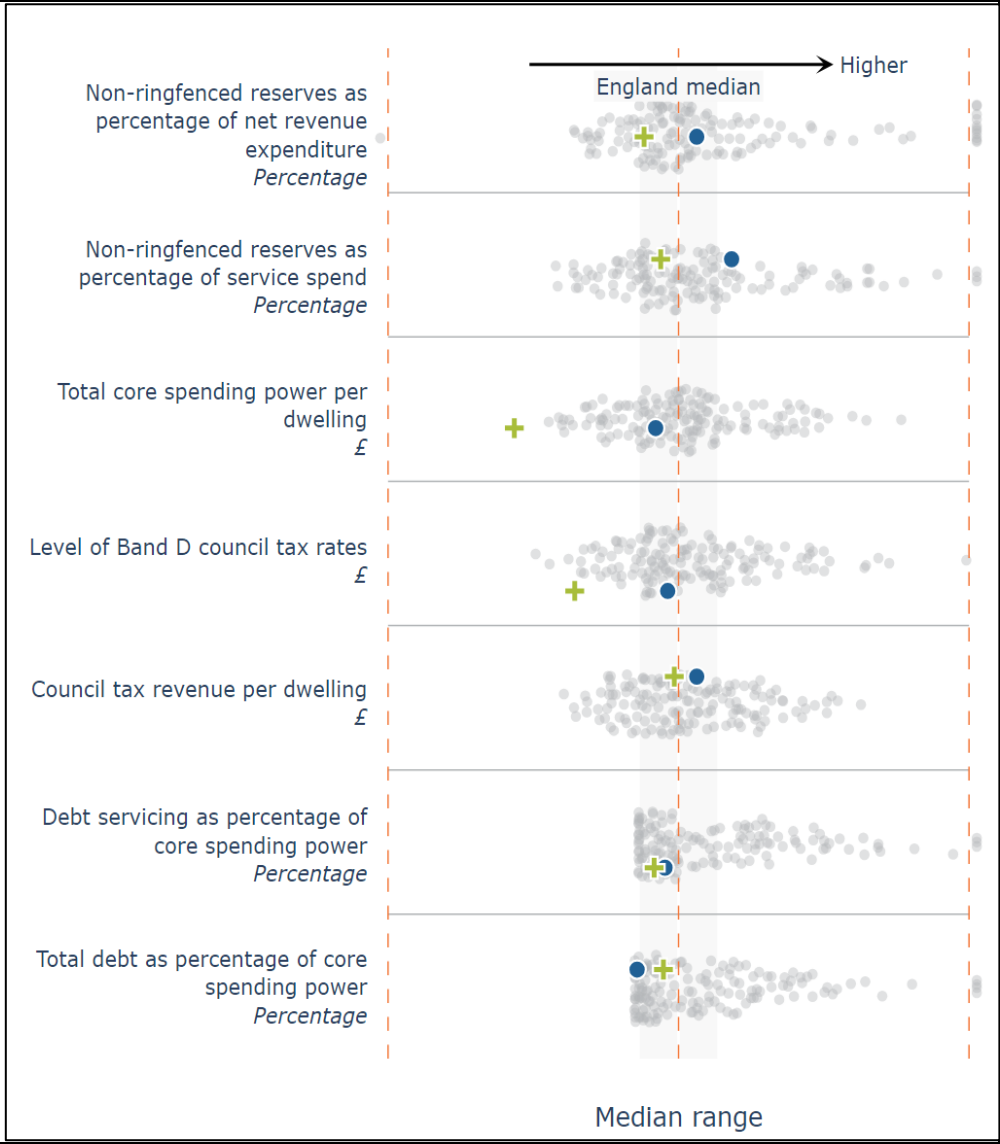
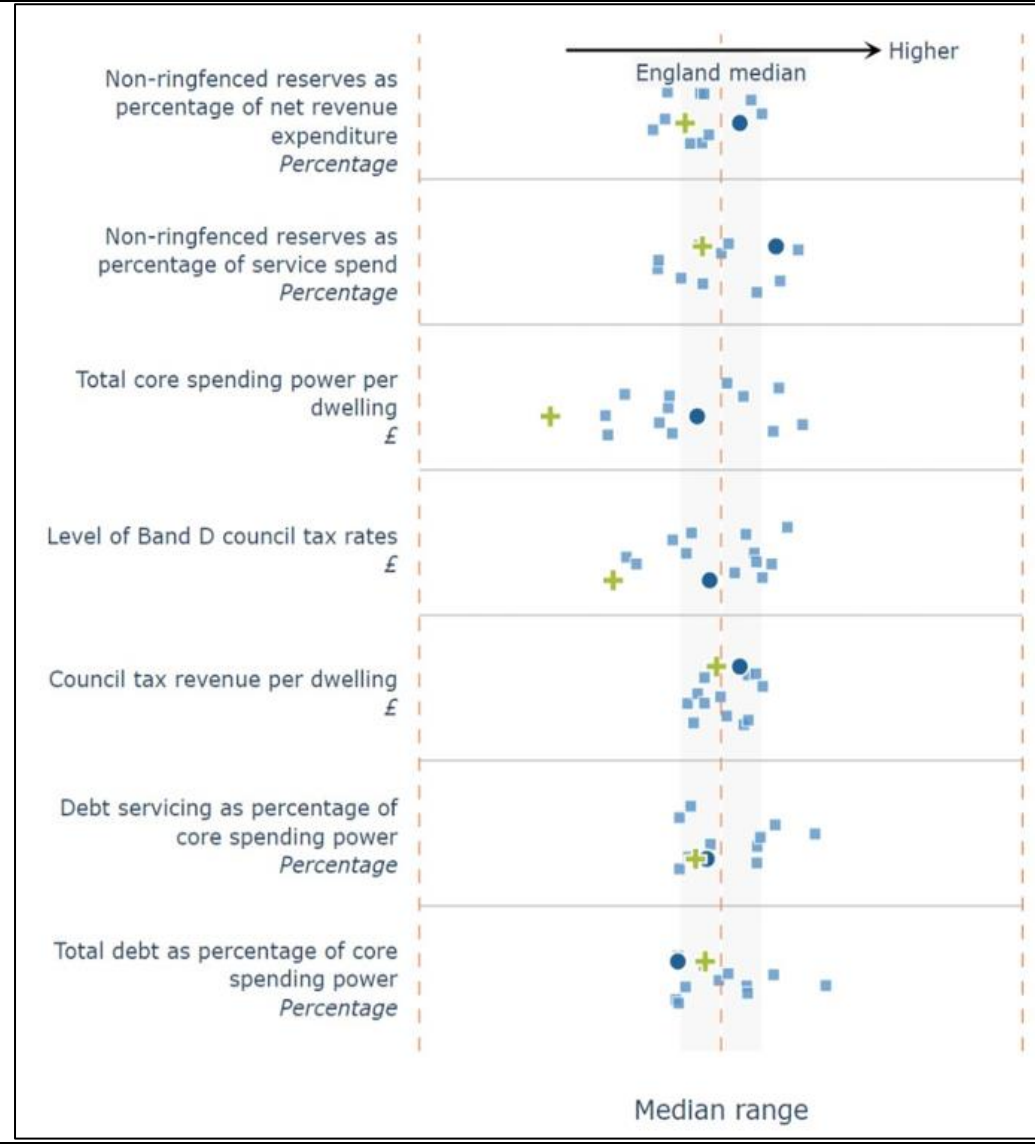
The current inflation projections being using to develop the MTFS at a more granular level are:

	2023/24	2024/25	2025/26	2026/27	2027/28
Salaries & Wages	4.00%	2.00%	2.00%	2.00%	2.00%
Electricity	20.00%	10.00%	10.00%	10.00%	10.00%
Gas	9.00%	10.00%	10.00%	10.00%	10.00%
Water	3.00%	3.00%	3.00%	3.00%	3.00%
Fuel	9.40%	5.00%	5.00%	5.00%	5.00%
ICT Licenses	10.00%	10.00%	10.00%	10.00%	10.00%
Telephone & Mobiles	3.00%	3.00%	3.00%	3.00%	3.00%
Business Rates	3.74%	6.00%	2.00%	2.00%	2.00%
Postage	3.00%	3.00%	3.00%	3.00%	3.00%
Insurances	5.00%	5.00%	5.00%	5.00%	5.00%
Investment Income	4.21%	3.81%	3.50%	3.50%	3.50%

Office for Local Government – Data Explorer  
(Lichfield DC = blue dot, South Staffordshire DC = green cross)

Nearest Neighbours

District Councils






## Local Taxation Information

## Council Tax


- In 2023/24, Lichfield's Council Tax rate was 3.5% higher than the nearest neighbour average, and 10.1% lower than the England average.

## Tax rate (per Band D equivalent)




Your authority		£188
Nearest neighbours		£181
England		£209

- Changes in your authority's Council Tax rate:

## In 2023/24


Your authority		+0.0%
Nearest neighbours		+2.2%
England		+2.6%

## Over past five years\*\*

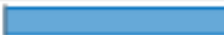


Your authority		+10.1%
Nearest neighbours		+12.0%
England		+12.5%

- Changes in your authority's Council Tax base (Band D equivalent properties):

## In 2023/24

Your authority		+2.1%
Nearest neighbours		+1.0%
England		+1.4%

## Over past five years

Your authority		+8.5%
Nearest neighbours		+6.0%
England		+6.0%

## Non-domestic rates

- Change in the rateable value of non-domestic properties, for your authority or billing authorities:

## In 2023/24 (forecast)

Your authority		+1.3%
Nearest neighbours		+0.1%
England		-0.2%




## Over past five years

Your authority		-0.3%
Nearest neighbours		+3.6%
England		+1.2%

- Retained business rate income:

In 2023/24, your authority's retained business rates income was forecast to be 41.6% higher than its baseline funding level (i.e. its needs-based funding met through business rates).

## Retained rates above or below baseline funding

Your authority		+41.6%
Nearest neighbours		+62.7%
England		+49.8%

## Collection rates

- Council Tax collection rates in 2022/23:

Your authority		98.1%
Nearest neighbours		97.7%
England		96.2%

- Non-domestic tax collection rates in 2022/23:

Your authority		99.2%
Nearest neighbours		97.7%
England		97.1%

↓ Your authority's Council Tax collection rate has decreased from 98.3% in 2021/22.

↑ Your authority's non-domestic collection rate increased from 97.9% in 2021/22.

