

**For Council: 16 March 2021 APPENDIX 2**

**Lichfield City Council**

**Minutes of the Audit Committee held remotely via 'Zoom' on  
Tuesday, 11 March 2021 at 6.30pm**

**Present:** Councillors M Warfield, Mrs J Greaves, I Jackson, D Robertson and C Spruce.

**Apologies:** Councillors A Lax and A Smith.

**In Attendance:** Ms A James (Accounts Officer), Mr A Briggs (Town Clerk and RFO), Mr G Keatley (Internal Auditor).

**13 MINUTES**

**RESOLVED:** *That the Minutes of the Audit Committee meeting held on 7 December 2020 be confirmed as a correct record.*

**14 INTERNAL AUDIT ANNUAL REPORT 2020-2021**

The Internal Auditor presented his Internal Audit Annual Report 2020-2021, (which incorporated the Management Risk Register). Members discussed the detail of the report and the recommendations therein and agreed the management response.

Cllr Spruce asked for confirmation that the Internal Auditor was satisfied with the processes in place to ensure accurate payment since the introduction of BACS payments and their accelerated use during the COVID-19 pandemic; the Internal Auditor confirmed that comprehensive checks are in place. Cllr Spruce further noted that each of the previous year's recommendations had been accepted and implemented and that the overall financial control at the City Council was excellent.

Cllr Robertson asked whether the estimated readings were responsible for the apparent significant increase in water consumption; the Internal Auditor confirmed that to be the case.

Members of the Committee expressed their appreciation to the Internal Auditor for producing a clear and comprehensive report.

**RECOMMENDATION TO COUNCIL:** *That the Council note the Internal Audit Annual Report 2020-2021, and adopt the recommendations and timescales as contained in that Report.*

**15 ANNUAL REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL**

Members undertook a review of the effectiveness of the System of Internal Control as required by Regulation 5 of the Accounts and Audit Regulations 2015 (Internal Audit). The Town Clerk commended the work of the Internal Auditor and Finance Officer and the assistance and surety they brought to his role as RFO.

**RECOMMENDATION TO COUNCIL:** *That the Review findings as contained in Appendix A to these Minutes be adopted.*

**16 TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2021-2022**

Consideration was given to the Treasury Management Policy and Strategy Statement. Cllr Robertson suggested it may be appropriate to consider spreading the risk as all the Council's monies are currently held by Nat West. Cllr Spruce replied that such a measure was worth

investigating and that perhaps studies of various bank credit ratings would be an appropriate first step. The Chairman asked for confirmation on the position of negative interest rates; Cllr Spruce commented that such a situation should not be ruled out but would have significant consequences.

*RECOMMENDATION TO COUNCIL: That the Council adopt the Treasury Management Policy and Strategy Statement 2021-2022, as contained in Appendix B to these Minutes.*

**17 RESERVES POLICY**

Consideration was given to the City Council's Reserves Policy. Councillor Spruce suggested a minor rewording to the earmarked reserves table by adding 'and maintenance' to the current statement 'to provide for capital works', thereby potentially diffusing any confusion as to appropriate capital spend.

*RECOMMENDATION TO COUNCIL: That the Council adopt the Reserves Policy as contained in Appendix C to these Minutes.*

**18 AUDIT PLAN**

The Committee considered the Audit Plan which set out the proposed work programme for the Internal Auditor for 2021-2022 and beyond. Cllr Robertson suggested the addition of an audit of the evolving relationship with CJ Events in Markets matters – notably the supply of staff. The Town Clerk confirmed that the Internal Auditor has looked at these evolving procedures but supported the proposal to add this as an additional item to the Plan.

*RECOMMENDATION TO COUNCIL: That the Council adopt the Audit Plan as contained in Appendix D to these Minutes.*

**19 DATE AND TIME OF NEXT MEETING**

Scheduled for Thursday 10 June 2021 at 6.30pm.

**THERE BEING NO FURTHER BUSINESS**

**THE CHAIRMAN DECLARED THE MEETING CLOSED AT 7.00 PM**

## Audit Committee Minutes 11 March 2021 - APPENDIX A

### THE REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

#### Legislative framework

Regulation 4 of the Accounts and Audit Regulations 2015 (Accounting records and control systems) requires the authority's responsible financial officer must determine, on behalf of the authority-

- 1) The form of its accounting records and supporting records ensuring that the authorities accounting records are kept up to date
- 2) Its financial control system including measures. To ensure that the financial records are recorded timely and accurately, enable prevention and detection of inaccuracies and fraud ensure risk is appropriately managed and identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers

Regulation 5 of the Accounts and Audit Regulation 2015 (Internal Audit) requires that " a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance process, taking into account public sector internal auditing standards or guidance"

The starting point for the review will usually be an assessment against the internal audit standards set out in the guide. These include making an assessment in relation to:

- Scope of internal Audit
- Independence
- Competence
- Relationships
- Audit planning and reporting

A key point is that it is the responsibility of the body to conduct the annual review; it is not a review that will be carried out by the external auditor as part of the annual audit.

Whilst there will usually be input from the internal audit provider, he or she cannot be allowed to influence the direction or extent of the review.

The results of the review are then reported to and considered by a full meeting of the members for consideration. There are no hard and fast rules as to who actually performs the review, but bodies may wish to set up a small working party for this purpose.

#### What should the review of the system of internal audit cover?

Under the 2015 Regulations a relevant authority must conduct an annual review of the system of internal audit which-

*Facilitates the effective exercise of its functions and achievement of its aims and objectives;*

*Ensures that the financial and operational management of the authority is effective; and*

*Includes effective arrangements for the management of risk.*

#### The outcome of the review

The review of the effectiveness of the system of internal audit cannot be considered in isolation as it feeds into the review of the wider system of internal control. The report on the review should include an opinion as to whether or not the internal audit system is effective. Any areas for development or change should be identified in the report and an action plan produced, setting out the proposed remedial actions, the people responsible for delivering them, and the deadlines for completion of the actions.

