

# Public Document Pack

## LICHFIELD DISTRICT COUNCIL

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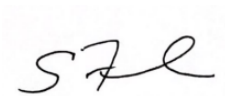
**District Council House**  
**Frog Lane**  
**Lichfield**  
**WS13 6YY**

**19 February 2024**

To: Members of the Lichfield District Council

In accordance with Paragraph 4(2) of Part 1 of Schedule 12 to the Local Government Act 1972, you are hereby summoned to attend the meeting of the Lichfield District Council which will be held in the Council Chamber, District Council House, Frog Lane Lichfield on **TUESDAY, 27 FEBRUARY 2024 at 6.00 pm.**

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



Chief Executive

### **A G E N D A**

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7. **MINUTES OF THE AUDIT COMMITTEE**  
  
The Chair of the Audit Committee to move that proceedings of the meeting held on 1 February 2024 be received and where necessary approved and adopted.  
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8. **MINUTES OF THE PLANNING COMMITTEE**  
  
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9. **MINUTES OF THE REGULATORY & LICENSING COMMITTEE**

The Chair of the Regulatory & Licensing Committee to move that proceedings of the meeting held on 13 December 2023 be received and where necessary approved and adopted.

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10. **AUDITORS ANNUAL REPORT 2021/22 & 2022/23** 43 – 70

11. **MEDIUM TERM FINANCIAL STRATEGY**

To agree the Medium Term Financial Strategy (Revenue and Capital) 2023-2028 and the Council Tax Resolution 2024-2025

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12. **APPOINTMENTS TO COMMITTEES**

To agree any change to the appointments to committees.

13. **APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES**

To approve the appointment of representatives to outside bodies where necessary.

14. **CALENDAR OF MEETINGS**

To approve the Calendar of Meetings for the Municipal Year 2024/25

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15. **MOTIONS ON NOTICE**

Motions have been proposed by Councillor Bragger and Councillor Robertson.

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16. **QUESTIONS**

To answer any questions submitted under procedure rule 11.2.

**COUNCIL**

**12 DECEMBER 2023**

**PRESENT:**

Councillors Anketell, Ashton, Ball, Banevicius, Bennion, Booker, Bragger, Checkland, Coe, Cox, Cross, Farrell, D Ennis, L Ennis, Evans, Galvin, Harvey-Coggins, Hawkins, Henshaw, Hill, Ho, Holland, Hughes, Leung, Marshall, Mears, Norman, Pullen, Ray, Robertson, Rushton, Salter, Silvester-Hall, A Smith, J Smith, Strachan, P Taylor, S Taylor, Trent, Vernon, Warfield, Whitehouse, M Wilcox, S Wilcox, Woodward and B Yeates

**51 APOLOGIES FOR ABSENCE (IF ANY)**

Apologies were received from Councillor Powell.

**52 DECLARATIONS OF INTEREST**

No declarations of interest were received.

**53 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 17 October 2023 were approved as a correct record.

**54 CHAIRMAN'S ANNOUNCEMENTS**

Councillor Cross announced his resignation as Chair of Lichfield District Council referring to comments he had made and the publicity surrounding them.

**55 ELECTION OF CHAIR**

Cllr Cross asked for nominations for the Chair of the Council.

It was proposed by Councillor Woodward, seconded by Councillor Galvin that Councillor Hughes be nominated for Chair of the Council.

It was proposed by Councillor Wilcox, seconded by Councillor A Smith that Councillor Holland be nominated Chair of the Council.

Following a vote is was

**RESOLVED:** That Councillor Hughes be elected Chair of the Council.

Councillor Hughes made and signed the Declaration of Acceptance of Office and thanked Members for her election as Chair.

**COUNCILLOR HUGHES IN THE CHAIR**

**56 REPORT OF THE LEADER OF THE COUNCIL ON CABINET AND CABINET MEMBER DECISIONS FROM THE MEETING HELD ON THE 5TH DECEMBER 2023**

The Leader of the Council submitted his report on Cabinet Decisions from the meeting held on 5 December 2023 and Cabinet Member Decisions.

Councillor Pullen reflected on the progress made since the May election. He commended councillors for their work and the effective collaboration across the different parties. Councillor Pullen emphasised that political differences did not impede progress on key programmes and stressed the importance of robust scrutiny while prioritising the residents' well-being.

Councillor Woodward discussed the evolving political landscape and underscored the significance of collaborative work in a council with no overall control. She appreciated the collegiality and focus on making decisions for the residents' benefit.

Councillor Trent sought clarification on the transfer of the HR function to LWMTS and sought reassurance that decisions regarding other functions would be subject to proper scrutiny. Councillor Robertson commented on collective agreements and amendments to employee contracts in the LATCo and asked what discussions had taken place.

In response, Councillor Pullen outlined improvements in HR functions, including enhanced employee benefits. Emphasis was placed on using the LATCo for service delivery to maximise value for residents and provide flexibility for staff terms. He reiterated the commitment to honouring staff terms during transitions to the LATCo, highlighting the need for competitiveness and adaptability in the current environment.

Councillor Ray questioned the live date for variable signage and Councillor Bragger requested more information on the decision-making process and data behind fees and charges regarding parking.

In response, Councillor Pullen stated that the variable signage would be operational in January 2024. He explained that fee levels were determined through benchmarking with other local authorities. He also emphasised the need to balance pricing with parking space availability to promote movement around the city.

**57 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE**

Councillor Norman submitted the Minutes of the Overview and Scrutiny Committee held on 14 November and the Special meeting held on 30 November 2023.

Councillor Evans highlighted issues with the Burton and Derby Trust and urged Councillors Cox and Leung to closely monitor the care provided to residents, particularly considering the upcoming winter surge.

Councillor Norman assured that health matters would have priority in future meetings and efforts were underway to address the raised issues.

Councillor Leung confirmed ongoing efforts to address concerns over maternity services, as discussed previously. She encouraged members to reach out with any comments or queries.

Councillor Woodward raised concerns about the Community Safety Partnership, particularly regarding the visibility of funding and the absence of parish councils in the partnership. She emphasised the need for transparency in the funding assessment process and suggested that parish councils could contribute to enhancing community safety. Councillor Woodward requested that the committee consider reviewing the operations of the Community Safety Partnership to address these concerns and prioritise the issue for the benefit of the residents.

Councillor Henshaw inquired about the initial meeting of the transport task force, following up on his comments at the October Council meeting.

Responding to Councillor Woodward, Councillor Norman agreed to request a briefing note on community safety and consider it as a future scrutiny topic. He also assured Councillor Henshaw that the transport task force would be considered in due course.

Councillor Booker stressed the significance of robust decision-making through scrutiny and encouraged fellow members to continue challenging and scrutinising fund allocations. She raised concerns about padel tennis expenditure and neighbourhood safety. Councillor Norman acknowledged the concerns, highlighting the necessity for scrutiny in decision-making processes.

## **58 MINUTES OF THE AUDIT & MEMBER STANDARDS COMMITTEE**

Councillor Robertson expressed concerns that audit findings from two years prior were only now being reviewed, posing significant concerns for council members and residents. Emphasis was placed on ensuring appropriate spending of public money with sufficient safeguards. He suggested writing to the Secretary of State for Levelling Up, Housing, and Communities. With the aim to address public sector audit landscape challenges, preventing situations where public authorities could not obtain qualifications and reports from auditors, specifically external auditors.

Councillor Woodward supported Councillor Robertson's concerns, citing delays and confusion caused by central government on local authorities. She proposed engaging with local Members of Parliament representing the district to ensure both MPs were aware of challenges faced by local councils. Councillor Ho confirmed communication with the district's MP, Michael Fabricant, to discuss the situation. Furthermore, he agreed to contact Sarah Edwards, the recently elected Member of Parliament for Tamworth.

Councillor Trent pointed out a typographical error in the resolutions, referring to "Counter Fraud Update" instead of "Risk Management."

It was proposed by Councillor Ho that the Minutes be approved and adopted. The proposal was seconded by Councillor Whitehouse and it was

**RESOLVED:** That the Minutes of the Meetings of the Audit and Member Standards held on 28 November 2023 be approved and adopted.

## **59 MINUTES OF THE PLANNING COMMITTEE**

Councillor Evans noted that site names were not included in the planning applications listed in the minutes of the Planning Committee meeting on October 30th. Councillor Marshall advised that this would be rectified.

Councillor Booker commended the Planning Committee for their decision regarding planning application 18/00840/OUTME (Land North of Browns Lane, Tamworth, Staffordshire) and called for further discussions regarding the area bordering Tamworth. She encouraged those interested in the matter to engage in discussions outside the meeting.

Councillor Pullen praised the National Memorial Arboretum for extending the memorial and those officers involved.

It was proposed by Councillor Marshall that the Minutes be approved and adopted. The proposal was seconded by Councillor Checkland and it was

**RESOLVED:** That the Minutes of the Meetings of the Planning Committee held on 30 October, 27 November and 6 December 2023 be approved and adopted.

## **60 MINUTES OF THE EMPLOYMENT COMMITTEE**

Councillor Robertson inquired about updates from the Living Wage Foundation accreditation and the progress on the disability pay gap report, referencing a prior discussion on the matter.

Councillor Banevicius requested that committee members be informed and consulted on any changes to meeting dates due to their pre-existing commitments.

It was proposed by Councillor S Wilcox that the Minutes be approved and adopted. The proposal was seconded by Councillor Hill and it was

**RESOLVED:** That the Minutes of the Meetings of the Employment Committee held on 23 November 2023 be approved and adopted.

## **61 APPOINTMENT TO COMMITTEES**

Councillor Woodward proposed amendments to committee memberships. These amendments were as follows:

- Councillor S Taylor be replaced with Councillor Woodward on the Audit Committee
- Councillor Hughes be replaced with Councillor S Taylor on the Member Standards Committee.
- Councillor Hughes be replaced with Councillor Evans on the Disciplinary Committee

The proposals were seconded by Councillor Cox and it was

**RESOLVED:** That the revised appointments to committees, including amendments be approved.

## **62 INTERIM POLICY NR3: BIODIVERSITY, PROTECTED SPECIES AND THEIR HABITATS**

**This item was withdrawn.**

Councillor Wilcox addressed the reasons for withdrawing the paper from Cabinet and Full Council. He stated that the government had released draft secondary legislation on biodiversity net gain and noted the need to analyse this new information before finalising the policy in early 2024. He urged rural representation on the summit working group being created to focus on climate change and ecology.

Councillor Woodward commended Councillor Wilcox for his climate change efforts. She highlighted inadequate government funding for local authorities in addressing issues such as climate change, biodiversity, and food waste. She asked for these issues to be raised to the district's local MPs.

## 63 A CINEMA FOR LICHFIELD DISTRICT

Councillor A Smith presented a report to the Council that provided an update on the progress made on the creation of a new joint venture partnership, a Limited Liability Partnership (LLP), with Evolve Estates, through which a new cinema and associated food and beverage units would be developed in the former Debenhams unit in the Three Spires shopping centre.

It provided a final update for Council on the outcome of negotiations with Evolve Estates over the structure and detail of the LLP and proposed the introduction of a new clause, requested by Evolve Estates, to commit the council to 'buy-out' their shareholding in the LLP, two years after completion of the development.

Councillor Smith referred to the detailed process that had been followed to reach this stage and advised that the proposal aimed to enhance the district while also making a financial investment with potential returns. He stated that the Council had already gone through an extensive process of scrutiny.

Councillor Robertson raised concerns particularly regarding the buyout clause and the potential implications for future decisions. He requested that further discussions on these matters be saved for the confidential session to ensure thorough consideration.

Councillor Cox welcomed the proposal, highlighting the importance of delivering on promises and the benefits the cinema project could bring to the district. He supported the idea of addressing any outstanding queries in a private session.

Councillor Ray expressed initial concerns about the buyout clause but acknowledged the positive aspects of the project, such as the high interest from operators and the demand for a cinema in the community. He also suggested holding further discussions in private to address specific points raised by Councillor Robertson.

Councillor Ball mentioned previous debates in the Overview and Scrutiny Committee and suggested that some concerns had not been adequately addressed in the report. He highlighted the need for clarity and alignment with the decisions made in the scrutiny process.

Councillor Strachan emphasised the need for a forward-looking approach and commitment to delivering on long-standing goals.

Councillor Robertson expressed the importance of safeguarding the Council's interests and maintaining flexibility in decision-making. He clarified his concerns regarding the buyout clause and the need for clear documentation to support future choices.

Councillor A Smith provided further clarification on the options outlined in the proposal, particularly regarding the buyout clause and the Council's control over shareholding. He advised that the concerns raised had been addressed in the updated report.

The Council agreed to continue the discussion in the confidential session to address specific concerns.

## 64 MOTION ON NOTICE

**Councillor Ball submitted the following Motion on Notice:**

*This Council recognises the increase in homelessness both in the District and across the country, as well as the acute cost-of-living crisis facing people in Lichfield, Burntwood and surrounding areas. The Council further notes that rapidly increasing rents and mortgage rates since the 2022 autumn statement, coupled with a shortage of genuinely affordable housing at*

social rents locally, have made the financial pressure facing residents of our District much worse. This Council therefore resolves:

1. To follow up the Leader signing the District Councils' Network letter to the Chancellor, asking him to review the Local Housing Allowance (LHA) and the Chancellor's decision to unfreeze this in the Autumn statement, by writing to our local MPs, urging them to press the Chancellor to end the freeze in Local Housing Allowance (LHA) immediately, as he has done with the reduction in National Insurance rates. Shelter and many other housing bodies have called for this to ensure that the level of LHA allows everyone in Lichfield District depending on this to secure a roof over their heads over the coming winter months.

2. As the current model for assessing financial viability of housing developments and the level of "affordable housing" on sites has not consistently delivered to our aspirations of 40% "affordable housing", due to there being a ceiling on house value estimates but not on cost estimates, to require the Cabinet Member for Housing and the Local Plan, to review this model and the evidence of its effectiveness and to try to find ways to increase levels of "affordable housing" during the period of the current Local Plan and ensure that developments meet the needs of local people. This review should be carried out, fully involving a wide range of Councillors and evaluating the evidence bases used within the model, with the aim of delivering much nearer to 40% "affordable housing" on new housing sites and certainly no less than 20% and a significant part of that at social rents. Also, to commit to, as part of the development of the new Lichfield District Local Plan, reviewing the approach to securing "affordable housing", based upon sound evidence.

3. To require the Cabinet Member for Housing and the Local Plan to work with a cross section of all Councillors and Officers, liaising closely with local Housing Associations and whatever other outside bodies can offer support on this to look at ways of introducing the Joseph Rowntree Foundation Living Rent model (rents based on around a third of local household incomes) for all rented housing across the District provided by social landlords/registered housing providers.

Councillors expressed their support for the motion, highlighting the importance of taking action to ensure affordable housing for all residents. They discussed the challenges faced by residents, such as high rental prices and homelessness. The councillors emphasised the need to work with housing associations, non-profit organisations, and charities to address housing issues effectively.

There was a consensus among the councillors that addressing affordable housing was a priority for the Council. They agreed to work together to develop practical solutions and strategies to improve housing affordability in the district. Following a vote:

**The Motion was approved.**

## 65 QUESTIONS

### Questions under Procedure Rule 11.2 for Council

#### **Q1. Question from Councillor Rushton to the Cabinet Member for Waste, Recycling, Ecology and Climate Change**

"Can you please provide the Council a monthly breakdown of fly-tipping incidents reported to Lichfield District Council over the last 24 months, accompanied by a number of how many of these incidents resulted in Fixed Penalty Notices (FPNs) being issued?"



## **Response from the Cabinet Member for Waste, Recycling, Ecology and Climate Change**

“A breakdown of the requested data is included at appendix 1. Fly tipping offences are notoriously difficult to investigate and to identify a suspect. Unless there is evidence within the waste, or someone has witnessed the offence, there are usually no leads to go on.

Due to the severity of the offence our starting point for fly tipping offences is prosecution. Therefore, a fixed penalty notice is only issued for minor offences with limited aggravating factors and after careful consideration of the facts. Data relating to prosecutions is therefore also included.

Sometimes officers are unable to identify a suspect for the fly tipping offence but can evidence that the waste was generated by a particular business or household. In those circumstances action can be taken against them, by prosecution or fixed penalty, and these are called waste duty of care offences. Data relating to those offences is also included.

Officers are keen to use novel tactics to reduce fly tipping offences and to identify suspects. On 11 Dec 23, some of our environmental health officers deployed to Warwickshire in order to seize a vehicle that they believe to have been used in the commission of offences in Lichfield District. Without warning they arrived at the suspects place of work, with a recovery vehicle and police support, and seized the vehicle to prevent further offending whilst the offences are investigated.

Academic research\* has demonstrated that the fear of being caught, and the fear of the subsequent penalty, is what deters the majority of people from fly tipping. Raising that deterrent by exploiting enforcement action through the media is key to our approach.

Officers will do a press release when enforcement action is taken, and Cllrs can help by sharing publicity to ensure that the action reaches the broadest audience.

\* Webb et al (2006) Fly-tipping: Causes, Incentives, and Solutions: A Good Practice Guide for Local Authorities. London: DEFRA and Jill Dando Institute.”

## **Supplementary Question from Councillor Rushton**

“It is disappointing to see the low rates of prosecution. Has the Cabinet Member come up with any new ideas on how to fix this crime? As rural districts like mine are very much affected by this.”

## **Response from the Cabinet Member for Waste, Recycling, Ecology & Climate Change**

“If you have any ideas, I would be very happy to listen to them. It’s always very difficult to catch the perpetrators of fly tipping unless you can trace their dumped items back to them. I do know that there are some new initiatives that have been thought out by officers and that they are looking at other councils and what they do to decrease the amount of fly tipping. What I will say is that when we do catch people, we do prosecute them, and we make it known in the public domain that we do prosecute them. I think the more we make people aware of this, the more this will act as a deterrent. I welcome any ideas.”

## **Q2. Question from Councillor Ball to the Cabinet Member for Housing & Local Plan**

“At the Council meeting on 17th October, I proposed an amendment to one of the recommendations, as follows: ‘and set out a clear timetable for a new Local Plan to be established as quickly as possible and well in advance of 2029.’ Councillor Farrell accepted

this amendment and the Council unanimously voted in favour of it. So, I would like to ask Councillor Farrell why he has as yet not provided the clear timetable for a new Local Plan.”

### **Response from the Cabinet Member for Housing & Local Plan**

“Since the last Full Council meeting officers have undertaken the work to withdraw the Local Plan 2040 and have started work to inform a new local plan including consideration of the timetable. The Council is required to formally set out a timetable for its local plan through the publication of a Local Development Scheme (LDS). The updating of which is required to be considered by Cabinet which will be done in the new year alongside an update on the local plan. The timetable will demonstrate that the new local plan will be delivered before 2029 and will reflect the government’s proposed new timeframe which aims for local plans to be delivered in around 30 months. Where possible I would like to bring that 30-month target down and deliver a plan sooner.”

### **Supplementary Question from Councillor Ball**

“When exactly will the Local Development Scheme be published next year? And when does the Cabinet member see the Local Plan being made?”

### **Response from the Cabinet Member for Housing & Local Plan**

“In terms of the Local Development Scheme I can provide you with a rough timetable. Currently we are in the stage of reviewing the current local plan. I’m hoping between January and March 2024 we can do a call for sites which is almost a soft launch of the new local plan. Then towards the March end of 2024 we’ll be looking at the Local Development Scheme and the machinery of putting that into place. I’m then hoping that around summer 2024 we will have our new evidence base for our new local plan. There are some consultations that will happen between September and October 2024. Some further evidence based on the consultations and the ongoing evidence hopefully by the end of 2024 or early 2025. Then the preferred option consultation towards the end of 2025. I’m hoping October 2026 we can get to submission date which of course would be three years before this Council’s deadline of 2029. I’d like to keep you all informed as we go forward.”

### **Q3. Question from Councillor P Taylor to the Cabinet Member for High Streets & Visitor Economy**

“Further to the Council's promotion of Visit Lichfield's 'Have a Magical Christmas' campaign, I note with disappointment the lack of Burntwood businesses on the website. Of the many listings, it seems there significantly fewer than from Lichfield City. Can the cabinet member provide a breakdown of the number of businesses located in each District Council Ward that are listed on the website, and those that are involved with the 'Have a Magical Christmas Campaign'?”

### **Response from the Cabinet Member for High Streets & Visitor Economy**

“The Magical Christmas Campaign was promoted via LDC’s business databases which contain contact details for over 6,200 businesses across the District. Businesses were encouraged to either upload their events directly themselves to the Visit Lichfield website, or send through their information to the Communications Team. The Team are also proactively uploading events as they are made aware of them via other communications activities. We’d very much welcome Councillors from across the District sending through details of any further events so that we can promote as many independent traders and festive events in Lichfield District as possible.

A full list of events currently promoted via the Magical Christmas Campaign will be made available by the end of play Wednesday.”

#### **Supplementary Question from P Taylor**

“Unfortunately, the response and data does not actually answer my question. I asked about the businesses listed by ward, not the events. While I commend the investment in promoting the local economy anyone visiting the website cannot fail to see the imbalance between Lichfield City businesses and businesses from Burntwood and the villages. It may be that the name Visit Lichfield website does not encourage participation from businesses outside the city. Can I ask the Cabinet Member to provide the data requested of businesses listed by ward? Can I also ask the Cabinet Member whether they think this expense should be borne by Lichfield City Council if it is going to mostly list Lichfield City businesses or whether we should provide a second website called visit Burntwood and other websites for the other rural areas and villages?”

#### **Response from the Cabinet Member for High Streets & Visitor Economy**

“In the response, you will notice that we emailed over 4,000 businesses, inviting them to participate. We offered assistance through our communications team to those organisations that were unable to upload their information directly to the Visit Lichfield website. Additionally, we included an appeal for those with local contacts to encourage these organisations to engage with 'A Magical Christmas' in future events.

Regarding the provision of physical data, it will be supplied to you. Although we have begun compiling the data, we decided to wait until we could ensure that it is easily accessible to everyone. Furthermore, we have initiated inquiries to meet with a specific Burntwood business and would like to extend an invitation to anyone who can provide additional contacts that may be worth exploring.”

#### **Q4. Question from Councillor Bragger to the Cabinet Member for High Streets & Visitor Economy**

"I have been pleased to see occasions when staff stop and explain the rules to motorists entering the pedestrianisation zone however most of the time I walk in the City Centre I see motorists ignoring the rather confusing rules.  
What are the Council's plans to further publicise the rules and location of alternative disabled parking?  
Have all taxi firms been informed of the rules and how it applies to them?  
Have those business with pavement licences now been told that they can continue using pavement furniture when disabled and delivery drivers have access to the city centre?”

#### **Response from the Cabinet Member for High Streets & Visitor Economy**

“What are the Council's plans to further publicise the rules and location of alternative disabled parking?”

Engagement with all road users continues to take place - as of 23 November 2023 security personnel have been introduced at the Tamworth & Bird Street gateways into the pedestrianised zone from 09:00 to 17:00, Thursday to Sunday each week. Their brief is to allow entrance to road users that are permitted access whilst also engaging with all other drivers with a particular focus on ensuring Blue Badge holders are fully aware of the restrictions and directed to the alternative parking provisions, this will continue through to the New Year. Printed copies of maps are being made available to drivers in the city as well as quantities being issued to local care homes for when family members are visiting. An electronic PDF version of the parking map is also being made available to organisations to

share with their users if requested. The pedestrianisation and car parking web pages on LDC's website also has information for Blue Badge holders. The installation of the digital car parking signage will also be able to advise drivers in the city to Blue Badge spaces.

Have all taxi firms been informed of the rules and how it applies to them?

Meetings have taken place with representatives of taxi drivers, including a site visit to an originally requested alternative siting for the night time rank to be outside the old library. Due to the preferred start time being 6.30pm here, it is not possible to use this place due to the running of bus transport until 20.30. Consultation with taxi and private hire representatives is ongoing at a pace to establish an alternative location which ideally would not require taxis to drive through the city centre. Taxi and private hire vehicles are subject to the restrictions and times of operations listed during the Experimental Traffic Regulation Order.

Have those business with pavement licences now been told that they can continue using pavement furniture when disabled and delivery drivers have access to the city centre?

There are a number of premises placing street furniture outside in the pedestrianised zone and can continue to do so at all times. The aim of the Experimental Traffic Regulation Order is to make the city even more vibrant, welcoming and attractive to visitors and shoppers, we are presently working with all stakeholders to achieve this.”

### **Supplementary Question from Bragger**

“I welcome security personnel, but I would ask that more is done to publicise the rules, particularly some clearer signs and I do think it’s important that the disabled parking bays are labelled. I would add that not everyone with limited ability has a blue badge and I would ask that there is some publicity given to drop-off points that would help with pedestrianisation.”

### **Response from the Cabinet Member for High Streets & Visitor Economy**

“This is an experimental trial that is continuing and is very much wanting feedback. Whilst we have a consultation due to open, in the meantime, I would invite any feedback and the pedestrianisation website. We aren’t just relying on that online medium; we are also handing out printed materials. But again, there is always an opportunity for residents to get in touch through the contact details on the website.”

## **66 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** “That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972”

## **67 CONFIDENTIAL APPENDIX FOR A CINEMA FOR LICHFIELD DISTRICT**

Addressing questions raised Cllr Robertson the Chief Executive provided further detail on the potential income figures, including the reason for the difference with those discussed at overview and scrutiny committee, and clarified the build costs that had been included in the development appraisal.

Councillor Woodward inquired about legal advice in connection with the recommendations from the Aspinall Verdi report. The Chief Executive confirmed that additional clauses had been inserted for consideration by Evolve and legal advice had been sought.

Councillor Henshaw expressed concerns about district councils entering commercial contracts with private companies unless it was to provide essential services or infrastructure projects.

It was proposed by Councillor Smith, seconded by Councillor Sylvester-Hall and

**RESOLVED: (1)** That Council agree to the inclusion of the new 'Buy Out' clause outlined in the report. The clause would involve the 'Buy Out' of Evolve Estates interest in the Joint Venture Limited Liability Partnership, two years after completion of the development.

**(2)** That Council approves an update to the Medium-Term Financial Strategy (MTFS):

- i. To increase the budget in the Capital Programme by £3,999,000 to reflect the central scenario cost of the 'buy out' with funding initially based on the central scenario included in the financial implications section. The plan is for any borrowing need to be funded through internal borrowing.
- ii. To continue the approach that the MTFS is based on a neutral (no surplus or deficit or capital receipts are included) budget position until more informed financial projections are provided through the Business Plan. Any future changes following receipt of the Business Plan will be reported in line with the Council's budget monitoring and any budget approvals will be in line with the budget framework.

**(3)** That Overview and Scrutiny Committee will continue to be involved in the scrutiny of key elements of policy development including the Business Plan and the most appropriate ownership model. This will enable Members to fully understand the strategic, operational, and financial implications of the Council becoming the sole owner of the cinema development and the impact on the MTFS.

## 68 CONFIDENTIAL MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

Councillor Norman submitted the Minutes of the special meeting of the Overview and Scrutiny Committee held on 30 November 2023.

(The Meeting closed at 8.27 pm)

CHAIR

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## REPORT OF THE LEADER OF THE COUNCIL

### CABINET DECISIONS – 6 February 2024

#### **1 Money Matters 2023/24: Financial Monitoring**

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 Approved the commencement of an open procurement process and to delegate the award of the contract for the housing redevelopment for the Bore Street Shops to the Cabinet Member for Finance and Commissioning subject to the full cost being within Approved Budgets.
- 1.3 Approved the commissioning works to enable the Council to prepare for mandatory Biodiversity Net Gain (BGN) and establish a brokerage service from LWMTS for £70,000 (funded by BNG grant of £52,857 and Council funding of £17,143).

#### **2 Medium Term Financial Strategy**

The Cabinet:

- 2.1 Delegated to the Cabinet Member for Finance and Commissioning and the Assistant Director – Customer, Resident and Business Services responsibility to award Retail Discount and Supporting Small Business Relief to businesses which are eligible during 2024/25.

The Cabinet recommended to Council for approval:

- 2.2 The 2024/25 Revenue Budget of £15,330,000, Council Tax Requirement of £7,929,000 and a District Council proposed Band D Council Tax for 2024/25 of £192.85 (an increase of £5 or 2.66% on 2023/24).
- 2.3 The MTFS 2023-28 Revenue Budgets and 25 year revenue financial planning model in APPENDIX A of the Cabinet report.
- 2.4 The MTFS 2023-28 Capital Strategy including the 25 year capital investment model and the Capital Programme shown in APPENDICES B & C of the Cabinet report.
- 2.5 The recommended increase in the Minimum Level of General Reserves from £1,900,000 to £2,000,000.
- 2.6 The recommended approach to funding Business-as-Usual Capital Investment in 2027/28.

- 2.7 The updated approach to the pay award in 2024/25, planning fees, car parking fees, contract/other inflation, regeneration initiatives and Treasury Management investment income.
- 2.8 The recommended provisional inclusion of a cost of living contingency budget of £50,000 in 2025/26.
- 2.9 The recommended increase of £398,000 in 2024/25 and the provisional inclusion of an in-year growth/contingency budget of £250,000 in 2025/26.
- 2.10 The Minimum Revenue Provision Statement for 2024/25, at APPENDIX D of the Cabinet report, which sets out the Council's policy of using the asset life method for making prudent provision for debt redemption.
- 2.11 Treasury Management Strategy Statement for 2024/25 APPENDIX E.
- 2.12 The Investment Strategy Report (APPENDIX F of the Cabinet report) where no changes are recommended for 2024/25.
- 2.13 The Capital and Treasury Prudential Indicators for 2023-28 in the financial implications section.
- 2.14 The Authorised Limit Prudential Indicator shown within the financial implications section.  
  
The Cabinet noted:
- 2.15 The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in APPENDIX G of the Cabinet report.
- 2.16 The results of the Budget Consultation summarised at APPENDIX H of the Cabinet report.

## **CABINET MEMBER DECISIONS**

### **3 Reallocation of Section 106 Funds**

- 3.1 The Cabinet Member for Housing & Local Plan approved to reallocate £13,224.95 of remaining Section 106 funds related to development at 7-9 High Street, Chasetown (12/00063/FULM) to Burntwood Town Councils project 'Refreshing the Meeting Space at Old Mining College'



- 3.2 The Cabinet Member for Housing & Local Plan approved to allocate £10,343.12 of Section 106 funds related to Elford Sports and Social Club, 13 The Beck, Elford (19/01707/OUTM) to Elford Parish Councils project 'Elford Sportsfield Pavilion Refurbishment'.

#### **4 Greenways Project - Basic Asset Protection Agreement**

- 4.1 The Cabinet Member for High Streets & Visitor Economy to sign the Basic Asset Protection Agreement which will allow works to commence on-site ahead of the lease agreement and will provide an opportunity to begin clearance works

That £100k UK SPF monies is allocated to the Greenways project:

- £75k allocated to the Basic Asset Protection Agreement costs
- £25k allocated to cover legal fees & enabling works

- 4.2 To receive a grant from GBSLEP Future Impact Fund, funded by distribution of GBSLEP surplus reserves to Lichfield District Council of £77,554 towards the delivery of the Greenways project.

#### **5 Introduction of Digital Electoral Polling System**

- 5.1 The Leader of the Council approved the immediate purchase of the Modern Polling system and to enter a 4-year contract for the system with Modern Democracy; and
- 5.2 Delegated authority to the Returning Officer to sign any required updated agreements to facilitate data sharing, data protection and cyber security to ensure compliance with requirements of the Elections Act 2022.

**ClIr Doug Pullen**  
**Leader of the Council**

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# Public Document Pack Agenda Item 6

## OVERVIEW & SCRUTINY COMMITTEE

19 DECEMBER 2023

### PRESENT:

Councillors Norman (Chair), Leung (Vice-Chair), Ball, Booker, Ho, Ray, Robertson and Woodward

### 45 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Holland, Trent, Whitehouse and Yeates.

### 46 DECLARATIONS OF INTERESTS

No declarations of interest were received.

### 47 MINUTES OF THE PREVIOUS MEETING

The public minutes of the previous meeting, held on 30 November 2023, were taken as read and approved as a correct record.

### 48 HEALTH MATTERS

The Vice-Chair updated the committee on the discussions of Staffordshire County Council Health and Care Overview and Scrutiny Committee. She confirmed that the check marks on the side of the work programme relate to when actions have been completed. The Vice-Chair confirmed she would share the SCC Winter Surge Plan with committee members. The Vice-Chair confirmed she would get an update to committee regarding Items 13 and 16 on the SCC work programme. She was asked about the Falls Response programme being operated by the Fire and Rescue Service and agreed to give feedback on this although the minutes were on the County Council's website.

The Vice-Chair updated the committee on the Samuel Johnson birth centre. She confirmed the temporary closure was ongoing due to a shortage of midwives and a lack of demand for the centre pre-Covid that increased the risk of staff becoming de-skilled.

Members asked the Vice-Chair to raise where social prescribers may refer patients to, public health prevention and issues with travel between Lichfield and Burton Hospital on the A38, at the next opportunity.

### 49 TASK GROUP NOTES

The Chair of the Lichfield City Masterplan Task Group updated the committee on the discussions of the last meeting on October 24th, 2023. He stated that members were certainly not unanimous in their views of the Georgian design focus. He confirmed that disabled parking and communication about the project were discussed by members at the Task Group, whilst marketing would be discussed at an upcoming meeting.

### 50 PLANNING COMMITTEE PROTOCOL

Lizzie Barton (Assistant Director Resident and Business Services) presented the report, alongside Artemis Christophi (Planning Management & Transformation Consultant) and Councillor Tom Marshall (Chair of Planning Committee).

It was confirmed that there are protocols for committee members and non-committee members. Three central issues were highlighted for feedback from O&S:

1. How to process member call-ins following a member departure, either as a result of an election seat change, bi-election seat change, standing down or death.
2. How to provide member support for both views (objectors and applicants) in single member wards/ward where only one member is not a member of the planning committee.
3. Speaking times at committee.

Point 1:

Artemis Christophi clarified that Parish Councils can call in applications if they meet the necessary criteria. Some other authorities require a minimum of 2 members to request a call-in. The fundamental rule is that all call-ins must be done on valid material grounds and all authorities report those grounds at some stage during the process.

Members expressed unease at asking substitute councillors to speak at planning committee based on their political party and believed the process should remain apolitical and instead focus on adding detailed local context to the issue through members knowledge of the ward and residents.

Members noted that residents also have the opportunity to submit objections prior to the application appearing at planning committee.

Members believed that whilst councillors have a responsibility to represent residents, necessitating a member to represent a particular view on a planning issue would not be appropriate.

Members expressed support for continuing to allow call-ins and the opportunity for ward members to have their views read out at committee if they are unable to attend.

Point 2:

Officers sought the committee's views on whether residents living in a single member ward could seek representation from an alternative member if their councillor did not share their view.

Members noted this could potentially provide an unfair advantage to residents living in single member wards, who would be able to seek representation from all 47 councillors, whilst those living in multi-member wards may find that all of their councillors still disagree with their view. It also risks involving members who do not understand the local issues as intricately as the ward member.

It was suggested that defining the role of councillors speaking at planning committee as a voice of the ward may be beneficial. The committee supported this suggestion.

Point 3:

Artemis Christophi confirmed the authority does not ask the applicant or agent for permission to impose conditions, but that they are imposed outright if members feel that is fit.

Lizzie Barton highlighted that a number of recent planning committees have had standing orders suspended and public applications deferred to the following meetings. There is a

concern officers may need to organise meetings based on how contentious they feel an item may be. Based on an analysis of recent meetings, she noted that:

- Moving forwards, officers are working towards 5 minutes maximum, unless on complex cases.
- Ward members often don't speak and when they do, they do not use the ten minutes allotted.
- Applicants/agents often use the full five minutes.

It was confirmed that with permission of the Chair, an extension to speaking times can be allowed in complex cases. Members noted that councillors should be encouraged to write to officers in advance of the meeting with their concerns about any application.

Members expressed support for reducing the speaking time at planning committee meetings to 3 minutes for objectors, 3 minutes for applicants/their agents and 3 minutes for ward members.

Members also suggested looking at the length of debates during planning committee meetings and how to ensure that can best follow the structured format.

- Members asked if the committee size could be changed.

*It was confirmed that the size of planning committees can vary between authorities.*

- Members asked whether site visits should again be considered.

*It was confirmed that site visits are under discussion and it was hoped committee members would undertake an escorted site visit to all items on a planning committee agenda in the company of planning officers. The technicalities of this are currently being ironed out.*

Members supported exploring the idea of pre-briefing meetings before planning committees to run members through the presentations in advance.

**RESOLVED:** The committee provided views and feedback to officers on changes to the Planning Committee Protocol, as well as suggesting potential further reforms to be explored.

## 51 WORK PROGRAMME

Members confirmed that they would like a briefing note on Youth Council Performance in January 2024, with the possibility of a wider agenda item in April 2024.

It was confirmed that the aim is to have a Civic Review Task & Finish group, constituted and running in early 2024. Members suggested this Task Group could then report its findings to the April 2024 O&S committee meeting.

Members raised the request for a Public Transport Task Group and debated whether the aims of this group may be better achieved through an item to be discussed at committee. O&S could invite bus operators and highways officers as part of this discussion.

Members highlighted that inviting officers and members from Staffordshire County Council to the committee, could also be an effective way to address the aims of the proposed Local Health Matters Task Group. The Vice-Chair confirmed a request had been made to SCC to attend LDC for discussions regarding health matters.

It was suggested these issues may be better raised at the Staffordshire Leaders Board, or a similar forum instead.

**52 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** “That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972”

IN PRIVATE

**53 CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

The confidential minutes of the previous meeting, held on 30 November 2023, were taken as read and approved as a correct record.

(The Meeting closed at 8.23 pm)

CHAIRMAN

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## OVERVIEW & SCRUTINY COMMITTEE

**30 JANUARY 2024**

### **PRESENT:**

Councillors Norman (Chair), Leung (Vice-Chair), Ball, Booker, Ho, Hawkins, Holland, Trent, Ray, Robertson, Whitehouse, Woodward and B Yeates

### **54 APOLOGIES FOR ABSENCE**

No apologies for absence were received.

### **55 DECLARATIONS OF INTERESTS**

No declarations of interest were received.

### **56 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting, held on 19 December 2023, were taken as read and approved as a correct record.

### **57 HEALTH MATTERS**

The Vice Chair gave a detailed update to the committee on the recent meetings of the of the County Councils Health and Care Overview & Scrutiny Committee. She noted the increased demand for social prescribers and plans for dealing with that requirement. Ensuring patients were referred to the correct practitioners to reduce the pressures on GPs was also discussed. The vice-chair promised to share upcoming papers on work to tackle the health impact of vaping.

Members praised the works of Social Prescribers, though the importance of funding and community resources were highlighted as key to facilitating their work. Members said they looked forward to the promise of more localised data that was made at the County Council's committee which would help health scrutiny in Lichfield District.

Members wondered how best the information provided by SCC could be actively applied to improve health matters in Lichfield District. Members noted that public transport should be raised as a key factor in ensuring members of the public can access health services around the district and beyond.

The Chair referred to the previous suggestion of a standing panel of LDC members to be set up to examine health matters locally which the localised data will be very useful. The Vice Chair could the feedback some of the deliberations into the County Council Health and Care Overview and Scrutiny Committee.

### **58 NOTES FROM TASK GROUPS**

The Chair of the Lichfield City Masterplan Task Group updated the committee on the discussions of the last meeting on January 18th, 2024. He explained the task group had a robust debate regarding the housing mix on the site. He noted some of the information discussed was confidential and wished to share any such information with task group members at future meetings.

## 59 EMPTY HOMES - UPDATE

Lizzie Barton (Assistant Director Resident and Business Services) and James Johnson (Regulation & Enforcement Manager) presented the report to the committee.

Members asked what assurances Cabinet and Leadership Team could give O&S that their views are seriously considered and taken on board. They recommended that O&S questions could be recorded in Cabinet reports in future.

- Members asked if action taken against empty properties was a recent thing or had been ongoing for a while now.  
*Officers confirmed that the council has used a variety of different powers in the past and is now wishing to explore what further action can be done with these powers.*
- Members asked what resource there would be for Empty Homes plans.  
*It was agreed that resourcing would be crucial and addressed in the plans going forward.*

Members requested more clarification in the report on negotiations with potentially vulnerable owners who may not have local relatives.

- Members asked about Empty Dwelling Management Orders (EDMOs) and management costs.  
*It was confirmed that when bringing properties up to an appropriate standard to rent, these costs are then later recovered through the rent.*

Members suggested that the development team at Lichfield West Midlands Trading Service (LWMTS), could provide support on EDMOs and Compulsory Purchase Orders (CPOs).

- Members asked what the cost effectiveness of this policy would be.  
*Officers confirmed that this needs to be part of discussions moving forward and would be included in the report brought to cabinet for approval.*
- Members noted the council used to have a steering group for properties.  
*It was confirmed that reviving a landlord forum was being looked at, though that did not currently include the remit to examine empty properties.*
- Members asked how effective council tax rises on empty properties were in practice.  
*It was confirmed that the premium charged is effective, and the majority of people tend to act after being charged. Though this was of course not the case for all properties.*
- Members asked what the common reasons people left houses empty are.  
*Some people have emotional connections to properties they are unable to manage, or lack the time to develop them in the way they had envisioned.*
- Members asked how much time must pass before council tax premiums are put on an empty home.  
*Two years.*
- Members asked what mechanisms are in place to protect families who are trying to sell properties but struggling to do so.  
*Officers stated that they would always encourage anyone struggling with council tax payments to contact the council, and the authority will work with them to do what can be done.*



Lizzie Barton confirmed the aim to get this policy approved by mid-2024 and encouraged members to continue to submit their thoughts on the policy going forward. It was confirmed that the powers had not changed, but that this policy was about better managing the pressures on this area. Officers confirmed that any draft would be brought back to O&S before being taken to Cabinet.

Members suggested the possibility of working with the private rental sector and liaising with estate agents as potentially helpful avenues to get this policy working effectively.

**RESOLVED:** The committee reviewed the current policy, considered best practice from across the country, and recommended changes and enhancements the council should consider when reviewing its policy and creating an action plan for the coming years.

## 60 GOVERNANCE OF PLANNING OBLIGATIONS - STRATEGIC INFRASTRUCTURE GROUP AND ALLOCATION OF COMMUNITY INFRASTRUCTURE LEVY

The report was presented by Cllr Alex Farrell (Cabinet Member for Housing & Local Plan). He confirmed that work on a new Local Plan had started and that the authority was looking at how to effectively allocate CIL money which the council receives from development.

The report proposes a new governance process including the creation of an infrastructure list annually and the formation of a cross-party panel to look at how to best distribute the money. Members suggested the membership of any panel should be extended to a minimum of 5 councillors.

- Members highlighted the open bidding process as a key part of making sure money was distributed effectively.  
*The Cabinet member believed allocations should be distributed to projects identified on the infrastructure list. He noted that the money is intended to be directed to strategic infrastructure, and many bids did not previously meet this requirement. He confirmed that the infrastructure list would be a live list, regularly updated as things change.*
- How often will O&S consider these issues, or will these decisions now only go through the new panel?  
*The Member Panel will feed back to O&S on a periodic basis similar to how a task group would. The proposal is that the SIG officer group meets 3 times a year; it could feed back to the Panel after every meeting and also meet the Panel after a CIL bidding round has ended and bids have been scored.*

Members questioned whether the problems that occurred last year had been fully addressed by this report. They highlighted that previously a lot of officer time was required, certain bids were not approved despite support from O&S, and a significant amount of CIL money was allocated to the district council last year. The Cabinet member agreed that funding should be spread out more. He agreed that the authority was keen to engage more with infrastructure providers such as the NHS on where they needed further infrastructure support.

- Members highlighted that with officers collaboratively working together, this raises the risk that applications for CIL money could be merged to get applications to meet the required criteria. Members suggested limiting the size of internal bids as a solution.  
*The Cabinet member raised concerns about limiting the size of bids, but suggested the possibility of a warning being triggered if bids hit a certain limit.*

Members raised concerns about the ownership of the infrastructure list, suggesting a review should be a standing item on the SIG agenda and that parish councils needed to be involved with suggestions into this process.

The Cabinet member agreed that the district should do more to help inform parish councils plan how to effectively utilise any funding they receive and highlight opportunities that may be on the horizon.

**RESOLVED:** The committee reviewed and commented on the proposed changes to the governance of planning obligations.

- They recommended the cross-party Member Panel that will consider and provide a steer on SIG recommendations prior to consideration by Cabinet be comprised of 5 members including the cabinet member.
- They agreed with the creation of an annual 'Infrastructure List' within the Infrastructure Funding Statement (IFS) which would set out a shortlist of strategic projects and/or types of projects that would be eligible for applications for CIL funding that year, but recommended the list be developed with engagement with infrastructure providers.
- They approved the revised CIL governance and administration procedures and allocating and spending CIL additional guidance documents to reflect the proposed changes.

