

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
CABINET

HELD ON THURSDAY 21 JULY, 2016 AT 4:30 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT: Councillors:

Adamson, G.	Leader of the Council
Alcott, G.	Deputy Leader of the Council and Economic Development and Planning Portfolio Leader
Kraujalis, J.T.	Corporate Improvement Portfolio Leader
Bennett, C.	Crime and Partnerships Portfolio Leader
Mitchell, Mrs. C.	Culture and Sport Portfolio Leader
Preece, J.P.T.L.	Environment Portfolio Leader
Davis, Mrs. M.A.	Health and Wellbeing Portfolio Leader
Allen, F.W.C.	Housing Portfolio Leader
Todd, Mrs. D.M.	Town Centre Regeneration Portfolio Leader

16. Apologies

None.

17. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

No other Declarations of Interest were made in addition to those already confirmed by Members in the Register of Members' Interests.

18. Updates from Portfolio Leaders

Leader of the Council

Better Care Fund (BCF) – The Leader advised that following a meeting earlier that day at which the County Council had confirmed its intentions in respect of funding cuts, the Council would be writing to SCC Cllr. Alan White, Cabinet Member for Health, Care and Wellbeing, to express its concern on the impact for residents of Cannock Chase district, in particular.

19. Minutes of Cabinet Meeting of 16 June, 2016

RESOLVED:

That the Minutes of the meeting held on 16 June, 2016, be approved as a correct record and signed.

20. Forward Plan

The Forward Plan of Decisions for the period July to September, 2016 (Item 5.1 – 5.2 of the Official Minutes of the Council) was considered.

RESOLVED:

That the Forward Plan of Decisions for the period July to September, 2016 be noted.

21. Recommendations of Scrutiny Committees

None received.

22. Traveller and Gypsy Protocol

Consideration was given to the Report of the Deputy Managing Director (Item 7.1 – 7.17 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The draft Traveller and Gypsy Protocol be agreed.
- (B) Having also been approved by the Local Strategic Partnership Strategic Board on the 18 July 2016, the Leader of the Council should sign the Protocol on behalf of the Council.
- (C) A copy of the protocol (and procedure note) be circulated to all Members of the Council.

Reasons for Decision

An unauthorised encampment /incursion on Council Land took place in March, 2016 at Chase Leisure Centre and since that date the Council had reviewed its procedures for preventing incursions on to Council land and the arrangements /roles and responsibilities for managing the removal of unauthorised encampments.

A risk analysis has been undertaken of the Council owned sites, including those managed by Wigan Leisure and Cultural Trust (WLCT), to determine any action that needed to be taken to prevent future incursion and these were being initiated.

The Council liaised at officer level with the Police and County Council to determine a joint protocol and joint procedure note for dealing with unauthorised encampments. A copy of the protocol was included as Appendix A to the report.

23. Final Accounts 2015-16

Consideration was given to the Report of the Head of Finance (Item 8.1 – 8.32 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The final accounts position for the year ending 31 March, 2016 be noted.
- (B) The financing of the capital programme, as outlined in the report, be approved.

Reasons for Decisions

The overall revenue account position showed net expenditure reducing by £674,000 when compared with the budget agreed by Council.

The portfolio outturn for 2015/16 showed a favourable variance of £433,000, which primarily related to higher than expected income from the main streams of £255,000 and staffing variations detailed in paragraph 5.7 of the report of £114,000. Technical items excluded from Portfolio totals showed a favourable variation against budget of £195,000.

Income from the Business Rates Retention Scheme was £61,000 higher than anticipated, which was primarily to do with higher growth than anticipated.

The final accounts for 2015/16, therefore, showed a transfer to Working Balances of £808,000 as compared to a forecast transfer of £134,000, an increase of £674,000.

A number of the outturn variances, including income variations, were identified as part of the 2016/17 budget process and now formed part of the current year's budgets. However these would be reviewed as part of the budget preparation for 2017/18.