## 1 Meeting the Standards

Expected Standard	Evidence of Achievement	Response
1. Scope of internal audit	Terms of reference were approved by full Council	Yes, Council adopts the Internal Audit Action Plan and work programme
	Scope of audit work takes into account risk management processes and wider internal control	Yes, included in checks undertaken by Internal Auditor
	Terms of reference define audit responsibilities in relation to fraud	Yes, detailed in approved Anti-Fraud manual
2. Independence	Internal Auditor has direct access to those charged with governance.	Yes
	Reports are made in own name to management.	Yes
	Auditor does not have any other role within the council.	Yes
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	Yes
4. Relationships	Responsible officers (Town Clerk (RFO), etc) are consulted on the internal audit plan and on the scope of each audit.	Yes
	Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters.	Yes, defined in approved Standing Orders, Whistle-Blowing Policy
	The responsibilities of board/council members are understood; training of members is carried out as necessary.	Yes
5 Audit Planning and reporting	The Audit Plan properly takes account of corporate risk.	Yes
	The Audit Plan has been approved by the council	Yes
	Internal Audit has reported in accordance with the Plan	Yes. Will be reported to Council 16 March 2021

## 2 Review of Effectiveness

Characteristics of 'effectiveness'	Evidence of Achievement	Suggested Response
Internal audit work is planned	Planned Internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	Yes
Understanding the whole organisation its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement.	Yes
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations and follow up action where called for.	Yes
Be forward looking	When identifying risks and in formulating the annual audit plan, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	Yes
Be challenging	Internal audit focuses on risks and encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.	Yes
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work.	Yes
	Internal auditor understands the body and the legal and corporate framework in which it operates.	Yes. Internal Auditor has worked for the City Council/Charter Trustees continuously since 1974.

## **Lichfield City Council**

### **TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2021-22**

As part of the monitoring of the Treasury Management Operation, the Town Clerk (RFO) will submit a financial progress report to Council each year on the activities of the Treasury Management Operation.

#### **THE POLICY**

That the Council adopts the CIPFA Treasury Management Code modified to the Council's requirements.

Treasury Management is defined as "the management of the local authority's cash flow, its borrowing and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks". (CIPFA)

The Council's treasury activities are for debt and investment management, and the Council will not take up speculative positions which may be interpreted as trading activities.

The purpose of this statement is to establish how the authority will manage its activities in relation to borrowing and investments.

#### **Borrowing**

Local council borrowing is governed by Schedule I of the Local Government Act 2003. Parish and town councils in England have to apply and receive permission from the Department for Communities and Local Government, before taking any borrowing. Temporary borrowing (i.e. up to 364 days) does not require such approval.

The authority will review its borrowing requirements annually when formulating its annual budget. The Council currently has no borrowing, and no borrowing requirement has been identified for 2021-22

#### **Investments**

The Council adopts the guidance under section 15(1)(a) of the Local Government Act 2003. The authority will review its Investment Strategy annually (see investment Policy below).

#### **Treasury Management Practices**

The Council has adopted the Treasury Management Practices (TMP) which set out the manner in which the authority will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.

#### **The Treasury Management Strategy Statement 2021-22**

The Treasury Management Strategy details the expected activities of the treasury function in the financial year 2021-22.

Borrowing - there is not anticipated to be any borrowing requirement for the year.

Investments - to be in accordance with the approved Investment Strategy.

## INVESTMENT POLICY

With reference to Secretary of State's Guidance under section 15 (1)(a) of the Local government Act 2003 and the CIPFA Code of Practice for Treasury Management in the Public Services.

### ANNUAL INVESTMENT STRATEGY

Definition of Treasury Management in the Public Services: "The management of the organisation's cash flow, its banking, money market and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

#### Strategy Guidelines

The main principles governing the Council's investment criteria are the security and liquidity of its investments before yield, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity.

The Council will ensure it has sufficient liquidity in its investments. For this purpose, it will set a minimum amount to be held in short term investments (specified investments). This is set out in liquidity investments below.

The RFO will maintain a counterparty list in compliance with these criteria and will revise and submit to Council for approval as necessary.

#### Liquidity of Investments

The Council will carefully balance the use of short term or specified investments and non-specified investments. All the core investment balance and any cash flow investments will be maintained as short term or specified investments.

#### Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets where the possibility of loss of principle or investment income is low. These would include investment with:

- The UK government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity)
- A Local authority, parish or community council
- An investment scheme that has been awarded a high credit rating by a credit rating agency
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society).

Credit Rating Agency - Standards & Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Council has set additional criteria to say the time and amount of monies which will be invested in these bodies. These criteria are:

Security	Limit
Marketable securities issued or guaranteed by the UK Government i.e., UK Treasury bills or a gilt with less than one year to mature	The authority has no plans to invest in such securities and would require specialist advice in order to do so.
Other Local authorities, parish councils or community councils.	The authority has no plans to invest in these institutions.
Fixed Term Time deposits.	Approve – UK clearing Banks Nat West to a maximum limit of £4,000,000
Money Market Funds	The authority currently has no plans to invest in these funds. Any change to this policy would require approval by full Council

### Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as specified above). These investments have a greater potential risk.

These would include sterling investments with:

- Securities admitted to the Official List of the Stock Exchange which are guaranteed by the UK Government (such as supranational bonds). These are fixed income bonds although the value of the bond may rise or fall before maturity. The bond may be sold before maturity.
- Gilt edged securities with a maturity of greater than one year
- Institutions not meeting the basic security of greater than one year
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a majority of greater than one year

Security	Limit
Security issued or guaranteed by non-UK EU governments and Supranational securities	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.
Gilt edge securities	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.
Securities issued by corporate, banks and building societies, including floating rate notes, commercial paper, assets backed securities and certificates of deposits longer than 1 year.	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.

