

CABINET DECISION NOTICES

12 MARCH 2019

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FUTURE RE-DEVELOPMENT OF BIRMINGHAM ROAD SITE, LICHFIELD - COMMISSIONING BRIEF

1. Decision:

The Cabinet:

- 1.1 Approved the draft brief for the purposes of engaging consultants to undertake a planning exercise in respect of Birmingham Road, Lichfield and the wider city centre.
- 1.2 Delegated to the Cabinet Member for Economic Growth, Environment and Development in consultation with the Head of Economic Growth the authority to appoint consultants to carry out the commission following a procurement exercise and subject to the costs being within agreed budgets.

2. Statement of Reasons:

- 2.1 The Cabinet report presented a draft brief intended to commission consultants to develop plans for the future long term re-development of the Birmingham Road site in Lichfield City Centre as well as other sites within the wider city centre. The brief has been prepared under the auspices of a cross-party member task group of the Economic Growth, Environment and Development (Overview and Scrutiny) Committee and takes into account inputs from a wide variety of external stakeholders and local interest groups. Cabinet is asked to consider the brief and approve this prior to a procurement exercise taking place. Cabinet is also asked to delegate authority to the Cabinet member for Economic Growth, Environment and Development to award a contract for the work subject to the costs being within agreed budgets.

3. Any Alternative Options:

- 3.1 The Cabinet could decide not to endorse the draft brief or to agree it but with amendments.

MULTI-STOREY CAR PARK REFURBISHMENT PROJECT

1. Decision:

The Cabinet:

- 1.1 Approved the procurement of works to undertake a refurbishment of the Multi Storey car park.
- 1.2 Delegated to the Cabinet Member for Economic Growth, Environment and Development Services, in consultation with the Head of Economic Growth, the authority to appoint contractors following a procurement exercise and subject to the costs being within agreed budgets.
- 1.3 Recommended to Full Council :
 - The inclusion of a new project in the Capital Programme with a total cost of up to £300,000 (including £50,000 of contingency) funded by the restricted earmarked reserve entitled 'Birmingham Road Car Park Repairs and Renewals'.
 - A change to the revenue budget to reflect the savings identified in the revenue implications section of this report

2. Statement of Reasons:

- 2.1 Due to the previously planned demolition in connection with the Friarsgate project, maintenance work on the Birmingham Road, Multi Storey car park has been limited to essential items only for some years.
- 2.2 This has led to a backlog of tasks which will now need to be completed in order to ensure the continued structural integrity of the car park and also to make sure that the facility can provide a reasonably pleasant and inviting offer for our customers.
- 2.3 The intention of this project is to provide for a minimum five year life extension to the structure with no further major works expected in that period.
- 2.4 If redevelopment intentions for the area were to change making retention of the facility for the longer term desirable, additional structural works would be required, but none of the works proposed in this report would prejudice this course of action.
- 2.5 It is likely that the works would be split into two areas with one tender for structural and decorative works and a second for lighting improvements. However, if advice from our new purchasing providers at Wolverhampton City Council was to the contrary, the two operations could be combined into one tender.

3. Any Alternative Options:

- 3.1 Do not carry out any significant works. This carries the risk of further deterioration with increased costs in the long run.

HIGH SPEED RAIL 2 – ADDITIONAL PROVISION (PHASE 2A) AND ENVIRONMENTAL STATEMENT CONSULTATION

1. Decision:

The Cabinet agreed:

- 1.1 That the portfolio holder for Economic Growth, Environment & Development Services in consultation with the Head of Economic Growth be given delegated authority to agree to a joint response with Staffordshire County Council and other local authorities.
- 1.2 Table 1 of the Cabinet report be submitted to Staffordshire County Council to assist in developing the joint response.
- 1.3 To continue with petitioning the Hybrid Bill in relation to the Common Lane issue.

