



FY26/27 BUSINESS PLAN

VERSION 1 (JANUARY 2026)

PERIOD - 1st APRIL 2026 to 31st MARCH 2027

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1. EXECUTIVE SUMMARY

1.1 This document presents our FY26/27 Business Plan for LWM (Lichfield West Midlands Traded Services Ltd). The plan sets out the company's vision, broad strategic objectives and financial forecasts for the year. This includes:

- A review of the background and context to the company.
- Longer-term growth strategy for the business.
- Plans for pipeline schemes and scaling of the company.
- Profit and loss, balance sheet and cashflow for the company for the next year (2026/27).

1.2 The Board's strategy for LWM, which has formed the basis of the annual Business Plan each year of trading, remains to develop existing services (run for the council) and seek to trade those services to (primarily) public sector partners. Our intent is to ensure the services provided to our shareholder, LDC, are of the highest quality, well managed and resourced. With traded services, our mission is to be known for the quality we offer, while driving the highest level of profitability from those services we can. All surplus income is passed back to the council by way of dividend or fees, to support the council in funding its services to residents.

1.3 The number, diversity and range of services offered by LWM has been maintained in 2025/26 and it is these same services we propose taking forward into the new year:

Service Area	Recipient	Traded (Yes / No)
• Property & Project Management (inc. Landlord Services)	LDC / Other	Yes
• Talent Acquisition	LDC / LWM	Yes
• Communications	LDC / LWM	No
• Leisure Services	LDC	No
• Disabled Facility Grants	LDC	Yes
• HR function	LDC / LWM	No
• Finance function	LWM	No
• Company Secretary	LWM	No
• IT function	LWM	No
• Biodiversity	Other	Yes
• Planning Consultancy (inc. Major Applications service)	LDC / Other	Yes
• Temporary Accommodation / Housing	LDC	No

1.4 As LWM enters its 5th year of trading, our four core priorities are:

- Priority 1 Year 5 will prioritise achieving an increase in the overall profitability of the company to create a larger financial return for the council.
- Priority 2 Grow our core trading services - Brokerage (Ecology BNG) service, Planning Consultancy and Talent Acquisition will continue their growth trajectories. We believe there is an opportunity for elements of Project Management and DFG services to combine to create a new 'Building Company' offer, marketing services to the wider public. Finance and Payroll have focussed on improvement in 2025/26, and this will continue for the first part of 2026/27, before they will be capable of seeking opportunities to trade.
- Priority 3 Consider alternative options (investment / acquisition) of appropriate activities to enhance the overall growth of the company and (if opportunity is identified) develop a business case for consideration by the shareholder.
- Priority 4 Continue to support the council in the acquisition and management of temporary accommodation and social housing.
- 1.5 This year's Business Plan demonstrates that through its current projected pipeline LWM Traded Services Ltd will:
- Generate a turnover of approximately £6.89m and a surplus of circa. £473k before a payment to the council for Corporate Services/Management Support.
 - Earn external income (non-council management fee) of approx. £1.7m.
 - Provide a year-end dividend payment of £100k.
- 1.6 This Business Plan does not include or allow for any extension of service provision or factor in any growth from new business streams beyond the areas of activity identified within this plan.
- 1.7 The council's approach to trading activity continues to attract recognition across the sector. This year the Board is seeking to build on that recognition, and further raise awareness of our key services, to generate more profit for the council.
- 1.8 The Business Plan is predicated on the council maintaining its transfer of services to the company on a contractual basis, maintaining its 100% share ownership and retaining its initial equity investment of £225k within the business.
- 1.9 No further investment in, or borrowings to, the company by the council are envisaged again within this plan period, unless requested by the council.

Should that requirement arise, this would be subject to the agreement of a separate business case.

2. INTRODUCTION

- 2.1 As this annual business plan has previously set out, our belief is that councils can no longer rely solely on in-house operations to deliver either public services or their own internal functions effectively. Many now use their legal powers to establish a mixed portfolio of provision involving delivery models that operate across areas including housing, adult services, place-based services etc.
- 2.2 Lichfield District Council has been bold in its use of LWM, and that progressive approach has led to financial and service level benefits.
- 2.3 Today, as we enter the 5th year of trading, the company is the flexible and autonomous vehicle intended at its inception - delivering services on behalf of its parent council (and other local authorities, public bodies and the private sector) and reducing costs and generating income for the council to support its activities and enhance service provision.

3. BACKGROUND

- 3.1 In 2019 the council established Lichfield Housing Ltd. The stated purpose of the company at the time was to undertake activities in relation to housing for commercial purposes and to trade within the district (and beyond). No sites or buildings were purchased, and no development schemes were ever undertaken.
- 3.2 The 'Being a Better Council' Programme approved by Cabinet in November 2021 included developing a revised business case for the council's trading activities through Lichfield Housing Ltd, identifying and evidencing those areas where the council can operate commercially and trade effectively.
- 3.3 In May 2022, the council's Cabinet agreed that Lichfield Housing Ltd should be repurposed and renamed LWM (Traded Services Ltd). It also agreed that a small number of initial services transfers across to the company which have been added to, to create the diverse range of activities offered today. Where further transfer of services is requested by the council's Cabinet, these must be determined by approval of an appropriate business case by the Board.

4. MISSION

- 4.1 To support the council's ambitions and needs through:
 - Improving services where it is felt it cannot be achieved within the council environs

- Generating financial savings through the management of costs and optimising trading revenue
- Improving organisational efficiency and agility, providing more streamlined systems and faster delivery
- Providing more competitive employment terms and options
- Creating a social return on investment through supporting local employment, local contractors, local community organisations etc

5. OBJECTIVES AND TARGETS

5.1 The objectives of LWM are:

- To provide good quality affordable services for the benefits of Lichfield district residents.
- To contribute to the general fund via a contribution from the company through charges levied on it by the council, and an annual dividend, that can be re-invested in services to residents.
- To remain financially viable and operate efficiently to ensure it receives sufficient income to meet all its costs including financing, management and operating costs.

6. COMPANY STRUCTURE AND GOVERNANCE ARRANGEMENTS

6.1 The development of an arm's length wholly owned services company has allowed for a more flexible and commercial response in order to improve 'value for money' and the efficiency, effectiveness and quality of services provided by and to the council, whilst also providing a capability to accelerate and deliver capital projects and potentially housing supply.

6.2 The Localism Act introduced a new 'power of competence' which has increased the council's ability to act innovatively including creating service/development companies.

