

NORTH HERTFORDSHIRE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

**MEETING HELD IN THE FOUNDATION HOUSE, ICKNIELD WAY,
LETCWORTH GARDEN CITY
ON TUESDAY, 20 MARCH, 2018 AT 7.30 PM**

MINUTES

Present: *Councillors Councillor Cathryn Henry (Chairman), Councillor Steve Hemingway (Vice-Chairman), Ian Albert, Steve Deakin-Davies, Elizabeth Dennis-Harburg, Jean Green, Gerald Morris, Michael Muir, Janine Paterson and Paul Clark (In place of Steve Jarvis)*

In Attendance:

Councillor Bernard Lovewell (Executive Member for Housing and Environmental Health), Councillor Michael Weeks (Executive Member for Waste Management, Recycling and Environment), Anthony Roche (Deputy Chief Executive), Martin Lawrence (Strategic Housing Manager), Steve Geach (Parks and Countryside Development Manager), Andrew Mills (Service Manager – Grounds Maintenance), Gavin Ramtohal (Contracts Lawyer), Sarah Kingsley (Communications Manager), Rachel Cooper (Controls, Risk and Performance Manager) and Hilary Dineen (Committee and Member Services Officer).

Also Present:

Councillors Julian Cunningham and Alan Millard.

78 MINUTES - 12 DECEMBER 2017

RESOLVED: That the Minutes of the Meeting held on 12 December 2017 be approved as a true record of the proceedings and be signed by the Chairman.

79 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Steve Jarvis, Frank Radcliffe and Val Shanley.

Having given due notice Councillor Paul Clark substituted for Councillor Steve Jarvis.

Councillor Janine Paterson had given apologies that she may arrive late for the meeting.

80 NOTIFICATION OF OTHER BUSINESS

No other business was submitted for consideration by the Committee.

81 CHAIRMAN'S ANNOUNCEMENTS

- (1) The Chairman reminded those present that, in line with Council policy, the meeting would be audio recorded;
- (2) The Chairman informed Members that there was no sound amplification and asked Members to speak loudly and clearly;

- (3) The Chairman drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

82 PUBLIC PARTICIPATION

There were no presentations by members of the public.

83 URGENT AND GENERAL EXCEPTION ITEMS

No urgent or general exception items were received.

84 CALLED-IN ITEMS

Since the last meeting there had been no called-in items.

85 REGULATION OF INVESTIGATORY POWERS ACT

RESOLVED: That the report entitled Regulation of Investigatory Powers Act be noted.

REASON FOR DECISION: To comply with best practice guidance and the Committee's terms of reference.

86 DISTRICT WIDE SURVEY 2017 - KEY FINDINGS AND ACTIONS

The Communications Manager presented the report of the Chief Executive entitled District Wide Survey 2017 – Key Findings and Actions.

The Communications Manager informed Members that the District Wide Survey was carried out every two years via 1001 telephone interviews and the results were weighted to ensure they were representative of the population and drew attention to the following:

Overall Satisfaction with the Area as a Place to Live

- 95 percent of residents were satisfied with the area as a place to live against the LGA benchmark of 82 percent;
- 75 percent of residents were satisfied with the way that the Council ran things, which had dropped from 82 percent in 2015 although was above the LGA benchmark of 65 percent;
- 21 percent of residents thought that the way the Council ran things had worsened, which was a large increase from 13 percent in 2015;
- Positive responses to all statements about the Council, as shown in Figure 5, had dropped since 2015, although the context of these responses should be noted in that the research was undertaken during the time that Council budgets were reducing and at the same time as the decision was made to charge for garden waste.

Information and Communication

- Agreement levels regarding how well people felt informed had dropped significantly since 2015;
- 39 percent of people felt they were informed about how to get involved in local decision making;
- 39 percent of people felt they were informed about what the Council spent its money on;
- 41 percent of people felt they were informed of how well NHDC was performing.

Contact with the Council

The Communications Manager advised that Figure 18 showed that 9 percent of people stated that their last contact with the Council had been to make a complaint. It should be noted that this figure far exceeded the number of people that actually did make a complaint to the Council.

In 2016/17 the Council received approximately 414,000 contacts of which 0.04 percent resulted in a complaint being made.