## Approved Revenue Budget

(Includes a projection for 2027/28)

	2023/24 Original Budget 2023/24 £000	2023/34 Approved Budget 2023/34 £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 Projection £000
<b>LEVEL OF UNCERTAINTY / RISK</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>HIGH</b>	<b>HIGH</b>
Enabling people	1,480	1,862	2,003	1,745	1,780	1,814
Shaping place	4,004	4,439	4,461	4,589	4,684	4,858
Developing prosperity	(721)	(790)	(1,284)	(838)	(1,010)	(1,010)
A good council	9,632	9,506	8,993	7,102	7,659	7,856
<b>Net Cost of Services</b>	<b>14,395</b>	<b>15,017</b>	<b>14,173</b>	<b>12,598</b>	<b>13,113</b>	<b>13,518</b>
Corporate expenditure	(580)	(726)	(805)	(230)	(112)	(386)
<b>Net Operating Cost</b>	<b>13,815</b>	<b>14,291</b>	<b>13,368</b>	<b>12,368</b>	<b>13,001</b>	<b>13,132</b>
Retained Business Rates Baseline Funding	(2,196)	(2,196)	(2,359)	(2,287)	(2,333)	(2,379)
Retained Business Rates Growth Allowance	(1,268)	(1,268)	(1,132)	0	0	0
Business Rates Cap	(680)	(680)	(671)	0	0	0
Revenue Support Grant	(106)	(106)	(114)	406	434	462
Services Grant	(82)	(82)	(82)	0	0	0
Funding Guarantee Grant	(561)	(561)	(582)	0	0	0
Transitional Funding	0	0	0	(747)	(782)	(764)
New Homes Bonus - Base Budget	(992)	(992)	(570)	0	0	0
Collection Fund (Surplus)/Deficit	(316)	(316)	0	0	0	0
Council Tax	(7,614)	(7,614)	(7,858)	(8,124)	(8,416)	(8,682)
<b>Total Funding</b>	<b>(13,815)</b>	<b>(13,815)</b>	<b>(13,368)</b>	<b>(10,752)</b>	<b>(11,097)</b>	<b>(11,363)</b>

<b>Approved Funding Gap</b>	<b>0</b>	<b>476</b>	<b>0</b>	<b>1,616</b>	<b>1,903</b>	<b>1,770</b>
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## Reconciliation of the Original Budget Funding Gap to the Approved Funding Gap

	Cabinet or Decision Date	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
<b>Original Budget Council 14/02/2023</b>		<b>0</b>	<b>0</b>	<b>1,616</b>	<b>1,903</b>	<b>1,770</b>
<b>Budget Monitoring in 2023/24</b>						
Money Matters	05/09/2023	476	0	0	0	0
<b>Approved Budget</b>		<b>476</b>	<b>0</b>	<b>1,616</b>	<b>1,903</b>	<b>1,770</b>

## Approved Revenue Budget in 2024/25

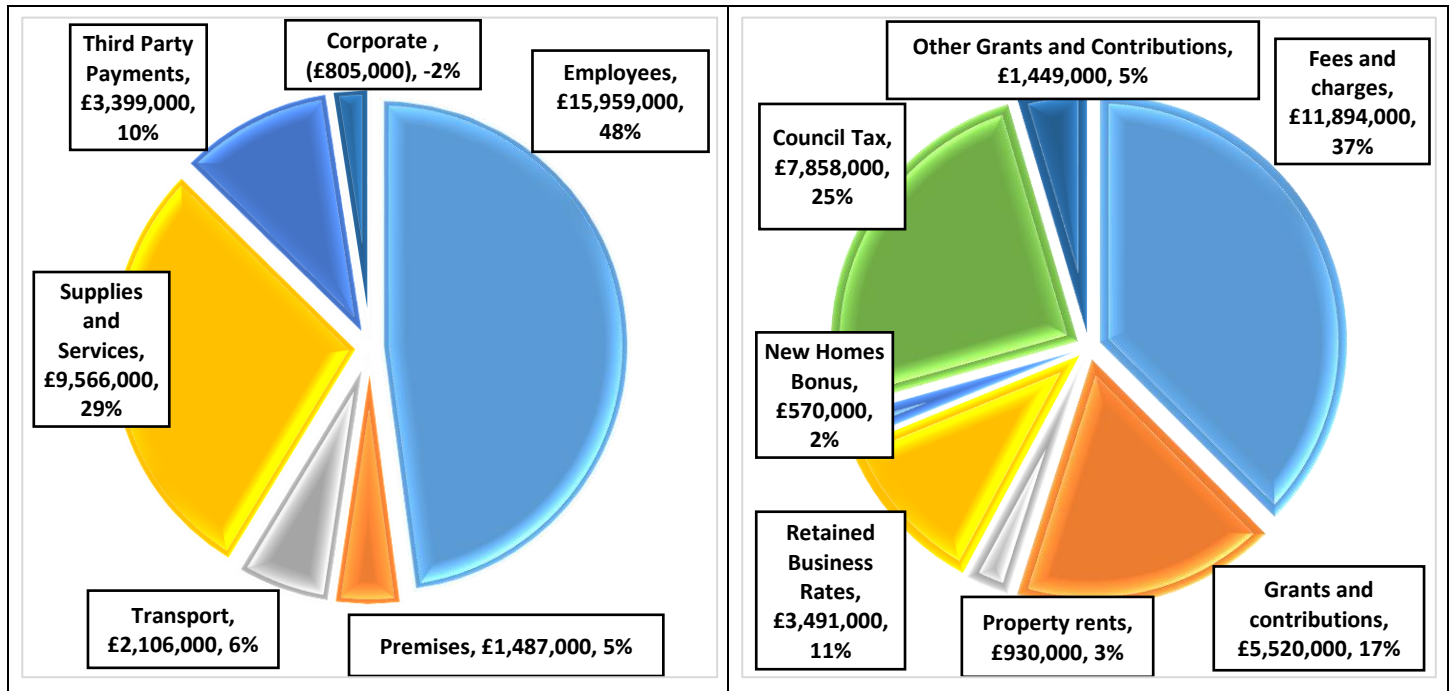
	2024/25 £000
Gross Expenditure (Exc. Housing Benefits)	£31,712
External Income (Exc. Housing Benefits)	(£18,344)
<b>Net Revenue Expenditure</b>	<b>£13,368</b>
Revenue Funding	(£13,368)
<b>Approved Budget Funding Gap</b>	<b>£0</b>

Savings Proposals	£0
<b>Sub Total Savings/Income Delivery Pressures</b>	<b>£0</b>

<b>Projected Funding Gap</b>	<b>£0</b>
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### The Approved Revenue Budget in 2024/25

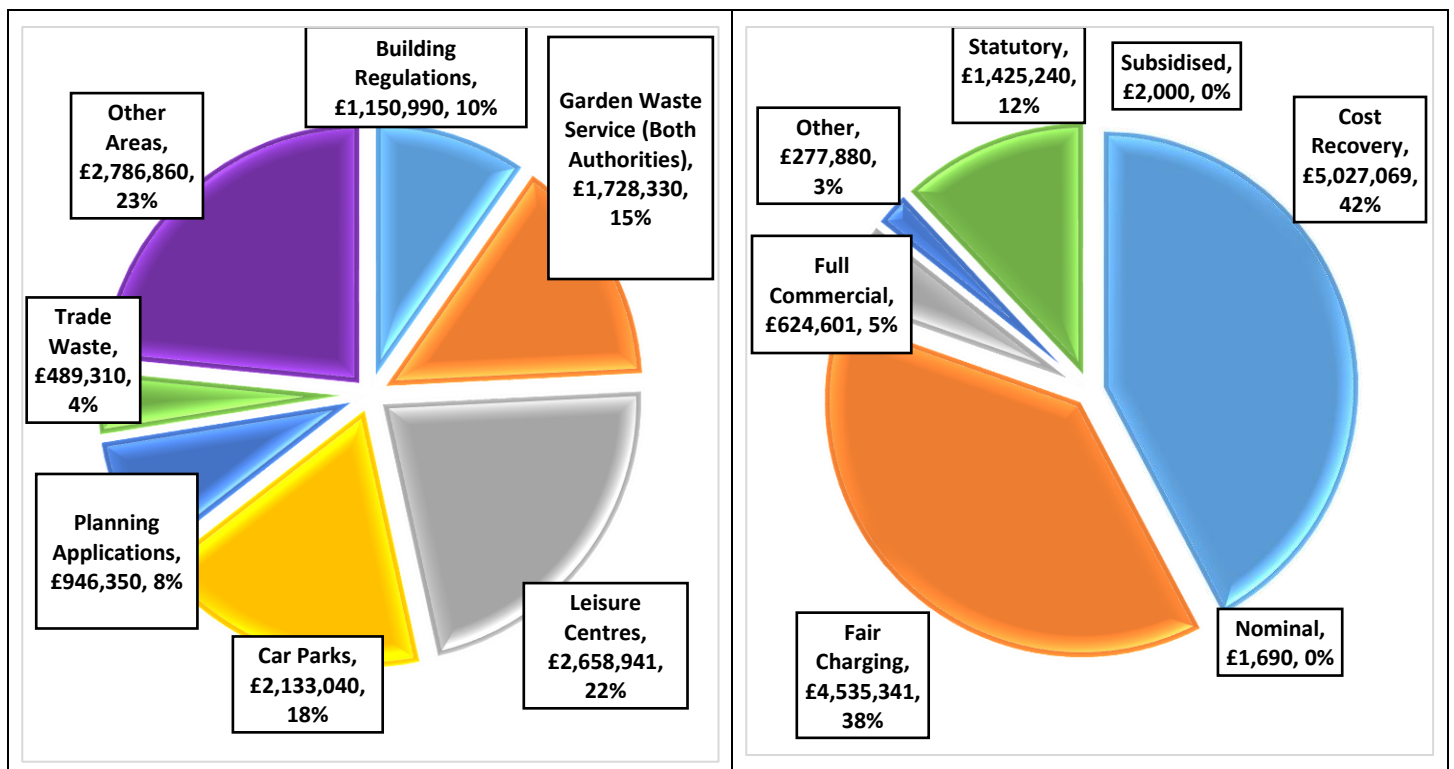
The Approved Revenue Budget for 2024/25 is shown in detail above. The gross revenue expenditure of **£31,712,000** by type of expenditure and the External income of **(£18,344,000)**, funding of **(£13,368,000)**, that total **(£31,712,000)** for 2024/25 are shown below:



Fees and charges are assuming a greater significance in terms of funding revenue expenditure that has increased with the insourcing of leisure centres and therefore the level of financial risk is also increasing.

In 2024/25, fees and charges are budgeted to be **(£11,894,000)** equating to **37%** of the gross revenue expenditure and are projected to increase to **(£12,840,000)** by 2027/28.

Therefore, to ensure sufficient transparency and oversight in this increasingly important area, the detailed schedule of fees and charges Approved Budgets for 2024/25 and beyond is shown below and in summary by main income stream and pricing policy for 2024/25 below:



## Sales, Fees and Charges Approved Budgets

	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Cost Recovery</b>					
Abandoned Vehicles	(£500)	(£500)	(£500)	(£500)	(£500)
Active Lichfield	(£1,080)	(£1,110)	(£1,110)	(£1,110)	(£1,110)
Beacon Park	(£73,590)	(£75,350)	(£75,350)	(£77,350)	(£79,350)
Building Control Register EIR	(£14,510)	(£14,510)	(£14,510)	(£14,510)	(£14,510)
Building Regulations-Chargeable Account	(£1,113,290)	(£1,136,480)	(£1,158,830)	(£1,181,640)	(£1,204,930)
Burntwood Leisure Centre	(£113,507)	(£111,679)	(£123,622)	(£132,096)	(£138,755)
Burntwood Parks	(£4,790)	(£4,880)	(£4,880)	(£5,030)	(£5,180)
Bus Station	(£21,000)	(£21,000)	(£21,000)	(£21,000)	(£21,000)
Civic Services	(£3,100)	(£3,100)	(£3,100)	(£3,100)	(£3,100)
Closed Circuit Television	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)
Communications and Information	(£5,400)				
Community Lottery	(£12,000)	(£12,000)	(£12,000)	(£12,000)	(£12,000)
Corporate Debt Recovery	(£6,210)	(£10,300)	(£10,300)	(£10,300)	(£10,300)
Corporate Management	(£2,020)	(£1,510)	£670	£1,240	£1,810
Democratic Services	(£18,750)	(£18,750)	(£18,750)	(£18,750)	(£18,750)
District Council House	(£3,400)	(£3,400)	(£3,400)	(£3,400)	(£3,400)
ICT	(£4,500)	(£4,500)	(£4,500)	(£4,500)	(£4,500)
Environmental Protection	(£7,230)	(£7,230)	(£7,230)	(£7,230)	(£7,230)
Food Safety	(£17,290)	(£17,620)	(£17,620)	(£18,120)	(£18,620)
Friary Grange Leisure Centre	(£2,373)	(£2,330)	(£2,606)	(£2,802)	(£2,956)
Grounds Maintenance	(£292,820)	(£325,290)	(£325,290)	(£325,290)	(£325,290)
Health and Safety	(£190)	(£190)	(£190)	(£190)	(£190)
Housing Enforcement and Licensing	(£1,500)	(£1,500)	(£1,500)	(£1,500)	(£1,500)
Housing Options and Homelessness	(£9,000)	(£9,000)	(£9,000)	(£9,000)	(£9,000)
Investment Properties	(£10,920)	(£10,920)	(£10,920)	(£10,920)	(£10,920)
Joint Waste Service	(£1,711,640)	(£1,728,330)	(£1,734,360)	(£1,780,320)	(£1,826,280)
Joint Waste Service	(£5,060)	(£5,060)	(£5,060)	(£5,060)	(£5,060)
Licensing	(£211,920)	(£211,920)	(£211,920)	(£211,920)	(£211,920)
Lichfield Car Parks	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)
Lichfield Parks	(£3,160)	(£3,200)	(£3,190)	(£3,180)	(£3,170)
Lichfield Tourism Information	(£14,250)	(£14,510)	(£14,510)	(£14,510)	(£14,510)
Local Land Charges - LDC	(£310,740)	(£316,600)	(£322,620)	(£330,720)	(£338,820)
Leisure Invest to Save	(£2,270)	(£3,360)	(£4,490)	(£5,650)	(£6,810)
Planning Applications	(£58,860)	(£58,860)	(£58,860)	(£58,860)	(£58,860)
Plant Lane Depot	(£3,500)	(£3,500)	(£3,500)	(£3,500)	(£3,500)
Promotion of District	(£6,900)	(£7,030)	(£7,030)	(£7,030)	(£7,030)
Revenue Collection	(£211,150)	(£211,150)	(£211,150)	(£216,850)	(£222,550)
Spatial Policy and Delivery Service	(£12,150)	(£12,370)	(£12,370)	(£12,670)	(£12,970)
Stowe and Minster Pools	(£920)	(£950)	(£950)	(£950)	(£950)
Street Cleansing	(£122,690)	(£124,860)	(£124,860)	(£128,060)	(£131,260)
Street Naming and Numbering	(£39,860)	(£40,190)	(£40,190)	(£41,140)	(£42,090)
Tours	(£5,400)	(£5,540)	(£5,580)	(£5,620)	(£5,660)
Trade Waste Collection - Recycling	(£80,430)	(£81,230)	(£82,040)	(£82,860)	(£83,680)
Trade Waste Collection - Refuse	(£403,260)	(£403,260)	(£403,260)	(£403,260)	(£403,260)
<b>Cost Recovery Total</b>	<b>(£4,945,130)</b>	<b>(£5,027,069)</b>	<b>(£5,073,478)</b>	<b>(£5,173,258)</b>	<b>(£5,271,661)</b>
<b>Fair Charging</b>					