6.3 As a company, it can undertake and borrow money if required to finance schemes either via the council or could, if necessary, borrow directly from banks and institutional investors.

6.4 The company is one limited by shares (CLS) which is considered the most appropriate form of vehicle.

6.5 The council is the sole shareholder of LWM and has ultimate control of its business activities.

6.6 The company has been established in accordance with the Companies Act 2006 including the appointment of a Board for the company. The Memorandum and Articles of Association is in a standard form.

- 6.7 A sound and robust governance structure of the company was initially put in place during FY23/24. This structure has been further enhanced, following an internal audit by the council, with the appointment of a fourth director during FY24/25, approved by the shareholder representative. While there have been changes to the individuals fulfilling these four director roles, the fundamental structure remains in place. The Board is currently seeking up to three suitably qualified NEDs (non-executive directors) that would take its complement up to the maximum 7 members set out in the company articles of association.
- 6.8 During 2025/26, the council's Cabinet implemented a change to how it governs the activities of the company. While the single shareholder representative remains, they are now supported by a Shareholder Advisory Board, made up of representatives from across the political spectrum.
- 6.9 The council remains the sole shareholder and approves the business plan and other key decisions such as additional borrowing beyond those agreed in the business plan. Regular reviews with the shareholder representative will continue to be undertaken.
- 6.10 Through the appointment of directors with appropriate skills and a managing director, the council delegates the day-to-day commercial operation of the business and the delivery of the business plan to those individuals within a framework agreed by the council. This will include:
- Entering into contracts for services
 - Agreeing the terms of funding and terms and conditions
 - Resourcing the company to meet the business needs
- 6.11 The flowchart at Annex A gives an overview of the governance arrangements for LWM. Annex B is a copy of the Company's Memorandum and Articles of Association, and Annex C is the Shareholders' Protocol Agreement.
- 6.12 Any loans entered will be documented within a loan agreement which sets out the deals and the terms of any funding arrangements between the council and the property company. No loan requirements are currently assumed in FY26/27.
- 6.13 The council will control the company at a strategic level with directors tasked with managing the company within a framework and through delegated authority as set out in the shareholder's agreement.
- 6.14 In addition, the company will be governed via a series of operational documents that will be approved by the council, namely:
- This annual business plan of activity, outlining the company's planned operations. Achievement of the business plan will be reviewed regularly (at least annually through the annual report) and cover the following:
 - a) Company objectives

- b) Governance arrangements
- c) Operational plans
- d) Financial models and assumptions
- e) Operational expenses
- f) Funding profile
- g) Profit and loss, balance sheet and cash flows

Together with operational policies relating to:

- a) Scheme of Delegation
- b) Other Policies

- 6.15 The chairperson of the company in 2026/27 is Kerry Dove. The Board also consists of the managing director, Simon Fletcher, who is the council's chief executive, Lizzie Barton, the council's director of resident & business services and Suzanne Jones, LWM's newly appointed finance director, who sit on the Board in a non-executive capacity.
- 6.16 Supporting the board as part of the senior leadership team is Ian Gardner, acting as company secretary, and Jim Faulkner, leisure services director.
- 6.17 Each of the business streams is headed up by a dedicated manager/director, managing a team of people responsible for delivering the service within an agreed budget and to expected service standards.
- 6.18 The company structure and leadership are reviewed annually to ensure it is fit for purpose and consideration may be given to the introduction of a full-time managing director and the development of a group structure where appropriate.

7. ORGANISATION, SENIOR STAFF & STAFFING RESOURCES

- 7.1 Year 5 (FY26/27), the period of this business plan, will see a continuation of the company objective to increase revenue from external sources and reduce reliance on management fees from the council. Those services which are now well established are best placed to do this and will again provide the majority of external revenue.
- 7.2 Year 5 services are:
- Project & Property Services (inc Business Hub)
 - Leisure Services
 - Talent Acquisition
 - Communications
 - Disabled Facility Grants
 - Planning (inc Major Applications)
 - Human Resources
 - Biodiversity
 - Finance

- IT
 - Company Secretary
 - Temporary Accommodation / Property Management
- 7.3 The company's staffing structure to manage and deliver these services is included at Annex D.
- 7.4 As outlined above **Simon Fletcher** is MD of the company. Simon is chief executive and head of paid service for Lichfield District Council. Simon has held a number of director roles within the public sector (Windsor & Maidenhead, Richmondshire, Hambleton and the Falkland Islands Government) and the private sector, where he was a partner at Agilisys Ltd. Simon fulfils the business development role and runs the business day to day.
- 7.5 The finance service is led by **Suzanne Jones**, who joined LWM in February 2026, replacing Andrea Felton. Suzanne brings a strong commercial finance background with extensive knowledge and expertise in the manufacturing industry, both in the UK and overseas. She is forward thinking, results driven and resourceful with a proven ability to challenge and improve processes, systems and procedures, drive cost down and improve working capital.
- 7.6 The leisure services director, **Jim Faulkner**, is responsible for the growing range of leisure facilities which contribute the largest element of the council's management fees, which includes two leisure centres and the current Beacon Park leisure offering. Approximately 190 full and part time staff are now employed by the company across Burntwood and Lichfield Leisure Centres. A key challenge for Jim in FY26/27, will be the successful launch and improving the ongoing commercial performance of our new Lichfield leisure centre. Promote and drive participation levels for the enhanced leisure offering in Beacon Park which will include 3 x Padel Courts, Improved 9-hole par 3 golf course and a Lichfield themed Adventure golf course.
- 7.7 Jim joined LWM in April 2025 and has worked within the leisure, health & wellbeing, and hospitality sectors since the late 1990s. Over the past 15 years, Jim has held senior management positions with a number of private-sector operators, leading teams, overseeing multi-site operations, and delivering improvements in service quality, financial performance, and organisational development. His depth of experience provides a strong foundation for strategic planning, business growth, and effective operational leadership.
- 7.8 **Helen McKenzie** heads up the Property & Projects Team. She is responsible for the strategic oversight, operational management, and continual improvement of the council's property and built-estate portfolio. This includes ensuring full statutory compliance across all assets, managing risk, and safeguarding the council's duty of care through robust FM and PPM arrangements.
- 7.9 Her remit covers the full lifecycle of the estate, including asset management, valuations, disposals and acquisitions, project development, capital delivery,

and contract management of a diverse range of external partners, surveyors, consultants, contractors, and statutory service providers.