**LICHFIELD CITY COUNCIL  
RESERVES POLICY**

**1. Introduction**

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. Section 50 of the Local Government Act 1992 requires that local precepting authorities have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing-this forms part of the general reserves;
- A contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves;
- A means of building up funds often referred to as earmarked reserves, to meet known or predicted requirements.

**2. General Fund Balance**

The general fund balance, commonly termed the 'working balance' is a balance on the council's revenue account which is not held for any specific purpose other than to cushion the council's finances against any unexpected short term cash flow problems.

The general fund balance is to be maintained at a level based upon a risk assessment carried out by the Responsible Finance Officer (RFO). The working balance to be maintained at a level approximately equal to the Precept Requirements.

When setting the budget for the forthcoming year. Any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept.

**3. Financial Risk Management**

In order to assess the adequacy of the general fund when setting the annual budget, the RFO will take account of the strategic, operational and financial risks facing the council. The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the council's main areas of income and expenditure and take into account provisions and contingencies that may be required.



The main items to be considered are:

<b>Financial Risk</b>	<b>Analysis of risk</b>
Inflation assumptions	Inflation increases at a higher rate than assumed for items such as Pay Awards, Utilities and Supplies and Service Costs.
Insurance	To enable the Council to meet the excesses of claims not covered by insurance
Collection of Income	There is a reduction in collection performance for Guildhall and Markets
Elections/referendum	insufficient resources to meet Parish elections/referendum costs
Grounds Maintenance costs	Impact of unexpected increase in costs
Impact of Vat Tribunal Decisions	Impact of back dated Vat liability
Contingencies	To meet unexpected events or emergencies
Pandemic	To meet the impact of COVID-19 on Services

#### **4. Statutory Reserves**

Local Authorities also hold reserves that arise out of the interaction of legislation and proper accounting practices.

- Section 106 agreements with Developers
- Neighbourhood Plan – Community Infrastructure Levy (CIL)

#### **5. Earmarked Reserves**

Earmarked Reserves represent amounts that are generally built up over a period of time which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects. The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. The Council, when establishing an earmarked reserve, will set out:

- The reason/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the management and control of the reserve; a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

The following earmarked reserves will be held by the council;

Budget description	Use	Total Reserve 2020/21 £	Total Reserve 2021/22 £
<b>Repairs and Renewal-Buildings</b>			
Dr Johnson Birthplace Listed Building No 1292492 Grade I	To provide for future capital works and maintenance		
Guildhall Listed Building No 1187740 Grade II			
Donegal House Listed Building No 1209722 Grade II*			
Cruck House Listed Building No 1194899 Grade II*			
Friary Clock Tower Listed Building No 1218909 Grade II			
War Memorial and Garden Wall, Balastrade and Gate Listed Building No 1187733 Grade II*			
Boswell Statute Listed Building No 1187726 Grade: II			
Dr Johnson Statute Listed Building No 1217846 Grade: II*			
Stafford Road, Pinfold Listed Building No 1194898 Grade: II			
Borrowcop Pavilion Listed Building No 1187718 Grade: II			
Prince Rupert's Mound Listed Building No 1021362 Ancient monument			
Grey Friars Listed Building No 1008544 Ancient Monument			
Community Centres -Curborough, -Boley Hall, -Darwin Hall.			
Market Square and Toilet Block			
All Properties			
<b>Repairs and Renewals-Street Lighting</b>			
Street Lighting	To provide for replacement and updating of Street Lighting		
<b>Repairs and Renewals-Open Spaces</b>			
Open Spaces	To provide for footpath resurfacing and replacement and updating of equipment/Bus Shelters		
	<b>Total</b>	<b>£1,726,450</b>	<b>£1,569,674</b>
<b>Rent Deposit Scheme</b>			
Donegal House-Tenants	In accordance with the Rent Deposit Deed		
	<b>Total</b>	<b>£0</b>	<b>£0</b>
<b>Election Reserve</b>			
Parish Election	To build up the reserve over 4 years to fund the elections in May 2023 and any ad hoc bye-elections		
	<b>Total</b>	<b>£34,080</b>	<b>£34,080</b>
<b>Community Infrastructure Levy (CIL)</b>			
Neighbourhood Plan-Meaningful Proportion	In accordance with the requirements of CIL		
	<b>Total</b>	<b>£43,078</b>	<b>£43,078</b>
<b>Total Earmarked Reserves</b>		<b>£1,803,608</b>	<b>£1,646,832</b>

## **6. Review of adequacy of balances and reserves**

In assessing the adequacy of reserves the strategic, operational and financial risks facing the authority will be taken into account. The level of earmarked reserves will be reviewed as part of the annual budget preparation.

**LICHFIELD CITY COUNCIL**

**AUDIT PLAN**

**1. Purpose of the Report**

To consider the work programme for the Internal Auditor for the year 2021-22 onwards.

**2. Statement of Reasons**

The internal Auditor must ensure that all activities of the Council are subject to an internal audit review in accordance with the Accounts and Audit (England) Regulations 2011

The identification of these activities has been agreed with the Town Clerk, taking into account perceived priorities and risks, which cumulates in the production of a three-year strategic plan.

The Audit Plan has been compiled and is set out below.

The plan is based upon the following principles:

- An attempt has been made, based upon the internal auditor's experience, to target areas that are known to be high risk
- Based on information available, to include those areas which have not been subject to a recent audit review

By achieving the Audit Plan, the internal auditor will be providing the Town Clerk and councillors with the necessary assurance that the internal controls are in place and are operating effectively.

At the end of each year, an audit report will be issued detailing the findings of the reviews together with any recommendations required to be implemented in order to achieve the required level of control.

**3. Recommendation**

To approve the Audit Plan.