24. 2016-17 to 2018-19 Budget Update and Financial Recovery Plan

Consideration was given to the Report of the Head of Finance (Item 9.1 – 9.25 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The financial impact of the closure of Rugeley Power Station on the Council's financial position from 2016-17 onwards be noted.
- (B) The outcome of the request for Transitional Funding for 2017-18 and 2018-19 from the Department of Communities and Local Government be noted.
- (C) Implementation of the revised Financial Plan for 2016-17 to 2019-20 and Budget Strategy b approved.
- (D) The timetable set out in Appendix D of the report, to produce a Financial Recovery Plan to address the material change in financial circumstances facing the Council be approved.

Reasons for Decisions

Cabinet at its meeting of the 1 February, 2016 made recommendations to Council in relation to the 2016-17 Budget and set a balanced budget for 2016-17 and 2017-18 but faced a material deficit in 2018-19.

The announcement of the premature closure of Rugeley Power Station

necessitated a revised Budget being approved by Council with working balances being used to offset the £700,000 reduction in business rates income in 2016-17 when the power station ceased production on 6 June, 2016. The ongoing full year loss of business rates for the Council amounts to over £1 million per annum.

In determining the Budget for 2016-17 and indicative Budgets for 2017-18 and 2018-19, Members had been advised that projections for future years needed to be treated with a great deal of caution and the implementation of fundamental policy decisions deferred until a clearer financial plan became available during 2016-17. Key elements included changes to New Homes Bonus; 100% Business Rates Retention; business rates income from Mill Green Retail Outlet Centre and the outcome from the Council's request for Transitional Funding from the Government.

Transitional Funding totalling £300m at national level was allocated to a number of Councils for 2016-17 and 2017-18 "to ease the pace of reductions during the most difficult first two years of the 4 year Local Government settlement". The earlier than anticipated closure of Rugeley Power Station, and the subsequent loss of business rates of over £1m per annum put all key services at risk and a meeting was arranged with the Minister for Local Government to discuss the unusual and unfortunate circumstances the Council faced. The reduction in business rates income by 25% and the overall reduction in spending power of 15% were significant and immediate reductions and the Council formally wrote to the DCLG in February, 2016 requesting transitional financial relief to mitigate these unusual circumstances until Mill Green Outlet Village was established, which would mitigate 73% of the loss of business rates from the power station.

Pending the meeting, a draft Financial Recovery Plan was developed and the Council's Budget Strategy reviewed. The financial predicament that the Council now faces, taking into account the savings already made over the last five years is extremely challenging. Officers were drafting financial savings options that cover all the services of the Council with the exception of the recently let Refuse and Recycling Waste Contract, and all budget strategies for each service were being explored from Invest to Save to cessation of the service.

The Leader and Deputy Leader of the Council, together with the Managing Director and Head of Finance and Amanda Milling, MP, met with the Parliamentary Secretary of State and civil servants on 11 July, 2016. Although the Minister acknowledged the unfortunate position the Council was in, he stated that transitional funding was no longer available and no mechanism existed to provide such funding to take account of the Council's unusual circumstances. The Minister would, however, examine ways to support the re-development of the Power Station site. In addition the Government were keen to identify how the new Self Sufficient Local Government 100% Business Rates Retention Scheme, to be introduced in 2020, could insulate against such shocks and provide a smooth transition for Councils subject to a significant loss of business rates income from a change in national policy or closure.

The lack of any Transitional Funding support from Government means that the Council has to address an immediate deficit of £0.700 million in the current year, a deficit that peaks at £2.15 million in 2018-19 with an ongoing deficit of £1.6 million from 2019-20 onwards (subject to Mill Green Retail Outlet Centre being opened on time). The utilisation of working balances will potentially enable the shortfall in 2016-17 and the additional deficit of £0.550 million in 2018-19 to be

addressed. Nevertheless, the lack of transitional funding required the Council to produce a Financial Recovery Plan to be implemented immediately and savings delivered from 1 April, 2017. The savings were some 33% in excess of that forecast pre the closure of Rugeley Power Station and were required to be implemented some 12 months earlier than initially thought. This would require some difficult decisions that would affect frontline services across the District.

