

Overview and Scrutiny Committee



Forest Heath
District Council

Minutes of a meeting of the **Overview and Scrutiny Committee** held on **Thursday 8 March 2018** at **6.00 pm** in the **Council Chamber**, at the **District Offices**, College Heath Road, Mildenhall IP28 7EY

Present: **Councillors**

Chairman Simon Cole

Vice Chairman Ruth Bowman J.P.

Chris Barker
John Bloodworth
Brian Harvey
Christine Mason

David Palmer
Nigel Roman
Reg Silvester

By Invitation:

Stephen Edwards, Cabinet Member for Resources and Performance
Sara Mildmay-White, Lead Cabinet Member for Housing

Also in attendance:

Aidan Dunn, Assistant Director Strategic Finance and Head of Procurement (Suffolk County Council)
Davina Howes, Barley Homes Director (St Edmundsbury B.C.)
Simon Phelan, Barley Homes Director (Forest Heath District Council)

203. **Substitutes**

There were no substitutes declared.

204. **Apologies for Absence**

Apologies for absence were received from Councillor Rona Burt.

205. **Minutes**

The minutes of the meeting held on 11 January 2018, were confirmed as an accurate record and signed by the Chairman.

206. **Public Participation**

There were no questions/statements from the public.

207. **Announcements from the Chairman regarding responses of the Cabinet to reports of the Overview and Scrutiny Committee**

The Chairman attended Cabinet on 13 February 2018, and presented the Committee's report on items it considered on 11 January 2018, which was duly noted.

208. **Annual Presentation by the Cabinet Member for Resources and Performance**

[The Chairman of the Committee agreed for this agenda item to be brought forward]

The Committee was reminded that on 16 March 2017, it had received a presentation from the Cabinet Member for Resources and Performance, setting out responsibilities covered under his portfolio.

At this meeting, the Cabinet Member had been invited back to provide his annual update, and Report No: OAS/FH/18/006 set out the focus of the update.

The Cabinet Member was also provided in advance of the meeting with some key questions identified by Scrutiny members on areas they wished to be appraised on during the annual update, which were included in the report along with responses, specifically:

- 1) **Procurement:** How does the Council's procurement procedure protect us from doing business with companies like Carillon? *(for example: if you require 3 quotes for someone big, then often there are very few companies that size that can quote, but how financially healthy are they?)*
- 2) **ICT:** Will members be consulted on what they would like to see in terms of ICT offerings in 2019, and when will that happen?
- 3) **ICT:** What is the total IT budget, and what IT services does the council supply to each Department (ITIL Service Library List)?
- 4) **ICT:** How much of each IT service, does each department consume?
- 5) **ICT:** How much does it cost to provide each IT service?

Councillor Stephen Edwards opened his presentation by thanking the Committee for the invitation to address them on progress made within his Portfolio since March 2017.

The Committee asked a number of follow-up questions relating to procurement and ICT, to which comprehensive responses were provided.

In response to a question raised, the Assistant Director (Resources and Performance), explained that the current budget allowed for changes in IT which the Council was aware of, and took into account hardware technology changes such as an annual provision for ICT kit refresh. However, if there

was significant investment required for a software change or investment which was not budgeted for, then a Business Case would be developed to explore options.

Discussions were also held on Treasury Management, in particular the Solar Farm. Members questioned whether the Council has had to borrow any money at this stage in relation to the Solar Farm. In response the Cabinet Member advised that the Council had not yet borrowed any money externally, it was being funded internally. The Solar Farm was generating an additional treasury benefit of £150k per annum, which was going into the Council's reserves to mitigate against future interest rate risk. The Assistant Director (Resources and Performance) explained that Treasury Management reports would be changing in how they are presented to the Performance and Audit Scrutiny Committee to recognise the move towards a borrowing authority.

The Chairman of the Committee thanked the Cabinet Member for the level of detail provided to each of the questions provided by the Committee, in particular ICT, and suggested that the Council should maintain and update these figures on an annual basis, as it would help to plan for ICT costs in the future when we become one council.

There being no decision required, the Committee **noted** the contents of the annual Portfolio Holder update.

209. **Barley Homes Group Ltd Annual Report 2018**

[Councillor Brian Harvey declared a non-pecuniary interest as Forest Heath's representative on the Barley Homes Shareholders Advisory Group. For this item only, Councillor Harvey was representing the Shareholder Advisory Group, and was not acting as a member of the Overview and Scrutiny Committee]

Prior to the report being presented Councillor Sara Mildmay-White, Lead Cabinet Member for Housing and a St Edmundsbury Borough Council representative on the Barley Homes Shareholder Advisory Group (SAG) introduced two of the Directors from Barley Homes, Davina Howes and Simon Phelan for the West Suffolk Council's, Councillor Brian Harvey, Forest Heath's representative on SAG and Aidan Dunn, Assistant Director (Strategic Finance) and Head of Procurement at Suffolk County Council (SCC), who supported SCC in operating Barley Homes.

