

Overview and Scrutiny Committee

Minutes of a Meeting of the Overview and Scrutiny Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **25th June 2013**.

Present:

Cllr. Chilton (Vice-Chairman in the Chair);

Cllrs. Apps, Bartlett, Bennett, Davison, Mrs Hutchinson, Link, Miss Martin, Mrs Martin, Mortimer, Smith, Yeo.

Apologies:

Cllrs. Adby, Burgess, Feacey, Hodgkinson.

Also Present:

Cllr. Galpin.

Head of Personnel and Development, Policy Manager, Principal Policy Planner, Senior Scrutiny Officer, Member Services & Scrutiny Support Officer.

49 Declarations of Interest

Councillor	Interest	Minute No.
Davison	Announced an 'Other Interest' as a Member of the Conningbrook Working Group.	53
Mrs Martin	Announced an 'Other Interest' as a Member of the Conningbrook Working Group.	53
Mortimer	Announced an 'Other Interest' as a Member of the Conningbrook Working Group.	53
Smith	Announced an 'Other Interest' as a Member of the Conningbrook Working Group.	53
Yeo	Announced an 'Other Interest' as a Member of the Conningbrook Working Group.	53

50 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 21st May 2013 be approved and confirmed as a correct record.

51 Sickness Absence 2012/13

The Head of Personnel and Development introduced the item. She advised the Committee that the report was an annual report detailing the sickness and absenteeism data for employees of the Council for the year 2012/13. The total days lost over this period were 7.03 days per Full Time Employee (FTE). This was an increase on the previous year's figure of 5 days per FTE. Whilst this increase may initially cause some concern, it should be noted that there had been a national increase in both influenza and the norovirus during the winter months. She drew Members' attention to the reasons for sickness and the data for long term sickness and absence. The financial cost of sickness was highlighted which included the cost of overtime and agency workers. Comparative data for neighbouring Authorities was also provided in the report. The Council also operated an Employee Assistance programme.

During the discussion, the following issues were raised:

- There were concerns over the number of staff who had been off work on long-term sickness with stress. Members questioned whether the employees affected were from one particular service? They also questioned whether the cause of the stress was work related or if it was resulting from issues at home. The Head of Personnel and Development advised that they looked carefully at the causes of long-term sickness. Those employees absent due to stress were not limited to one Department, and there had been no trends identified. The majority of cases of stress were caused by factors at home, although there had been some instances of work related stress.
- Members requested that the Head of Personnel and Development contacted Gravesham Council to see how they had achieved such a low figure in relation to days off sick per FTE. The Head of Personnel and Development advised that there were changes afoot at Gravesham and it may be that there was an element of under reporting; however she would contact her counterpart to see how this figure had been achieved.
- In response to questions from Members the Head of Personnel and Development advised that the Council employed 368.91 FTE. The Council took its responsibility towards its employees seriously. In the event an employee was signed off due to stress they would be provided with support through the Active Care Service from the first day of their absence. Allegations of workplace bullying were dealt with through the Council's bullying and harassment policy. There had only been one reported case of bullying during the previous 12 months, this had not been upheld.

- Members raised concerns regarding the number of days employees could be off sick before having to provide a doctor's certificate. The Head of Personnel and Development advised that the Council followed Government guidance and legislation in relation to self certification and doctor's certificates. Employees could self certify for the first seven consecutive days of an illness, after this time they would need to provide a doctor's certificate. Requests for a doctor's certificate made during the first seven days of illness would result in a charge being levied by the issuing Doctor. If there were concerns regarding a short term absence for an employee the Council could insist on a doctor's certificate, the cost of which would be reimbursed by the Council.
- The Head of Personnel and Development stated that the Council had a written procedure for dealing with persistent short term absence. Cases were dealt with on a case by case basis. She explained that two of the Team were fully CIPD qualified, with another two partly CIPD qualified. The whole of the Team were able to provide advice to employees and managers, however only those with full CIPD qualifications provided advice on complex matters.
- Managers had been invited to attend training sessions on performance and sickness management during the past year. This had provided managers with improved capability for dealing with these issues. A new HR system had been rolled out across the Council at the beginning of the financial year; this ensured that managers had easy access to sickness and absence records. Improvements had also been made to the way 'return to work discussions' were carried out, this was something that may have been overlooked previously. Quarterly statistics were received from Health Assured; the provider of the Council's Employee Assistance Programme (EAP), this service was well used. Referrals to Occupational Health were monitored by the HR Team as referrals were made by the Council rather than through the EAP.

