
Informal Joint Overview and Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

**Notes of the Informal Joint Overview and Scrutiny Discussions held
on Thursday 15 October 2015 at 5.00pm in the Council Chamber,
District Offices, College Heath Road, Mildenhall**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillor Diane Hind
(Chairman of the informal joint discussions)

Councillors Simon Brown, John Burns, Jeremy Farthing, Susan Glossop,
Angela Rushen, Clive Springett, Jim Thorndyke, Frank Warby and
Patricia Warby.

Forest Heath District Council (FHDC)

Councillors Chris Barker, David Bimson, John Bloodworth, Simon Cole,
Christine Mason, Bill Sadler, Reg Silvester and Lance Stanbury.

IN ATTENDANCE: SEBC: Councillor Sara Mildmay-White, Portfolio Holder for Housing
SEBC: Councillor Ian Houlder, Portfolio Holder for Resources and
Performance
SEBC: Councillor Julia Wakelam
FHDC: Councillor Peter Ridgwell

Prior to the formal meeting, at 5.00pm informal discussions took place on the
following item:

(1) Business Case for Establishing a Housing Development Company

All Members of St Edmundsbury Borough Council's Overview and Audit Scrutiny
Committee had been invited to attend the District Offices, Mildenhall to enable
informal joint discussions on the above report to take place between the two
authorities.

The Chairman of Forest Heath's Overview and Scrutiny Committee welcomed all
present to the District Offices, Mildenhall and advised on the format of the
proceedings for the informal joint discussions and subsequent separate meetings of

each authority, prior to handing over to the Chairman of St Edmundsbury's Overview and Scrutiny Committee, who would be chairing the informal joint discussions.

Members noted that each Council permitted public participation at their Overview and Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, it was proposed that public speaking should be permitted prior to the start of the informal joint discussions to enable any questions/statements to be considered by both Overview and Scrutiny Committees on item 1 above. On this occasion however, there were no questions/statements from members of the public.

The report was then considered in the order listed on each authorities agenda.

1. **Business Case for Establishing a Housing Development Company**

(Councillor Clive Springett declared a pecuniary interest as a Director on the Havebury Housing Board, and left the meeting.

Councillor Frank Warby declared a pecuniary interest as a member of the Havebury Housing Board, and left the meeting.

Councillor Patricia Warby declared a non-pecuniary interest as a member of the Havebury Housing Performance and Scrutiny Panel, and left the meeting.

Councillor Diane Hind declared a non-pecuniary interest as a member of the Havebury Housing Performance and Scrutiny Panel, and remained in the meeting to chair the informal joint discussions).

St Edmundsbury Borough Council Portfolio Holder for Housing, Councillor Sara Mildmay-White presented the report, which set out the business case for establishing a commercial company limited by shares for the purpose of generating an income by the development of housing, including homes for sale, private rent, affordable rent and shared ownership. The company would be wholly-owned by Forest Heath District Council (25% of shares), St Edmundsbury Borough Council (25%) and Suffolk County Council (50%) and would provide a revenue income to all Councils.

Attached as Appendix A, to the report was the draft Cabinet report, which set out the business case for the establishment of a housing development company. Considerable detail was contained in the draft Cabinet report, based on advice from GVA Consulting, covering the financial aspects, and Trowers and Hamlins, covering the legal aspects. The draft Cabinet report contained a series of recommendations, approval of which would enable the Company to be incorporated.

The West Suffolk Housing Strategy 2015-2018, approved by both Councils in October 2014 identified the potential of a housing development company to meet key housing objectives in West Suffolk. The proposed Company would also make significant contributions to West Suffolk's three key priorities:

- Homes for our communities;
- Increased opportunities for economic growth; and
- Resilient families and communities that are healthy and active.

The Head of Housing also gave a presentation, which provided a broad overview covering:

- The national and local context
- The proposal
- What the benefits were
- Pressures facing West Suffolk
- Housing and community case, including community benefits
- Financial case
- Governance proposal

Members were asked to consider the business case for establishing a Housing Development Company, and propose any amendments prior to being presented to the Extraordinary Cabinet on 27 October 2015.