Councillor Sara Mildmay-White then presented Report No: OAS/FH/18/004, which provided the opportunity for Members to note the Barley Homes' Annual Report 2018 and the SAG's view and recommendations, and to provide any additional comments to inform the preparation of Barley Homes next Business Plan, which would be brought to the Overview and Scrutiny Committee in the summer.

Attached at Appendix A to the report was the Annual Report of Barley Homes (Group) Limited, the company established jointly with Forest Heath District Council (FHDC), St Edmundsbury Borough Council (SEBC) and Suffolk County Council (SCC) to build open market housing for sale, housing for private rent and affordable housing. The Annual Report (Appendix A) presented the

position from a Barley Homes perspective, and the covering report provided the perspective from both FHDC and SEBC's viewpoint, as joint owners (shareholders) of Barley Homes.

The covering report also included information on the current progress made against the agreed Barley Homes Business Plan; key challenges and achievements; and a number of recommendations on the way forward, which the Overview and Scrutiny were asked to consider, such as:

- SAG welcomed any feedback from the Scrutiny Committee on how to improve communications so as to keep all members better informed moving forward.

The Committee expressed concerns regarding the deliverability of the Barley Homes five-year business plan, given one of the four initial development sites had been removed from the business plan, (Wamil Court, Mildenhall), because Suffolk County Council (SCC), a shareholder in Barley Homes took a decision to sell the site on the open market, securing a higher price. Although the property had been offered to Barley Homes, the offer they were able to make based on the assessed future development was not acceptable to SCC.

Aidan Dunn, Assistant Director (Strategic Finance) and Head of Procurement, explained in detail the history behind Wamil Court, Mildenhall, which went back to the original business plan and the Care UK's contract for the renewal of the care home, and the need for SCC to maximise the cash receipt for the site when Care UK returned it back to SCC in 2014. Barley Homes was asked to provide their best market value price for the site, however SCC found a buyer who were prepared to pay three times more than what Barley Homes could offer.

Following concerns being raised about this sale by the West Suffolk partners, SCC had taken stock of the situation and was now looking at what it wanted as a partner of Barley Homes and stated that SCC was now much more open minded to the bigger picture and not just focused on maximising profits and land receipt sales by being more flexible in how it interpreted market value and pushing for policy compliance.

All partners were now looking at the original assumptions in the original business plan when Barley Homes was established, as these were considered to be too restrictive, and it had become apparent that further work was required with Barley Homes to establish new assumptions and greater flexibilities. SCC wanted houses to be built on the two sites it owned as set out in the Business Plan and it would offer the sites to Barley Homes in the first instance. However, if the sites were not viable for Barley Homes, then SCC would consider selling those sites to another buyer.

The Assistant Director (Resources and Performance) explained that the market valuation was a subjective issue, depending on the intentions of the purchaser.

The Committee questioned what needed to be done next to make sure that Barley Homes was a success. In response, member were informed that

Barley Homes was currently working hard to progress the three remaining sites set out in the current business plan to ensure that they worked and delivered against the timeline set out in Appendix A.

Officers reiterated that all council leaders were fully committed and wanted Barley Homes to be a success. Conditions in the housing market had changed since the first business plan was prepared, and given the need to maintain schemes that were policy compliant, a revised business plan would need to be brought forward that still achieved a profitable outcome for the business.

In response to a question raised on the financial figures, the Committee was informed that the figures set out in Appendix 2 of the Annual Report were a snapshot in time up to the end of January 2018, and the full set of accounts would be available at the end of the financial year. Officers explained the costs incurred to date, and that costs would be charged back to the individual schemes in getting sites ready to the point of submitting planning applications.

Discussions were also held on viability challenges at Development Control meetings, achieving development management policy compliance, and Section 123 obligations (land disposal best value considerations), whether social costs could be included as part of the sale of land including timeframes, and the definition of affordable housing to which responses were provided.

Aidan Dunn reiterated that SCC wanted the joint venture to work and the SCC Leader was committed to Barley Homes.

The Chairman of the Committee summed up by stating that he had been concerned about the political pressures, the volatility of the relationship between the partners, and the learning curve which the partners had gone through. However, he was pleased to see that SCC had learnt something from the process, and was encouraged by Aidan Dunn's comments throughout the meeting.

Councillor Nigel Roman moved the recommendations, these were duly seconded by Councillor John Bloodworth and with the vote being unanimous, it was:

RESOLVED: That

- 1) The Annual Report 2018 for Barley Homes (Group) Limited, attached as Appendix A to Report No: OAS/FH/18/04, and the progress made to date be noted.
- 2) The Barley Homes Shareholder Advisory Group's views and recommendations set out in Report No: OAS/FH/18/004, to address the current challenges, be noted.
- 3) The Barley Homes Revised Business Plan be referred back to the Overview and Scrutiny Committee in July/September 2018, along

with the full year-end set of accounts to enable the Committee to assess further progress being made.

