

COUNCIL MEETING

16 OCTOBER 2018

PRESENT:

R. J. Awty (Chairman)
Mrs N. Bacon (Vice-Chairman)

Ball, C.	Marshall, T.	Strachan, R. W.
Boyle, Mrs M. G.	Matthews, T. R.	Tittley, M. C.
Cox, R. E.	Mosson, R. C.	Tranter, Mrs E. H.
Eagland, Mrs J. M.	O'Hagan, J. P.	Warfield, M. A.
Evans, Mrs C. D.	Pritchard, I. M. P.	White, A. G.
Fisher, Miss B.	Rayner, B. L.	Wilcox, M. J.
Fisher, Mrs H. E.	Salter, D. F.	Woodward, Mrs S. E.
Humphreys, K. P.	Shepherd, Miss O. J.	Yeates, A.
Hoult, B. E.	Smith, A. F.	Yeates, B. W.
Lax, Mrs A. C.	Spruce, C. J.	
Leytham, D. J.	Stanhope MBE, Mrs M.	

39 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bamborough, Mrs Baker, Mrs Barnett, Mrs Banevicius, Constable, Mrs Constable, Drinkwater, Eadie, Greatorex, Mrs Little, Powell, Pullen and Mrs Pullen.

40 DECLARATIONS OF INTEREST

There were no declarations of interest.

41 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 18 JULY 2018.

It was proposed and duly seconded "that the Minutes of the Meeting of the Council held on 18 July 2018 as printed and previously circulated be taken as read, approved as a correct record and signed by the Chairman subject to (i) the addition of Councillors Hoult, Matthews, Miss Fisher, Mrs Fisher and Powell to the list of those present and (ii) Minute 33 (2) (Update on the Merger of Burton Hospitals NHS Foundation Trust and Derby Teaching Hospitals NHS Foundation Trust) being amended to read: *'Councillor Mrs Woodward supported accepted the reasons for the merger'*."

42 TO RECEIVE THE RETURNING OFFICER'S CERTIFICATE OF ELECTION OF DISTRICT COUNCILLOR AND DECLARATION OF ACCEPTANCE OF OFFICE FOR WARD NO. 20 (STOWE)

It was reported that Mrs Angela Lax had been elected as a District Councillor for Stowe Ward at an election on 27 September 2018 and that her Declaration of Acceptance of Office had

been completed. Councillors Wilcox and Mrs Woodward welcomed Councillor Mrs Lax to the Council.

Councillor Wilcox thanked the Members and officers who had taken part in the recent 'Be a Councillor' event which had been well attended. Councillor Mrs Woodward said it had been an enjoyable event and she had received positive feedback. She hoped there would be more such events in the future.

RESOLVED: That the Returning Officer's Certificate of Election for Councillor Mrs Lax for Stowe Ward be received.

43 CHAIRMAN'S ANNOUNCEMENTS

(a) Councillor Mrs Lax

The Chairman welcomed Councillor Mrs Lax.

(b) Visits and Events

The Chairman advised that he had attended many events over the summer including the Canwell Show and the opening of the Pool House Equine Clinic which had been attended by HRH Prince Charles. Other memorable events included the Battle of Britain Service at Fradley where two gentlemen had recalled their boyhood memories of the aerodrome.

(c) Chairman's Carol Service

The Chairman advised that his Carol Service would take place on 9 December at 2.30 p.m.

(d) Chairman's Blog

The Chairman noted that his blog was fully up to date.

44 REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETINGS HELD ON 4 SEPTEMBER AND 9 OCTOBER 2018 AND CABINET MEMBER DECISIONS

1 - Money Matters 2018/19 Review of Financial Performance Against the Financial Strategy

Councillor Ball asked if capital spend would be reviewed to ensure equal spend across Burntwood and the rural areas of the District. Councillor Wilcox replied that spend was kept under constant review and all areas were considered.

2 - Garden Waste Subscription Rate for 2019

Councillor Mrs Woodard recalled that an attendee at the 'Be a Councillor' event had commented that £36 was a reasonable charge for garden waste, however in reality the charge was only reasonable for people who could afford it. Furthermore, it was unfair that some people needed to use their bins to dispose of leaves from trees on adjacent Council owned land.

3 - Medium Term Financial Strategy (Revenue and Capital 2018 – 23)

Councillor Mrs Woodward referred to capital spend in Burntwood and said she would like to see equity and the just sharing of resources across the District.

4 - Health and Well Being Strategy Delivery Plan 2018 -2020

Councillor Ball said the Health and Well Being Delivery Plan was ambitious and asked how the Council would meet the social housing target. Councillor Wilcox replied that there would be an increase in social housing in the current year and the Council would release land and continue to do whatever it could.