## 61 MEDIUM TERM FINANCIAL STRATEGY

The report was presented by Cllr Rob Strachan (Cabinet Member for Finance and Commissioning) to the committee, reminding them that the final decision on this would be taken by Full Council. He believed that the majority of proposals discussed with political groups were either reflected within the report or could be accommodated because broad thematic budget allocations had been included around cost of living, in year growth/contingency and Enabling Regeneration Investment.

It was noted that the announcement from central government of additional funding on 24 January 2024, occurred after publication of the Medium-Term Financial Strategy Report included in the Overview and Scrutiny Committee agenda. The Council has received an additional c£100k of funding in 2024/25 from the increase in the funding guarantee. Anthony Thomas (Assistant Director Finance & Commissioning) has at this stage recommended in the Cabinet version of the Medium-Term Financial Strategy Report an increase to the in-year growth/contingency budget by a further £100k. In response to member suggestions, the cabinet member agreed that he was willing to consider allocating the money to the community and voluntary sector if deemed appropriate.

The cabinet member explained that as neither of the settlements lasted more than one year, this naturally added uncertainty to the authority's ability to conduct financial planning. He believed the council tax proposals before committee are reasonable and proportionate. He confirmed that only items that are ready and costed go into the capital programme, whilst returns for projects are held at relatively pessimistic levels to ensure that there is no budgetary shortfall due to the use of over-optimistic figures.

- Members asked about a 5% increase in fuel prices assumed and whether this would still be correct given recent conflict in the Red Sea and Gulf of Aden.  
*Anthony Thomas confirmed he had included provision for additional inflationary increases within the report.*
- Members asked for assurances on budget savings requested of the council.  
*The Cabinet member stated that the savings on budgets over the last 18 months was £1.7 million, with further savings aimed for, and reviewed every 6 weeks. It was true that councils across the country are once again having to try and deliver more with less and Lichfield was fortunate that it had successfully managed to achieve this so far.*

- Members asked whether council tax support would be locked in for the next two years. *The Cabinet member confirmed this and confirmed an awareness campaign to get those that are struggling to come forward for support.*

Members highlighted that local government had been asked to make further efficiencies for many years now and that further cuts could ultimately cost more money in the long term by placing further strain on services and leading to inefficiencies.

Members suggested looking at the alternative option of a council tax increase at 2.99% rather than a rise of £5.

- Members asked when the business plan for the cinema would be provided to O&S. *Anthony Thomas confirmed that a commitment to involve O&S had been part of the proposals approved by Full Council and the committee could take that as assurance that they would be consulted going forward. It was noted that Council had approved that it would not be prudent to include any potential return from the cinema in the budget at this time until the Business Plan and its assumptions were received and reviewed.*
- Members asked for clarification on CIL grant expiry. *It was explained CIL funding has been allocated in previous cycles to projects that have not subsequently been spent. The council is now looking to recoup the money from the group that received it so it can be reallocated. Anthony Thomas agreed to provide the Committee with the reasons for the projects where the CIL grant agreement had expired.*
- Members asked about the projections on general reserves and highlighted that they currently fall away very quickly at the end of the forecast. *Anthony Thomas noted those assumptions are based on finance reform being implemented in 2026/27 based on policy papers from the current government several years ago with the impact assessed by using models provided by two Local Government Finance experts. The upcoming general election adds additional uncertainty to these factors. In the event these projections prove to be accurate, the current level of available General Reserves would enable the council to make decisions in a sustainable way rather than on a 'knee jerk' basis given there is still a great deal of uncertainty around these projections.*

The cabinet member confirmed that there are no plans to cut the community and voluntary sector budget.

- Members asked for clarification on the value of historic investment properties. *It was confirmed these are retail properties in some cases acquired a long time ago. The rental value - which has dropped significantly over recent years - is used to calculate the value of the asset moving forward. In some cases, asset redevelopment is taking place or there are also strategic reasons for their continued ownership.*
- Members asked if there was an opportunity to any feedback to the responses in Appendix F. *Officers believed that the comments were submitted anonymously, limiting the options for feedback. However, Anthony Thomas agreed to contact Tracy Cross to determine ways to provide feedback to those who had taken the time to complete the budget consultation.*

Members suggested reviewing the way in which the survey at Appendix F was conducted to provide better quality data, rather than an option text option currently presented to respondents.

**RESOLVED:** The Committee scrutinised the Draft MTFS and provided feedback to Cabinet in relation to:

2.1 The Draft 2024/25 Revenue Budget of £15,230,000, Council Tax Requirement of £7,929,000 and a District Council proposed Band D Council Tax for 2024/25 of £192.85 (an increase of £5 or 2.66% on 2023/24).

2.2 The Draft MTFS 2023-28 Revenue Budgets.

2.3 The MTFS 2023-28 Capital Strategy including the 25 year capital investment model and the Draft Capital Programme.

2.4 The recommended increase in the Minimum Level of General Reserves from £1,900,000 to £2,000,000.

2.5 The recommended approach to funding Business-as-Usual Capital Investment in 2027/28.

2.6 The updated approach to the pay award in 2024/25, planning fees, car parking fees, contract/other inflation, regeneration initiatives and Treasury Management investment income.

2.7 The recommended provisional inclusion of a cost of living contingency budget of £50,000 in 2025/26.

2.8 The recommended increase of £298,000 in 2024/25 and the provisional inclusion of an in-year growth/contingency budget of £250,000 in 2025/26.

2.9 The 25 year revenue financial planning model.

2.10 The results of the Budget Consultation.

The Committee also reviewed:

2.11 The inclusion of the funding approved by Council for the Cinema for Lichfield District.

2.12 The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves.

## **62 WORK PROGRAMME**

The committee reviewed the work programme and asked if it would be possible to invite members of the Youth Council to O&S to provide feedback on how the forum is operating or have a further report on its operation in future. A member asked if the Task and Finish Group on the Civic Function was taking place soon and the Chair said that was in hand. He also hoped the training session for Scrutiny to be held on the 13th of February would also help with the review of the Overview and Scrutiny Function later in the Municipal year.

(The Meeting closed at 8.37 pm)

CHAIR

# Public Document Pack Agenda Item 7

## AUDIT COMMITTEE

1 FEBRUARY 2024

### PRESENT:

Councillors Ho (Chair), Whitehouse (Vice-Chair), Robertson, J Smith, P Taylor and Woodward

### 36 APOLOGIES FOR ABSENCE

No apologies for absence were received.

### 37 DECLARATIONS OF INTEREST

No declarations of absence were received.

### 38 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held 28th November 2023 were taken as read and approved as a correct record, subject to amending the word "committee" to "committed" in the second paragraph of the Internal Audit Progress Report minutes.

### 39 AUDIT PLAN (INCLUDING PLANNED AUDIT FEE 2023/24)

Helen Parks (External Auditor - Azets) presented the report to the committee and talked members through key areas. They agreed that within the audit, the LWMTS accounts should not currently be consolidated with those of the council, though this would be reviewed again later in the year. It was highlighted that the external auditors will continue to proceed with work but cannot issue their audit opinion until Grant Thornton has provided their report for the outstanding years prior.

They highlighted that any error over £53,000 is required to be identified to the committee. Members asked if this figure was considered an acceptable level for an authority of LDCs size. Helen Parks confirmed that the high materiality level of the council was just over £1 million. The £53,000 figure was calculated as 5% of the overall materiality for the council. She confirmed this number was a reasonable benchmark for a council of this size.

Members asked where the 1.75% materiality figure came from. Helen explained the maximum threshold external auditors can use is 2%. The level used is then determined based on what they deem to be reasonable through any fieldwork conducted so far.

The external auditors explained that the nature of the high classification of risk of material misstatement is around the ability of management to perpetrate fraud. They assured members that the International Standards on Auditing require this to always be identified as a high risk and given appropriate attention. This is something that would be the same across all councils.

It was explained that an issue regarding the county councils pension fund needing sign off is currently delaying the complete set of accounts from being finalised.

**RESOLVED:** Members noted the Audit Plan (including Planned Audit Fee 2023/24).

### 40 TREASURY MANAGEMENT STATEMENT AND PRUDENTIAL INDICATORS

Anthony Thomas (Assistant Director Finance & Commissioning) presented the report to the committee. He explained that the capital strategy saw no significant changes since last year. The capital programme includes budgets for the new leisure centre, cinema and replacement waste fleet. It was noted the borrowing need will increase significantly in order to fund the new leisure centre and cinema developments. Mr Thomas confirmed there were no significant changes to the treasury management and investment approaches with last year. He noted there will be a small number of minor changes on updates/guidance/grammar when this report goes to Cabinet and Full Council.

Members asked what would happen if the projected capital receipts for 2023/24 do not ultimately amount to the figures anticipated in the report. Mr Thomas explained that in that scenario, there would be a subsequent choice between reducing the spend of the capital programme, increasing the borrowing need to deliver the programme or using alternative funding sources. He explained that Venture House represented the main risk for this scenario, the other large receipt was 'notional' in nature and is related to the asset exchange for the cinema for Lichfield District development and its non-receipt would not impact on the Capital Programme funding.

Mr Thomas explained that the outstanding public works loan referenced in paragraph 3.7, is a 25-year loan with roughly 16 years remaining. This was originally taken to fund the development of the Friary Outer car park, and the loan length designed to reflect the asset life.

Members stated they would like to see the value of Venture House to be reassessed to ensure a sale that would enable the delivery of the Capital Programme. Mr Thomas said he had been told by the property team that it would be resolved and did not believe it had yet reached the point at which reassessment of the capital receipt value was necessary.

It was explained to members that that there is £14 million currently invested in property investment funds and following review by the Committee, this currently planned to reduce from £14 million to £9 million. This is intended to help fund internal borrowing for the leisure centre and reduce the amount at risk to volatile market forces given the Government had indicated the removal of the statutory override.

Mr Thomas explained that the report currently included a £6 million like-for like replacement for the waste fleet, though there were two immediate risks around this: the procurement of food waste vehicles, and the likelihood of alternative fuel vehicles moving forward. It was felt prudent to revise this when more up to date information is available going forward. Mr Thomas confirmed that the £6 million covered both LDC and Tamworth Borough Council through the shared service. Going forward, much would depend on how aligned the two councils are with their future direction for the service area.

In response to questions Mr Thomas agreed to provide members with more information regarding when the Property Condition Surveys were last completed and would be reconducted.

**RESOLVED:** Members considered the Capital Strategy and Treasury Management Strategy Statement and highlighted changes and recommendations to Cabinet in relation to:

2.1 The Capital Strategy and Capital Programme.

2.2 The Minimum Revenue Provision Statement for 2024/25, which sets out the Council's policy of using the asset life method for making prudent provision for debt redemption.

2.3 Treasury Management Strategy Statement for 2024/25.

2.4 The Investment Strategy Report where no changes are recommended for 2024/25.

2.5 The Capital and Treasury Prudential Indicators for 2023-28 in the financial implications section.

2.6 The Authorised Limit Prudential Indicator shown within the financial implications section.

#### **41 INTERNAL AUDIT PROGRESS REPORT**

Andrew Wood (Audit Manager) presented the report to the committee. He explained that as of 31st December 2023, 33% of the audit had been completed. This was below the year-to-date audit plan profile for 2023/24 of 78% and was due in part, to exceptional circumstances. He noted that only completed audits are included in the relevant statistics. He provided assurance to the committee that 78% would be complete by 31st March 2024. The current contract with the IT Audit provision provided by E-Tec Business Services concludes as at 31st March 2024 following a 1-year extension, as allowed within the contract.

Members asked what exceptional circumstances were accounted for in the report. Mr Wood explained this included a bereavement in the team and a number of audits were subsequently moved to BDO. He highlighted a high number of audits where the fieldwork has already commenced and provided assurance to the committee that 78% of the audit will be completed by the end of March. Mr Wood confirmed he would draw on the committee's support if required but reiterated the team did receive the required support from Leadership Team.

Mr Thomas highlighted that Planning was currently undergoing a restructure which would include a dedicated post to deal with Section 106 processing and management.

In response to questions on the recruitment of an Independent Person, Mr Wood expected a process of job advertisement and response would need to be undertaken, before the successful individual took their place at the start of the municipal year. He highlighted though that the applicants will need to be of the appropriate standard to suit the needs of the committee.

Members requested that the current status of outstanding high priority recommendations be brought to the next committee.

**RESOLVED:** The committee noted Internal Audit's Progress Report to 31 December 2023.

#### **42 RISK MANAGEMENT UPDATE**

Andrew Wood presented the report to the committee. He explained that all changes made by Leadership Team had been highlighted within the report. The current scoring levels and risk appetitive levels of the council have not changed since the last time this report was presented to members in November 2023.

Members highlighted that the majority of risks outlined were high impact risks even if they were low likelihood, and if anything could be done to reduce this. Mr Wood explained that these risks will be inherently high impact by their nature of being strategic risks within the local authority and the effects they could subsequently have if not checked. Mr Thomas added that there are elements of each risk that can be controlled but certain factors were often beyond the control of the authority and the very best mitigation can only reduce the risk levels so much.

Members asked about SR7 and questioned if the original scoring of 4 was too low based on past events at other authorities. Mr Wood confirmed he could review this again.

Members asked roughly how many attacks occur a week on the authorities' systems. Ian Edwards (ICT Manager) confirmed that the IT service sees examples of regular action from hostile states, phishing attempts blocked, impersonation attempts. He noted that identifying these attempts was a sign that they are being tackled appropriately rather than missed.

**RESOLVED:** Members noted the risk management update and received assurance on actions taking place to manage the Council's most significant risks.

#### **43 GDPR/DATA PROTECTION POLICY**

Ian Edwards (ICT Manager) presented the report to the committee. He explained that minor changes have been highlighted in the appendix. He highlighted a separation of employee and member accountability as well as responsibility and accountability for Leadership Team within the policy.

Mr Edwards confirmed that training is made mandatory for all staff and is required to be renewed on an annual basis - this policy will update that training material. He confirmed that staff had previously had their access to systems revoked if they did not complete the required training.

Members requested a report on the numbers of people expected to complete/have completed the training outlined. Mr Edwards confirmed this could be provided and added to the work programme.

Mr Edwards confirmed he would have a conversation with the Data Protection Officer on what to do with data that is held by members.

The committee agreed an amendment to the policy, replacing the words "may result in disciplinary action" with the alternative wording to "will be considered under the council's disciplinary policy".

Mr Edwards stated that the council ideally would not use suppliers with non-UK data centres, though recognised this was increasingly difficult. He agreed to provide more information to members on this after the meeting.

**RESOLVED:** Members approved the updated Data Protection Policy to meet (UK GDPR) regulations.

Members amended the policy to replace the words "may result in disciplinary action" with the alternative wording: "will be considered under the council's disciplinary policy".

#### **44 WORK PROGRAMME**

The committee noted the contents of the work programme. The Chair asked if officers could review whether any items could be moved from the April meeting to the March meeting.

(The Meeting closed at 7.49 pm)

CHAIR



# Public Document Pack Agenda Item 8

## PLANNING COMMITTEE

15 JANUARY 2024

### PRESENT:

Councillors Marshall (Chair), Checkland (Vice-Chair), Anketell, Ashton, Cross, Evans, Galvin, Harvey-Coggins, Mears, Powell, Salter, Vernon and S Wilcox

### 30 APOLOGIES FOR ABSENCE

Apologies of absence were received from Cllr Andrew Rushton.

### 31 DECLARATIONS OF INTEREST

Councillor Checkland declared a personal interest on Agenda item no.4 Application number 23/ 01208/FULM as he is Chair of Lichfield Sports Club.

### 32 MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting were approved and signed as a correct record.

### 33 PLANNING APPLICATIONS

The Application for permission for development were considered with the recommendation of the Planning Management & Transformation Consultant and any letters of representation and petitions of observations/representations received in association with Planning Application 23/00751/FUL and 23/01208/FULM.

23/00751/FUL – Yew Tree House Lichfield Road Hanch Lichfield Kings Bromley

RESOLVED: That the application be approved subject to conditions.

(Prior to Consideration of the Application, Representations were made by Alan Griffiths (Objector) and Councillor Richard Cox (Ward Member)).

23/01208/FULM - Stychbrook Park Curborough Road Lichfield

RESOLVED: That the application be approved subject to conditions with the amendment to condition number 23 to state that the pitches will close at 21:30 on weekdays and subject to the completion of a legal mechanism to secure a travel plan monitoring fee and conditions.

(1) Subject to the applicants first entering into and agreeing a legal mechanism to secure the following: -

i A travel plan monitoring fee of £10,000.

(2) If the legal agreement is not signed/completed by 15th April 2024 or the expiration of any further agreed extension of time, then powers to be delegated to officers to refuse planning permission, based on the unacceptability of the development, without the required contributions and undertakings, as outlined in the report.

(The Meeting closed at 7.10 pm)

CHAIR

# Public Document Pack

## PLANNING COMMITTEE

**24 JANUARY 2024**

### PRESENT:

Councillors Marshall (Chair), Checkland (Vice-Chair), Anketell, Ashton, Cross, Galvin, Harvey-Coggins, Mears, Powell, Rushton, Salter and S Wilcox

### 34 APOLOGIES FOR ABSENCE

Apologies of absence were received from Cllrs Evans and Vernon.

### 35 DECLARATIONS OF INTEREST

Councillor Salter declared a personal interest on Agenda item no.4 Application number 23/01040/COUFLM as he is a ward member for Shenstone.

Councillor Harvey-Coggins declared a personal interest on Agenda item no.4 Application number 23/01040/COUFLM as she is a ward member for St Johns.

Councillor Wilcox declared a personal interest on Agenda item no. 4 Application number 23/00516/FUH as an objector is known to her.

Councillor Ashton declared a personal interest on Agenda item no. 4 application number 23/01216/COUM as he is a ward member of Stowe.

Councillor Anketell declared a person interest on Agenda item no.4 Application number 23/01040/COUFLM as he is a councillor for St Johns.

### 36 MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting were signed and approved as a true record.

### 37 PLANNING APPLICATIONS

The Application for permission for development were considered with the recommendation of the Planning Management & Transformation Consultant and any letters of representation and petitions of observations/representations received in association with Planning Application 23/00516/FUH, 23/01040/COTFLM and 23/01216/COUM.

23/00516/FUH - 29 Alrewas Road Kings Bromley.

RESOLVED: That the application be Refused for reasons as outlined in the report and updated within the supplementary report.

(Prior to Consideration of the Application, Representations were made by Paul Till (Objector) and Councillor Richard Cox (Ward Member)).

23/01040/OUTFLM - Lichfield South Business Park Birmingham Road Wall.

RESOLVED: In line with the additional updates within the supplementary report and subject to referral and 'no call in' from the Secretary of State that the application be Approved, subject to completion of a S106 TCPA 1990 agreement to secure the following:

1. Highways Contribution of £100,000.00 for bus stop improvements in the location
  2. Land Transfer at site frontage required as highway maintainable at public expense at new position of the north bound bus stop
  3. Travel plan fee of £15,000.00 for monitoring and management of Travel Plan
- And to conditions outlined in the report.

(Prior to Consideration of the Application, Representations were made by Mr David Onions (Applicant Agent)).

23/01216/COUM - Former Debenhams and 36-44 Bakers Lane Lichfield.

RESOLVED: That the application be Approved subject to conditions.

(Prior to Consideration of the Application, Representations were made by Bernice Eisner (Objector) and Matthew Sobic (Applicant Agent)).

(The Meeting closed at Time Not Specified)

CHAIRMAN

# Public Document Pack Agenda Item 9

## REGULATORY AND LICENSING COMMITTEE

**13 DECEMBER 2023**

**PRESENT:**

Councillors B Yeates (Chair), Anketell, Bragger, Checkland, Coe, L Ennis, Evans, Henshaw, Hill, Leung and Warfield

**15 APOLOGIES FOR ABSENCE**

Apologies of absence were received from Councillor Salter.

**16 DECLARATIONS OF INTEREST**

Councillor Bragger declared a non-pecuniary interest in item 4 as a member of The Ramblers and as the secretary of Lichfield Ramblers. It was discussed that this would not impact his decision-making since he was not involved with the consultation process.

**17 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting, held on 25 September 2023, were taken as read and approved as a correct record by the Chair.

**18 FOOTPATH- PROPOSED EXTINGUISHMENT OF PUBLIC FOOTPATH**

Robin Carr (Public Rights of Way Consultant) outlined the application that has been made for the extinguishment of public footpath No.15 that runs between Cannock Road and Cobbett Road in the Parish of Burntwood as illustrated in the Appendix of the report. He noted that the path has not been physically available for a significant amount of time, but this should be disregarded in the consideration of the application.

He explained that an extinguishing order can be made if it is determined that the path is not needed for public use and that there would be little use if it were to remain open. He noted the likely use of the path, if opened, should also be taken into consideration.

Mr Carr explained that consultations were carried out with user groups, and it was reported that the Peak and Northern Footpath Society withdrew their initial objection after additional consultation. The objection received from the Staffordshire Ramblers remained, but it was noted that their objection was more on principle than any specific concerns. No responses or views from the public were received from the notices posted onsite.

The path was described as having been part of a long walk across open fields, but it is currently running through an industrialised area. The majority of users could easily find alternative routes using Cobbett Road and Attwood Road to Cannock Road. He concluded that the path is not needed and would likely have minimal future use. Therefore, his recommendation was to make the extinguishment order.

A concern was raised about the safety of the path, if open, particularly due to the lack of streetlights. It was acknowledged that this could impact the future use of the path, but it was clarified that safety was not a specific consideration in making the order.

Members expressed support for the proposal due to the availability of an alternative safer route, although it was acknowledged by members that they are not usually in favour of extinguishing public paths.

Concerns were raised about the justification for the application and the permanent nature of extinguishing the path. Mr Carr clarified that the application was motivated by the development of the site and the need for site security.

The definition of a temporary obstruction was discussed, and it was clarified that a building could be considered a temporary obstruction. It was emphasised that the consideration of the path needed to be based on its current state, disregarding any temporary obstructions. The need to close the path was explained as being related to the narrowness of the area between the industrial units and the path, which would result in vehicular movements and parking adjacent to the path. It was noted that the current drop of about a meter between the industrial units and the path further complicated the situation.

Comments from the website Lichfield Live were raised, mentioning that some individuals expressed a desire to use the path if it was restored and accessible. Mr Carr responded by stating that during the six-week period when notices were posted inviting comments, no responses were received.

Members proposed accepting the application to extinguish the public path, taking into account the considerations discussed during the meeting.

**RESOLVED:** That the proposed extinguishment of Public Footpath No.15 (part) in the Parish of Burntwood as set out in Appendix A of the report be approved.

## 19 REVISED TAXI LICENSING POLICY

James Johnson, Regulation & Enforcement Manager, provided an overview of the current policy on Hackney Carriages and Private Hire vehicles. He mentioned that the policy, written in 2022, serves to bridge the gap between the law and its local implementation. He stated that the review of the policy's objectives and timeline is the main consideration for members, prompted by concerns expressed by taxi drivers during a meeting in October.

The areas proposed for review included the possibility of increasing the number of electric vehicles and wheelchair accessible vehicles in the district. The fare review for taxi services, ensuring competitiveness, and the enforcement aspects of the policy were also highlighted. Mr Johnson outlined an alternative approach to the current penalty point system, with a list of contraventions and corresponding sanctions that would provide a simpler and more efficient enforcement process.

He concluded that the current policy needs to be simplified. A proposed timeline for the review was included in the report and if agreed by members a consultation would be undertaken using methods such as online surveys and face-to-face sessions with taxi drivers and taxi users. The outcome of the consultation and the proposed and revised policy would then come back to the Committee in March 2024.

Members expressed their support for the review and inquired about the available levers for increasing the number of electric vehicles and wheelchair accessible vehicles. Mr Johnson stated that the specific levers would be explored during the review, which would involve looking at practices used by other authorities.

Councillors queried how the public and taxi clients would be consulted. Mr Johnson responded that an online consultation would be the primary method, but face-to-face sessions would also be held for those who wished to participate in person.

The importance of consulting with the National Union of Rail, Maritime and Transport Workers (RMT) representatives and ensuring public safety was raised along with the need to consider

fees and charges in relation to covering costs adequately and remaining comparable to other authorities.

Mr Johnson confirmed that the review would consider all disabilities, not just wheelchair accessibility. He mentioned existing conditions requiring drivers to assist passengers with disabilities when needed, including partial sightedness and the use of assistance dogs.

Members suggested prioritising face-to-face meetings for better responses and inquired about the October meeting and its purpose. Mr Johnson explained that the October meeting focused on taxi ranks in the city centre and served as an opportunity to rebuild the relationship with RMT.

The chair concluded the discussion by expressing approval for the proposed review and its recommendations, highlighting the importance of regular updates to keep pace with changing circumstances.

**RESOLVED:**

(1) That the objectives and timeline for the review as set out in section 3.6 of the report be approved.

(2) That the Assistant Director of Operations, Regulation and Enforcement retains the ability to make minor variations to the policy in consultation with the Chair of the Regulatory and Licencing Committee be approved.

**20 SETTING OF REGULATION AND ENFORCEMENT FEES, CHARGES AND FIXED PENALTY AMOUNTS FOR 2024-25**

James Johnson, Regulation & Enforcement Manager, presented a review of the fees, charges, and penalties imposed by the Regulation and Enforcement Service under various circumstances, including Environmental Health licensing and planning enforcement.

The consolidation of fees, charges, and penalties into one document, including the addition of penalty aspects, was discussed. The committee was requested to approve the proposed fees, charges, and penalties listed in Appendix 1 to come into force on April 1st, with Appendix 2 noting the fees and charges set nationally.

It was recommended that the Chair and the Assistant Director of Operations Regulation and Enforcement be authorized to confirm the fees in relation to taxi vehicles and taxi operators, subject to a consultation process, in time for implementation on April 1st.

It was proposed that an annual review of fees, charges, and penalties be undertaken, with automatic increases to recover costs, and subsequent noting by the committee.

Mr Johnson highlighted the extensive calculations and benchmarking conducted to set the proposed fees, charges, and penalties. A comparison with neighbouring authorities showed that the proposed fees and charges were generally within the range and often below the median.

Members inquired about the discrepancies in fines for littering at £500 and fly tipping at £1,000, questioning whether the maximum fines in court influenced these differences. Mr Johnson explained that littering carried a maximum fine of £2,500, while fly tipping had an unlimited fine. He also mentioned that by increasing fixed penalties for fly tipping, they hoped to deter such offences.

Concerns were raised about the fixed penalty for smoking in public places at £50 compared to the fine for littering. Mr Johnson clarified that smoking fixed penalties were set by the

Department of Health, which required a different template and had different ranges from DEFRA-set fixed penalties.

The Committee questioned the reference to "hypnotism permits" and "high hedge applications" in the proposed fees and charges. Mr Johnson explained that licenses for public displays of hypnotism exist, although none have been issued locally. High hedge applications allow councils to charge fees for handling complaints about hedges' height, aiming to encourage informal action and avoid vexatious complaints.

The rounding up of fees to the nearest £5 was discussed, with clarification that all fees had indeed been rounded up. It was noted that this accounted for the decreasing use of change in transactions.

Members expressed surprise at the lack of fee reviews in over 20 years for some items. Mr Johnson stated that licenses like high hedge applications, camping and caravan licensing, and mobile home licensing, which were set a long time ago, were in need of review to align them with current standards and regulations. He assured the committee that resources would be allocated next year to undertake this review.

Members emphasised the importance of both punishment and deterrence in setting penalties, particularly for offences where people believe they can get away with their actions.

Councillors raised questions about sex establishment licensing, referring to the presence of only one registered establishment and inquired about any exploitation concerns. Mr Johnson clarified that the establishment was a shop requiring a license, and no particular concerns were raised about the business compared to establishments in other sectors.

The Chair mentioned that the committee had previously visited the site when approving the license and explained that the decision to maintain the current fee was based on supporting the business and occupation of the premises.

**RESOLVED:**

(1) The committee is recommended to approve the revised fees, charges and penalties outlined at Appendix 1 ready for them to come into force on 1 April 2024. These amounts are set by the Council.

(2) The committee is recommended to note the revised fees, charges and penalties outlined at Appendix 2 ready for them to come into force on 1 April 2024. These amounts are set in law.

(3) The committee is recommended to approve that the Chair and Assistant Director of Operations, Regulation & Enforcement confirm the fees for taxi vehicles and taxi operators following a period of statutory consultation, and to make minor amendments to other fees, charges and penalties to reflect future changes, particularly in legislation, where necessary.

(4) The committee agree a delegation to the Assistant Director of Operations, Regulation and Enforcement to apply CPI increases annually for application on 1 April each year. Any amendment to fees, charges and penalties outside of CPI will be subject to committee review.

## **21 WORK PROGRAMME**

The committee discussed the work program and proposed adjustments. The committee agreed to consider street trading in February or March, depending on the progress of related work. It was suggested that a provisional date be set to avoid last-minute changes. The review of the delivery and monitoring of private water supplies was also mentioned as a possible addition to the program.



Members expressed thanks and appreciation to Mr Johnson and his team for their excellent work.

The Committee raised a query regarding the closure of Darwin Walk due to the construction of a housing estate. The historical significance of Darwin Walk and its impact on annual events was discussed. Mr Carr indicated that the matter falls under the County Council. Christie Tims, Assistant Director Operations - Regulation and Enforcement, agreed to investigate the matter.

Mr Johnson thanked members for acknowledging his team's hard work. He extended an invitation to members to spend time with the team, either in the office or on a visit.

**RESOLVED:** That the Work Programme 2023-2024 be noted and agreed.

(The Meeting closed at 6.55 pm)

CHAIR

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# Auditor's Annual Report on Lichfield District Council

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2021/22 and 2022/23

November 2023



Item 10



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the [type of body] has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the [type of body]'s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Executive summary















## Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on Council's arrangements under specified criteria. 2020/21 was the first year that we reported our findings in this way. The NAO have issued guidance to auditors which states that a commentary covering more than one financial year can be issued where it is more efficient and effective to do so. We have decided to report a combined commentary on the Council's arrangements for 2021/22 and 2022/23 because this will provide an up-to-date commentary. As part of our work, we considered whether there were any risks of significant weakness in Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

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Criteria	Risk assessment	2021/22 Auditor Judgment	2022/23 Auditor Judgment	Direction of travel
Financial sustainability	No risks of significant weakness identified.	 No significant weakness in arrangements identified.	 No significant weaknesses in arrangements identified.	
Governance	No risks of significant weakness identified	 No significant weaknesses in arrangements identified and one Improvement Recommendation made.	 No significant weaknesses in arrangements identified and one Improvement Recommendation made.	
Improving economy, efficiency and effectiveness	No risks of significant weakness identified.	 No significant weaknesses in arrangements identified and two Improvement Recommendations made.	 No significant weaknesses in arrangements identified and two Improvement Recommendations made.	

-  No significant weaknesses in arrangements identified or improvement recommendation made.
-  No significant weaknesses in arrangements identified, but improvement recommendations made.
-  Significant weaknesses in arrangements identified and key recommendations made.

# Executive summary



## Financial sustainability

In challenging financial circumstances the Council was able to maintain a strong position in 2021/22 and 2022/23, assisted by its recognition of the unsustainability of continuing to balance its budget through the use of reserves in the medium-term. The Council's arrangements to plan and manage its finances were effective in both years. The Council embarked on new change processes through the Being a Better Council programme which is helping to refocus its performance and effectiveness. We are satisfied that the Council had adequate and appropriate processes in place to ensure that its medium-term financial planning, budgeting and monitoring and reporting processes were effective in 2021/22 and 2022/23 and that the Council is financially sustainable over the medium-term. We have not identified any significant weaknesses in arrangements to ensure the Council manages risk to its financial sustainability. We have set out our findings on financial sustainability on pages 7-10.



## Governance

The Council has effective processes to support decision-making for matters including risk, budget planning, financial management and improvement. We have made one Improvement Recommendation (Improvement Recommendation 1) in relation to governance of the Council's wholly-owned company. Overall we are satisfied that the arrangements the Council has in place to ensure good governance are adequate. We found no evidence of significant weaknesses in the Council's governance arrangements and we have set out our findings on governance on pages 11-14.



## Improving economy, efficiency and effectiveness

The Council had a clear strategic plan throughout 2021/22 and 2022/23 and demonstrated a continuing focus on improving performance and efficiency. As part of its improvement plans the Council set out its ambitions to improve its performance management framework but did not complete this work in the timescales it originally set. We have made an Improvement Recommendation about this. Similarly, the Council did not achieve its objective of developing guidance and protocols on contract and relationship management which we have also addressed in an Improvement Recommendation. Overall, we are satisfied that the Council has effective arrangements in place to ensure good governance. We found no evidence of significant weaknesses in the Council's governance arrangements.



## 2021/22 and 2022/23

We have substantially completed our audit of your financial statements and intend to issue an unqualified audit opinion, following the Audit Committee meeting on 28 November 2023 on both years audits, once all remaining audit procedures are completed. Our findings are set out in further detail on pages 21 to 22.



# Use of auditor's powers

We bring the following matters to your attention:

	2021/22	2022/23
<p><b>Statutory recommendations</b></p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly</p>	We did not issue Statutory Recommendations	We did not issue Statutory Recommendations
<p><b>Public Interest Report</b></p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.</p>	We did not issue a Public Interest Report	We did not issue a Public Interest Reports
<p><b>Application to the Court</b></p> <p>Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.</p>	We did not apply to the Court	We did not apply to the Court
<p><b>Advisory notice</b></p> <p>Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:</p> <ul style="list-style-type: none"> <li>is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,</li> <li>is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or</li> <li>is about to enter an item of account, the entry of which is unlawful.</li> </ul>	We did not issue an Advisory Notice	We did not issue an Advisory Notice
<p><b>Judicial review</b></p> <p>Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.</p>	We did not apply for Judicial Review	We did not apply for Judicial Review

# Securing economy, efficiency and effectiveness in the Council's use of resources

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



## Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.

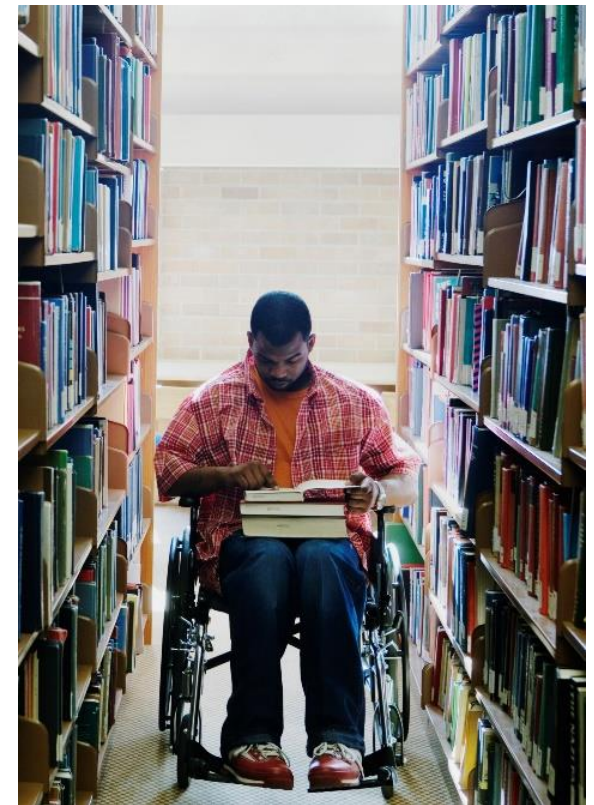


## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the Council's arrangements in each of these three areas, is set out on pages 7 to 19. Further detail on how we approached our work is included in Appendix B.





# Financial sustainability



## We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## Budget setting 2022/23

The Council produced a Medium-Term Financial Strategy (MTFS) covering a period of five years from 2021/22 to 2025/26. This was refreshed on an annual basis as part of the budget setting process, ensuring the Council's ongoing financial strategy takes into account changes brought about by funding, policy, demand for services and one-off events.

The MTFS report to Cabinet on 22 February 2022 provided an update on the period up to 2025/26 and recommended a net revenue expenditure of £11,951,000. It included key information such as the provisional funding settlement for 2022/23, New Homes Bonus, Lower Tier Services Grant and Services Grant. The information also included information on the Business Rates pool and the principles applying to Council Tax increases.

The Settlement was more advantageous than the assumptions used in the MTFS report considered by Cabinet on 6<sup>th</sup> July 2021. This because the Provisional Settlement included an additional New Homes Bonus payment for 2022/23, some additional 'one off' grant funding and because Local Government Finance Reform was delayed by at least a further year, business rate growth was retained. This additional funding meant that the level of uncertainty for 2022/23 was reduced to 'Medium' but remained 'High' for 2023 /24.

## Budget setting 2023/24

On 14 February 2023 the Cabinet considered a refreshed MTFS report for the period up to 2027 with updated key information. The proposed net revenue expenditure was £12,551,000. This included information on the Business Rates pool and the principles applying to Council Tax increases.

The report highlighted the Fair Funding Review, review of Business Rates and a new housing incentive scheme which it considered would have a detrimental impact on the Council's budget from 2025/26. The Council's Core Spending power increase in 2023/24 was shown as 4.9%, which is 0.1% lower than the average figure for Shire Districts.

The MTFS report also projected a contribution requirement of over £1 million from General Reserves would be needed to balance the budget in 2022/23. At the end of 2023/24 the Council was projected to have total General Reserves of over £6 million which would be sufficient to meet the funding gap until 2026/27. However, the report recognises that this is not sustainable and that options to close the funding gap will need to be explored.

## Resources and Funding

The Council's primary mechanism to generate funding continued to be local taxation – primarily Council Tax and Non-Domestic Rates income. The annual charge for Council tax was not increased in 2023/24, following a 1.5% increase in 22/23 and a 2.78% increase in 21/22 for a Band D property. This approach reflected the Council's commitment to recognise the impact of cost-of-living pressures. The Council considered carefully its approach to balancing its income from council tax and other sources with its capacity to secure savings so that it had realistic plans in place to manage funding gaps and balance its budget without a continuing and unsustainable dependence on the use of reserves.

# Financial Sustainability (cont'd)

## Resources and Funding (cont'd)

The Council continued to work with a degree of uncertainty around the review of Income from Non-Domestic rates (which may impact in 2025/26) and has incorporated changes in specific grants in its MTFS. This included a reduction in New Homes Bonus of £408,653 in 2023/24. As a consequence of the review of funding, the projected level of uncertainty in 2025/26 remained 'High'.

Core Spending Power from 2020/21 to 2021/22 was assumed to increase by 0%, and to 2022/23 it was assumed to increase by 5.2% if the council tax increase was maximised. District Councils were able to increase their Band D by the higher of 1.99% or £5 (the latter increase for Lichfield District Council equated to an increase of 2.70%).

In both years, the Council took account of changing sources of income such as New Homes Bonus, Lower Tier Services Grant and (in 2022/23) Services Grant. In 2021/22 the settlement was in line with assumptions in the draft MTFS presented on 19/11/2020. There was a level of uncertainty and/or risk which remained high. The Revenue Budget presented a balanced budget with funding gaps shown for the following three years (22/23, 23/24, 24/25). In 2022/23 the Settlement was more advantageous than the assumptions used in the draft MTFS. This was because the provisional settlement included an additional New Homes Bonus payment for 2022/23, some additional 'one off' grant funding and because Local Government Finance Reform had been delayed by at least a further year, and business rate growth was therefore retained. This additional funding means that the level of uncertainty for 2022/23 was reduced to Medium but remained High for 2023 /24.

The Council made reasonable assumptions in its budget planning in 2021/22 and 2022/23 modelling changes and their impact using inflation projections, budget variations and funding changes to produce a central scenario based on lower property growth, an increased level of Council Tax support, a maximum allowed Council Tax increase and a risk-based reduction in sales, fees and charges.

On 14 February 2023 the Cabinet considered a refreshed MTFS report for the period up to 2027 with updated key information. This report projected a contribution requirement of over £1 million from General Reserves to balance the budget in 2022/23. At the end of 2023/24 the Council was projected to have total General Reserves of over £6 million which would be sufficient to meet the funding gap until 2026/27. However, the report recognised that this was not sustainable and that options to close the funding gap would need to be explored. Council tax was not increased in 2023/24, following a 1.5% increase in 2022/23 and a 2.78% increase in 2021/22.

We consider that the Council's approach to budget setting is effective and appropriate.

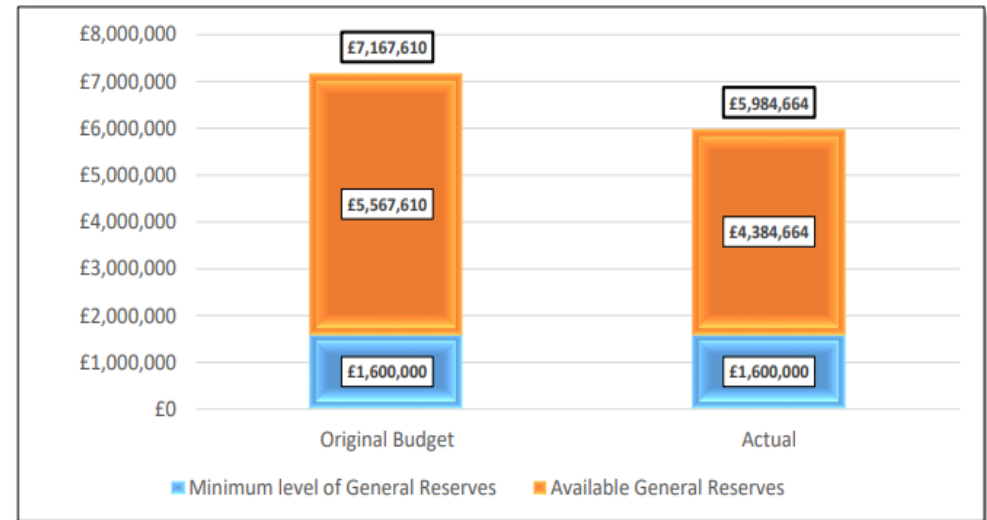
## Revenue Budget Outturn 2021/22

The Money Matters report to Cabinet in June 2022 identified that the revenue budget performance was an overspend of £42k and that this reduced the projected contribution to reserves to General Reserves to £131k. At £6.9m the General Reserves were £140k lower than originally forecast due to the ongoing impact of COVID-19. Nevertheless, the Council's General Reserves position is still good relative to its net revenue expenditure.

## Revenue Budget Outturn 2022/23 and level of General Reserves at the end of 2022-23

The financial Outturn for 2022/23 was reported to Cabinet on 27 June 2023 and indicated an overspend of £90,665, resulting in a higher contribution of £860,915 from General Reserves. The level of General Reserves on 31 March 2023 was just under £6 million. (Fig 1)

Fig. 1 Comparison of budgeted and actual reserves 2022-23



# Financial Sustainability (cont'd)

## Savings in 2021/22

In 2021/22 the MTFS proposed the early repayment of loans to reduce the Minimum Revenue Provision related to the capital investment at Burntwood Leisure Centre. This proposal was projected to result in annual savings of £140,000. There were no savings schemes required to balance the budget and the Council had reasonable plans in place to use savings to bridge the financial gap in 22/23.

## Savings in 2022/23

The MTFS report to Cabinet in February 2022 identified a £995k savings requirement in 2022/23 to be achieved through the Being a Better Council programme. This was approximately 8.1% of the net revenue budget. The MTFS report highlighted a risk that these savings may not be fully delivered in 2022/23, thus requiring a contribution from reserves to balance the revenue budget. The Money Matters Report of 14 February 2023 set out progress on savings plans and identified 37 projects in Appendix A aiming to achieve a total of £2m in savings. The eight-month projection showed a shortfall of £598k against this target.

The Council's strong reserves position has meant that a substantial programme of savings was not required until the longer-term funding position was set out in 2021/22 and the Council agreed to proceed with the 'Building a Better Council' programme which included savings projects. The Council recognised that full achievement of the planned savings in 2022/23 may not be delivered which would require a contribution from reserves to balance the revenue budget.

The Council's financial forecasting and robust reserves provided it with a sound foundation for the future. Nevertheless, it was clear that the Council needs to plan and deliver further savings in order to close the future funding gap set out in the 2023/24 to 2026/27 MTFS. In our opinion, the Council has the capacity to address this funding gap but will need to carefully monitor future transformation plans to ensure that savings are delivered, and slippage is avoided.

Overall, the Council's forecasting and robust financial position meant that savings plans did not feature as a significant part of its strategy until 2022/23. The Council's strong financial management processes suggests there is a reasonable expectation that the savings proposed for future years will be deliverable.