## **AUDIT PLAN**

### **1. Financial Services**

- 1.1. Fraud and Corruption Checklist
- 1.2. Main Accounting System
- 1.3. Creditors
- 1.4. Sundry Debtors
- 1.5. Payroll
- 1.6. Management of VAT
- 1.7. Banking Arrangements
- 1.8. Petty Cash
- 1.9. Income Monitoring
- 1.10. Budgetary Controls
- 1.11. End of year closedown
- 1.12. Statement of Account

### **2. Strategic Policies**

- 2.1 Treasury Management Policy and Strategy Statement
- 2.2 Investment Policy
- 2.3 Treasury Management Practices

### **3. Specific Reviews**

- 3.1 Financial Regulations and procedures
- 3.2 Contract Standing Orders
- 3.3 Review Internal Audit Recommendations
- 3.4 Capital Works
- 3.5 Local Government Transparency Code 2015
- 3.6 Insurance
- 3.7 Members Code of Conduct and Disclosure of Interests
- 3.8 The Samuel Johnson Birthplace Museum
- 3.9 Policy and Procedure Documentation-Employees
- 3.10 Further Developments
- 3.11 Review of Corporate Governance
- 3.12 Markets – Evolving CJ Events/LCC relationship
- 3.13 Any other areas Identified during the year of Audit

### **4. Management and Insurance Risk Register**

**For Council: 16 March 2021 APPENDIX 3**

**Lichfield City Council**

**Minutes of the Meeting of the Markets Working Group (MWG) held via 'Zoom'  
on Wednesday 10 March 2021 at 10:00am**

**PRESENT:** Councillors J Checkland (Chairman), P McDermott, J Smith, C Spruce and M Warfield.

**IN ATTENDANCE:** S Thomas (Deputy Town Clerk), A Briggs (Town Clerk), Lucy Clarke (Civic Officer).

**APOLOGIES:** None

**31. DECLARATIONS OF INTEREST AND REQUESTS FOR DISPENSATION**

None

**32. MINUTES OF PREVIOUS MEETING**

**RESOLVED:** *The Minutes of the MWG meeting held on 16 December 2020 be confirmed as a correct record [Minutes received by Council on 25 January 2021].*

**33. MATTERS ARISING FROM MINUTES**

None.

**34. REVIEW OF MARKET RENT INCENTIVES**

The Working Group considered the agenda report which provided an update on the current situation regarding rental incentives and agreed no additional incentives be applied at this time.

**RESOLVED:** *That the report be noted.*

**35. MARKET LICENCE DOCUMENTATION**

Members considered the agenda report, which highlighted the Internal Auditor's recommendation that the text of LCC Market licences be updated, and the draft 'Terms and Conditions' document that was presented for consideration. The 'Terms and Conditions' document is based on CJ Events documentation but has been significantly amended to accurately reflect LCC's General markets and the Council's ownership thereof. The Working Group discussed the draft terms and amendments were agreed to the final point of Section 15 and an addition to reflect government proposals in 2020 to extend single use carrier bag charges to all businesses in Section 14. The MWG noted that there were no changes to benefits such as holidays/skip provision/access to the toilet and kitchen block etc within the draft terms.

**RESOLVED:** *That the report be noted.*

**RECOMMENDATION TO COUNCIL:** *That the draft 'Terms and Conditions' document [Appendix A to these Minutes] be adopted.*

**36. FUTURE RELATIONSHIP WITH CJ EVENTS**

Members considered the brief agenda report, confirming that while there was no current intention to transfer the general market provision to CJ Events, a good relationship exists and opportunities for information sharing and collaborative working are being explored.

**RESOLVED:** *That the report be noted.*

**37. DELEGATED AUTHORITY**

The existing delegated authority – with the exception of that mentioned at Minute 34 above – expires on 31 March 2021. These powers include the introduction, variation and removal of rental incentives. The Working Group agreed that the existing delegated authority had worked well and that a request to Council for an extension of those powers was appropriate.

**RECOMMENDATION TO COUNCIL:** *That existing delegated authority powers as resolved previously by Council with an expiry date of 31 March 2021 be extended until such time as the MWG is dissolved, or upon request of the MWG, or resolution of the council.*

**38. PRODUCERS' MARKET - APRIL**

The Working Group considered the brief agenda report which sought guidance as to whether the Producers' Market should take place on Easter Sunday 2021. It has previously been the case that bookings on the Square have not been accepted on Easter Sunday. It was unanimously agreed that the event should go ahead. The Working Group emphasised that the Producers' Market had quickly established itself and had become a popular attraction, and it was believed the general public and traders alike would wish the event to go ahead. The Chairman asked that formal thanks to Cllr C Spruce be recorded, as it was at Cllr Spruce's suggestion that initial contact was made with CJ Events to develop and host the Producers' market.

**RESOLVED:** *The Producers' Market scheduled for the first Sunday in April (Easter Sunday) to proceed as planned, and the thanks of the Working Group to Cllr Spruce be recorded.*

**39. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:** *that in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, by reason of the confidential nature of the business next to be transacted, the public and press be excluded from the Meeting.*

**40. MARKET OFFICER UPDATE**

The Working Group considered the Town Clerk's confidential report. While noting that the recruitment of a Markets officer would ultimately be a matter for the City Council's Staffing Committee, the MWG agreed unanimously that current arrangements offered a good compromise between the experience and expertise of CJ Events and the benefits they bring to Lichfield's General Markets, but with LCC retaining control of those markets through its existing staff and committee structure. While not ruling out long term employment of a Market Officer by the City Council, the MWG is keen to see how the existing provision benefits the Market operation. The Chairman requested confirmation that these arrangements would not result in the City council losing close officer and member oversight of the Markets. The Town Clerk confirmed that arrangements put in place by the City Council's Staffing Committee in 2020 provided for a close working relationship between Markets Officer/s and the Civic Officer at both an operational and strategic level.

**RESOLVED: That the update be noted.**

**RECOMMENDATION TO COUNCIL:** *That the existing Market staffing provision, which is based on an agreement with CJ Events to supply Market Officers, be retained. The MWG to review the situation as lockdown eases and to make further recommendations as appropriate.*

**41. INSTRUCTIONS TO MARKET OFFICERS**

Members considered the confidential agenda report. The MWG agreed unanimously that abuse of LCC staff, or other individuals acting on behalf of LCC, was inappropriate. The Town Clerk has instructed Markets staff to be firm but fair with Traders, and not to tolerate abuse; such actions to be pursued under the prevailing disciplinary terms of the approved Terms and Conditions document.

