

Overview and Scrutiny Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 16 July 2019
Present	Councillors Laura Davison, Michelle Dorrell (Vice-Chair), Peter Gane, Terence Mullard, Tim Prater, Patricia Rolfe, Rebecca Shoob (Chairman) and Lesley Whybrow
Apologies for Absence	Councillor Miss Susan Carey
Officers Present:	Tim Bailey (Senior Planning Officer), Gavin Edwards (Policy and Improvements Officer), Adrian Hammond (Housing Strategy Manager), Andy Jarrett (Chief Strategic Development Officer), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Susan Priest (Head of Paid Service), Andrew Rush (Corporate Contracts Manager), Adrian Tofts (Planning Policy Manager) and Lee Walker (Group Accountant)
Others Present:	Deborah Upton, East Kent Housing Councillors David Godfrey, Mrs Jenny Hollingsbee and Ian Meyers

10. **Declarations of Interest**

There were no declarations of interest.

11. **Minutes**

The minutes of the meeting held on 18 June 2019 were submitted, approved and signed by the Chairman following the amendment below:

Community Safety Partnership Annual Plan and Strategic Assessment – members made a number of comments and bullet point 2 should read as follows - “Noted increase in recorded crime. Suggested regular surgeries with Police in Folkestone Central”.

12. **Treasury Management Annual Report 2018/19**

Report C/19/10 reviewed the council's treasury management activities for 2018/19, including the actual treasury management indicators. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

Lee Walker, Group Accountant presented the report to members paying particular attention to the following which are all highlighted within the report:

- Section 2 summarises the economic background
- The Council's Treasury Activities for 2018/19
- The Financial Summary of Treasury Activities
- The Non-Treasury Investment Holdings and Returns
- Compliance Issues which are covered in section 8 and appendix 2 of the report with no exceptions to report.

Members asked a number of questions relating to the following:

Local Authority Loans – It was confirmed the council's investments made with other local authorities that were due to mature since 31 March 2019 had taken place. It was also outlined that local authorities are viewed as very high quality counterparties for cash investments as they are subject to statutory requirements regarding their ability to meet their financial commitments.

Treasury Management Strategy and the consideration of social, ethical and green investments – The current approved strategy does not specifically refer to these types of investments. However, they could be considered for inclusion in the Treasury Management Strategy for 2020/21.

Money Market Funds (MMF) and Other Pooled Funds – A MMF is a collection of short term investments or financial instruments such as certificate of deposits and bonds managed by a fund manager, are very secure and have the top credit rating of AAA, give the investor with instant access to their cash and typically provide a yield close to that of the official Bank Base Rate. The Multi-Asset Income Funds are typically a collection of equities, government bonds, corporate bonds, property funds and alternative financial instruments managed by a fund manager. These are viewed as much longer term investments with an expectation of holding for a minimum of 3 years. The price of the fund can be subject to volatility however the annual dividend yield is expected to be between 3% and 4%. The council also invest in an externally managed commercial property fund which typically holds warehouses, offices and retail outlets in its portfolio. Again, this is viewed as a long term investment and is currently providing a annual yield of about 4.5%.

Proposed by Councillor Peter Gane
Seconded by Councillor Lesley Whybrow and

Resolved:

1. To note Report C/19/10.

(Voting: For 8; Against 0; Abstentions 0)

13. Annual Performance Report - Making a difference: a snapshot of our year 2018/19

Report C/19/14 set out how the Council has continued to deliver for local people in the district in 2018/19 in response to the Corporate Plan (2017-20) vision of *investing for the next generation ~ delivering more of what matters*.

Gavin Edwards, Policy and Improvement Officer presented members with the report. He informed that a review of performance measurements is constantly taken throughout the year and any additional information such as figures relating to health was noted and will be looked into with the appropriate service manager.

Members will be provided with additional information relating to the % of other planning applications to be determined with statutory periods following the meeting.

It was noted that the British Vehicle PCN recovery rate appears to be low but this is due to the length of time on the PCN recovery process which can take up to 9 months in some cases to recover payment.