- 7.10 Helen also leads on the council's Temporary Accommodation (TA) property operations. This includes identifying property opportunities, coordinating due diligence, leading on acquisition and refurbishment activity, and ensuring all TA units are safe, compliant, well-maintained and fit for purpose. She plays a central role in expanding and improving the TA portfolio.
- 7.11 With Helen are a RICS (Royal Institute of Chartered Surveyors) qualified Senior Surveyor and an experienced Project Manager who provide expertise and delivery support across the estate. The team is currently in a period of transition as roles and responsibilities are being strengthened to meet the growing demands of the council's property and temporary accommodation portfolios. Despite this transitional phase, the service continues to maintain strong oversight of compliance, asset management, project delivery, and contractor performance. Recruitment and restructuring activity scheduled for early FY26/27 will further enhance resilience, improve operational capacity, and ensure the team is fully equipped to support the council's ambitious capital and operational programmes.
- 7.12 Talent Acquisition is delivered by our TA Lead, **Hannah Fox**. Hannah joined LWM in the summer of 2023 with a 20-year background in recruitment through acquisition. Hannah has successfully started to sell her TA services to local authorities across England as well as the local private sector, and this will be a continued focus for her in FY26/27.
- 7.13 The Talent Acquisition (TA) service delivers a comprehensive search, selection, and talent introduction model to both internal and external business partners. Our approach goes beyond traditional recruitment by proactively sourcing and presenting hand-picked, high-quality talent that organisations would not typically access through standard advertising-led methods. This results in stronger candidate shortlists, reduced time-to-hire, and measurable savings on recruitment and advertising costs.
- 7.14 The Communications Service is headed up by **Lauren Hunt**, who joined the company in 2024. Lauren brings extensive experience in local government communications, marketing, place-making and stakeholder engagement. The service provides comprehensive communications support for Lichfield District Council, delivering corporate communications, campaign management, media relations, content creation and public engagement activity across a wide range of services and priorities.
- 7.15 The team also leads on the delivery of all external and internal events on behalf of Lichfield District Council, supporting key corporate objectives, community engagement and place-based activity. This includes the delivery and ongoing development of major events and initiatives, with a focus on growing their impact, reach and value year on year.

- 7.16 In addition, the service plays a central role in supporting the district's visitor economy through place marketing, events promotion and destination communications, while also supporting the continued development of the LWM brand and service offer, ensuring a consistent, professional and high-quality approach across all communications activity
- 7.17 Disabled Facilities Grants is headed up by **James Knott**. James joined the company in 2023 and led the team to an exceptional performance in FY23/24, FY24/25 and FY25/26, where momentum was maintained, the funding allocation of £1.37m was committed to the DFG project by midway through Q2, spend is tracking with this throughput and therefore they're on track to spend our annual allocation by year end.
- 7.18 In the DFG Service with James as Delivery Manager is a team of three staff, managing the service which includes two case workers and a technical officer. The team works closely with Staffordshire County Council who refer cases into the Lichfield service. The service takes these referrals through to adaptation delivery by assessing financial eligibility, physical eligibility (many of which are now via in house assessments) and compiling the necessary paperwork, all of which is carried out by our caseworker team, our technical officer produces the technical drawings, specification, procurement of work and finally on site supervision to bookend the DFG process.
- 7.19 The above skillset and model has helped the team attract additional business opportunities such as supporting our RSL's with their DFG applications as well as supporting Tamworth BC with their survey backlog. In 26/27 we're looking to accelerate plans outside of DFG, in collaboration with our projects and comms teams LWM will have a building services offering.
- 7.20 The Planning Consultancy services, launched on 1 April 2024 and now known as LWM Planning, are headed up by Managing Planning Consultant, **Ian Long**. Ian joined LWM in July 2024 after having been Planning Manager at a nationally operating Strategic Land Promoter as well as holding positions at planning consultancies in the Midlands. Ian is a chartered Member of the Royal Town Planning Institute, with approximately 10 years of experience in the field.
- 7.21 The experience that Ian has from working with promoters and developers has strengthened the commerciality of LWM Planning, which has created a collaborative and innovative way of operating the 'majors' planning function for and on behalf of the District Council. A key focus for the year ahead for LWM Planning is to move beyond the borders of Lichfield District, both through working for and on behalf of other Local Planning Authorities, or in offering 'Agency' services to prospective applicants, where Ian's background will be critical in building and promoting the services.
- 7.22 Human Resources is led by **Sharon Sumner** who joined the company in June 2025 as HR Director, bringing over 25 years' experience across all areas of HR. Since joining, the focus has been on stabilising and rebuilding the HR service following a period of change. The HR service supports approximately 215 LWM employees and 337 Council employees.

7.23 Biodiversity is headed up by **James Porter** and was launched in FY24/25. He provides a key brokerage service; connecting landowners and housing developers to deliver biodiversity net gain (BNG) in accordance with the Environment Bill 2020 and delivers BNG schemes on the council's own land. James is an experienced Ecologist, who prior to joining the company in 2024 ran his own consultancy company for 12 years. Having previously worked in both Principal Ecologist and senior management roles, James brings a combination of technical expertise and commercial acumen that allow him to work with clients/partners on how our biodiversity services can best feed into their overall project/ambitions.

7.24 The company's procurement requirements will possibly include:

- Client representatives/employers' agents.
- CDM (Construction Design Management).
- Architects/engineers.
- General Building and Property Maintenance contractors
- Leisure Services
- IT services

The company is subject to the public contract regulations in relation to procurement where applicable.

7.25 Where specialist support is required in fields such as Data Protection, IT etc these services are 'bought in' from third party providers the costs of which have been reflected in the budgets/business plan.

7.26 As the company grows the staffing requirements will be kept under constant review to ensure that the necessary qualified and experienced staff are recruited to meet the company's needs.

7.27 All operational costs of the company (including all staff costs) are allowed for and included within the revenue budgets.

8. SERVICES DEVELOPMENT STRATEGY FY26/27

The following services will be **managed and overseen directly by the managing director** in FY26/27. The managing director will report to the board as necessary, with the ability to take decisions as set out in the company's operational procedures and scheme of delegation.

LWM Property & Projects

Landlord Services

8.1 LWM will continue to oversee and maintain the council's property estate, ensuring it is fully compliant with all necessary statutory regulations and well maintained, as well as being responsible for all building and project works

(including negotiations, appraisal, contracting and interaction with third parties, contractors, consultants etc). The team will oversee the leasing of council owned properties, the principal aim being no void properties (including full occupancy of DCH) and commercial rental rates received across the estate.