2. Statement of Reasons:

- 1.1 In July 2018, the Government deposited a Bill seeking powers to construct and operate the proposed phase of HS2 linking Fradley in the West Midlands and Crewe in Cheshire (Phase 2a).
- 1.2 The Government has proposed a number of changes to this proposed route.
- 1.3 Certain changes can be made within the existing scope of the Bill and a Supplementary Environmental Statement 2 has been prepared and deposited in Parliament.
- 1.4 This Cabinet report addresses the issue of petitioning against Additional Provision 2 (an additional provision seeks to allow the promoters of the Bill to extend its scope. It is a package of proposed amendments to a Bill) and responding to the environmental statement consultation. This follows on from the Cabinet reports on 5th September 2017 and 5th December 2017 associated with the Hybrid Bill.

3. Any Alternative Options:

- 3.1 Cabinet could decide not to formally petition regarding matter A in table 1 of the Cabinet report. This is not recommended because this may result in an unsatisfactory resolution to a matter the Council have previously petitioned on.
- 3.2 Cabinet recommends to not provide the comments at table 1 to the County Council to assist in informing their response. This would result in a vacuum of information that should inform the Environmental Statement consultation.

- 3.3 The Council could decide to support other bodies who decide to petition. At the time of writing officers are not aware of any other organisations that are petitioning on points that would warrant Lichfield District Council supporting their stance.

(COUNCILLOR PRITCHARD DECLARED AN INTEREST IN THIS ITEM AS A RESIDENT OF A VILLAGE CLOSE TO THE PROPOSED HS2 ROUTE)

EXPENDITURE FOR PLANNING SUPPORT

1. Decision:

- 1.1 The Cabinet approved, over a 4-year period (2018/19 to 2021/22), the extension of procurement limits, up to a limit of £150,000 of expenditure from existing budgets, for any of the following recruitment agencies, to allow procurement of temporary planning officer resources:

Matchtech Group Ltd, Oyster Partnership, Vivid Resourcing, Park Avenue Recruitment, Carrington West, Macdonald and Company and G2 Recruitment.

2. Statement of Reasons:

- 2.1 There is a present need to procure temporary planning officer support to deal with issues such as permanent recruitment; increased workloads; maternity leave and dedicating existing resources to service improvement work. At the same time, there is a limited availability of suitably qualified and experienced planners in the recruitment market.
- 2.2 The use of recruitment agencies to engage consultant planners is limited due to the existing procurement limits over a rolling 4-year period. It is therefore requested that extensions to the limits for certain recognised specialist agencies is given, to allow greater flexibility for procurement of consultant planners and to ensure that agencies used previously to supply quality consultants may be used going forward. Cabinet endorsement is therefore sought to approve the level of expenditure for each of the agencies set out below. This will allow timely and best value engagement of suitable interim planning consultants when needed, within both Development and Economic Growth Services. Consultants are only used when it is not feasible or physically possible to recruit permanent employees.
- 2.3 Any spend associated with agency, consultant planners will be contained within existing budgets, such as planning fee income or the existing planning fee increase that is targeted on planning services, and no request is being made for additional budget as part of this report.
- 2.4 Officers are also working with the Procurement team to fully explore the option of procurement via framework agreement arrangements going forward. While the work will continue on this alternative procurement, there is a need to put the recommendation forward in this report to provide appropriate professional staffing to deal with present and anticipated service requirements.

3. Any Alternative Options:

- 3.1 Alternative options to the use of framework consultants (who have already been successful in tendering via the open market) would be to use alternative consultancy support on a case-by-case tender basis. This would add delay to the process; incurring potential costs at

appeal (unreasonable delay) and no guarantee that appropriate (without conflicts of interest) and more cost effective consultants could be procured within very short time-frames.

ALLOCATION OF STRATEGIC COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING

1. Decision:

The Cabinet:

- 1.1 Approved the allocation of £300,000 of Strategic Community Infrastructure Levy (CIL) funding to the projects set out within Table 2 of the Cabinet report.
- 1.2 Noted the evaluation and development being completed by Strategic Infrastructure Group, following recommendation by the Joint Members and Officers Group, regarding the process of allocating Strategic CIL funding in the future.

