

CABINET

5 SEPTEMBER 2023

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MONEY MATTERS 2023/24 : FINANCIAL MONITORING

1. Decision:

The Cabinet:

- 1.1 Noted the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 1.2 Recommended to Council to approve an increase in the Streethay Community Centre budget of £250,000. This will increase the project budget from £600,000 to £850,000 and will be funded by £250,000 of Section 106 funding.

2. Statement of Reasons:

The report covers the financial performance from April to June (Quarter One) for 2023/24.

The Medium Term Financial Strategy projected general reserves at 31 March 2024 would be £6,075,329. At this stage, general reserves are forecast to be £5,508,584, a decrease of (£566,745) related to:

- A lower than budgeted contribution in 2022/23 of (£90,665).
- A projected decrease contained in this report for 2023/24 of (£476,080).

Leisure centre income is projected to be £414,110 lower than the budget and the shortfall will be funded from the earmarked reserve.

At the three month's stage, there are no significant financial risks that need to be highlighted to the Council as shareholder in relation to LWMTS financial performance.

The Capital Programme is projected to be £19,398,000 which is £250,000 more than the Approved Budget.

Capital Receipts are projected to be (£945,000) which is the same as the Approved Budget.

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

- Council Tax collection in year performance was 29.20% (29.10% in 2022/23) and total arrears were £5,177,097 and the Council's share is £608,116 (£4,121,685 and £535,819 in 2022/23).
- The Council Tax Collection Fund is projected to be in surplus, with the Council's c12% share being (£24,990) compared to the Approved Budget of £0. This additional income of (£24,990) will be included in the 2024/25 budget.
- Sundry Debt for income to be collected in 2023/24 has increased by £3,041,644 or 127% compared to 2022/23, and the value outstanding at 30 June 2023 has increased by £1,731,088 or 88%.
- Retained Business Rate Income is projected to be (£3,464,100) in line with the Approved Budget.
- The Business Rates Collection Fund is projected to be in surplus, with the Council's 40% share being (£1,042,000) compared to the Approved Budget of £0. This additional income of (£1,042,000) will be included in the 2024/25 budget.
- Business Rates collection in year performance was 30.30% (34.50% in 2022/23) and total arrears were £786,964 and the Council's share is £314,785 (£958,450 and £383,380 in 2022/23).
- The payment of suppliers within 30 days was 90.92%, which is above our 90% target.

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

3. Any Alternative Options:

These are considered as part of the ongoing development of the Strategic Plan and the Medium Term Financial Strategy.

LOCAL PLAN UPDATE

1. Decision:

The Cabinet:

- 1.1 The Cabinet noted the progress made in responding to initial comments and queries received from the examiner, as part of the current progress of the plan submitted for examination in June 2022.
- 1.2 Recommended to Full Council to approve and instruct officers to take all necessary steps, including giving the required notice under the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), to withdraw the Local Plan 2040 from examination, in accordance with section 22 of the Planning and Compulsory Purchase Act 2004.
- 1.3 Recommended to Full Council to approve the draft statement of withdrawal as set out at Appendix A of the Cabinet report for release.

2. Statement of Reasons:

The Local Plan 2040 (LP2040) was submitted for examination in June 2022, with that examination currently paused following initial comments and queries received from the inspectors until October 2023. The purpose of this report is to provide an update to Cabinet on the progress of responding to those queries and, importantly, to reflect on the continued appropriateness of the key approaches developed through the plan in its current draft, in the context of the local elections which took place in Lichfield District in May 2023.

The council has choices over how to proceed with the LP2040, even though it has been formally submitted for examination. This report introduces and considers those options and, on balance, proposes to recommend to Full Council that the plan is withdrawn from its examination in public in accordance with section 22 of the Planning and Compulsory Purchase Act 2004 and that a new, appropriate, Local Plan for Lichfield District is prepared in its place.

To decide this, it is important Cabinet has all relevant information and details of the risks and implications of withdrawal, as well as the opportunities a withdrawal would present, and these are set out in detail in this paper.