**RESOLVED: That the report be noted**

**42. PROVISION OF LCC OWNED MARKET STALLS**

The Working Group considered two separate points; the supply (or not) of LCC owned market stalls for the remainder of the existing contract, and secondly, an early draft report, scheduled to be presented to council in April, regarding the impending expiry of the existing market stall supply and storage contract. The MWG was unanimous in its view that the stall contract should not be extended.

**RESOLVED:**

**a) That subject to adoption by Council of the recommendation at Minute 37, the MWG extend the resolution that stalls will not be provided on LCC Markets from the current date of 31 March 2021 (that being the expiry date of the MWG's current delegated authority) to the expiry of the current supply/storage contract in November 2021.**

**b) The draft report that considers the expiry of the current market stall supply and storage contract be presented to Council at its April meeting, and to incorporate the views and recommendations of the MWG as discussed at the meeting.**

**43. DATE AND TIME OF NEXT MEETING**

Confirmed as Wednesday 9 June at 10:00am.



**44. ANY OTHER BUSINESS**

1. Officers confirmed that the first market where relaxation of lockdown restrictions could be applied was currently Tuesday 13 April 2021. It was likely that a rota system would be required on the Market Square for the Saturday Market due to the volume of traders who wished to attend and the need to maintain social distancing and the one-way system in line with anticipated regulations.

2. Cllr P McDermott asked that consistency be applied in the naming of the Working Group, with it sometimes being referred to as 'Markets Working Group' and other times 'Market Working Group'. It was agreed that 'Markets Working Group' was the preferred option.

3. The Civic Officer asked for clarification as to the prevailing Service Charges. Currently, as a result of lockdown, service charges are £5 on Friday and Saturday Markets, and £3 on Tuesday markets. The matter was discussed by the Working Group and it was

***RESOLVED: that service charges be set on a 'per pitch' basis as was the case prior to COVID-19, the rates to be £2 per pitch for Tuesday Markets and £3 per pitch on Friday and Saturday Markets.***

**THERE BEING NO FURTHER BUSINESS**

**THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10:49am**

## MWG MINUTES 10 March 2021 - APPENDIX A

### Lichfield City Council Market Terms and Conditions Version 1.0 (2021)

#### 1. GENERAL REGULATIONS

1. These Regulations shall apply to the conduct and organisation of all markets which are managed by Lichfield City Council. For the purposes of this document the 'Operator' is Lichfield City Council or any individual or company acting on the appropriate authority of Lichfield City Council.
2. Nothing in these Regulations shall be construed as placing an obligation on the Operator to provide a Market on each Market Day, but it is agreed that the Operator will endeavour to provide the Market except where prevented from doing so by circumstances beyond its control. To meet this obligation, the Operator may, at its absolute discretion, restrict, re-site or alter the layout of the Market.
3. All traders must provide the Operator with a valid Public Liability Insurance Certificate with a minimum cover of £5,000,000 and Registration with Environmental Health (if selling consumable goods). Traders unable to produce documentation will forfeit their right to trade until they are able to do so. These documents will be subject to annual inspection.
4. All Traders must notify The Operator immediately, in writing, of any changes to the details provided in their original application to trade form, including Emergency contact details; it is the traders' responsibility to ensure the Market Operator is in receipt of up to date details.
5. No Trader is permitted to trade from the Market until their application to trade has been processed and accepted by the Operator.
6. All Traders must adhere to Government guidelines as may be issued from time to time, including but not restricted to; social distancing, wearing of face masks, provision and use of hand sanitiser etc.
7. The Operator will retain all Traders contact details and records in line with current GDPR legislation.

#### 2. ALLOCATION OF STALLS

1. Any person wishing to obtain a Stall or Pitch should contact the Operator for written information about market days, times, rents and where to attend for the allocation of a Stall or Pitch.
2. The allocation of Stalls or Pitches will be at the absolute discretion of the Operator. The selection will be based upon the range of goods represented on the Market at the time when the Stall or Pitch is to be allocated, the balance of goods represented on the Market at the time when the Stall or Pitch is to be given, and the length of time and how often any Trader interested in the Stall has been trading at the Market.
3. So far as is practicable, the Operator will ensure that Regular Traders are allocated the same Stall or Pitch on each Market Day. Exceptions may apply during government restrictions i.e., social distancing and one-way pedestrian traffic.
4. Stalls/pitches cannot be transferred without written permission from the Operator. Stalls/pitches cannot be sublet.

5. Each Trader shall accept full responsibility for, and indemnify the Operator against, all claims for personal injury, damage to property, nuisance and any other damage or expenses by whomsoever the claim is made and from whatever cause, arising out of, or in connection with, the use and occupation of the site allotted to him/her. All Traders must be covered by third party insurance, either by the membership of The National Market Traders Federation (under their insurance provision) or by other arrangements.