The Council set out its processes and a timetable for savings in the MTFS. This involves a process which includes review by the Overview and Scrutiny (O&S) Committee, Cabinet, Council and Audit and Member Standards Committee. The Council included plans to consult on its budget proposals, including savings and the outcomes of these consultations were reported back to the Council.

In 2021/22 and 2022/23 there was a clear and coherent link between strategic priorities and the way in which the budget was designed. As part of the MTFS budget principles, the Council stated that it would prioritise funding for statutory and regulatory responsibilities to ensure these are delivered in a way that meets legal requirements and customer needs. In 2021/22 the Council did not identify any plans to reduce or remove any services but in 2022/23 the Council recognised some annual savings would be realised through the reduction or closure of some services or facilities. However, these were described by the Council as modest in scale.

We have not identified a strategic weakness in the way the Council approached the planning and delivery of savings in 2021/22 and 2022/23.

## Treasury Management

In 2021/22 and 2022/23 the Treasury Management Strategy statement was set out in the MTFS and included information about management of the Council's cash flows as a key responsibility of Treasury Management.

In 2022/23 the Council's gross investment income was estimated as £690,000 and this equated to 5% of The Council's total funding of £12,551,000 compared with 3% of total funding in 2021/22.

The Council was originally projecting £2.060 million of loans outstanding at the 31 March 2022, a decrease of £0.196 million on the previous year. In February 2023 the level of external debt was reported as £1.126 million although this was projected to rise to £10.77 million over the period to 2027.

# Financial Sustainability (cont'd)

## Treasury Management (cont'd)

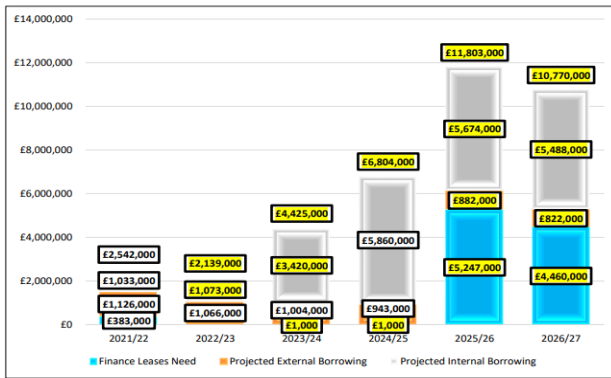


Fig 2. The Council's Capital Financing Requirement February 2023

The Council's reports on Treasury Management in 2021/22 and 2022/23 included an appropriate range of information presented in an accessible way. This included information on interest rates, minimum revenue provision, the investment strategy and reserves. It also included projections of the Council's cash flows (Fig 3) which took into account the income the Council would receive including Housing Benefits Grant, Council Tax and Business Rate income and expenditure such as payments to precepting bodies, employee costs and Housing Benefit Payments.

### Capital Programme

The Council's Capital Programme was included in its MTFs reports to Cabinet in February 2022 and 2023 and in 2022/23 the total planned capital expenditure was £7.9 million with borrowing need shown as £2.3 million. In February 2023, the 2023/24 capital programme rose to £12.2 million but borrowing need was £2.4 million. In both years the Council set out a detailed capital strategy which included its Capital Financing Requirement (Fig 2) and a Minimum Revenue Provision statement which complies with Government guidance.

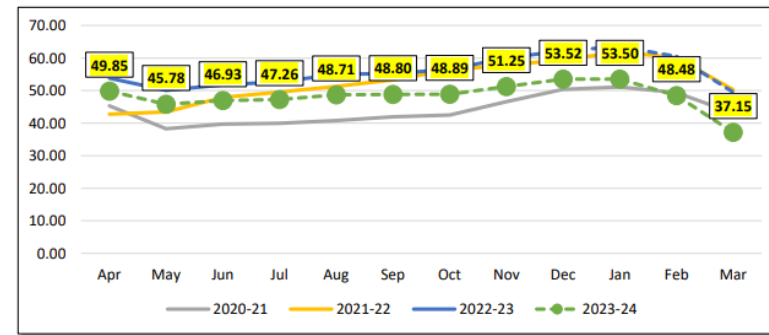


Fig 3. The Council's MTFs cashflow projections February 2023

### Conclusions

We are satisfied that the Council had adequate and appropriate processes in place to ensure that its medium-term financial planning, revenue and capital budgeting, monitoring and reporting processes were effective in 2021/22 and 2022/23. The Council recognised that pressures on its income and spending would require a robust approach to planning and achieving savings in order to balance the budget if its reserves were not to be depleted. We are satisfied that the Council's approach to Treasury Management was effective.

In conclusion we have not identified any significant weaknesses in arrangements to ensure the Council manages risk to its financial sustainability.

# Governance



## We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

## Assessment and management of risk 2021/22

The Corporate Risk Register showed how the Council assessed risks by how likely they were and their potential impact. The Risk Register highlighted 7 key risks, 2 of which are 'significant', the resilience of the Council's staff teams following Covid and financial pressures. Risks were rated 'Red', 'Amber' and 'Green' (RAG rating) and appropriate mitigations were in place.

The Audit and Member Standards Committee received Risk Management Updates three times per year. Reports were notably detailed and thorough. Risks were mapped to corporate objectives, allocated to a named Cabinet member and senior officer and the direction of travel was clearly set out.

The Council's Internal Audit function was managed in-house, supported by additional specialist capacity. The Internal Audit Plan was thorough and well presented. It demonstrated a focus on core systems and areas of higher risk. 94% of the Audit Plan was completed. The Internal Audit Charter was reviewed annually. There were some delays in delivering the Audit Plan, partly caused by the time taken to commission specialist capacity, but that did not have a significant impact on performance.

There was no evidence of any significant weaknesses in internal controls. The Council had a Code of Conduct for Employees and a Confidential Reporting (Whistleblowing) Policy last updated in 2018. There were no concerns raised under the policy in 2020/21 or for 4 years previously.

## Assessment and management of risk in 2022/23

The Strategic Risk register was reviewed in 2022/23. Only one risk was identified as being outside the Council's risk appetite – 'SR1 Financial Pressures', which included the impact of the cost of living and fuel costs. This risk was reviewed monthly by the Council's Leadership Team. The Strategic Risks were revised and two previously separate risks, around organisational capacity to respond to disruption, were combined.

Risks were reported to the Leadership Team monthly and to the Audit and Member Standards Committee as well as the portfolio holder for Finance and Procurement, quarterly.

An External Quality Assessment against Public Service Internal Audit Standards was carried out with a judgement of 'generally conforms'. An action plan was developed to address any issues.

85% of Audit Plan was delivered against a target of 90% because three audits were deferred to 23/24, partly due to officer vacancies, which have now been filled.

There was no evidence of any significant weaknesses in internal controls. The Council maintained its Code of Conduct for Employees and Confidential Reporting (Whistleblowing) Policy throughout 2022-23 and there were no concerns raised.

# Governance (cont'd)

## Annual Budget Setting 2021/22 and 2022/23

In setting the 2021/22 budget, the Council modelled potential changes and scenarios in its financial circumstances, including the impact of inflation, budget variations from both revenue and capital spending and changes to funding. Similar approaches were taken to modelling factors such as property growth, New Homes Bonus income, fees and charges income and business rates.

The revenue budget was set within the overall context of the medium-term financial strategy which included a longer-term revenue perspective up to 2044/45. The implications of the capital programme, the Treasury Management Strategy, reserves and cashflow position were also taken into account.

The Council consulted on the 2021/22 budget through an online questionnaire on the Council's website, promoted through social media, e-news subscribers, traditional media and the Council's LDC News magazine distributed to 44,000 homes. 150 responses were received to the survey and responses to the questions were analysed and considered in the budget response.

In setting the 2022/23 budget the Council recognised that there was a high degree of uncertainty around the local government funding regime and took into consideration the impact of inflation, budget variations from both revenue and capital spending and changes to funding.

The revenue budget was set within the overall context of the medium-term financial strategy which includes a longer-term revenue perspective up to 2044/45. The implications of the capital programme, the Treasury Management Strategy, reserves and cashflow position were also taken into account.

The Council consulted on the 2022/23 budget through the same range of methods as in the previous year. 264 responses were received, an increase of 75% on the previous year. The questions were consistent with previous surveys to enable comparisons and they were analysed and considered in the budget response.

The Council used benchmarking to judge how they were performing against comparator councils, including reporting the CIPFA Resilience Index. Our own analysis of long-term borrowing as a proportion of long-term assets shows that Lichfield District Council ranks low against comparators.

## Financial management systems 2021/22

The Council had effective arrangements in place to ensure that financial performance was monitored, and timely and accurate reports were available to budget holders.

Members of the Finance team worked closely with budget holders to ensure that management information was available and timely action was taken to address budget problems. In 2021/22, engagement within the organisation was less effective than previously because of staff absences and vacancies following the pandemic.

Quarterly 'Money Matters' reports provided information about financial performance including budget variances which ensured that the Cabinet could understand the overall impact of performance on the budget.

The Leadership Team members reviewed their services and completed an annual submission setting out cost and demand drivers, income and savings plans. Responsibilities for financial management were clearly set out in job descriptions and staff objectives.

## Financial management systems 2022/23

The Council continued to have effective arrangements in place to ensure that financial performance was monitored, and timely and accurate reports were available to budget holders. Financial reports were provided in a timely way to support budget holders.

Engagement between the finance team and the rest of the organisation improved in 2022/23 when additional support was provided to newly recruited staff. All finance staff were now qualified accountants or accounting technicians and taking part in continuing professional development, as well as having access to up-to-date information and guidance to support their professional practice. The Leadership Team members continued to review their services and completed an annual submission setting out cost and demand drivers, income and savings plans. Responsibilities for financial management were clearly set out in job descriptions and staff objectives.

Quarterly 'Money Matters' reports provided information about financial performance including budget variances which ensured that the Cabinet could understand the overall impact of performance on the budget and enable detailed oversight.

# Governance (cont'd)

## Effective decision-making 2021/22

In 2021 the Council began a major change process 'Being A Better Council' to improve and strengthen its structure, performance and culture and generate savings.

The Strategic Plan 2020/24 was consulted on via residents' focus groups. The Council had a contact centre through which it provided information to residents and gathered data about their needs.

There were clear links between the Strategic Plan and Delivery and Service Plans. Reports to Cabinet and Full Council provided evidence of decision-making which was consistent with the Strategic Plan and other plans.

Clear information was provided to decision makers before strategic decisions were made. Reports to Cabinet and Full Council provided all the necessary information to support effective decision-making.

We made an Improvement Recommendation in the prior year that the Council should develop a Procurement Strategy which they implemented. The Procurement Strategy aligned the Council's approach to procurement to the Strategic Plan.

The Council has a wholly-owned company, LWMTS. The Chief Executive Officer (CEO), Chief Operating Officer (COO) and **Deputy Leader of Cabinet and Cabinet Member for Investment, Economic Growth & Tourism** are directors of its housing company. The s151 officer, Monitoring Officer and **Cabinet Member for Customer Services & Innovation** represent the Council as Shareholder.

## Effective decision-making 2022/23

As part of the 'Being a Better Council' programme, the Council improved its approach to external communications. This led to an increased number of responses from 7,500 residents whose views influenced the development of the Lichfield 2050 Strategy. The Council also established a Youth Council and used intermediaries, such as faith groups, to reach under-represented groups.

There were clear links between the Strategic Plan and Delivery and Service Plans. Reports to Cabinet and Full Council provided evidence of decision-making which is consistent with the Strategic Plan and other plans.

It was reported to Cabinet in September 2021 that an in-house Procurement Team had been established and was working to deliver an Action Plan and key performance indicators designed to embed good procurement practice across the Council. The Council introduced a Future Procurement Plan to improve programming of procurement activity.

The CEO, COO and **Deputy Leader of Cabinet and Cabinet Member for Investment, Economic Growth & Tourism** continued to be directors of LWMTS. The s151 Officer Monitoring Officer and Cabinet Member for Customer Services & Innovation represent the Council as Shareholder and the company's business plan is approved by a Cabinet Member decision.

While the Council made every effort to avoid conflicts of interest, ideally, it would strengthen the governance arrangements if the Council reduced the direct involvement of members and senior officers as directors of the company to avoid conflicts of interest. We have made an improvement recommendation about this. (Improvement Recommendation 1)

## Conclusions

**Overall, we found no evidence of significant weaknesses in the Council's governance arrangements. We have made an improvement recommendation (Improvement Recommendation 1) in relation to governance of the Council's wholly-owned company which is set out on page 14.**

**The Council should review its arrangements for the appointment of directors to its wholly-owned company to minimise the potential for conflicts of interest.**

# Improvement recommendation



## Governance

### Recommendation 1

The Council should review its arrangements for the appointment of directors to its wholly-owned company to minimise the potential for conflicts of interest.

### Audit year

2022/23

### Why/impact

There is a risk that conflicts of interest between the Councils and their wholly owned company can lead to poor decision making and a lack of transparency.

### Auditor judgement

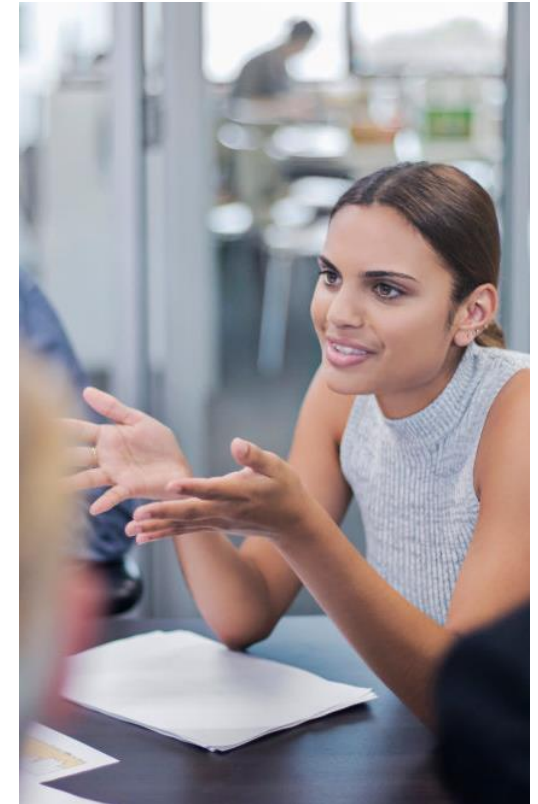
There is an inherent risk of conflicts of interest between member and officers' roles within the Council and their roles as directors of a council owned company. For example, if the Council lends money to the company, it will seek the best possible return on its investment, but it will be in the interests of the company to pay as low a rate of interest on its loans as possible.

### Summary findings

Members and senior officers are very much aware of the potential risks of conflict of interest that and when they set up a company. They have taken steps to minimise the risk of conflict of interest by establishing a shareholder agreement and ensuring effective scrutiny of the company. They are keeping their relationship with the company under review. As the company becomes more established, they should continue to keep the roles of members and officers in the company with a view to reducing their involvement as directors

### Management Comments

A review of the LATCo governance arrangements and structures has been included on the internal audit plan and will be undertaken by BDO.



The range of recommendations that external auditors can make is explained in Appendix C.



# Improving economy, efficiency and effectiveness



## We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

## Performance Management

The Council's Strategic Plan was approved in 2020 and covers a four-year period. The Plan's four strategic themes were:

- Enabling People
- Shaping Place
- Developing Prosperity
- A good Council

In 2021/22 the Council's budget and financial reporting was mapped to the four strategic themes and was reflected in budget monitoring through its regular quarterly Money Matters reports. The Money Matters Reports in February 2022 and February 2023 show revenue spending variances by strategic theme at the eight month point of their respective financial years.

In September 2021 the Council set out plans for 'Being a Better Council' change programme to improve the quality and responsiveness of services and deal with the projected gap in future funding. Fifteen workstreams are identified along with key performance indicators.

The Money Matters report of February 2022 reviewed financial performance for the first eight months of 21-22 and showed revenue spending variances by strategic theme. These thematic totals were then broken down into project variances. The projected revenue budget overspend was £25,680 over the budgeted figure. The Money Matters report of June 2022 indicated a final revenue spending figure of £42,031 over budget.

The Council's strong approach to managing its finances was reflected in a Local Government Association (LGA) Corporate Challenge Feedback Report which took place in November 2021 and which described the Council as "well-run with committed and passionate members and officers." The positive feedback to the Council included a recommendation that it should develop clear outcomes for the remainder of the strategic plan to produce a golden thread from strategic intent to delivery plans.

In 2022/23 the Council continued to review its financial performance through the Money Matters Reports. For example, in February 2023 financial performance for the first eight months of 2022-23 showed revenue spending variances by strategic theme. These thematic totals were then broken down into project variances. The report projected a shortfall of £598,000 in the revenue budget.

The Council also undertook a review of its Being a Better Council programme which reported that an aim of putting in place a new performance management framework by January 2022 had not been achieved by March 2023. Similarly, an aim to provide a 'high support, high challenge' approach to managing performance was not achieved by its target date of September 2022.

The Council continued to have strong financial performance management and monitoring throughout 2021-22 and 2022-23 but fell short in its aspirations to improve its performance management framework and strengthen the golden thread running from its strategic aspirations to its resources and activities. We have made an improvement recommendation about this. (Improvement Recommendation 2)

# Improving economy, efficiency and effectiveness (cont'd)

## Performance Management (cont'd)

The Council demonstrated a continuing focus on efficiency and improvement throughout 2021/22 and 2022/23. The Being a Better 2001/2004 Strategy included a range of measures relating to the Change Programme. The Council responded to the LGA Peer Challenge recommendation that clear outcomes should be identified for the remainder of the strategic plan period and progress was made in linking resources and activities to key outcomes in the strategic plan. Cabinet received reports on progress in meeting Delivery Plan targets and performance on corporate indicators was monitored. The Council recognised that, although it continued to have a strong reserves position, that was not a sustainable approach and that additional savings and income would be required.

In 2022/23 the Council's performance improvements included structural and cultural improvement goals which signalled a clear emphasis from the Council's senior leadership on moving away from dependence on the use of reserves to balance the annual budget. An increasing appetite was developed for re-prioritising resources and focussing investment on operational improvements and digital capacity.

Our own analysis shows that in terms of comparisons with nearest statistical neighbours, Lichfield District Council's service costs are mainly below the average. However, Planning and Development unit costs and cultural and related service costs were higher than average.



# Improving economy, efficiency and effectiveness (cont'd)

## Procurement

The Council's Procurement Strategy was approved December 2020 and the September 2021 Cabinet meeting considered a report setting out progress in implementing the procurement strategy. The strategy included an aspiration to produce a contract management guide but this was not achieved in 2021/22.

The Council assessed itself against the LGA National Procurement Strategy Maturity Assessment and demonstrated improvement in 2021/22 but still had progress to make, particularly in relation to contract and relationship management. The Council's approach included an appreciation of risk and reward in contracting. For example, in October 2021 the Council initiated the re-procurement of Agency Staff for Operational Services through a Framework Agreement with two providers. The report identified and set out the mitigation for key risks.

In 2022/23 the Council introduced a Future Procurement Plan to improve programming of procurement activity. Risks and rewards were considered when entering into key commercial ventures. For example, in May 2022 the Cabinet considered a report on Lichfield West Midlands Traded Services Ltd (LWMTS Ltd), its re-purposed Local Authority Trading Company (LATCO). The report identified three business streams - Talent Acquisition, Project Management of Capital Works and Corporate Landlord Services which would form the main business of the LATCO. The report set out legal, governance and financial considerations. And in October 2022 the Council's Cabinet set out its intention to enter into a joint venture with Evolve Estates Ltd through a Limited Liability Partnership to develop a new cinema and associated activities. The total financial cost to the Council is estimated as £5,349,000.

In 2022/23 the Council again assessed itself against the LGA National Procurement Strategy Maturity Assessment and demonstrated improvement in 2022/23 but had made limited progress in relation to contract and relationship management. We have made an improvement recommendation about this (Improvement Recommendation 3)

## Partnerships

The Council demonstrated its awareness of the importance of key partnerships in a number of ways in 2021/22 and 2022/23. The Council had a wide range of partnerships which are reflected in its plans and strategies. For example, the Lichfield District Community Safety Plan mapped the lead agencies involved in the delivery of priority issues.

In 2022/23 the Council began work on a partnership with Evolve Estates Ltd to develop a new cinema as well as providing assistance to its key partner in leisure, Freedom Leisure, before the termination of the contract was negotiated.

The Council also set out its ambitions around engagement with community organisations in its community power strategy in 2021/22. This included improving outcomes by engaging with community organisations.

The LGA Corporate Peer Challenge Report in November 2021 found that partners of the Council felt that LDC had a legitimate role as a Leader of Place.

The Council's approach to working with partnerships is also reflected in the way that risks are assessed and managed. For example, the Council identifies risks relating to key partnerships within its strategic risk register. Partners identified include the Local Resilience Forum, Lichfield District Board, Staffs County Council, Birmingham Chambers, Burntwood Business Community, and key software suppliers.

## Conclusions

**Overall, we found no evidence of significant weaknesses in the Council's governance arrangements. We have made two improvement recommendations which are set out on pages 18 and 19.**

**The Council should complete the development of its performance framework to meet its aspiration of a high support/high challenge culture through the development and reporting of high-quality performance data including performance benchmarking.**

**The Council should develop clear protocols and guidance on contract and relationship management.**

# Improvement recommendations



Improving economy, efficiency and effectiveness

**Recommendation 2** The Council should complete the development of its performance framework to meet its aspiration of a high support/high challenge culture through the development and reporting of high-quality performance data including performance benchmarking.

**Audit year** 2021/22 and 2022/23

**Why/impact** The Council has set out its ambition to become more data-driven and an effective performance management framework will assist it to strengthen the golden thread between its priorities and activities as well as enabling it to compare its performance with similar organisations.

**Auditor judgement** The Council did not complete its development of its performance framework in 2022/23.

**Summary findings** We have set out on page 15 of the report our finding that the Council had not met its aim to put in place a new performance management framework by Jan 2022.

**Management Comments** The Council agrees with the above recommendation. Resources have been focused on developing our people performance management framework to strengthen the golden thread. This has now been successfully rolled out. Focus will now turn to corporate performance indicators with the aim of reporting on a suite of performance indicators by the end of 2023/24.



The range of recommendations that external auditors can make is explained in Appendix C.

# Improvement recommendations



Improving economy, efficiency and effectiveness

**Recommendation 3** The Council should develop clear protocols and guidance on contract and relationship management.

**Audit year** 2021/22 and 2022/23

**Why/impact** The Council has identified that improved and consistent contract and relationship management would have a positive effect on the Council's ability to secure value for money from its key suppliers and partners.

**Auditor judgement** The Council has not yet made sufficient progress in meeting its aim of producing protocols and guidance on contract and relationship management.

**Summary findings** On page 17 of the report we have set out our findings that the Council had made limited progress in relation to improving its contract and relationship management by providing protocols and guidance.

**Management Comments** The Council continues to maintain an up to date contract register with named contract owners.  
A contracts management policy and procedure guide has been developed with a supporting toolkit that includes: Contract overview document, Contract management planner and Minutes and agenda templates

"Effective contract management" slides are also available, and the procurement & commissioning team will deliver training across the council once the newly appointed Social Value Co-ordinator is in post.



The range of recommendations that external auditors can make is explained in Appendix C.

# Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	The Council should ensure that sufficient senior leadership oversight is in place over reports presented for the purpose of decision-making to ensure that appropriate information is included and courses of action are in-line with legislation and policy. The Council should also consider further tailoring to its Constitution to ensure processes and policies are more closely matched to the Council's operations.	Improvement	March 2022	The Council has tightened its processes to ensure that reports and decisions are informed by the S151 and Monitoring Officer and that there is stronger oversight by the Senior Leadership team.	Yes	No
2	The Council should increase visibility of reporting against Corporate Indicators and ensure that information on its public facing website is up to date.	Improvement	March 2022	The Council has made improvements in its approach to performance management but has yet to complete its aim of developing a revised performance framework. We have made an Improvement Recommendation about this.	Partly	Yes
3	The Council should ensure that all recommendations from the Corporate Peer Review process are followed up on and progress against these reported.	Improvement	March 2022	A re-visit and progress report by the LGA peer review team has been considered by the Council.	Yes	No
4	The Council should review the way in which it enforces compliance with online training and take steps to increase take-up of annual performance reviews.	Improvement	March 2022	The Council monitors uptake of mandatory training and removes access to key systems where training is not completed. Performance management processes are in place to deal with failure to carry out performance reviews.	Yes	No

# Opinion on the financial statements for 2022/23



## Audit opinion on the financial statements

We intend to issue an unmodified opinion in respect of 22/23 once all audit procedures are completed.

## Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the Council's Audit Committee on 28 November 2023.

## Whole of Government Accounts

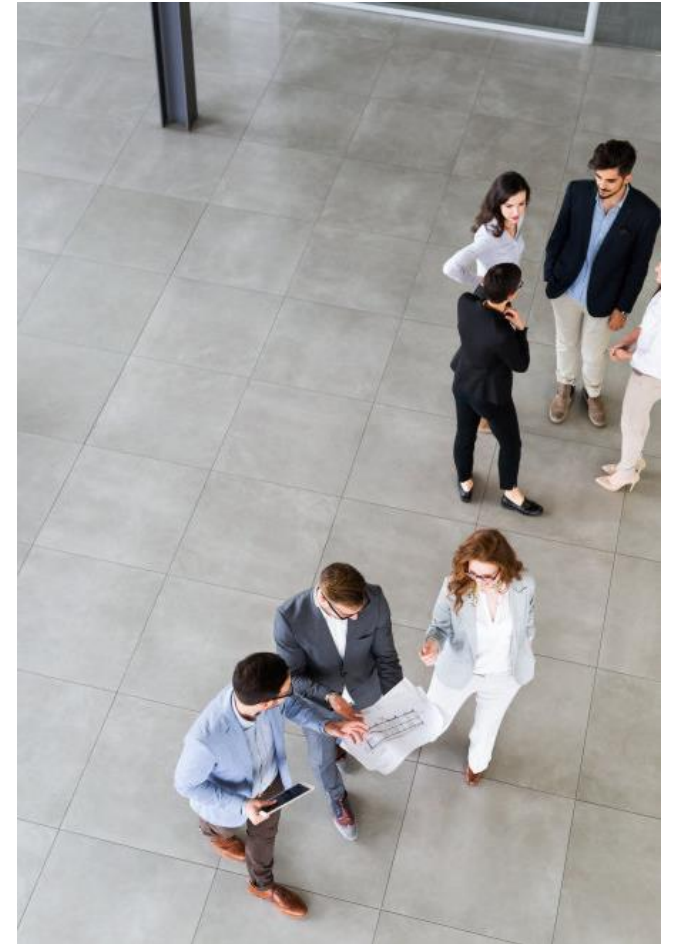
To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the [type of body]. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. We expect no issues.

## Preparation of the accounts

The Council provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

## Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



# Opinion on the financial statements for 2021/22



## Audit opinion on the financial statements

We intend to issue an unmodified opinion in respect of 21/22 once all audit procedures are completed.

## Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the Council's Audit Committee on 28 November 2023.

## Whole of Government Accounts

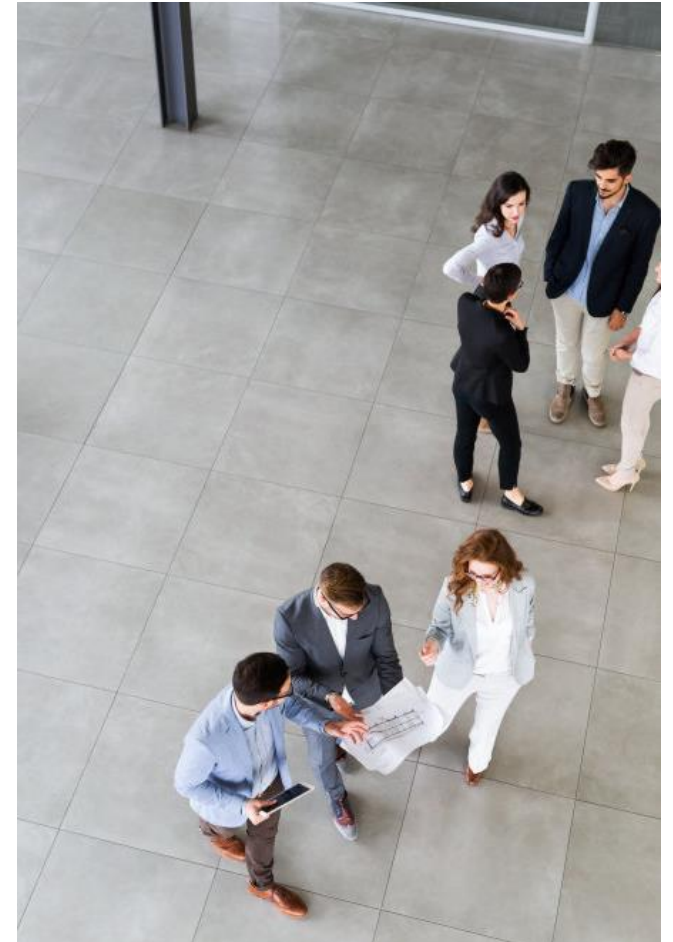
To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the [type of body]. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. We expect no issues.

## Preparation of the accounts

The Council provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

## Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation





# Appendices

# Appendix A – Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

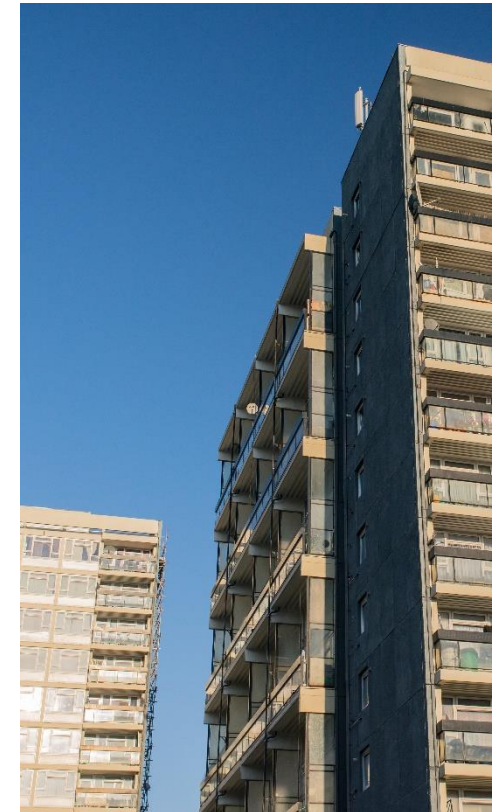
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Year of audit	Risk of significant weakness	Procedures undertaken	Findings	Outcome
2021/22 and / or 2022/23	Financial sustainability was not identified as a potential significant weakness, see page 7 for more details.	None	No significant weakness	Appropriate arrangements in place no further action taken.
2021/22 and / or 2022/23	Governance was not identified as a potential significant weakness, see page 11 for more details.	None	No significant weakness	Appropriate arrangements in place, one improvement recommendations raised.
2021/22 and / or 2022/23	Improving economy, efficiency and effectiveness was not identified as a significant weakness, see page 15 for further information	None	No significant weakness	Appropriate arrangements in place, two improvement recommendations raised.

# Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the [type of body]’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as ‘key recommendations’.	No	
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council’s arrangements.	Yes	14,18,19

# Appendix D – Sources of evidence



## Staff involved

- Anthony Thomas s151 officer
- Mark Hooper Monitoring Officer



## Documents Reviewed

- Procurement\_strategy 2020 - 24
- Cabinet Report - Procurement Update 7.9.21
- Annual Treasury Management Reports 21 22 and 22 23
- Budget\_Book\_2021\_22 and 22 23
- Capital Strategy 2021\_22 and 22 23
- Annual\_Governance\_Statement\_2020\_21 and 2021\_22
- Code\_of\_conduct\_for\_members
- Confidential Reporting (Whistleblowing) Policy 2019 and 2022
- Counter Fraud Corruption Policy Statement
- MTFS 2021\_22 and 2022\_23
- Mid-Year Treasury Management Report Nov 21
- Medium Term Financial Strategy Report Jan 22
- Risk Management Update 11.11.21 and 30.11.22
- Treasury Management Statement and Prudential Indicators
- Lichfield\_CPC\_Progress\_Review 2022
- Annual Report of the Audit Member Standards Committee 2022\_23



## Meetings Observed

- Cabinet meeting - 13<sup>th</sup> April 2021
- Overview and Scrutiny Committee meeting - 19<sup>th</sup> July 2022
- Full Council meeting - 28<sup>th</sup> February 2023
- Audit and Member Standards Committee meeting – 23<sup>rd</sup> March 2023



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# Medium Term Financial Strategy (MTFS)

Report of the Cabinet Member for Finance and Commissioning

Date: 27 February 2024  
 Agenda Item: 11  
 Contact Officer: Simon Fletcher / Anthony Thomas  
 Tel Number: 01543 308001 / 01543 308012  
 Email: [Simon.fletcher@lichfielddc.gov.uk](mailto:Simon.fletcher@lichfielddc.gov.uk)  
[Anthony.thomas@lichfielddc.gov.uk](mailto:Anthony.thomas@lichfielddc.gov.uk)  
 Key Decision? YES  
 Local Ward Full Council  
 Members



**Council**

## 1. Executive Summary

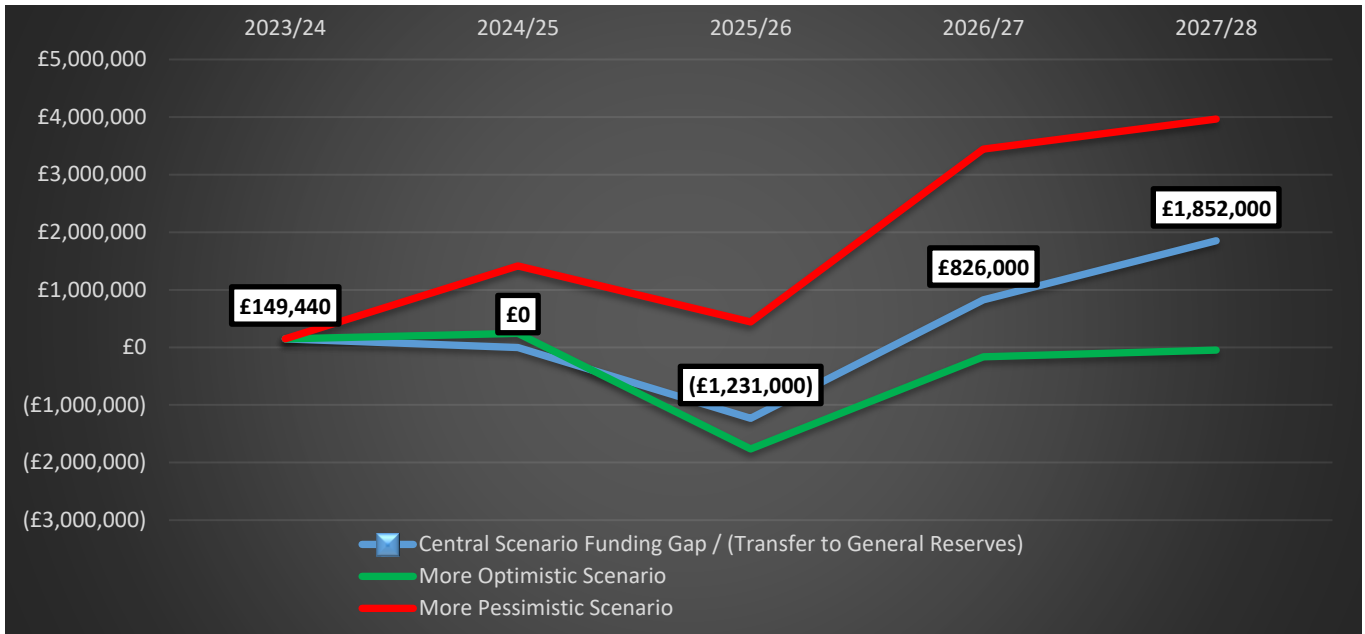
- 1.1 The ability to deliver the outcomes set out in the **Lichfield District Council Strategic Plan**, and beyond, is dependent on the resources available in the MTFS. The new Lichfield District 2050 strategy will be approved this year and will likely impact further on the MTFS.
- 1.2 The MTFS was approved 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 Committee and therefore will be considered by that Committee as part of the development of the MTFS.
- 1.6 The timetable for MTFS development is summarised below:

	Date	Meeting	Topics
<b>Budget Consultation (July to December)</b>	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
	19/12/2023	Overview and Scrutiny	Meeting to consider Service and Financial Planning Proposals (Deferred due to Settlement Date)
	30/01/2024	Overview and Scrutiny	To review the Draft Medium Term Financial Strategy
	01/02/2024	Audit 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 and set the Council Tax

- 1.7 The Revenue Budget, Capital Programme and General Reserves are included for consideration.
- 1.8 There remains an inherently high level of uncertainty surrounding the Local Government Finance Regime with any residual impact of the COVID-19 pandemic, the cost of living and wider economic crisis and other potential Government Policy changes.
- 1.9 The Council has a statutory duty to undertake budget consultation, set a balanced budget and calculate the level of Council Tax for its area.
- 1.10 This report updates (shaded in yellow) the information provided to Cabinet on 6 February 2024 for the Final Settlement, a recent legislative proposal, and the recommended Council Tax increase.

## The Revenue Budget

- 1.11 The Original Budget approved on 28 February 2023 budgeted no transfer to or from General Reserves.
- 1.12 A Report related to financial performance at the eight month stage of 2023/24 of the has been provided. Based on latest in year performance, a contribution from General Reserves of **£149,440** is projected.
- 1.13 The Central Scenario Revenue Budget with a balanced budget in 2024/25, a projected transfer to general reserves in 2025/26 (assuming finance reform occurs in 2026/27) and Funding Gaps (positive figures) in later years is shown in detail at **APPENDIX A** and in summary below:



- 1.14 The MTFs from 2024/25 onwards has been prepared in the context of significant ongoing volatility and uncertainty and whilst estimates have been made on the potential impact, there remains significant uncertainty in 2023/24 and subsequent years.
- 1.15 The Council is legally required to balance the budget in the first year of 2024/25 and to set out its proposals to balance the further financial years. In 2024/25 a 'balanced budget' is recommended.
- 1.16 In later years, it is assumed that the Review of Needs and Resources (Fair Funding Review), Business Rates Reform/Reset and any new housing incentive scheme will be implemented from **2026/27**. It is projected that District Councils including Lichfield DC with relatively lower need and a relatively higher Taxbase will be detrimentally impacted by these changes through lower funding and therefore at this stage, Funding Gaps are projected.
- 1.17 At the end of 2024/25, the Council is projected to have **£5,836,000** of total general reserves (£3,836,000 after taking account of the Minimum Level of Reserves of £2,000,000) to assist with balancing the budget.
- 1.18 General Reserves, based on current projections and assuming finance reform is implemented as projected in 2026/27, are sufficient to balance the budget until 2027/28. However, this is not a sustainable approach, and the Council will therefore need to identify potential options to close any Funding Gap.
- 1.19 In addition, the longer term 25 year revenue budget model is included at **APPENDIX A**.

## The Capital Strategy, the Capital Programme and Treasury Management

- 1.20 The Capital Strategy, the Capital Programme and Treasury Management related items are outlined in **APPENDICES B, C, D, E and F**.

## The CFO's Report on the Robustness of the Budget and the Adequacy of Reserves

- 1.21 In accordance with the Local Government Act 2003 (Sections 25-27) and to comply with CIPFA Guidance on Local Authority Reserves and Balances, the CFO is required to formally report to Members on the robustness of the Budget and the adequacy of Reserves (**APPENDIX G**).

## Budget Consultation

- 1.22 The results of the Budget Consultation for 2024/25 are summarised in the consultation section and the executive summary is provided at **APPENDIX H** with the full results on the website.



## 2. Recommendations

That Council approves:

- 2.1 The 2024/25 Revenue Budget of **£15,330,000**, Council Tax Requirement of **£7,929,000** and a District Council Band D Council Tax for 2024/25 of **£192.85** (an increase of £5 or 2.66% on 2023/24).
- 2.2 The MTFS 2023-28 Revenue Budgets and 25 year revenue financial planning model in **APPENDIX A**.
- 2.3 The MTFS 2023-28 Capital Strategy including the 25 year capital investment model and the Capital Programme shown in **APPENDICES B & C**.
- 2.4 The recommended increase in the Minimum Level of General Reserves from **£1,900,000** to **£2,000,000**.
- 2.5 The recommended approach to funding Business-as-Usual Capital Investment in 2027/28.
- 2.6 The updated approach to the pay award in 2024/25, planning fees, car parking fees, contract/other inflation, regeneration initiatives and Treasury Management investment income.
- 2.7 The recommended provisional inclusion of a cost of living contingency budget of **£50,000** in 2025/26.
- 2.8 The recommended increase of **£398,000** in 2024/25 and the provisional inclusion of an in-year growth/contingency budget of **£250,000** in 2025/26.
- 2.9 The Minimum Revenue Provision Statement for 2024/25, at **APPENDIX D**, which sets out the Council's policy of using the asset life method for making prudent provision for debt redemption.
- 2.10 Treasury Management Strategy Statement for 2024/25 **APPENDIX E**.
- 2.11 The Investment Strategy Report (**APPENDIX F**) where no changes are recommended for 2024/25.
- 2.12 The Capital and Treasury Prudential Indicators for 2023-28 in the financial implications section.
- 2.13 The Authorised Limit Prudential Indicator shown within the financial implications section.
- 2.14 The Implementation of the maximum premium of 100% for second homes from 1 April 2025 (this being the earliest that the new charge can apply, as legislation states that twelve months' notice is required to be given to existing owners of second homes and there is an option to defer implementation) subject to a satisfactory options appraisal in advance of a decision for 2025/26.
- 2.15 The continuation of a banded Council Tax Reduction Scheme for working age recipients for 2024/2025, as well as the changes proposed below:
  - In accordance with the approved policy, uprating the Council Tax Bands by 6.7% in line with Universal Credit increases.
  - Adopt any other changes within the prescribed scheme in accordance with the statutory instrument published in January 2024.

That Council notes:

- 2.16 The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the CFO's report on the robustness of the Budget and adequacy of Reserves shown in **APPENDIX G**.
- 2.17 The results of the Budget Consultation summarised at **APPENDIX H**.

## 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**.

# The Provisional and Final Local Government Finance Settlement for 2024/25

## Introduction

3.10. The 2024/25 local government finance settlement was received on 18 December 2023, is for one year only and is based on the Spending Review 2021 (SR21) funding levels, updated for the 2023 Autumn Statement announcements.

3.11. The main headlines impacting this Council are set out below:

- **Council Tax** – As previously announced, the council tax referendum limit will be 2.99% for local authorities, with social care authorities allowed an additional 2% social care precept. The provisional settlement confirmed that districts will be allowed to apply the higher of the referendum limit of **2.99%** or £5 (**2.66%**).
- **Settlement Funding Assessment** – The September CPI figure of 6.7% has been applied to increase the local government funding amount within the business rates retention scheme and Revenue Support Grant.
- **Local Government Funding Reform** – No announcements were made regarding funding reform.

## Specific Grants

- **No Change: Improved Better Care Fund** – The funding remains at £2.140m. An element of this funding provided to County Councils is distributed to District Councils to fund Disabled Facilities Grants in the Capital Programme.
- **No change: New Homes Bonus** - The 2024/25 allocations have been announced at £291m (£291m in 2023/24 also – coincidence only).
- **Increased: Funding Guarantee** – *The cost of the 3% funding guarantee has increased by £64m from £133m to £197m for 2024/25.*
- **Reduced: Services Grant** – This grant has reduced from £483m to £77m, a reduction of £406m. The funding has been reduced after *“factoring in the costs of using some of the remaining Services Grant to fund increases to other settlement grants and equalisation of the adult social care precept”*. A small proportion has also been held back as a contingency.
- **No Change: Rural Services Delivery Grant** – There has been no change to the national grant (£95m) or local allocations for 2024/25.