Members queried the figures regarding complaints made and observed that there may be a difference between someone phoning up because they were not happy, but have their issue resolved and those who made a formal complaint.

The Communications Manager advised that the disparity was likely to be the result of how NHDC logged complaints for instance someone phoning to report a noisy neighbour may be considered as a complaint by the caller, but NHDC would log that as a request for service.

Members queried why the Southern Rural Area responses to key statements regarding NHDC were not in line with the other areas in the District and queried whether the decisions made by the Council following consultations had an effect.

The Communications Manager suggested that the lower satisfaction rates in the Southern Rural area may in response to Local Plan issues.

The garden waste consultation had been publicised well and received a lot of responses, which could be described as a successful consultation in terms of how it was carried out, however many residents may not agree with this, as they were not happy with the outcome.

Members queried how they could note how the results would be used to inform the service planning process and to update relevant performance measures, as stated in Recommendation 2.2, when no information had provided regarding how the information would be used.

They were concerned that there was no information or suggestions about how the poorer results in this survey would be addressed.

It was suggested that Recommendation 2.2 be amended to remove the word "how" and replace it with "will".

The Deputy Chief Executive advised that the SMT led Service Delivery Plan, supported by Service Area Action Plans, would take into account the responses to the District Wide Survey.

Members asked that the proposed Service Delivery Plan be presented to this Committee.

RESOLVED:

- (1) That the report entitled District Wide Survey 2017 – Key Findings and Actions be noted:
- (2) That, prior to submission to Cabinet, the Communications Manager be requested to amend Recommendation 2.2 to read:

"That Cabinet note that the results will be used by Senior Management Team in conjunction with Executive Members, to inform the service planning process and to update the relevant performance measures".

- (3) That the Deputy Chief Executive be requested to present the 2018/19 Service Delivery Plan to this Committee.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider and comment on the report entitled District Wide Survey 2017 – Key Findings and Actions prior to consideration by Cabinet.

87 PERFORMANCE MANAGEMENT MEASURES FOR 2018/19

The Controls, Risk and Performance Manager presented the report of the Head of Finance, Performance and Asset Management entitled Performance Management Measures for 2018/19.

She informed Members that all performance indicators were reviewed at the start of the year and that the setting of performance management measures was part of the corporate business planning process and drew attention to the following:

Table 1

This table listed the four proposed new indicators for 2018/19, two of which related to homelessness and two regarding the collection of food and garden waste.

Table 2

There were two proposed changes to performance indicators and the reasons for those changes were detailed in the comments column.

Table 3

This table listed the performance measures that had not been changed from 2017/18.

Recommendation

The recommendations should be changed to read:

- “1. That the Overview and Scrutiny Committee note and comment on the contents of the report;
2. That the Overview and Scrutiny Committee refer the report to Cabinet for consideration.”

Members asked for clarification regarding how target figures were suggested.

The Controls, Risk and Performance Manager advised that Service Managers suggested targets based on their experience of past service performance.

In respect of the new data only indicators regarding waste and recycling targets, Members questioned whether targets should be set in order to have something to aim for.

The Controls, Risk and Performance Manager advised that she would refer this to the relevant Service Manager for comment.

Members noted that there were a number of targets that remained challenging and expressed concern that the target for NI192 – Percentage of Household Waste sent for reuse, recycling and composting had been reduced. They felt that targets should be aspirational and challenging rather than easily achievable.

The Deputy Chief Executive reminded Members that targets should be SMART and that unachievable targets could be demotivating.

The Controls, Risk and Performance Manager advised that very few targets were unachievable. In 2017/18 the only targets that were not achieved were regarding waste and housing inspections and the housing inspection figures were due to staff shortages.

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Members discussed that it was important to compare NHDC performance with that of other authorities and that NHDC remained in the top percentile regarding waste monitoring. They considered that, where benchmarking was possible, targets should not be reduced at any time to below the national benchmark.

Members noted that the District Wide Survey had demonstrated a drop-in perception that NHDC provided value for money or engaged with the public and commented that this could be due to NHDC not articulating what we do well.

The Deputy Chief Executive noted that the performance indicators that NHDC did well were not necessarily of great interest to the general public.