Proposed by Councillor Patricia Rolfe
Seconded by Councillor Peter Gane and

Resolved:

1. To receive and note report C/19/14.

(Voting: For 8; Against 0; Abstentions 0)

14. Places and Policies Local Plan - Gypsy and Traveller allocation site

The Planning Inspector considering the Places and Policies Local Plan (PPLP) at the Examination in Public indicated that the District Council should be allocating a site(s) to meet the future needs for the Gypsy and Traveller community. This report set out the work that has been undertaken to identify a preferred site. Report C/19/13 also seeks Cabinet approval to carry out a six-week period of public consultation on the preferred site allocation.

Adrian Tofts, Planning Policy Manager presented the report to members paying particular attention to the process that the Council has gone through and how they have now come to the conclusions set out in the report.

Members paid particular attention to the following:

Site allocations – although the shortlisted sites were all in the Romney Marsh area, with the new site, Land adjacent to ‘The Retreat’, Lydd Road, Old Romney, being in this area too, the Romney Marsh area was not specifically chosen; this was a result of general site availability across the district and the filtering process of assessing sites.

The preferred site would was chosen as it provides the necessary space required, has good road access and is well-screened with some mature trees and hedgerows.

Various other sites were looked at across the district and if an alternative site is put forward during the consultation, this would be considered in the same way judging on environmental impacts, amenities and neighbouring properties.

The traveller family who have recently bought the site are well established and well known within the gypsy traveller community and the proposal is that the site is allocated for 4 traveller pitches; if a larger scheme was put forward this would be judged against the policy and the planning merits of the scheme. The constraints to the south of the site would be unlikely to allow for significant expansion due to a higher flood risk.

It was felt by some members that this work should have been done sooner and that a review of the whole district should have taken place to fulfil the council's obligations to this community.

Publicity for local plan consultations is carried out via a number of ways with the council using its already established data base, together with local parish and town councils, neighbouring properties and social media.

Proposed by Councillor Peter Gane
Seconded by Councillor Lesley Whybrow and

Resolved:

- 1. To receive and note Report C/19/13.**

(Voting: For 8; Against 0; Abstentions 0)

15. East Kent Housing performance update

A briefing note OS/19/02 entitled East Kent Housing was presented to the Committee which was followed by a presentation. This is attached to the minutes for information.

Also in attendance for this item was Deborah Upton, East Kent Housing (EKH) to answer any questions members may have.

Adrian Hammond, Housing Strategy Manager presented the presentation paying particular attention to the performance concerns listed in the papers

attached and the measures that have been taken by the Council and East Kent Housing to date to deal with the issues of non-compliance across the Council's housing stock managed by EKH.

A timeline of recent the performances issues and the actions taken by the Council and EKH are shown in the papers. Due to the gravity of the situation in relation to the gas contract, EKH are now providing the 4 councils with daily updates. There is an independent investigation underway due to non-compliance issues which will be reported back to members in due course. The Council is also investigating potential overcharging within the previous gas contract arrangements.

A detailed action plan is being prepared by EKH to ensure that all areas of non-compliance are dealt with as a priority. The Council's Monitoring Officer will be presenting a report to Cabinet on 31 July which will set out details of the Council's non-compliance in respect of gas safety across its housing stock.

The Council's Client officer will also be responding to this report to advise Cabinet of the ongoing action being taken by the Council and EKH to deal with all areas of non-compliance. The Client officers will also set out proposals for the Council to review how it's Housing and Tenant Services are delivered, including the options for returning the service to its direct control. At its meeting on 31 July, Cabinet will also be requested to approve the award of the long-term Heating maintenance, servicing and installation contract following the termination of the contract by the previous contractors.

Members paid particular attention to the following:

- Relationship with EKH – the report to Cabinet on 31 July will state that arrangements for managing the Council's housing stock will be reviewed. Officers will work with tenants and members to move this forward.
- Deborah Upton informed members that the temporary contract now and when the new long-term Heating Services contract (once awarded) will subject to weekly monitoring arrangements by EKH.
- Complaints procedure – members asked for an update on the number of complaints received, the procedure used and the how long responses take. In response to this question it was reported that any complaints about contractors is sent directly to them to action and if these are not dealt with in the appropriate way then EKH take on the issues and respond within 10 days.
- Gas certificates – it was noted that these are provided to tenants once the checks have been made, this is followed up by standard audit checks. Susan Priest informed members that we are in a better place now with lots of work already done, an action plan is in development and all high risk actions have been completed, with a number of actions to be undertaken.
- EKH HQN investigation – this will be completed by the end of July by EKH.