Appendix 4 to the report showed the timeline for the Financial Recovery Plan. Officers were working up options for consideration by Cabinet in September. The implementation of the Financial Recovery Plan would require the Council to initially engage with all its partners / organisations in receipt of funding / concerned with service provision to make them aware of the Council's predicament and determine options and timescales for consideration by Cabinet

Cabinet would consider all potential options at its meeting in September. Consultation on proposed savings options would then commence for a six week period, with the outcome fed into a Draft Budget for consultation in December in advance of the formal budget setting timeline. Formal decisions would then be taken in early 2017.

The Recovery Plan included a Peer Review which the Council had volunteered for. This would be co-ordinated by the Local Government Association (LGA) and consisted of a team of peers (Elected Members and Officers) spending three days in the organisation during September, 2016. The Peer challenge has been commissioned to provide an external check and reassurance that what the Council was doing, and planning to do, was relevant and realistic – particularly in terms of the strategy for realising savings and achieving a balanced budget over the medium and longer term to enable future financial viability and sustainability.

Members were asked to note that Cannock Chase Council had delivered a very strong performance on business rates growth over the past three years; had facilitated just under 1,000 houses on site and under construction in 2016/17; supported the growth of small businesses via rates relief and reduced the costs of Council services whilst protecting levels of service provision by a long term partnership with a charity to provide leisure services, reduced management and shared services with Stafford Borough Council.

However, the Council was now facing the most difficult financial position for many years as a result of the closure of Rugeley Power Station combined with the expected loss of Government Grant plus the reduction in New Homes Bonus and other smaller scale funding reductions. The consequent decisions that the Council would need to make to achieve financial balance in the next Budget period would require both consultation with the public and with trade unions and a timetable for this process was attached to the report for approval. Potential risks were that services to the public would be affected and the capacity of the Council to continue to deliver economic growth, housing growth and jobs may be materially impacted.

25. Housing Revenue Account – Final Accounts 2015-16

Consideration was given to the Joint Report of the Head of Housing and Waste Management and the Head of Finance (Item 10.1 – 10.7 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The final accounts position for the year ending 31 March 2016 be noted.
- (B) The financing of the capital programme as outlined in the report be approved.

Reason for Decision

The overall revenue account position showed net expenditure reducing by £105,000 when compared with the budget agreed by Council.

Income at 31 March, 2016 was £20.184 million, exactly in line with the revised budget position of £20.184 million reported to Cabinet in February 2016.

Expenditure at 31 March, 2016 was £22.181 million compared to the revised budget position of £22.286 million reported to Council in February, 2016. The £0.105 million decrease in expenditure related primarily to savings in supervision and management and capital financing, offset by additional costs in relation to repairs and maintenance.

The final accounts, therefore, showed a use of working balances of £1,997,000 compared with a planned use of £2,102,000, a reduction of £105,000.

Working balances at 31 March, 2016 were now £1.629 million compared to the £1.524 million reported to Council in February, 2016.

The report sets out the capital outturn of £12.922 million compared to a budget of £13.334 million a reduction of £0.412 million. Details of financing for the current year and resources available were also included.

26. Fly Tipping – Fixed Penalty Notices

Consideration was given to the Report of the Head of Environmental Health (Item 11.1 – 11.5 of the Official Minutes of the Council).

RESOLVED:

That

- (A) The contents of the report be noted.
- (B) The maximum level of Fixed Penalty charge of £400 with no discount for early payment be approved.

Reasons for Decision

Fly-tipping was a significant problem to local communities and a risk to the environment. It was a drain on the Council's resources and also undermined legitimate waste businesses where unscrupulous operators undercut those that operate within the law.

A new Fixed Penalty provision under the Environmental Protection Act, 1990 introduced a less costly option to deal with small scale fly tipping incidents than the conventional route of prosecuting offenders in the Courts.