RESOLVED:

- (1) That the contents of the report entitled Performance Management Measures for 2018/19 be noted;
- (2) That the Chairman of the Committee be requested to write, on behalf of the Committee, to the Leader of the Council to request that where benchmarking was possible, no target should be set below the national benchmark.

RECOMMENDED TO CABINET:

- (1) That Cabinet considers and formally approves the PIs and any associated targets that will be monitored throughout 2018/19 by Overview & Scrutiny.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider and comment on the report entitled Performance Management Measures for 2018/19 prior to consideration by Cabinet.

88 KEY PROJECTS FOR 2018/19

The Controls, Risk and Performance Manager presented the report of the Head of Finance, Performance and Asset Management entitled Key Projects for 2018/19.

She informed Members that the list of key projects was contained in Appendix A to the report, which also detailed key milestones for the current year.

A summary update on all the projects would be included in the quarterly report to this Committee and progress against some would be monitored through the Capital monitoring reports to the Finance, Audit & Risk Committee and to Cabinet.

There were four projects brought forward from the previous year:

- Complete the fit out and open the North Hertfordshire Museum and Community Facility;
- Development of a Crematorium in North Hertfordshire;
- Submission of a Local Plan for North Herts;
- Investigating a range of options to improve use of Council assets.

There were three projects relating to the Green Space Strategy:

- Construction of pathway and roadway at Wilbury Hills Cemetery, Letchworth;
- Bancroft Recreation Ground MUGA (subject to securing Sport England grant);
- Renovation of Play area, District Park, Great Ashby.

There were three new projects:

- Royston Leisure Centre extension (subject to feasibility of SLL business case);
- Designating air quality management areas in Hitchin to address the improvement of the air quality – Stevenage Road and Paynes Park;
- Churchgate.

Members asked for clarification regarding the end date for the opening of the North Hertfordshire Museum and Community Facility and that there were a number of deliverables that were interdependent on each other.

The Controls, Risk and Performance Manager confirmed that negotiations were continuing regarding this project and that each part of the project was dependent on others being completed, hence the target for this project being March 2019.

Members commented that investigating a range of options to improve use of Council assets did not sound like a project, it was an investigation and suggested that the wording of the first column be amended.

The Controls, Risk and Performance Manager advised that the report regarding Options for Housing Investment Company was related to this project and that the wording of the project was that used in the Corporate Plan.

RESOLVED: That the key projects, subject to capacity, that will be the key focus for the Council in 2018/19 be noted.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to monitor the delivery of projects as part of the Corporate Business Planning process.

89 GREEN SPACE MANAGEMENT STRATEGY

The Parks and Countryside Development Manager presented the report of the Head of Leisure and Environmental Services entitled Green Space Management Strategy.

He informed Members that there were a number of minor amendments to the report as follows:

Recommendation 2.2

This recommendation be amended to read:

“That subject to the sustainability of the business case the decision to enter into a lease with Templars Football Club or to demolish the building be delegated to the Head of Finance, Performance & Asset Management and the Head of Leisure & Environmental Services.”

This amendment was required to ensure that not only was a financial evaluation of a business case made, but also that the proposed activities were appropriate for this location.

Paragraph 8.3.2

The final entry on the table at Paragraph 8.3.2 be amended to read:

“Mar 2018 Received business case from two local district Councillors who are working with a third party for the continued funding of Betjeman Road and Farrier Court play areas Royston.”

Paragraph 8.4.3.2

The entries in the table at Paragraph 8.4.3.2 be amended to read:

Betjeman Road,	No interest from Royston Town Council. Business case received from two local
Royston	District Councillors who are working with an external agency for continued funding of NHDC's grounds contractor to maintain the play area. Allow a period of time of up to three months for confirmation of funding sources from third parties.

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Farrier Court, No interest from Royston Town Council. Business case received from two local
Royston District Councillors who are working with an external agency for continued funding of NHDC's grounds contractor to maintain the play area.
Allow a period of time of up to three months for confirmation of funding sources from third parties.

These amendments were required as it was important to make it clear that the proposed funding from Royston Councillors was externally sourced at no cost to NHDC.

The Parks and Countryside Development Manager advised that the report identified the work that officers had undertaken since January 2017 to try to find interested parties to take on the management of 13 small play areas and 4 football pavilions.

In respect of pavilions, officers had met and worked with 9 different groups who had expressed an interest in management of pavilions.