5 – Armitage and Handsacre Neighbourhood Plan - Final Decision Statement

Councillor Cox said the turnout for the Neighbourhood Plan referendum had been 22% which was high for this type of referendum. Councillor Cox thanked Mr Peter Blakewell who had taken the lead on the steering group and delivery plan. He also thanked the Chief Executive, planning officers and elections team for their assistance and for organising the referendum.

Councillor Mrs Evans expressed disappointment that a Neighbourhood Plan had not been completed for Burntwood not least because it could lead to a significant increase in Community Infrastructure Levy funds.

45 MINUTES OF STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

Councillor Strachan submitted the Minutes of the Strategic (Overview and Scrutiny) Committee held on 5 September 2018.

Minute 16 - Work Programme

Councillor Mrs Woodward said she had asked for the Communications Strategy to be added to the Committee's work programme on a number of occasions. She called for a review of publications, noting that Members post boxes were full of leaflets and corporate communications. She said the strategy needed to be looked at together with tourism and parks, as opposed to considering each area separately.

Councillor A Yeates said the issue was currently being looked at by Councillor Mrs Little. Councillor Pritchard noted that providing the right amount of communication and information was a fine balance. He noted that while information was often put on the internet there needed to be a range of communication methods to make information accessible for everyone.

Councillor Strachan said he had no intention of working in silos. He noted that publications were often destined for a range of different forums but Members were copied into them all for information.

Minute 17 – Digital Strategy

Councillor Mrs Evans said no savings would be realised unless other forms of communications were switched off. She asked about those who couldn't or wouldn't access information digitally and questioned what support would be given. Councillor Strachan advised that a task group had been established.

Minute 18 – Delivering the Property Investment Strategy

Councillor Ball said he would reserve his comments for later in the meeting (agenda item 14 (v)) noting he had raised a number of issues at the Committee meeting. Councillor Mrs Woodward

said the report had been considered in some detail but apart from one minor change she couldn't see the suggested amendments in the final report.

Councillor Strachan referred to the long discussion that had taken place and the points that had been raised. He said a substantive change had been made to the report and a number of other concerns had been allayed by the evidence provided.

46 MINUTES OF COMMUNITY, HOUSING AND HEALTH (OVERVIEW AND SCRUTINY) COMMITTEE

Councillor Miss Shepherd submitted the Minutes of the Community, Housing and Health (Overview and Scrutiny) Committee held on 12 September 2018.

In response to a question from Councillor Mrs Evans, Councillor Mrs Eagland confirmed that she attended the meeting as representative of the County Council, and in that capacity she relayed information from County Council Overview and Scrutiny meetings. Councillor Mrs Woodward requested further clarification as to whether attendance was as a District Member or a Member of the County Council and Councillor Wilcox said this would be provided.

Minute 11 – Presentation from New Disabled Facilities Grants Provider

Councillor Mrs Evans said the presentation had been very good and it appeared that Millbrook Health Care would provide an improved service. She welcomed the six monthly review of the contract which would be able to highlight any difficulties. Councillor A Yeates advised that £359,000 had been spent so far which represented a much improved performance and he looked forward to working with Millbrook Health Care in the future.

Minute 12 – Work Programme

It was requested that, as agreed by the Chairman, the Committee track progress with Hawthorn House, Lichfield. Councillor Ball noted that the closure of the facility had followed the withdrawal of funding by Staffordshire County Council.

47 REPORT OF THE CHAIRMAN OF ECONOMIC GROWTH, ENVIRONMENT AND DEVELOPMENT (OVERVIEW AND SCRUTINY) COMMITTEE

Councillor Cox submitted his report on the items considered by the Economic Growth, Environment and Development (Overview and Scrutiny) Committee held on 19 September 2018.

Minute 27 – Presentation by the Environment Agency

Councillor Cox advised that the Environment Agency had given a good presentation on planning and flood risk.

Minute 30 – Work Programme

Councillor Mrs Woodward questioned whether the Birmingham Road Site Working Group Minutes would be received by the Committee and whether they would be made public. Councillor Cox advised that regular progress reports would be received by the Committee and Cabinet.

Councillor Ball said he had welcomed the establishment of the Birmingham Road Site Working Group and regretted the fact that it had taken three months to set up.

Councillor Marshall confirmed that comments would be sought from the public and the Group would provide regular reports.

48 MINUTES OF COMMITTEES

(a) Audit and Member Standards Committee – 25 July 2018

It was proposed by Councillor Tittley “that the Minutes of the Meeting of the Audit and Member Standards Committee held on 25 July 2018 be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Audit and Member Standards Committee held on 25 July 2018 be approved and adopted.

(b) Planning Committee – 30 July 2018

It was proposed by Councillor Marshall “that the Minutes of the Meeting of the Planning Committee held on 30 July 2018 be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Planning Committee held on 30 July 2018 be approved and adopted.