**APPENDIX D**

	2023/24	2024/25	2025/26	2026/27	2027/28
Beacon Park	(£34,000)	(£34,000)	(£34,000)	(£34,000)	(£34,000)
Burntwood Leisure Centre	(£1,782,117)	(£1,740,747)	(£1,927,318)	(£2,060,933)	(£2,166,910)
Friary Grange Leisure Centre	(£641,483)	(£623,824)	(£697,741)	(£750,184)	(£791,406)
Investment Properties	(£7,960)	(£7,960)	(£7,960)	(£7,960)	(£7,960)
Joint Waste Service	(£80,030)	(£80,030)	(£80,030)	(£80,030)	(£80,030)
Lichfield Car Parks	(£2,011,790)	(£2,048,780)	(£2,045,750)	(£2,099,970)	(£2,152,370)
<b>Fair Charging Total</b>	<b>(£4,557,380)</b>	<b>(£4,535,341)</b>	<b>(£4,792,799)</b>	<b>(£5,033,077)</b>	<b>(£5,232,676)</b>
<b>Full Commercial</b>					
Burntwood Leisure Centre	(£153,649)	(£150,913)	(£168,794)	(£181,481)	(£191,453)
Friary Grange Leisure Centre	(£29,982)	(£29,448)	(£32,937)	(£35,413)	(£37,359)
LWMTS	(£61,000)	(£273,000)	(£200,000)	(£200,000)	(£200,000)
Leisure Centre Contract	(£171,240)	(£171,240)	(£171,240)	(£171,240)	(£171,240)
<b>Full Commercial Total</b>	<b>(£415,871)</b>	<b>(£624,601)</b>	<b>(£572,971)</b>	<b>(£588,134)</b>	<b>(£600,052)</b>
<b>Nominal</b>					
Investment Properties	(£1,500)	(£1,500)	(£1,500)	(£1,500)	(£1,500)
Public Conveniences	(£190)	(£190)	(£190)	(£190)	(£190)
<b>Nominal Total</b>	<b>(£1,690)</b>	<b>(£1,690)</b>	<b>(£1,690)</b>	<b>(£1,690)</b>	<b>(£1,690)</b>
<b>Other</b>					
Digital Team	(£149,600)	(£152,700)	(£157,400)	(£162,530)	(£168,750)
Major Projects	(£121,260)	(£125,180)	(£129,060)	(£133,230)	(£137,520)
<b>Other Total</b>	<b>(£270,860)</b>	<b>(£277,880)</b>	<b>(£286,460)</b>	<b>(£295,760)</b>	<b>(£306,270)</b>
<b>Statutory</b>					
CIL	(£39,060)	(£39,060)	(£39,060)	(£39,060)	(£39,060)
Civil Parking Enforcement	(£84,260)	(£84,260)	(£84,260)	(£84,260)	(£84,260)
Electoral Registration	(£1,760)	(£1,760)	(£1,760)	(£1,760)	(£1,760)
Environmental Protection	(£12,280)	(£12,280)	(£12,280)	(£12,280)	(£12,280)
Housing Enforcement and Licensing	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)
Joint Waste Service	(£390,570)	(£390,570)	(£390,570)	(£390,570)	(£390,570)
Planning Applications	(£741,490)	(£741,490)	(£741,490)	(£741,490)	(£741,490)
Planning Fee Increase	(£146,000)	(£146,000)	(£146,000)	(£146,000)	(£146,000)
Trade Waste Collection - Recycling	(£4,820)	(£4,820)	(£4,820)	(£4,820)	(£4,820)
<b>Statutory Total</b>	<b>(£1,425,240)</b>	<b>(£1,425,240)</b>	<b>(£1,425,240)</b>	<b>(£1,425,240)</b>	<b>(£1,425,240)</b>
<b>Subsidised</b>					
Public Conveniences	(£2,000)	(£2,000)	(£2,000)	(£2,000)	(£2,000)
<b>Subsidised Total</b>	<b>(£2,000)</b>	<b>(£2,000)</b>	<b>(£2,000)</b>	<b>(£2,000)</b>	<b>(£2,000)</b>
<b>Grand Total</b>	<b>(£11,618,171)</b>	<b>(£11,893,821)</b>	<b>(£12,154,638)</b>	<b>(£12,519,159)</b>	<b>(£12,839,589)</b>

## The Projected Capital Programme

(Includes a projection for 2027/28)

Project	Projected Capital Programme (R=>500k, A=250k to 500k and G=<250k)						
	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	2026/27 Budget £000	2027/28 Projection £000	Total £000	Corporate
New Build Parish Office/Community Hub	92	0	0	0	0	92	0
Burntwood Leisure Centre Sinking Fund Projects	144	0	0	0	0	144	59
Friary Grange - Short Term Refurbishment	134	0	0	0	0	134	0
Replacement Leisure Centre	5,123	4,647	0	0	0	9,770	400
Accessible Homes (Disabled Facilities Grants)	1,796	1,272	914	914	914	5,810	0
Decent Homes Standard	72	0	0	0	0	72	0
Energy Insulation Programme	22	22	25	25	25	119	0
Unallocated S106 Affordable Housing Monies	264	21	0	0	0	285	0
Vehicle Replacement Programme - Env Health	0	0	0	20	0	20	0
Conversion of 36a Bore Street	492	0	0	0	0	492	360
Streethay Community Centre	850	0	0	0	0	850	0
Changing Places Fund	36	0	0	0	0	36	0
Zip Wire in Burntwood	30	0	0	0	0	30	0
Burntwood Community Hub	250	0	0	0	0	250	0
Climbing Wall at Burntwood Leisure Centre	50	50	0	0	0	100	0
Pre-school soft play facility at Burntwood Leisure C	50	50	0	0	0	100	0
Adventure Golf at Beacon Park	150	150	0	0	0	300	0
Obstacle Course at Beacon Park	0	150	0	0	0	150	0
Paddle Tennis courts	200	200	0	0	0	400	0
New 3G Pitch in Lichfield	200	200	0	0	0	400	0
Mavesyn Ridware Village Hall Play Area	5	0	0	0	0	5	0
Fence at Chasetown Memorial Bowling Green	10	0	0	0	0	10	0
Fradley BMX Pumptrack	33	0	0	0	0	33	0
Upgrading electrical heating in St Stephens Church	4	0	0	0	0	4	0
<b>Enabling People Total</b>	<b>10,007</b>	<b>6,762</b>	<b>939</b>	<b>959</b>	<b>939</b>	<b>19,606</b>	<b>10,007</b>
Loan to Council Dev Co.	150	0	0	0	0	150	0
Lichfield St Johns Community Link (CIL)	35	0	0	0	0	35	0
Lichfield Public Conveniences	40	0	0	0	0	40	40
Vehicle Replacement Programme (Waste)	0	0	6,000	0	0	6,000	0
Bin Purchase	150	150	150	150	150	750	0
Dual Stream Recycling	31	0	0	0	0	31	0
Vehicle Replacement Programme (Other)	318	247	217	0	207	989	255
Falkland Road Fosseyway Canal Walk	260	0	0	0	0	260	0
Burntwood Public Conveniences	45	0	0	0	0	45	0
<b>Shaping Place Total</b>	<b>1,029</b>	<b>397</b>	<b>6,367</b>	<b>150</b>	<b>357</b>	<b>8,300</b>	<b>295</b>
Vehicle Replacement Programme (Car Parks)	0	0	0	10	0	10	0
Coach Park	349	0	0	0	0	349	288
Car Parks Variable Message Signing	130	0	0	0	0	130	0
Pay on Exit System at Friary Multi Storey	2	0	0	0	0	2	0
Pay on Exit System at Lombard Street	150	0	0	0	0	150	0
Electric Vehicle Charge Points	80	0	0	0	0	80	0
BRS Enabling Works	1,070	0	0	0	0	1,070	0
Cinema Development	3,795	1,929	0	0	0	5,724	828
32-44 Bakers Lane	1,582	0	0	0	0	1,582	1478
Incubator Space	0	403	0	0	0	403	-143
New 3G Pitch at Chasetown Football Club	100	0	0	0	0	100	0
Small scale investment in micro and small	200	0	0	0	0	200	0
Development and promotion of the visitor econ.	100	0	0	0	0	100	0
Active travel enhancements in the local area	100	0	0	0	0	100	0
Incubator Phase 3	380	0	0	0	0	380	80
<b>Developing Prosperity Total</b>	<b>8,038</b>	<b>2,332</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10,380</b>	<b>2,531</b>
Property Planned Maintenance	133	61	190	230	230	844	614
IT Infrastructure	254	50	175	175	175	829	554
ICT Hardware	0	0	0	0	0	0	0
Building a Better Council	77	0	0	0	0	77	77
Committee Audio-Visual Hybrid Meeting Platform	85	0	0	0	0	85	85
<b>Good Council Total</b>	<b>549</b>	<b>111</b>	<b>365</b>	<b>405</b>	<b>405</b>	<b>1,835</b>	<b>1,330</b>
<b>Projected Capital Programme</b>	<b>19,623</b>	<b>9,602</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>40,121</b>	<b>4,975</b>



Funding Source	Projected Capital Programme					
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Capital Receipts	3,299	73	0	222	0	3,594
Capital Receipts - Housing	360	0	0	0	0	360
Revenue - Corporate	173	100	565	183	0	1,021
<b>Corporate Council Funding</b>	<b>3,832</b>	<b>173</b>	<b>565</b>	<b>405</b>	<b>0</b>	<b>4,975</b>
Grant	3,114	2,261	939	939	939	8,192
Section 106	692	133	0	0	0	825
CIL	1,645	800	0	0	0	2,445
Reserves	7,831	3,660	17	30	612	12,150
Revenue - Existing Budgets	150	150	150	150	150	750
Leases	0	0	6,000	0	0	6,000
Internal Borrowing	2,359	2,425	0	0	0	4,784
<b>Total</b>	<b>19,623</b>	<b>9,602</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>40,121</b>
<b>External Borrowing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Funding</b>	<b>19,623</b>	<b>9,602</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>40,121</b>

### Reconciliation of the Original Capital Programme to this Projected Capital Programme

	Cabinet or Decision Date	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<b>Original Budget Council 28/02/2023</b>		<b>15,420</b>	<b>9,728</b>	<b>7,671</b>	<b>1,524</b>	<b>0</b>	<b>34,343</b>
<b>Approved Changes</b>							
Slippage from 2022/23	27/06/2023	1,566	(272)				1,294
Allocation of S106 Monies	24/02/2023	42					42
Burntwood Leisure Centre	27/06/2023	85					85
Cabinet Member Briefing Note - Re-allocation of funding for Chasetown Memorial Park	27/03/2023	10					10
A Cinema for Lichfield District	27/06/2023	1,875	146				2,021
Rural England Prosperity Fund	27/06/2023	100	300				400
Money Matters Quarter 1 <sup>2</sup>	05/09/2023	250					250
<b>Projections</b>							
Decent Homes Standard	10/10/2023	(25)					(25)
Long Term Model	28/02/2023					1,701	1,701
<b>Projected Capital Programme</b>		<b>19,623</b>	<b>9,602</b>	<b>7,671</b>	<b>1,524</b>	<b>1,701</b>	<b>40,121</b>

<sup>2</sup> Streethay Community Centre increase assumes approval by Council.