Of the 9 groups, 1 had put forward a business case to take on the Bakers Close pavilion in Baldock, all other groups had withdrawn their interest, primarily due to the condition of the buildings and the amount of investment required.

In respect of play areas, officers had contacted more than 130 individuals or user groups seeking expressions of interest with potential sustainable solutions being identified to retain 7 of the 13 play areas at nil cost to the council.

Expressions of interest had been received from the following 3 groups:

- Gt. Ashby Community Council
Have agreed to provide funding for three play areas;
- Royston Councillors
Likely to secure funding from Brian Racher Trust for funding of two Royston play areas;
- Letchworth Community Group
A Letchworth resident who used the play area put forward a proposal to form a community group to raise sponsorship from local companies to fund the Jackmans Playing Fields play area.
This was later withdrawn by the resident.

In respect of the Rosehill play area in Hitchin, there was a lot of community support to retain a play area for the residents of Rosehill, however there had been no offer of funding. Officers had therefore looked at alternative ways to try to retain a local play area for these residents at nil cost to the Council.

It was recognised that there may be further housing developments in Hitchin and, if as a result of this, a new play area was provided and funded by a developer with good links to the existing Rosehill estate, this would be a good time to revert the existing site back to green space with no loss of play facilities for local residents.

A play area in Great Ashby had been reclassified by NHDC as open space, therefore no longer required the additional expense of a formal play area.

Members asked when equipment would be removed from the decommissioned play areas and asked for clarification that, where pavilions were due to be removed, the playing pitches and associated equipment would remain in use and be maintained.

The Parks and Countryside Development Manager advised that tenders would be sought for the removal of the play equipment and it would be removed as soon as possible following the appointment of a contractor, removal would likely take place in June/July 2018.

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In respect of pavilions, the football changing rooms had been closed for the last season, all of the pitches had remained and would continue to do so.

Members queried whether groups and individuals had been given guidance regarding how they could finance any of the play areas or pavilions.

The Parks and Countryside Development Manager informed Members that groups had been provided with surveys of buildings, that identified works required and the ongoing revenue costs, and health and safety requirements were explained and they were also given a list of suggested external funding sources.

Members commented that information regarding the background to each decommissioned play area and pavilion should be shared with the local Councillors of that area

Members queried whether, where pavilions were due to be removed, local leagues and teams had been informed of the likely outcome.

Members noted that there had been a significant uptake in the use of play areas where developments had taken place in the last 12 months and queried whether this increased usage could be taken into account prior to any decision being taken to remove equipment.

The Parks and Countryside Development Manager clarified that the driver for these actions was never about usage, but rather that the Council did not have the resources to maintain all of the 47 play areas and needed to make revenue savings. It was however recognised that the green space itself was important.

The Council would need to find a further £150,000 capital each year as well as the revenue costs to be able to maintain all of the play areas.

If a proposal was made to consider maintaining a play area that had been identified for removal of equipment, then another play area would have to be identified to take its place.

All of the football clubs had been contacted regarding the pavilions identified for closure.

Some Members expressed concern that policy was being budget led and that no account was being taken regarding changed usage of particular play areas and questioned whether consideration had been given to alternative ways for the Council to fund these play areas.

The Parks and Countryside Development Manager advised that Cabinet had made the resolutions regarding play areas and pavilions and that officers had, since that time, been working to those resolutions and had worked hard to try to find ways for community groups to take on the maintenance of these play areas, with some success.

The resolution remained that, if community groups could not be found to take on these play areas, then the formal play equipment would be removed and the area returned to green space with natural play elements where appropriate.

Some Members commented that in rural areas the communities maintained play areas and that, if a play area was considered important by a particular community, then that community and their local Councillors could put together a plan and identify funding to take them over.

Members thanked the Parks and Countryside Development Manager for the efforts he had put in to this difficult task and that he should be commended for finding solutions for many of the affected play areas.

It was proposed and seconded that the following recommendations be made to Cabinet:

- (1) Following evidence of a significant increase in usage, Cabinet be requested to further review whether the play area at Symonds Close, Hitchin be maintained as a formal play area;
- (2) In light of further evidence regarding usage, the play area at Rosehill, Hitchin be placed on the retained list and not considered for decommissioning in 2022.