## Government Core Spending Power Analysis

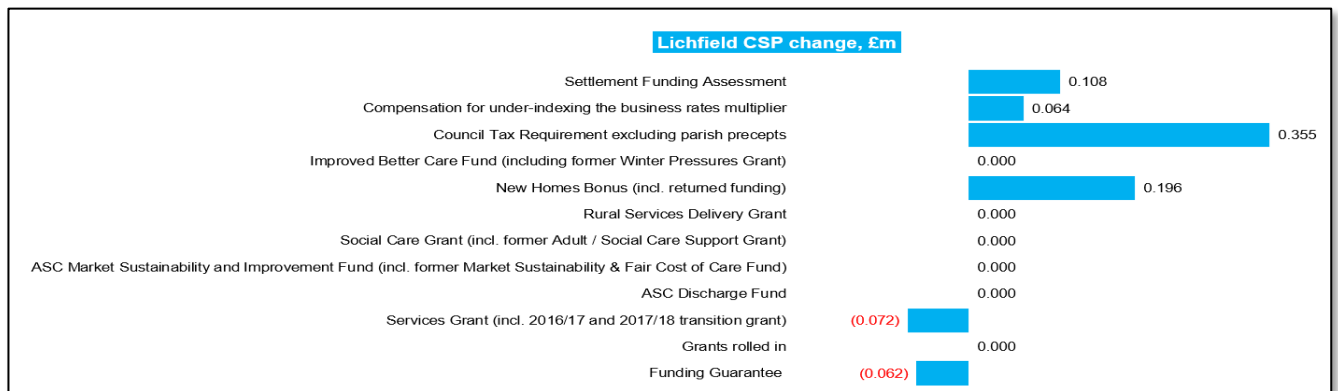
3.12. The Government analyses Local Government Funding using its preferred measure of Core Spending Power. There are several key points to make in relation to this measure:

- It excludes any Business Rate Growth above the Government Set Baseline.
- It assumes average Council Tax base growth and that all Councils will utilise the maximum available Council Tax increase – for this Council in 2024/25 it is 3% (2.99% for modelling purposes).
- It excludes any other local income sources such as the benefits of Business Rate Pooling and previous year Collection Fund surpluses or deficits.

3.13. The comparison of the Core Spending Power using the comparative Settlement for 2023/24 to the Provisional and Final Settlements in 2024/25 are shown below:

	Core Spending Power Comparative 2023/24	Core Spending Power Provisional 2024/25	Core Spending Power Final 2024/25	MTFS Projection O & S 14/11/2023 2024/25
Retained Business Rates - Baseline	£2,195,966	£2,296,616	£2,296,616	£2,196,000
Assumed Council Tax	£7,614,387	£7,969,646	£7,969,646	£7,858,000
Other Grants including Funding Guarantee Grant	£1,123,491	£1,061,009	£1,180,272	£1,406,000
New Homes Bonus	£992,453	£1,188,722	£1,188,722	£844,000
<b>Core Spending Power Elements</b>	<b>£11,926,297</b>	<b>£12,515,993</b>	<b>£12,635,256</b>	<b>£12,304,000</b>
<b>Variance</b>		<b>£589,696</b>	<b>£708,959</b>	
<b>% Increase in Core Spending Power</b>		<b>4.9%</b>	<b>5.9%</b>	

3.14. The changes in the Provisional Settlement are explained by Core Spending Power funding stream below:



3.15. The Provisional Settlement was subject to the outcome of consultation and the Council responded to this consultation on **9 January 2024** in advance of the deadline of 15 January 2024.

3.16. The Provisional Settlement outcome was in line with the assumptions used in the Draft MTFS presented to Cabinet on 10 October 2023 of **(£12,304,000<sup>1</sup>)**. This means that the level of uncertainty for 2024/25 can remain at **Medium**.

3.17. On 24 January 2024, the Department for Levelling Up, Housing and Communities published details of additional funding which councils can expect in the final Local Government Finance Settlement (LGFS).

3.18. The key announcements are summarised below:

- The minimum funding guarantee will be increased from 3% to 4%.
- £15m increase to the Rural Services Delivery Grant, making the total size of the fund £110m.
- £3m one-off additional funding to support councils most affected by Internal Drainage Board levies, accompanied by a commitment to work with DEFRA to implement a long-term solution.
- Council tax referendum limit remains at 2.99% or £5 for districts.
- The Government will ask all local authorities to publish a productivity plan before summer recess setting out how they will 'improve service performance and reduce wasteful expenditure'.
- The Government will set up a new expert advisory panel to advise it on financial sustainability in the sector and to review the productivity plans.

3.19. The only additional funding the Council is likely to receive relates to the increase in the minimum funding guarantee from 3% to 4%. The initial estimate is that this will mean **(c£100,000)** of additional grant in 2024/25. This estimated additional grant has now been included in this version of the MTFS.

3.20. However, the financial benefits at this stage, impact on 2024/25 and potentially 2025/26. Most key income streams (Business Rates, Review of Needs and Resources/Fair Funding and New Homes Bonus) will be reviewed for implementation potentially in 2025/26 but more likely in 2026/27 (assumed in the MTFS) or later. Therefore, the level of uncertainty from **2025/26** remains as **High**.

<sup>1</sup> Total Funding for 2024/25 assuming a Council Tax increase of 1.99% was projected to be (£14,123,000) less the local elements of Collection Fund Surplus of (£474,000) and Business Rates Growth of (£1,345,000).

## The Revenue Budget

3.21. Cabinet was presented with a Draft Revenue Budget on 10 October 2023, and this has been updated to reflect:

- The inclusion of updated projections from the 8 month Money Matters Report.
- The inclusion of financial implications from any further Approved Reports.
- The Provisional Local Government Finance Settlement for 2024/25 with at this stage, any finance reform assumed to be delayed until 2026/27.
- Any significant inflationary or other changes identified from the detailed review of base budgets.

3.22. As in previous years, three funding scenarios have been prepared based on the assumptions shown at **APPENDIX A**.

3.23. The estimated inflation and budget variations for all scenarios (with additional income or savings enclosed by brackets) compared to the approved Medium Term Financial Strategy are shown below:

Updated Expenditure/Income Projections	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Updated pay inflation pressures		250	263	281	297
Approved Cinema for Lichfield District funding		755	0	0	0
Revenue Contributions to the Capital Programme 2027/28		612	0	0	0
Additional income from Planning Fees (Autumn Statement)		(54)	(95)	(209)	(223)
Additional Planning Investment / Contingency		54	95	209	223
Additional income from Car Parking Fees		(150)	(150)	(150)	(150)
Additional Car Parking Investment / Contingency		150	150	150	150
Contracts Inflationary increases		274	297	287	327
Inflationary Increase in Community Grants		23	28	33	38
Enabling Regeneration Investment (to include a budget for a Burntwood Blueprint of up to £75k)		350	120	0	0
Updated Treasury Management Projections		(700)	(550)	0	0
Inclusion of a cost of living contingency budget		0	50	0	0
In year contingency/growth budget Investment (to include a budget for a Heritage Plan for the District of up to £75k)		398	250	0	0
<b>Sub Total</b>		<b>1,962</b>	<b>458</b>	<b>601</b>	<b>662</b>

3.24. The central scenario funding changes (with additional income enclosed by brackets) compared to the approved Medium Term Financial Strategy are shown below:

Updated Central Scenario Funding Projections	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Retained Business Rates Baseline Funding		62	(42)	(27)	(13)
Retained Business Rates Growth Allowance		(342)	(1,472)	(337)	(334)
Rolled in Grants		1	(512)	(114)	(110)
Business Rates Cap Grant		181	(512)	0	0
Services Grant		69	(13)	0	0
Funding Guarantee Grant		(14)	(1,450)	0	0
Transitional Funding		0	747	(1,159)	(64)
New Homes Bonus		(619)	0	0	0
Collection Fund (Surplus)/Deficit		(1,229)	0	0	0
Council Tax Income		(71)	(51)	(41)	(59)
<b>Sub Total</b>		<b>(1,962)</b>	<b>(3,305)</b>	<b>(1,678)</b>	<b>(580)</b>

## Modelled Changes and their Impact on the Revenue Budget and the Funding Gap

3.25. The Revenue Budget central scenario modelled changes and their impact on the Funding Gap (surpluses and transfers to General Reserves are enclosed with brackets) together with scenarios based on more optimistic and more pessimistic funding assumptions are shown in detail at **APPENDIX A** and in summary below:

Updated Central Scenario Funding Projections	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
<b>Approved Funding Gap</b>		<b>0</b>	<b>1,616</b>	<b>1,903</b>	<b>1,770</b>
Updated Expenditure/Income Projections		1,962	458	601	662
Updated Central Scenario Funding Projections		(1,962)	(3,305)	(1,678)	(580)
<b>Updated Central Scenario Budget Funding Gap</b>		<b>0</b>	<b>(1,231)</b>	<b>826</b>	<b>1,852</b>

<b>More Optimistic Scenario Impact on General Reserves</b>	<b>244</b>	<b>(1,764)</b>	<b>(162)</b>	<b>(49)</b>
<b>More Pessimistic Scenario Impact on General Reserves</b>	<b>1,413</b>	<b>444</b>	<b>3,446</b>	<b>3,965</b>

3.26. The key features of the proposed central scenario Revenue Budget are:

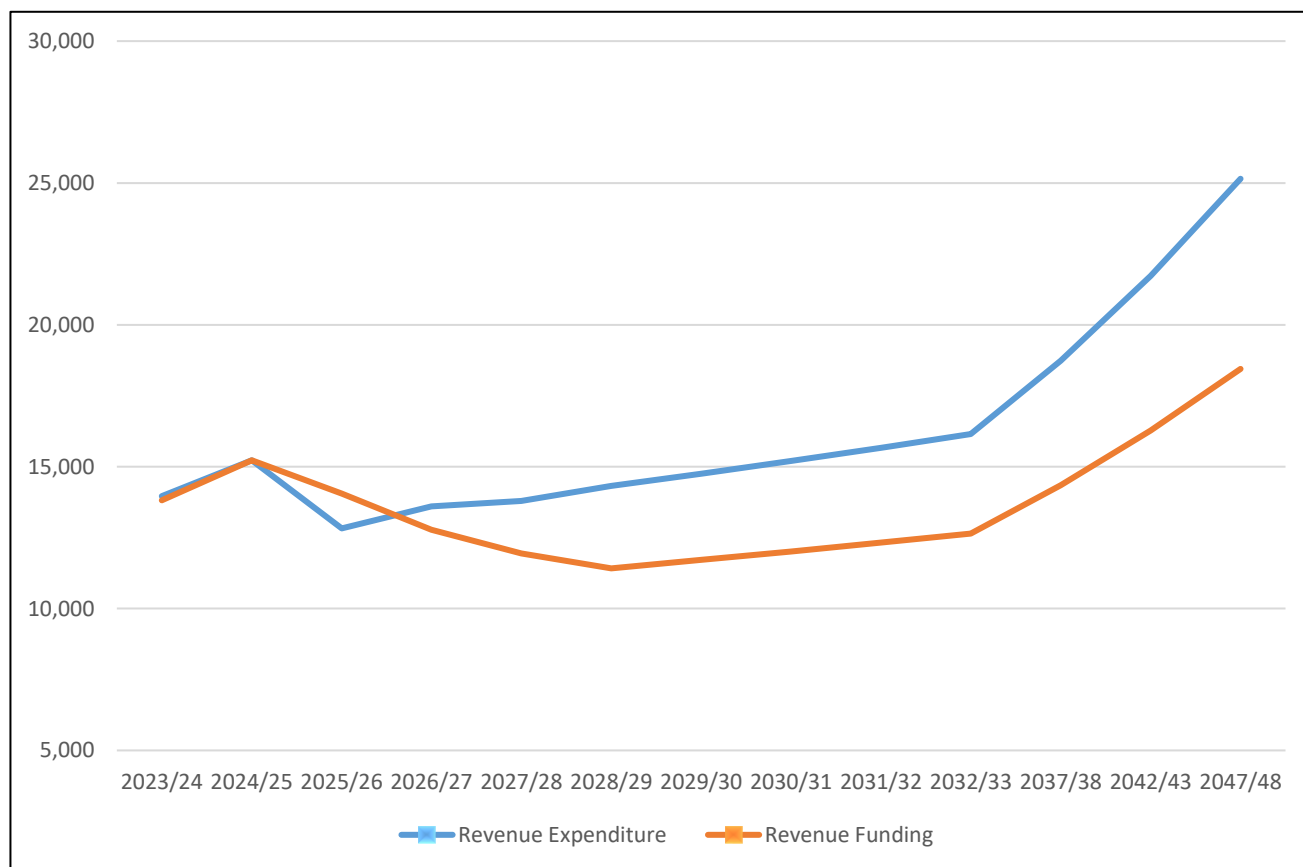
- The inclusion of additional budgets to address ongoing projected budget pressures related to an increased pay award of **4%** (increased from 2%) in 2024/25.
- The inclusion of **£755,000** of funding for the Cinema for Lichfield District approved by Council on 12 December 2023 and funded by an element of the Collection Fund Surplus.
- The transfer of **£612,000** to an earmarked reserve to fund Business-as-Usual Capital Investment in 2027/28 to negate additional borrowing need.
- Planning fee income projections have been updated to:
  - Include updated projected income from local planning fee changes.
  - Take account of the Autumn Statement changes in national fees (only fees for major applications would increase to recover full cost whereas previously minor application fees were also proposed to increase).
  - Reflect income being lower than budget in 2023/24 and lower OBR projections for housing transactions in 2024/25 and 2025/26.
  - Set aside any additional income to invest in the planning service or provide income contingency due to the uncertainty around planning income and the status of the Local Plan.
- Additional Car parking income of **(£150,000)** that is higher than the budgeted level is proposed to be set aside to invest in car parking or provide income contingency.
- Additional inflationary allowances have been included in the budget based on the November 2023 Office for Budget Responsibility (OBR) forecasts contained in the Economic and Fiscal Outlook (these higher forecasts are shown in the MTFs Budget Assumptions in **APPENDIX A**).
- Inflationary increases for community grants budgets.
- Provision is included to fund planned regeneration initiatives given the existing earmarked reserve is now fully committed.
- Additional income from Treasury management is included to reflect higher interest rates and higher investment balances partly from slippage in the spend of major capital investment schemes such as the leisure centre.
- In addition to 2023/24 and 2024/25, the proposed provisional inclusion of a specific cost of living contingency budget of **£50,000** in 2025/26.

- In addition to 2023/24, a proposed increase in the in-year more general contingency/growth budget in 2024/25 of **£398,000** to **£498,000** and the proposed provisional inclusion of a budget of **£250,000** in 2025/26.
- A **Council Tax increase of £5 or 2.66%** for 2024/25 and then modelled increases of **1.99%** for each subsequent year. The impact over the four years of this approach and a maximum **2.99%** increase in 2024/25 and then annual **1.99%** increases compared to the Approved Budget is shown below:

	Total	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
<b>Approved Council Tax Income (modelled increases of 1.99%)</b>	<b>(£33,080)</b>	<b>(£7,858)</b>	<b>(£8,124)</b>	<b>(£8,416)</b>	<b>(£8,682)</b>
Modelled Increase		£5.00	1.99%	1.99%	1.99%
Modelled Council Tax Band D		£192.85	£196.68	£200.60	£204.59
Approved Council Taxbase		41,116	41,567	42,161	42,723
<b>Modelled MTFs Council Tax Income @ £5 24/25 and then 1.99%</b>	<b>(£33,303)</b>	<b>(£7,929)</b>	<b>(£8,175)</b>	<b>(£8,457)</b>	<b>(£8,741)</b>
<b>(Higher) / Lower Modelled Council Tax Income</b>	<b>(£223)</b>	<b>(£71)</b>	<b>(£51)</b>	<b>(£41)</b>	<b>(£59)</b>
<b>Council Tax Income @ 2.99% 24/25 and then 1.99%</b>	<b>(£33,410)</b>	<b>(£7,955)</b>	<b>(£8,202)</b>	<b>(£8,485)</b>	<b>(£8,769)</b>
<b>(Higher) / Lower Modelled Council Tax Income</b>	<b>(£330)</b>	<b>(£97)</b>	<b>(£78)</b>	<b>(£69)</b>	<b>(£87)</b>

### Longer Term Financial Planning

3.27. The updated longer term financial plan is shown in detail at **APPENDIX A** and in the chart below:



3.28. A funding gap is projected from 2026/27 onwards and this will mean that subject to the outcome the local government finance reforms, the identification of options to deliver further sustainable savings/additional income will remain necessary.

## The Capital Strategy

3.29. The Capital Strategy is shown at **APPENDIX B** and sets out the Council’s framework for managing the Capital Programme including:

- **Capital expenditure**, including the approval process, long-term financing strategy, asset management, maintenance requirements, planned disposals and funding restrictions.
- **Debt and borrowing and treasury management**, including projections for the level of borrowing, capital financing requirement and liability benchmark, provision for the repayment of debt, the authorised limit and operational boundary for the coming year and the authority’s approach to treasury management.
- **Commercial activities**, including due diligence processes, the authority’s risk appetite, proportionality in respect of overall resources, requirements for independent and expert advice and scrutiny arrangements.
- **Other long-term liabilities**, such as financial guarantees.
- **Knowledge and skills**, including a summary of that available to the authority and its link to the authority’s risk appetite.

3.30. As the Council’s Chief Financial Officer, I have assessed the current overall risk as **Tolerable (green)**.

## The Capital Programme

3.31. Cabinet was presented with a Draft Capital Programme on 10 October 2023, and this has been updated to reflect:

- The inclusion of updated projections from the 8 month Money Matters Reports.
- The inclusion of financial implications from any further Approved Reports.
- Any other changes identified from review of the Approved Budget.

3.32. The additional capital investment projections included in the Capital Programme are:

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					250
Disabled Facilities Grants	25 year model					914

<b>Projected Capital Spend</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1,719</b>
External Funding					(914)
Existing Revenue Budgets					(150)
Council Funding (see above)					(655)
<b>Total Funding</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,719)</b>
<b>Shortfall in Funding &amp; Borrowing Need</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.33. The following projects have been removed from the Capital Programme:

Project	Budget	Reason
New Build Parish Office / Community Hub	£92,000	Fradley Parish Council no longer wish to go ahead with the project
Lichfield St Johns Community Link	£35,000	CIL grant agreement has expired
Falkland Road Fosseyway Canal Walk	£260,000	CIL grant agreement has expired
Fradley BMX Pumptrack	£33,000	Fradley Parish Council no longer wish to go ahead with the project



- 3.34. A few projects contained in the Approved Capital Programme have revenue implications such as operating costs, capital financing costs for internal borrowing, revenue funding or savings.
- 3.35. The MTFs currently assumes a budget neutral position for the Cinema for Lichfield District until more informed financial projections are provided through the Business Plan. Any future changes following receipt of the Business Plan will be reported in line with the Council's budget monitoring and any budget approvals will be in line with the budget framework.
- 3.36. The Capital Programme revenue implications contained in the Approved Budget (at the 8 month's stage of 2023/24) and the revenue implications of additional capital spend<sup>2</sup> are shown below:

Revenue Implications	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Interest on Loan to the LA Company	0	0	0	0	0
Friary Grange - Refurbishment	135	135	0	0	0
New Leisure Centre Capital Financing Costs	0	0	373	366	359
New Leisure Centre Operating Costs	0	0	235	(11)	(85)
New Leisure Centre Sinking Fund	0	0	0	50	100
Savings Reinvested	(100)	(100)	(100)	(100)	(100)
Community Infrastructure Levy 2022	(11)	(173)	(100)	(100)	(100)
New Leisure Centre & CIL Risk/Uncertainty	111	273	0	0	0
A Cinema for Lichfield District - Income	0	0	(600)	(600)	(600)
A Cinema for Lichfield District - Sinking Fund	0	0	254	254	254
A Cinema for Lichfield District - Expenditure/Uncertainty	0	0	346	346	346
Revenue Budget - Bin Replacement	150	150	150	150	0
Revenue Budget - Corporate	173	100	565	183	0
<b>Sub Total - Approved Budget</b>	<b>458</b>	<b>385</b>	<b>1,123</b>	<b>538</b>	<b>175</b>
Revenue Budget - Corporate	0	0	0	0	0
Revenue Budget - Earmarked Reserves	0	0	0	0	612
Revenue Budget - Bin Replacement	0	0	0	0	150
<b>Sub Total - Service and Financial Planning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>762</b>
<b>Capital Programme Total</b>	<b>458</b>	<b>385</b>	<b>1,123</b>	<b>538</b>	<b>937</b>

- 3.37. The Capital Programme is summarised below and is shown in detail at **APPENDIX C**:

Strategic Priority	Capital Programme					
	2023/24		2024/25	2025/26	2026/27	2027/28
	Original Budget £000	Approved Budget £000	Budget £000	Budget £000	Budget £000	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>
Enabling People	9,222	4,421	10,537	3,172	1,320	1,100
Shaping Place	819	386	425	6,600	210	400
Developing Prosperity	4,931	5,493	4,649	3,999	10	0
Good Council	448	520	215	365	405	405
<b>Capital Programme</b>	<b>15,420</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>
Capital Funding	13,087	10,820	12,647	11,820	1,945	1,905
Borrowing Need	2,333	0	3,179	2,376	0	0
General Capital Receipts	(481)	(1,466)	(387)	(244)	(55)	(83)
Housing Capital Receipts	(663)	(979)	(979)	(979)	(979)	(979)
<b>Total Capital Receipts</b>	<b>(1,144)</b>	<b>(2,445)</b>	<b>(1,366)</b>	<b>(1,223)</b>	<b>(1,034)</b>	<b>(1,062)</b>

<sup>2</sup> At this stage, the revenue cost of the new Waste Fleet is assumed to be the same as the current fleet or where new services such as food waste collection are introduced, the additional revenue costs are funded by Government Grant.

## Treasury Management

3.38. CIPFA has defined Treasury Management as:

*“the management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

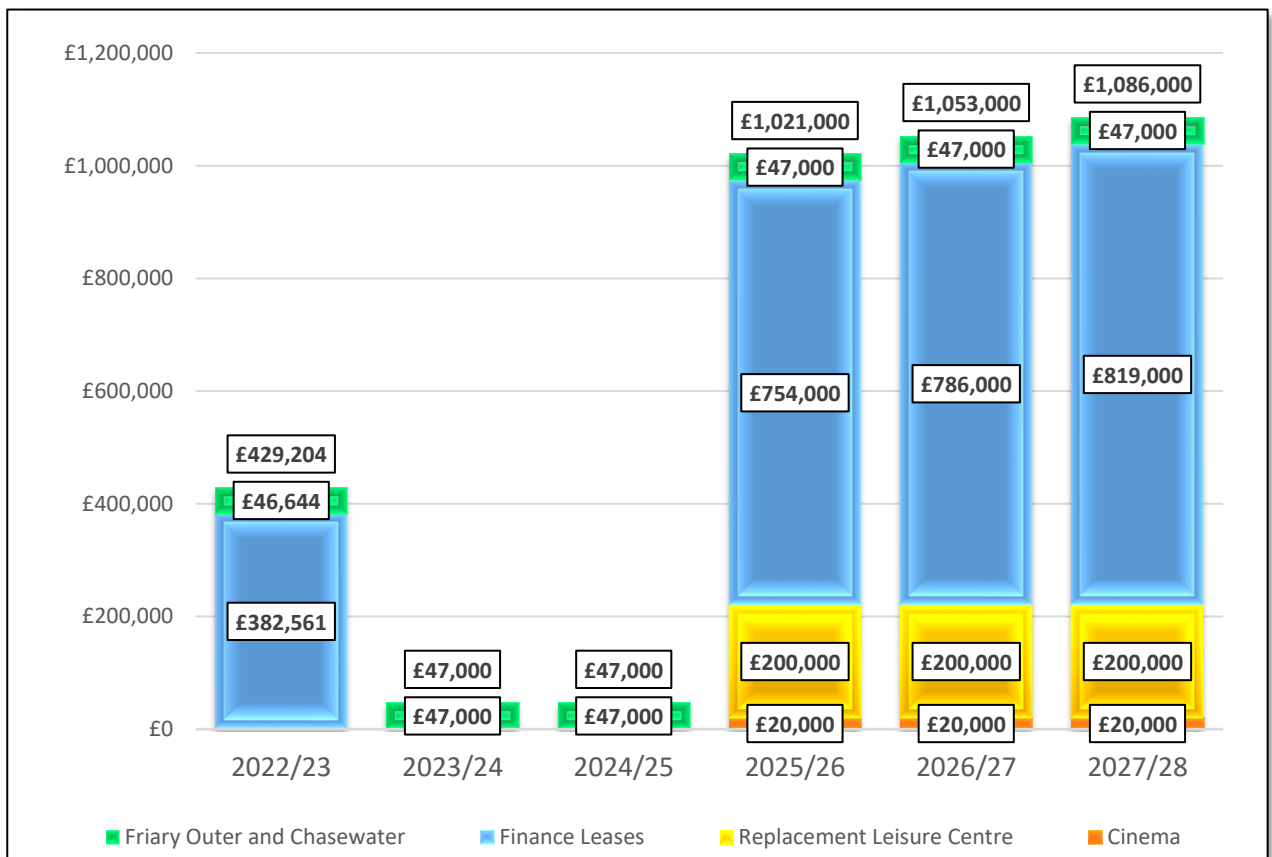
3.39. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are an important and integral element of its treasury management activities. The main risks to the Council’s treasury activities are:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal and Regulatory Risk

3.40. The Strategy also projects the impact of the Council’s Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators, and the outlook for interest rates.

### 3.41. Minimum Revenue Provision Statement 2024/25

- The Council is required to make prudent provision for debt redemption (known as Minimum Revenue Provision (MRP)) and each year the Council must approve its MRP statement, and this will include an allowance for finance leases that appear on the Council’s Balance Sheet.
- As in previous years, the Council proposes to base its MRP on the estimated life of the asset (**APPENDIX D**). The estimated MRP chargeable during the MTFS is shown below:

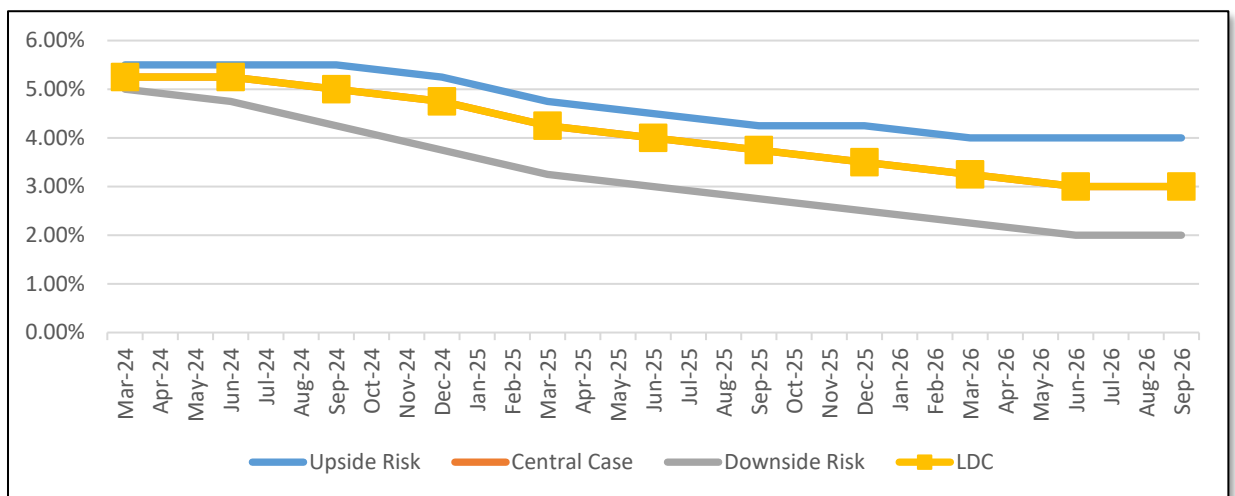


### 3.42. Balance Sheet Projections

- Integrated Revenue Budgets and Capital Programme Budgets are prepared. These budgets together with the actual Balance Sheet from the previous financial year are used to prepare Balance Sheet projections.
- These Balance Sheet projections (**APPENDIX E**) are significant in assessing the Council’s Treasury Management Position in terms of borrowing requirement, investment levels and the Investment Strategy.

### 3.43. Treasury Management Advice and the Expected Movement in Interest Rates

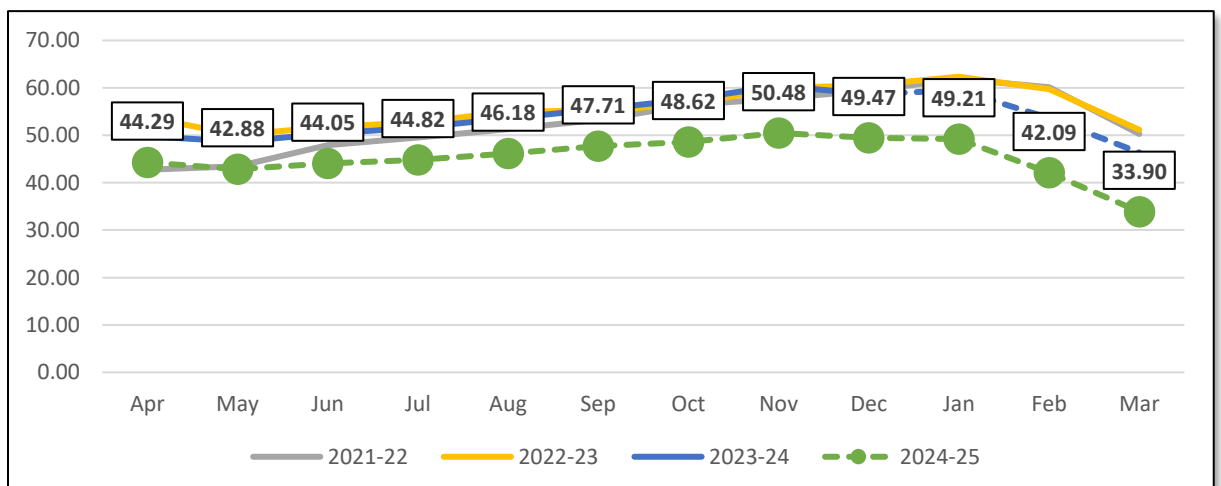
- The Official Bank Rate outlook provided by the Council’s Treasury Advisor, together with the Council’s assumption (also the central case) where interest rates will decrease from September 2024 is shown below:



- The Council assumptions have been used as the basis for preparation of the investment income including income foregone from internal borrowing for 2024/25 and future years.

### 3.44. Cash Flow Forecast

- Treasury Management includes the management of the Council’s cash flows as a key responsibility. The cash flow forecast takes account of the income the Council receives including Housing Benefits Grant, Council Tax and Business Rate income and expenditure such as payments to precepting bodies, employee costs and Housing Benefit Payments.
- The graph below shows average investment levels (in £m) throughout the financial year with a significant reduction in February and March due to minimal Council Tax income being received.



- The planned monthly cash flow forecast for the 2024/25 financial year has been used to calculate the investment income budget. The key components of this calculation are the average level of investment balances and the rate or yield achieved.
- The Treasury Management estimates for 2024/25 for both investment income and borrowing are shown in the table below:

Treasury Management	2024/25	
	Original Budget	
	Investment Income	Borrowing
Average Balance	£45.31m	£0.96m
Average Rate <sup>3</sup>	4.73%	2.59%

Gross Investment Income	(£2,120,000)	
Property Fund Transfer to Reserves	£22,000	
DIF Transfer to Reserves	£105,000	
Corporate Revenue funding Capital		£100,000
External Interest		£26,000
Internal Interest		£1,000
Minimum Revenue Provision (Exc. Finance Leases)		£47,000
<b>Net Treasury Position</b>	<b>(£1,993,000)</b>	<b>£174,000</b>
	<b>(£1,819,000)</b>	

- The gross investment income has been estimated as **(£2,120,000)** and this equates to **14%** of The Council's total funding of **(£15,330,000)** in 2024/25.

### 3.45 Treasury Management Strategy Statement (TMSS) and the Annual Investment Strategy

- The Treasury Investments and their limits with no changes recommended, are shown in detail at **APPENDIX E**.

### 3.46 Investment Strategy Report for 2024/25

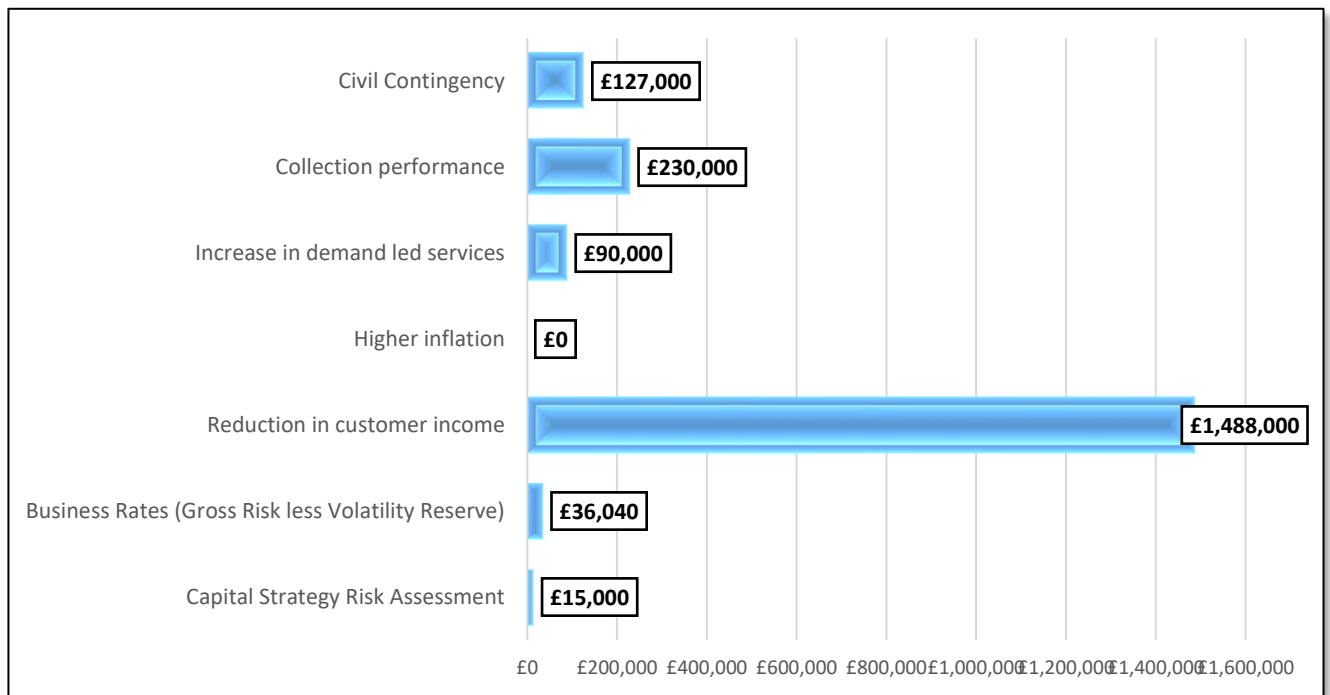
- The investment strategy that is shown at **APPENDIX F** meets the requirements of statutory guidance issued by the government in January 2018. It focuses on how the Authority invests its money to support local public services and earns investment income from any commercial investments.

## Opinion of CFO on the Adequacy of Reserves and the Robustness of the Estimates

- 3.47 The Chartered Institute of Finance and Accountancy (CIPFA) provided the fourth release of its Financial Resilience Index December 2023 (Lichfield DC's information compared to all District Councils and Nearest Neighbours is shown at **APPENDIX G**). The index showed this Council's position on a range of measures associated with financial risk.
- 3.48 This release is still based on backward looking measures rather than the future financial challenges identified in forward looking Medium Term Financial Strategies. However, the residual impact of the COVID-19 pandemic and its impact on financial resilience is included in the measures.
- 3.49 The Resilience Index identified that most of the measures selected, including those related to the level and change in reserves, this Council was at the lower end of the risk spectrum compared to all other District Councils and Nearest Neighbour Authorities.
- 3.50 It remains prudent for the Council to maintain an adequate 'working balance' or Minimum Level that is part of its general reserves. A risk assessment approach in line with Best Practice that has been updated to take account of the challenging economic environment is used to determine the required Minimum Level and the level of general and earmarked reserves.

<sup>3</sup> Budgeted average rate for the entire financial year.

3.51 The main elements of the risk assessment are shown in detail at **APPENDIX G** and in summary below:



3.52 The Chief Finance Officer (CFO) has been involved throughout the entire budget process, including revising the MTFs, input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with Members of the Cabinet and Overview and Scrutiny Committee, advising colleagues, the strategic choices activities, challenge and evaluation activities, and scrutiny of the budget.

3.53 I am of the opinion, for a Council of this size and with our recent record of prudent spending, effective Risk Management, robust budgeting and effective Budget monitoring and control, a revised General Minimum Reserve level of **£2,000,000** is adequate.

3.54 It is important to note that the level for 2024/25 has increased because of the economic climate. This involves changes to specific risks such as a reduction in income from customers. In addition, several risks such as Business Rates have specific earmarked reserves and specific budget risk based allowances related to inflation have been incorporated within the MTFs.

## Projected General Reserves

3.55 The total projected level of general reserves is shown below using the central scenario together with projections using the more optimistic and pessimistic budget scenarios:

	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>
<b>Available General Reserves Year Start</b>	<b>4,175</b>	<b>4,085</b>	<b>3,936</b>	<b>3,836</b>	<b>5,067</b>	<b>4,241</b>
Change in Minimum Level	0	0	(100)	0	0	0
(Funding Gap) / transfer to General Reserves	0	(149)	0	1,231	(826)	(1,852)
<b>Available General Reserves Year End</b>	<b>4,175</b>	<b>3,936</b>	<b>3,836</b>	<b>5,067</b>	<b>4,241</b>	<b>2,389</b>
Minimum Level	1,900	1,900	2,000	2,000	2,000	2,000
<b>Central Scenario General Reserves</b>	<b>6,075</b>	<b>5,836</b>	<b>5,836</b>	<b>7,067</b>	<b>6,241</b>	<b>4,389</b>
<b>More Optimistic Scenario</b>	<b>6,075</b>	<b>5,836</b>	<b>5,592</b>	<b>7,355</b>	<b>7,517</b>	<b>7,566</b>
<b>More Pessimistic Scenario</b>	<b>6,075</b>	<b>5,836</b>	<b>4,423</b>	<b>3,979</b>	<b>533</b>	<b>(3,432)</b>

3.56 There is currently a significant ongoing level of uncertainty in relation to Local Government Finance with several planned reforms. This unprecedented uncertainty has been amplified by the impact of the COVID-19 pandemic and the current economic climate.

3.57 Financial planning in these circumstances with any degree of certainty is incredibly difficult especially when it is not clear when or if any of the planned reforms will be implemented.

3.58 However, the scenarios in this report provide an indication of the impact on the MTFs from the use of different assumptions. Two of the three scenarios utilised currently project a funding gap in 2026/27 and beyond. The projected funding gaps are principally due to:

- The projected impact of the Review of Needs and Resources (formerly the Fair Funding Review) and the review of Business Rate Baselines where resources are likely to be redistributed from District Councils to Upper Tier authorities. These reviews reflect the need for additional funding to address the increasing demographic demands in adult social care and children's services.
- The additional costs related to delivering existing services such as inflation, pension costs, an increasing population, and more properties.
- The desire to deliver new or enhanced often discretionary services such as a replacement leisure centre and the Cinema for Lichfield District.

3.59 A replacement leisure centre of **£10,000,000** funded in part by **£5,000,000** of internal borrowing has been included in the Approved MTFs. The estimated cost of borrowing of **£373,000** impacting from 2025/26 onwards for a budgeted period of 25 years has also been included in the Approved Revenue Budget.

3.60 In addition, a budget of **£9,787,000** (£5,788,000 and £3,999,000) for the Cinema for Lichfield District has been included in the Approved MTFs and is also part funded by internal borrowing of **£495,000**. The estimated cost of borrowing of **£37,000** impacting from 2025/26 onwards for a budgeted period of 25 years has also been assumed in the Revenue Budget modelling.

3.61 This internal borrowing will be a long term financial commitment for the Council. Therefore, given the range of financial projections at this time of significant ongoing uncertainty, Council will need to be aware that to enter long term commitments of this nature carry a very high risk that a balanced budget cannot be achieved or maintained.

3.62 It is very important therefore to highlight that in the event funding gaps do result from finance reform, to mitigate the risk of a statutory notice, focused on the inability to deliver a balanced budget, a robust and deliverable savings plan will need to be agreed together with a commitment to its delivery.

## Retail Discount and Supporting Small Business Relief

- 3.63 In the Autumn Statement, the Chancellor announced the extension of the business rates Retail Discount scheme for 2024/2025. This delivers a 75% business rates relief up to £110,00 per business. Confirmation of the scheme was issued 23 November 2023, with further guidance regarding the administration, and funding on the 15 December 2023. Supporting small business relief was announced in the autumn budget 2022 and took effect from 1 April 2023. This is a 3 year scheme of support and ensures no small business faces a bill increase greater than £50 per month in 2024/25 because of losing some or all of their small business rate relief due to an increase in rateable value following a revaluation on 1 April 2023.
- 3.64 Business rates may be reduced where a property is eligible for business rate relief. There are different types of relief that may be awarded based on criteria laid down in the Local Government Finance Act (LGFA) 1988 and subsequent statutory instruments. In addition to mandatory reliefs, the Local Authority has the discretion to award additional relief, using discretionary powers under section 47 of the LGFA. Where new temporary reliefs are introduced by the government, they will use section 47 to apply them wherever it is appropriate to do so, rather than introducing new legislation.
- 3.65 The government will fully reimburse councils via Section 31 grant.
- 3.66 The recommendation is to award both reliefs from 1st April 2024 to all businesses that satisfy the relevant criteria. We estimate that 430 businesses will benefit from £3,482,833 Retail Discount and 118 business will benefit from £383,836 Supporting Small Business Relief. The government expects local authorities to notify those eligible ratepayers on their annual bills for 2024/25.

<b>Alternative Options</b>	In the main, the options are focused on the level of resource allocated to Strategic Priorities and the level of Council Tax increase.
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**Consultation** The budget consultation was launched on 18 October 2023 and was open until 12 December 2023. The primary method of response to the consultation was via an online tool. This tool enabled respondents to alter the non-central costs Original Budget for 2024/25 of **£11,882,310** (The Original Net Budget was £13,368,100 and central items totalled £1,485,790) that was allocated in the Medium Term Financial Strategy.

A total of **909** people responded to the survey. This represents **0.86%** of the adult population of the district and represents a reduction of **224** respondents from the previous budget consultation in 2022. The outcome of respondent's budget choices (reductions in budgets and percentages are enclosed by brackets) is shown below:

Service Group	Service Item	Original Budget	Average Change %	Average Budget
<b>Place (Expenditure)</b>		<b>£7,478,320</b>	<b>(1.09%)</b>	<b>£7,396,668</b>
	Planning, Environment and Building Control	£902,760	(4.17%)	£865,120
	Street Cleaning, Bins and Recycling	£4,165,670	(0.09%)	£4,161,775
	City Centre Development	£33,330	(3.81%)	£32,061
	Conservation, Ecology and Woodlands	£173,490	(1.61%)	£170,703
	Parks and Open Spaces	£1,712,590	(0.88%)	£1,697,518
	Local Plan	£490,480	(4.28%)	£469,490
<b>People (Expenditure)</b>		<b>£3,225,960</b>	<b>(1.25%)</b>	<b>£3,185,581</b>
	Community	£658,770	(1.07%)	£651,740
	Housing Strategy and Homelessness	£786,870	(1.29%)	£776,699
	Sports and Leisure	£676,560	(1.25%)	£668,075
	Licensing and Public Protection	£1,103,760	(1.33%)	£1,089,067
<b>Prosperity (Expenditure)</b>		<b>£911,900</b>	<b>(2.71%)</b>	<b>£887,178</b>
	Events and Culture	£426,690	(2.72%)	£415,096
	Tourism	£346,880	(3.06%)	£336,271
	Business Support and Investment	£138,330	(1.82%)	£135,811
<b>Resident Services (Expenditure)</b>		<b>£974,710</b>	<b>(1.89%)</b>	<b>£956,267</b>
	Council Tax, Benefits, Business Rates and Customer Services	£974,710	(1.89%)	£956,267
<b>Traffic and Parking (Expenditure)</b>		<b>(£708,580)</b>	<b>(1.22%)</b>	<b>(£699,927)</b>
	Traffic and Parking	(£708,580)	(1.22%)	(£699,927)
<b>Total - Non-Central Costs</b>		<b>£11,882,310</b>	<b>(£156,543)</b>	<b>£11,725,767</b>
Central Costs		£1,485,790		
<b>Total Budget</b>		<b>£13,368,100</b>		

The detailed comments also received through the Budget Consultation are included at **APPENDIX H.**

In addition, to the online tool, the Cabinet Member for Finance and Commissioning and the Assistant Director – Finance and Commissioning (Section 151) attended the Youth Council on 7 December 2023 to seek views on priorities for the MTFs. The main feedback received related to:

- Additional funding for organisations that support diversionary activity to reduce the risk of Anti-Social Behaviour.
- More focussed promotion of events and festivals in Lichfield District.
- Support for the delivery of more affordable and ECO friendly homes.