(c) Planning Committee – 3 September 2018

It was proposed by Councillor Marshall “that the Minutes of the Meeting of the Planning Committee held on 3 September 2018 be approved and adopted.”

RESOLVED: That the Minutes of the Meeting of the Planning Committee held on 3 September 2018 be approved and adopted.

(c) Employment Committee – 24 September 2018

It was proposed by Councillor Mrs Boyle “that the Minutes of the Meeting of the Employment Committee held on 24 September 2018 be approved and adopted.”

Councillor Mrs Evans questioned what the ‘the downside’ of the apprenticeship scheme was as mentioned in Minute 11. Councillor Mrs Boyle advised that it was proving difficult to attract young people despite costly advertising, but work was continuing and the net was being cast as widely as possible.

RESOLVED: That the Minutes of the Meeting of the Employment Committee held on 24 September 2018 be approved and adopted.

49 MEMBERSHIP OF COMMITTEES

It was proposed by Councillor Wilcox that the changes to the Membership of Committees as previously circulated be agreed. Councillor Mrs Woodward said she was pleased to see that Strategic (Overview & Scrutiny) was being strengthened.

The proposal was seconded by Councillor Pritchard and it was duly

RESOLVED: (1) That the changes to the Membership of Committees as set out at Appendix A of the Agenda be approved

(2) That Councillor Ball replace Councillor Drinkwater as Vice-Chairman of Economic Growth, Environment & Development (Overview and Scrutiny) Committee

50 AMENDMENTS TO THE CONSTITUTION

It was proposed by Councillor Spruce, seconded by Councillor B Yeates and duly

RESOLVED: That the responsibility for functions of the Licensing Sub-Committee (Part 3 Section 1 of the Council's Constitution) be amended to read: *To consider and determine appeals in respect of: traffic orders, hackney carriage and private hire licences, or any licence, permit or consent and consider and determine bids for street trading events within the remit of the Regulatory and Licensing Committee.*

51 QUESTIONS

Q1. Question from Councillor Drinkwater to the Cabinet Member for Operational Services, Leisure and Waste:

"Lichfield District Council has many trees across the District that it owns and has responsibility for. Maintenance of these trees appears to be becoming more and more of a problem for financial resources. Why can't the Authority in the case of real community need like in Princess Close Chase Terrace where Silver Birch trees are blighting the area have an emergency fund to resolve the problems for residents."

Response from the Cabinet Member for Operational Services, Leisure and Waste:

"The Operational Services Manager recently met with Councillor Drinkwater, Councillor Mrs Woodward and several residents at Princess Close to discuss the trees on the adjacent District Council owned grass verge. This followed complaints from certain local residents mainly about leaf fall and seed pods that fell from the trees at certain times of the year. The trees are mainly Silver Birch and the arboriculture consultant who carried out a survey of the trees has advised they are all in generally good health with only low priority works required such as crown lifting and line clearance.

At the site meeting we informed the residents that they can legally trim back any branches from council trees that overhang their boundaries. We confirmed that the trees in question at Princess Close were not in a conservation area and did not have any Tree Preservation Orders attached to them, therefore, they didn't require any additional permission to undertake this work. They were also informed that any work undertaken on the trees needed to be to the current BS 3998 standard. A quote for the work and the name of a contractor was forwarded to Councillor Mrs Woodward to pass on to the residents.

The Council has recently had an arboriculture survey carried out of all of its tree stock (30,000+ trees). The reason for this is to ensure the trees are as safe as is reasonably practical and work is undertaken to trees where necessary in a reasonable timescale.

Any works that are identified as being required are placed into categories.

Urgent: within 24 hrs
Short Term: up to 1 year
Medium Term: Within 3 years
Long Term: within 5 years

Work is undertaken to trees where there is a threat to public safety or they could cause damage to property, or where light is blocked to such an extent that it may cause mental health difficulties for vulnerable neighbours or is a conduit for anti-social behaviour.

The Council will not consider completing works if the complaint or enquiry is about leaf fall and litter, overhanging branches, blocking light to gardens, fruit or seeds falling, blocking views or trees causing nuisance because of wildlife, like birds or squirrels, or sap.

We may allow residents to carry out works to a Council owned tree at their expense as long as the works are specified in advance and agreed with the Council. Trees with Tree Preservation Orders or Trees in conservation areas have additional procedures that have to be followed.

Our current annual budget to cover the tree survey and any pre-planned or emergency maintenance works is as follows;

Lichfield open spaces £13660
Beacon Park £15000
Burntwood £18630

Total £47290

A copy of the Council's tree management procedures is available on the Council's website."

Q2 Question from Councillor Ball to the Cabinet Member for Corporate Services, Revenues and Benefits:

"I would like to thank Councillor Mrs Little for her responses in our email exchanges since the last Council meeting and ask her to explain why she thinks that Lichfield seems to be bucking the trend on Universal Credit and why there are so few people taking up the offer of budgeting advice and discretionary payments, when numbers accessing the local foodbanks, especially among those working, have continued to rise?"