Upon the vote this was lost.

RESOLVED: That the recommendations contained in the report entitled Green Space Management Strategy be supported.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to comment of the report entitled Green Space Management Strategy prior to consideration by Cabinet.

90 COMMON HOUSING ALLOCATION SCHEME - UPDATE

The Executive Member for Housing and Environmental Health and the Strategic Housing Manager gave a verbal presentation regarding the Common Housing Allocation Scheme.

The Strategic Housing Manager informed Members that the housing stock transfer took place 15 years ago, with all of the council housing being transferred to North Herts Homes.

The Council remained the Local Housing Authority meaning that legislation and housing duties were the responsibility of the council even though they had no housing stock.

There were currently around 10,500 social housing homes in North Hertfordshire, with North Herts Homes being the biggest housing association in the area, although there were a further 22 housing associations operating in the District.

The Council retained access to the majority of the 400 vacancies per year in general needs housing.

Allocation of the properties was by way of the Common Housing Allocation Scheme, which set out eligibility and priority for housing in order to assess housing need.

In 2016 almost 700 households were registered for general needs housing and this rose to just under 800 in 2017.

There were currently 1,700 households on the waiting list for general needs housing.

In respect of equalities data, there were nine protected characteristics and the paper, tabled this evening, showed the figures regarding four of these characteristics for 2016 and 2017.

The percentages of these characteristics that applied for housing closely matched the percentage of those who were actually housed, which demonstrated that the Common Housing Allocation Scheme was working well and had not disadvantaged any particular group of people.

The software used would be updated to ensure that data regarding other characteristics could be recoded thereby ensuring that the Common Housing Allocation Scheme would not disadvantage any of those groups.

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An annual report for MIS was produced each year, which was signed off by the Executive Member for Housing and Environmental Health and future reports would include equalities data.

Members queried how many social housing units had been available at the time of the stock transfer and whether the numbers had increased.

The Strategic Housing Manager advised that around 8,500 social housing units were transferred to North Herts Homes. Since that time some had been lost due to the right to buy and some had been built, therefore the number of homes held by North Herts Homes remained broadly static.

He acknowledged that there was a high demand for social housing that was unlikely to ever be met and advised that every local authority was in the same position. This was an ongoing challenge and they tried to improve supply wherever they could by looking at alternative options such as the private rented sector.

RESOLVED: That the Executive Member for Housing and Environmental Health and the Strategic Housing Manager be thanked for their informative presentation regarding the Common Housing Allocation Scheme.

REASON FOR DECISION: To ensure that the Overview and Scrutiny Committee is kept apprised of the effects following implementation of the Common Housing Allocation Scheme.

91 MEMBERS' QUESTIONS

Councillor Martin Stears-Handscomb has asked the following question:

“Noting the inconvenience caused to residents and damage caused to public space by the construction traffic servicing the development in Lucas Lane, Hitchin and the potential increased use of unsuitable and sometimes dangerous routes to development sites in the District, which will increase following the adoption of the District Local Plan, will the Scrutiny Community investigate whether an approach to new developments which identifies access problems at an early stage is possible?”

This will be referred to the Head of Development and Building Control for a response, which will be presented to the next meeting of the Committee.

Members queried whether there was a limit to the number of questions that could be raised under Members' Questions.

The Committee and Member Services Officer advised that she would provide the answer at the next meeting of this Committee.

RESOLVED: That the Head of Development and Building Control be requested to provide a written response to the question raised by Councillor Martin Stears-Handscomb.

REASON FOR DECISION: To ensure that written question from Members receive a written response.

92 RESOLUTIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Deputy Chief Executive presented the report of the Chief Executive entitled Resolutions of the Overview and Scrutiny Committee.

RESOLVED: That the actions resulting from the resolutions of the Overview and Scrutiny Committee be noted;

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to review and monitor the progress of resolutions made.

93 OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME

The Deputy Chief Executive presented the report of the Chief Executive entitled Overview and Scrutiny Committee Work Programme and drew attention to the following:

Work Programme

Members were asked to consider the items that were listed to be considered at the meeting due to be held on 12 June 2018 and that they had earlier requested that the Service Delivery Plan also be considered at that meeting.

Members asked for a report on the implementation of the chargeable garden waste to be presented at an appropriate time.