Projects

- 8.2 LWM manages capital projects on behalf of the council to ensure they are delivered on time, on budget and to the required standards and specifications. The team will provide its Project Management capabilities to support the DFG team and help design, cost, deliver and oversee any works required. In addition, a number of Parish Councils, other public and third sector bodies lack the resources and capabilities to undertake and oversee capital works, and the company will seek to provide its services to these types of entities.
- 8.3 In FY 26/27 we will review how we provide the services incorporated – with consideration to be given to which elements we might outsource / buy-in, if this will be more efficient.
- 8.4 Our intent in 2026/27 is to explore the development of a dedicated building services offer, building on the expertise currently being delivered. LWM Building Services will be a new commercial strand which will focus on works not eligible for grant funding, including private Disabled Facilities Grant–style adaptations, property extensions, garage conversions, bathroom refits, and general refurbishment work. This presents a strong opportunity for LWM to generate income by providing reliable, competitively priced building services to residents, private clients, and partner organisations who require high-quality contractors but are not able to access grant-supported schemes.
- 8.5 The focus will be on assessing market demand, establishing delivery capacity, and determining the most efficient operating model to ensure this service is commercially viable, compliant, and aligned with LWM’s broader property and project expertise. In addition, we will explore opportunities to broaden the service offer to include small-scale construction, planned maintenance, and minor adaptation works for private clients, parish councils and partner organisations. This will include identifying gaps in the local market, developing a clear pricing model, and assessing whether a directly delivered or contractor-led approach provides the best long-term sustainability.
- 8.6 We will also consider how the service could complement our existing project management capabilities, provide social value opportunities through local employment and apprenticeships, and create a reliable alternative for customers who currently struggle to access reputable contractors.

LWM Temporary Accommodation

- 8.7 In FY26/27 we will continue to grow and strengthen the Temporary Accommodation (TA) property portfolio to ensure a sustainable and community-focused offer.

- 8.8 Our aim is to expand the range and quality of TA units available, reducing reliance on costly, nightly, paid accommodation and improving outcomes for households in need. This will include identifying suitable acquisition opportunities, undertaking full due-diligence and refurbishment planning, and ensuring all new and existing properties meet statutory compliance, safety and landlord standards.
- 8.9 LWM will work closely with LDC Housing colleagues to ensure the portfolio is aligned to demand and strategically located to best support local families and vulnerable residents. We will also explore opportunities to use the capital programme more effectively, deliver quicker turnaround times on voids and repairs, and develop a longer-term investment and lifecycle plan to ensure the accommodation remains fit for purpose and financially sustainable.

LWM Leisure

- 8.10 LWM Leisure manages both the Burntwood Leisure Centre and our new Lichfield Leisure Centre, which offer a range of swimming, gym and sporting activities. Lichfield and Burntwood Leisure Centres offer similar provision with both having swimming pools, all-weather pitches, modern gym equipment and an extensive group exercise offering to service a wide demographic.
- 8.11 Investment in the facilities has seen a continued increase in both patronage and income. Patronage of the Leisure facilities grew in FY25/26 (approx. 950 new members), with revenue for the activity also rising, by approx. 10% on the previous year.
- 8.12 New CIL funded activities the council agreed to invest in to develop the range of sports and leisure facilities are starting to be delivered. An improved seasonal marketing strategy is being implemented to increase participation for the soft play, climbing wall and tennis courts at BLC. This will include targeted family-focused campaigns during school holidays, partnerships with local schools and community groups, and refreshed digital content that highlights new activities and programmes.
- 8.13 At Beacon Park, we aim to launch the new Adventure Golf facility for Easter 2026, aligning the opening with a busy family-visitor period to maximise early uptake and visibility. The development of three new padel courts and an improved 9-hole par-3 golf course are both scheduled to be ready for summer 2026, further strengthening our ability to attract a wider mix of users and drive additional revenue.
- 8.14 Lichfield Leisure Centre was successfully launched on 2 January 2026, marking a major milestone in our programme of facility improvements. Early indicators show membership uptake significantly exceeding expectations, with strong conversion from pre-opening interest and continued growth forecast throughout 2026. This positive trajectory provides confidence in the long-term sustainability of the centre and strengthens our overall leisure portfolio performance.

- 8.15 To further enhance the user experience at Burntwood Leisure Centre, we will be undertaking a full refurbishment of the wet-side changing facilities. We aim to complete this project by late Spring 2026.
- 8.16 For 2026/27, Lichfield Leisure Centre is expected to continue building on the strong membership growth achieved since opening. Sustained increases in subscription income will be the primary driver in reducing the current Leisure income gap, enabling the leisure service to move toward at least a break-even position. Alongside this, further improvements of activity programming, enhanced retention initiatives, and deeper community engagement are anticipated to support stable revenue growth throughout the year.
- 8.17 In parallel to this, our priority in FY26/27 is to maintain the progress we have made with the existing leisure centres since they transferred to LWM in April 2023. Further growth in memberships and revenue is expected, alongside a review of the structure / size of the team and reliance on casual workers and active support in embedding the new activities and continue to enhance our current offering.

LWM Disabled Facility Grants

- 8.18 The council has a statutory duty to administer Disabled Facilities Grants (DFG's) which are available to help fund the cost of adaptations to homes. This is a means tested scheme which considers an applicants' income, savings and capital and may require a financial contribution. To qualify for a grant an assessment is conducted by an occupational therapist who will recommend the type of adaptations which best meet the needs of the applicant. LWM Disabled Facilities Grants manages the scheme on behalf of the council including applications from owner-occupiers and those made by Landlords on behalf of tenants. The company will also design, cost, oversee and deliver works through to completion.
- 8.19 In FY25/26 the DFG service is on course to spend its annual allocation of £1.37m, at year end the project will have completed over 100 adaptations across the district in the form of Ramps, Level Access Showers, Stairlifts, Ceiling Track Hoist and more. However, our throughput and drive to deliver has inevitably caused a strain on the service due to funding limitations. We had allocated our budget by Q2 and therefore in the unfortunate position of once again building a backlog as demand far outstrips our funding allocation, a theme that may continue if allocations are unable to match demand.
- 8.20 In light of the above, the service shifted to a mindset of "what *can* we do for DFG". Since completing their Trusted Assessor qualification, the caseworkers we able to continue to assess clients throughout the year, (as assessment that generates an income). Being able to continue with this provided assurance to clients of their need but equally offered a signposting to those who perhaps were needlessly part of or about to join a back log.