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## LWMTS Annual Report 2022/23

Cabinet Member for Finance and Commissioning, Cabinet Member for Leisure, Parks and Major Projects

Date:	10 <sup>th</sup> October 2023
Agenda Item:	4
Contact Officer:	Simon Fletcher, Kerry Dove
Tel Number:	01543 308001,01543 308068
Email:	<a href="mailto:Simon.fletcher@lichfielddc.gov.uk">Simon.fletcher@lichfielddc.gov.uk</a> , <a href="mailto:Kerry.dove@lichfielddc.gov.uk">Kerry.dove@lichfielddc.gov.uk</a>
Key Decision?	NO
Local Ward Members	N/A



**CABINET**

## 1. Executive Summary

- 1.1 The Council is the 100% shareholder of Lichfield West Midlands Trading Services.
- 1.2 The shareholder agreement and the articles of association ensure the Council retains oversight of operations and direct control over the most important governance aspects of decision making. The agreement includes the requirement for the shareholder to receive reports on performance.
- 1.3 The Annual Report 2022/23 reviews performance over the financial year, as well as looking forward. The report also meets statutory reporting requirements set out in Section 172 of the Companies Act

## 2. Recommendations

- 2.1 Cabinet receive and agree the LWMTS Annual Report 2022/23.

## 3. Background

- 3.1 Like many local authorities, Lichfield District Council established a wholly owned trading company in 2019 called Lichfield Housing Ltd. The stated purpose of the company at the time was 'to undertake activities for commercial purposes and to trade within the district and beyond' with its focus being within housing development. While a number of sites and buildings were considered for purchase and development none were purchased, and the company did not trade.
- 3.2 In November 2021, Cabinet approved the creation of an improvement programme for the Council called Being a Better Council (BABC). Alongside a comprehensive programme of improvement for the Council itself, the programme included a review of the Council's trading activities (through its local authority trading company) to identify those areas where the Council can operate commercially and trade effectively.
- 3.3 The review identified the initial housing aspirations were niche, long term and would require significant funding. It suggested the Council focus its company on short- and medium-term activities that had an immediate impact for residents and businesses. As a result, in March 2022 the company changed its name to LWM Traded Services Ltd to reflect a change in emphasis and focus on providing a range of professional services initially to Lichfield District Council but with a view to trading them externally at some future point once established.
- 3.4 The Annual Report 2022/23 sets out how LWMTS has performed in its first full year of trading and looks ahead to the future. The report reflects on how LWMTS has delivered against the 2022/23 Business Plan which was agreed by Cabinet Member Decision. At the beginning of the year LWMTS set out to establish three main services:

- Landlord Services – acting as Corporate Landlord for the Council, managing and maintaining the 187 assets owned or leased by the Council. During the year, the team undertook 230 site inspections, negotiated 18 new leases, maintained the Council’s 18 buildings and completed 268 reactive maintenance requests
- Project Management – the Company manages all major building projects of a capital and revenue nature. This year, the team managed £1.1m of building contracts, creating 11 new offices in our new Business Hub in District Council House (DCH) and planned for a further 9 offices for tenants. In addition, it created and now runs Penni Uni at DCH, a Community Café set up to cater to the needs of Council staff, tenants and visitors to the building.
- Talent Acquisition - The Company is setting itself up, after a number of earlier unsuccessful attempts, to provide comprehensive Talent Acquisition services to the Council, and will be responsible for sourcing, attracting, hiring, and onboarding new office-based employees. A highlight for the TA function this year was recruiting the roles in the new Senior and Wider Leadership Teams of the Council using this new technique and proving it is the right way to attract talent.

3.5 The updated Business Plan (April 2023) which was agreed by Cabinet Member Decision outlines new service areas for 2023/24. Prior to the end of 2022/23, and in readiness for 2023/24, the Company agreed to expand into three new areas:

- Communications – The Council transferred management of its Communications Functions into the Company. The Council has challenged the Company to provide a more well-resourced, motivated and well-equipped service.
- Leisure Services – Since April 2023, the Company has managed the Council’s Leisure Centres. In addition the Company will project manage the delivery of new sports and leisure centres being provisioned through Community Infrastructure Levy funding.
- Disabled Facilities Grant (DFG) – Since April 2023, the Company has managed the DFG Service which has previously been provided externally. A significant backlog of applications and grant awards has been inherited as the function has transferred.

3.6 The strategy for growth for the Company is to continue to transfer appropriate services from the Council where doing so will provide the freedoms and flexibilities to offer better services to our residents and businesses, and to continue to look for opportunities to be innovative and entrepreneurial, introducing services that can contribute income or that can be traded to other organisations.

3.7 The Annual Report provides both the Company and the Council the opportunity to reflect on all that has been achieved in 2022/23 and look forward to the future.

Alternative Options	To request changes to the LWMTS Annual Report 2022/23
Consultation	A draft of the Annual Report 2022/23 was shared with Group Leaders and Deputies in August 2023 for comment.
Financial Implications	The Annual Report 2022/23 does not include any further financial burdens that haven’t already been considered by Cabinet as part of agreeing updates to the Business Plan.  A summary of accounts has been provided in the Annual Report 2022/23.
Approved by Section 151 Officer	Yes

<b>Legal Implications</b>	<p>The shareholder agreement and the articles of association ensure the Council retains oversight of operations and direct control over the most important governance aspects of decision making.</p> <p>The Company can only act in accordance with the Business Plan. Changes to the Business Plan will require Shareholder (i.e. Council) approval.</p> <p>Directors are required to act in the best interests of the company and there is potential for conflicts of interest with their Council roles, processes are in place to manage potential conflicts.</p>
Approved by Monitoring Officer	Yes

<b>Contribution to the Delivery of the Strategic Plan</b>	<p>The Company supports the ambition to:</p> <ul style="list-style-type: none"> <li>• Be a good Council that is: <ul style="list-style-type: none"> <li>- Financially sound</li> <li>- Transparent and accountable</li> <li>- Responsive and customer focussed</li> </ul> </li> </ul>
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<b>Equality, Diversity and Human Rights Implications</b>	There are no equality, diversity and human rights implications.
EIA logged by Equalities Officer	No – not required

<b>Crime &amp; Safety Issues</b>	There are no crime and safety issues associated.
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<b>Data assessment</b>	Not required
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<b>Environmental Impact (including Climate Change and Biodiversity).</b>	There are no environmental impacts
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<b>GDPR / Privacy Impact Assessment</b>	Not required
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	<b>Risk Description &amp; Risk Owner</b>	<b>Original Score (RYG)</b>	<b>How We Manage It</b>	<b>Current Score (RYG)</b>
A	There is insufficient capacity in support services to enable advice and guidance to be provided to the Company.	Severity of Risk: Yellow Likelihood : Red Impact: Yellow	No income is assumed from the Company for services provided to the Company in the Council's Approved Budget.	Severity of Risk: Green Likelihood : Green Impact: Green
B	The Council and Company inadvertently breaches Procurement (TEKKAL) /	Severity of Risk: Red Likelihood :	Appropriate advice will be taken as Business Cases are developed to ensure risks are identified together with	Severity of Risk: Green Likelihood :

	Subsidy Control / Transfer Pricing Requirements.	Red Impact: Red	appropriate risk management approaches. The Council will monitor the 20% level based on the Business Plan provided by LWMTS with a 10% warning threshold.	Green Impact: Green
C	Service standards are not achieved or fraud, corruption or financial mismanagement occurs in the Company	Severity of Risk: Green Likelihood : Green Impact: Yellow	Internal Audit will continue to have a role in assessing the suitability of internal controls as part of the Council's approach to governance oversight and financial stewardship of the Company. It will also include any Open Book' arrangements and agreement requirements for audit 'access' to records/systems and employees.	Severity of Risk: Green Likelihood: Green Impact: Green
D	The Company does not have the required support infrastructure to manage its expanded portfolio	Severity of Risk: Yellow Likelihood : Yellow Impact: Yellow	The income from leisure centres will be retained by the Council with LWMTS receiving a management fee. The Council can account for the expenditure and income through its finance system until the necessary infrastructure is in place.	Severity of Risk: Green Likelihood : Green Impact: Green
E	The Company does not have the required skills and capacity on the Board to manage its expanded portfolio	Severity of Risk: Yellow Likelihood : Yellow Impact: Yellow	As agreed in the Audit Plan, there will be an internal audit conducted in Q3 of 2023/24 on the LATCo which will consider governance arrangements	Severity of Risk: Green Likelihood : Green Impact: Green

**Background documents**

- Cabinet Member Decision May 2023 – LWMTS Business Plan
- Cabinet Member Decision October 2022 – LWMTS Business Plan

**Relevant web links**



Draft

# Annual Review 2022/2023

# LWMTS

Lichfield West Midlands Traded Services Limited

stronger together

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# Section 1 Introduction



# Highlights from the year

**£509k**  
Turnover



**Profit**  
**£13.6k**

**3** services

Landlord Services  
Project Management  
Talent Acquisition

**3** planned new services

Leisure  
Communications  
Disabled Facilities Grant

**£1.1m**

**Building contracts managed**

**187**

**Assets managed**

**18**

**Buildings Maintained**

**437**

**Public Enquiries**

**268**

**Reactive Maintenance Requests**

**230**

**Site Inspections**

**18**

**New leases negotiated**



**Community Cafe set up in District Council House**



**11**

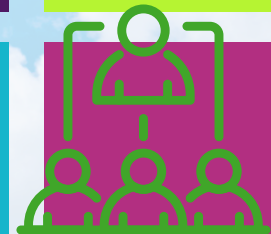
**New tenants in District Council House**

**9**

**New offices planned for additional tenants**

**4**

**Key management roles recruited**



# Introduction

In November 2021, Lichfield District Council's executive, the Cabinet, approved the creation of an improvement programme for the council called **Being a Better Council (BABC)**. Alongside a comprehensive programme of improvement for the Council itself, the programme included a review of the Council's trading activities (through its local authority trading company) to identify those areas where the Council can operate commercially and trade effectively.

Like much of local government, Lichfield District Council established a wholly owned trading company in 2019 (i.e., where 100% of its shares are owned by the Council). The company was called Lichfield Housing Ltd and provided equity of £225k plus a loan facility of £675k (reduced to £150k for up to 5 years). The stated purpose of the company at the time was 'to undertake activities for commercial purposes and to trade within the district and beyond' with its focus being within housing development. While a number of sites and buildings were considered for purchase and development, none were purchased, and the company did not trade.