### **3. ATTENDANCE AT MARKET**

1. Traders must arrive by 8.30am in order to secure their stall/pitch. After 8.30am the stall/pitch may be let to another trader.
2. Traders will continue to trade from their stall between the advertised opening hours of the market unless otherwise authorised by the Operator. No trading activity will occur after these times.
3. All Trader's vehicles must be removed from the Market Site and/or its approach roads no later than 15 minutes before the start time i.e. 8.45am. No Trader's vehicles will be permitted on the Market Site between the advertised market opening times without the express permission of The Operator. Between these hours vehicles must be parked away from the Market Site and not obstruct any highway, other public rights of way or approach to the Market Site.
4. If a trader needs to leave the market during the trading day then all goods must be walked off the market site, the market operator must be informed as soon as possible.
5. Loading times are 4pm - Tuesdays, Fridays (all year), Saturdays - 4pm (Winter) 4:30pm (Summer). Changes to loading times are broadly set in-line with time changes between British Summer Time and Greenwich Mean Time. All vehicles must be cleared from the Market Square within one hour of the end time of the Market. In certain circumstances the Operator may advise Traders of a requirement to clear the Square at an earlier time due to relocated Markets, Fairs or other events. Such requirements will be communicated to traders in good time.
6. No parking on the Market Square outside of the provision above is permitted without the express consent of the Operator; failure to adhere to this condition may result in action being taken under the Disciplinary Procedure (Section 11).
7. There is no Market held on the Tuesday following Spring Bank Holiday (Bower Fair). For Tuesday traders this occasion is to be taken as 'holiday'.
8. Non-attendance will be subject to arrears, unless a dispensation for such arrears is granted. If such a dispensation is requested, it must be submitted in writing to the Town Clerk, together with reasons why the dispensation should be granted. The Market Officer cannot grant such dispensation. At the discretion of the operator, a general dispensation regarding arrears may be given to traders in certain circumstances (for example, self-isolating, shielding etc as experienced with COVID-19). The Operator may request appropriate confirmation of entitlement to such dispensation (e.g. GP letter) and/or require certain documentation prior to a return to the market (e.g. a negative COVID test). Full details of any such general dispensation and conditions thereof will be circulated to traders by the Operator as and when such circumstances arise.
9. Non-attendance - where there are 4 consecutive absences by a trader, and explanations provided for such absences are not considered acceptable by the Operator, termination of stall/pitch will be considered.

#### 4. MARKET STALLS/PITCHES

1. A pitch of 10ft x 10ft (3m x 3m) will be allocated onto which the trader may erect a stall. Traders requiring any extra area will be required to purchase an additional pitch. A service charge, not greater than that levied for the first pitch, may be charged for any and all additional pitches hired. Such additional service charge provision is not enforced at the time of preparing these terms and conditions due to COVID-19; if such provision is to be reintroduced, Traders will be given a minimum 14 days' notice.
2. Traders are not permitted to move Stalls/Pitches from the set positions.
3. There will be authorised exceptions where it is impractical to trade from a Stall. Written authority will be granted by the Operator to the Traders concerned, including authorisation by the Operator as to the method of trading to be used by the Traders.
4. All gangways where the public has access between Stalls or Pitches and to the front and rear of Stalls or Pitches must be kept clear at all times.
5. Traders will be allocated a Stall/Pitch and must confine their trading activities on the Market Site to these areas. No merchandise or other items belonging to or associated with a Trader will be placed in any part of a roadway or passage on the Market Site, which is not part of their Stall or Pitch for longer than is reasonably required.
6. The 1 metre area on the edge of the Market Square that faces Conduit St, Market St and Breadmarket St is not the property of the City Council; no trade will take place within this area. Similarly, the cobbled area in front of St Mary's is not City Council land and should not be used for trading or storage. Traders are particularly asked not to place any items against the fabric of the St Mary's building. Failure to comply with these requests may result in action being taken under the Disciplinary Policy (Section 11).
7. Traders shall take all steps to ensure that their Stall is kept in good condition.
8. The accessways to St Mary's Centre (this includes the kerb and road area directly opposite the entrance) and the entrance to the toilet block, shall always be kept clear of obstructions.
9. No Trader to keep any live animal at their Stall/Pitch except for guide dogs (unless authorised by the Operator).
10. All facilities on the Market Square and surrounds belonging to the Operator for the use by Traders shall be used only for the purposes for which they were provided. The cost of the repair of any damage caused to these facilities by a Trader will be recharged to that Trader.
11. Traders will be responsible for making good to the satisfaction of the Operator any damage which they may cause to the Operator's property during their occupancy of a Stall or Pitch or actions associated therewith.
12. No trader shall use additional bars to extend the size of Stall/Pitch or use extra area unless the Operator has granted authority.
13. Sale of alcohol on the market square is strictly controlled and any trader wishing to sell alcohol must gain prior written consent from the Council by satisfying the Council's requirements.
14. Stall Identification - Traders must display a trading name clearly visible from the front of the stall.
15. A first aid kit must be available at all times.

## **5. MARKET ELECTRICAL SUPPLIES**

1. Where Traders are required to use electrical ancillary equipment due to legal requirements, the Trader must provide to the Operator proof that their equipment has been checked by a qualified electrician every 6 months (PAT tested). No other equipment will be permitted.
2. A fee will be chargeable for power as outlined in your application. This must be paid in advance of the market.
3. Any Trader using unauthorised equipment, including lighting, will have that equipment disconnected and may face immediate removal from the Market.
4. No generators are allowed unless permitted by The Operator.
5. Connection to the electricity supply is via a round blue 16-amp plug, not a 3-pin plug.
6. Electricity is charged at £1 per appliance, per day.
7. Traders are to supply their own 110v light bulbs on Fridays & Saturdays and supply their own stall lighting equipment if required on Tuesdays.

## **6. CANCELLATION/CONSOLIDATION OF MARKET/SEVERE WEATHER POLICY**

1. The Operator may, under the Severe Weather Policy, (available on request) cancel or close the Market in its entirety, or close down certain areas at its discretion. Payment for stalls will be transferred to the next available Market day IF closure takes place before 12.30pm.
2. If the Operator cancels the market, no trader is permitted to trade on the Market Square, even if traders have their own way of trading (including from vehicles) without the express consent of the Markets Operator.
3. If the Operator determines that a scheduled market is to be cancelled due to weather conditions, then Traders will be informed no later than 4pm the day before the scheduled Market.