Members scrutinised the Business Case in detail and asked a number of questions to which the Head of Housing and other officers provided comprehensive responses. In particular discussions were held on the company structure; why other alternative options had been rejected; the reasoning behind why members were not on the Board of Directors; the role of the Shareholder Advisory Group; why the Company was being set up jointly with Suffolk County Council; the future potential for other organisations to be able to join the Housing Company; providing housing to support extended families; supporting people who wanted to build their own homes; the provision of 30% affordable housing; the risk of oversaturating the housing market and the future effect of devolution.

The Head of Housing informed members that the Overview and Scrutiny Committee would receive each year the Housing Company's Annual Business and Delivery Plan for in-depth scrutiny, prior to it going to each full Council for approval. Members acknowledged that this would be an important role for Overview and Scrutiny.

Members discussed in detail the proposed governance arrangements, with some members expressing reservations as to why it was being recommended that Members should not be on the Board of Directors. It was suggested that paragraph 3.24, bullet point four should be reworded removing the reference to officers and that the additional directors would be independent individuals selected for their relevant expertise and experience.

A number of members expressed their support for the Housing Company, which had been discussed sometime ago when the Housing Strategy was previously scrutinised by an Informal Joint Overview and Scrutiny Committee.

The Chairman thanked the Portfolio Holder, Louise Aynsley from Suffolk County Council and Officers for their presentation on the Business Case.

On the conclusion of the informal joint discussions at 6.47pm, the Chairman formally opened the meeting of the St Edmundsbury Borough Council's Overview and Scrutiny Committee at 6.50pm, in the Council Chamber.

Overview and Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Overview and Scrutiny Committee** held on **Thursday 15 October 2015** at **6.50pm** at the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Diane Hind
Vice Chairman Jeremy Farthing

Simon Brown
Susan Glossop
Angela Rushen

Jim Thorndyke
John Burns

By Invitation:

Ian Houlder, Portfolio Holder for Resources and Performance
Sara Mildmay-White, Portfolio Holder for Housing
Julia Wakelam

37. **Substitutes**

There were no substitutes at the meeting.

38. **Apologies for Absence**

Apologies for absence were received from Councillors Patrick Chung, Tim Marks, Richard Rout and Andrew Speed.

Councillors Terry Buckle, Wayne Hailstone and Paul Hopfensperger were also unable to attend.

39. **Public Participation**

This item was taken as part of the informal joint session. However, there were no questions/statements from members of the public.

40. **Business Case for Establishing a Housing Development Company**

(Councillor Clive Springett declared a pecuniary interest as a Director on the Havebury Housing Board, and left the meeting.

Councillor Frank Warby declared a pecuniary interest as a member of the Havebury Housing Board, and left the meeting.

Councillor Patricia Warby declared a non-pecuniary interest as a member of the Havebury Housing Performance and Scrutiny Panel, and left the meeting.

Councillor Diane Hind declared a non-pecuniary interest as a member of the Havebury Housing Performance and Scrutiny Panel, and remained in the meeting).

Further to the informal joint discussions held prior to the meeting on the Business Case for Establishing a Housing Development Company, with Members of St Forest Heath District Council's Overview and Scrutiny Committee, the Committee formally considered Report No: OAS/SE/15/014.

The report sought approval of a business case for establishing a commercial company limited by shares for the purpose of generating an income by the development of housing, including homes for sale, private rent, affordable rent and shared ownership. The company would be wholly-owned by Forest Heath District Council (25% of shares), St Edmundsbury Borough Council (25%) and Suffolk County Council (50%) and would provide a revenue income to all Councils.

Members had scrutinised the business case in detail and had asked a number of questions to which comprehensive responses were duly provided.

Subject to comments made during the informal joint discussions, with the vote being unanimous, it was:

RECOMMENDED

That the Full Business Case as set out in Appendix A to Report No: OAS/SE/15/014 be approved, subject to the following amendment to paragraph 3.24; bullet point four to read as follows:

Up to three additional directors unanimously approved by the three Shareholder Councils. These ~~may either~~ *will* be 'independent' individuals selected for the relevant expertise and experience. ~~in relation to housing development, or other officers.~~

41. Exclusion of the Press and Public

See minute 42 below.

42. Exempt Appendices: B, C and D (para 3)

The Overview and Scrutiny Committee considered the Exempt Appendices B, C and D to Report No: OAS/SE/15/014. However no reference was made to specific detail and therefore this item was not held in private.

The Meeting concluded at 6.53 pm

Signed by:

Chairman