The review identified that the initial housing aspirations were niche, long term and would require significant funding. It suggested the Council focus its company on short and medium term activities that had an immediate impact for residents and businesses and were achievable without the requirement of so much public funding. As a result, in March 2022 the company changed its name to LWM Traded Services Ltd to reflect a change in emphasis and focus on providing a range of professional services; initially to Lichfield Council but with a view to trading them externally at some future point once established.

A Shareholders agreement and Scheme of Delegation was established clearly setting out the powers, levels of authority and decision-making processes that must be followed and the company began trading in April 2022.

The Company has established its own Board of Directors with its own Managing Director. The Council is fully represented on the Board, with the appointment of a Councillor to it who usually fulfils the role of Chairperson.



**I am pleased to introduce this annual review report setting out our first full year of trading (2022/23) for LWM Traded Services Ltd, a company wholly owned by Lichfield District Council.**

The Council created this company with an ambition to support it to provide services to the residents and businesses of Lichfield district, with any surplus cash to be returned to it for reinvestment in those public services; not lining shareholders' pockets. Our company objective is to be 'creative in our thinking, commercial in our approach, innovative in our delivery'. Our managers are expected to lead with a clear sense of direction and context - owning this objective and the targets set and they are held to account to demonstrate leadership by example and support and encourage staff in the company to perform well in their roles.

Page 36 We are determined to pioneer new ways of delivering public services and generate income to be used in the interests and for the benefit of residents. We want to be the benchmark for other councils across the country, as they look for new ways to meet the demands on their time and funds.

**This report sets out what we did last year to deliver against this ambition and points to what we want to do this year and beyond.**

For statutory reporting purposes, this document provides the strategic and directors report for LWM.

## Performance

The company performed well in 2022/23, achieving the targets set for it by Lichfield District Council. Initial services were introduced and commenced trading, performing well overall; especially our Corporate Landlord and Major Projects teams who did some terrific work in refurbishing District Council House and enabling the introduction to the building of commercial, public and voluntary sector tenants. These new tenants will not only create a more vibrant commercial feeling to the building but also share the circa £250k overhead costs of running it and thus significantly reducing the Council's contribution.

Talent Acquisition has started slowly; we struggled to bring in a specialist lead for the function; instead asking less experienced people to pick up the role, ultimately ineffectively. This taught us an important lesson and in FY23 we will bring in a skilled TA professional to take this activity forward.

Our revenue was strong, we exceeded the financial target to break-even, producing a small surplus at year-end after the management fee was paid to the Council.

# Chair of the Board's Statement

## Strategy and outlook

As set out later in this report, in year two I expect to see a step change in terms of the number, variety and complexity of services we will provide and this in turn will result in a significant growth in revenues.

The strategy for growth of the company is to continue to transfer appropriate services from the council where doing so will provide them with the freedoms and flexibilities they need to be more successful, and to continue to look for opportunities to be innovative and entrepreneurial; introducing services we know will contribute income or that we can trade to other organisations. The board welcomes both the trust the Council is putting in us and the challenges that the new Leisure Centres, Disabled Facilities Grants and Communications services in particular will offer us.

## Board and governance

We had some change to membership of the board this year reflecting the significant change within the Council as it implemented the **Being A Better Council** transformation and new target operating model. Our Chair for the year, Cllr Iain Eadie decided to stand down from Council at the elections in May 2023, so was replaced by myself at the beginning of the new financial year and before this report was finalised.

During the year there were three planned board meetings, which were complemented by specific meetings of the managing director and directors to focus on financial assurance, business development and informal strategic discussions. These meetings were supplemented by adhoc board briefings by the Managing Director.

At the end of the year Breslins came on board and undertook an informal audit of governance. As expected they found that as a young company, governance needs further development in particular as we take on additional activities in the coming year. The board is committed to implementing their recommendations in full.



**Councillor Alex Farrell**  
**Chair of the Board**  
**LWM**



# Managing Director's Statement

**As noted by the Chair in his statement, FY22 was our first year of trading as a company. This first year has exceeded my expectations, and I am delighted we achieved the targets agreed with our shareholder as set out in our first business plan.**

In addition to generating a modest profit for the year, we set about forming the foundations for modern, efficient operations and business growth for the years ahead. The company year has seen us set up to trade, we have established the company's infrastructure, and started to create a high performing culture. The year was busy and not without challenge, but as it progressed and our confidence grew, we have looked to be more creative, commercial, and innovative.

We have started providing our initial services and delivered several significant projects this year, supporting the Councils drive to improve the management and utilisation of its assets. In the second half of the year we invested significant time to ensure that we are ready to take on delivery of the Council's leisure centres and the Disabled Facility Grants services from the previous external providers on 1st April.

I believe we are ready and capable, as we go into year two, of providing high quality, value for money, public services on behalf of Lichfield District Council and of growing external revenue streams which will help enable the Council to protect and enhance its own front-line services.

I would like to thank all the staff both within the Council and the Company for their help and support in establishing the LWM Traded Services Limited. While I appreciate the year ahead will be challenging and at times difficult, I am confident that with the people, the spirit and the culture that exists within the company we will deliver, we will meet our business plans, the expectations of the Council and of its residents.



**Simon Fletcher**  
**Managing Director**





## Section 2 Strategic Report



## Business Review

Our Business Plan for 2022/23 set out to establish three main services (divisions) while achieving a break-even point at year end and this was achieved. The initial services established are **Landlord Services, Project Management** and **Talent Acquisition**.

## Landlord Services

The Company through its property team acts as the Corporate Landlord on behalf of the Council, managing and maintaining the 187 assets (land and buildings) owned or leased by the Council. The Company undertakes and oversees all hard and soft facilities management services together with all planned, remedial and reactive maintenance activities.

We are not only responsible for ensuring the Council's estate is effectively and efficiently managed, maintained and fully compliant in respect of Health & Safety, but we also undertake all property transactions on behalf of the Council including acquisitions, disposals, lettings, rent reviews and associated tenant management.

During the year, the team undertook 230 site inspections, negotiated 18 new leases, maintained the Council's 18 buildings and completed 268 reactive maintenance requests.

## Project Management

In addition to Landlord Services the Company manages all major building projects of a capital and revenue nature to ensure they are delivered on time, on budget and to the required standards and specifications.

This year, the team managed £1.1m of building contracts, creating 11 new offices in our new Business Hub in District Council House and planned for a further nine offices for tenants. In addition, it created and now runs Penni Uni at DCH, a Community Café set up to cater to the needs of Council staff, tenants and visitors to the building.

## Talent Acquisition

Across Local Government throughout the UK, it has become increasingly difficult to find appropriately qualified and skilled staff to fill vacancies. Traditional recruitment campaigns and advertising are failing to deliver the type, quality, and quantity of candidates the Council requires.

The Company is setting itself up, after a number of earlier unsuccessful attempts, to provide comprehensive Talent Acquisition services to the Council and will be responsible for sourcing, attracting, hiring and onboarding new office-based employees. A highlight for the TA function this year was recruiting the roles in the new Senior and Wider Leadership Teams of the Council using this new technique and proving it is the right way to attract talent.

Going forward, the Company will adopt and employ more sophisticated and personal search techniques which will allow for more difficult, complex and critical roles to be recruited to.



# Strategic Report

## Our Employees

Our staff are our most important asset. We have committed to:

**Value them** – reward appropriately, offer challenge and opportunity.

**Invest in them** – develop the Best in the Business. We will ensure staff are professionally trained and qualified and provide career and personal development.

**Hear them** – develop a staff panel for regular opportunities to hear what staff have to say.

We expect our managers to:

- **Lead with a clear sense of direction and context** - owning corporate objectives and targets
- **Demonstrate leadership by example** and support and encourage staff to perform
- **Communicate effectively** so that staff can understand how they are affected
- **Provide clarity** on roles, duties and acceptable standards of performance
- **Support**, be approachable and demonstrate a “can do” attitude
- **Help** deal with challenges and change
- **Give regular constructive feedback** and participate in the appraisal process



## The Future

Prior to year-end and in readiness for the financial year 2023/2024, the Council transferred management of its **Communications Function** to LWM, along with a small number of staff, following normal TUPE arrangements. The Council has challenged the Company to provide a more well-resourced, motivated, and technically well-equipped service capable of identifying and realising commercial opportunities to generate additional income and utilise new technologies to better communicate with residents.

## And the growth continues...

From April 2023, LWM Traded Services will manage the Council's **Leisure Centres** after an agreement was made with the previous provider to exit their contract early, having managed the facilities since 2018. The Friary Grange and Burntwood Leisure facilities will now be managed by the Company with all 137 staff transferring to LWM as part of these arrangements and both facilities being maintained by the company's property team.

In addition, the company will project manage the delivery of new Sports and Leisure Facilities being provisioned through CIL funding namely a Climbing Wall and soft play facilities in Burntwood Leisure Centre, Padel Tennis courts, Adventure Golf and a competitive Obstacle Course in Beacon Park and a 3G pitch at the new leisure centre in Stychbrook Park.

From April 2023, LWM Traded Services will manage on behalf of the Council, the **Disabled Facilities Grant (DFG) Service** which has previously been provided externally and has been transferred back under the control of the local authority. A significant backlog (several hundreds) of applications and grant awards has been inherited by the team as the function transfer back under the Council's control (through its company).

A new team has been recruited and established for the management of the DFG Service. Their first job will be to tackle the backlog inherited which will make for a busy first year of activity. Funding for housing adaptations to enable disabled people to live independently will be administered by the Company who will also help plan, manage and organise works as required. The DFG pays for alterations to a person's home to enable wheelchair access and can include the installation of lifts and ramps, the widening of doors and provision of remote controls for heating and lighting.





## Section 3 Directors' Report



## Principle Activities

LWM was formed in 2019 but its articles of association were amended in 2021 to reflect the new activities desired of it by its owner Lichfield District Council.

The principal activity of LWM is the provision of services to Lichfield District Council, through management contract and service specifications. The company will seek to generate external revenue, in line with TECKAL rules, from providing services to local communities, organisations and businesses in order to generate additional revenues.

## Financial Review

The results of LWM for the year show a profit before tax of £13,604 (2021/22 – loss of £5,185). Trading activity in the year was significantly greater than previous years. Gross profit was £221,150 (2021/22 – £0).

## Directors

Directors during this year were **Simon Fletcher** (from 19/08/21), **Jane Irving** (from 02/09/19, resigned on 25/04/22), **Ben Percival** (from 13/12/21 to 22/09/22), **Elizabeth Barton** (from 26/09/22 to 18/01/23), **CLlr Iain Eadie** (from 22/02/22, resigned 27/06/23), and **Kerry Dove** (from 27/01/23)

## Going Concern

Detailed budgets are prepared supporting the appropriateness of a going concern assumption. The directors have a reasonable expectation the company has adequate resources to continue for at least one year from the date the financial statements were signed.

## Background and Company Structure

LWM Traded Services is limited by shares and is wholly owned by Lichfield District Council. LWM holds 'TECKAL' status (under s12(1) of the Public Contract Regulations 2015) and is designed to trade primarily with its parent authority through contracts under which it provides a range of the Council's services.

As sole shareholder of LWM, Lichfield District Council has established a shareholder representative who is a member of the Council's Cabinet. The Council exercises control over the company through this shareholder representative and holds the company directors to account. The Council entered into a shareholder agreement with the company in 2021, to record and formalise its requirements of LWM. The shareholder representative holds meetings with the company directors as and when required, to receive reports on performance, finances and proposals, to set/confirm the company's strategic direction and enact any matters reserved to the shareholder, including consideration / approval of the annual Business Plan, appointment of directors etc. This annual review report is subject to scrutiny by the Council's Audit & Member Standards Committee and Overview & Scrutiny Committee.

## Company Board

The board is comprised of two members of the Council (officer) Leadership Team and one member of the Council's Cabinet. The current Chair of the Board is the Council's Councillor representative / member of Cabinet.

Quoracy for the company, in terms of decision making, currently relies on all three directors being present. Going forward, the company will consider additional representation on the board, as other Councils have done with their wholly owned companies, as a means to both address this key governance risk and bring new ideas and skills to the company.