In respect of the proposed review of the District Museum and Community Facility at Hitchin Town Hall, Members agreed that there was a need to consider the method in which this review would take place.

The Chairman advised that she had held a number of meetings on this subject with the Chief Executive and the review would take place outside of the scheduled meetings.

New Settlement

The Head of Development and Building Control had suggested that, in order to keep the Committee updated regarding discussions about a new settlement they may wish to nominate a Member of the Committee to attend Executive Member briefings on the subject.

In response to a question, the Deputy Chief Executive explained that a new settlement would take many years to plan and in order to consider this option for the next Local Plan period, work had already commenced and needed to be undertaken now.

Members agreed that Councillor Michael Muir would be the Committee's representative.

Annual Report

The draft Annual report was tabled at the meeting and Members agreed that the Chairman be authorised to approve the final report once it had been updated with details from this meeting.

Paperless Meetings

The Deputy Chief Executive reminded Members that by the end of 2018 all Council and Committee meetings would be paperless and that work was being undertaken to achieve this.

RESOLVED:

- (1) That the Overview and Scrutiny Committee Work Programme be noted;
- (2) That the list of proposed items for consideration at the meeting due to be held on 12 June 2018 be agreed;
- (3) That Councillor Muir be the Overview and Scrutiny representative at Executive Member briefings regarding a new settlement and that the Head of Development and Building Control be requested to advise him of relevant briefing dates.
- (4) That the Chairman of the Overview and Scrutiny Committee be authorised to approve the final version of the Overview and Scrutiny Annual Report 2017/18 prior to consideration by Cabinet;

- (5) That the Executive Member for Waste, Recycling and Environment and the Head of Leisure and Environmental Services be requested to prepare a report on the implementation of the chargeable garden waste service and present it to this committee at the most appropriate time.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to plan and carry out its workload efficiently and effectively.

94 PROPOSED CREMATORIUM AT WILBURY HILLS PROGRESS UPDATE

The Executive Member for Waste, Recycling and Environment introduced the report of the Head of Leisure and Environmental Services entitled Proposed Crematorium at Wilbury Hills Progress Update.

He advised that the report would be considered by Cabinet on 27 March 2018.

The report set out the Heads of Terms for the new lease for the prospective tenant to deliver and operate a new crematorium at Wilbury Hills.

Provided Cabinet approved the Heads of Terms, officers would then be in a position to submit an outline planning application to Central Beds.

The Heads of Terms had been the subject of negotiation between officers and the prospective tenant and officers were confident that the Heads of Terms represented the best value, primarily because the selection of the prospective tenant followed a competitive tendering process.

The Heads of Terms also reflected the existing capital pressures and that all capital investment would come from the tenant.

It was encouraging that the prospective tenant wished to proceed quickly after the Cabinet meeting in March.

The planning process would then take 13 weeks to secure from both Central Beds and North Herts, after which the tenant would take over the development of the crematorium at their own cost and risk.

This would involve gaining detailed planning permission and undertaking the construction work through to practical completion.

The prospective tenant had already provided an indicative timescale which indicated practical completion at the end of 2020, however this would be dependent on any legal challenge to either the outline or detailed planning applications and the usual risks associated with significant construction works.

The prospective tenant would hold a board meeting in the week after the Cabinet meeting and indications were that Board approval would be forthcoming.

Any delay, following Cabinet approval, could risk further delays or the cancellation of the project.

In summary, the prospective tenant would obtain detailed planning permission, undertake the construction and operate the crematorium, for which NHDC would receive a percentage of the income plus rent.

Further consideration of this item was considered following the Part II report (Minute 97 refers).

Members asked for clarification regarding the tendering process.

The Contract Lawyer advised that an advert had been placed in the market in late 2016.

There were 3 or 4 companies in total involved in this area that could have been interested, and of those companies, two submitted tenders and one of these was unable to be taken forward.

RESOLVED: That the recommendations contained in the report entitled Proposed Crematorium at Wilbury Hills Progress Update be supported.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to comment on the report entitled Proposed Crematorium at Wilbury Hills Progress Update prior to consideration by Cabinet.

95 OPTIONS FOR HOUSING INVESTMENT COMPANY

The Deputy Chief Executive introduced the report entitled Options for Housing Investment Company.

