

Property Investment Strategy – Constitutional Change

Cabinet Member for Finance & Democratic Services

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Agenda Item: 12

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Key Decision? **NO**

Local Ward Members All wards.

Lichfield
district council
www.lichfielddc.gov.uk

COUNCIL

1. Executive Summary

- 1.1 The report, “Delivering the Property Investment Strategy” was approved at Council on Tuesday, 16th October 2018, along with a recommendation to delegate the next steps to the Leader and Chief Executive. This incorporated several changes to the constitution which have now been confirmed.
- 1.2 The changes to the constitution will replace the Asset Strategy Group with a new Strategic Asset Management Committee which will oversee the management of the existing property estate, the delivery of our investment ambitions, while also acting as the Shareholder Committee for the Council’s Development Company (which is to be incorporated later this year).

2. Recommendations

- 1.3 That Council approve the following;
- 1.4 Article 9, Panels and Forums, section 9.1 be amended to delete the reference to the Asset Strategy Group
- 1.5 Section 8.2, Standing Committees, be amended to incorporate reference to the Strategic Asset Management Committee, and the text to read;

Strategic Asset Management Committee

The role of the Strategic Asset Management Committee is to have a monitoring and advisory function with regards to the effective and efficient use of strategic assets (land and property) and other related matters as set out in Part 3 of the Constitution, while acting as the Shareholder Committee for any, and all Local Authority Development and Housing Companies

The Strategic Asset Management Committee shall comprise 5 members of the Council including at least one member of Cabinet and one opposition member.

The quorum for a meeting of the Strategic Asset Management Committee shall be 3 voting members of the Committee including at least one member of Cabinet.

- 1.6 Part 3, Responsibility for Functions, Section 2, Responsibility for Council Functions, be amended to incorporate reference to the Strategic Asset Management Committee, and the text to read;

Council/Committee/Panel	Functions
Strategic Asset Management Committee	To provide advice and support on the development and implementation of strategies, plans and policies relating to strategic assets.
	To monitor the financial and operational performance of strategic assets to ensure they meet the strategic ambitions and operational requirements

	of the council
	To provide advice and guidance in regards to the potential acquisition, disposal and development of strategic assets, including community asset transfers
	To provide assurance as to the effective and efficient use and governance of our strategic assets
	To act as Shareholder Committee for any and all Local Authority Development and Housing Companies

3. Background

- 2.1 In 2017 the Council approved the Property Investment Strategy, which set out the Council’s ambitions to invest in, and develop, property.
- 2.2 After a period of due diligence, the Council approved a report in October 2018 outlining how this strategy would be delivered and agreed the delegation of next steps to the Leader and Chief Executive.
- 2.3 One of the delegations was to amend the constitution to;
- replace the Asset Strategy Group with a new member consultative group
 - incorporate the governance relating to the Development Company (to be incorporated later in 2019)
- 3.3 The amendments have now been confirmed and are detailed in recommendation 2.1 to 2.3.
- 3.4 These changes will enable the Council to convene the Committee to begin to manage the existing portfolio while at the same time setting a governance structure that can then act as shareholder for the Development Company which is to be set up later in 2019.
- 3.5 The scope of the committee will not include any major projects or regeneration activity, albeit the committee may oversee the management of assets that are used for, or are the result of, such activity.
- 3.6 The committee will meet at least four times per year and, as with other Standing Committees, the minutes of each meeting will be presented to Full Council.
- 3.7 The work of the committee will advise the Strategic Asset Management Forum (Officer Group) and be subject to review by the Strategic Overview and Scrutiny Committee.
- 3.8 The membership for the Committee is outlined in recommendation 2.4 and will be reviewed at Full Council in May 2019 along with the membership of all other committees.

Alternative Options	<ol style="list-style-type: none"> 1. To set up more than one committee to oversee the functions. This would mean there would be two bodies overseeing property and so synergies would be lost between the existing estate and development function. 2. To set up a separate group which is a sub-group of cabinet. This would limit the transparency of the group and its decisions while potentially removing cross-party involvement and so not enable it to act appropriately as Shareholder
Consultation	<ol style="list-style-type: none"> 1. The Property Investment Strategy and Delivering the Property Investment Strategy Reports were consulted with Leadership Team, Strategic O&S Committee, Cabinet and Full Council.
Financial Implications	<ol style="list-style-type: none"> 1. Not applicable (outlined in Delivering the Property Investment Strategy).
Contribution to the	<ol style="list-style-type: none"> 1. Not applicable (outlined in Delivering the Property Investment Strategy).

Delivery of the Strategic Plan	
Equality, Diversity and Human Rights Implications	1. Not applicable (outlined in Delivering the Property Investment Strategy).
Crime & Safety Issues	1. Not applicable (outlined in Delivering the Property Investment Strategy).
GDPR/Privacy Impact Assessment	1. Not applicable (outlined in Delivering the Property Investment Strategy).

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Not applicable (outlined in Delivering the Property Investment Strategy)		
B			
C			
D			
E			

<p>Background documents</p> <ul style="list-style-type: none"> Delivering the Property Investment Strategy (https://democracy.lichfielddc.gov.uk/documents/s4378/Item%2014%20iv%20Council%20Report%20-%20Delivering%20Investment%20Strategy%20v1.2.pdf) Property Investment Strategy (https://democracy.lichfielddc.gov.uk/Data/Cabinet/20171205/Agenda/Cabinet%20-%205%20December%20(Public).pdf)

Relevant web links