Members felt that there was no need for such a detailed report to be put before the Committee next year, unless there had been a significant change in the figures. It was also suggested that a graph be included in the report to show trends over the past four to five years.

Resolved:

- That (i) An information report be presented to the Overview and Scrutiny Committee on annual basis to include a graph to show trends over a four to five year period, if there were any significant changes in the figures then a full report would be welcomed.**
- (ii) The report be received and noted.**

52 Communication and Consultation Strategy for the Core Strategy Review

The Vice-Chairman in the Chair reminded the Committee that this report dealt with the communication and consultation strategy for the Core Strategy Review. The Core Strategy Review itself was not relevant to this Meeting.

The Policy Manager introduced the report and highlighted the challenges faced in plan making. It was apparent that reaction to planning applications was more significant than to plan making. Plan making was usually for a longer period of time and there was always the possibility that development may not happen. When site specific allocations were being considered this needed to be communicated to residents and it was vital that a range of methods were used and people were encouraged to get involved at an early stage rather than waiting until a planning application had been submitted.

The Principal Policy Planner advised Members that they had started the Core Strategy Review consultation process using an awarding winning model developed by Winchester City Council. 'Plan-It Ashford' encouraged all communities to think about their future needs and the needs of others. To date 26 sessions had been carried out with Parish Councils, Community Forums and Community Groups. These sessions had enabled groups to discuss issues pertinent to them, what they liked or disliked about development in the Borough and how they saw Ashford developing in the future. The process had been well received. This was just the first stage in the process; they would continue to consult with the community during each stage.

During the discussion, the following issues were raised:

- The Policy Manager advised that the Duty to Co-operate legislation had been bought in to ensure that Councils consulted with neighbouring Authorities during the plan making process to ensure that plans were cohesive and that Authorities did not operate in isolation from each other. Ashford had a good track record of consulting with neighbouring Authorities throughout the plan making process.
- Members questioned how involved Parish Councils had been in the process, had there been any that had not been forthcoming? The Policy Manager advised that involvement in the process was voluntary and drew attention to appendix 1 of the report which detailed all those groups that had taken part in the process.
- When site specific allocations were proposed this invariably indicated to residents that there was a possibility that something may happen. The communications strategy at this stage was vital. There would be difficult decisions to make at the site allocation stage and ensuring that all of the necessary information was available was important. During the plan making process for the Urban Sites Development Plan Document (DPD) a number of events had taken place during the consultation process and it had become apparent that there was a lot of local feeling regarding two of the proposed site allocations, which resulted in neither site being included within the DPD.
- A Member suggested that a plan be produced and be made available for residents to view that showed the borough as it was, as it is now and how it could look in the future. The Policy Manager said they were always looking for new and innovative ways of communicating and consulting with residents and he encouraged Members to put forward ideas.

- A Member felt that the questions posed through 'Plan-It Ashford' were leading and it was not an easy system to use. The Policy Manager advised that they had not received feedback of that nature to date; in fact feedback had been positive. The questions provided respondents with an opportunity to say what they would like to happen in the Borough.
- Members were disappointed that the Portfolio Holder had not attended the meeting to support the report. The Vice-Chairman in the Chair advised that he would speak to the Chairman regarding this and look at ways of encouraging Portfolio Holders to attend Meetings of the Overview and Scrutiny Committee.

Resolved:

That the report be received and noted.

53 Future Reviews and Report Tracker

The Vice-Chairman in the Chair advised Members' of the recent meeting between the Chairman of the Committee and the Chairman of the Audit Committee regarding the respective committees' roles in supporting the Council's strategic objectives.

At the Meeting of the Council on 16th May 2013 it had been agreed that the Committee would review the Energy Saving Budget and proposal for the Civic Centre (to improve lighting in the Civic Centre), this had been added to the future reviews and report tracker.

The Vice-Chairman in the Chair advised the Committee that a number of items had been put forward for inclusion on the future reviews and report tracker. He suggested that the Committee considered each proposed review individually, and highlighted the Chairman's recommendation for each review.