2. Statement of Reasons:

- 2.1 The Cabinet report summarised the assessment of applications made for Community Infrastructure Levy (CIL) funding undertaken by Strategic Infrastructure Group (SIG) and Joint Members and Officers Group (JMOG), and makes recommendations on the allocation of £300,000 of Strategic CIL funding.
- 2.2 The report also identified further work being carried out to improve the procedures around the CIL allocations process and to ensure that recommendations are focused on delivering key strategic infrastructure.

3. Any Alternative Options:

- 3.1 Cabinet recommends to not allocate funding to one or more identified projects. This would result in a delay in enabling delivery of improvements to strategic infrastructure elements which are identified within the Regulation 123 list.
- 3.2 Cabinet recommends the application process is reopened to identify alternative strategic infrastructure projects. This would result in a significant delay in enabling delivery of improvements to strategic infrastructure which is required to enable the district to develop in a sustainable way.
- 3.3 Cabinet recommend alternative funding allocations to those projects that have been recommended for the receipt of CIL funding. Alternative levels would be difficult to justify, further a reduction on funding would risk timely delivery and could result in an erosion of project deliverables.

HOMELESSNESS AND ROUGH SLEEPER PATHWAY PROPOSALS AND POTENTIAL USE OF S106 COMMUTED SUMS

1. Decision:

The Cabinet:

- 1.1 Approved and delegated to the Head of Service and Cabinet Member the award of the procurement exercise for a partner to deliver the homelessness and rough sleeper housing pathway service costing up to £125,000 for an initial 2 year period, with possible extension of 2 years, subject to the success of the project and availability of funds.
- 1.2 Approved the alternative use for the Approved Capital Programme projects funded by commuted sum monies and potentially from existing external grant to purchase properties to provide accommodation as part of the proposed housing pathway model.
- 1.3 Approved and recommended to Council the delegation of next steps to the Head of Service and Cabinet Member, to acquire property for this project from a minimum approved budget of £400,000 up to a maximum of £809,000 of additional housing reserves with oversight by the s151 officer and monitoring officer. Additional expenditure will only occur if the project proves successful and further capacity is required.
- 1.4 Approved the creation of a sinking fund to provide funding for upgrades to the properties and an earmarked reserve for the transfer of any surplus between income and spend to enable reinvestment in future options to alleviate homelessness and rough sleeping.

2. Statement of Reasons:

- 2.1 The Cabinet report outlined some initiatives being developed by the housing team to reduce homelessness and rough sleeping in the district. This included enhancing existing services to provide tenancy sustainment and training for our more vulnerable customers, encouraging greater involvement with the Private Rented Sector (PRS) and a proposal to work in partnership with Cannock Chase District Council to jointly procure a provider to deliver a housing pathway for rough sleepers and those at risk of homelessness with multiple and complex needs.
- 2.2 The Cabinet report also updated Cabinet on the outcome of the tender exercise for using the commuted sum monies included in the approved Capital Programme to deliver new affordable homes, outlined in the Cabinet report dated 13 February 2018 and proposed an alternative option for using the money to purchase properties to reduce the incidence of homelessness and rough sleeping.

3. Any Alternative Options:

3.1 Homeless & Rough Sleeper Pathway

To do nothing is not an option; we are required by government to have a plan to halve

rough sleeping in the district by 2020 and end it by 2027. Continuing with the current system will not help to alleviate this issue and place increased strain on the Housing Options Team.

3.2 **Approved Capital Programme Budgets (including the Commuted Sums)**

- **Invite our approved RPs to retender** - Based on the feedback received from the RPs, to be successful it is likely we would need to increase the amount of funding available, revise our original criteria, have a longer lead in times or consider including council land opportunities. This option was discounted based on the time delays for retender, the increased council investment and having to compromise our original outcomes, in addition to the greatest risk of receiving no viable tenders.

- **Bridge viability gap on a new development(s)** – Another option is to provide funding to bridge the gap on the ‘unviable’ proportion of new homes on a site that is not viable at the full policy complaint level of affordable (currently 35%) once confirmed by the District Valuer after an independent viability assessment and subject to compliance with state aid requirements. There is however the possibility that Homes England may bridge this gap in exceptional circumstances once an RP has been agreed with the developer, so this option should be pursued in the first instance. It would however need a clause inserting into the s106 agreement and negotiation with the developer if we wanted to achieve this before an RP was in place at outline planning permission stage.