Response from the Cabinet Member for Corporate Services, Revenues and Benefits:

The responsibility for administering Universal Credit (UC) rests with the Department of Work and Pensions. The Council comes into contact with people claiming UC in at least 3 ways: those that are referred to us for personal budgeting support (PBS) by the DWP; as applicants for discretionary housing payments; and as claimants for council tax support.

Since 1 April 2018, the DWP have referred 8 people who are claiming UC to us for PBS. None of the claimants turned up for the appointments. Officers from the local JobCentre Plus have suggested to the Council that the low numbers may be because the majority

of local people claiming UC are in work and may be more accustomed to managing monthly. However, we may see a rise in referrals for PBS when the people with existing claims for out of work benefits are migrated onto UC. We were expecting this 'managed migration' to start next year, but today's reports suggest that this is likely to be delayed.

So far this financial year, the Council has received 38 applications for DHP from UC claimants, compared with 43 in total last year. This rise may be as a consequence of the Council streamlining its DHP application processes to make it easier to claim.

The number of UC claimants claiming council tax support has risen from 265 (March 2018) to 519 (September 2018). The total number of council tax support claimants has increased by 14 (5113 compared with 5099) over this period. The total number of claimants in September 2017 was 5157."

Councillor Ball asked the following supplementary question:

"I would like to thank Councillor Mrs Little for her effort in answering this question. I recognise it is not the responsibility directly of the Council to administer universal credit but would like to ask that given that austerity is over and even Esther McVey MP has said some people are worse off under universal credit, will the Council take the advice of Sir John Major and make sure more money is put into the programme for poorer, disadvantaged people."

Response from the Leader of the Council

Councillor Wilcox advised that he would make the Cabinet Member aware of the question so she could supply a suitable reply.

Q3 Question from Councillor Ball to the Cabinet Member for Regulatory Services, Housing and Wellbeing:

"What will be the Council's response to the recent Government Green Paper on Social Housing and, in particular, what does he feel are the most important points missing from this Green Paper?"

Response from the Cabinet Member for Regulatory Services, Housing and Wellbeing:

"We have not got sufficient capacity to respond individually to the consultation, but we have liaised with Bromford who are responding.

In addition a response to the consultation has also been sent on behalf of the District Councils Network."

Councillor Ball asked the following supplementary question:

"It is regrettable that we do not have the capacity to respond to such a fundamental review of the housing programme. Specifically with regard to stigmatisation and ending stigmatisation would the cabinet member like to comment whether he is more in line with Messrs. Cameron and Osborne and their role when in power through their words and actions in ending social housing."

The Cabinet Member for Regulatory Services, Housing and Wellbeing responded:

“I met with Councillor Ball recently and was looking forward to the meeting since Councillor Ball has made a living out of helping people with their housing needs and is now retired so has time to contribute his knowledge. However, the Councillor is not asking a question but stating rhetoric. I would be happy to discuss the issues since I am here to help the District and the people of the District. As far as the question goes, it is in fact a sweeping statement, so I do not have an answer. ‘

Q4 Question from Councillor Mrs Woodward to the Cabinet Member for Regulatory Services, Housing and Wellbeing:

“As the Cabinet Member is aware, a number of Councillors, officers and volunteers from local Churches have recently been involved in discussions regarding the case of a homeless man in Lichfield. Is the Cabinet Member satisfied that the Council and its partners are doing all they can to address the growing problem of homelessness and rough sleeping on our streets in Lichfield District?”

Response from the Cabinet Member for Regulatory Services, Housing and Wellbeing:

“I am satisfied that the Council provides a very comprehensive housing options service to try and prevent and relieve homelessness in Lichfield District. We have a thorough implementation plan in place to ensure that we are meeting our statutory duties under the Homelessness Reduction Act 2017 which came into force in April this year, and have recently recruited two additional housing options officers to assist with this.

If the Council receives a report of a rough sleeper, a member of the Housing Options team will conduct a site visit to try and engage with the rough sleeper and encourage them to attend a housing options interview. Our website contains details of what people should do if they see a rough sleeper and the StreetLink service that we receive direct referrals from:

<https://www.lichfielddc.gov.uk/Residents/Housing/Homelessness/Rough-sleeping/Concerned-about-someone-sleeping-rough.aspx>. StreetLink is a national service that has a website, mobile app and phone line that enables members of the public to alert local authorities and street outreach services about people they have seen sleeping rough.

We are currently working with a local faith group and volunteers who currently provide support to rough sleepers; this includes the use of a shower and a hot meal one night a week at Wade Street Church. We are also working with the faith group to explore what other provision can be established in Lichfield. A proposal we are currently working on is the commissioning of a private sector leasing scheme operated on Housing First principles, with the aim of providing supported accommodation to the entrenched rough sleepers we have identified and any others we become aware of.