Overview and Scrutiny Committee reviewed the MTFs at their meeting on 30 January 2024 and Audit Committee reviewed the Capital Strategy and Treasury Management Strategy Statement at their meeting on 1 February 2024. The views of the Committees are summarised below:

#### Overview and Scrutiny Committee

- Consider allocating the additional funding of c£100,000 from the Final Local Government Finance Settlement to Voluntary and Community Sector funding.
- Consider a 0% increase in car parking fees at the next pricing decision point (September 2024 for 2025/26).
- It was clarified that the impact of Local Council Tax Support is accounted for in the Collection Fund as income foregone (Cost c£6m with the Council share c£0.6m) rather than being a specific budget line in the Council's MTFs.
- The allowance for inflation may need to be increased especially for fuel given the attacks on shipping in the Red Sea.
- It was clarified that the latest option related to a tenancy of the Cinema for Lichfield District is not reflected in the MTFs as there had not yet been an approval by Council.
- Clarification was provided on the Housing Investment budget in the Capital Programme with funding provided from Section 106 agreements.
- Clarification was provided on the Electric Vehicle charging budget being related to initial investment contained in the approved Car parking Strategy. Alternative delivery models to deliver further charging points will also be considered.
- Clarification was provided on the reasons for the reduction in value of retail properties, development plans for the Bore Street properties and in some cases the non-financial reasons for their continued ownership.
- The Council should still seek to make savings/efficiencies through a review of base budgets.
- The approach to closing Funding Gaps should not solely be focussed on efficiencies/savings but should also consider revenue and income streams.
- A maximum 2.99% Council Tax increase should be considered given the marginal difference to the proposed £5 increase which is 2.66%.
- To encourage residents struggling with Council Tax, the website should have more focus on encouraging contact.
- The Committee would like to review the Cinema Business Plan.



- The Committee requested the reasons why the Lichfield St Johns Community Link and the Falkland Road Fosseyway Canal Walk have not been able to spend CIL in line with the grant agreement.
- An element or 'quota' of the Voluntary and Community Sector funding should be set aside for Young people based initiatives with a role for the Youth Council in determining priorities.
- The Council should consider providing feedback on the budget consultation exercise to those that responded with comments and views.
- The Council should seek to obtain more qualitative views through the budget consultation.

#### Audit Committee

- Clarification was provided on the capital receipt budgets and the level of risk in terms of planned capital receipts.
- Clarification of the external loan from the Public Works Loans Board, its maturity date, and its original purpose.
- Clarification was provided on the approach to identifying capital investment need and the involvement of Members in the process for appraisal and approval.
- Clarification was provided on the Leisure Centre Operating Costs budgets and the approach to accounting for income and expenditure in the Council and LWMTS.
- Clarification was provided on the approach to property enhancement in the absence of dedicated sinking funds.
- An explanation was provided on the risk involved where no replacement programme is in place and how this is addressed on an ongoing basis.
- An explanation was provided on the approach to setting investment income budgets and managing the risks given its significant proportion of the budget.
- Clarification was provided on the approach to the budget for the replacement waste fleet (like for like replacement for both Lichfield District and Tamworth Borough) and the impact of changes in the waste strategy and alternative fuel methodologies.
- A clarification was provided that the replacement waste fleet was for both Lichfield District and Tamworth Borough and therefore an alignment of approach was essential.
- An explanation was provided on how the £500,000 threshold for post project appraisals had been determined.
- The approach to condition surveys was explained and further information would be provided to the Committee on areas where there is no recent condition survey.
- An explanation was provided on the approach to budgets for replacement and maintenance of vehicles, plant and equipment and the approach to budgets for leasing.

## Prudential and Local Indicators (PIs)

The Prudential and Local Indicators are shown below (rounding may result in slight differences):

Capital Strategy Indicators							
Prudential Indicators							
Indicators	2022/23 Actual	2023/24 Original	2023/24 Revised	2024/25 Original	2025/26 Original	2026/27 Original	2027/28 Original
<b>Capital Investment</b>							
Capital Expenditure (£m)	£3.573	£15.420	£10.820	£15.826	£14.136	£1.945	£1.905
Capital Financing Requirement (£m)	£1.897	£4.425	£1.850	£4.983	£12.278	£11.226	£10.140
<b>Gross Debt and the Capital Financing Requirement</b>							
Gross Debt	(£1.065)	(£1.005)	(£1.005)	(£0.944)	(£6.129)	(£5.282)	(£4.402)
Borrowing in Advance - Gross Debt in excess of the Capital Financing Requirement	No	No	No	No	No	No	No
<b>Total Debt</b>							
Authorised Limit (£m)	£1.509	£19.932	£19.932	£19.872	£20.461	£20.555	£20.213
Operational Boundary (£m)	£1.509	£7.505	£7.505	£7.444	£12.629	£7.322	£7.262
Proportion of Financing Costs to Net Revenue Stream (%)	4%	1%	1%	0%	8%	11%	11%

Local Indicators							
Indicators	2022/23 Actual	2023/24 Original	2023/24 Revised	2024/25 Original	2025/26 Original	2026/27 Original	2027/28 Original
Replacement of Debt Finance or MRP (£m)	(£0.429)	(£0.047)	(£0.047)	(£0.047)	(£1.021)	(£1.053)	(£1.086)
Capital Receipts (£m)	(£0.022)	(£0.030)	(£2.423)	(£0.031)	(£0.031)	(£0.033)	(£0.028)
Housing Capital Receipts (£m)	(£0.352)	£0.000	(£0.158)	£0.000	£0.000	£0.000	£0.000
Liability Benchmark (£m)	£34.484	£22.437	£31.756	£20.498	£20.023	£17.938	£16.877
Treasury Management Investments (£m)	£45.550	£33.441	£42.760	£31.442	£30.905	£28.759	£27.638

Treasury Management Indicators					
Prudential Indicators					
	Lower Limit	Upper Limit	As at 31/03/23	As at 31/12/23	
<b>Refinancing Rate Risk Indicator</b>					
Under 12 months	0%	100%	6%	6%	
12 months and within 24 months	0%	100%	6%	6%	
24 months and within 5 years	0%	100%	17%	18%	
5 years and within 10 years	0%	100%	29%	30%	
10 years and within 20 years	0%	100%	43%	39%	
20 years and within 30 years	0%	100%	0%	0%	
30 years and within 40 years	0%	100%	0%	0%	
40 years and within 50 years	0%	100%	0%	0%	
50 years and above	0%	100%	0%	0%	

Investment Income - Interest Rate Exposure		
	2024/25	2025/26
Revenue budget - Investment Income	(£2,119,960)	(£1,597,230)
<b>Budget subject to Interest Rate Exposure</b>	<b>(£1,615,960)</b>	<b>(£1,057,230)</b>
Budget with a 1% fall in interest rates	(£1,806,862)	(£1,341,015)
Budget with a 1% rise in interest rates	(£2,433,000)	(£1,853,000)

External Borrowing - Interest Rate Exposure		
	2024/25	2025/26
Revenue budget - External Interest	£26,000	£24,000
<b>Budget subject to Interest Rate Exposure</b>	<b>£0</b>	<b>£0</b>
Budget with a 1% fall in interest rates	£26,000	£24,000
Budget with a 1% rise in interest rates	£26,000	£24,000

	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
Indicators	Actual	Original	Revised	Original	Original	Original	Original
Principal Sums invested for periods longer than a year (£m)	£14.000	£15.000	£15.000	£15.000	£15.000	£15.000	£15.000

Local Indicators							
	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
Indicators	Actual	Original	Revised	Original	Original	Original	Original
	£m	£m	£m	£m	£m	£m	£m
<b>Balance Sheet Summary and Forecast</b>							
Borrowing Capital Financing Requirement	£1.897	£4.425	£1.850	£4.983	£7.032	£6.766	£6.499
Internal (over) Borrowing	£0.832	£3.420	£0.845	£4.038	£6.149	£5.943	£5.738
Investments (or New Borrowing)	(£45.550)	(£33.441)	(£42.760)	(£31.442)	(£30.905)	(£28.759)	(£27.638)
Liability Benchmark	(£34.484)	(£22.437)	(£31.756)	(£20.498)	(£20.023)	(£17.938)	(£16.877)

	Target
<b>Security</b>	
Portfolio average credit rating	A-
<b>Liquidity</b>	
Temporary Borrowing undertaken	£0.000
Total Cash Available within 100 days (maximum)	90%

Approved by Section 151	Yes
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Legal Implications	No specific legal implications. The recommended Medium Term Financial Strategy is part of the Budget Framework and will therefore require the approval of Full Council.
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.
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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.
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Crime & Safety Issues	These areas are addressed as part of the specific areas of activity prior to being included in the Strategic Plan.
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Data assessment	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
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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.

**Environmental Impact** (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.

**GDPR/Privacy Impact Assessment**  
There are no specific implications related to the Medium Term Financial Strategy

	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.	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	In the MTFs, no income is assumed beyond 2025/26.	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	Maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections. Where possible, ensure income increases are maximised to mitigate any additional cost.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
G	Interest Rate Risk if Internal Borrowing is replaced by External Borrowing	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	The level of internal borrowing is a relatively low level at £5.495m and the cost is budgeted at 3.5%.	Likelihood: Yellow Impact: Green Severity of Risk: Green
<b>Strategic Risk SR3: Capacity and capability to deliver / adapt the new strategic plan to the emerging landscape</b>				
H	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
I	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
J	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
- Medium Term Financial Strategy – Cabinet 10 October 2023
- Money Matters: Financial Monitoring in 2023/24 – Cabinet 5 December 2023
- Money Matters : Calculation of Business Rates 2024/25, Council Tax Base for 2024/25 and the projected Collection Fund Surplus / Deficit for 2023/24 – Cabinet 5 December 2023
- Money Matters: Financial Monitoring in 2023/24 – Cabinet 6 February 2024

## Relevant web links

## MTFS Budget Principles

- 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%	4.00%	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)	10.04%	6.09%	3.03%	1.56%	1.49%	1.81%
Non-Contractual Inflation (RPI) (OBR)	12.87%	8.26%	4.30%	2.41%	2.60%	2.84%
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%	£5.00	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

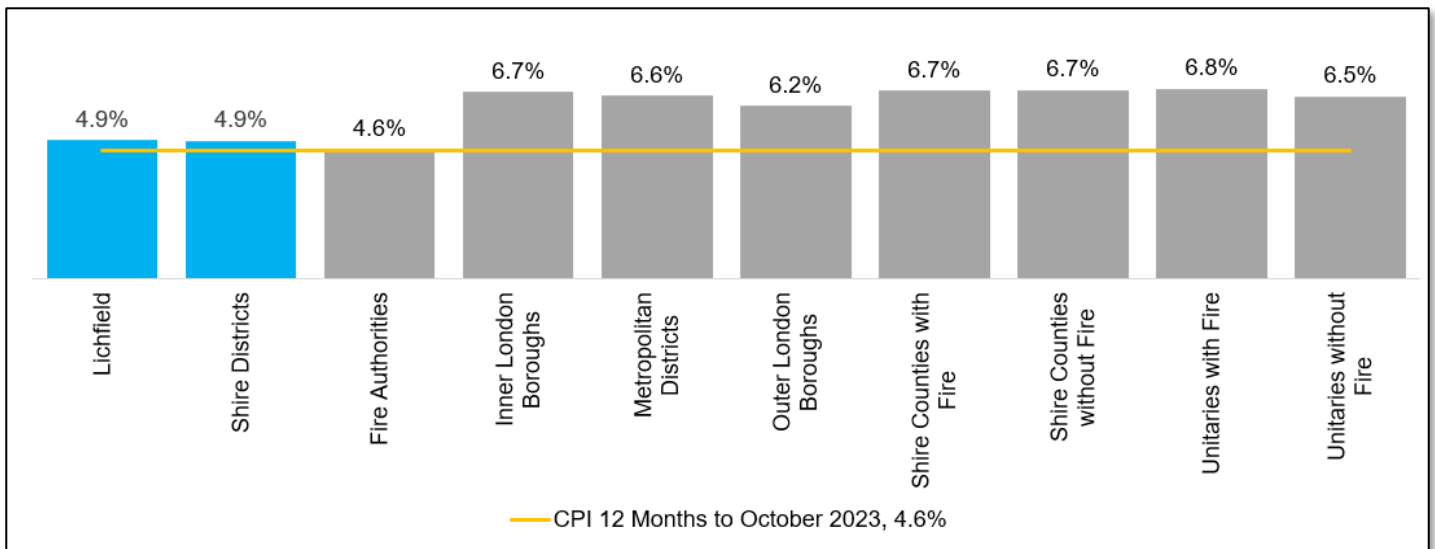
	% Increase
Population Projections	1.60%
Residential Properties	6.22%
Business Properties	0.03%
Number of visitors to the district	31.82%

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

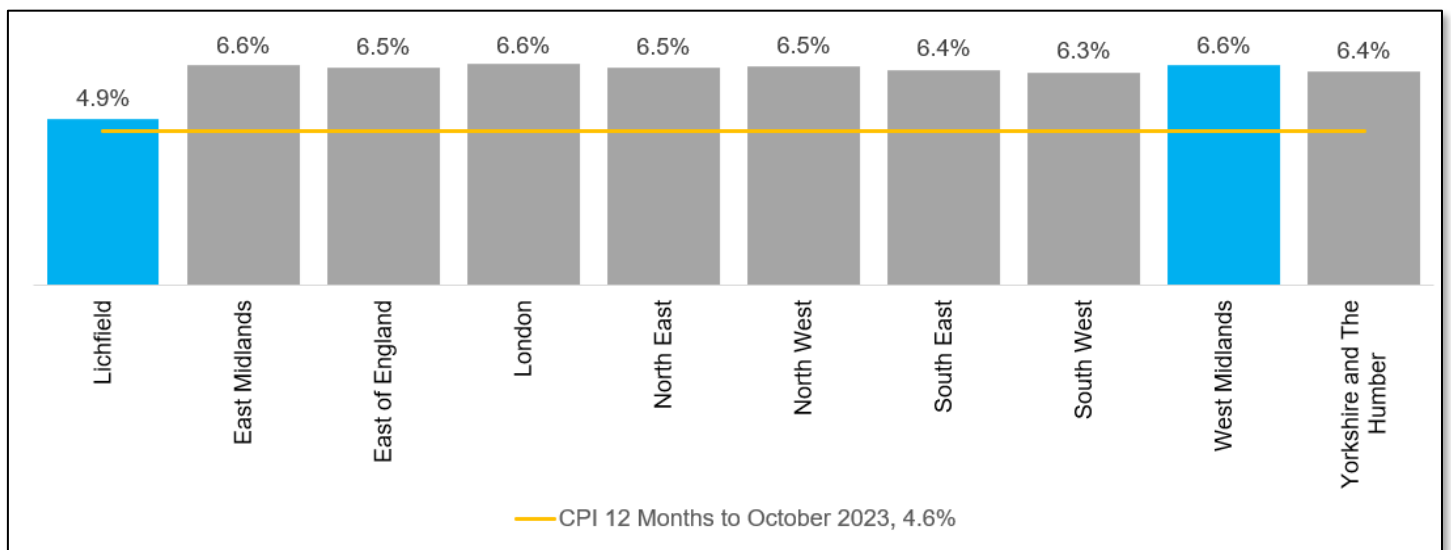
	2023/24	2024/25	2025/26	2026/27	2027/28
Salaries & Wages	4.00%	4.00%	2.00%	2.00%	2.00%
Electricity	20.00%	10.00%	10.00%	10.00%	10.00%
Gas	9.00%	10.00%	10.00%	10.00%	10.00%
Water	3.00%	3.00%	3.00%	3.00%	3.00%
Fuel	9.40%	5.00%	5.00%	5.00%	5.00%
ICT Licenses	10.00%	10.00%	10.00%	10.00%	10.00%
Telephone & 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%

## Core Spending Power Increase Comparators (Provisional Finance Settlement)

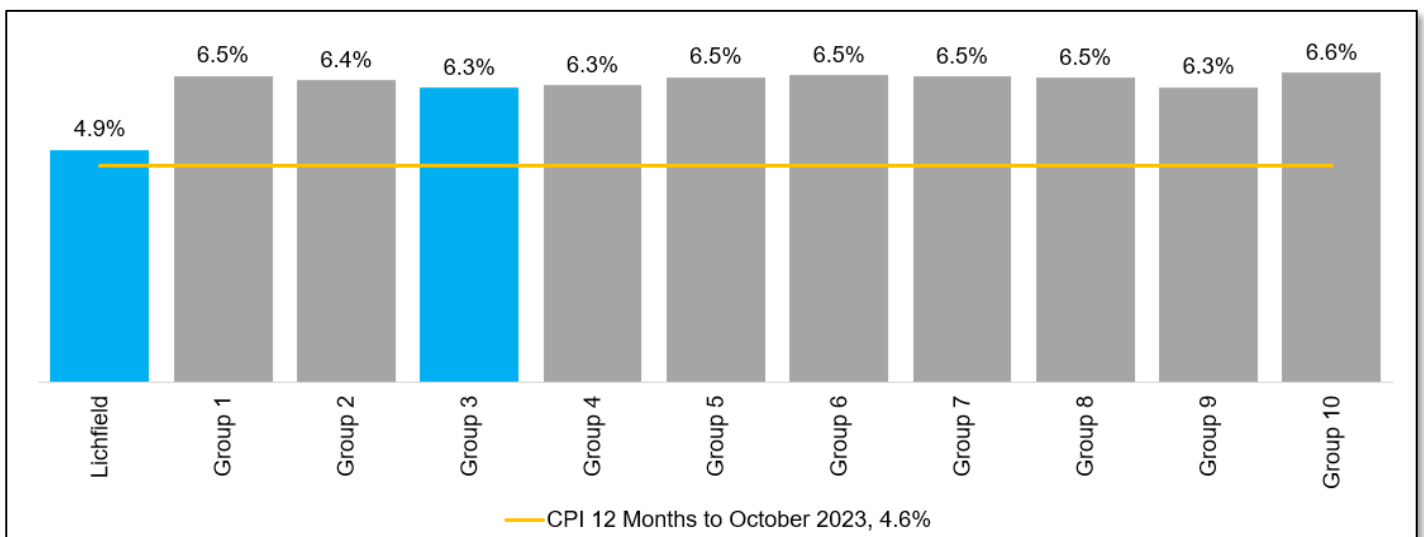
### Change in Core Spending Power by Authority Type



### Change in Core Spending Power by Region



### Change in Core Spending Power by level of Deprivation (IMD deciles)



### Funding Scenario Assumptions

Funding Stream	Key Assumptions
<b>Business Rates &amp; Grants</b>	
Business Rates Baseline Funding Level	Projected by expert with Finance Reform from 2026/27
Business Rates Growth	Council Business Rate income projections
Services Grant, Funding Guarantee Grant and Transitional Funding	From 2026/27 transitional funding is provided to mitigate the impact of Finance Reform The funding is triggered when there is a change in Core Spending Power (funding) of more than an assumed % between any year
<b>New Homes Bonus</b>	
Central	Retained until 2026/27, central housing growth and then abolished
More Optimistic	Retained in its current format with higher levels of housing growth
More Pessimistic	Retained until 2026/27, lower housing growth and then abolished
<b>Council Tax</b>	
Central	Projected housing growth and Taxbase change of 1.61% in 24/25, 0.86% in 25/26, 1.38% in 2026/27 and 1.29% in 2027/28. Council Tax increases of £5 in 2024/25 and then 1.99% annually
More Optimistic	Higher housing growth and annual 2.99% Council Tax increases
More Pessimistic	Lower housing growth and annual Council Tax freezes

### Revenue Budget 2023/24 to 2027/28

Central Scenario						
	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>
<b>Projected Net Operating Cost excluding 'windfall' transfers</b>	13,815	13,965	15,330	12,826	13,601	13,795
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	0	0	0	0
<b>Projected Net Operating Cost</b>	<b>13,815</b>	<b>13,965</b>	<b>15,330</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>
Retained Business Rates Baseline Funding	(2,196)	(2,196)	(2,297)	(2,329)	(2,360)	(2,392)
Retained Business Rates Growth Allowance	(1,268)	(1,268)	(1,474)	(1,472)	(337)	(334)
Rolled in Grants	(106)	(106)	(113)	(106)	320	352
Business Rates Cap Grant	(678)	(679)	(490)	(512)	0	0
Lower Tier Services Grant	0	0	0	0	0	0
Services Grant	(86)	(86)	(13)	(13)	0	0
Funding Guarantee Grant	(558)	(558)	(596)	(1,450)	0	0
Transitional Funding	0	0	0	0	(1,941)	(828)
New Homes Bonus	(993)	(992)	(1,189)	0	0	0
Collection Fund (Surplus)/Deficit	(316)	(316)	(1,229)	0	0	0
Council Tax Income	(7,614)	(7,614)	(7,929)	(8,175)	(8,457)	(8,741)
<b>Projected Revenue Funding</b>	<b>(13,815)</b>	<b>(13,815)</b>	<b>(15,330)</b>	<b>(14,057)</b>	<b>(12,775)</b>	<b>(11,943)</b>

<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>(1,231)</b>	<b>826</b>	<b>1,852</b>
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<b>Business Rates</b>						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	(5.00%)	(5.00%)
<b>New Homes Bonus</b>						
Band D Housing Growth above the Baseline	558	558	672	224	217	355
Affordable Housing growth	413	413	283	84	83	111
<b>Council Tax</b>						
Modelled Council Tax Increase	0.00%	0.00%	£5.00	1.99%	1.99%	1.99%
Band D Housing Growth	507	507	419	416	557	524



## Reconciliation of Original Funding Gap to Central Scenario Revenue Budget 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 28/02/2023</b>		0	0	1,616	1,903	1,770
<b>Approved Changes</b>						
Money Matters 3 Months	05/09/2023	476	0	0	0	0
Transfer (to)/from General Reserves	05/09/2023	(476)	0	0	0	0
Money Matters 6 Months	05/12/2023	(327)	0	0	0	0
Transfer (to)/from General Reserves	05/12/2023	327	0	0	0	0
Money Matters 8 Months	06/02/2024	0	0	0	0	0
Transfer (to)/from General Reserves	06/02/2024	0	0	0	0	0
<b>Approved Funding Gap</b>		0	0	1,616	1,903	1,770

Updated Expenditure/Income Projections
Updated pay inflation pressures
Cinema for Lichfield District funding
Revenue Contributions to the Capital Programme 2027/28
Additional income from Planning Fees
Additional Planning Investment / Contingency
Additional income from Car Parking Fees
Additional Car Parking Investment / Contingency
Contracts/Other Inflationary increases
Inflationary Increase in Community Grants
Enabling Regeneration Investment (to include a budget for a Burntwood Blueprint of up to £75k)
Updated Treasury Management Projections
Inclusion of a cost of living contingency budget
In year contingency/growth budget Investment (to include a budget for a Heritage Plan for the District of up to £75k)
<b>Sub Total</b>

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Included in Approved Budget		250	263	281	297
		755	0	0	0
		612	0	0	0
		(54)	(95)	(209)	(223)
		54	95	209	223
		(150)	(150)	(150)	(150)
		150	150	150	150
		274	297	287	327
		23	28	33	38
		350	120	0	0
		(700)	(550)	0	0
		0	50	0	0
		398	250	0	0
	<b>1,962</b>	<b>458</b>	<b>601</b>	<b>662</b>	

Updated Central Scenario Funding Projections
Retained Business Rates Baseline Funding
Retained Business Rates Growth Allowance
Rolled in Grants
Business Rates Cap Grant
Services Grant
Funding Guarantee Grant
Transitional Funding
New Homes Bonus
Collection Fund (Surplus)/Deficit
Council Tax Income
<b>Sub Total</b>

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Included in Approved Budget		62	(42)	(27)	(13)
		(342)	(1,472)	(337)	(334)
		1	(512)	(114)	(110)
		181	(512)	0	0
		69	(13)	0	0
		(14)	(1,450)	0	0
		0	747	(1,159)	(64)
		(619)	0	0	0
		(1,229)	0	0	0
		(71)	(51)	(41)	(59)
		<b>(1,962)</b>	<b>(3,305)</b>	<b>(1,678)</b>	<b>(580)</b>

Projected Central Scenario Budget Funding Gap
Transfer settlement 'windfall' to Strategic Priorities Reserve
<b>Impact on General Reserves</b>

	0	(1,231)	826	1,852
	0	0	0	0
	0	(1,231)	826	1,852

### More Optimistic Scenario

	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>
<b>Projected Net Operating Cost excluding 'windfall' transfers</b>	13,815	13,965	15,230	12,826	13,601	13,795
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	0	0	0	0
<b>Projected Net Operating Cost</b>	<b>13,815</b>	<b>13,965</b>	<b>15,230</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>

Retained Business Rates Baseline Funding	(2,196)	(2,196)	(2,297)	(2,329)	(2,360)	(2,392)
Retained Business Rates Growth Allowance	(1,268)	(1,268)	(975)	(1,169)	(520)	(677)
Rolled in Grants	(106)	(106)	(113)	(108)	319	350
Business Rates Cap Grant	(678)	(679)	(693)	(781)	0	0
Lower Tier Services Grant	0	0	0	0	0	0
Services Grant	(86)	(86)	(13)	(13)	0	0
Funding Guarantee Grant	(558)	(558)	(496)	(1,448)	0	0
Transitional Funding	0	0	0	0	(2,098)	(1,387)
New Homes Bonus	(993)	(992)	(1,189)	(441)	(428)	(680)
Collection Fund (Surplus)/Deficit	(316)	(316)	(1,230)	0	0	0
Council Tax Income	(7,614)	(7,614)	(7,980)	(8,301)	(8,676)	(9,058)
<b>Projected Revenue Funding</b>	<b>(13,815)</b>	<b>(13,815)</b>	<b>(14,986)</b>	<b>(14,590)</b>	<b>(13,763)</b>	<b>(13,844)</b>

<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>149</b>	<b>244</b>	<b>(1,764)</b>	<b>(162)</b>	<b>(49)</b>
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<b>Business Rates</b>						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	(2.00%)	(2.00%)
<b>New Homes Bonus</b>						
Band D Housing Growth above the Baseline	558	558	672	252	244	391
Affordable Housing growth	413	413	283	89	88	118
<b>Council Tax</b>						
Modelled Council Tax Increase	0.00%	0.00%	2.99%	2.99%	2.99%	2.99%
Band D Housing Growth	507	507	446	440	590	554

## More Pessimistic Scenario

	2023/24		2024/25	2025/26	2026/27	2027/28
	Original Budget £000	Approved Budget £000	£000	£000	£000	£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>
<b>Projected Net Operating Cost excluding 'windfall' transfers</b>	<b>13,815</b>	<b>13,965</b>	<b>15,230</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>
Transfer settlement 'windfall' to Strategic Priorities Reserve	0	0	0	0	0	0
<b>Projected Net Operating Cost</b>	<b>13,815</b>	<b>13,965</b>	<b>15,230</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>

Retained Business Rates Baseline Funding	(2,196)	(2,196)	(2,297)	(2,329)	(2,360)	(2,392)
Retained Business Rates Growth Allowance	(1,268)	(1,268)	(441)	(390)	(161)	(132)
Rolled in Grants	(106)	(106)	(113)	(106)	320	352
Business Rates Cap Grant	(678)	(679)	(546)	(558)	0	0
Lower Tier Services Grant	0	0	0	0	0	0
Services Grant	(86)	(86)	(13)	(13)	0	0
Funding Guarantee Grant	(558)	(558)	(496)	(1,450)	0	0
Transitional Funding	0	0	0	0	(345)	22
New Homes Bonus	(993)	(992)	(1,189)	0	0	0
Collection Fund (Surplus)/Deficit	(316)	(316)	(1,230)	0	0	0
Council Tax Income	(7,614)	(7,614)	(7,492)	(7,536)	(7,609)	(7,680)
<b>Projected Revenue Funding</b>	<b>(13,815)</b>	<b>(13,815)</b>	<b>(13,817)</b>	<b>(12,382)</b>	<b>(10,155)</b>	<b>(9,830)</b>

<b>Projected Budget Funding Gap</b>	<b>0</b>	<b>149</b>	<b>1,413</b>	<b>444</b>	<b>3,446</b>	<b>3,965</b>
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<b>Business Rates</b>						
Business Rates Reset/Fair Funding Review	No	No	No	No	Yes	Yes
Transitional Funding	No	No	No	No	(10.00%)	(10.00%)
<b>New Homes Bonus</b>						
Band D Housing Growth above the Baseline	558	558	672	85	80	172
Affordable Housing growth	413	413	283	56	55	74
<b>Council Tax</b>						
Modelled Council Tax Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Band D Housing Growth	507	507	265	261	350	329

Revenue Budget – 25 Year Model (1 to 10 years, 15 years, 20 years and 25 years)

Key Assumptions													
Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2037/38	2042/43	2047/48
	1	2	3	4	5	6	7	8	9	10	15	20	25
Council Tax Base	40,534	41,116	41,567	42,161	42,723	43,386	43,386	43,705	44,024	44,343	45,938	47,533	49,128
Projected Residential Growth - LHN							319	319	319	319	319	319	319
<b>Projected Council Tax Base</b>							<b>43,705</b>	<b>44,024</b>	<b>44,343</b>	<b>44,662</b>	<b>46,257</b>	<b>47,852</b>	<b>49,447</b>
Council Tax Band D	£188	£193	£197	£201	£205	£209	£213	£217	£221	£226	£249	£275	£303
Modelled Council Tax Increase	0.00%	2.66%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
LG Futures Property Based Unit Cost	£83	£85	£86	£88	£90	£92	£93	£95	£97	£99	£109	£121	£133
Core Budget Inflation Allowance						2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Funding and Pension Inflation Allowance						2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Year	Medium Term Financial Strategy					Additional Projections								
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2037/38	2042/43	2047/48	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
1	2	3	4	5	6	7	8	9	10	15	20	25		
<b>Modelled Total Expenditure</b>	<b>13,965</b>	<b>15,330</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>	<b>13,795</b>	<b>14,388</b>	<b>14,827</b>	<b>15,279</b>	<b>15,743</b>	<b>18,274</b>	<b>21,184</b>	<b>24,530</b>	
<u>Inflation and Budget Variations</u>														
Provision for Pay and Other Inflation						330	358	369	381	392	455	528	611	
Budget Pressure - Residential Growth						61	30	30	31	32	35	39	43	
Provision for Budget Variations						152								
Revenue Implications of Capital Bids						0								
<b>Sub Total</b>	<b>13,965</b>	<b>15,330</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>	<b>14,338</b>	<b>14,776</b>	<b>15,227</b>	<b>15,690</b>	<b>16,167</b>	<b>18,764</b>	<b>21,751</b>	<b>25,184</b>	
<u>Other Projections</u>														
Annual Increase in Past Service Pensions						50	51	52	53	54	60	66	73	
New Leisure Centre & CIL Allocation														
<b>Total Modelled Expenditure</b>	<b>13,965</b>	<b>15,330</b>	<b>12,826</b>	<b>13,601</b>	<b>13,795</b>	<b>14,388</b>	<b>14,827</b>	<b>15,279</b>	<b>15,743</b>	<b>16,221</b>	<b>18,824</b>	<b>21,817</b>	<b>25,257</b>	

**APPENDIX A**

	Medium Term Financial Strategy					Additional Projections							
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2037/38	2042/43	2047/48
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Modelled Funding:													
Retained Business Rates													
Baseline Funding Level	(2,196)	(2,297)	(2,329)	(2,360)	(2,392)	(1,917)	(1,955)	(1,994)	(2,034)	(2,075)	(2,291)	(2,529)	(2,793)
Retained Growth - full & phased resets	(1,268)	(1,474)	(1,472)	(337)	(334)	(341)	(347)	(354)	(362)	(369)	(407)	(450)	(496)
<u>New Homes Bonus / Replacement</u>													
New Homes Bonus - total receipt	(993)	(992)	(1,189)										
New Homes Bonus - Replacement				0	0	0	0	0	0	0	0	0	0
<u>Council Tax and Other Funding</u>													
Collection Fund and other funding	(1,744)	(2,638)	(892)	(1,621)	(476)	(106)	(108)	(110)	(112)	(115)	(127)	(140)	(154)
Council Tax	(7,614)	(7,929)	(8,175)	(8,457)	(8,741)	(9,053)	(9,301)	(9,555)	(9,816)	(10,083)	(11,525)	(13,157)	(15,003)
<b>Total Modelled Funding</b>	<b>(13,815)</b>	<b>(15,330)</b>	<b>(14,057)</b>	<b>(12,775)</b>	<b>(11,943)</b>	<b>(11,417)</b>	<b>(11,712)</b>	<b>(12,014)</b>	<b>(12,324)</b>	<b>(12,642)</b>	<b>(14,350)</b>	<b>(16,276)</b>	<b>(18,446)</b>

<b>Modelled Funding Gap/(General Reserves)</b>	<b>149</b>	<b>0</b>	<b>(1,231)</b>	<b>826</b>	<b>1,852</b>	<b>2,971</b>	<b>3,115</b>	<b>3,264</b>	<b>3,419</b>	<b>3,580</b>	<b>4,474</b>	<b>5,541</b>	<b>6,811</b>
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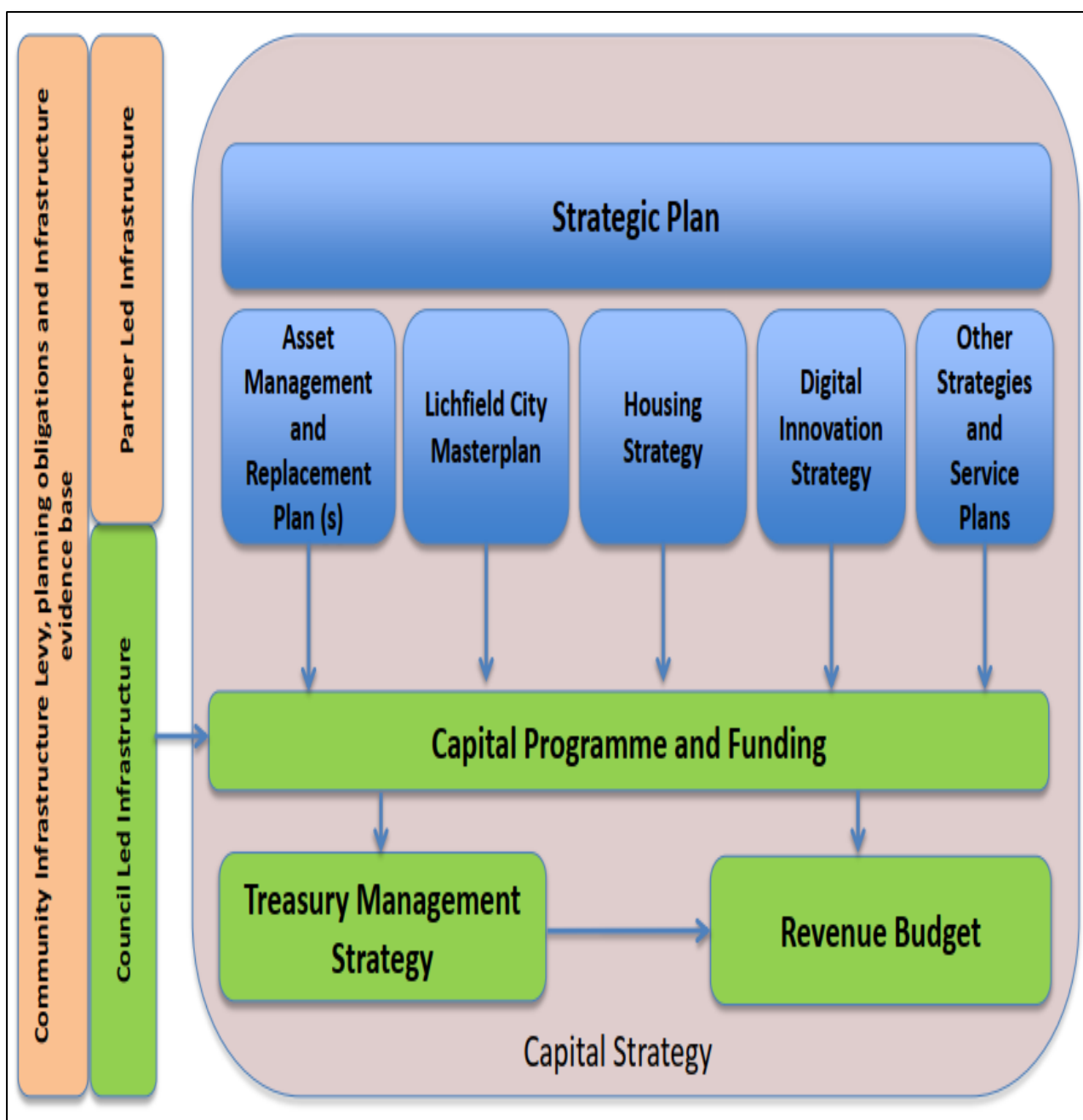
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	Medium Term Financial Strategy					Additional Projections							
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2037/38	2042/43	2047/48
<b>General Reserves Year Start</b>	<b>4,085</b>	<b>3,936</b>	<b>3,836</b>	<b>5,067</b>	<b>4,241</b>	<b>2,389</b>	<b>(582)</b>	<b>(3,697)</b>	<b>(6,962)</b>	<b>(10,381)</b>	<b>(30,002)</b>	<b>(54,432)</b>	<b>(84,590)</b>
Contributions from / (to) Revenue Account	(149)	0	1,231	(826)	(1,852)	(2,971)	(3,115)	(3,264)	(3,419)	(3,580)	(4,474)	(5,541)	(6,811)
Change in Minimum Level	0	(100)	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus in excess of the 'Cap'	0	0	0	0	0								
<b>Available General Reserves Year End</b>	<b>3,936</b>	<b>3,836</b>	<b>5,067</b>	<b>4,241</b>	<b>2,389</b>	<b>(582)</b>	<b>(3,697)</b>	<b>(6,962)</b>	<b>(10,381)</b>	<b>(13,961)</b>	<b>(34,476)</b>	<b>(59,973)</b>	<b>(91,401)</b>
Minimum Level	1,900	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000			
<b>Total General Reserves</b>	<b>5,836</b>	<b>5,836</b>	<b>7,067</b>	<b>6,241</b>	<b>4,389</b>	<b>1,418</b>	<b>(1,697)</b>	<b>(4,962)</b>	<b>(8,381)</b>	<b>(11,961)</b>			

# Capital Strategy

## 1. Introduction

- 1.1. The Prudential Code requires the completion of a Capital Strategy that is approved by Full Council.
- 1.2. The Capital Strategy provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.3. It forms part of the Councils integrated revenue, capital, and balance sheet planning. The Council already undertakes elements of the requirements although some areas, such as Asset Management Planning, are subject to ongoing development.
- 1.4. The Prudential Code now requires all this information to be brought together in a single place as shown below:



## 2. The Capital Programme

2.1. The financial planning process and its Governance is shown below:

The Financial Planning Timetable and Governance Responsibility				
Service and Financial Planning		July	←	Medium Term Financial Strategy
		August		
	→	September	←	Money Matters as at 30 June
Review Medium Term Financial Strategy	→			
		October	←	Medium Term Financial Strategy
Review Medium Term Financial Strategy	→	November		
Mid Year Treasury Management Report	→			
		December	←	Money Matters as at 30 September
			←	Medium Term Financial Strategy
			←	Set Council Taxbase and approve Collection Fund Projections
Review Medium Term Financial Strategy	→	January		
Review Treasury Management and Capital Strategies	→	February	←	Money Matters as at 30 November
Approve the Medium Term Financial Strategy and set the Council Tax	→		←	Recommend Medium Term Financial Strategy and Council Tax to Council
		March		
		April		
Draft Statement of Accounts	→	May		
		June	←	Money Matters as at 31 March
Annual Treasury Management Report	→	July		
		August		
Statement of Accounts (was 31 July but for 2 years extended to 30 September)	→	September		
<b>Key:</b> Pink = internal timelines Blue = Cabinet Salmon = Cabinet & Overview and Scrutiny Committee Amber = Overview and Scrutiny Committee Green = Audit & Member Standards Committee Purple = Council				

### The Capital Programme Process

- 2.2. Given our current financial position, our priorities and responsibilities and as Asset Management Plans are developed, it is probable that capital needs will be identified that exceed resources available thus necessitating a more transparent and robust process to inform Members during the development of the MTFs.
- 2.3. The capital bid process has been incorporated into the service and financial planning process to provide a holistic approach. The capital bid element of the process has been designed to ensure consistency, objectivity, equity and transparency to the prioritisation and allocation of capital funding, while ensuring maximum value for money.
- 2.4. A summary of the process is identified below:
- Indicative Business-as-Usual capital investment is included in the Long Term Capital Investment Plan based on existing levels. These budgets are subject to review based on more up to date service and financial plans.
  - In addition, a service can identify a budget requirement and consults with the Finance and Commissioning Team.
  - Service requests funding by completing and submitting a funding bid form.
  - The Finance and Commissioning Team reviews all bids and assessments and requests clarification where required.
  - The Finance and Commissioning Team reviews bids using the assessment criteria and ensure the bids are included in the relevant service and financial planning submission.
  - Leadership Team review all service and financial planning submissions before recommending the allocation of funding either through a Cabinet Report or through the MTFs.
  - Finance and Commissioning monitor funding allocations and spend, reporting to Leadership Team as part of Money Matters Reports.
  - Where the project budget or annual allocation is **£500,000 or more**, a review of performance is not already separately monitored, and the service completes the work / project outlined within the bid, the service will undertake a review (i.e., post-project review) within 6 months of work being completed, providing this to Finance and Commissioning to include in a report to Leadership Team.

### Planning Obligations - Section 106 and Community Infrastructure Levy (CIL)

- 2.5. As part of the planning process, financial contributions from planning obligations, including the Community Infrastructure Levy, are received from new developments. The vast majority is spent directly on infrastructure works or will be spent in line with the Infrastructure Delivery Plan (IDP).
- 2.6. In some cases, there is an element of discretion on how they are allocated. These contributions towards social and community facilities are linked to the development proposed.
- 2.7. The Council's Capital Programme includes a number of projects that are to be funded by Section 106 and CIL; this is a significant source of funding and there is a significant level of interest from the community in relation to the allocation of sums to projects.