- **Purchase empty homes** - This option would bring numerous benefits but it is the most time consuming and resource intensive option we considered. It has therefore been discounted due to the risk of the developer requesting their contribution back and us not being able to support our customers in need in the required timescales.

- **Council built homes** – Using the money to build affordable homes on council land would be a potential use of the funding once the council’s housing company has been formed but as there is no definite date for this the money could not be spent in a reasonable timescale. Any homes purchased could be transferred to the housing company once established if appropriate.

PENSION CONTRIBUTIONS

1. Decision:

The Cabinet:

- 1.1 Approved that the contribution strategy is based on the Pension Fund Actuary's preferred strategy.
- 1.2 Approved the upfront payment of the three year past service element in advance in April 2020 subject to the final level being within the approved Medium Term Financial Strategy (MTFS).

2. Statement of Reasons:

- 2.1 A contribution rate review that sets a contribution strategy for each employer is currently undertaken by the Pension Fund Actuary on a three yearly basis.
- 2.2 The contribution strategy is based on two methodologies set by the Actuary:
 - A payroll element based on 16.2% of pensionable pay.
 - A past service element that is fixed irrespective of the level of pensionable pay to reduce the risk of shortfalls occurring in pension contributions given Council payrolls are reducing.
- 2.3 The last valuation took place in 2016 and covered the three years 2017/18 to 2019/20 and the next valuation will formally take place during 2019 and will cover the three year period 2020/21 to 2022/23.
- 2.4 To aid financial planning, the Actuary has produced provisional modelling for the 2019 valuation however to finalise the valuation, two decisions need to be taken by each Member Authority specifically for the past service element:
 - The contribution strategy to be adopted and;
 - The payment frequency either in three annual instalments or in one payment at the start of 2020/21 at a discount of circa 5%.
- 2.5 Staffordshire Pension Authority have requested a decision on the Council's preferred contribution strategy by 31 March 2019.

3. Any Alternative Options:

Preferred Strategy of the Pension Fund Actuary	
Advantages	Disadvantages
<ul style="list-style-type: none"> • The cost is within the Approved MTFS with savings. • It is the Pension Fund Actuary's preferred 	<ul style="list-style-type: none"> • It does not maximise the potential return (with discounts of circa 5%) on investment available from the pension fund.

strategy of stepping up contributions if this is affordable.				
<ul style="list-style-type: none"> The risk of a future unsustainable increase beyond the three year period is reduced. 				
Financial Implications:				
Details	2020/21	2021/22	2022/23	Total
Annual Payment	£1,063,000	£1,171,000	£1,282,000	£3,516,000
Upfront Payment	£3,340,200			£3,340,200
Alternative Strategy provided by the Pension Fund Actuary				
Advantages		Disadvantages		
<ul style="list-style-type: none"> The cost is within the Approved MTFS with significant savings. 		<ul style="list-style-type: none"> It is not the Pension Fund Actuary's preferred strategy. The risk of a future unsustainable increase beyond the three year period is increased. The next valuation could coincide with the ending of transitional arrangements for Fair Funding and Business Rates thereby creating a significant budget pressure. 		
Financial Implications:				
Details	2020/21	2021/22	2022/23	Total
Annual Payment	£958,000	£958,000	£958,000	£2,874,000
Upfront Payment	£2,730,300			£2,730,300
A Voluntary Strategy				
Advantages		Disadvantages		
<ul style="list-style-type: none"> It seeks to maximise the potential return (with discounts of circa 5%) on investment available from the pension fund. The risk of a future unsustainable increase beyond the three year period is further reduced. 		<ul style="list-style-type: none"> It would create a budgetary pressure that would need to be funded. 		
Financial Implications:				
Details	2020/21	2021/22	2022/23	Total
Annual Payment	£1,115,000	£1,276,000	£1,441,000	£3,832,000
Upfront Payment	£3,640,400			£3,640,400