## **7. TIDINESS OF THE MARKET**

1. Traders are to take all refuse and/or litter home with them or dispose of same in the skip if provided. Skip is provided on Fridays and Saturdays ONLY (additional service charges apply). If waste and/or litter is left on any area of the Market Square (including the area around the skip) at the end of a Market Day, or littering by Traders on other land is evidenced, the Trader/s responsible may be given a Warning.
2. Any trader found attempting to dispose of rubbish/refuse from home or another market, will be (depending on the severity of misconduct) either be issued with a Warning under section 12 or be subject to suspension or exclusion from the Market.
3. Kitchen and toilet facilities on the Market Square are provided by the Operator for the traders' use only. They must be left clean and tidy and are not to be used as changing or fitting rooms by the general public. Any items left in the kitchen will be removed and discarded.
4. Friday/Saturday Market – Use of skip – All boxes are to be flattened and placed, along with all other rubbish, in the skip provided by the Council. Please leave your Stall/Pitch tidy. The public litter bins are NOT to be used for market waste.

## **8. RANGE OF GOODS**

1. A Trader must not make any material change in the class of goods sold as indicated in their registration document without obtaining the Operator's prior written consent. Approval will only be given if the balance of the market is not directly affected or there is an opportunity available through a stall/pitch vacancy to offer the range of goods previously sold at a vacant stall/pitch.
2. The Operator cannot provide any guarantee that Traders selling similar goods will not be adjacent to or in the same vicinity of each other. However, every effort will be made to avoid this.

## **9. FEES AND CHARGES**

1. Charges for the use of Stalls and Pitches shall be fixed by the City Council and reviewed annually as a minimum.
2. All fees to be paid in advance where practicable. Payments on the day of the market to be by Debit/Credit card ONLY– no cash, cheques or BACs will be accepted.
3. Pre-bookings are not confirmed until payment has been made. The Operator has the right to withdraw unpaid applications at any time.
4. Any Trader failing to meet their obligations within the required payment arrangements and accruing arrears will not be permitted to continue trading on any Market until their account is brought fully up to date to the satisfaction of the Operator.
5. Two trading days 'free holiday' will be granted pro-rata to those traders who have traded consecutively for 12 months, providing that at least 10 days' advance notice is given. Payment in full will be required for any further non-attendance unless the Markets Officer is able to receive full rent from letting the stall/pitch in question, on a charged basis, to another trader on the day.
6. No refunds, transfers or changes will be permitted once a booking has been paid for any reason unless the market has been cancelled by the Operator.

## **10. CONDUCT**

1. Traders must respond co-operatively to any direction given by the Market/Event Manager (or person acting in such capacity or other representative of the Operator) in relation to the operation and occupation of their stall, equipment, goods and vehicle during operating times and any direction of a security or safety nature.
2. A Trader and any persons employed by them shall conduct business in an orderly manner and shall not ring any bell, blow any horn, play any radio, use amplifying equipment, or use any other noisy instrument to attract the attention or custom of any person. Product promotion by shouting or 'pitching' is also not permitted without the express permission of the Operator.
3. A Trader and any persons employed by them shall not engage in conduct which causes or is likely to cause nuisance, harassment, alarm or distress to others nor incite or encourage others to act in such a manner.
4. Traders must not act in a confrontational/aggressive, verbally or physically abusive, dangerous, or disruptive manner to members of the public, other traders or representatives of the Operator. Traders in violation of this requirement will be subject to sanction under point 12 of these terms and conditions. A zero-tolerance policy to such behaviour will be pursued by the Operator

5. The sale or display of any items or products that, in the Operator's opinion, are likely to cause public offence or pose a threat to public safety will not be permitted.
6. Traders must drive within the Market area at a safe speed that is no greater than 5MPH, and with their hazard lights on.
7. Smoking or consumption of alcohol is not permitted behind any stall.

#### **11.DISCIPLINARY PROCEDURE**

1. Traders who contravene any of these Regulations will be issued with a Warning except when the Regulations provide for another remedy such as suspension or immediate exclusion.
2. Traders will be given a copy of any warnings issued and will be retained on the traders file for a period of 12 months.
3. The Operator may inspect the Market at any time during the Market Day and issue a Warning for any contravention of the Regulations. A further Warning may be given for any repeated contravention committed on the same Market Day.
4. Each Market Day will be administered individually. Any contravention will be applied for that particular Market Day and shall not prevent further Warnings being served for infringements on consequential Market Days except in the case of serious misconduct.
5. The following scheme will operate upon the issue of Warnings:
  1. Receipt of **three Warnings** within any 12-month period will result in **First Suspension Notice** being issued and a suspension for two of the Trader's usual Market Days. Rent will be payable for the Market Days from which the Trader is suspended.
  2. **Receipt of a further Warning within 3 months** of having received a First Suspension Notice will result in a **Second Suspension Notice** being issued and a suspension for four of the Trader's usual Market Days. Rent will be payable for the Market Days from which the Trader is suspended.
  3. **Receipt of a further Warning** within 3 months of the second suspension will result in an **Exclusion Notice** being issued.
  4. A Trader who receives a Second Suspension Notice or an Exclusion Notice may **appeal** against their suspension within 3 working days of the receipt of either Notice by writing to the Town Clerk and setting out their grounds for appeal. At the discretion of the Operator, the Trader may continue to trade at the Market until the determination of the appeal. (see Section 13).

#### **12.SERIOUS MISCONDUCT**

1. Any Trader who commits serious misconduct will be liable to immediate exclusion from all Markets.
2. The following are examples of Serious Misconduct; this list is not presented as being exhaustive:
  1. Acts of dishonesty such as Police enquiries against any trader which results in legal proceedings or immediate removal.
  2. Acts of indecency.
  3. Any deliberate act causing, or likely to cause, death or personal injury to a person.