In the winter months, we operate a severe weather emergency protocol (SWEP), which is triggered when the anticipated night time temperature is zero degrees Celsius or below for three consecutive nights. In those circumstances we will provide temporary accommodation regardless of an individual's eligibility under the homelessness legislation. We will also make referrals to winter shelters in other areas where possible, as we did last winter to Tamworth and East Staffordshire.

We also conduct an annual estimate of rough sleepers in the District, as required by central government; this is a one night snapshot during which we ask all agencies likely to come across rough sleepers during the course of their activities to report any rough

sleeper sightings. In recent years numbers sighted on the official count night have been very low (3 in 2017, 1 in 2016, 2 in 2015, 1 in 2014). We do not have figures for this year yet as this year's estimate will be conducted on November 7th."

Councillor Mrs Woodward asked the following supplementary question:

"I welcome that the Cabinet Member is looking to provide supported accommodation for people such as the individual in question. I'm sure the Cabinet Member knows there has been a 169% increase in homelessness and 469 deaths across 418 Councils meaning it is likely that a death will happen within this Council's area, is the Cabinet Member satisfied that the Council and its partners are doing all that can be done?"

The Cabinet Member for Regulatory Services, Housing and Wellbeing responded:

"I have to be careful talking about individual cases due to GDPR considerations but I am satisfied that the Council's officers are working to make things happen as quickly as possible, however I cannot answer on behalf of other partners."

52 PROPOSALS FROM THE CABINET

(a) Procurement Service Improvement

Councillor Spruce advised that following a review an updated specification for procurement advice, guidance and support had been produced. This had then been tested by a procurement expert at the LGA.

Discussions had taken place with several Councils in the region and the preferred option was Wolverhampton City Council which, as a unitary authority, provided services that the County Council did not.

The cost of the all-embracing service was £56,490 per annum and it was proposed that a contract be signed for 4.5 years. There were potential savings of up to £87,000 per annum if the Council could achieve a 1% reduction in procurement costs. It was hoped that the target, which had been met by other authorities, could be exceeded.

It was then proposed by Councillor Spruce, seconded by Councillor Leytham and

Resolved: That the Medium Term Financial Strategy be updated based on the financial implications identified in the report submitted to Cabinet on 4 September 2018 (and reproduced in the financial implications section of the report submitted to Council) in relation to improvements to the Procurement Service.

(b) Medium Term Financial Strategy

In introducing the report, Councillor Spruce advised that the funding gap was now projected to be £1.22 million for 2019/20, £1.57 million for 2020/21, £1.6 million for 2021/22 and £1.65 million for 2022/23. The figures did not include removal of the negative revenue support grant which, following strong pressure from the LGA, had been hinted at by Whitehall. However, this would not be known until the formal announcement of funding in December. If the negative revenue support obligation was removed it would reduce the funding gap by approximately one third.

Councillor Spruce reported that the ongoing fit for the future programme, efficiency measures and commercial property investment programme required some changes to be made. These included extending the Assistant Chief Executive post for a further year to April 2020, the cost of which would be met from existing budgets and earmarked reserves.

Councillor Spruce noted that further proposals to close the funding gap would be presented to Strategic (Overview & Scrutiny) Committee in November.

Councillor Mrs Woodward said it was strange to be approving the establishment of posts when the report relating to these was to be considered later in the Agenda, noting that they were long term costs. Councillor Wilcox advised that the two posts relating to the major projects team were different posts to those referred to in connection with the estates team.

It was then proposed by Councillor Spruce, seconded by Councillor Leytham and

RESOLVED: (1) That the Medium Term Financial Strategy be approved and updated based on the financial implications identified in the report submitted to Cabinet on 9 October 2018 (and reproduced in the financial implications section of the report submitted to Council) in relation to the extension of the Assistant Chief Executive Post for a further year to Mid-April 2020.

(2) That the Medium Term Financial Strategy be updated based on the financial implications identified in the report submitted to Cabinet on 9 October 2018 (and reproduced in the financial implications section of the report submitted to Council) for the creation of a Major Projects Team.

Councillors Ball, Mrs Evans and Mrs Woodward voted against the proposal.

(c) Neighbourhood Area Designations – Determination of Applications for Designation

It was proposed by Councillor Pritchard, seconded by Councillor Wilcox and duly

RESOLVED: That the delegated authority granted to the Cabinet Member for Economic Growth, Environment and Development Services and the Director of Place and Community to determine applications for the designation of Neighbourhood Areas be continued.

(d) Delivering the Property Investment Strategy

Consideration was given to a report on delivering the Property Investment Strategy.