- 8.21 Alongside maintaining the service to the Council, the team is tasked with generating additional external income from the activity. The best opportunity to achieve this is by providing a DFG service to neighbouring councils and social landlords. With this we were able to uplift our throughput of Bromford Applications not only serving a valuable income but has also brought a closer relationship between the DFG service, housing and Bromford. The service also established a survey service with Tamworth Borough Council; the service tied in perfectly with their growing backlog and our capacity due to the funding situation as highlighted above.
- 8.22 This year has also highlighted the opportunity for a Building Services Company, using our technical and client liaison experience we have successfully privately supported a handful of cases to test this model, initially with cases not eligible for the DFG but in the fortunate position to self-fund. Another welcome lead came in the form of a project we completed for a medical law firm to deliver adaptations within the home funded from a payout. The project gave us the perfect opportunity to replicate our adaptations delivery but on a more bespoke scale, as anticipated the outcome was exceptional with the law firm seeking to work with us again in future.
- 8.23 Whilst we want to continue to support this market we have acknowledged, however, that our expertise and contractor capability reaches far beyond the relatively small adaptations market locally and therefore we will look to offer this on a broader scale and therefore to anyone in need of any home improvement. Working with Helen Mckenzie in the projects team together with LWM Comms, the building services project will gather pace and scale in 2026/27.

LWM Talent

- 8.24 The TA service has continued to grow through proactive business development activity with local authorities and private-sector organisations, initially focusing on the local and regional market, while remaining fully scalable and available to clients across the UK.
- 8.25 Most recently, the service has successfully secured two key strategic accounts:
- One of the largest unitary councils in the UK
 - A global manufacturing organisation
- 8.26 Both clients have appointed LWM Talent as their sole provider for recruitment across multiple departments. These partnerships represent significant growth opportunities, with strong potential to expand both in volume and service scope. In addition to driving income, these accounts strengthen our market reputation, provide high-profile case studies, and position the service for wider regional and national growth.

- 8.27 Looking ahead to FY2026/2027, the TA service will increase its focus on private-sector business development, leveraging:
- An expanding, high-quality candidate pool
 - Established credibility within the public sector
 - A growing track record of exclusive and retained client relationships
- 8.28 A key strategic priority will be the continued development of a “candidate-ready” database to support contract and interim recruitment, enabling faster deployment and increased responsiveness to market demand.
- 8.29 The TA service has moved beyond a single-client model and is now operating as a scalable, commercially viable service with demonstrable market demand. With secured key accounts, a growing external pipeline, and a clear strategy to expand private-sector engagement, the service is well positioned for accelerated growth while continuing to deliver value, resilience, and income generation in line with LWMTS and Council objectives.

LWM Communications

- 8.30 LWM provides a comprehensive marketing, branding and communications service to Lichfield District Council, supporting the delivery of corporate priorities, service communications, place-based activity and public engagement. The service manages the planning, design, production and delivery of a wide range of communications activity, including marketing, branding and communications services to the Council managing, planning, designing, producing, delivering and generating:
- Strategic marketing and communications campaigns
 - Corporate, service and resident communications
 - Social media management and engagement strategies
 - Digital and printed publications and newsletters
 - Event communications and promotion
 - Tourism, place-marketing and destination campaigns
 - Resident and business engagement activity, including consultation and feedback
 - Website content management and digital development
- 8.31 The service also leads on the communications and promotion of the Council’s internal and external events programme, supporting delivery, visibility and engagement across the district.
- 8.32 During 2026/27, the Communications Service will focus on strengthening delivery, capacity and impact across its core functions, with particular emphasis on:
- Embedding the Council’s Communications Strategy and ensuring consistent, high-quality delivery across all services
 - Growing and professionalising the Council’s events programme, supporting both community engagement and place-based objectives

- Strengthening the Council's digital presence, including content quality, accessibility and consistency across channels
- Expanding visitor economy communications to support footfall, events and destination marketing activity
- Further developing the LWM brand and communications offer, ensuring clarity of purpose and strong alignment with Council priorities

8.33 This programme of work will ensure the Communications Service continues to provide a robust, responsive and high-quality offer, supporting the Council's strategic ambitions while enabling continued growth in activity, reach and impact.

LWM Planning

8.34 The focus for the new Planning Consultancy services this year will be to continue to improve the 'majors' service to the Council and market the offering to councils across the region/country, together with a new 'Agent' service to developers.

LWM Biodiversity

8.35 Having established two Biodiversity Gain Sites (BGS) on council-owned land, and two Biodiversity Gain Sites on sites with private landowners; we are nearing completion/registration of a further six council-owned BGS and one further privately-owned BGS. Emphasis in the third year of the service will therefore shift to marketing activities aimed at housing developers and landowners across the district, so that we can begin to be recognised as a partner of choice in this space, and increase revenues generated.

8.36 LWM Biodiversity is also in conversation with other local authorities, regarding a consultancy service to help them deliver BGS within their districts.

8.37 In addition, the Ecology Director will be working with Natural England to secure financing for a Project Officer/Manager post for the Purple Horizons habitat restoration partnership (that role to be based within LWM Biodiversity).

8.38 The following services will be **managed and overseen directly by the finance director** in FY26/27.

LWM Human Resources

8.39 Since appointment of the new HR Director seven months ago, the HR function across both LWM and Lichfield District Council has been stabilised and rebuilt following a period of challenge and underperformance. A new HR team is now in place, comprising two HR Business Partners and administrative support, providing a more visible, responsive and professional service across both organisations.

8.40 Initial priorities have focused on rebuilding foundations, including auditing of current practices, the implementation of a new HR system, and the upgrade of

the Gauge job evaluation scheme, alongside a structured programme to address the outstanding issues.

- 8.41 Investment is now moving into operational workforce management, with the rollout of a new time and attendance system across both leisure centres and the LDC depot.
- 8.42 Learning and development has also been refreshed through the launch of a new 'Lichfield Learning' platform, with a clear focus on embedding its use and improving completion of mandatory compliance training. A key strategic priority is the upskilling of managers, supported by the introduction of monthly management masterclasses, which are already delivering measurable improvements, particularly in the reduction of long-term absence.
- 8.43 Employee engagement, communication and wellbeing also continue to be a priority within LWM, and this has been enhanced through the introduction of a Staff Forum and a WhatsApp channel to ensure communication links with all employees.
- 8.44 In the medium term, HR will continue to strengthen reporting and KPIs and lead the development and implementation of a full suite of HR policies for LWM, alongside updating council policies, ensuring readiness for forthcoming employment law changes later this year.
- 8.45 Looking ahead, HR will support colleagues across both businesses to prepare for Local Government Reorganisation and the transition to a unitary authority by April 2028, ensuring the LWM remains resilient, adaptable and well-positioned for the future. This will be achieved through clear and timely communication, targeted skills development and practical change support.