4. Acts bringing the Market into disrepute such as fighting, selling defective or fake goods.
5. Obscene or abusive language.
6. Abusive or confrontational behaviour towards Market Officers, persons acting in that capacity, or the Operator's staff whether in person or via electronic communication methods.
7. Trading whilst under the influence of alcohol
8. Illegal trading.
9. Breach of any emergency regulations that may be introduced either locally or nationally (e.g. COVID-19 response)
10. No insurance cover.
11. Persistent failure to pay Market rent on time.
12. Trading from the Market site when the Market is cancelled.
13. Selling replica firearms or offensive weapons of any kind.
14. Stallholders and their employees shall not sell the following items; sharp implements including knives, solvents, cleaning fluids, lighter fuels, or any other such substances to persons under 18 years of age.
15. Sale of medicines, i.e. paracetamol, drug related goods or cigarettes are not permitted.
16. A Trader who sublets a stall.
17. Failure to adhere to legislation that applies to Trading Standards, Food Hygiene Regulations, Health and Safety requirements, TENs Notices etc
18. A Trader who is licensed to sell alcohol doing so to persons under 18 years of age.

### **13. APPEALS PROCEDURE**

1. Traders may appeal in writing to the Town Clerk against any exclusion or suspension within 3 days of the receipt of the notice, clearly setting out the grounds for appeal. Appeals by text message, or that do not provide grounds for appeal, will not be accepted.
2. A hearing for any qualifying appeal will be heard within 7 working days. A Trader may present his/her case or be represented. In any event, the Town Clerk or authorised representative will give their decision in writing.
3. The Trader may further appeal to the Operator via the Chairman of the City Council's Markets Working Group in writing within 7 working days of receiving the Town Clerk's decision letter. An Appeals Committee will be convened by the Chairman of the Markets Working Group.
4. The decision of The Operator shall be final and binding except on the point of law.
5. At the discretion of The Operator, a Trader may be allowed to continue to trade pending the appeal's outcome unless he/she shall withdraw his/her appeal.
6. The decision of the Appeals Committee shall be limited to one of the three following outcomes:
  1. Allow the stallholder appeal; or
  2. Suspend the stallholder preventing trading for a period not exceeding 3 months or



3. Such a period as was set out in the Notice of Suspension whichever is the lesser; or
4. Terminate the stallholder's right to trade on any of the Authorities Markets.

#### **14.LEGISLATION**

1. Traders conducting from any Stall or Pitch a food business as defined by The Food Safety Act 1990 and any subsequent and amended legislation shall comply with such legislation and any amendments to the Operator's and Environmental Health Officer's satisfaction.
2. All Traders conducting a food business from a vehicle or trailer must be registered with their local enforcing authority's environmental health department and may be requested to complete a 'Permit to Trade form' for the local authority which the market falls under (Lichfield District Council). Traders must provide the name of the local authority they are registered with at the time of application.
3. Traders wishing to sell alcohol from any Stall/Pitch MUST obtain a Temporary Event Notice (TEN) by contacting the local authority Licensing Department for all alcohol sales as required by the Licensing Act 2003.
4. Traders wishing to sell Lottery tickets or offer a raffle MUST contact the local authority Licensing Department for advice before any such sales regarding their obligations and responsibilities under The Gambling Act 2005.
5. Traders shall comply with all statutory and other provisions, including Trading Standards, Consumer Protection and Health and Safety at Work Act requirements.
6. Traders shall ensure that all staff employed by them are legally entitled to undertake such work, either by age, qualification or residency.
7. Traders will comply with the conditions of the Single Use Carrier Bags Charges (England) (Amendment) Order 2021 and any subsequent related legislation that provides for charges to be levied on single use bags.
8. Traders will fully comply with all regulations and general laws which affect the conduct of their business, whether or not they are referred to within this section of the Terms and Conditions document.

#### **15.GENERAL OPERATING PROCEDURES**

1. Any complaints concerning the general operation of the Market should be raised in writing with the Deputy Town Clerk in the first instance.
2. Complaints received via text message will not be classed as an official complaint and will not be actioned.
3. A Single Stall or Pitch can be made available by The Operator for charitable purposes and will be charged at the rate for such as set by The Operator.
4. The Market Operator may take photographs of stalls and market layout on each market day, these photographs will be kept by The Operator as a record of layout and/or weather conditions.
5. Photographs of products/produce available on market days will be taken by the Operator for use on social media to promote the Market. The Operator will not take or publish pictures of individual stall holders or their staff without seeking their express permission.

6. Wherever possible, the Operator will actively promote the market on each market day to generate customers. Photographs of produce may be displayed on social media to showcase the range of items available on the market.
7. The Market mobile will be switched ON during Market Days, Tuesdays, Fridays and Saturdays from 7am until 5pm only.
8. All traders must agree to the terms and conditions set by the Operator whether they are a casual trader or long-standing trader.
9. If a trader wishes to become a permanent weekly trader, a retainer fee equivalent to one Stall/Pitch is payable to the Operator, this is kept as an additional day's rent 'in hand'. A trader must give the Operator two weeks' notice of termination of their intention to leave the market in writing to the Town Clerk. The Operator also has the same right to terminate the trading agreement by giving the Trader two weeks' notice of termination in writing from the Town Clerk or Market representative.
10. This document can be updated at any time by the Operator, with the revised document issued to all Traders. Traders will be required to sign any such revised document if they wish to continue trading at Lichfield Markets. Changes to this document may be subject to consultation with Market Traders at the discretion of the Operator; the terms of any such consultation will be shared with Traders as such circumstances arise. Updates to this document can be authorised by:
  - the Operator as a body (Lichfield City Council)
  - the City Council's Markets Working Group (via delegated authority from the Operator, such authority being granted by the adoption of this document by the Operator)
  - in emergency situations, by the Town Clerk in consultation with the Leader of the Council and the Chairman of the City Council's Markets Working Group. Any revisions under this authority to be reported to the Operator/Markets Working Group at the earliest opportunity
11. Any Traders wishing to oppose or question changes to this document (whether or not such changes are subject to consultation under point 9 above) should contact the Town Clerk in writing in the first instance.
12. This document was considered by the City Council's Markets Working Group at its meeting of 10 March 2021 and subsequently adopted by Council on 16 March 2021. It therefore constitutes a formal policy of Lichfield City Council that cannot be varied or amended by individual officers or members of the council outside of the scope included within this document.