Councillor Wilcox advised that while there were reports of austerity being over, Councils up and down the country were still having to deal with the massive deficit that had been inherited. He said local government was providing the local stability and leadership necessary to support the national government as it sought to negotiate the best deal for the nation in exiting the European Union.

Councillor Wilcox said it was local councils that helped to make neighbourhoods cleaner, greener and safer in addition to supporting and safeguarding vulnerable children, disabled people, the elderly and those who were homeless and in need.

However, unprecedented funding pressures and demand for key services was pushing councils to the limit. Local Government had sustained disproportionate reductions in government funding over the decade. Councillor Wilcox advised that between 2010 and

2020 Councils would have lost 60p of every £1 the government had provided for services and in 2019/20 revenue support grants were due to be cut by a further £1.3 billion.

Councillor Wilcox noted that like many Councils across the country the District Council was facing significant challenges in balancing its budget, and it could be justifiably proud of its achievements to date in delivering a programme of efficiency savings and work was continuing to identify work streams for review. He stressed that doing nothing was not an option and the report sought to offer a solution that many Councils were embarking upon to maintain viability.

Councillor Wilcox reminded Members that a property investment strategy had previously been agreed by the Council, together with up to £45 million of borrowing to better use assets, shape places and generate income. In support of the strategy, officers had undertaken a significant piece of work to review the options available, this included learning from councils already involved in these activities and undertaking due diligence with a range of experts to test thinking and develop ideas.

As a consequence there were two specific proposals, the first was the establishment of a new estates function to provide professional oversight, optimise existing assets, grow the portfolio and increase income. To do this the Council needed to recruit relevant property professionals who would be supported by the fit for the future transformation programme.

The costs would be met through a combination of existing budgets and increased income. An increase in income of 5% was entirely realistic and would cover the posts, however since this may not be achieved initially as the team became established it was recommended that a contingency of £50,000 per annum be earmarked to cover any shortfall.

Councillor Wilcox gave details of the property acquisition process advising that based on conservative calculations an income of £1.6 million could be achieved by investing £45 million over five years. This would contribute significantly to closing the funding gap.

The second element of work was the development, lease and sale of residential property. To do this a company owned by the Council with a board of directors would be established. As shareholders the Council would retain full control over the company and external expert advice and support would be brought in to support delivery.

The company would offer legislative and financial advantages and was not an unusual approach in local government, with over half of local authorities having set up such vehicles. With an investment of £900,000 loaned to the company and a conservative target of five dwellings per annum it was anticipated that a profit of over £1.1 million could be generated by the 5th year.

Like many companies it would take time to become profitable and until that point annual income would be reinvested to support cash flow and mitigate financial risks. The Council would receive payments from the loan and some income from dividends.

Councillor Wilcox noted that a robust investment business plan would be developed and approved by the Council before the company was incorporated offering further assurance that risks would be modelled and assessed.

Councillor Wilcox referred to the risk areas that had been identified and how these would be managed. He said the Cabinet was grateful to the Strategic (Overview and Scrutiny) Committee for its input and recommendations from the Committee had been incorporated in the report.

It was proposed that the Asset Strategy Group would be replaced with a Member Consultative Group to provide strategic direction and political insight as well as scrutinising decisions going forward.

Councillor Wilcox said challenging times lay ahead but the implementation of the property investment strategy would enable the Council to plan with some degree of certainty, become more self-sufficient and deliver on promises to the electorate. He said the comprehensive proposals had been well considered, robustly tested and risk assured. They would support the delivery of the property investment strategy, help improve communities, address the broken housing market and generate income.

Councillor Pritchard highlighted the fact that after next year there would be no funding from Government. The proposal was a means of ensuring that the Council could still provide services. It was the only way forward, and great care had been taken to ensure risks were limited. While nothing was risk free, the Council has sought to address all the necessary issues and the strategy was something the Council quite simply had to do.

Councillor Mrs Woodward said it was a pity that much of the information concerning the proposal was still confidential. She expressed concern that the strategy had been rushed through out of sight of back bench councillors and feared it represented a post Friarsgate knee jerk reaction which would be committing the next Council.

Councillor Mrs Woodward said Burntwood had to rely on private sector funding while here a £900,000 commitment was being made plus a further £50,000 from contingencies. She called for a wider view to be taken of how and where money would be spent and questioned whether the objective was to make money or to meet need.

Councillor Mrs Woodward asked for clarification on a number of issues including who would be on the Member Group set up to provide strategic oversight and who besides the Council might be shareholders in the property company. Councillor Mrs Woodward also sought reassurance on potential conflicts of interest. She said there was reference to the Cabinet taking too long to make decisions, but Cabinet decisions could be taken quickly and the proposed externalisation of decision making would remove democratic accountability.