LWM Payroll

- 8.46 It is the Company's intention to ensure a successful in-house rollout of both LWM and LDC payrolls by the end of this Tax Year with a view to trading the Bureau service in 2026/27.

IT

- 8.47 The quality and complexity of IT services hold services area back from being more efficient. The company needs to determine the best way to ensure the uptime and access to the network and systems.
- 8.48 The obvious relationship with the council and excellent services its staff receive is in stark contrast to what has been achieved to date in LWM. An early conversation with the council about the potential for it to provide services to LWM is a real priority for the first quarter of 2026/27.

1. KEY PERFORMANCE INDICATORS (KPIs)

- 1.1 Key Performance Indicators were developed for all services areas during FY25/26. These indicators will be reviewed on a regular basis to ensure they add value and will be shared with the council's overview & scrutiny committee if requested.

2. POTENTIAL GROWTH OPPORTUNITIES

- 2.1 Any potential growth and new service opportunities would be subject to a feasibility/viability assessment being undertaken beforehand and approval by the company's board and its shareholder.

3. LEGAL

- 11.1 Legal advice was provided by Trowers & Hamlins with regard to the establishment of the company and its status. LWM is identified as an exempt organisation under the Teckal Exemption and as such services can be undertaken between the council and the company without the requirement for a procurement phase and the need for competitive tendering.
- 11.2 The Teckal Exemption recognises where a contracting authority contracts with a company that it owns, the position is not that different from the services being provided in-house. For the Teckal exemption to apply three conditions must be met:
- The council exercises over the LATCo a control that is similar to that which it exercises over its own departments
 - As a minimum 80% of the activities (by revenue) of the LATCo are carried out in the performance of tasks contracted to it by the council
 - There is no direct private capital participation in the LATCo
- 11.3 The council contract procedure rules identify that transferring services to a Teckal exempt organisation is automatically exempt from procurement requirements.
- 11.4 As the company continues to grow and develop its status with regard to Teckal will need to be reviewed, considered, monitored and reported to the shareholder. In 2025/26, the balance of revenue generated from Teckal / non Teckal activities was 85% to 15%.
- 11.5 The company will enter contracts with the council for the provision of those services that it provides and also for the major and important services that it buys in.

4. FINANCING THE COMPANY

- 4.1 This business case is predicated on the basis that the company will continue to fund its services through a mixture of management fees from the council and self-generated income from its trading with other entities.
- 4.2 It is assumed the council will continue to pay for the services provided to it quarterly in advance and for all other services within 14 days of invoice.
- 4.3 Financial modelling for the company has been predicated on there being no overall cost to the council over the life of the Business Plan and for a surplus to be generated pre council charges.
- 4.4 No borrowing is envisaged at this point.
- 4.5 Should new opportunities, not set out in this business plan, arise requiring funding these would be subject to approval of separate business cases and treated on a 'case by case' basis and brought forward to the board and the shareholder as and when they arise.

5. FINANCIAL MODEL

- 5.1 In order to ensure the LWM business is sustainable, the financial projections in the business plan will be closely and regularly monitored. There are a set of core assumptions applied to the model which are based upon prevailing market conditions, judgements based on comparators and industry wide standards or norms.
- 5.2 These core assumptions are as follows:
 - This is a one-year business plan – covering the period 1 April 2026 – 31 March 2027.
 - The company is not seeking to borrow monies from the council or drawdown on any potential funding from it.
 - Insurance costs – assumes the company insurance will remain part of the council's overall policy because of the company being 100% owned by the council. A budget of £65k has been set aside for this cover.
 - Inflation – most of the company's costs are associated with salaries and in this respect an inflationary uplift of 3% on management fees has been agreed with the Council's Finance Director and s151. This inflationary increase was approved by Full Council on 24 February 2026, as part of the Council's annual budget / MTFS update.
 - As the company is VAT registered its charges reflect the standard rate of taxation.
 - The costs for Landlord Services reflect the costs of staff transferred to the company from the council. This service is operated at cost, and the

company does not receive any uplift or margin on the agreed transferred budget.

- The budget transferred from the council for the Communications team assumed that ongoing savings/benefits of £89k would be achieved. These savings were achieved. The budget for Communications therefore assumes that the business stream costs are in line with the reduced transferred budget and that income will be generated for advertising to offset any impact.
- The council allocated £1.55m of CIL funding for the development of new leisure and sports facilities such as the Climbing Wall and 3G pitch over a 2-year period. Some of these projects have been delayed. The company will continue to administer this fund on behalf of the council – but the funding itself will remain with the council.
- The current level of new grant funding available to the Council for DFG in FY26/27 is expected to be circa £1.45m. There is no underspend from FY25/26 to carry over this year.
- LWM Leisure is operated on a managed service basis under a gross cost contract model where the council pays the company a specified sum to provide a specified service. Under this arrangement the council retains all the income and assumes any income risk, retains responsibility for the costs of building maintenance and the company charges an agreed fee for managing the service as set out in the budget/business plan.
- Talent Acquisition and Property & Project Management generate fees from a mark-up on the agreed salary for any vacancies filled and a mark-up on the construction / building costs of any projects undertaken.
- The budget transferred from the council for the Planning Service – the council's management fee – is c£198k from previous planning salaries – including a 3.5% management fee uplift as above.
- LWM Biodiversity service continues to be funded by LWM generated revenues, with no financial support from the council.
- The budget transferred from the council for the Human Resources service – the council's management fee - is derived from previous HR salary and related revenue budgets.
- Corporate Charge/Management Service Charge will be negotiated with and determined by the council year on year, and no set allowance/amount is included within the budget. All figures are based on a surplus pre any adjustments for a service/management charge.

- The company currently levies fees for all its services (e.g. project management, building works etc). A regular review is undertaken to ensure the company is competitive but charging commercially.