3. Any Alternative Options:

To not withdraw but proceed with the examination of the submitted Local Plan 2040. Officers would be required to continue to progress work in relation to the matters identified in the IL to ensure a resumption of the examination as expediently as possible. Should the examination recommence then officers will be required to provide responses to issues raised by the inspectors throughout the examination. Should the examination be progressed the LP2040 would likely remain fundamentally the same with a similar strategy and many policies remaining largely or wholly intact. Should the examination continue the submitted plan would likely be subject to further changes, known as main modifications, to assist with matters of soundness raised by the inspectors. Such modifications would be required to be formally consulted upon and reported to Members. Should issues and modifications be identified at examination then the Local Plan 2040 would not be able to be adopted without such modifications being made. It is also possible that should the examination be progressed that the matters of soundness may not be solvable through

modification. In such circumstances the examination would be unable to continue, and the plan would fail.

COUNCIL TAX REDUCTION SCHEME AS A DISCOUNT

1. Decision:

The Cabinet:

- 1.1 Approved transforming the way the council administers the local council tax reduction scheme and transforms it into a discount-based scheme from 1 November 2023, including the procurement of an intuitive form and campaign technology that can be met from within existing service budgets
- 1.2 Delegated any final decisions in relation to the roll out of the transformed scheme to the Cabinet Member for Finance & Commissioning in partnership with the Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151).

2. Statement of Reasons:

Lichfield District Council launched its new banded council tax reduction scheme for working-age claimants on 1 April 2023.

Cabinet previously on 5 April 2022 approved the desired outcomes for the new scheme (those in bold are most relevant to this decision):

- A simplified scheme for the customer.
- Future proofed as far as possible.
- Simplified administration.
- Reduction in poverty and refocus on ability to pay.
- To recognise and tackle exceptional hardship.
- To remain affordable.
- The costs of implementation are affordable.

The new scheme makes it possible to for the council to alter the way it processes claims for support and transfer them from a complex 'benefits' approach to a straightforward 'discount' – a bit like a single person discount.

Transferring the scheme from a benefit to a discount simplifies both the customer experience and the back-office processing of the scheme and will speed up processing decisions and awards of financial support to local people.

This paper proposes that the council adopts transforms its council tax reduction scheme from a benefit to a discount from 1 November 2023.

3. Any Alternative Options:

To not implement the discount-based approach. As the team has already been reduced in size because of financial pressures and the anticipation such a scheme will be implemented in due course, this would result in an ongoing financial pressure due to the need for additional processing resource. It would also impact negatively on the timeliness of processing of new claims and change of circumstances.

TRANSFORMING PLANNING SERVICE PROPOSAL

1. Decision:

The Cabinet:

- 1.1 Approved the high-level proposals set out in section 4 of the Cabinet report to transform the planning service.
- 1.2 Delegated implementation of the proposals, including the potential to utilise the council's wholly owned trading company to deliver and enhance elements of the planning service, to the Leader of the Council, Assistant Director of Customer, Resident & Business and Assistant Director of Finance & Commissioning (Section 151), in particular where doing so will deliver a more strategic, robust and welcoming approach to major developments and is within existing budgets.

2. Statement of Reasons:

This paper outlines high level proposals to transform the planning service, with the aim of creating the best planning service in the country. The objectives are to:

- eradicate wasted processes and delays in our current processes and drive-up performance standards.
- offer non-major and householder applicants a robust standard service. Offer householder and simple applications a fast-track service to meet their project timescales, significantly faster than the service has been able to in recent years.
- provide a welcoming 'open for business' offer to developers of major sites with effective collaboration to help shape applications for the benefit of our community, attracting new investment, innovation and the right mix of housing and new employment opportunities to the district, as articulated in the local plan.

Following cabinet agreement, a detailed project plan will be developed to implement the proposals, including working with staff, legal and the unions to review structures and proposals.

3. Any Alternative Options:

To do nothing and leave the service as is. This will see the team not adequately resourced to deliver major applications, enforcement and daily work. It will also not see any significant shift in service improvements delivered.

Consider alternative structure within reduced funding to deliver as many service improvements as possible within reduced fee scale. This will likely not address all existing known issues.

(Councillor Farrell declared a personal interest as a proposed Director of LWM Traded Services Ltd.)

(Simon Fletcher, Chief Executive, declared a personal interest as a Director of LWM Traded Services Ltd.)

(Kerry Dove, Chief Operating Officer, declared a personal interest as a Director of LWM Traded Services Ltd.)