- The 4 Councils are commissioning their own independent review of all areas of non-compliance. This will be reported to members once completed
- Fraud investigation – members were informed that external barristers had been advising on this which is ongoing and a report will be brought back following the findings being made available.
- Additional costs of £27,000 have been incurred by the Council over the period of 3 months (since May) to cover the temporary contract arrangements.

Members were informed that the 4 councils have a number of options that will need to be considered as part of the review of future arrangements for delivering the Council's Housing and Tenant Services.

Apologies have been made to tenants and will be made clear on the Council's website and EKH website and any social media outlets.

The Council intends finding out what happened, how it happened and that this never happens again as the service provided to tenant over the recent months is simply not good enough.

Alongside the presentation information relating to performance indicators were circulated to members and the public gallery, these are also attached to the minutes for information. Mr Hammond informed that rent arrears are increasing but remain below the annual target for the year end. The Mears contract is performing well overall, again this is monitored regularly.

Proposed by Councillor Peter Gane
Seconded by Councillor Laura Davison and

Resolved: That a further report be presented to the Committee in respect of the Complaints procedure and the numbers and decisions made.

(Voting: For 8; Against 0; Abstentions 0)

Proposed by Councillor Peter Gane
Seconded by Councillor Patricia Rolfe and

Resolved: To receive and note the briefing report.

(Voting: For 8; Against 0; Abstentions 0)

16. **Biggins Wood Delivery**

Report C/19/12 recommended the acceptance of two bids to deliver the Biggins Wood development.

Andy Jarrett, Chief Strategic Development Officer gave a presentation to members which is attached to these minutes for information. He also advised

that additional confidential information was available for members to scrutinise, should they wish to go into a private closed session due to the information being commercially sensitive.

This provided members with the background explaining that with no movement on the site the Council chose to acquire the land in 2016. The site benefited from planning permission for 77 houses and commercial use of the site.

There are a number of constraints on the site particularly that of land contamination which requires remediation. It is also proposed that there will be acoustic barriers between the proposed commercial development and housing development.

Mr Jarrett informed that following adverts in Estates Gazette various offers had come forward and these are shown within the attached papers.

The development would meet the Council's aims of providing more home and jobs and would include 23 affordable houses.

Members paid particular attention to the following:

- Site risk – site is considered risky and further information on risk mitigation is required
- Transparency – there is a desire to be more transparent, recognising the information that could be provided to members is commercially sensitive
- Housing – That there is no additional housing other than the 77 granted under the existing permission as it is already very close to existing residential properties
- Additional costs/joint venture – the joint venture is in respect of the commercial part of the site and any additional costs would be the council's responsibility on land on the site for use as gardens and landscaping
- Information – members felt that in the public papers there was little detail for them to discuss
- Financial implications – members would have liked more detail on this, recognising it was commercially sensitive
- Contamination – members were advised that advice had been sought from specialists in that field and that contamination costs were expected to be covered by the Homes England Grant
- Company information – further information relating to the companies in discussions would have made it easier for members to understand the recommendations made by officers
- Audit process – a copy of this will be provided to members following the meeting

Mr Jarrett made it clear to members that this was a joint venture which is a good proposal and meets the Council's objectives and aspirations for the site. Members were reminded that if they have specific questions or lines of enquiry,

advance notice to officers listed at the end of the report would allow for necessary information to be given.

Proposed by Councillor Peter Gane
Seconded by Councillor Tim Prater and

Resolved: That no additional housing, other than the 77 proposed in the planning application be put onto the site.

(Voting: For 4; Against 0; Abstentions 4)

Officers advised the Committee that there was additional information that could be made available to members for discussion but as this was commercially sensitive would be required to be presented as an exclusion of the public item and would therefore need a vote to do so.

Councillor Patricia Rolfe proposed to request that members go into a private session but as there was no seconder this fell.

The Committee therefore made it clear it did not wish to go into private discussions.

Proposed by Councillor Lesley Whybrow
Seconded by Councillor Laura Davison and

Resolved: To advise Cabinet that the Committee felt the project was risky and with insufficient information provided, they could not make a recommendation to Cabinet.

(Voting: For 7; Against 1; Abstentions 0)