Fixed Penalty Notices (FPN's) acted as a deterrent to offenders, and Councils using them were expected to see a decrease or a slow-down in growth, in the number of small scale fly-tipping incidents.

The Act enabled the Council to issue a FPN for offences involving a breach of Section 33(1)(a) of the Environmental Protection Act 1990 in order to discharge

a liability to conviction. The level of penalty that could be imposed was between £150 and £400 which must be paid within 14 days of service of the FPN with a default level of £200 where a local authority does not specify a level.

A lesser penalty may be imposed for early payment and it is for each authority to decide their penalty in the absence of statutory guidance. However, this is likely to give rise to a degree of confusion that will result in an additional administrative burden on the Council in connection with under or overpayment of the Penalty Fees.

The maximum level of fine is considered likely to provide the most appropriate penalty for actual fly tippers and greatest deterrent to would-be fly tippers. A single Fixed Penalty fee of £400 with no discount for early payment was, therefore, recommended.

27. External Communications

Consideration was given to the Report of the Head of Environmental Health (12.1 – 12.4 of the Official Minutes of the Council).

RESOLVED:

That the proposal outlined at paragraphs 5.6 to 5.10 (Option 2) – to trial and subsequently evaluate the printing and distribution of a community newsletter / magazine at a cost of £2,900 – be agreed.

Reasons for Decision

It was recognised that perceptions of local Councils from members of the public were not always positive.

In challenging economic times it was considered important that residents knew what the Council was doing well, what services it offered / didn't offer, how it was spending tax payers money, the decisions made and how they were taken.

Delivering effective communications improved the Councils relationships, its knowledge of our customer's demands and would enhance awareness and understanding of the services it delivered.

The recommended option would see the production of a 32 page magazine/newsletter of which 16 pages would be available for Council content. The remaining pages would be taken up by advertisements sourced by the publisher.

28. Cannock Chase Good Life App

Consideration was given to the Report of the Head of Economic Development (Item 13.1 – 13.6 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The Head of Economic Development be authorised to carry out a launch of the Good Life Deals loyalty App in the summer of 2016.
- (B) The Head of Economic Development be authorised to carry out a launch of the secondary loyalty reward card in due course.

Reasons for Decisions

The new Good Life Deals App and website provided an opportunity to support local businesses through encouraging people to buy local and generate income for the council by providing a modern digital platform that connected local businesses and residents.

An opportunity to roll out an established Good Life Deals app had been negotiated with South Staffordshire District Council (SSDC), who had operated the scheme since December, 2015.

An additional facility on the web site and app would help residents save money by earning cashback on online purchases at over 4,300 retailers. SSDC had negotiated with 'Topcashback' (a Staffordshire based company, who operate worldwide and are the highest paying UK cash back provider) to provide this service. This approach would allow Cashback to be integrated into the app. The Council would earn an income through referral payments also known as 'affiliate marketing'.

The app provided a service that was responsive to changing shopping habits whereby people were increasingly shopping online using an array of media including smartphones and tablets (Centre for Retail Research, 2015). People were increasingly shopping locally and seeking out the best deals (Mintel, 2015). In addition, online shoppers increasingly expect the option to buy on line and collect in store (Winning Moves, 2014).

Through a combination of paid for advertising and cash back referrals (and potentially other advertising) it was anticipated that the income will be sufficient to sustain the initiative with no revenue requirement from the Council post 12 months from launch.

Consultation with town centre traders' associations has identified that there was a need for a loyalty card in addition to the web site and app in order to be as inclusive as possible to those without digital access.

Existing Economic Development Section 106 monies would cover the initial set up and the first 12 months running costs (£9,000) including advertising and the costs of producing any loyalty reward cards as necessary.

Terms and conditions are in place on the Good Life web site and app to protect the Council and state that the Council does not take responsibility for advertising; it provides no warranty, either express or implied, as to the quality of the service/goods offered by the business; nor does the Council accept any liability for loss to the customer howsoever caused. The customer would need to acknowledge that the Council expressed no preference for the business deal the customer chose.