6. TAX AND FINANCIAL SUPPORT

- 6.1 LWM may be subject to various taxation regimes, including Stamp Duty Land Tax (SDLT), Corporation Tax and VAT.
- 6.2 SDLT will only apply if the company acquires any land/buildings which is only envisaged if the Temporary Accommodation / Social Housing project proceeds.
- 6.3 Corporation Tax has been included within the model, charged on any surpluses after the council levies any charges for services it provides, and a dividend payment is made.
- 6.4 No provision has been made for capital gains tax as it is not envisaged that this will apply as the company will not be disposing of assets.
- 6.5 The company is registered for VAT. An allowance has not been made for VAT payments within the cash flow model as it is assumed to be a flow through (cash in/cash out) within the accounts.
- 6.6 The company will continue to obtain appropriate external advice about its accounting affairs. Any changes in legislation and/or tax treatment/accounting may affect and change business planning assumptions.
- 6.7 The company is self-sufficient and supporting with its own distinct bank account and locally appointed auditors and accountants.

7. DIVIDENDS

- 7.1 Any surplus funds/profits will be paid to shareholders through the use of dividends.
- 7.2 Any cash sums available for dividends will be affected by any management / service charges levied by and agreed with the council, loan repayments and taxation and the amount of cash to be retained by the company for ongoing business requirements and re-investment.
- 7.3 The council as shareholders will give the company a steer in terms of their aspirations regarding any charges to be levied and/or for any dividends. Formally each year LWM will agree with the council the extent of any payments with regard to any charges made and/or recommend to the shareholder the level of dividend.

8. CASH RETENTION

- 8.1 In order to ensure the company has sufficient funds in place to meet its day-to-day obligations a minimum amount of cash, to be determined by the company at its year end, will be held by the company before any payments are paid to the council in respect of any charges or dividends.

9. FUNDING/CASHFLOW

- 9.1 It is assumed that the council will be the primary source for any funding again in FY2026/27.
- 9.2 The council's previously provided c£225k by way of 'seed funding' remains part of the company current account balance sheet and sits on the balance sheet as equity shares. The previously agreed working capital loan facility of up to £150k was withdrawn by the council at the request of the directors of the company.
- 9.3 It is assumed the council will continue to assist in 'cashflow funding' by allowing the company to invoice and be paid for a number of its services namely Corporate Landlord, Communications, Planning, HR, Leisure, TA and DFG quarterly in advance and to be paid for all other services within 14 days from receipt of invoice.
- 9.4 Any further funding will be by way of a separate application to the shareholder and subject to the approval of a specific business case.

10. INCOME & EXPENDITURE, PROFIT AND LOSS AND CASHFLOW PROJECTION

- 10.1 Financial projections for FY26/27 have been provided at Annex E and F and reflect the assumptions made within this Business Plan. A balance sheet will be provided at year end.
- 10.2 At year end a full set of accounts (including P&L and Balance Sheet) will be prepared by an independent, qualified firm of accountants independent of the council.
- 10.3 The financial models show that based on the assumptions used, the business will generate a surplus in FY26/27, allowing the council to make a charge and/or take a dividend.

11. KEY FINANCIAL PERFORMANCE MEASURES

- 11.1 A variety of measures to measure the financial health of the company will continue to be utilised, namely:

- Breakeven – As a minimum the company is expected to breakeven although it is anticipated the company will achieve a surplus in FY26/27.
- Return on capital employed which looks at the profit against the combined equity and debt capital invested in the company. This is regarded as a good measure of the business as it looks at how effectively debt is being used and is calculated as earnings before interest and tax (debit) / Assets – Liabilities (non-current).
- Profitability (profit on cost – POC) which demonstrates the profit of the business over its cost. This will be a measure of gross profitability before the deduction or agreement to the payment of any charges to the council.
- It is assumed the company's accounts will need to be consolidated within the council's group accounts again in FY2026/27, and as such will need to be produced in sufficient time and use agreed accounting standards to enable the achievement of the council's statement of account deadlines and completion of the external audit in line with regulatory requirements.

12. SWOT ANALYSIS

12.1 The following is a summary of the key strengths, weaknesses, opportunities and threats to LWM:

Strengths:

- Ability to secure funding at competitive rates
- Council support
- Council can provide a base load of activity in order for business to establish itself

Weaknesses:

- The company cannot over rely on the council as any change in circumstances may have a material affect
- Lack of resource - the company will need to bring in additional skilled resources should it wish to take on additional services or grow current services
- Teckal regulations provides limited protection as privileged supplier

Opportunities:

- There are a number of opportunities for the company to take over and run other services
- Income generation for the General Fund
- Opportunity to sell services to other councils

Threats:

- Any future government change in the view of council companies / prudential borrowing.
- Changes in Administration and political priorities
- Downturn in economy
- Increase in interest rates.
- Legal challenge over 'state aid'
- Increase in business may impact on the company's ability to avoid competitive tendering to the council

12.2 In response to the above, it is believed the company is well positioned in the short term and can manage any significant market downturn in that it:

- has no borrowing requirement.
- has a stable and protected council workload
- can reduce costs, if necessary, in response to reduced workload
- has a potential to increase income

13. CONCLUSION

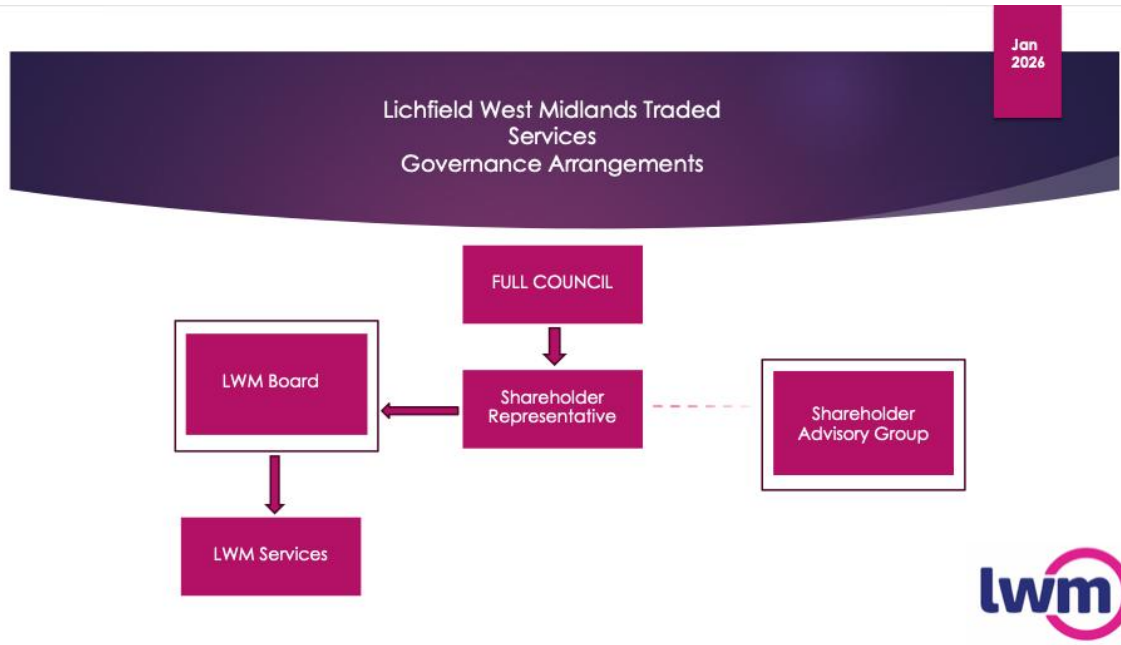
13.1 The council continues to show our sector that, through the continued development and operation of LWM, a different model of delivery for public services is available that reduces cost and generates additional income, which can then be used for the benefit of the council and residents in future years.