She said the provision of loans by the Council to provide operating capital illustrated the inherent risk of the proposal, while the provision of five dwellings a year was unambitious, and questioned what kind of dwellings they would be.

Councillor Mrs Woodward said property was notoriously risky, and suggested the Council consider its commercial options, for example a gardening service which could be of great benefit for elderly and vulnerable people, or a catering service given that much of the income generated from events in the parks came from catering.

Noting that the County Council was considering its housing strategy Mrs Woodward suggested that there could be economies of scale yet the County Council's Chief Executive and relevant Director appeared to be unaware of the consultations over the District's proposals.

Councillor Mrs Woodward said she accepted the principal and admired the ambition but it needed a lot more discussion and scrutiny and she was not willing to commit the next council to some of the commitments in the report.

Councillor Mrs Woodward referred to a recent House of Commons Briefing that stated while many local authorities had experience in commercial services and were comfortable with the risks involved, those that do not are moving into a new market and

scaling up significantly. This would require a clear commercial mind-set which was understood at all levels of the authority and there would need to be a clear focus on gaps in the market, competitors and the scale of risk. Councillor Mrs Woodward questioned if Members felt comfortable with this, stating that she was not, and then moved the following amendment:

'that paragraphs 1.12, 1.13, 1.14 and 1.16 of the report be deleted and paragraph 1.15 be amended to read that *the Council continues to explore the option and implications of creating a local authority company deferring any final decisions until a new Council is elected in May 2019*'.

The amendment was seconded by Councillor Mrs Evans.

Councillor Leytham objected that it was not an amendment since it took away 99% of the recommendations, and was therefore an attempt to put a new motion.

Councillor White said the original motion as submitted should be defended since it was imperative that local authorities used the tools available to protect services. He said the mechanism proposed allowed the conservative administration to continue to deliver services for the people of the District and disagreed that the decision should be delayed pending the election in May, noting that local government was continually making long term decisions and commitments.

Councillor White said much of the risk had been mitigated, and the Leader had been clear that expert advice formed an integral part of the proposal. He said the Council had a prudent treasury management strategy and he was comfortable with setting up a property investment company noting that in his professional life he was a Managing Director of Malvern Hills Science Park which had three investors, a District Council, a County Council and the Chamber of Commerce. He said it was a 'for profit' business set up in 1999 that continued to generate dividends for the district and county councils involved and was a great way to convert capital into revenue income.

Councillor White said the divide and rule approach used by the opposition was disappointing since this was a strategy for the whole district. He said the District was made up of three principle areas, Lichfield, Burntwood and the rural areas. There had certainly been investment in Burntwood, probably less in the rural areas, but the divide and rule approach didn't do anyone any favours. Regarding governance, Councillor White said nationalisation did not work for the nation and it was necessary to set these things free. He stated that he was totally against the amendment and said the Council needed to get on and approve the report.

Councillor Ball advised that although he was not against the proposal in principle he supported the amendment because the risks and not been explored and explained to his satisfaction. He said the Council did not have a great record with its existing commercial property and he was concerned that the Council was setting up to fail.

Councillor Ball said he thought the housing company was a good idea in principle but he was concerned about the rush. Given that it was partly a mechanism to avoid the 'right to buy' he questioned why the Council didn't call for the suspension of right to buy across the District.

Noting that the Council did not have the capacity to respond to the consultation on housing referred to earlier, Councillor Ball questioned how it could operate a sales programme. He also questioned why the Council was looking to provide housing for sale when it was much more relevant to produce much needed housing for rent.

Councillor Ball said that the representative from Anthony Collins Solicitors who attended the Member presentation on the proposal had confirmed the risky nature of the venture. Therefore it was essential to make the right decisions or it might end up damaging the District overall. Councillor Ball said Councillors needed to consider their consciences and not risk the District's funds.

Councillor Strachan said in the current climate projects like the one proposed were necessary and not at all uncommon for local authorities. Indeed the main concern was that local government investment could contribute to a bubble, which is why good quality due diligence was necessary and why the relevant clause has been built into the proposal.

Councillor Strachan noted that the proposals provided a vehicle to deliver affordable housing and address unmet need while providing a return for the Authority that allowed the Council to do its job. That the proposal went to Cabinet before Overview & Scrutiny was an accident of timing but Full Council was the decision making body.

Councillor Strachan said the amendment to kick the proposal into the long grass was a do nothing option, a false option that did nothing to address needs and therefore provided a negligent route. He acknowledged that property was risky but noted that the Council had received a great amount of professional advice and therefore urged Members to vote against the amendment and for the proposal.

Councillor Cox advised that the risk of not doing anything outweighed the risks of the proposal.

Councillor Mrs Evans agreed that services had to be funded but said it was once thought that Friarsgate didn't represent a risk. She raised concerns about putting public money at risk and expecting officers to do more. While housing was undoubtedly needed, she said the market was risky and the Council may not be able to cover its costs. Councillor Mrs Evans said the proposal needed to be considered more carefully.