He reminded Members that the capital programme allocated £3 million to housing investment and officers had been looking at potential options.

At the time of commissioning the business case the assumption had been that there was a need to turn capital into revenue as quickly as possible, however this assumption changed, as the waste contract came to fruition leading to significant revenue savings and the pressure on revenue being less urgent.

The starting point for the business case was the buy to let model, as that was the quickest was to generate income, however the margins were not significant enough to proceed with that model.

It was therefore proposed that different options be considered being: to convert and let existing assets and/or consider other development options either on our own or in partnership.

The advantage of development would be that the Council could retain ownership for letting or could develop and sell for a capital receipt or a combination of both.

A trading Company would need to be established in order to undertake any of the proposals.

Further consideration of this item was considered following the Part II report (Minute 98 refers).

The Deputy Chief Executive advised Members that the Cabinet Sub-Committee met last week and agreed Recommendations 2.1 and 2.2.

They recommended that Cabinet approve the principal of setting up a wholly owned holding company and trading companies for the purposes of development and letting of existing and future assets.

Members queried whether the proposed new companies would employ paid staff and whether this scenario would make the proposals unprofitable.

The Deputy Executive advised that these issues would be considered for each individual project, although it was initially unlikely that the company would have any paid employees, it would be operated by Council staff or consultants therefore the overheads would be kept as low as possible.

Any staffing considerations would be project specific, with expertise only being brought in for a particular project. There was no suggestion that a company would be set up with permanent paid employees at this point.

Members noted that the original drive for this was to provide revenue funding as quickly as possible and that this imperative had become less urgent. They queried whether consideration had been given, at the point when needing to generate income quickly had reduced, to whether housing remained the right sector to continue with or whether another sector would be more appropriate.

The Deputy Chief Executive advised that, at the point that the urgency to create revenue income changed, the outline business case was sufficiently far advanced that it did not make sense to end the project. However other investment options were being considered.

Officers continued to believe that housing options remained a potentially good investment for the Council and was one of the options that had always been considered, it was the pressures in the revenue and capital budgets that had changed. This was still an option worth considering and it was worth acknowledging that a large number of local authorities were looking at residential properties as a way to generate both revenue and capital income.

He stressed that this project was not being considered to the detriment of everything else and the Cabinet Sub-Committee noted that, although this particular project was about residential property, there were options around commercial property, which the Council already generated approximately £1 million of income per year. The market regarding commercial properties would continue to be reviewed and opportunities investigated.

Although the required revenue savings had been achieved in the short term, there remained a budget gap and it was wise to build in additional sources of revenue income, to safeguard against any future changes therefore, the Council would also be considering new areas of service or extensions of existing services for generating income.

RESOLVED: That the recommendations contained in the report entitled Options for Housing Investment Company be supported.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to comment on the report entitled Options for Housing Investment Company Update prior to consideration by Cabinet.

96 EXCLUSION OF PUBLIC AND PRESS

RESOLVED: That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act.

[Note: The definition of Paragraphs 3 and 5 referred to above is as follows:-

- "3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)."]
- "5. Information in respect of which a claim to legal privilege could be maintained in legal proceedings".

97 PROPOSED CREMATORIUM AT WILBURY HILLS PROGRESS UPDATE

This item was considered prior to the Part I report (Minute 94 refers).

The Contract Lawyer presented the report of the Head of Leisure and Environmental Services entitled Proposed Crematorium at Wilbury Hills Progress Update.

Following debate and questions regarding the information contained in the report it was:

RESOLVED: That the contents of the report entitled Proposed Crematorium at Wilbury Hills Progress Update be noted.

REASON FOR DECISION: To ensure that the Committee is aware of the issues raised in the report entitled Proposed Crematorium at Wilbury Hills Progress Update.

98 OPTIONS FOR HOUSING INVESTMENT COMPANY

This item was considered prior to the Part I report (Minute 95 refers).

The Deputy Chief Executive presented the report entitled Options for Housing Investment Company.

Following debate and questions regarding the information contained in the report it was:

RESOLVED: That the contents of the report entitled Options for Housing Investment Company be noted.

REASON FOR DECISION: To ensure that the Committee is aware of the issues raised in the report entitled Options for Housing Investment Company.

The meeting closed at 10.10 pm

Chairman