[Councillor Ruth Bowman left the meeting at 6.45pm on the conclusion of the voting on this item]

210. **Lettings Policy**

The Lead Cabinet Member for Housing, Councillor Sara Mildmay-White presented Report No: OAS/FH/18/005, which advised the Scrutiny Committee on proposed revisions to the Lettings Policy. Revisions were required as a result of recent case law and to ensure that the Lettings Policy was compliant with the requirements of the Homelessness Reduction Act 2017 which comes into force on 3 April 2018.

She explained that this was a revised interim policy to ensure the Council was legally compliant and that a full review of the Lettings Policy would be carried out later in the year and brought back to the Committee for further scrutiny.

Attached at Appendix 1 to the report was the revised Lettings Policy, which included the proposed changes, and was also summarised in paragraph 1.1.8 of the covering report.

The Committee scrutinised the report in detail and asked questions to which responses were provided.

Detailed discussions were held on the revised Lettings Policy, paragraph 4.6 (c) - "urgent health and safety risk" and sought clarification on its meaning, and questioned whether it covered action to be taken with the landlord. Officers explained that detailed actions would not be set out in the Lettings Policy, as this was covered under a separate piece of housing legislation. Also the Lettings Policy referred to registered housing providers and not private landlords.

Councillor Brian Harvey moved the recommendation, this was duly seconded by Councillor Reg Silvester and with the vote being unanimous, it was:

RECOMMENDED

That the Revised Lettings Policy, attached as Appendix 1 to Report No: OAS/FH/18/005, be approved.

211. **West Suffolk Information Framework - Report from the Joint Task and Finish Group**

[Councillor Brian Harvey left the meeting at 7.05pm, prior to the Committee discussing and voting on this item. However, before leaving the meeting he informed the Committee that he was a member of the Joint Task and Finish Group and fully supported the West Suffolk Information Framework]

The Committee received Report No: OAS/FH/18/007, which updated members on the work carried out by the Joint Scrutiny Task and Finish Group

with St Edmundsbury Borough Council in developing a proposed West Suffolk Information Framework.

On 20 April 2017, the Overview and Scrutiny Committee recommended that a West Suffolk Information Framework Joint Task and Finish Group (the Group) be set up to scrutinise and shape the development of an Information Strategy for West Suffolk Councils'. The Group included two members from both Forest Heath District Council (Councillors Simon Cole and Brian Harvey) and two from St Edmundsbury Borough Council (Councillors John Burns and Clive Springett).

In the early stages of the process the Group agreed that the document should become a Framework, rather than a Strategy, reflecting the focus on Data and Information and the councils Vision and Objectives regarding its usage, and that a subsequent ICT Strategy would focus on the delivery of the Technology Architecture to support the Framework.

Attached at Appendix A to the report was the Draft Information Framework, which sought the Committee's input following the work of the Group. The framework was a first for West Suffolk Council's and represented a revised approach to data and the way we use it. The framework provided a high level summary of the council's current position and proposed an approach that sought to maximise data assets through aligning data across West Suffolk Councils' and its partners to improve the services provided across the Councils'.

The Committee was advised that draft document would be proof-read, formatted and designed, including the addition of photographs (where applicable) in advance of final publication.

The Committee considered the report and thanked members of the Joint and Finish Group and officers on their work in developing the West Suffolk Information Framework.

Councillor John Bloodworth then moved the recommendation, this was duly seconded by Councillor Christine Mason and with the vote being unanimous, it was:

RECOMMENDED:

That the Draft West Suffolk Information Framework, attached as Appendix A to Report No: OAS/FH/18/007, be approved.

212. Work Programme Update

The Committee received Report No: OAS/FH/18/008, which updated Members on the current status of its rolling work programme of items for scrutiny during 2018-2019 (Appendix 1).

The Chairman then informed Members that an Extraordinary meeting of the Committee had now been arranged to enable the Committee to look at the National Horseracing Museum. This would take place on Monday 16 April 2018 at the National Horseracing Museum, commencing at 6pm, with a tour

of the museum arranged for members of the Committee to take place at 5pm.

The Committee considered its forward work programme, and noted from earlier discussions that a revised Barley Homes Business Plan would be presented to the Committee in July/September 2018.

There being no decision required, **noted** the current status of its work programme, including the additional Barley Homes item programmed for July/September 2018.

213. Exclusion of Press and Public

See minute number 214 below.

214. Exempt Appendix A - Annual Presentation by the Cabinet Member for Resources and Performance

The Overview and Scrutiny Committee considered Exempt Appendix A to Report No: OAS/FH/18/006 under Agenda Item 8, however no reference was made to specific detail and therefore this item was not held in private session.

The Meeting concluded at 7.15pm

Signed by:

Chairman