2.8. The Capital Programme and its funding by Strategic Priority is summarised below:

Strategic Priority	Capital Programme						Total £000	Corporate £000
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	£000		
Enabling People	4,421	10,537	3,172	1,320	1,100	20,550	819	
Shaping Place	386	425	6,600	210	400	8,021	240	
Developing Prosperity	5,493	4,649	3,999	10	0	14,151	2,456	
A Good Council	520	215	365	405	405	1,910	1,405	
<b>Capital Expenditure</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>	<b>4,920</b>	

Funding Source	Capital Programme					
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Capital Receipts	2,033	1,110	174	222	0	3,539
Capital Receipts - Housing	360	0	0	0	0	360
Revenue - Corporate	173	100	565	183	0	1,021
<b>Corporate Council Funding</b>	<b>2,566</b>	<b>1,210</b>	<b>739</b>	<b>405</b>	<b>0</b>	<b>4,920</b>
Grant	1,695	2,884	3,762	1,300	1,100	10,741
Section 106	537	993	0	0	0	1,530
CIL	1,350	800	0	0	0	2,150
Reserves	4,509	6,610	1,169	90	655	13,033
Revenue - Existing Budgets	163	150	150	150	150	763
Leases	0	0	6,000	0	0	6,000
Internal Borrowing	0	3,179	2,316	0	0	5,495
<b>Total</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>
External Borrowing	0	0	0	0	0	0
<b>Grand Total</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>

2.9. The Revenue implications of the Capital Programme are shown below:

Revenue Implications	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Interest on Loan to the LA Company	0	0	0	0	0
Friary Grange - Refurbishment	135	135	0	0	0
New Leisure Centre Capital Financing	0	0	373	366	359
New Leisure Centre Operating Costs	0	0	235	(11)	(85)
New Leisure Centre Sinking Fund	0	0	0	50	100
Savings Reinvested	(100)	(100)	(100)	(100)	(100)
Community Infrastructure Levy 2022	(11)	(173)	(100)	(100)	(100)
Leisure Centre & CIL Uncertainty	111	273	0	0	0
Cinema - Income	0	0	(600)	(600)	(600)
Cinema - Sinking Fund	0	0	254	254	254
Cinema - Expenditure/Uncertainty	0	0	346	346	346
Revenue Budget - Bin Replacement	150	150	150	150	0
Revenue Budget - Corporate	173	100	565	183	0
<b>Sub Total - Approved Budget</b>	<b>458</b>	<b>385</b>	<b>1,123</b>	<b>538</b>	<b>175</b>
Revenue Budget - Corporate	0	0	0	0	0
Revenue Budget - Reserves	0	0	0	0	612
Revenue Budget - Bin Replacement	0	0	0	0	150
<b>Sub Total - Service and Financial Planning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>762</b>
<b>Capital Programme Total</b>	<b>458</b>	<b>385</b>	<b>1,123</b>	<b>538</b>	<b>937</b>

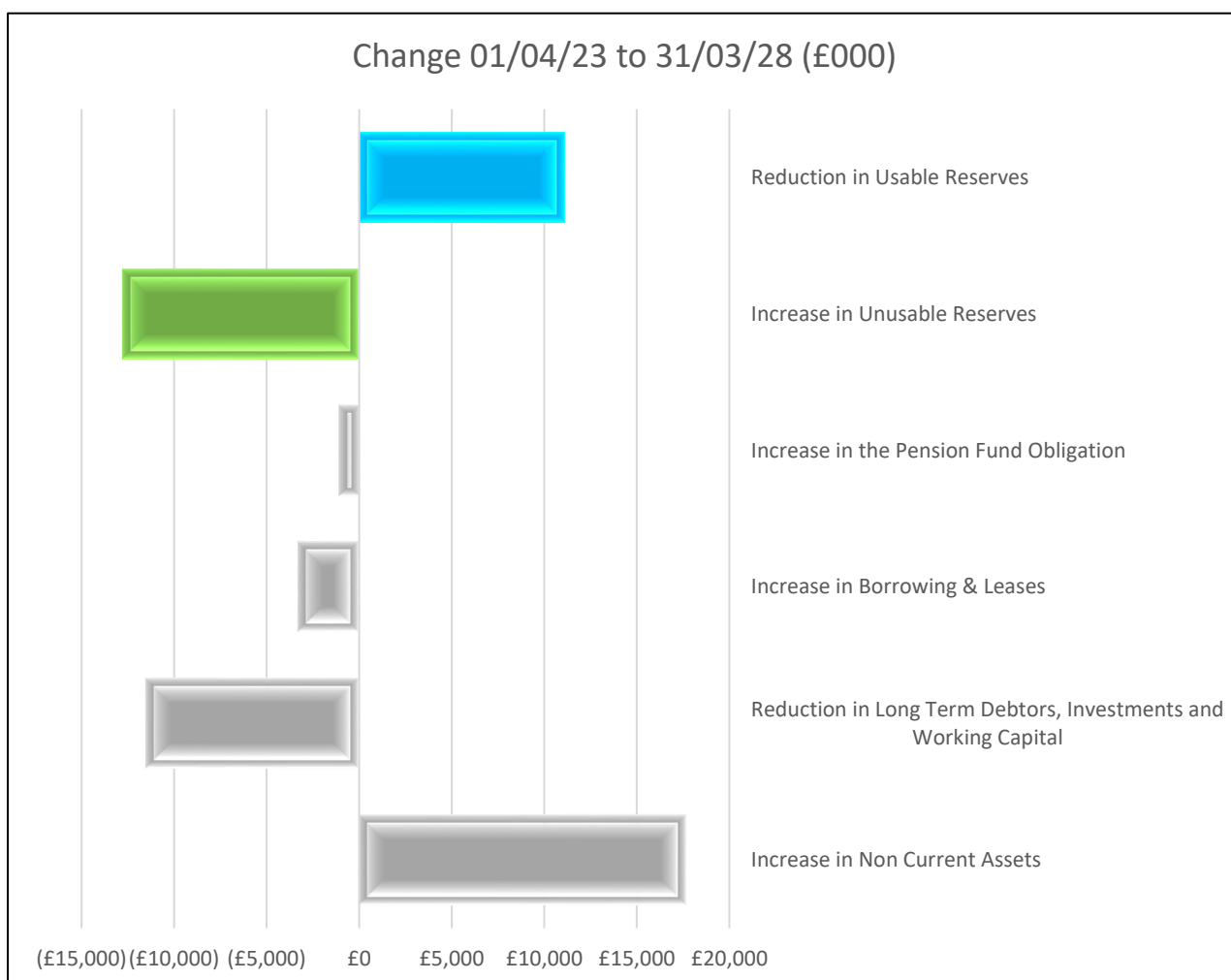
2.10. Projected Capital Receipts are shown in the table below:

General Capital Receipts	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<b>Opening Balance</b>	<b>(1,076)</b>	<b>(1,466)</b>	<b>(387)</b>	<b>(244)</b>	<b>(55)</b>	<b>(1,076)</b>
Sale of Venture House	(915)					(915)
Other Receipts	(30)	(31)	(31)	(33)	(28)	(153)
Bakers Lane	(1,478)					(1,478)
Utilised in Year	2,033	1,110	174	222	0	3,539
<b>Closing Balance</b>	<b>(1,466)</b>	<b>(387)</b>	<b>(244)</b>	<b>(55)</b>	<b>(83)</b>	<b>(83)</b>

Housing Receipts	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<b>Opening Balance</b>	<b>(1,181)</b>	<b>(979)</b>	<b>(979)</b>	<b>(979)</b>	<b>(979)</b>	<b>(1,181)</b>
Right to Buy Receipts	(158)					(158)
Utilised in Year	360	0	0	0	0	360
<b>Closing Balance</b>	<b>(979)</b>	<b>(979)</b>	<b>(979)</b>	<b>(979)</b>	<b>(979)</b>	<b>(979)</b>

### 3. The Balance Sheet (in £000s)

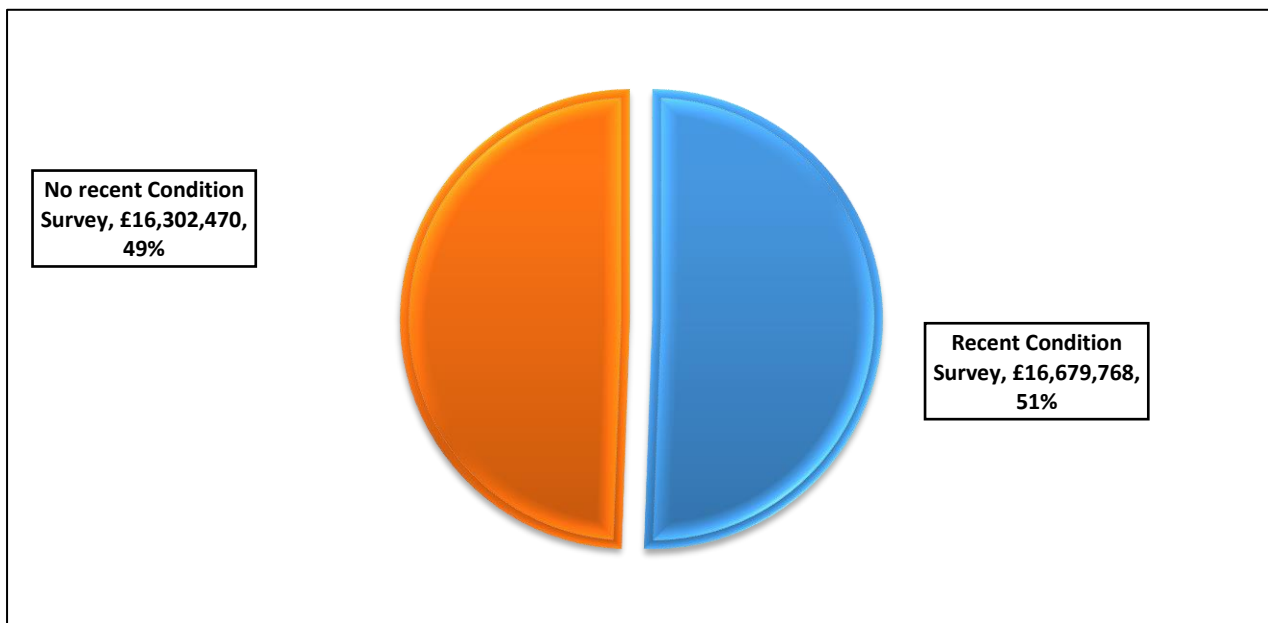
3.1. The Revenue Budget, Capital Programme and its funding will impact on the Council’s Balance Sheet:



3.2. This chart illustrates the impact on the Council’s Balance Sheet of capital investment in the new leisure centre, Cinema for Lichfield District, and a replacement waste fleet with funding from a lease type arrangement and internal borrowing/usable reserves leading to a reduction in investments.

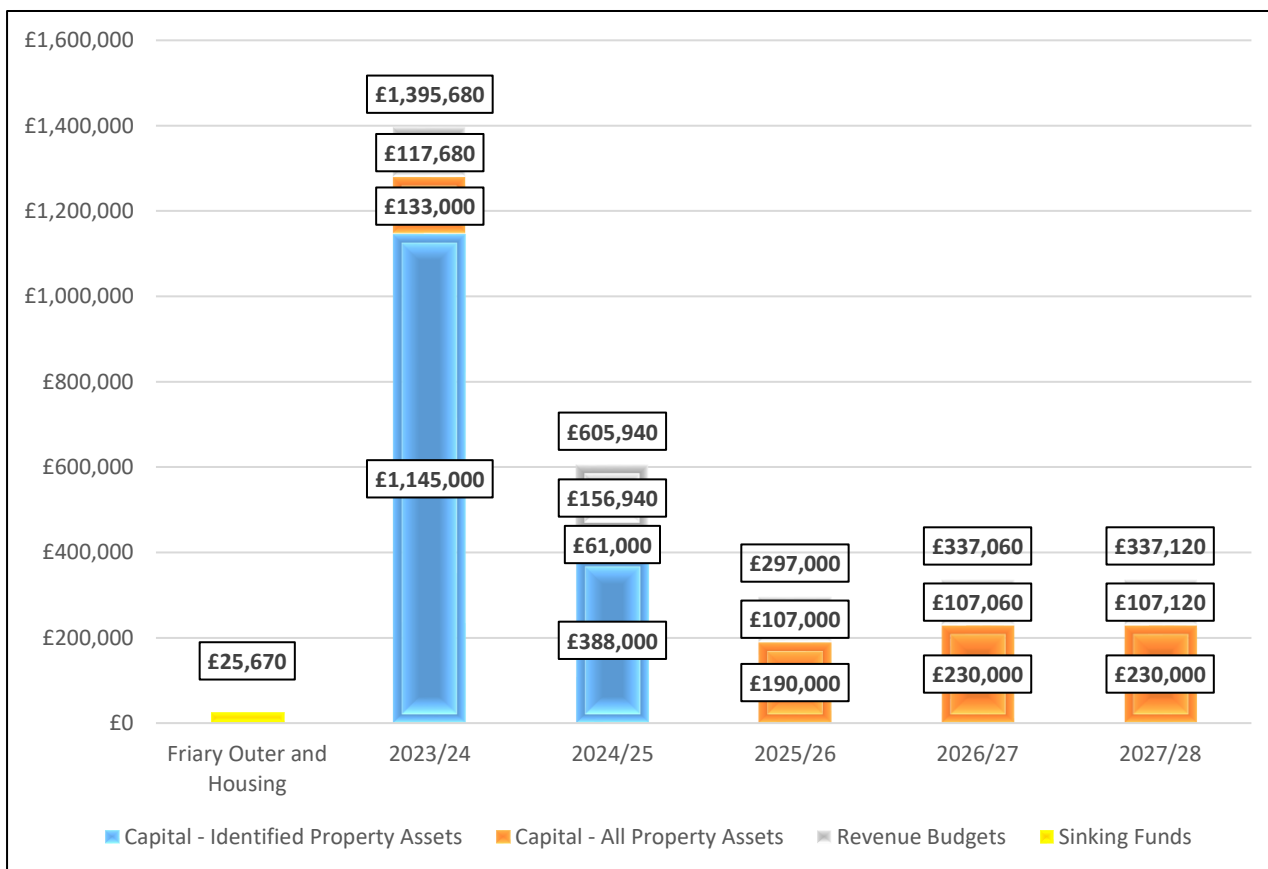
#### 4. Asset Management Planning

4.1. The Property Team is currently in the process of undertaking Property Condition Surveys for Property Assets owned by the Council. Progress to date is shown below:

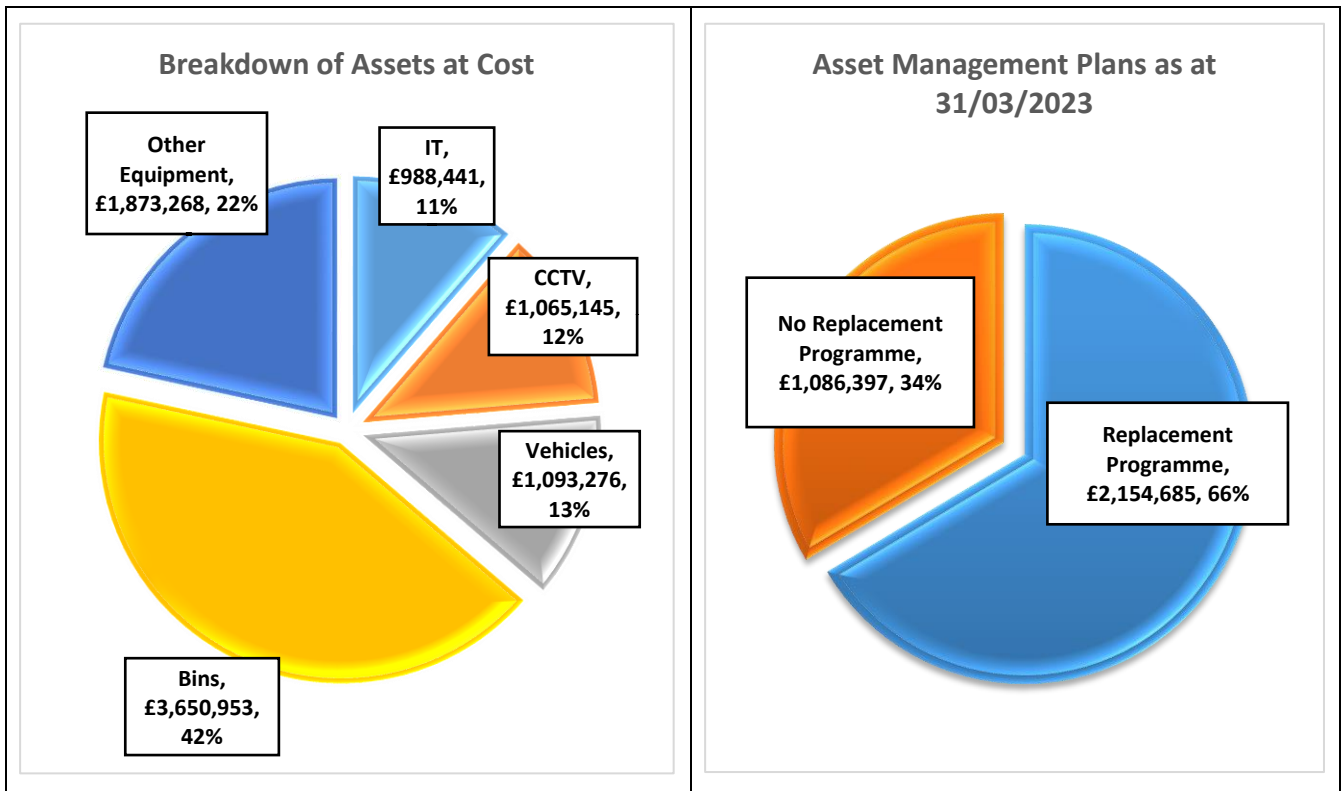


4.2. For financial planning purposes, a budget (based on a % of projected asset value) has been included in the Capital Programme and Longer Term Capital Investment Plan.

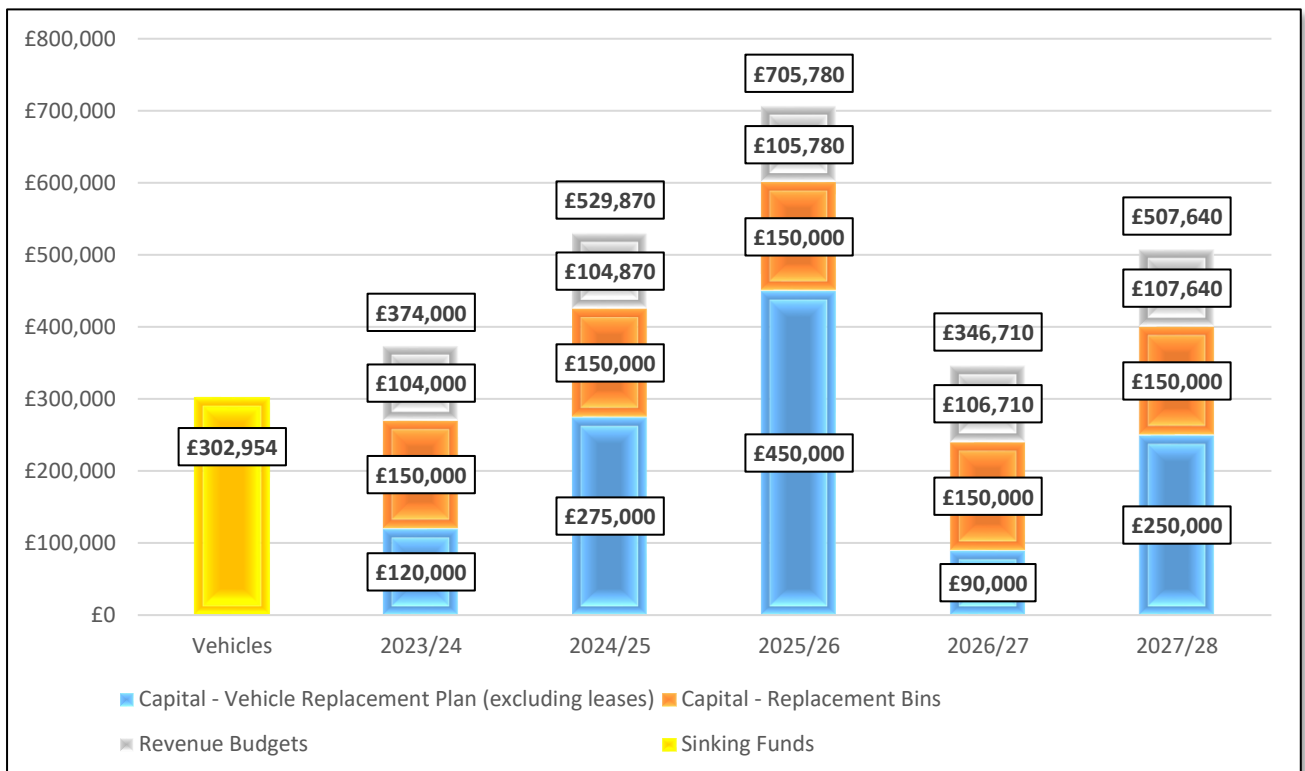
4.3. The resources identified for enhancement and maintenance of property assets are:



4.4. The Asset Management Plans in place for vehicles, plant and equipment assets are:



4.5. The resources identified for replacement and maintenance of vehicles, plant and equipment are:



4.6. There is also a proposed Capital Programme budget of **£6,000,000** in 2025/26 for a new fleet of waste vehicles assumed to be funded through a lease type arrangement.

## 5. Longer Term Capital Investment Planning

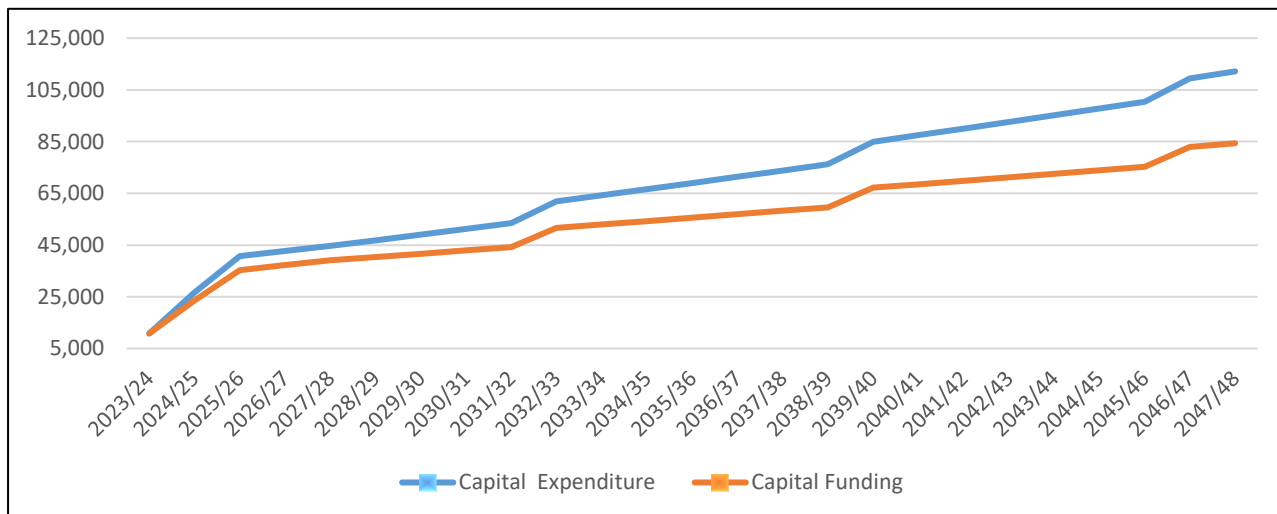
5.1. The Medium Term Financial Strategy covers a relatively short period of time (current financial year plus the next four years) and this short horizon is not reflective of the longer term investment needs associated with asset ownership.

5.2. Therefore, it is prudent to also produce financial plans that cover a longer term financial planning horizon such as 25 years.

5.3. The following key assumptions have been utilised in producing the longer term financial plan:

- Annual core inflation of **2%**.
- Population in Lichfield District increases by an annual average of **0.31%**.
- The proportion of the population aged 65 and over increases from **25%** in 2023/24 to **28%** by 2046/47.
- The value of building assets increases from **£34m** in 2022/23 to **£60m** in 2025/26 with the building of a new Leisure Centre and Cinema.
- An assessment of Property Planned Maintenance budgets at a percentage of building value or **£230,000** per annum has been utilised with annual inflationary increases.
- An assessment of ICT investment using the average level of investment in the last Capital Bid submitted of **£175,000** from 2025/26 has been utilised with annual inflationary increases.

5.4. The longer term capital investment plan in £000s is shown in detail at **ANNEX 1** and in the chart below:



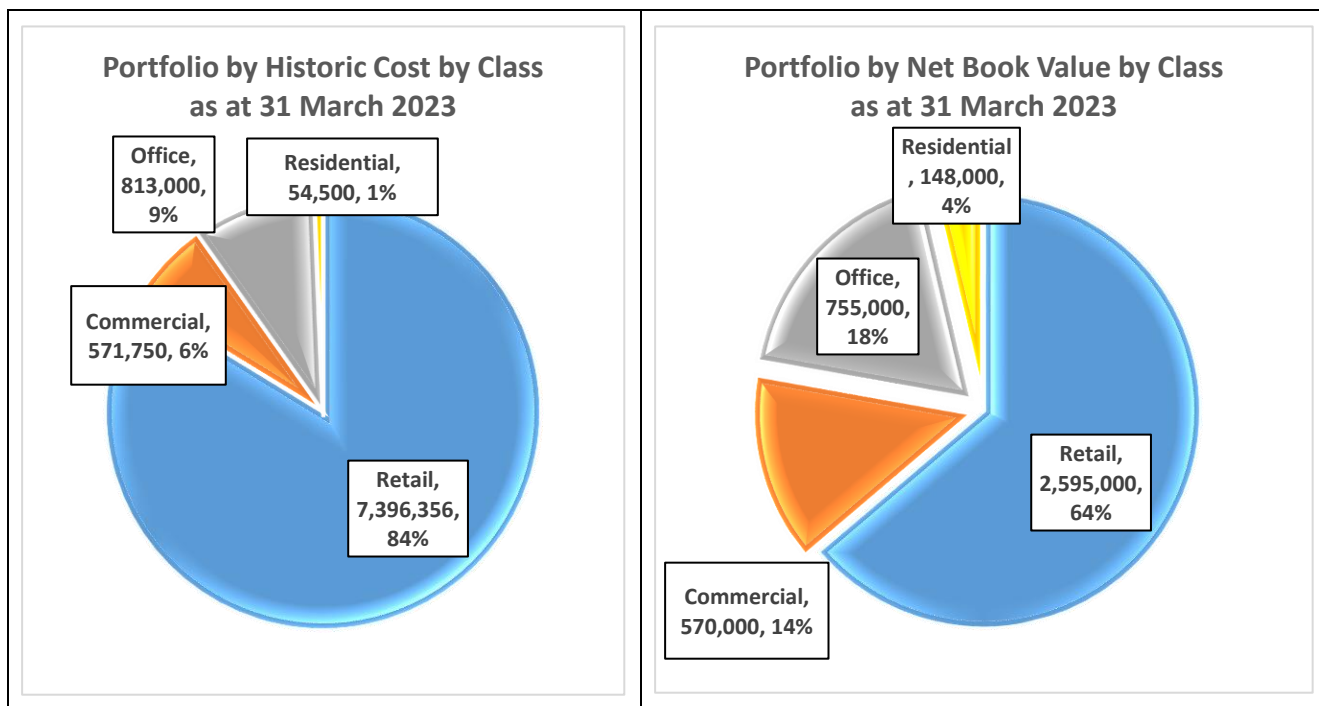
5.5. The difference between capital expenditure and funding would result in an increase in the cumulative level of borrowing need of **£28m** (including £5m approved for the new Leisure Centre and £0.5m approved for the Cinema for Lichfield District) that is projected to be **£12m** after Minimum Revenue Provision (MRP).

5.6. This additional borrowing need would result in additional and increasing capital financing costs in the revenue budget thereby further increasing the Funding Gap.

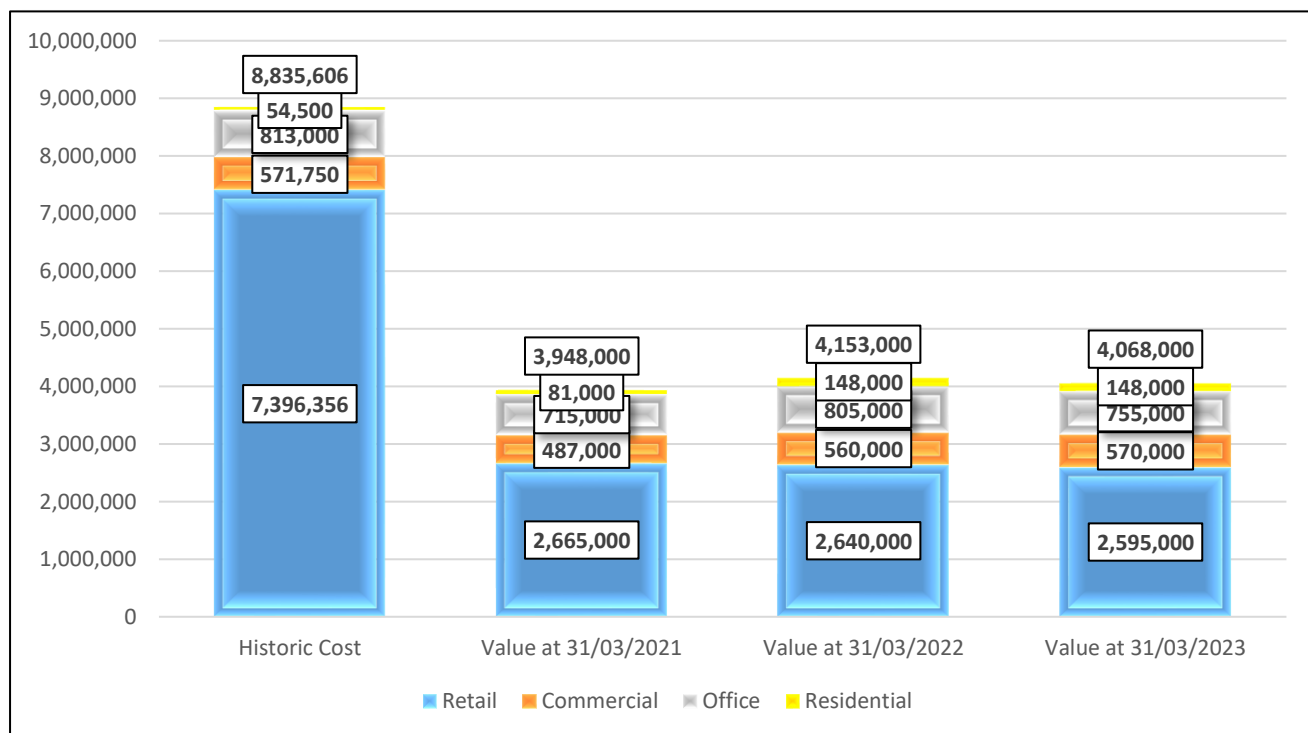
5.7. However, the borrowing need can be reduced through actions such as the receipt of external funding or sale of assets.

**6. Current Investment in Property**

6.1. The Council also owns a number of properties that provide an income return and the composition of the portfolio as at 31 March 2023 is shown below:



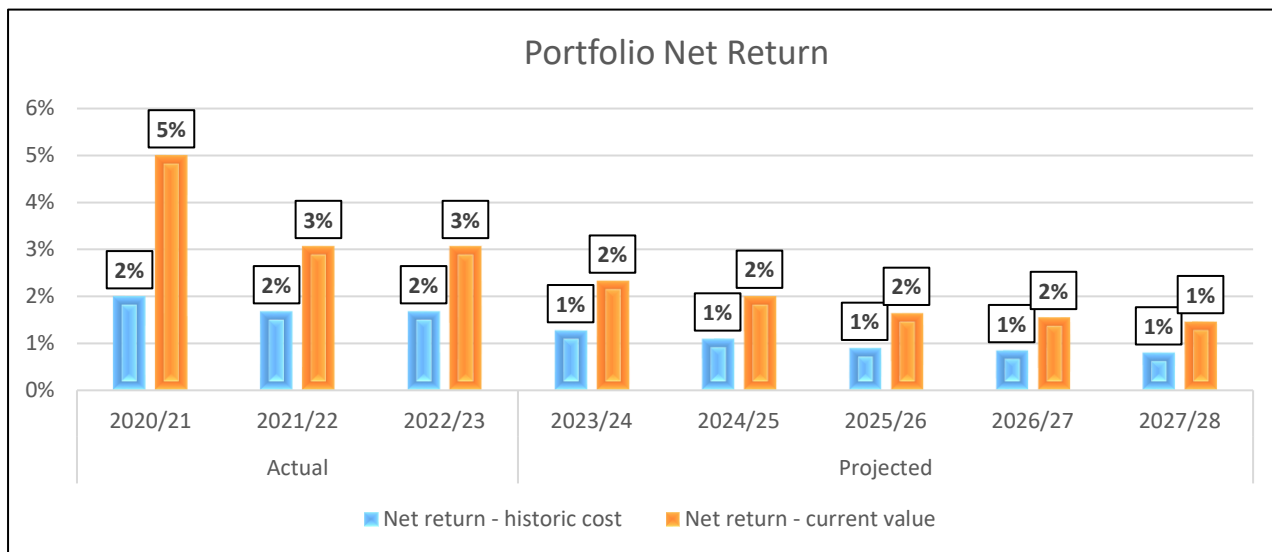
6.2. The value of these properties over the last three years is shown below:



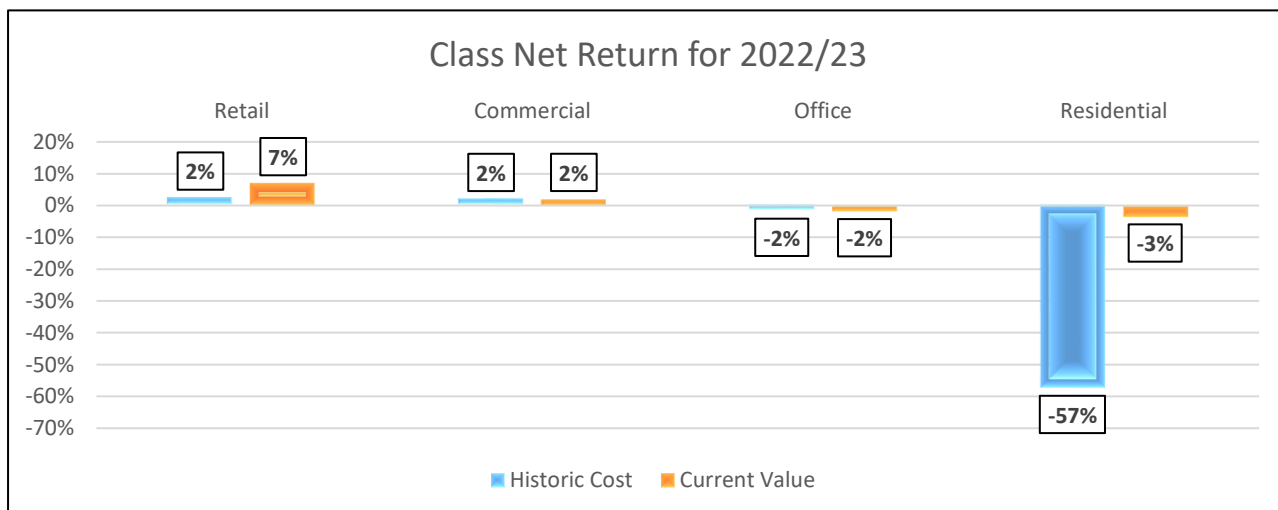
6.3. The value of these properties (mainly those classed as retail) have reduced because the value assessed by the external valuer is based on prevailing rental levels.

6.4. These properties were acquired without the need for borrowing and therefore the loan to value ratio for the portfolio is **0%**.

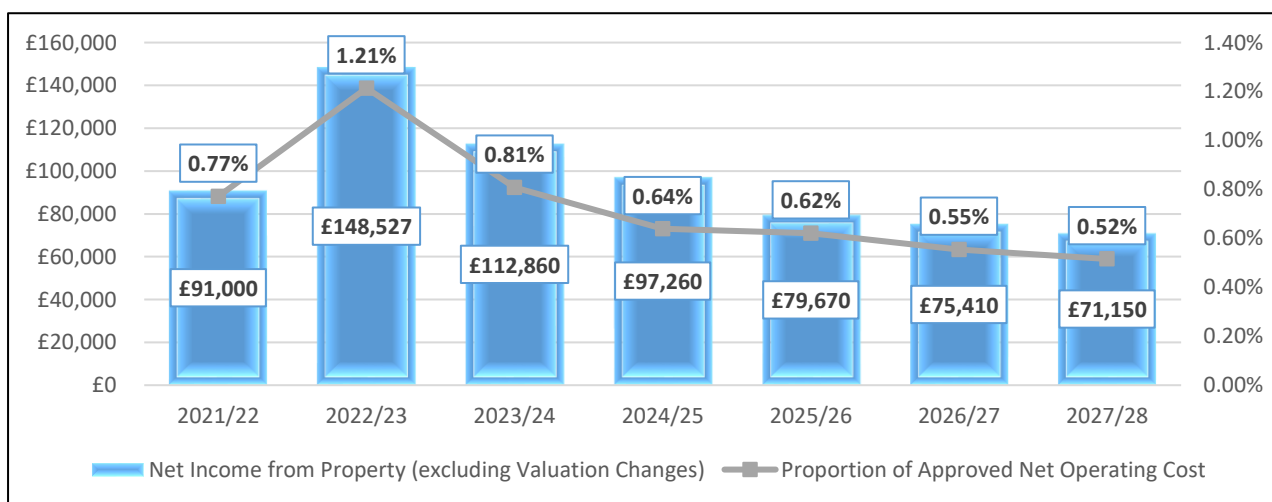
6.5. The portfolio net return based after taking account of management costs using historic asset cost and current value is shown in the chart below:



6.6. The net return is further analysed by class of investment within the portfolio:



6.7. The proportion of the Revenue Budget supported by income from these properties is shown below:



6.8. The ratio of Treasury Management investments to property asset investments is shown below:



6.9. The Council has a Local Authority Trading Company Lichfield West Midlands Trading Services (LWMTS) Limited, which was incorporated in September 2019 with an aim to support local services.

6.10. The Council undertook an equity investment of **£225,000** in 2020/21 to support local services.

6.11. In addition, Council has approved a capital loan of **£5,788,000** (including client contingency of £883,000) to the Joint Venture to deliver the Cinema development in Lichfield City. The accounting treatment of this capital investment will need to be considered as part of the 'Buy Out' considerations that will include the identification of the most appropriate ownership model.

## 7. Debt Management

7.1. The Capital Programme is funded from a variety of sources. A number of these sources such as capital receipts, the revenue budget, grants, contributions, and reserves utilise resources that are immediately available or are receivable. However, when capital expenditure is approved, and these resources are not available, then a **Capital Financing Requirement (CFR)** or borrowing need results.

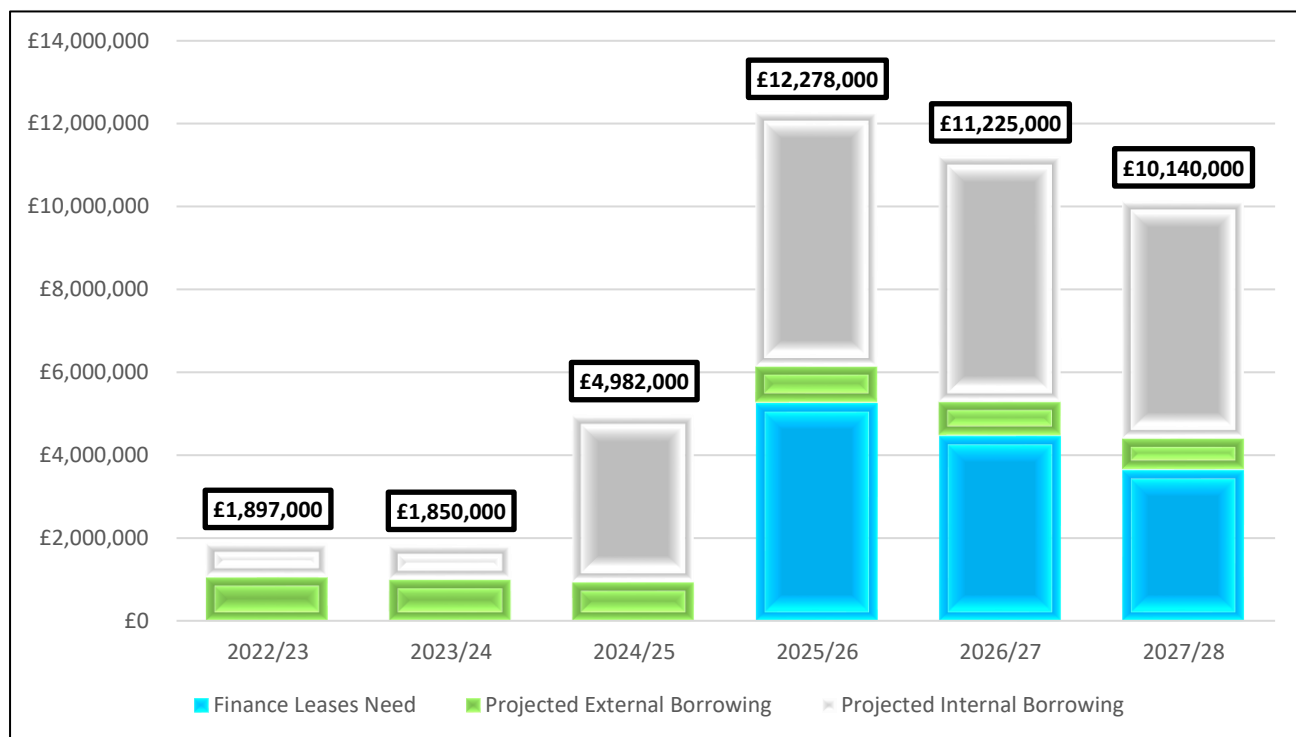
7.2. The CFR is managed through the approval by Council of the Medium Term Financial Strategy including the Capital Programme and Prudential Indicators.

7.3. The CFR must be financed through borrowing or leases (external debt) or by temporarily utilising internal resources (internal borrowing).

7.4. At 31 March 2023 the Council had a relatively low level of external debt outstanding of **£1,065,000**.

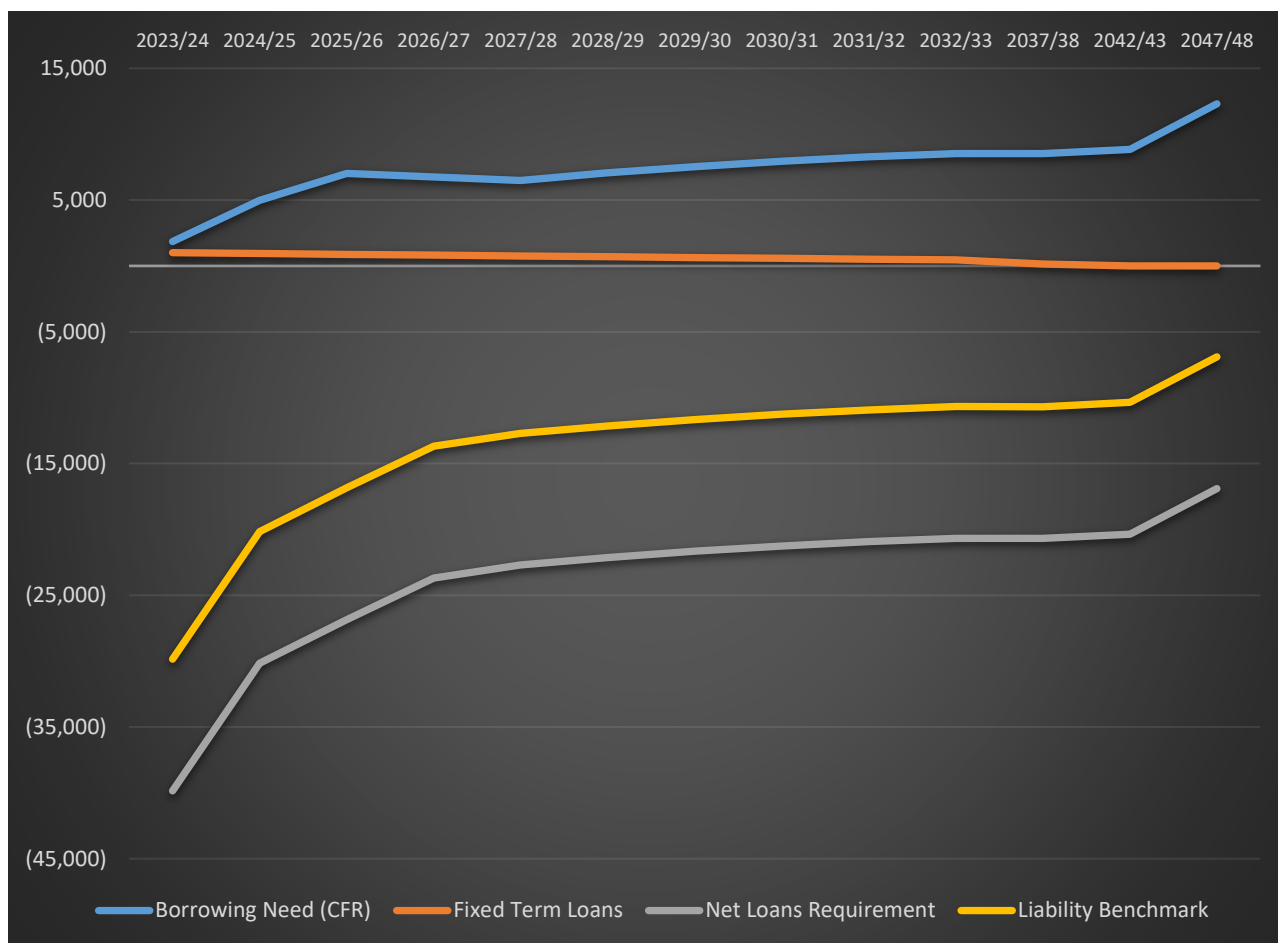


- 7.5. The new leisure centre, the Cinema for Lichfield District and the renewal of the waste fleet will mean the CFR is projected to increase to **£10,140,000** by 31 March 2028.
- 7.6. The new leisure centre and the Cinema for Lichfield District will initially be funded through Internal Borrowing and the waste fleet potentially through a contract hire type arrangement which is classified as external debt.
- 7.7. The projected CFR (the total for each column), **external debt** (leases and external borrowing) and **internal borrowing** is shown below:



- 7.8. The CFR is related to:
- Historic capital expenditure for the Chasewater Dam and Friary Outer Car Park.
  - Planned capital expenditure for the new Leisure Centre, the Cinema for Lichfield District and the renewal of the waste fleet funded by a lease type arrangement.
- 7.9. The Council manages its external debt through setting Prudential Indicators, related to the statutory maximum, known as the **Authorised Limit** and a lower warning level known as the **Operational Boundary**.
- 7.10. The external debt projections are based on the approved Capital Programme however to manage unforeseen events, an element of flexibility or ‘headroom’ is included in the Prudential Indicators:
- **Operational Boundary** – flexibility is included to enable internal borrowing to be converted to external debt or for example, to ensure accounting changes such as those proposed for all leases to be classed as finance leases, to be incorporated without breaching the limit.
  - **Authorised Limit** – this provides additional flexibility to manage unusual cash flows that necessitate temporary borrowing such as Government Grants not being paid.
- 7.11. The **liability benchmark** is the lowest risk level of external borrowing by keeping cash and investments to a minimum of **£10m** at each year end to maintain liquidity but minimise credit risk.