A named vote was then taken on the amendment as proposed:

'that paragraphs 1.12, 1.13, 1.14 and 1.16 of the report be deleted and paragraph 1.15 be amended to read that *the Council continues to explore the option and implications of creating a local authority company deferring any final decisions until a new Council is elected in May 2019*'.

The votes were recorded as follows:

FOR (3)

Ball, C.
Evans, Mrs C. D
Woodward, Mrs S. E

AGAINST (24)

Bacon, Mrs N.
Boyle, Mrs M. G.
Cox, R. E.
Eagland, Mrs J. M.
Fisher, Miss B.
Hoult, B. E.
Lax, Mrs A. C.
Leytham, D. J.
Matthews, T. R.
O'Hagan, J. P.
Pritchard, I. M. P
Rayner, B. L.
Salter, D. F.
Shepherd, Miss O. J.

ABSTAIN (0)

Smith, A. F.
Spruce, C. J.
Strachan, R. W.
Tittley, M. C.
Tranter, Mrs E. H.
Warfield, M. A.
White, A. G.
Wilcox, M. J.
Yeates, A.
Yeates, B. W.

It was then proposed by Councillor Wilcox, duly seconded and

RESOLVED: (1) That Council agree the use of general reserves to provide contingency funding for any shortfall within the budget and amend the Medium Term Financial Strategy for the necessary changes to Property Management Budgets as detailed in the financial implications section of the report, including the appointment of two posts in the newly created estates team.

(2) That Council amend the Approved Investment Strategy to approve a loan of up to £900,000 to the local authority company for a period of 5 years.

(3) That Council agrees to the creation of a new officer group to provide cross-organisation focus to asset management.

(4) That the Council creates a local authority company to deliver its development and housing ambitions.

(5) That Council delegate the next steps to the Leader and Chief Executive particularly;

- A change in the constitution to replace the Asset Strategy Group with a new member consultative group
- A change to the constitution to delegate to the Leader and Chief Executive to make an offer for property acquisitions of up to £2m (subject to due diligence being undertaken) with oversight by the S151 officer and Monitoring Officer.
- The creation of a company including the setting up of a board, shareholder committee, memorandum and articles of association, shareholder agreement and loan terms
- The amendment of the constitution as necessary to incorporate the above changes including the incorporation of terms of reference for the two groups once agreed.

Councillors Ball, Mrs Evans and Mrs Woodward voted against the proposal.

Councillors Leytham and Wilcox thanked the Assistant Chief Executive and other officers involved for their work in connection with the delivery of the property investment strategy.

53 EXCLUSION OF PUBLIC AND PRESS

RESOLVED: That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded

from the meeting for the following items of business which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

IN PRIVATE

54 CONFIDENTIAL REPORT OF THE LEADER OF THE COUNCIL ON CABINET DECISIONS FROM THE MEETING HELD ON 4 SEPTEMBER 2018 AND CONFIDENTIAL CABINET MEMBER DECISIONS

The report of the Leader of the Council was noted.

55 CONFIDENTIAL MINUTES OF COMMUNITY, HOUSING AND HEALTH (OVERVIEW AND SCRUTINY) COMMITTEE

Minute 15 – Allocations Scheme

Councillor Ball recalled concerns about Hawthorn House in Lichfield being empty, and noted that its closure followed the withdrawal of funding by the County Council. He said it was a great pity that a useful means of helping people get into housing had been lost.

Councillor Ball recalled that in approving the allocations scheme regret had been expressed that some people had been moved down the list of needs due to the shortage of social housing.

Councillor Mrs Woodward spoke about housing for people with complex needs and mental health problems in her area. Following the loss of supporting people funding she said she had warned of things getting to crisis point, and unfortunately this had now happened.

Councillor Mrs Woodward said it was good to know that the Cabinet Member was looking at supported housing, noting that a small number of people with complex problems posed particular problems and became stuck in a revolving door between prison, probation and housing. She urged continued focus on the small number of individuals who are unable to sustain tenancies without support.

Reference was made to communications on social media highlighting mental health issues and Councillor O'Hagan said it was important to note that no personal cases had been discussed.

Councillor White explained that the supporting people grant was originally ring fenced but this was later removed. Meanwhile, the 2014 Care Act ensured people with a need are assessed and allocations are made on the basis of this assessment.

Councillor Miss Shepherd noted the issues raised and undertook to relay these to the Chairman of the Committee.

(COUNCILLOR WHITE DECLARED AN INTEREST IN THIS ITEM AS THE STAFFORDSHIRE COUNTY COUNCIL CABINET MEMBER FOR HEALTH, CARE AND WELLBEING)

(The Meeting closed at 8.04 p.m.)

CHAIRMAN