Businesses would be able to directly input their deal via the website or app. A screening process was in place whereby approval was required before the deal goes live/is visible to the customer. This would safeguard the Council from association with businesses deemed unsuitable for public support.

The Enjoy Staffordshire card would complement the Good Life Deal app as it had a predominately tourism focus and minimal coverage in Cannock Chase District.

The Good Life Deal loyalty scheme would provide a single product for the businesses and residents of South Staffordshire and Cannock Chase Council

areas. It would also be available for residents and businesses outside of the area doing business with residents and companies in the area.

The Good Life Deal scheme was aimed at any business that traded with the public, not just retailers as with loyalty schemes that operated only in town centres or with only a retail focus. Discussions with businesses indicated that there would be interest in a scheme designed for 'business to business' trading and this may be the subject of future proposals.

29. Cannock Chase Area of Outstanding Natural Beauty Governance Structures

Consideration was given to the Report of the Head of Economic Development (Item 14.1 – 14.5 of the Official Minutes of the Council).

RESOLVED:

That Cabinet noted and endorsed the changes to the Governance Structures for the Cannock Chase Area of Outstanding Natural Beauty (AONB) which were agreed at the AONB Joint Committee on 16 June 2016.

Reasons for Decisions

The governance of Cannock Chase AONB had been under review in recent months as it was felt to be complex and unwieldy and not effectively delivering the Management Plan. Following the review, the changes to the governance structures were agreed by the Joint Committee (on which Cannock Chase Council is represented by the Portfolio Leader for the Environment). The new governance structures are more streamlined which was intended to aid the more efficient and focused delivery of the management plan. The effectiveness of the changes would be monitored. Cabinet was requested to note and endorse the changes, as detailed in the report.

30. Application for Permission to Spend – Let's Grow

Consideration was given to the Report of the Head of Economic Development (Item 15.1 – 15.5 of the Official Minutes of the Council).

RESOLVED:

That permission to spend £40,000 to award capital grants to existing businesses looking to grow and expand in the District be approved.

Reasons for Decisions

The project would assist existing businesses to grow and expand within the Cannock Chase District through the award of capital grants up to £5,000 (50% match funded by the business) to existing businesses looking to grow and expand and create or safeguard at least 1 full time job in the District. To qualify for support, businesses must be paying business rates to the Council.

The Let's Grow programme had been operating since January, 2014 funded through the Local Strategic Partnership and the Chase Enterprise and Skills Board to help address funding eligibility gaps in support for businesses in the District.

Businesses who were looking to apply for grants were finding that their projects were too small or that they were in the wrong sector to qualify for financial

support under existing programmes. Cannock Chase Council wanted to help the businesses who were missing out on valuable financial support necessary to grow their business.

To date Chase Enterprise and Skills Board had approved £40,000 (capital already spent) for the Let's Grow Programme and had recently approved a further £20,000 for revenue grant funding. The original capital scheme (£40,000) was no longer operational, having closed 31 December, 2015.

To date 12 businesses had been approved for funding through the programme, which were scheduled to generate 28 new jobs and safeguarded 2 more. Of the 12 businesses identified, 2 (an Accountancy business and a Media business) asked to terminate their Agreements due to personal issues / not able to create the job identified in their application, which meant they were no longer able to deliver the planned projects (total job creation reduced to 26 after the terminated agreements).

87 Let's Grow application forms had been issued to date. Since the scheme closed in December, 2015, 14 businesses had been added to a waiting list in the event of a further extension. Subject to an extension being granted, the remainder (73) would be advised so there was a healthy potential pipeline to work with.

The programme did not duplicate any other programme or initiative available or proposed, as it was a small grant scheme that covered a wider range of business sectors than ERDF funded projects would. It was proposed that the Let's Grow Programme be re launched as a capital and revenue programme.

The meeting closed at 5:10 p.m.

LEADER