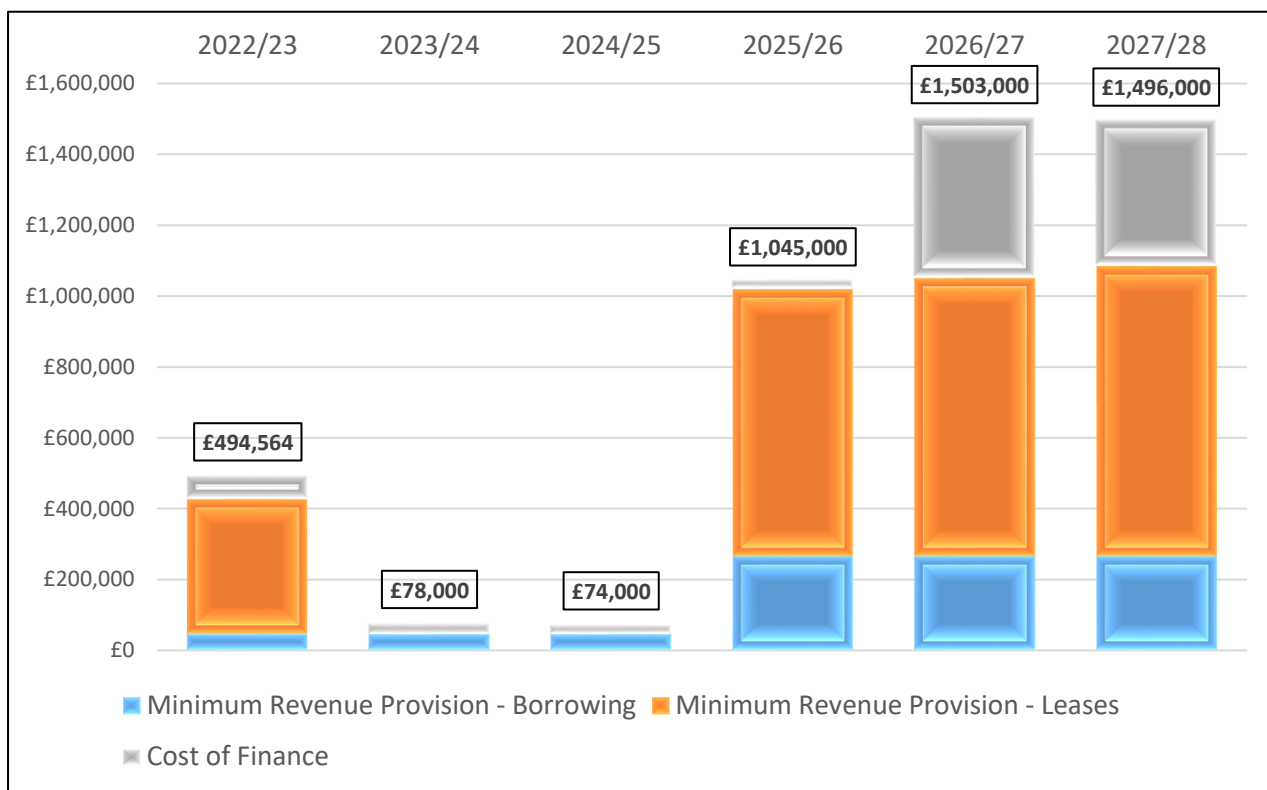
7.12. The projected level of borrowing, external borrowing, Net Loans Requirement together with the projected Liability Benchmark is shown below:



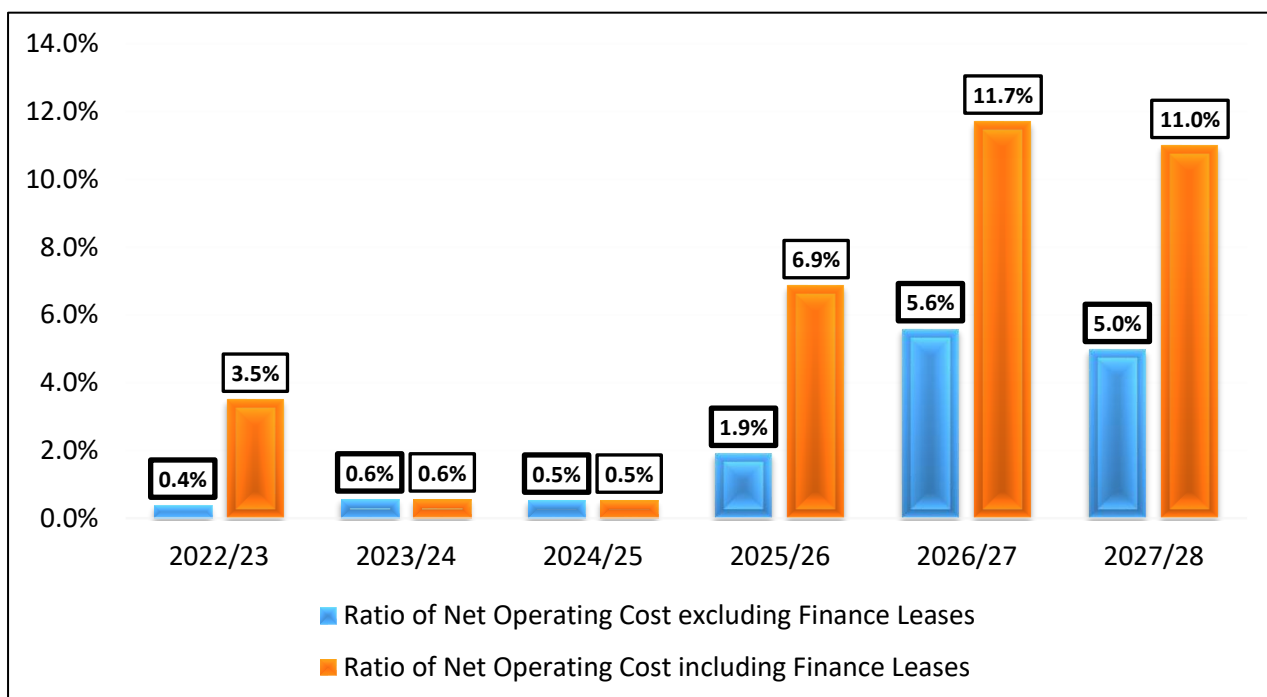
7.13. The chart above shows:

- **The projected level of borrowing need** (the blue line) – this is capital expenditure (excluding leases) that is not funded by available resources such as capital receipts, grants, and revenue.
- **The projected level of external borrowing** (the orange line).
- The difference between the blue and orange lines is the projected level of internal borrowing.
- **The Net Loans Requirement** (the grey line) – this is the Balance Sheet projection of cash resources.
- **The Liability Benchmark** (the yellow line) – this is the Net Loans Requirement less a minimum level of investments of £10m.
- When the Liability Benchmark is projected to become positive, it would be at this point that the replacement of internal borrowing by external borrowing would need to be considered.

7.14. The cost of debt servicing includes the cost of finance and Minimum Revenue Provision (MRP). Debt is only a temporary source of finance since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as MRP:



7.15. The proportion of the net budget allocated to financing costs is:



7.16. The Minimum Revenue Provision and therefore the financing costs ratio increases in 2025/26 due to the inclusion of the debt costs commencing at **£200,000** for the new leisure centre and **£19,800** for the cinema for Lichfield District.

## 8. Financial Guarantees

- 8.1. In addition to the debt projections shown above, in relation to external borrowing and leases, the Council can also act as a guarantor for an admitted body that delivers services on behalf of the Council.
- 8.2. In the event it is probable that these guarantees will be required a financial provision is created to mitigate the risk. Any guarantee is assessed throughout the year, in terms of the financial viability of the organisations for which the guarantee is provided, to determine whether a financial provision will need to be created.
- 8.3. The one guarantee previously identified in relation to Freedom Leisure is no longer required given management has been insourced to LWMTS from 1 April 2023.

## 9. The Authority's Risk Appetite, Knowledge and Skills

- 9.1. The Council's risk appetite, along with most of Local Government, is increasing due to the need to offset funding reductions from Central Government with income from alternative sources.
- 9.2. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Assistant Director - Finance and Commissioning is a qualified accountant with 30 years' experience, the Council uses the Property Team that forms part of the services provided by the Company to the Council to optimise the management of existing property. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA and the Association of Accounting Technicians.
- 9.3. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and has access to property professionals through LWMTS. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 9.4. The Council plans to utilise where appropriate the flexible use of capital receipts for transformation projects such as the Being a Better Council Programme.

## 10. Prudential and Local Indicators

- 10.1. The Prudential and Local Indicators in relation to the Capital Strategy are included in the Reports to Audit Committee and Cabinet prior to Council Approval.

## 11. Chief Finance Officer Assessment of the Capital Strategy

- 11.1. I have assessed the current overall risk as **25** out of **64** based on the following factors:

	Likelihood	Impact	2024/25	2023/24
<b>Minimum</b>			<b>0</b>	<b>0</b>
Slippage Occurs in the Capital Spend	4	2	8	8
Planned Capital Receipts are not received	2	2	4	4
The Capital Programme does include investment to realise all the Council's Strategic aims	3	3	9	9
Actual Cashflows differ from planned Cashflows	2	2	4	4
<b>Assessed Level of Risk</b>			<b>25</b>	<b>25</b>
<b>Maximum</b>			<b>64</b>	<b>64</b>

- 11.2. Therefore, I believe the level of risk is Tolerable (Green).



District Council House	470	388											
Public Conveniences	121												
<b>Sub Total</b>	<b>2,358</b>	<b>2,051</b>	<b>190</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>235</b>	<b>239</b>	<b>244</b>	<b>249</b>	<b>275</b>	<b>303</b>	<b>335</b>
<u>Vehicles, Plant and Equipment</u>													
Bin Purchases/Dual Stream Recycling	181	150	150	150	150	150	151	152	153	154	160	165	171
Vehicles - Waste			6,000							6,120			
Vehicles - Other	120	275	450	90	250	237	242	247	252	257	283	313	345
ICT Investment	150	154	175	175	175	175	179	182	186	189	209	231	255
Building a Better Council	77												
Car Park Strategy	160	223											
Committee Audio-Visual Meeting Platform	85												
<b>Sub Total</b>	<b>773</b>	<b>802</b>	<b>6,775</b>	<b>415</b>	<b>575</b>	<b>562</b>	<b>571</b>	<b>581</b>	<b>591</b>	<b>6,720</b>	<b>652</b>	<b>709</b>	<b>771</b>
<b>Other Capital Investment</b>													
Disabled Facilities Grants	950	1,220	1,337	1,300	1,100	1,100	1,113	1,125	1,135	1,148	1,174	1,181	1,196
Other Projects	1,343	400				275	281	286	292	298	329	363	401
<b>Sub Total</b>	<b>2,293</b>	<b>1,620</b>	<b>1,337</b>	<b>1,300</b>	<b>1,100</b>	<b>1,375</b>	<b>1,394</b>	<b>1,411</b>	<b>1,427</b>	<b>1,445</b>	<b>1,502</b>	<b>1,544</b>	<b>1,596</b>
<b>Total Modelled Expenditure</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>2,167</b>	<b>2,200</b>	<b>2,231</b>	<b>2,261</b>	<b>8,415</b>	<b>2,429</b>	<b>2,556</b>	<b>2,703</b>

Key Assumptions	Medium Term Financial Strategy					Additional Projections							
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2037/38	2042/43	2047/48
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Corporate Funding</u>													
Capital Receipts	(2,033)	(1,110)	(174)	(222)									
Capital Receipts - Right to Buy	(360)												
Revenue - Corporate	(173)	(100)	(565)	(183)									
<u>Other Funding</u>													
Disabled Facilities Grant - New	(950)	(1,109)	(1,109)	(1,109)	(1,100)	(1,100)	(1,113)	(1,125)	(1,135)	(1,148)	(1,174)	(1,181)	(1,196)
Disabled Facilities Grant - Existing		(111)	(228)	(191)									
Other Grants	(745)	(1,664)	(2,425)										
Section 106	(537)	(993)											
CIL	(1,350)	(800)											
Reserves	(4,509)	(6,610)	(1,169)	(90)	(655)								
Revenue - Existing Budgets	(163)	(150)	(150)	(150)	(150)	(150)	(151)	(152)	(153)	(154)	(160)	(165)	(171)
Leases			(6,000)			0	0	0	0	(6,120)	0	0	0
<b>Total Modelled Funding</b>	<b>(10,820)</b>	<b>(12,647)</b>	<b>(11,820)</b>	<b>(1,945)</b>	<b>(1,905)</b>	<b>(1,250)</b>	<b>(1,264)</b>	<b>(1,277)</b>	<b>(1,288)</b>	<b>(7,422)</b>	<b>(1,333)</b>	<b>(1,347)</b>	<b>(1,367)</b>
<b>Annual Borrowing Need</b>	<b>0</b>	<b>3,179</b>	<b>2,316</b>	<b>0</b>	<b>0</b>	<b>917</b>	<b>935</b>	<b>954</b>	<b>973</b>	<b>993</b>	<b>1,096</b>	<b>1,210</b>	<b>1,336</b>
<b>Cumulative Annual Borrowing Need</b>	<b>0</b>	<b>3,179</b>	<b>5,495</b>	<b>5,495</b>	<b>5,495</b>	<b>6,412</b>	<b>7,347</b>	<b>8,301</b>	<b>9,275</b>	<b>10,267</b>	<b>15,536</b>	<b>21,353</b>	<b>27,776</b>
<b>Cumulative Borrowing Need (after MRP)</b>	<b>1,850</b>	<b>4,983</b>	<b>7,032</b>	<b>6,765</b>	<b>6,500</b>	<b>7,059</b>	<b>7,543</b>	<b>7,951</b>	<b>8,280</b>	<b>8,530</b>	<b>8,524</b>	<b>8,845</b>	<b>12,306</b>

## Capital Programme

Project		Capital Programme						Total £000	Corporate
		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000			
Burntwood Leisure Centre Sinking Fund Projects	A	144	0	0	0	0	144	59	
Friary Grange - Short Term Refurbishment	R	134	0	0	0	0	134	0	
Burntwood Leisure Centre - Decarbonisation Scheme	A	29	0	0	0	0	29	0	
Replacement Leisure Centre	A	826	7,339	1,835	0	0	10,000	400	
Accessible Homes (Disabled Facilities Grants)	R	950	1,220	1,337	1,300	1,100	5,907	0	
Affordable Housing Monies	A	0	1,178	0	0	0	1,178	0	
Vehicle Replacement Programme - Env Health	A	0	0	0	20	0	20	0	
Conversion of 36a Bore Street	A	492	0	0	0	0	492	360	
Streethay Community Centre	R	850	0	0	0	0	850	0	
Changing Places Fund	A	36	0	0	0	0	36	0	
Zip Wire in Burntwood	A	30	0	0	0	0	30	0	
Burntwood Community Hub	R	250	0	0	0	0	250	0	
Climbing Wall at Burntwood Leisure Centre	A	50	50	0	0	0	100	0	
Pre-school soft play facility at Burntwood Leisure Centre	A	50	50	0	0	0	100	0	
Adventure Golf at Beacon Park	A	150	150	0	0	0	300	0	
Obstacle Course at Beacon Park	A	0	150	0	0	0	150	0	
Padel Tennis courts	A	200	200	0	0	0	400	0	
New 3G Pitch in Lichfield	A	200	200	0	0	0	400	0	
Mavesyn Ridware Village Hall Play Area Improvements	R	5	0	0	0	0	5	0	
Fence at Chasetown Memorial Bowling Green	A	10	0	0	0	0	10	0	
Play Equipment at Beacon Park	A	11	0	0	0	0	11	0	
Upgrading electrical heating in St Stephens Church, Fradley	R	4	0	0	0	0	4	0	
<b>Enabling People Total</b>		<b>4,421</b>	<b>10,537</b>	<b>3,172</b>	<b>1,320</b>	<b>1,100</b>	<b>20,550</b>	<b>819</b>	
Lichfield Public Conveniences	A	40	0	0	0	0	40	40	
Vehicle Replacement Programme (Waste)	A	0	0	6,000	0	0	6,000	0	
Bin Purchase	A	150	150	150	150	150	750	0	
Dual Stream Recycling	A	31	0	0	0	0	31	0	
Vehicle Replacement Programme (Other)	A	120	275	450	60	250	1,155	200	
Burntwood Public Conveniences	A	45	0	0	0	0	45	0	
<b>Shaping Place Total</b>		<b>386</b>	<b>425</b>	<b>6,600</b>	<b>210</b>	<b>400</b>	<b>8,021</b>	<b>240</b>	
Vehicle Replacement Programme (Car Parks)	A	0	0	0	10	0	10	0	
Coach Park	A	100	0	0	0	0	100	39	
Car Parks Variable Message Signing	A	160	0	0	0	0	160	0	
Pay on Exit System at Lombard Street	A	0	143	0	0	0	143	0	
Electric Vehicle Charge Points	A	0	80	0	0	0	80	0	
BRS Enabling Works	A	268	802	0	0	0	1,070	0	
Cinema Development	A	2,888	2,836	3,999	0	0	9,723	1002	
32-44 Bakers Lane	A	1,582	0	0	0	0	1,582	1478	
Incubator Space	A	0	388	0	0	0	388	(143)	
New 3G Pitch at Chasetown Football Club	R	100	0	0	0	0	100	0	
Small scale investment in micro and small enterprises	R	0	200	0	0	0	200	0	
Development and promotion of the visitor economy	R	0	100	0	0	0	100	0	
Active travel enhancements in the local area	R	0	100	0	0	0	100	0	
Incubator Phase 3	A	395	0	0	0	0	395	80	
<b>Developing Prosperity Total</b>		<b>5,493</b>	<b>4,649</b>	<b>3,999</b>	<b>10</b>	<b>0</b>	<b>14,151</b>	<b>2,456</b>	
Property Planned Maintenance	A	133	61	190	230	230	844	614	
IT Infrastructure	A	150	154	175	175	175	829	554	
Council Car Park Extension	A	75	0	0	0	0	75	75	
Building a Better Council	A	77	0	0	0	0	77	77	
Committee Audio-Visual Hybrid Meeting Platform	A	85	0	0	0	0	85	85	
<b>Good Council Total</b>		<b>520</b>	<b>215</b>	<b>365</b>	<b>405</b>	<b>405</b>	<b>1,910</b>	<b>1,405</b>	
<b>Capital Programme</b>		<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>	<b>4,920</b>	

A = Asset related R = Statutory based

Funding Source	Capital Programme					
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Capital Receipts	2,033	1,110	174	222	0	3,539
Capital Receipts - Housing	360	0	0	0	0	360
Revenue - Corporate	173	100	565	183	0	1,021
<b>Corporate Council Funding</b>	<b>2,566</b>	<b>1,210</b>	<b>739</b>	<b>405</b>	<b>0</b>	<b>4,920</b>
Grant	1,695	2,884	3,762	1,300	1,100	10,741
Section 106	537	993	0	0	0	1,530
CIL	1,350	800	0	0	0	2,150
Reserves	4,509	6,610	1,169	90	655	13,033
Revenue - Existing Budgets	163	150	150	150	150	763
Sinking Fund	0	0	0	0	0	0
Leases	0	0	6,000	0	0	6,000
Internal Borrowing	0	3,179	2,316	0	0	5,495
<b>Total</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>
External Borrowing	0	0	0	0	0	0
<b>Total Funding</b>	<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>

### Reconciliation of Original Capital Programme to this 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 (MM Outturn)	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 (MTFS Report)	27/06/2023	100	300				400
Increase Streethay Community Centre (Money Matters Qtr 1)	05/09/2023	250					250
Money Matters Qtr 2	05/12/2023	(9,339)	6,881	2,258	386	186	372
Transfer Decent Homes Standard to Energy Insulation project	10/10/2023	(25)					(25)
A Cinema for Lichfield District - Update	05/12/2023	(174)	(150)	3,999			3,675
Money Matters P8	06/02/2024	1,010	(835)	173	(25)	(25)	298
Vehicle Replacement Programme (Other)	This Meeting		28	35	60	43	166
<b>Projections for 2027/28</b>							
Long Term Model	28/02/2023					1,701	1,701
<b>Capital Programme</b>		<b>10,820</b>	<b>15,826</b>	<b>14,136</b>	<b>1,945</b>	<b>1,905</b>	<b>44,632</b>



### Minimum Revenue Provision Statement 2024/25

Where the Council finances capital expenditure by debt (finance leases, internal and external borrowing), it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Although there has been no statutory minimum since 2008. The Local Government Act 2003 requires this Council to have regard to the Department of Levelling Up, Housing and Communities (DLUHC) guidance on MRP most recently issued in 2018.

The broad aim of the DLUHC Guidance is to ensure that capital expenditure is financed over the period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The DLUHC Guidance requires the Council to approve an annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP.

- For capital expenditure incurred after 1 April 2008 where no financial support is provided by the Government through the Finance Settlement, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments starting in the year after the asset becomes operational. MRP on purchases of **freehold land** will be charged over a maximum of **50 years**. MRP on expenditure not related to assets but that has been **capitalised by regulation or direction** (Revenue Expenditure Funded by Capital under Statute or REFCUS) will be charged over a maximum of **20 years**.
- For assets acquired by **leases**, MRP will be determined as being equal to the **element of the rent or charge that is used to write down the Balance Sheet liability**.
- Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- For **capital expenditure loans to third parties that are repaid** the Authority will make **nil MRP** unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.
- Capital expenditure funded by debt incurred during 2024/25 will not be subject to a MRP charge until 2025/26 or later.

Based on the Authority's latest estimate of its Capital Financing Requirement (CFR) on 31 March 2024, the budget for MRP has been set as follows:

	Estimated CFR 31/03/2024 £000	Estimated MRP 2024/25 £000
Capital Expenditure after 31/03/2008	1,850	47
Leases	0	0
<b>Total</b>	<b>1,850</b>	<b>47</b>

## Treasury Management

### Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

As part of the MTFs, we prepare integrated Revenue Budgets and a Capital Programme. These budgets, together with the actual Balance Sheet from the previous financial year, are used to also prepare Balance Sheet projections. These Balance Sheet Projections are shown on the next page.

These Balance Sheet projections are significant in assessing the Council's Treasury Management Position in terms of borrowing requirement (including comparison to a **Liability Benchmark** explained below), investment levels and our Investment Policy and Strategy.

**A Liability benchmark** compares the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as used in the Balance Sheet projections, but that cash and investment balances are kept to a minimum level (**£10m**) to maintain sufficient liquidity but minimise credit risk using Internal Borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast Capital Financing Requirement (CFR) or Borrowing Need over the next three years. The table shows that the Council expects to comply with this recommendation.

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Capital Financing Requirement (Borrowing)	£1,896	£1,849	£4,982	£7,031	£6,765	£6,498
Capital Financing Requirement (Finance Leases)	£0	£0	£0	£5,246	£4,460	£3,640
<b>Total</b>	<b>£1,896</b>	<b>£1,849</b>	<b>£4,982</b>	<b>£12,277</b>	<b>£11,225</b>	<b>£10,138</b>

External Borrowing	(£1,066)	(£1,005)	(£945)	(£883)	(£822)	(£762)
Finance Leases	£0	£0	£0	(£5,246)	(£4,460)	(£3,640)
<b>Total</b>	<b>(£1,066)</b>	<b>(£1,005)</b>	<b>(£945)</b>	<b>(£6,129)</b>	<b>(£5,282)</b>	<b>(£4,402)</b>

Liability Benchmark	(£34,485)	(£31,756)	(£20,498)	(£20,023)	(£17,938)	(£16,877)
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## Balance Sheet Projections 2023-28

(Rounding may result in slight differences in figures in the wider Report)

	Type	2022/23 Actual £000s	2023/24 Budget £000s	2024/25 Budget £000s	2025/26 Budget £000s	2026/27 Budget £000s	2027/28 Budget £000s	2022/28 Change £000s
Non-Current Assets	ASSET	52,071	55,290	64,875	71,890	70,750	69,770	17,699
Equity Investment in Local Authority Company	ASSET	225	225	225	225	225	225	0
Long Term Debtors	CRED	57	57	57	57	57	57	0
Long Term Debtors - Cinema	CRED	64	2,952	5,788	5,788	5,788	5,788	5,724
Long Term Investment (Company Loan)	LOAN	0	0	0	0	0	0	0
Investments	INV	45,550	42,760	31,442	30,905	28,759	27,638	(17,912)
Borrowing	BOLE	(1,066)	(1,005)	(944)	(883)	(822)	(762)	304
Finance Leases	BOLE	0	0	0	(5,246)	(4,460)	(3,640)	(3,640)
Working Capital	CRED	(19,067)	(19,036)	(18,833)	(18,606)	(18,415)	(18,424)	643
Pensions	CRED	(11,630)	(10,526)	(11,602)	(12,708)	(11,637)	(12,746)	(1,116)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>66,204</b>	<b>70,717</b>	<b>71,007</b>	<b>71,422</b>	<b>70,246</b>	<b>67,906</b>	<b>1,701</b>

<u>Unusable Reserves</u>								
Revaluation Reserve	REV	(14,969)	(14,969)	(14,969)	(14,969)	(14,969)	(14,969)	0
Capital Adjustment Account	CAP	(35,494)	(41,648)	(50,936)	(50,656)	(50,568)	(50,674)	(15,180)
Deferred Credits	CRED	(47)	(47)	(47)	(47)	(47)	(47)	0
Pension Scheme	CRED	11,630	11,979	12,338	12,708	13,090	13,482	1,852
Benefits Payable During Employment Adjustment Account	CRED	409	409	409	409	409	409	0
Collection Fund	CRED	(867)	(1,229)	0	0	0	0	867
Available for Sale Financial Instruments Reserve	CRED	1,230	1,453	884	884	884	884	(346)
<u>Usable Reserves</u>								
Unapplied Grants and Contributions	UGER	(4,189)	(3,623)	(1,854)	(2,104)	(2,354)	(2,604)	1,585
Usable Capital Receipts	UGER	(2,282)	(2,470)	(1,391)	(1,248)	(1,059)	(1,087)	1,195
Burntwood Leisure Centre Sinking Fund	UGER	0	0	0	0	0	0	0
Earmarked Reserves - Unrestricted	UGER	(11,699)	(11,592)	(6,684)	(6,411)	(6,469)	(5,989)	5,710
Earmarked Reserves - Restricted	UGER	(3,941)	(3,145)	(2,922)	(2,922)	(2,922)	(2,922)	1,020
General Fund Balance	GEN	(5,985)	(5,836)	(5,836)	(7,067)	(6,241)	(4,389)	1,596
<b>TOTAL EQUITY</b>		<b>(66,204)</b>	<b>(70,717)</b>	<b>(71,007)</b>	<b>(71,422)</b>	<b>(70,246)</b>	<b>(67,906)</b>	<b>(1,701)</b>

<b>Reserves Available to cover Investment Losses</b>	<b>(17,684)</b>	<b>(17,428)</b>	<b>(12,520)</b>	<b>(13,478)</b>	<b>(12,710)</b>	<b>(10,378)</b>	<b>7,306</b>
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<u>Summary</u>								
Capital Funding	CAP	(35,494)	(41,648)	(50,936)	(50,656)	(50,568)	(50,674)	(15,180)
Revaluation Reserve	REV	(14,969)	(14,969)	(14,969)	(14,969)	(14,969)	(14,969)	0
Borrowing and Leasing	BOLE	(1,066)	(1,005)	(944)	(6,129)	(5,282)	(4,402)	(3,336)
Non-Current Assets	ASSET	52,296	55,515	65,100	72,115	70,975	69,995	17,699
Investments	INV	45,550	42,760	31,442	30,905	28,759	27,638	(17,912)
Unapplied Grants & Earmarked Reserves	UGER	(22,111)	(20,829)	(12,850)	(12,684)	(12,803)	(12,602)	9,510
General Reserve	GEN	(5,985)	(5,836)	(5,836)	(7,067)	(6,241)	(4,389)	1,596
Long Term Debtors	DEBT	57	57	57	57	57	57	0
Long Term Debtors (Joint Venture)	LOAN	64	2,952	5,788	5,788	5,788	5,788	5,724
Long Term Investment (Company Loan)	LOAN	0	0	0	0	0	0	0
Working Capital & Pensions	CRED	(18,342)	(16,997)	(16,851)	(17,360)	(15,716)	(16,442)	1,900
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
<b>Internal Borrowing</b>		<b>831</b>	<b>845</b>	<b>4,038</b>	<b>6,149</b>	<b>5,943</b>	<b>5,738</b>	<b>4,907</b>

<u>Liability Benchmark</u>								
Capital Financing Requirement (Borrowing)		1,896	1,849	4,982	7,031	6,765	6,498	4,602
Working Capital, Pensions & Long Term Debtors		(18,285)	(16,940)	(16,794)	(17,303)	(15,659)	(16,385)	1,900
Usable Reserves		(28,096)	(26,665)	(18,686)	(19,751)	(19,044)	(16,991)	11,106
Minimum Level of Investments		10,000	10,000	10,000	10,000	10,000	10,000	0
<b>Total</b>		<b>(34,485)</b>	<b>(31,756)</b>	<b>(20,498)</b>	<b>(20,023)</b>	<b>(17,938)</b>	<b>(16,877)</b>	<b>17,608</b>

**Borrowing Strategy**

The Council currently projects **£1,005,000** of loans outstanding at the 31 March 2024, a decrease of **£61,000** on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast on the previous page shows that the Council does not expect to need to borrow in 2024/25. The Council may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of **£19.872 million**.

**Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

**Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- UK Infrastructure Bank Ltd
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Staffordshire County Pension Fund)
- capital market bond investors
- retail investors via a regulated peer to peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

**Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

### **Treasury Investment Strategy**

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between **£43.68 million** and **£67.20 million** and similar levels are expected in the forthcoming year.

**Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2024/25. This is especially the case for the estimated £13m that is available for longer-term investment. A reducing proportion of the Council's surplus cash remains invested in short-term unsecured bank deposits and money market funds. This diversification will represent a continuation of the strategy adopted in 2019.

**ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing. At present the Authority's investment approach does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. Therefore, when investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

**Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the limits shown (recommended changes are in red).

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£2m	Unlimited
Secured investments *	25 years	£2m	Unlimited
Banks (unsecured) *	13 months	£1m	Unlimited
Building societies (unsecured) *	13 months	£1m	£2m
Registered providers (unsecured) *	5 years	£1m	£5m
Money market funds *	n/a	£4m	Unlimited
Strategic pooled funds	n/a	£5m	£15m
Real estate investment trusts	n/a	£1m	£5m
Other investments *	5 years	£0.5m	£2m

This table must be read in conjunction with the notes below

**\* Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than **A-**. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of **£500,000 per counterparty** as part of a diversified pool e.g., via a peer-to-peer platform.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.



**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

**Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below **£500,000 per bank**. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

**Reputational aspects:** The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment limits:** The Council’s revenue reserves available to cover investment losses are forecast to be **£17.428 million** on 31<sup>st</sup> March 2024. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and pooled funds) will be **£2 million**. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives, and balances greater than **£500,000** in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment limits

	<b>Cash limit</b>
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker’s nominee account	£12m per broker
Foreign countries	£2m per country

**Liquidity management:** The Council uses an excel spreadsheet for cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over a number of providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

The CIPFA Code requires the Council to include the following in its treasury management strategy.

**Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

**Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Assistant Director - Finance and Commissioning believes this to be the most appropriate status.

### Financial Implications

The budget for investment income in 2024/25 is **£2,120,000**, based on an average investment portfolio of **£45.31 million** at an interest rate of **4.73%**. The budget for external debt interest paid in 2024/25 is **£26,000**, based on an average external debt portfolio of **£960,000** at an average interest rate of **2.59%**. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then yield in excess of an average of **1.80%**<sup>4</sup> will be transferred to treasury management volatility reserves to cover the risk of capital losses or lower interest rates payable in future years.

### Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Assistant Director - Finance and Commissioning, having consulted the Cabinet Member for Finance and Commissioning, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

<sup>4</sup> Based on a budgeted return of £250,000 from investments of £14m.

## Non-treasury Investment Strategy Report 2024/25

### Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

### Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between **£33.90 million** and **£50.48 million** during the 2024/25 financial year.

**Contribution:** The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

**Further details:** Full details of the Council’s policies and its plan for 2024/25 for treasury management investments are covered in a separate document in this report, the treasury management strategy.

**Service Investments: Loans**

**Contribution:** The Council lends money to its employees for car loans, inherited housing loans from Birmingham City Council, makes loans to individuals to reduce the risk of homelessness and the joint venture.

**Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. To limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Category of borrower	31.3.2023 actual			2023/24	2024/25
	Balance owing	Loss allowance	Net figure in accounts	Projection	Proposed Limit
Subsidiaries	£0	£0	£0	£0	£150,000
Employees – car loans	£0	£0	£0	£0	£100,000
Housing Loans - secured	£44,320	£0	£44,320	£44,320	£45,000
Housing Loans - unsecured	£2,771	£0	£2,771	£2,771	£3,000
Homelessness Loans	£9,148	(£9,148)	£0	£0	£50,000
Joint Venture - Cinema Development	£64,387	£0	£64,387	£2,888,000	£5,788,000
<b>TOTAL</b>	<b>£120,627</b>	<b>(£9,148)</b>	<b>£111,478</b>	<b>£2,935,091</b>	<b>£6,136,000</b>

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent including placing charges on properties for housing loans (secured) and has appropriate credit control arrangements in place to recover overdue repayments.

**Risk assessment:** The most significant loans for service purposes are:

- The **£5,788,000** loan to the Joint Venture for the cinema development. The Council will have directors on the board of the joint venture and therefore the Council will be able to monitor and manage the repayment risk through the Business Plan.

**Service Investments: Shares**

**Contribution:** The Council has invested **£225,000** in shares of its Company to support local services.

**Security:** One of the risks of investing in shares is that they fall in value, meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Category of borrower	31.3.2023 actual			2023/24	2024/25
	Amount Invested	Gains or Losses	Value in accounts	Projection	Proposed Limit
Subsidiaries	225,000	0	225,000	225,000	225,000
Joint Venture <sup>5</sup>	0	0	0	1	1
<b>TOTAL</b>	<b>225,000</b>	<b>0</b>	<b>225,000</b>	<b>225,001</b>	<b>225,001</b>

<sup>5</sup> The level of equity investment is still to be agreed.

**Risk Assessment:** The Council assesses the risk of loss before entering into and whilst holding shares by regular approval of the Business Plan and review of the Annual Report.

**Liquidity:** The equity investment has no time limit and will be monitored through approval of the Business Plan.

**Non Specified Investments:** Shares are the only investment type the Council has identified that meets the definition of a non-specified investment in the government guidance, The limits on share investments above are also therefore the upper limits on non-specified investments.

#### **Commercial Investments: Property**

See the Capital Strategy at **APPENDIX B**.

#### **Loan Commitments and Financial Guarantees**

See the Capital Strategy at **APPENDIX B**.

#### **Proportionality**

See the Capital Strategy at **APPENDIX B**.

#### **Borrowing in Advance of Need**

Government guidance is that local authorities must not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. The Council does not currently plan to undertake this type of activity.

#### **Capacity, Skills and Culture**

See the Capital Strategy at **APPENDIX B**.

#### **Investment Indicators**

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Total Investment Exposure	31/03/2023 Actual £000	31/03/2024 Forecast £000	31/03/2025 Forecast £000	31/03/2026 Forecast £000	31/03/2027 Forecast £000	31/03/2028 Forecast £000
Treasury Management Investments	£45,550	£42,760	£31,442	£30,905	£28,759	£27,638
Service investments - Shares	£225	£225	£225	£225	£225	£225
Commercial Investments: Property	£4,838	£4,838	£4,203	£4,203	£4,203	£4,203
<b>TOTAL INVESTMENTS</b>	<b>£50,613</b>	<b>£47,823</b>	<b>£35,870</b>	<b>£35,333</b>	<b>£33,187</b>	<b>£32,066</b>
Joint Venture Capital Advance	£64	£2,952	£5,788	£5,788	£5,788	£5,788
<b>TOTAL EXPOSURE</b>	<b>£50,677</b>	<b>£50,775</b>	<b>£41,658</b>	<b>£41,122</b>	<b>£38,976</b>	<b>£37,854</b>

**How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the Council does not currently intend purchasing any service or commercial type investments. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Investment rate of return (net of all costs)

Investments Net Rate of Return	31/03/23 Actual %	31/03/24 Forecast %	31/03/25 Forecast %	31/03/26 Forecast %	31/03/27 Forecast %	31/03/28 Forecast %
Treasury Management Investments	2.55%	4.65%	4.73%	3.75%	3.19%	3.20%
Service Investments - Loans						
Service Investments - shares						
Joint Venture Capital Advance <sup>6</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ALL INVESTMENTS</b>	<b>2.55%</b>	<b>4.65%</b>	<b>4.73%</b>	<b>3.75%</b>	<b>3.19%</b>	<b>3.20%</b>

Other Investment Indicators	31/03/23 Actual %	31/03/24 Forecast %	31/03/25 Forecast %	31/03/26 Forecast %	31/03/27 Forecast %	31/03/28 Forecast %
Investment Property Income as a proportion of Net Operating Cost	1.21%	0.81%	0.64%	0.62%	0.55%	0.52%

See the Capital Strategy at **APPENDIX B**.

<sup>6</sup> Still to be finalised – likely to be no interest payable to either party in relation to the loans to the Joint Venture.



## CFO Report on Robustness of the Budget and Adequacy of Reserves – Supporting Information

### Context

In accordance with the Local Government Act 2003 (Sections 25-27) and to comply with CIPFA Guidance on Local Authority Reserves and Balances, the CFO is required to formally report to Members on the robustness of the Budget and the adequacy of Reserves. The CFO is appropriately qualified under the terms of Section 113 of the Local Government Finance Act 1988.

### Adequacy of Reserves

The CFO assesses and determines the appropriate level of Reserves and Provisions using a variety of mechanisms, including:

- Being significantly involved in the Budget setting process, the annual financial cycle and engaged in the strategic leadership of the organisation as a member of the Leadership Team including wider corporate roles beyond that of finance;
- Leading and writing on the annual revision of the MTFS;
- Challenging the budget at various stages of preparation, including the reasonableness of the key budget assumptions and sensitivities such as estimates for inflation and corporate financial pressures, realism of income targets and the extent to which known trends and liabilities are provided for:
  - Meetings with specific colleagues to examine particular areas or issues;
  - An in-depth review of the financial risks assessment;
  - Review of the movements, trends (including a comparison to the level at other Councils) and availability of contingency, provisions and earmarked reserves to meet unforeseen cost pressures in the context of future pressures and issues;
  - The use of professional experience and best professional judgement;
  - The use of appropriate professional, technical guidance and local frameworks;
  - Knowledge of the colleagues involved in the process, particularly finance professionals, including their degree of experience and qualifications;
  - Review of the strength of financial management and reporting arrangements, including internal control and governance arrangements. This is undertaken in consultation with relevant colleagues and Members of the Cabinet.

It is prudent for Councils to maintain an adequate 'working balance', that is part of General Reserves. A Risk Assessment approach is used to determine the required level of General Reserves and Provisions.

The Council's aim is to have a prudent level of General Reserves available for unforeseen financial risks. The Council projects available general reserves of **£3,936,000** at 31 March 2024 and **£3,836,000** at 31 March 2025. This is **25%** of the amount to be met from Government Grants and Local Taxpayers in 2024/25 of **£15,330,000**.

The minimum level of Reserves for 2024/25 onwards is **£2,000,000** and has been determined by Risk Assessment.

In recommending an adequate level of Reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of Reserves and Balances and compares these to the benefits accrued from having such Reserves. The opportunity cost of maintaining a specific level of Reserves is the 'lost' opportunity for example, of investing elsewhere to generate additional investment income, or using the funds to invest in service improvements.

In assessing this, it is important to consider that Reserves can only be used once and are therefore potentially only "one off" sources of funding. Therefore, any use of General Reserves above the lower minimum threshold is only ever used on one-off items of expenditure.

Expenditure - the level of Reserves is also determined by use of a comprehensive risk assessment to ensure they represent an appropriately robust "safety net" that adequately protects the Council against potential unbudgeted costs.

### Use of General Revenue Reserves

The above assessment demonstrates that General Revenue Reserves are at an appropriate level as determined in accordance with the MTFs and the CFO's professional advice. The MTFs allows any Reserves above the level required by the Strategy to be used to fund one-off items of expenditure. No General Revenue Reserves below the minimum threshold are being used to support the 2023/24 budget and beyond.

CIPFA provides guidance for determining the minimum level of Reserves. The Council uses the method based on risk assessment. The approach to the risk assessment of Reserves has taken into account CIPFA guidance (LAAP 99) (Guidance note on Local Authority Reserves and Balances).

Financial risk is considered as part of the risk assessment in the MTFs to establish the Minimum Level of General Reserves. At present, the Minimum Level of General Reserves is approved at **£1,900,000**. However, this level needs to be kept under review based on the current operating environment and the risks it presents to the Council's budgets.

A review of the risk environment (unmitigated risk), the mitigation provided through earmarked reserves and budget contingency and the residual risk projected to be mitigated through the Minimum Level of General Reserves is shown below:

Activity Area	Current Risk Score	Unmitigated Risk	Earmarked Reserves & Contingency	2024/25 Minimum Level of General Reserves	2023/24 Minimum Level of General Reserves	Change
		£	£	£	£	£
Capital Strategy	Yellow - material	£2,027,000	£2,012,000	£15,000	£25,000	(£10,000)
Business Rates	Red- severe	£1,646,000	£1,609,960	£36,040	£0	£36,040
Partnerships and Outsourcing	Yellow - material	£0	£0	£0	£386,000	(£386,000)
High Risk Streams of Income	Yellow - material	£1,488,000	£0	£1,488,000	£693,000	£795,000
Volatile and High Risk Expenditure	Yellow - material	£446,340	£446,340	£0	£0	£0
Investments and Pensions	Yellow - material	£1,593,650	£1,593,650	£0	£0	£0
Inflation Assumptions	Yellow - material	£366,080	£366,080	£0	£225,000	(£225,000)
Demand Led Services	Yellow - material	£120,170	£30,170	£90,000	£90,000	£0
Collection of Income Performance	Yellow - material	£230,000	£0	£230,000	£361,000	(£131,000)
Civil Contingency	Yellow - material	£127,000	£0	£127,000	£127,000	£0
Other	Yellow - material	£13,960	£0	£13,960	(£7,000)	£20,960
<b>Total</b>		<b>£8,058,200</b>	<b>£6,058,200</b>	<b>£2,000,000</b>	<b>£1,900,000</b>	<b>£100,000</b>

This current risk assessment projects an increase in the Minimum Level of General Reserves to **£2,000,000**.

### Other Reserves (in addition to General Reserves)

A review of the level of Earmarked Reserves was undertaken, reported to Cabinet on 6 September 2022 and Council approved on 20 October 2022 the release of **£5,169,000** of earmarked reserves.

The projected levels of earmarked reserves are included as part of the Balance Sheet projections in the Treasury management Strategy Statement. Ongoing review of Earmarked Reserves takes place as part of the Money Matters Reports in line with the approved earmarked reserves policy to ensure we are only holding funds for known and essential purposes.

The Council also holds other Unusable Reserves that arise out of the interaction of legislation and proper accounting practice and the Balance Sheet projections are also included as part of the Balance Sheet projections in the Treasury management Strategy Statement.

The **CFO** has been involved throughout the entire budget process, including revising the MTFs, input to the drafting of the budget, the ongoing financial monitoring and reporting process, evaluation of investments and savings, engagement with Members of the Cabinet and Overview and Scrutiny Committees, advising colleagues, the strategic choices activities, challenge and evaluation activities, and scrutiny of the budget. The following sections of this statement outline activities and documents.

**Process** - a robust budget process has been used within the overall context of the MTFs.

**Timetable** - the process started in July 2023 and the draft budget was completed in December 2023 prior to the Provisional Financial Settlement for Local Government 2024/25. This enabled formal scrutiny of the budget making process in January 2024. The final budget is due to be set at Council on 27 February 2024, well within the statutory deadline.<sup>7</sup>

**Member involvement and Scrutiny** (including budget monitoring) - formal Member involvement has been extensive, particularly through the Cabinet in conjunction with Leadership Team, Strategic Overview & Scrutiny Committee and Audit Committee, which has fed upwards to Cabinet.