KCC Shared Space Contract

The Member who proposed the review be included on the tracker advised Members that he felt that there were fundamental questions that needed to be answered following the completion of the contract. The contract had gone significantly over budget with a number of errors having been made. He felt it was vital to review the process as the maintenance of the Shared Space would be shortly handed over to the Borough Council.

A Member felt that the review being undertaken on behalf of KCC should be received prior to the Committee reviewing the matter.

The Member who suggested the review proposed that the review be added to the tracker and the review take place after the receipt of the results of the AMEY report on the Shared Space. This was seconded.

Drover's Roundabout

Members felt that they should wait until the update report was received in September before including this on the tracker.

Sevington Development Project

The Member who proposed the review be included on the tracker advised why he had requested the review take place, however he wished to amend his proposal and requested that the capacity at Junction 10 be reviewed with a revised South Ashford Transport Study (SATS) being commissioned.

The Vice-Chairman in the Chair advised that the Senior Scrutiny Officer would need to investigate when the first SATS had taken place and who would be responsible for this function. This would be reported back to the Committee in due course.

Conningbrook Project

The Member who proposed the review be included on the tracker felt that this was an exceptional opportunity and that it was important that the project was undertaken correctly. His particular concern was for the management and integration of the water sports on the site and emphasised the importance of knowledgeable people to be in management.

A Member, who had no objection to the proposal, questioned the need for boats at the Lakes.

Fly Posting/Graffiti in the Borough

Members felt that the prevalence of fly posting/graffiti in the Borough needed to be addressed.

The Portfolio Holder for the Town Centre and the Urban Economy agreed that this needed to be looked at. He advised there were some occurrences of this happening on private land so this could create delays in the removal of posters/graffiti. He further advised of the creation of Town Centre Action Team which would assist with the removal of posters/graffiti in the Town Centre in addition to the work undertaken through the Street Cleansing Contract.

Resolved:

- That**
- (i) The following reviews be added to the Future Reviews and Report Tracker; KCC Shared Space Contract, Conningbrook Project, Fly Posting/Graffiti in the Borough**
 - (ii) The Future Reviews and Report Tracker be noted.**

54 Hayley Curd

The Committee wished to express its thanks and well wishes to Hayley Curd, who had administered the Meetings of the Committee for several years and would be shortly leaving the Council for pastures new.

55 Proposed Call-In

A Member questioned when a discussion would take place regarding the request for the Call-In of a Cabinet Decision that had been submitted.

The Vice-Chairman in the Chair advised that the formal request had been received prior to the commencement of the Meeting that evening. The Meeting to discuss the Call-In would be held shortly. Arrangements for the Meeting would be circulated to Members in due course.

Queries concerning these Minutes? Please contact Kirsty Liddell:
Telephone: 01233 330499 Email: kirsty.liddell@ashford.gov.uk
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Overview and Scrutiny Committee

Minutes of a Meeting of the Overview and Scrutiny Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **9th July 2013**.

Present:

Cllr. Chilton (Vice-Chairman in the Chair);

Cllrs. Apps, Bartlett, Bennett, Burgess, Clokie, Davidson, Davison, Feacey, Mrs Hutchinson, Link, Miss Martin, Mrs Martin, Mortimer, Smith, Yeo.

In accordance with Procedure Rule 1.2 (iii) Councillors Clokie and Davidson attended as Substitute Members for Councillors Hodgkinson and Adby respectively.

Apologies:

Cllrs. Adby, Hodgkinson.

Also Present:

Cllrs. Mrs Bell, Britcher, Clarkson, Hicks, Shorter.

Deputy Chief Executive, Finance Manager, Principal Accountant, Business Manager and Head of Building Control, Head of Customers, Homes and Property, Strategic Housing and Property Manager, Customer Service Manager/Joint Operations Manager Gateway, Head of Property and Community Projects, Senior Scrutiny Officer, Member Services & Scrutiny Support Officer.

Prior to the commencement of the meeting the Vice-Chairman in the Chair advised that a paper containing responses to questions put forward by Members of the Committee had been circulated and the meeting was adjourned for 10 minutes to allow all those present to read this paper.