13.2 Whilst this Business Plan identifies existing and new opportunities for success, there is no certainty that all will continue or be successful. The company will need to monitor changes in the political landscape both locally and nationally alongside other factors and risks including wider economic changes in interest rates and inflation (particularly wage inflation).

13.3 LWM provides an additional route to provide council services within the district. This Business Plan sets out the framework that will provide the council the opportunity to support the development of a more cost-effective delivery vehicle for a number of council services and provide additional income that the council can use to invest in services to residents.

Annex A

GOVERNANCE ARRANGEMENTS



Annex B

MEMORANDUM AND ARTICLES OF ASSOCIATION

See Separate Documents B1 and B2

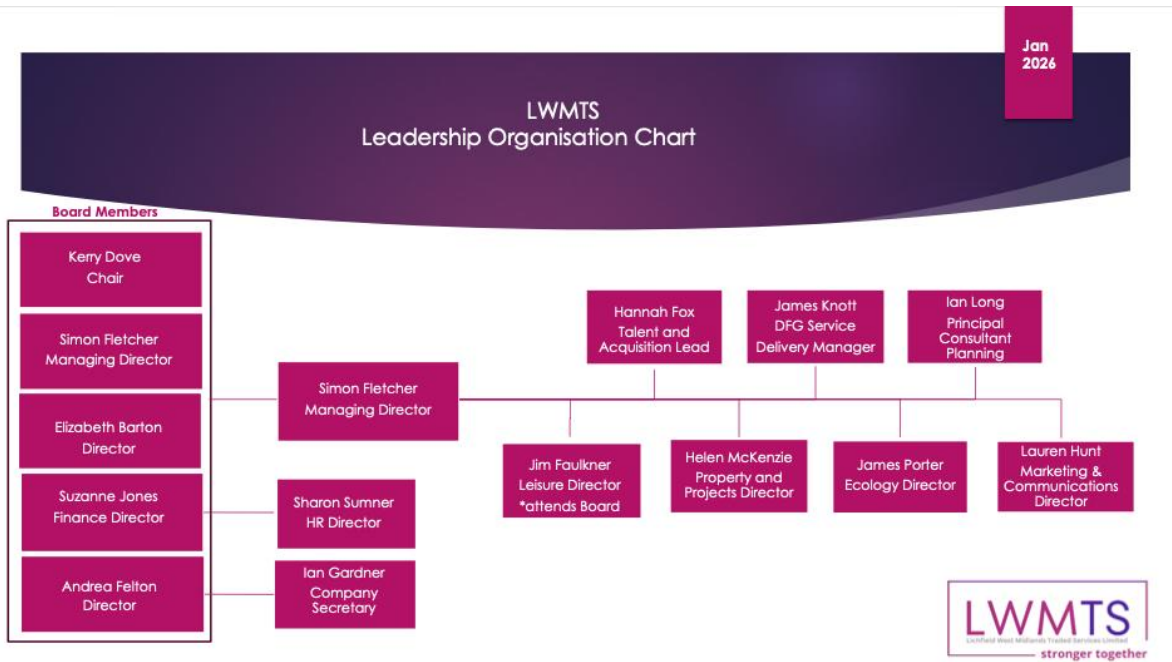
Annex C

SHAREHOLDER AGREEMENT

See Separate Document C1

Annex D

STAFFING STRUCTURE



Annex E

PROFIT & LOSS

	FY26/27
Turnover	£6.89m
Op Costs	£6.42m
Interest Charges	£0
Dividend	£100
Surplus	£473

Excluding Vat

Prior to any agreed deduction of Council Management Charges/Fees and Dividend

Annex F

INCOME & EXPENDITURE

Income	
Bank Interest	£ 24,000
Fee Income	£ 1,700,500
Management Charges	£ 5,165,448
Total Income	£ 6,889,948
Less Cost of Sales	
Catering Cost of Sales	£ 136,000
Cost of Goods Sold	£ 28,840
Leisure Salaries	£ 2,127,212
Social Prescribing Budget*	£ 35,000
Total Cost of Sales	£ 2,327,052
Gross Profit	£ 4,562,896
Less Overheads	
Advertising & Marketing	£ 68,925
Audit Fees	£ 20,000
Bank Fees/Interest	£ 3,130
Charitable Funds	£ 10,000
Cleaning	£ 44,600
Consulting	£ 137,121
Depreciation	£ 38,000
Events	£ 70,000
First Aid	£ 2,000
Hospitality	£ 2,000
Insurance	£ 65,000
IT Software and Consumables	£ 162,796
Legal Expenses	£ 20,725
Light, Power, Heating	£ 285,000
Management Charges	£ 217,821
NNDR	£ 400,000
Operating Lease Payments	£ 58,284
Printing and Stationery	£ 8,000
Private Health	£ 34,000
Professional Fees	£ 87,623
Repairs & Maintenance	£ 146,000
Replacement Equipment	£ 11,716
Staff Costs (excl leisure)	£ 2,068,838
Subscriptions	£ 57,676

Telephone & Internet	£ 2,500
Travel - National	£ 11,200
Water Rates	£ 57,000
Total Overheads	£ 4,089,956
Total Expenses	£ 4,089,956
Net Profit*	£ 472,940

* Social Prescribing Budget - £35k committed for FY26/27 & FY27/28

* Before Dividend