**Consultation** – from 18 October 2023 to 12 December 2023, we carried out a budget consultation to find out what people who live in the District think about the services we provide.

**Challenge** - there are various points of challenge at various stages of the Budget, meetings of Leadership Team, Cabinet and the Scrutiny process itself.

**Localism Act - Right to approve or veto excessive Council Tax rises** - The Secretary of State has determined a **3%** or **£5.00** (whichever is the higher) limit for Council Tax increases for 2024/25. If an Authority proposes to raise taxes above the limit, they will have to hold a referendum to get approval for this from the local voters who will be asked to approve or veto the rises.

**Ownership and accountability** - the budget has progressed through the Service and Financial Planning process including review by management within services and Leadership Team. Budget holders were sent copies of budget estimate working papers for their respective areas of service responsibility.

**Current financial position** - the budget is a statement of financial intent, reflecting The Council's vision, plans and priorities. It also sets the financial spending parameters for each financial year and as such, the CFO assessment of the adequacy of Reserves, also includes the risk of services overspending and/or under-spending their budgets and the impact of this on the financial health of the Council and its level of Reserves. The current financial position has been reported throughout the year.

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<sup>7</sup> Statutory deadline date for setting Council Tax is by 11 March 2024.

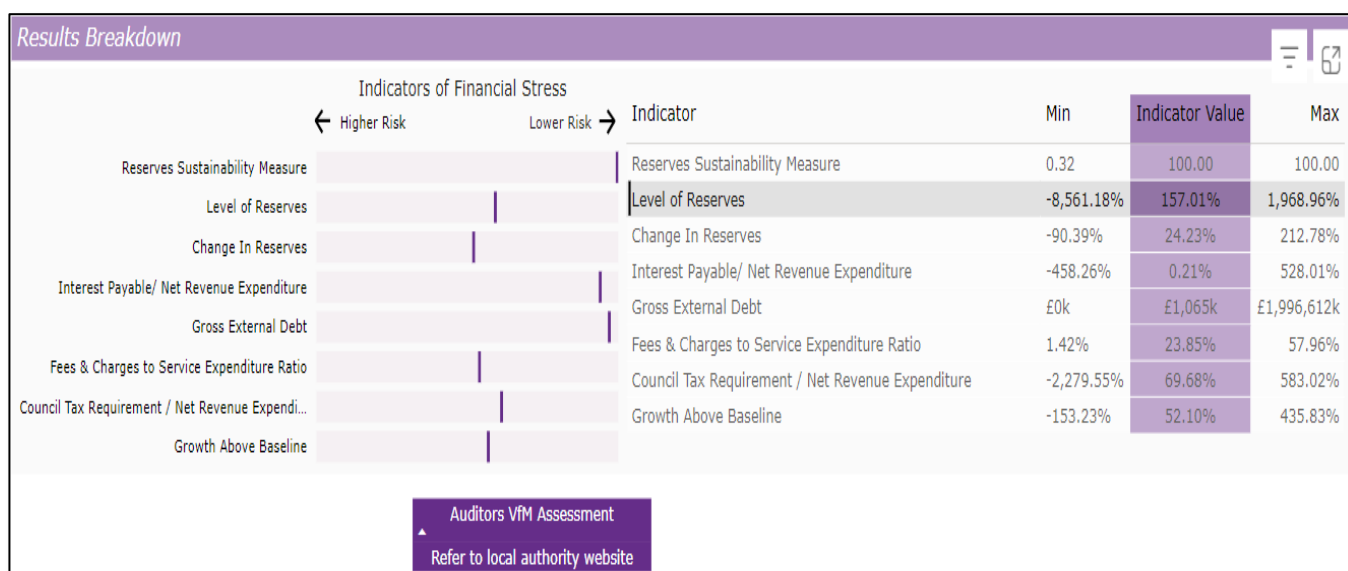
**Key assumptions** - The pay and prices used in the budget are derived from current intelligence, are considered appropriate and compare with those used by other Councils (the minimum level of general reserves has also been increased). Fees and charges have been reviewed and changes are reflected in the overall budget. The Capital Receipts to be used for the Capital Programme are based on estimates of both timing and value.

**Financial risks** – The Council continues to use an embedded good practice Risk Assessment approach both when setting the Budget and in validating estimated outturns. This continues for the 2023/24 outturn and 2024/25 plus Budget. The minimum level of General Reserves is considered to be adequate to cover all but the most unusual and serious combination of risks.

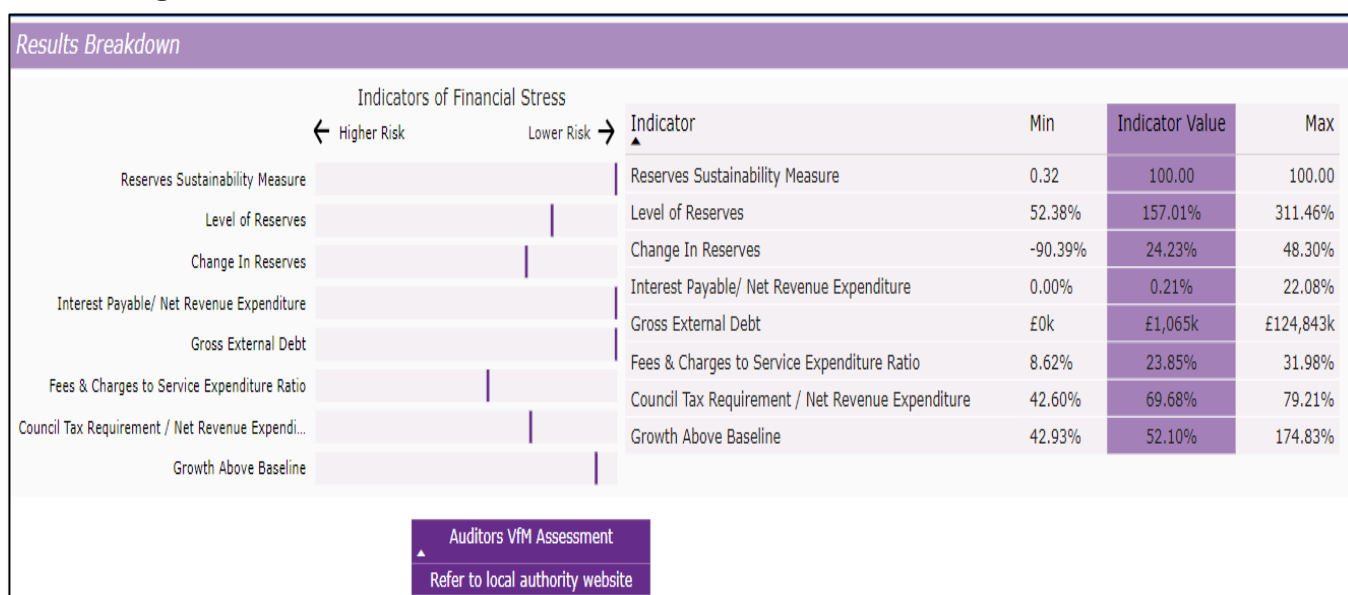
**The CIPFA Resilience Index**

The Chartered Institute of Finance and Accountancy (CIPFA) provided the fifth release of its Financial Resilience Index in December 2023. Lichfield DC’s information compared to all District Councils and Nearest Neighbours using a range of measures associated with financial risk is shown below.

**District Councils**



**Nearest Neighbours**





**Summary - Opinion of CFO on the Adequacy of Reserves and the Robustness of the Estimates**

I am of the opinion in the current economic climate, for a Council of this size, and with our recent record of prudent spending, effective Risk Management, robust budgeting and effective Budget monitoring and control, an increased General Minimum Reserve level of **£2,000,000** is adequate.

# Priorities and Budget Consultation Feedback report

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	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
why should I do the Council's work for them? What a complete waste of time and money this gimmick is. You get paid to do the budget etc for the Council so get on and do your job. Stop wasting everyone's time.	65 - 80	Female	Yes	
Focus on building community resilience and help residents be make heathy sustainable options, like safe places to walk and cycle, don't encourage fast food venues and inform people how they can eat healthily on a a budget. There are a lot of fast food venues in Lichfield compared to places that you can buy basic ingredients , fruit and vegetables have a healthy lifestyle.			Yes	WS13 7HD
no new projects until what we have is in good condition and not left to decay and neglect.	65 - 80	Male	Yes	ws13 7rt
And the roads and pavements are a disgrace, especially as there are more elderly in Lichfield in apartments.	65 - 80	Female		
This exercise appears to be very limited and I cannot see how residents can make effective comments on the information provided	65 - 80	Female	Yes	WS13 7LX
No comment	65 - 80	Male	Yes	Ws70Da
I've saved you money! I think councils need to take a long hard look at themselves and ask why does it take so	45 - 54	Female	Yes	B79 0AT

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
many people to do a job properly! Because I see a lot of nothing going on				
Consider two-weekly bin collections (alternating as at present) I would like to see emphasis on sustainability and environmental issues to create a 'greener' future and a significant move towards eradicating homelessness in the area	55 - 64	Female	Yes	
Ridiculous survey showing truly bad ideas on how to spend money	35 - 44	Male	Yes	WS7
Wrong things are promoted, Lichfield is the most inaccessible city I have ever lived in and I have lived in a few, You don't enforce new businesses to have wheelchair access, you don't follow up when they don't provide suitable adaptations, you have events on muddy filed without making provision for wheelchair access, You ban disabled drivers from the city centre , Footfall is down shops are closing, street cleaning is terrible as it is, that's why we have the 'litter pickers' footpaths and alley ways so over grown makes it dangerous for disabled, elderly people with prams, Open drug taking going on in the city centre, nothing is ever done, Only see a police officer if someone is dead, dying , or is armed, vandalism car break ins, burglaries have never been so high, beggars` , pick pockets, No facilities for the LGBTIQ+ So	55 - 64	I prefer not to say	Yes	WS13



APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
where is the money going, ? why give money for police when we don't see them, What does county do for us really, apart from give out city money to other towns, We are a city the size of a town, yet our councillors cant even get the disabled parking right,				
Stop wasting my money and spend less on sport, leisure and tourism.	45 - 54	Male	Yes	
maintain the essentials reduce the nice to haves	55 - 64	Male	Yes	b78 3an
Your budget assumptions are based on maintaining efficiency at current levels. There should be targeted process/productivity savings of between 3-5% which would enable services to be improved	65 - 80	Male	Yes	WS149YN
Meaningless survey	55 - 64	Female	Yes	
Nothing in our local areas is aimed at the youth of today. Crime is at its highest. We should focus on the youth of today as oppose to fancy statues and coffee shops !	25 - 34	Male	Yes	Ws72jd
You're doing a great job	65 - 80	Male	No	
Please reduce parking charges in Lichfield city centre to attract more people. Stop building endless retirement homes in our city centre. Do something with the empty plot of land at corner of Birmingham Rd/ St John's street which has been vacant for almost 7 years now !! An embarrassment for LDC.	55 - 64	Male	No	WS14 9SZ

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
Please listen to the public, we are not council tax numbers , we are real people in real homes in Lichfield , Thank you	55 - 64	Female	Yes	WS13 7NJ
With the savings this makes you could probably reduce the costs to city center businesses so that they and new ones could afford to stay or start up in town and reduce the number of empty shops	65 - 80	Male	Yes	WS14 9YT
Tell Staffs Council to give us our money back too	35 - 44	Male	Yes	WS14 0AA
Really difficult and no easy answer. No option to discuss health protection factors eg imms and access to health care. I think you need to keep investing into conservation where able as a future investment	35 - 44	Female	Yes	Ws13
Could something be done about disabled parking at Sankeys, every Saturday there are cars parked there by people without blue badges even when there are other spaces available.	65 - 80	Male	Yes	Ws72hy
The roads in the area are in a terrible state, Pot holes do not get filled and once they are identified as a repair need the spray paint is put around them . This then negates any claim for vehicle damage as they have been high lighted even though this could be at night time.! The level of flooding on the roads is also ridiculous, I never see a Gulley sucker emptying the Road drains any more.	65 - 80	Male	Yes	Ws15 4ah

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
The local plan is an evolving process and is primarily reliant on People Prosperity and Resilience services, so it's the local plan that should be subjected to a revised budget	65 - 80	Male	Yes	
The Council needs a thorough review and better strategic vision and management of change in light of a changing population and demographic. Better than fiddling around on the margins as this process invites	65 - 80	Male	Yes	WS13 8DZ
Scrap those useless blue bags and go back to a three bin system, it's your job to deal with rubbish not mine.  Clean up the streets, sort out crime and stop being soft on scroungers.	55 - 64	Male	Yes	Ws13
It seems to me that this is an exercise in going through the motions of consultation and the options offered in each category are so vague as to be meaningless.	65 - 80	Male	Yes	WS13 7QJ
If you need more money then make Lichfield somewhere people want to visit from far and wide. Don't build unneeded retail units and housing at Friarsgate. Have some inspiration for what makes Lichfield magical.	45 - 54	Male	No	WS14 9EJ
Under current circumstances, everybody including councils have to tighten their belts and improve efficiency.	65 - 80	Male		DE13

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
When it comes to managing people are departments I always believe targets and efficiency can be improved. Development of the city and continuing to have a vision of tourism must be supported. The high streets are becoming baron lands, please don't let this happen to Lichfield. Turn the shop spaces into residential living for the elderly that way we build community. Let's walk to the local shops and parks not drive to some big supermarket	45 - 54	Male	Yes	WS14 0JF
I have lived in Lichfield for almost 25 years and love the city and local environment. In more recent times I have become increasingly frustrated with major events that create overcrowding, parking problems, anti-social behaviour, noise and disruption to residents and businesses, and have resulted in severe damage to Beacon Park land. Whilst it is nice to promote Lichfield as a place to visit, I believe there needs to be a rethink over the type and scale of events that are held in the city. Income generated from these events comes at a cost, both in terms of disruption, and the funds required to police such events and offset the cost of the consequential damage.	65 - 80	Male	Yes	
See my comments.	65 - 80	Male		WS14
This gives a very simplistic view of managing the budgets and I'm completing this to have my voice heard but I don't feel	45 - 54	Female	Yes	

APPENDIX H

	Your age group	Which of these most accurately describes yourself?	Do you live or work in the Lichfield District?	What is your postcode?
this is the right approach to take and I suspect that many people will start but not complete this as it is not as easy to work with as it suggests and it is a very over simplified view of things.				
There is no mention of how much is being paid towards the pension shortfall. It's politically unpalatable but there needs to be a conversation with council employees(all public sector really) that there is not enough to fund the pensions that have been promised and that they either need to work longer or accept lower benefits in retirement.	45 - 54	Male	Yes	Ws14 9ax
Cut council spending on keep changing their minds. Costs us a fortune	65 - 80	Female	Yes	
Stop building more houses!!!!	55 - 64	Female	Yes	Ws138lx
JUST DIRECT MORE TO BURNTWOOD, YOU'VE STARVED US FOR YEARS	55 - 64	Male	Yes	
The council budget should support those in need rather than business. An small increase in Council Tax would not be remiss. To spend well we must tax fairly: the larger the home, the more tax should be paid.	45 - 54	Male	Yes	
We should be doing all we can for all of these items budgeted for in this survey.	65 - 80	Female	No	WS140AA
The options are quite restricted for example no reference to reducing central costs and overheads. Overall the impression is that this process is not really	65 - 80	Male	Yes	

**APPENDIX H**

	<b>Your age group</b>	<b>Which of these most accurately describes yourself?</b>	<b>Do you live or work in the Lichfield District?</b>	<b>What is your postcode?</b>
making a difference and that key decisions on spending have already been made. If not the options would be wider.				
It is time to cut back or face a Birmingham crisis.	81+	Male	Yes	WS14 9BY
can't remember the last time I saw road repairs in Whittington or Litchfield	81+	Male	Yes	WS14 9PE

## **COUNCIL TAX RESOLUTION 2024/25**

### **1. PURPOSE OF REPORT**

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2024/25. The Formal Council Tax Resolution is at **Appendix A**.

**Members are also reminded that in accordance with Section 106 of the Local Government Finance Act 1992, any Member in council tax arrears is unable to participate in the debate and decision making in relation to the budget and council tax setting.**

### **2. BACKGROUND**

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992. It now requires the billing authority to calculate a Council Tax requirement for the year.

Since the meeting of the Cabinet, the precept levels of other precepting bodies have been received or drafted. These are detailed below:

#### **City, Town and Parish Councils**

The City, Town and Parish Councils Precepts for 2024/25 are detailed in **Appendix C** and total **£2,358,756**. The increase in the average Band D Council Tax for City, Town and Parish Councils is **6.52%** and results in an average Band D Council Tax figure of **£57.37** for 2024/25.

#### **Staffordshire County Council**

Staffordshire County Council met on 8 February 2024 and set their precept at **£63,509,105.31** adjusted by a Collection Fund contribution of **£605,000** (a total payable of **£64,114,105.31**). This results in a Band D Council Tax of **£1,544.64**.

#### **Staffordshire Commissioner – Police and Crime**

The Staffordshire Commissioner – Police and Crime set their precept on 5 February 2024 at **£11,248,049.41** adjusted by a Collection Fund contribution of **£107,000** (a total amount payable of **£ 11,355,049.41**). This results in a Band D Council Tax of **£273.57**.

#### **Staffordshire Commissioner – Fire and Rescue**

The Staffordshire Commissioner – Fire and Rescue set their precept on 12 February 2024 at **£3,567,617.97** adjusted by a Collection Fund contribution of **£35,000** (a total amount payable of **£3,602,617.97**). This results in a Band D Council Tax of **£86.77**.

### 3. Recommendation

The recommendations are set out in the formal Council Tax Resolution at **Appendix A**.

If the formal Council Tax Resolution at **Appendix A** is approved, the total Band D Council Tax will be as follows<sup>1</sup>:

	2023/24 £	2024/25 £	Increase £	Increase %
Lichfield District Council	£187.85	£192.85	£5.00	2.66%
Staffordshire County Council	£1,471.23	£1,544.64	£73.41	4.99%
Staffordshire Commissioner - Police & Crime	£260.57	£273.57	£13.00	4.99%
Staffordshire Commissioner - Fire & Rescue	£84.25	£86.77	£2.52	2.99%
<b>Sub Total</b>	<b>£2,003.90</b>	<b>£2,097.83</b>	<b>£93.93</b>	<b>4.69%</b>
City, Town and Parish Councils (average)	£53.86	£57.37	£3.51	6.52%
<b>Total</b>	<b>£2,057.76</b>	<b>£2,155.20</b>	<b>£97.44</b>	<b>4.74%</b>

Authorisation of Officers to collect and recover Council Tax, National Non Domestic (Business) Rates and Business Improvement Districts (BIDS):

A Thomas, Assistant Director – Finance and Commissioning (Section 151 Officer); L Barton, Assistant Director – Customer, Resident and Business Services; N Begley, Revenues, Benefits and Corporate Debt Recovery Service Manager; J Irving, Senior Business Advisor; R Hughes, Senior Business Advisor; R Miller, Revenues & Benefits Manager; V Fenton, Revenues and Benefits Manager, or any other person specifically authorised by the Section 151 Officer, appointed by the said offices under Section 112 of the Local Government Act 1972, be hereby authorised:-

- a) To demand, collect and recover any Council Tax, National Non-Domestic Rate or Business Improvement District (BID) made by the Council under the Local Government Finance Acts 1988 and 1992;
- b) To demand, collect and recover any penalties under schedules 3 and 4 to the Local Government Acts 1988 and 1992;
- c) Under Section 223 of the Local Government Act 1972 and all other powers enabling them to prosecute and to appear on behalf of the Council at the hearing of legal proceedings in connection with the demand, collection and recovery of any Council Tax, National Non-Domestic Rate, Community Charge, Business Improvement Districts (BIDS) and General Rates made by the Council and/or any penalties imposed under the Local Government Finance Acts 1988 and 1992; and
- d) To make such amendments to the Council Tax and National Non-Domestic Rate as are authorised by the Local Government Finance Acts 1988 and 1992 and other legislation in force from time to time. Further, the Assistant Director – Finance and Commissioning be authorised to impose penalties in accordance with Schedule 3 to the Local Government Act 1992, with regard to the supply of information for Council Tax purposes.

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<sup>1</sup> The percentage increases are to two decimal places.



**COUNCIL TAX RESOLUTION 2024/25**

1. That the recommendations contained in the Medium Term Financial Strategy (Revenue and Capital) 2023/28 relating to the Revenue and Capital Estimates 2023/28 be approved:
2. That the Cabinet recommendation (Agenda Item 3 of 5 December 2023 refers) in respect of calculating the Council Tax Base 2024/25 as follows be approved:
  - a) for the whole Council area as **41,115.8** (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")); and
  - b) for dwellings in those parts of its area which a Parish precept relates as in the attached **Appendix B**.
3. That, as a preliminary step the Council Tax requirement for the Council's own purposes for 2024/25 (excluding Parish precepts) is calculated as **£7,929,182 (41,115.8 x £192.85)**.
4. That the following amounts be calculated for the year 2024/25 in accordance with Sections 30 and 36 of the Act:

a	being the aggregate amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils. <b>(Gross expenditure including Parish precepts and special expenses)</b>	<b>£68,496,551</b>
b	being the aggregate of the amounts which the Council estimates for the items, set out in Section 31A(3) of the Act. <b>(Income)</b>	<b>£58,208,613</b>
c	being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31B of the Act). <b>(Council Tax requirement for the year including Parish precepts)</b>	<b>£10,287,938</b>
d	being the amount at 4 (c) above (item R), all divided by item T(2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).	<b>£250.22</b>
e	being the aggregate of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per attached <b>Appendix C</b> ).	<b>£2,358,756</b>
f	being the amount at 4 (d) above less the results given by dividing the amount at 4 (e) above by item T (2(a) above), calculated by the Council, in accordance with section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.	<b>£192.85</b>

That it be noted that for the year 2024/25 Staffordshire County Council, The Staffordshire Commissioner – Police and Crime and the Staffordshire Commissioner – Fire and Rescue have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council’s area as indicated in the table below.

Valuation Bands							
A (6/9)	B (7/9)	C (8/9)	D 1	E (11/9)	F (13/9)	G (15/9)	H 2
<b>Lichfield District Council</b>							
£128.57	£149.99	£171.42	£192.85	£235.71	£278.56	£321.42	£385.70
<b>Staffordshire County Council</b>							
£1,029.76	£1,201.39	£1,373.01	£1,544.64	£1,887.89	£2,231.15	£2,574.40	£3,089.28
<b>Staffordshire Commissioner - Police &amp; Crime</b>							
£182.38	£212.78	£243.17	£273.57	£334.36	£395.16	£455.95	£547.14
<b>Staffordshire Commissioner - Fire &amp; Rescue</b>							
£57.85	£67.49	£77.13	£86.77	£106.05	£125.33	£144.62	£173.54
<b>Aggregate of all Council Tax Requirements</b>							
<b>£1,398.56</b>	<b>£1,631.65</b>	<b>£1,864.73</b>	<b>£2,097.83</b>	<b>£2,564.01</b>	<b>£3,030.20</b>	<b>£3,496.39</b>	<b>£4,195.66</b>

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts set out in **Appendix B** as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings.
6. The Council has determined that its relevant basic amount of Council Tax for 2024/25 is **not** excessive in accordance with the principles approved under section 52ZB Local Government Act 1992.
7. As the billing authority, the Council has **not** been notified by a major precepting authority that its basic amount of Council Tax for 2024/25 is excessive and that the billing authority is not required to hold a referendum in accordance with section 52ZK Local Government Act 1992.

**APPENDIX B**

**Council Tax Schedule for 2024/25**

Parts of the Council's Area	Valuation Bands							
	A (6/9) £	B (7/9) £	C (8/9) £	D 1 £	E (11/9) £	F (13/9) £	G (15/9) £	H 2 £
Lichfield District Council	£128.57	£149.99	£171.42	£192.85	£235.71	£278.56	£321.42	£385.70
Staffordshire County Council	£1,029.76	£1,201.39	£1,373.01	£1,544.64	£1,887.89	£2,231.15	£2,574.40	£3,089.28
Staffordshire Commissioner - Police & Crime	£182.38	£212.78	£243.17	£273.57	£334.36	£395.16	£455.95	£547.14
Staffordshire Commissioner - Fire & Rescue	£57.85	£67.49	£77.13	£86.77	£106.05	£125.33	£144.62	£173.54
<u>Alrewas Parish Council</u>	(a ) £33.91	£39.57	£45.22	£50.87	£62.18	£73.48	£84.79	£101.74
Parish and District	(b ) £162.48	£189.56	£216.64	£243.72	£297.89	£352.04	£406.21	£487.44
Total (c )	£1,432.47	£1,671.22	£1,909.95	£2,148.70	£2,626.19	£3,103.68	£3,581.18	£4,297.40
<u>Armitage-with-Handsacre</u>	(a ) £36.30	£42.35	£48.40	£54.45	£66.55	£78.65	£90.75	£108.90
Parish and District	(b ) £164.87	£192.34	£219.82	£247.30	£302.26	£357.21	£412.17	£494.60
Total (c )	£1,434.86	£1,674.00	£1,913.13	£2,152.28	£2,630.56	£3,108.85	£3,587.14	£4,304.56
<u>Burntwood</u>	(a ) £30.28	£35.32	£40.37	£45.42	£55.51	£65.60	£75.69	£90.83
Parish and District	(b ) £158.85	£185.31	£211.79	£238.27	£291.22	£344.16	£397.11	£476.53
Total (c )	£1,428.84	£1,666.97	£1,905.10	£2,143.25	£2,619.52	£3,095.80	£3,572.08	£4,286.49
<u>Clifton Campville with Thorpe Constantine*</u>	(a ) £32.41	£37.81	£43.21	£48.61	£59.41	£70.22	£81.02	£97.22
Parish and District	(b ) £160.98	£187.80	£214.63	£241.46	£295.12	£348.78	£402.44	£482.92
Total (c )	£1,430.97	£1,669.46	£1,907.94	£2,146.44	£2,623.42	£3,100.42	£3,577.41	£4,292.88
<u>Colton</u>	(a ) £29.06	£33.90	£38.75	£43.59	£53.28	£62.97	£72.65	£87.18
Parish and District	(b ) £157.63	£183.89	£210.17	£236.44	£288.99	£341.53	£394.07	£472.88
Total (c )	£1,427.62	£1,665.55	£1,903.48	£2,141.42	£2,617.29	£3,093.17	£3,569.04	£4,282.84
<u>Curborough &amp; Elmhurst and Farewell &amp; Chorley*</u>	(a ) £28.30	£33.02	£37.74	£42.45	£51.89	£61.32	£70.76	£84.91
Parish and District	(b ) £156.87	£183.01	£209.16	£235.30	£287.60	£339.88	£392.18	£470.61
Total (c )	£1,426.86	£1,664.67	£1,902.47	£2,140.28	£2,615.90	£3,091.52	£3,567.15	£4,280.57
<u>Drayton Bassett</u>	(a ) £39.56	£46.15	£52.74	£59.33	£72.52	£85.70	£98.89	£118.67
Parish and District	(b ) £168.13	£196.14	£224.16	£252.18	£308.23	£364.26	£420.31	£504.37
Total (c )	£1,438.12	£1,677.80	£1,917.47	£2,157.16	£2,636.53	£3,115.90	£3,595.28	£4,314.33
<u>Edingale</u>	(a ) £39.22	£45.75	£52.29	£58.82	£71.90	£84.97	£98.04	£117.65
Parish and District	(b ) £167.79	£195.74	£223.71	£251.67	£307.61	£363.53	£419.46	£503.35
Total (c )	£1,437.78	£1,677.40	£1,917.02	£2,156.65	£2,635.91	£3,115.17	£3,594.43	£4,313.31
<u>Elford</u>	(a ) £41.33	£48.22	£55.11	£62.00	£75.77	£89.55	£103.33	£123.99
Parish and District	(b ) £169.90	£198.21	£226.53	£254.85	£311.48	£368.11	£424.75	£509.69
Total (c )	£1,439.89	£1,679.87	£1,919.84	£2,159.83	£2,639.78	£3,119.75	£3,599.72	£4,319.65
<u>Fazeley</u>	(a ) £38.38	£44.78	£51.18	£57.57	£70.37	£83.16	£95.95	£115.14
Parish and District	(b ) £166.95	£194.77	£222.60	£250.42	£306.08	£361.72	£417.37	£500.84
Total (c )	£1,436.94	£1,676.43	£1,915.91	£2,155.40	£2,634.38	£3,113.36	£3,592.34	£4,310.80
<u>Fradley</u>	(a ) £47.21	£55.08	£62.95	£70.82	£86.56	£102.30	£118.03	£141.64
Parish and District	(b ) £175.78	£205.07	£234.37	£263.67	£322.27	£380.86	£439.45	£527.34
Total (c )	£1,445.77	£1,686.73	£1,927.68	£2,168.65	£2,650.57	£3,132.50	£3,614.42	£4,337.30
<u>Hammerwich</u>	(a ) £14.62	£17.06	£19.50	£21.93	£26.81	£31.68	£36.56	£43.87
Parish and District	(b ) £143.19	£167.05	£190.92	£214.78	£262.52	£310.24	£357.98	£429.57
Total (c )	£1,413.18	£1,648.71	£1,884.23	£2,119.76	£2,590.82	£3,061.88	£3,532.95	£4,239.53
<u>Hamstall Ridware</u>	(a ) £29.09	£33.94	£38.78	£43.63	£53.33	£63.02	£72.72	£87.26
Parish and District	(b ) £157.66	£183.93	£210.20	£236.48	£289.04	£341.58	£394.14	£472.96
Total (c )	£1,427.65	£1,665.59	£1,903.51	£2,141.46	£2,617.34	£3,093.22	£3,569.11	£4,282.92

\* = Grouped Parishes

## APPENDIX B (Continued)

Parts of the Council's Area	Valuation Bands							
	A (6/9) £	B (7/9) £	C (8/9) £	D 1 £	E (11/9) £	F (13/9) £	G (15/9) £	H 2 £
-								
Lichfield District Council	£128.57	£149.99	£171.42	£192.85	£235.71	£278.56	£321.42	£385.70
Staffordshire County Council	£1,029.76	£1,201.39	£1,373.01	£1,544.64	£1,887.89	£2,231.15	£2,574.40	£3,089.28
Staffordshire Commissioner - Police & Crime	£182.38	£212.78	£243.17	£273.57	£334.36	£395.16	£455.95	£547.14
Staffordshire Commissioner - Fire & Rescue	£57.85	£67.49	£77.13	£86.77	£106.05	£125.33	£144.62	£173.54
<u>Harlaston</u>								
Parish and District (a)	£41.27	£48.14	£55.02	£61.90	£75.66	£89.41	£103.17	£123.80
(b)	£169.84	£198.13	£226.44	£254.75	£311.37	£367.97	£424.59	£509.50
Total (c)	£1,439.83	£1,679.79	£1,919.75	£2,159.73	£2,639.67	£3,119.61	£3,599.56	£4,319.46
<u>Hints and Canwell</u>								
Parish and District (a)	£32.91	£38.40	£43.88	£49.37	£60.34	£71.31	£82.28	£98.74
(b)	£161.48	£188.39	£215.30	£242.22	£296.05	£349.87	£403.70	£484.44
Total (c)	£1,431.47	£1,670.05	£1,908.61	£2,147.20	£2,624.35	£3,101.51	£3,578.67	£4,294.40
<u>King's Bromley</u>								
Parish and District (a)	£21.47	£25.05	£28.63	£32.21	£39.36	£46.52	£53.68	£64.41
(b)	£150.04	£175.04	£200.05	£225.06	£275.07	£325.08	£375.10	£450.11
Total (c)	£1,420.03	£1,656.70	£1,893.36	£2,130.04	£2,603.37	£3,076.72	£3,550.07	£4,260.07
<u>Lichfield</u>								
Parish and District (a)	£49.17	£57.37	£65.56	£73.76	£90.15	£106.54	£122.93	£147.52
(b)	£177.74	£207.36	£236.98	£266.61	£325.86	£385.10	£444.35	£533.22
Total (c)	£1,447.73	£1,689.02	£1,930.29	£2,171.59	£2,654.16	£3,136.74	£3,619.32	£4,343.18
<u>Longdon</u>								
Parish and District (a)	£27.59	£32.19	£36.79	£41.39	£50.59	£59.78	£68.98	£82.78
(b)	£156.16	£182.18	£208.21	£234.24	£286.30	£338.34	£390.40	£468.48
Total (c)	£1,426.15	£1,663.84	£1,901.52	£2,139.22	£2,614.60	£3,089.98	£3,565.37	£4,278.44
<u>Mavesyn Ridware</u>								
Parish and District (a)	£34.18	£39.87	£45.57	£51.27	£62.66	£74.05	£85.45	£102.54
(b)	£162.75	£189.86	£216.99	£244.12	£298.37	£352.61	£406.87	£488.24
Total (c)	£1,432.74	£1,671.52	£1,910.30	£2,149.10	£2,626.67	£3,104.25	£3,581.84	£4,298.20
<u>Shenstone</u>								
Parish and District (a)	£33.18	£38.70	£44.23	£49.76	£60.82	£71.88	£82.94	£99.53
(b)	£161.75	£188.69	£215.65	£242.61	£296.53	£350.44	£404.36	£485.23
Total (c)	£1,431.74	£1,670.35	£1,908.96	£2,147.59	£2,624.83	£3,102.08	£3,579.33	£4,295.19
<u>Streethay</u>								
Parish and District (a)	£46.89	£54.71	£62.52	£70.34	£85.97	£101.60	£117.23	£140.67
(b)	£175.46	£204.70	£233.94	£263.19	£321.68	£380.16	£438.65	£526.37
Total (c)	£1,445.45	£1,686.36	£1,927.25	£2,168.17	£2,649.98	£3,131.80	£3,613.62	£4,336.33
<u>Swinfen and Packington</u>								
Parish and District (a)	£23.36	£27.26	£31.15	£35.05	£42.83	£50.62	£58.41	£70.09
(b)	£151.93	£177.25	£202.57	£227.90	£278.54	£329.18	£379.83	£455.79
Total (c)	£1,421.92	£1,658.91	£1,895.88	£2,132.88	£2,606.84	£3,080.82	£3,554.80	£4,265.75
<u>Wall</u>								
Parish and District (a)	£36.04	£42.04	£48.05	£54.05	£66.07	£78.08	£90.09	£108.11
(b)	£164.61	£192.03	£219.47	£246.90	£301.78	£356.64	£411.51	£493.81
Total (c)	£1,434.60	£1,673.69	£1,912.78	£2,151.88	£2,630.08	£3,108.28	£3,586.48	£4,303.77
<u>Weeford</u>								
Parish and District (a)	£10.73	£12.52	£14.31	£16.09	£19.67	£23.25	£26.82	£32.19
(b)	£139.30	£162.51	£185.73	£208.94	£255.38	£301.81	£348.24	£417.89
Total (c)	£1,409.29	£1,644.17	£1,879.04	£2,113.92	£2,583.68	£3,053.45	£3,523.21	£4,227.85
<u>Whittington and Fisherwick*</u>								
Parish and District (a)	£42.33	£49.39	£56.44	£63.50	£77.61	£91.72	£105.83	£127.00
(b)	£170.90	£199.38	£227.86	£256.35	£313.32	£370.28	£427.25	£512.70
Total (c)	£1,440.89	£1,681.04	£1,921.17	£2,161.33	£2,641.62	£3,121.92	£3,602.22	£4,322.66
<u>Wigginton and Hopwas</u>								
Parish and District (a)	£31.12	£36.30	£41.49	£46.67	£57.05	£67.42	£77.79	£93.35
(b)	£159.69	£186.29	£212.91	£239.52	£292.76	£345.98	£399.21	£479.05
Total (c)	£1,429.68	£1,667.95	£1,906.22	£2,144.50	£2,621.06	£3,097.62	£3,574.18	£4,289.01

\* = Grouped Parishes

APPENDIX C

Parish Precepts

Parish Councils	2023/24			2024/25			Increase / (decrease) %
	Tax Base	Precept	Band D	Tax Base	Precept	Band D	
		£	£		£	£	
Alrewas	1,330.6	41,650	31.30	1,342.6	68,300	50.87	62.52%
Armitage-with-Handsacre	2,183.8	115,714	52.99	2,188.8	119,185	54.45	2.76%
Burntwood	8,467.2	362,782	42.85	8,489.3	385,542	45.42	6.00%
Clifton Campville with Thorpe Constantine*	380.1	18,890	49.70	388.6	18,890	48.61	(2.19%)
Colton	337.4	13,650	40.46	344.1	15,000	43.59	7.75%
Curborough & Elmhurst and Farewell & Chorley*	269.7	10,409	38.59	269.7	11,450	42.45	10.00%
Drayton Bassett	464.7	26,384	56.78	466.9	27,703	59.33	4.50%
Edingale	279.1	15,500	55.54	280.5	16,500	58.82	5.92%
Elford	307.6	19,000	61.77	322.6	20,000	62.00	0.37%
Fazeley	1,445.8	77,937	53.91	1,489.1	85,731	57.57	6.80%
Fradley	1,626.9	115,214	70.82	1,770.7	125,401	70.82	0.00%
Hammerwich	1,387.0	27,000	19.47	1,390.5	30,500	21.93	12.68%
Hamstall Ridware	165.1	6,825	41.34	164.1	7,160	43.63	5.55%
Harlaston	209.7	11,730	55.94	208.4	12,900	61.90	10.66%
Hints and Canwell	200.9	9,600	47.78	198.5	9,800	49.37	3.32%
King's Bromley	590.1	18,109	30.69	590.4	19,014	32.21	4.94%
Lichfield	12,516.9	860,670	68.76	12,742.6	939,900	73.76	7.27%
Longdon	788.1	30,939	39.26	784.9	32,486	41.39	5.43%
Mavesyn Ridware	528.9	26,000	49.16	536.4	27,500	51.27	4.29%
Shenstone	3,677.4	182,000	49.49	3,657.3	182,000	49.76	0.55%
Streethay	1,006.6	70,806	70.34	1,018.1	71,610	70.34	(0.01%)
Swinfen and Packington	165.4	5,500	33.25	171.2	6,000	35.05	5.40%
Wall	203.7	11,000	54.00	207.2	11,200	54.05	0.10%
Weeford	111.7	1,685	15.09	104.7	1,685	16.09	6.69%
Whittington and Fisherwick*	1,210.4	71,498	59.07	1,217.3	77,299	63.50	7.50%
Wigginton and Hopwas	679.6	32,819	48.29	771.3	36,000	46.67	(3.35%)
<b>Total /Average</b>	<b>40,534.4</b>	<b>£2,183,312</b>	<b>£53.86</b>	<b>41,115.8</b>	<b>£2,358,756</b>	<b>£57.37</b>	<b>6.52%</b>

\* = Grouped Parishes

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CALENDAR OF MEETINGS V4

May 2024 – May 2025

<b>Date</b>	<b>Meeting</b>
Tuesday 14 May 2024	ANNUAL COUNCIL
Wednesday 15 May 2024	Planning Training
Thursday 16 May 2024	Youth Council
Monday 27 May 2024	BANK HOLIDAY
Monday 3 June 2024	Planning Committee
Tuesday 4 June 2024	Cabinet
Thursday 6 June 2024	O&S Committee
Thursday 13 June 2024	Youth Council
Tuesday 18 June 2024	Regulatory and Licensing Committee
Wednesday 26 June 2024	Planning Training
Thursday 27 June 2024	Employment Committee
Monday 1 July 2024	Planning Committee
Tuesday 2 July 2024	Cabinet
Thursday 4 July 2024	Member Training
Tuesday 9 July 2024	COUNCIL
Thursday 11 July 2024	Youth Council
Thursday 18 July 2024	Audit Committee
Tuesday 23 July 2024	O&S Committee
Monday 29 July 2024	Planning Committee
Monday 26 August 2024	BANK HOLIDAY
Monday 2 September 2024	Planning Committee
Tuesday 10 September 2024	Cabinet
Thursday 12 September 2024	Provisional Date
Wednesday 18 September 2024	Audit Committee
Thursday 19 September 2024	Youth Council
Tuesday 24 September 2024	Planning Training
Thursday 26 September	Member Standards Committee
Monday 30 September 2024	Regulatory and Licensing Committee
Wednesday 2 October 2024	O&S Committee
Monday 7 October 2024	Planning Committee
Tuesday 8 October 2024	Cabinet
Thursday 10 October 2024	Youth Council
Tuesday 15 October 2024	COUNCIL
Wednesday 23 October 2024	Employment Committee
Monday 28 October 2024	Planning Committee
Tuesday 5 November 2024	Cabinet
Wednesday 13 November 2024	Provisional Date
Thursday 14 November 2024	Youth Council
Monday 18 November 2024	Planning Committee
Wednesday 20 November 2024	Member Training
Monday 25 November 2024	Joint Waste Committee
Tuesday 26 November 2024	Audit Committee
Thursday 28 November 2024	Planning Training
Monday 2 December 2024	O&S Committee
Tuesday 3 December 2024	Cabinet
Thursday 5 December 2024	Youth Council
Monday 9 December 2024	Regulatory and Licensing Committee
Tuesday 10 December 2024	COUNCIL
Wednesday 25 December 2024	BANK HOLIDAY
Thursday 26 December 2024	BANK HOLIDAY
Wednesday 1 January 2025	BANK HOLIDAY
Monday 6 January 2025	Planning Committee
Tuesday 14 January 2025	Cabinet

<b>Wednesday 15 January 2025</b>	<b>Member Training</b>
<b>Thursday 16 January 2025</b>	<b>Youth Council</b>
<b>Tuesday 21 January 2025</b>	<b>Joint Waste Committee</b>
<b>Tuesday 28 January 2025</b>	<b>O&amp;S Committee</b>
<b>Wednesday 29 January 2025</b>	<b>Employment Committee</b>
<b>Monday 3 February 2025</b>	<b>Planning Committee</b>
<b>Tuesday 4 February 2025</b>	<b>Provisional Date</b>
<b>Thursday 6 February 2025</b>	<b>Audit Committee</b>
<b>Tuesday 11 February 2025</b>	<b>Cabinet</b>
<b>Thursday 13 February 2025</b>	<b>Youth Council</b>
<b>Tuesday 25 February 2025</b>	<b>COUNCIL</b>
<b>Thursday 27 February 2025</b>	<b>Regulatory and Licensing Committee</b>
<b>Monday 3 March 2025</b>	<b>Planning Committee</b>
<b>Tuesday 4 March 2025</b>	<b>Cabinet</b>
<b>Thursday 6 March 2025</b>	<b>Youth Council</b>
<b>Tuesday 25 March 2025</b>	<b>Joint Waste Committee</b>
<b>Thursday 27 March 2025</b>	<b>Audit Committee</b>
<b>Wednesday 2 April 2025</b>	<b>O&amp;S Committee</b>
<b>Thursday 3 April 2025</b>	<b>Youth Council</b>
<b>Monday 7 April 2025</b>	<b>Planning Committee</b>
<b>Tuesday 8 April 2025</b>	<b>Cabinet</b>
<b>Wednesday 9 April 2025</b>	<b>Provisional Date</b>
<b>Tuesday 15 April 2025</b>	<b>COUNCIL</b>
<b>Friday 18 April 2025</b>	<b>BANK HOLIDAY</b>
<b>Monday 21 April 2025</b>	<b>BANK HOLIDAY</b>
<b>Wednesday 23 April 2025</b>	<b>Audit Committee</b>
<b>Monday 5 May 2025</b>	<b>BANK HOLIDAY</b>
<b>Monday 12 May 2025</b>	<b>Planning Committee</b>
<b>Tuesday 13 May 2025</b>	<b>ANNUAL COUNCIL</b>



## MOTIONS ON NOTICE

### **(1) Councillor Bragger has submitted the following Motion:**

“This Council, recognising the severe shortage of decent homes to rent at genuinely affordable levels across our District, asks that the Cabinet, acting on behalf of the Council as shareholder in the Company, requests that the Council’s Local Authority Trading Company (LWMTS) immediately draw up plans with a clear timeline for building and acquiring housing at social rents across the District and that there is liaison with a cross party working group of Councillors in doing this.”

### **(2) Councillor Robertson has submitted the following Motion:**

“That this Council:

- notes the Local Government Boundary Commission for England's (LGCBE) revised proposals for divisions within Lichfield District
- believes the proposals as published on 30<sup>th</sup> January 2024 are, as far as possible, appropriate reflections of the communities within Lichfield District
- resolves to write to LGCBE expressing support for the revised proposals on the basis that the revised proposals:
  - better reflect the geographical communities served by this council,
  - better preserve the rural identity of many parts of Lichfield District,
  - will ensure that fewer additional polling districts need be created to accommodate changed division boundaries
  - will prevent the need for the creation of additional parish wards within Lichfield City and therefore better preserve the ratio of electors to councillors for this parish.”

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