69 Call-In of Cabinet Minute No: 33 – Trading Companies

In accordance with Overview and Scrutiny Procedure Rule 15 five Members of the Overview and Scrutiny Committee had requested that the decision of the Cabinet taken at the meeting on the 13th June 2013 concerning Trading Companies (Minute No 33 refers) be called in for scrutiny.

The Vice-Chairman in the Chair welcomed everyone present and outlined the procedure to be followed at the meeting. He advised the Committee that Officers would be able to answer any questions the Committee had pertaining to the Trading Companies. He did not propose to go through the agenda papers page by page and advised that the Leader wished to make a statement on the matter.

The Leader felt that the Overview and Scrutiny Committee was important to the Council and its Constitution. He fully understood their wish to have all of the facts before them for consideration. It was usual for the Committee to scrutinise matters

referred to them, however they had the ability to Call-In decisions and had exercised this right. He advised that the Property Company had been under consideration within the Council for the past two years, an options paper had been presented to the Cabinet in December 2012 regarding the potential creation of both companies. Following this it had been suggested by a Member that there should be provision for independent members on the Board of each company. A shadow board had met on the 22 March 2013 following on from which all Members had been invited to attend a presentation on the proposals on 22 May. Paper versions of the presentation were distributed to Members who had been unable to attend with an invitation to discuss any issues with the Officers concerned. The Cabinet report on the formation of the Companies was presented on the 13 June and made provision for up to two independent members on each Board.

The Leader advised that there had been 16 completions under the Right to Buy (RTB) scheme in 2012/13, 11 in 2011/12 and 4 in 2010/11. The number of residents on the housing register was approximately 1,400 and the 2010 Housing Need Survey had identified a shortfall of homes of 450 per year. 78 homes had been built through the Housing Revenue Account (HRA) over the past two years with 59 new homes and 100 new homes at Farrow Court to be delivered over the next three years via a Homes and Communities grant and the borrowing capacity within the HRA. All new general needs homes were subject to the RTB. The Housing Company rent levels were likely to be set at Local Housing Allowance (LHA) levels. Properties built by the company would be subject to differing tenures dependant on the viability of each site. The Council was considering the Local Authority Mortgage Scheme which assisted purchasers onto the housing ladder who were having problems raising deposits. A number of Local Authorities had signed up already. It should be noted that the Property Company would not be a social housing provider. It would provide for those people who could not access home ownership and who may not have sufficient need to be able to access the Housing Register but needed accommodation.

The Portfolio Holder for Housing and Customer Services was concerned about the number of people currently on the Housing Register. The proposed creation of the Property Company was borne out of two priorities; to increase the revenue to the General Fund (GF) at a time when government grants had been reduced and to deliver more housing for the residents of Ashford. The Council had embraced an entrepreneurial approach. The Property Company would borrow money from the Council who would have secured funding from the Public Works Loan Board at a low rate of interest and would charge a higher rate of interest to the Company to provide the GF with a source of income and this would avoid the need for state aid implications. Delivering housing had always been a priority for the Council. New builds within the HRA were not viable due to the debt cap and the reduced availability of grant funding. Through the Company purchasing properties the assets of the Council would increase. She felt that supporting the report would give a message to the residents of Ashford that the Council cared about providing homes within the Borough at a realistic financial cost.

During the discussion, the following responses were given to questions from the Committee:

- The financial modelling had been based on a tax rate of 23%. It should be noted that there were some items that were not tax deductible. Taxation advisors had been consulted regarding this.
- The Companies would be wholly owned by the Council. The Council would be the only member and shareholder, this ensured absolute control. The shareholder agreements would require the Companies to gain permission from the Council to act in certain circumstances. Both Companies would be Limited Liability Companies which would mean that creditors would be unable to chase the Council for the payment of any debt that either Company had. The governance arrangements had been put in place to protect the Council's reputation and its finances.
- In accordance with The Localism Act 2011 the Companies had to be set up as Limited Liability Companies. The Directors of each Company would run the affairs of the respective Companies in line with the agreed business plan. The Companies would be required to abide by the shareholder agreement and would be unable to do certain things without obtaining the permission of the shareholder.
- It was proposed to draw down the funding to the Property Company in tranches of £2m. Properties would then be purchased on the open market. The Council had a good track record of renting properties and they would use the knowledge and expertise at hand.
- The Property Company would let properties via different tenures to those provided by the Council. Rents would be set around LHA levels; this would mean that housing benefit would be able to cover the rent of the property. This was an opportunity to provide a different type of service to the residents of the Borough. There had been an increase in the termination of rental contracts by private sector landlords which had resulted in an increase in people presenting as homeless.
- It would be illegal for either of the Companies to pay any Councillor that was a Director, although it would be possible for payments to be made to other Directors. The Head of Property and Community Projects advised that the governance arrangements could be amended to state that no Director shall be paid by the Company. There was broad support for this suggestion from Members.