## Committees

There are currently no sub-committees of the board.

## Schemes of Delegation

The company Scheme of Delegation enables and facilitates the efficient day-to-day running of the company, while retaining for the board sufficient control over major strategic and operational matters.

The current Scheme of Delegation was approved by the board in early 2022. It will continue to be reviewed to ensure it meets the needs of an increasingly sophisticated management structure as the company grows alongside meeting the need to empower staff to satisfy customer needs while ensuring the board retains adequate authority over and visibility of the significant activities of the company.

## Employees

With the growth of the company, it is important the company continues to place a priority on ensuring its employment policies respect the individual and offer career and personal development opportunities regardless of racial or ethnic origin, gender, age, religion, nationality, disability, sexual orientation, or marital status. Full and fair consideration is given to the employment of all individuals and reasonable adjustments can be made to accommodate the disabilities of LWM employees.



# Directors' Report

## Summary of Accounts

### Income Statement

For the period ended 31 March 2023

	2023	2022
	£	£
Turnover	509,289	0
Cost of sales	-288,139	0
<b>Gross profit</b>	<b>221,150</b>	<b>0</b>
Administrative expenses	-207,546	-5,185
<b>Operating profit/(loss)</b>	<b>13,604</b>	<b>-5,185</b>
<b>Profit (Loss) on ordinary activities before taxations</b>	<b>13,604</b>	<b>-5,185</b>
Tax on profit on ordinary activities	0	0
<b>Profit (Loss) for the financial year</b>	<b>13,604</b>	<b>-5,185</b>

### Statement of Financial Position

FAs at 31 March 2023

	2023	2022
	£	£
<b>Fixed assets</b>		
Tangible fixed assets	668	0
	668	0
<b>Current assets</b>		
Debtors	243,647	1
Cash at bank and in hand	65,422	212,597
	<b>309,069</b>	<b>212,598</b>
<b>Creditors: amount falling within one year</b>	<b>-84,735</b>	<b>-1,200</b>
<b>Net current assets</b>	<b>224,334</b>	<b>211,398</b>
<b>Total assets less current liabilities</b>	<b>225,002</b>	<b>211,398</b>
<b>Net assets</b>	<b>225,002</b>	<b>211,398</b>
<b>Capital and reserves</b>		
Called up share capital	225,001	225,001
Profit and loss account	1	-13,603
<b>Shareholder's funds</b>	<b>225,002</b>	<b>211,398</b>

## Financial Risk Management

Finance and accounting functions are undertaken by Breslins Lichfield Limited, Chartered Accountants on behalf of the company. The Council provides a management fee for the services the company is contracted to provide, quarterly in advance.

LWM's bank balances are managed within the company, in liaison with the Council's Section 151 Officer. The company does not have or require an overdraft facility.

The company contributes fees to the Council for use of its office space. It leases via LDC one vehicle from a commercial supplier.

LDC is the sole shareholder of the company and also its main customer.

## Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Review and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under accordance with that law, the directors have elected to prepare financial statements in according with International Financial Reporting Standards (IFRSs) and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and the profit and loss of the company for that period. In preparing these financial statements, the directors are required to:

- **Select suitable accounting policies and then apply them consistently.**
- **Make judgements and accounting estimates that are reasonable and prudent.**
- **State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in financial statements;**
- **Prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of Disclosure to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the auditor is aware of the information.

By order of the board



**Chair of Board**  
**LWM Traded Services**

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## Company information

**Directors**

**Cllr Alex Farrell**  
**Simon Fletcher**  
**Kerry Dove**  
**Ian Gardner**

**Secretary**

**Company Registration Number** **12184635**

**Incorporation date**

**2 September 2019**

**District Council House**  
**Frog Lane**  
**Lichfield**  
**Staffordshire**  
**WS13 6YY**

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# VOLUNTARY AND COMMUNITY SECTOR (VCS) FUNDING PROGRAMME 2024-2027



Councillor Richard Cox Cabinet Member for Community Engagement

Date:	10th October 2023
Agenda Item:	5
Contact Officer:	Kerry Dove/Lucy Robinson
Tel Number:	01543 308068/01543 308710
Email:	<a href="mailto:Kerry.dove@lichfielddc.gov.uk">Kerry.dove@lichfielddc.gov.uk/</a> <a href="mailto:lucy.robinson@lichfielddc.gov.uk">lucy.robinson@lichfielddc.gov.uk</a>
Key Decision?	YES
Local Ward Members	All

**CABINET**

## 1. Executive Summary

- 1.1 This report seeks the approval of the Voluntary and Community Sector (VCS) Funding Programme Prospectus 2024-2027. The voluntary and community sector plays a vital role in making Lichfield District a confident, prosperous, active, and green place to live, work and visit. Lichfield District Council is committed to working in partnership to support the local voluntary and community sector and the VCS funding is a key element of our ongoing support to the sector.
- 1.2 The available funding to award is £163,000 per year, which is £489,000 for the next 3 financial years as outlined in the Medium Term Financial Strategy 2023- 2027. All awards will be made across the 3 year cycle however organisations are not obliged to apply for the full three years of funding. Continued funding will be awarded over that period for projects that can demonstrate impact and performance.

## 2. Recommendations

- 2.1 To approve the 2024-2027 VCS Funding Prospectus at **Appendix 1** to be launched on the 18<sup>th</sup> October 2023.
- 2.2 To delegate authority to the Cabinet Member for Community Engagement in conjunction with the Chief Operating Officer to agree the funding awards, subject to the awards being within existing budgets and following consultation with an Officer Panel and a Member Panel.

## 3. Background

- 3.1 A thriving and diverse voluntary and community sector is an important component of what makes Lichfield district a great place to live, work and visit. Our draft Lichfield District 2050 Strategy recognises the vital role that a vibrant local voluntary and community sector has to make Lichfield district the most confident, prosperous, active, and green part of the country by 2050.
- 3.2 In March 2022 we published our Community Power Strategy, setting out our vision to understand, engage and involve communities in everything we do. Key to empowering communities is ensuring that local community groups can grow, sustain, and thrive. Lichfield District Council is committed to working in partnership to support our local voluntary and community sector. As well as the VCS Funding Programme, other key initiatives include:

**We Love Lichfield Fund** – Lichfield District Council partnered with the Staffordshire Community Foundation to establish We Love Lichfield Fund, providing up to £1,000 of grant funding to community

groups across the district twice a year. We Love Lichfield has distributed approximately £35,000 of grants in 2022/23. We continue to be a key supporter of We Love Lichfield, contributing funding on an annual basis.

**Lichfield Community Lottery** – In 2019 Lichfield District Council established the Lichfield Community Lottery. The Lottery has a jackpot of £25,000 and gives 60p from every £1 ticket sold to good causes across the district. Community groups are supported to set up their own online page to sell tickets. 50p of each ticket sold goes to the selling community group, with 10p going to a central fund administered by the Council. In 2022/23 the Lottery supported over 60 good causes and raised almost £35,000.

3.3 Since 2017 we have invested in a three-year dedicated programme of funding for the local voluntary and community sector – our VCS Funding Programme. During 2021-2024, we have awarded a total of £489,000 via this Funding Programme to 10 different organisations. The current funding programme expires on 31<sup>st</sup> March 2024. Organisations are required to submit an annual performance report that demonstrates the impact and outcomes that the funding has achieved and overall, all the projects that were funded have demonstrated excellent progress against the outputs and outcomes agreed in their funding agreements. In 2022/23 our funding helped enable:

- MHA communities to provide 32 individuals with a face to face befriending visit each week and provide 248 older people with a befriending telephone call each week
- Support Staffordshire to deliver training opportunities to a wide range of VCS organisations and council staff.
- Southeast Staffordshire CAB to assist 1,165 Lichfield district residents via the income maximisation service on 4,699 welfare benefit issues.
- Pathway Project to support 36 service users to ensure they can access an income that best works for their current circumstances usually being supported to stay in employment or find new employment or access relevant benefits.
- Friends to Friends to support 40 individuals to engage in different groups including history, research, cookery, panto, and art.
- Spark Burntwood to deliver 727 community sessions attended by 1206 individuals to reduce social isolation in addition to 112 one to one sessions benefitting those in crisis.
- CRUSE to support 336 clients with telephone support and support 76 clients on a one to one basis following referral.
- Liberty Jamboree to provide young adults with special educational needs more opportunities; 6 members have completed the NCFE Level 1 in Employability Skills and 4 members have completed their level 3 Employability Skills.
- Lichfield Arts to support 80 students to engage with various Lichfield Arts South Staffs College collaboration activities.
- Phoenix Counselling to deliver 564 sessions of counselling to those who would be unable to afford private sessions following which 100% of clients reported improved mental health.

3.4 The proposed VCS Funding Programme Prospectus for 2024-2027 is detailed in **Appendix 1**. As agreed, as part of the Medium Term Financial Strategy £489,000 is available to be awarded over the three financial years starting 2024/25.

3.5 The 2024-2027 Prospectus has been revised to reflect on lessons learnt from the previous application window. In 2021 we had a broad application criterion, which led to over £1m of bids being submitted, far outstripping the amount of funding available. The 2024-2027 Prospectus is focused on the priorities outlined in the emerging Lichfield District 2050 Strategy. Given the value of the funding pot available and the broader voluntary sector funding eco-system that is available locally, we are proposing to set a minimum award of £1,000 per year and have also stated in the prospectus that we

are unlikely to award an organisation more than £50,000 per year. By including these parameters, we are aiming to strike a balance between ensuring that we can maximise the impact of this funding pot, whilst supporting as many organisations as possible.

3.6 The Prospectus will be advertised as widely as possible through social media platforms, grant finder, the council website and bulletin style mail outs issued by the Communications Team. Applicants will be asked to complete an application which will form part of a two stage application process and if the applicant is successful at stage 1 in line with the scoring criteria, they will be invited to complete a stage 2 application. After the launch there will be an online breakfast briefing held to give organisations a chance to ask any questions before applying, which will be recorded and made available for anyone that cannot attend.

3.7 The applications will be assessed by an Officer Funding Panel using a set scoring criterion at stage 1 and stage 2. Applicants will need to meet a threshold to be invited to submit a stage 2 application. After stage 2, the Officer Funding Panel will make recommendations to a Member Panel that will consist of three councillors, chaired by the Cabinet Member for Community Engagement and include a member from both opposition parties. Successful applicants will be informed of the stage 2 outcome by 2<sup>nd</sup> February 2024 ready for the funding period to begin in April 2024.

3.8 The timeline for the award of funding is as follows:

<b>What Happens?</b>	<b>Timescales</b>	<b>Supporting Information</b>
The Prospectus including the application forms and guidance notes will be made available online	To be made available on Wednesday 18 <sup>th</sup> October 2023	(The web address for content page of the website will be added)
Breakfast Briefing/Meet the Funder Session	Friday 3 <sup>rd</sup> November at 10am	A Microsoft Teams meeting will be held giving the opportunity for any questions to be raised regarding the prospectus and application process.
Stage 1 Applications to be submitted	By Friday 10 <sup>th</sup> November 2023	An acknowledgement email will be sent on receipt of the application.
A Funding Panel will assess stage 1 applications and notify successful and unsuccessful applicants	By Friday 24 <sup>th</sup> November 2023	Applicants will be notified of the outcome of their application by email.
Shortlisted applicants will be required to submit stage 2 questionnaires	By Friday 12 <sup>th</sup> January 2024	An acknowledgement email will be sent on receipt of the application.
An Officer Funding Panel will assess stage 2 applications and will make recommendations to a Member Panel chaired by the Cabinet Member for Community Engagement	By Friday 19 <sup>th</sup> January 2024	Applicants maybe required to provide further information at this stage.
Stage 2 successful and unsuccessful applicants to be notified	By Friday 2 <sup>nd</sup> February 2024	Applicants will be notified of the outcome of their application by email.