- The Trading and Enterprise Board (TEB) had been set up as a Committee of the Cabinet. This was in accordance with the governance arrangements of the Council. All Members of the Council were entitled to attend meetings of the TEB. There was no requirement in law for companies to hold AGMs; however should the Committee feel it appropriate provision for each Company to hold an AGM could be enforced through the shareholder agreement. It should be noted that whilst Members of the Council could attend the AGMs, they would not have voting rights.
- The TEB would approve the appointment of Directors to the respective Companies. This would ensure that the Council retained control over both Companies.
- In respect of potential conflicts of interest it was envisaged that the arrangements put in place would help to minimise and manage these. For example, the Deputy Chief Executive was to be appointed to be a Director of the Property Company and so could not provide the Council with financial advice in respect of that Company. Chinese walls would be in place to ensure that the potential for conflicts of interest were minimised.
- If the Property Company were to make a planning application to the Local Authority they would have a right to appeal the decision. This would not be in the best interests of the Council and so it could be proposed that a provision be placed in the shareholder agreement that the Company could not appeal any planning decision.
- There were two options for dealing with any profit made by the Property Company; the Company could declare dividends and pay these to the Council as sole shareholder or the profit could be reinvested. It should be noted that the payment of Dividends may not be tax efficient.
- The RTB would not apply to properties purchased and managed by the Property Company. RTB only applied to houses when the Council was the Landlord. Alternative tenures would be available through the Property Company, including options for shared ownership and staircasing.
- All properties or land purchased by the Property Company would be on the open market. The Company could not use compulsory purchase orders, only the Council could do that.

During the discussion a Member advised that he was 100% behind the Building Control Company. He felt that there was a need to start up the Company and there was a real possibility that it would be financially viable.

Members then indicated that they wished to discuss the exempt papers in relation to this item.

70 Exclusion of the Public

Resolved:

That pursuant to Section 100A(4) of the Local Government Act 1972, as amended, the public be excluded from the meeting during consideration of the item, as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to paragraph 3 of Schedule 12A of the Act.

The Committee considered the exempt papers in relation to the proposed creation of the Trading Companies.

Following considerable discussion and questions from Members, the Committee moved back into public session.

71 Call-In of Cabinet Minute No: 33 – Trading Companies

Members felt that the Council should have more control on when the tranches of money were released to the Property Company. It was proposed that the requests for tranches be put before the Full Council for endorsement.

Concerns were also raised regarding the payment of honorariums to Officers that would undertake work for the respective Companies. Some Members felt that Officers should be remunerated in the usual manner, however they could be paid overtime if they were contractually entitled. The Portfolio Holder for Resource Management and Control urged Members not to eliminate the possibility of being able to acknowledge the efforts of Officers further down the line. It was important to remember that Officers skills and expertise would grow and they would become even greater assets to the Council.

The Head of Property and Community Projects advised that it was necessary to appoint Directors at this stage to assist with the start up of the Companies. In time it may become apparent that there were people more suited to the role of Director of one the Companies, in which case changes could be made.

Recommended:

- That**
- (i) No payment will be made to any Director/Officer other than expenses and no Officer should be paid other than contractual overtime.**
 - (ii) Each company will hold an AGM and all Councillors will be invited to attend (but not to have any voting rights)**
 - (iii) Not to appeal against council planning decisions.**
 - (iv) The Council to have an independent review of the financial model to include an opinion on being a going concern.**

- (v) That the Section 151 Officer should not be a Director of either company.**
- (vi) In respect of the Property Company - should consider options to support home ownership models, including staircasing.**
- (vii) that the release of each tranche of the £10M be subject to the approval of Council**