Alternative Options	<ol style="list-style-type: none"> <li>1. That Cabinet approve a different amount of funding for the Community and Voluntary sector.</li> <li>2. That alternative funding priorities are agreed for the prospectus.</li> </ol>																																							
Consultation	A Member Task Group was consulted during the previous funding round.																																							
Financial Implications	<p>The District Council provides funding to the Community and Voluntary Sector to the value of £163,000 per year until March 2027. The decision on the approach to future commissioning may impact on the level resources required to deliver the commissioning and performance management requirements. The approved budgets (plus the current projection for 2027/28) allocated to support the community and voluntary sectors is shown below:</p> <table border="1" data-bbox="293 512 1517 792"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Budget 2023/24 £</th> <th colspan="4">Budget - 3 year period</th> <th rowspan="2">Projection 2027/28 £</th> </tr> <tr> <th>2024/25 £</th> <th>2025/26 £</th> <th>2026/27 £</th> <th>Total £</th> </tr> </thead> <tbody> <tr> <td>Community &amp; Voluntary Sector Grants</td> <td>£163,000</td> <td>£163,000</td> <td>£163,000</td> <td>£163,000</td> <td>£489,000</td> <td>£163,000</td> </tr> <tr> <td>Councillor Community Fund</td> <td>£14,100</td> <td>£14,100</td> <td>£14,100</td> <td>£14,100</td> <td>£42,300</td> <td>£14,100</td> </tr> <tr> <td>Small Grants</td> <td>£23,000</td> <td>£23,000</td> <td>£23,000</td> <td>£23,000</td> <td>£69,000</td> <td>£23,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>£200,100</b></td> <td><b>£200,100</b></td> <td><b>£200,100</b></td> <td><b>£200,100</b></td> <td><b>£600,300</b></td> <td><b>£200,100</b></td> </tr> </tbody> </table>		Budget 2023/24 £	Budget - 3 year period				Projection 2027/28 £	2024/25 £	2025/26 £	2026/27 £	Total £	Community & Voluntary Sector Grants	£163,000	£163,000	£163,000	£163,000	£489,000	£163,000	Councillor Community Fund	£14,100	£14,100	£14,100	£14,100	£42,300	£14,100	Small Grants	£23,000	£23,000	£23,000	£23,000	£69,000	£23,000	<b>Total</b>	<b>£200,100</b>	<b>£200,100</b>	<b>£200,100</b>	<b>£200,100</b>	<b>£600,300</b>	<b>£200,100</b>
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Approved by Section 151 Officer	Yes																																							
Legal Implications	1. None known.																																							
Approved by Monitoring Officer	Yes																																							
Contribution to the Delivery of the Strategic Plan	<p>Funding local voluntary and community organisations supports the following emerging outcomes of Lichfield District 2050:</p> <ul style="list-style-type: none"> <li>• To enable Lichfield, Burntwood and our villages to thrive and flourish by supporting our local economy, jobs and training and contributing towards start-ups and investment in the area. Also providing opportunities for residents.</li> <li>• To be the place across the UK that everyone aspires to live by creating confident communities ensuring that no groups are left feeling isolated and helping people to live independently and be involved in volunteering.</li> <li>• To be the greenest district in the country by supporting residents and organisations to be environmentally responsible and contributing towards protecting our heritage and looking after green spaces.</li> <li>• To be the most active district in the UK by supporting activity based groups to provide services to all areas of the district. Giving support to community and voluntary organisations helping those with mental health and delivering wellbeing initiatives.</li> </ul>																																							
Equality, Diversity and Human Rights Implications	Voluntary and community groups provide support to a range of groups and in particular children, older people and people with disabilities.																																							
EIA logged by Equalities Officer	Yes, this has been done and logged.																																							
Crime & Safety Issues	Several of the priorities contribute towards community safety including supporting victims and witnesses of domestic abuse and support for victims of anti-social behaviour.																																							

<b>Data assessment</b>	<ol style="list-style-type: none"> <li>1. Prosperous Communities - some of our wards are amongst the most income deprived in England, and in 2019, 8.4% of the local population was identified as income deprived.</li> <li>2. Active Communities - we know around 35% of adults and 60% of children and young people in our district are not active for recommended weekly levels</li> <li>3. Greener Communities – over 836,000 tonnes of greenhouse gases emitted across the district in 2019 and 149 protected wildlife sites exist across the district.</li> <li>4. It is anticipated that the outcomes achieved by the funded projects will contribute to achieving the strategic objectives and result in improved outcomes in the data.</li> </ol>
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<b>Environmental Impact (including Climate Change and Biodiversity).</b>	<ol style="list-style-type: none"> <li>1. Funding community and voluntary groups that contribute to the green objectives of the district will promote sustainability, including use of renewable energy and other methods of conservation which will positively impact on the environment.</li> <li>2. Groups can also raise awareness of environmental issues and impact on the district.</li> </ol>
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<b>GDPR / Privacy Impact Assessment</b>	<p>Data Protection Impact Assessments (DPIA) are an essential part of our accountability obligations where the processing is likely to result in a high risk to the rights and freedoms of individuals. The Compliance and Data Protection Officer has assessed the Voluntary and Community Sector Funding Prospectus and established that a DPIA is not required in this instance, there is a clear framework for applications, all submitted information will be held securely and therefore there is no risk to the rights and freedoms of individuals.</p> <p>Consideration should be given to the timing of details being obtained to ensure only essential information is obtained at stage one and where personal information is obtained this will be reflected within the Record of Processing Activities and a copy of the overarching Privacy Statement will be provided.</p>
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	<b>Risk Description &amp; Risk Owner</b>	<b>Original Score (RYG)</b>	<b>How We Manage It</b>	<b>Current Score (RYG)</b>
A	No bids or an insufficient number of applications received	Likelihood: Green Impact: Yellow Risk: Green	Engagement with community and voluntary groups	Likelihood: Green Impact: Yellow Risk: Green
B	Bids exceed the funding available	Likelihood: Yellow Impact: Yellow Risk: Yellow	Discussions and negotiation to take place with community and voluntary groups	Likelihood: Yellow Impact: Green Risk: Green
C	Bids received do not support strategic objectives	Likelihood: Yellow Impact: Yellow Risk: Yellow	Clear description of desired outcomes in the prospectus. Bids that do not support the strategic objectives will be filtered out at the scoring stage.	Likelihood: Green Impact: Green Risk: Green

		<p><b>Background documents</b></p> <p>Cabinet Member Decision notice 17/02/2021:  <a href="https://democracy.lichfielddc.gov.uk/ieDecisionDetails.aspx?ID=419">https://democracy.lichfielddc.gov.uk/ieDecisionDetails.aspx?ID=419</a></p>
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VOLUNTARY AND COMMUNITY SECTOR  
(VCS) FUNDING PROSPECTUS  
2024 - 2027

**‘Together We...’ will make Lichfield district a more confident, prosperous, active, and green place to live, work and play.**

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## Introduction

Across the district we are lucky to have a strong, vibrant and diverse voluntary and community sector which plays a key role in supporting residents and local communities and particularly those who need some extra help.

Our emerging **Lichfield District 2050 Strategy** identifies the outcomes we want to achieve for our district. Working in partnership is key to delivering the strategy. The District Council has a strong relationship with the local voluntary and community sector that we want to continue to improve and build on. We invest in the sector in a number of different ways, including our VCS funding programme. Other initiatives include:

- [We Love Lichfield Fund](#)
- [Lichfield Community Lottery](#)
- [Staffordshire Commissioner Fund](#)
- [National Lottery Community Fund](#)

The aim of the VCS funding programme is to provide vital support to the sector to help achieve confident, prosperous, green and active communities. We want to prioritise funding where the voluntary and community sector can have the greatest impact and create a positive legacy for the district.

We look forward to receiving applications from any organisation that can contribute towards our **4 key emerging strategic plan outcomes**:

<b>Confident Communities</b>	<p>We will be the place across the UK where everyone aspires to live.</p> <p>We want people to be more confident about, take more pride in and ownership of the future of Lichfield district. We want to increase the sense of belonging we know already exists and for everyone to be more able to express their views and contribute.</p>
<b>Prosperous Communities</b>	<p>We will enable Lichfield, Burntwood and our villages to flourish.</p> <p>A Prosperous Community is one with economic wellbeing, where traditional and new business sectors succeed side by side and where innovation is commonplace and improves opportunity for all people and all areas of a place.</p> <p>We want Lichfield district to be recognised as a place where business succeeds, for our entrepreneurs and businesses to thrive and for our local workforce to share in the wealth they generate.</p>

<b>Active Communities</b>	<p>We will make Lichfield district the most active district in the UK.</p> <p>We know around 35% of adults and 60% of children and young people in our district are not active of recommended weekly levels and we want to change this. We want the very best sports and leisure facilities in our district, but we recognise it's not just about sports, we also need to encourage more community gardens, farms, and allotments, and to work with our schools to maximise the benefits of clubs and activities they offer.</p>
<b>Green Communities</b>	<p>We will create the greenest district in the country.</p> <p>Green communities are committed to the whole of the environment not just climate change; they have strong wildlife recovery, vibrant biodiversity, development that protects and enhances nature, and networks of sustainable travel routes connecting communities. We will work to incorporate consideration for the climate and environment across all our operations and agree priorities for nature recovery locally where we will map and outline projects to create and improve habitat for nature and wider environmental goals.</p>

**What we want to fund?**

We want to fund projects/activities that will impact on the 4 strategic plan outcomes identified above, and address where our Voluntary and Community Sector Fund can make a difference and meet the needs of target groups. We would particularly welcome new or innovative approaches and organisations working together with Lichfield District Council and other partners, to combine skills and expertise.

The total amount of funding available is **£163,000 per year** over a **total of 3 years 2024-2027**, a total value of £489,000. We want to award funding across all areas, with no indicative value set against each outcome. The **minimum award** per organisation will be **£1,000 per year** and we are unlikely to award an organisation more than **£50,000 per year**. All awards will be made across the 3 year cycle however organisations are not obliged to submit an application for the full three years of funding. Continued funding will be awarded over that period for projects that can demonstrate impact and performance. Where impact is not evidenced and new projects come forward that better meet local needs, funding may be reallocated.

In the event of an underspend of the fund in any year, Lichfield District Council reserves the right to re-open the application process.

In the event of an award decision being lower than the original bid, Lichfield District Council will reserve the right to see a revised project plan and outcomes.

In your application you should look to address how your project or organisation meets the following criteria

1. It demonstrates impact on one or more Strategic Plan outcomes
2. It involves collaboration with other partners, including other VCSE organisations

3. It evidences need within a specific group or locality
4. Prevents problems and early identification rather than reacting to them
5. The project/activity works to try and address the source of the problem or signpost to others who can help
6. Reliance on public sector support is reduced
7. Promotes personal responsibility, independence and self reliance
8. It encourages and promotes sustainability for the sector
9. The project/ activity makes use of assets available to us in Lichfield district and creates a positive legacy for the local area.

**We will use these criteria as part of our scoring criteria, so it is important that you refer to them fully in your application.**

**Your application should address the outcomes below and identify where you can make a difference and for which target groups. Please include any areas and target groups you have identified.**

<b>Strategic Plan Outcome - <span style="color: purple;">Confident Communities</span> - We will be the place across the UK where everyone aspires to live.</b>	
<p><b>The potential areas the VCS can make a difference:</b></p> <ul style="list-style-type: none"> <li>• Collaborating with the council to deliver local services</li> <li>• Working with us to support communities in need of extra help</li> <li>• Developing community based support to enable people to use digital technology</li> <li>• Collaborating and working with us to develop and deliver shared ideas</li> <li>• Helping us engage better with communities through use of new technology</li> <li>• Helping us to engage with communities in ways that work for them</li> <li>• Developing community navigators who can build positive relationships with communities</li> <li>• Helping us understand our communities and their needs so we can respond to them</li> <li>• Supporting councillors as community leaders and ambassadors</li> </ul>	<p><b>Target groups could include but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• Local and rural communities</li> <li>• Communities of interest</li> <li>• Communities who feel disengaged</li> <li>• People who are hard to reach</li> <li>• Groups that are digitally excluded</li> <li>• Groups that rely on social media</li> <li>• VCS Support organisations</li> <li>• People who would benefit from volunteering</li> </ul>

Strategic Plan Outcome - <b>Prosperous Communities</b> - We will enable Lichfield, Burntwood and our villages to flourish	
<p><b>The potential areas the VCS can make a difference</b></p> <ul style="list-style-type: none"> <li>• Supporting those in most need of help to start up new business ventures and helping them to become more resilient</li> <li>• Helping people live independently in their community</li> <li>• Promoting and providing job opportunities to residents of Lichfield district</li> <li>• Providing opportunities for groups and activities that support individuals who are socially isolated</li> <li>• Helping residents who need advice and support on managing money and debt</li> <li>• Achieving greater collaboration with partners to problem solve and help individuals with complex needs</li> <li>• Supporting volunteering and a thriving voluntary and community sector</li> <li>• Helping those who need extra support to get back into work</li> </ul>	<p><b>Target groups could include but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• People who feel socially isolated</li> <li>• People benefitting from support to improve their mental health</li> <li>• People with disabilities</li> <li>• Older people who are socially isolated or at risk of becoming isolated</li> <li>• Low income households and those experiencing economic deprivation and food poverty</li> <li>• People economically affected by Covid</li> <li>• People looking for work employment opportunities</li> </ul>

Strategic Plan Outcome <b>Active Communities</b> - We will make Lichfield district the most active district in the UK	
<p><b>The potential areas the VCS can make a difference:</b></p> <ul style="list-style-type: none"> <li>• Helping older adults and vulnerable people in our communities to stay active or become more active</li> <li>• Supporting every child and young person to have the opportunity to do regular physical activity.</li> <li>• Supporting community based approaches that reduce social isolation and improve personal wellbeing</li> <li>• Providing activities that engage people to have healthy lifestyles and be more active preventing ill health.</li> <li>• Helping those who need help with substance misuse issues</li> </ul>	<p><b>Target groups could include but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• People who feel socially isolated</li> <li>• People benefitting from support to improve their mental health</li> <li>• People with disabilities</li> <li>• People who need to be more active</li> <li>• Children and adults who are inactive and not of a healthy weight.</li> <li>• People who would benefit from volunteering opportunities</li> <li>• People with addictions</li> <li>• Provide support and activities to prevent long term illness including people with Dementia</li> </ul>

<ul style="list-style-type: none"> <li>• Giving support to people suffering with mental health.</li> <li>• Helping people who need help to achieve and maintain a healthy weight</li> <li>• Providing positive activities for vulnerable and disadvantaged young people.</li> </ul>	
<p><b>Strategic Plan Outcome - Green Communities - We will create the greenest district in the country.</b></p>	
<p><b>The potential areas the VCS can make a difference:</b></p> <ul style="list-style-type: none"> <li>• Supporting activities that provide better access to green spaces and help enjoyment of parks</li> <li>• Helping groups maintain and improve the natural environment in their local community</li> <li>• Helping bring about environmental improvements and increasing biodiversity</li> <li>• Supporting activities that help address climate change and offset environmental impact</li> <li>• Warmer homes</li> <li>• Environmental education projects and events</li> <li>• Wildlife studies, surveys, and monitoring work for habitats and species</li> </ul>	<p><b>Target groups could include but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• People who would benefit from the outdoor environment</li> <li>• Children and young people</li> <li>• Vulnerable people</li> <li>• Children and young people at risk of exploitation</li> <li>• People who would benefit from volunteering</li> </ul>

### Who can apply for funding?

- Any formally constituted not-for-profit community group serving Lichfield district
- Locally based Community Enterprises and Charities
- Collaborative partnership bids from 2 or more partners (with a lead partner clearly identified)

### What can be funded?

- Any project or activity which is for the benefit of the community and meets the requirements of this prospectus. This can include small capital elements of a larger proposal and / or revenue based costs
- If the project/ activity includes the purchase of equipment the application must be able to demonstrate plans to use the equipment in future activities which are of benefit to Lichfield district
- Staffing costs can be funded, providing they are directly linked to the project/activity being applied for

### What cannot be funded?

- Organisations that cannot provide documentary evidence that they have the required governance and policy framework in place
- Any school curriculum based activity
- Any projects for the sole benefit of an individual
- Events or activities the principle aim of which is to fundraise for another organisation
- Political or religious activities or events (although secular activities promoted by faith based groups are welcome)
- Projects that are being entirely subcontracted to another party
- Any projects that are a statutory duty of public bodies (excluding Lichfield District Council) unless they are an enhancement to existing service delivery
- Projects/ activities which have happened prior to receiving notification of an award. Applications cannot be made in retrospect -
- Projects being delivered outside the Lichfield district boundary unless they benefit Lichfield district residents
- VAT for any project cannot be funded as this is a grant process The payment of the grant is believed to be outside the scope of Value Added Tax but if any Value Added Tax shall become chargeable all payments shall be deemed to be inclusive of all Value Added Tax and the Funder shall not be obliged to pay any additional amount by way of Value Added Tax.

### What successful applicants will need to be able to demonstrate

You will need to be able to demonstrate the following in your application:

- How it supports the Lichfield District 2050 strategy outcomes

- Evidence of an understanding of need and how the project / activity will address this need
- Evidence of how the project will be targeted to have the maximum impact
- How the project addresses the cross cutting criteria
- The organisational capacity and financial management skills to enable successful delivery of your project / activity
- A breakdown of costs and other funding contributions
- What success will look like and how it will be demonstrated
- The ability to adapt a project/activity if changes will better impact on outcomes
- Evidence of an Exit Strategy and/or how you will make the project/activity sustainable and leave a positive legacy when funding ends

**If you cannot meet the above requirements your application will not be assessed.**

#### Information Sources for consideration:

[Social progress index- https://www.lichfielddc.gov.uk/council/social-progress-index](https://www.lichfielddc.gov.uk/council/social-progress-index)  
[Housing strategies and policies https://www.lichfielddc.gov.uk/climatechange](https://www.lichfielddc.gov.uk/climatechange)  
<https://www.lichfielddc.gov.uk/planning-policy>  
[Area data - Staffordshire Observatory](#)

#### How much can you apply for?

We are looking to award funding across all outcomes but have not apportioned specific amounts of funding against each outcome. We want to fund projects or activities of an annual value of at least **£1,000** so that this funding is able to make a demonstrable difference and directly impact towards making Lichfield district a greener, confident, prosperous and active place to live and work. Larger bids are welcomed, but please note that we are unlikely to award an organisation more than **£50,000 per year** so that we are able to support as many organisations as possible.

If you are looking for a smaller amount of funding there are a number of other options, for example: -

- [We Love Lichfield Fund](#)
- [Lichfield Community Lottery](#)
- [Staffordshire Commissioner Community Funding](#)

Funding advice and opportunities can also be sought from Support Staffordshire (Lichfield and District) or from the [Community Foundation](#).

Matched funding is not a requirement of this scheme, and you can apply for 100% of the cost of your project or activity. However, any other contributions from other funding sources will strengthen your application. Contributions “in kind” (e.g., volunteer time or hall use given free of charge) can be counted towards a contribution. Volunteer time can be costed, with the hourly rate included.

Lichfield District Council reserve the right to request additional information from the applicant, including but not limited to:

1. Identification of risks and how these will be mitigated
2. Key performance indicators and targets
3. A detailed Exit Strategy
4. Presentation of project proposal to an Assessment Panel
5. Quarterly performance reports

### **Breakfast Briefing / Meet the Funder Session**

Applicants are invited to join an informal breakfast briefing session on:

**Friday 3<sup>rd</sup> November at 10 am, via Teams.**

The purpose of this session is for Lichfield District Council to provide details on the prospectus and application process followed by a brief Q&A session.

### **What is the application process?**

The application is a two stage process where successful applicants will be shortlisted to the second stage. All application forms must be submitted electronically by emailing- **PolicyandStrategy@lichfielddc.gov.uk**

**In the event you are unable to complete the digital application form, a paper version is available from the reception desk at District Council House, Frog Lane, Lichfield WS13 6YY**

### **STAGE 1:**

In order to be considered for assessment all applicants will need to:

1. Complete the first stage application form which is available here
2. Adhere to the maximum word counts
3. Complete the declaration form which is available here
4. Be able to supply evidence of the following documents / policies to be eligible for funding (electronic / scanned copies relevant to the organisation making the application will be accepted). These should have been developed/ reviewed within the last 3 years:
  - a. Constitution
  - b. The latest available Annual Report (if produced) and annual accounts / or, in the case of new established organisations, statements from 6 months operation
  - c. Health & Safety Policy and when it was approved or last reviewed
  - d. Equalities and Diversity Policy (for service delivery) and when it was approved or last reviewed
  - e. Public Liability Insurance certification
  - f. Children's Safeguarding Policy and when it was approved or last reviewed \*
  - g. Adults at Risk safeguarding Policy and when it was approved or last reviewed \*

\*Where the project/activity involves these groups

If you cannot meet the above requirements your application will not be assessed.



There will be an assessment of the scored question criteria against the Stage 1 questionnaire.

**Applicants must achieve a minimum total score of 70% to be shortlisted to the second stage.**

## **Stage 2**

Applicants will be notified by email if they have been successful in being shortlisted to the second stage. Successful applicants will be required to complete and submit the stage 2 questionnaire by the deadline stated. Stage 2 will involve an assessment of the scored question criteria against the Stage 2 questionnaire as follows:

Scores from Stage 1 and Stage 2 will be added together, and applications will be ranked according to their score, with funding being allocated by the highest scoring the applicant(s) until all funding has been allocated.

If there is not sufficient funding available, you may be asked to scale down your project and show what can be delivered with less funding.

All applicants will be informed of the outcome of their application for funding. Unsuccessful applicants will be provided with the opportunity to request feedback. The decision of the Council is final.

**The scoring methodology can be found on the application form.**

### **Help and advice**

Although we are keen to encourage enquiries from potential applicants, we are mindful of the need to treat everybody fairly and transparently in terms of help and advice. Consequently, if you have any questions about any aspect of this Prospectus or the application process, please email

**[PolicyandStrategy@lichfielddc.gov.uk](mailto:PolicyandStrategy@lichfielddc.gov.uk)**

We will respond as soon as possible. We will keep a log of all questions and answers and update these regularly on the website.

### **Payment profile**

Payment of grants will be made quarterly in arrears upon the completion of a Grant Payment request form containing monitoring and evaluation questions. LDC will need to be satisfied that the project is progressing in accordance with the required outputs and outcomes for the next payment to be made.

## Timeline

What Happens?	Timescales	Supporting Information
The Prospectus including the application forms and guidance notes will be made available online	To be made available on Wednesday 18th October 2023	(Insert web address for content page of the website)
Breakfast Briefing/Meet The Funder Session	Friday 3 <sup>rd</sup> November at 10am	A Microsoft Teams meeting will be held giving the opportunity for any questions to be raised regarding the prospectus and application process.
Stage 1 Applications to be submitted	By Friday 10 <sup>th</sup> November 2023	An acknowledgement email will be sent on receipt of your application. If you don't receive a notification, please email advising of the case so that we can check receipt of your application.
A Funding Panel will assess stage 1 applications and notify successful and unsuccessful applicants	By Friday 24 <sup>th</sup> November 2023	Applicants will be notified of the outcome of their application by email.
Shortlisted applicants will be required to submit stage 2 questionnaires	By Friday 12th January 2024	An acknowledgement email will be sent on receipt of your application. If you don't receive a notification, please email advising of the case so that we can check receipt of your application.
An officer Funding Panel will assess stage 2 applications and will make recommendations to a Member Panel chaired by the Cabinet Member for Community Engagement	By Friday 19 <sup>th</sup> January 2024	Applicants maybe required to provide further information at this stage.
Stage 2 successful and unsuccessful applicants to be notified	By Friday 2 <sup>nd</sup> February 2024	Applicants will be notified of the outcome of their application by email.