



AGENDA

CABINET MEETING

Date: Wednesday, 6 September 2017

Time: 7.00 pm

Venue: Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT

Membership:

Councillors Bowles (Chairman), Mike Cosgrove, Duncan Dewar-Whalley, Alan Horton, Gerry Lewin (Vice-Chairman), Ken Pugh and David Simmons.

Quorum = 3

RECORDING NOTICE

Please note: this meeting may be recorded.

At the start of the meeting the Chairman will confirm if all or part of the meeting is being audio recorded. The whole of the meeting will be recorded, except where there are confidential or exempt items.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this recording will be retained in accordance with the Council's data retention policy.

Therefore by entering the Chamber and speaking at Committee you are consenting to being recorded and to the possible use of those sound recordings for training purposes.

If you have any queries regarding this please contact Democratic Services.

1. Emergency Evacuation Procedure

Pages

The Chairman will advise the meeting of the evacuation procedures to follow in the event of an emergency. This is particularly important for visitors and members of the public who will be unfamiliar with the building and procedures.

The Chairman will inform the meeting whether there is a planned evacuation drill due to take place, what the alarm sounds like (i.e. ringing bells), where the closest emergency exit route is, and where the second closest emergency exit route is, in the event that the closest exit or route is blocked.

The Chairman will inform the meeting that:

(a) in the event of the alarm sounding, everybody must leave the building via the nearest safe available exit and gather at the Assembly points at the far side of the Car Park. Nobody must leave the assembly point until everybody can be accounted for and nobody must return to the building until the Chairman has informed them that it is safe to do so; and

(b) the lifts must not be used in the event of an evacuation.

Any officers present at the meeting will aid with the evacuation.

It is important that the Chairman is informed of any person attending who is disabled or unable to use the stairs, so that suitable arrangements may be made in the event of an emergency.

2. Apologies for Absence

3. Minutes

To approve the Minutes of the Meeting held on 12 July 2017 (Minute Nos. 103 - 110) as a correct record.

4. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the room while that item is considered.

Advice to Members: If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as

early as possible, and in advance of the Meeting.

Part B Report for Decision by Cabinet

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|-----|--|---------|
| 5. | Discretionary Business Rate Relief | 1 - 6 |
| 6. | Financial Management Report - April-June 2017 | 7 - 24 |
| 7. | Award of Contract - Swale House lift refurbishment and maintenance | 25 - 28 |
| 8. | Scrutiny Committee Report on Housing Services | 29 - 50 |
| 9. | Managed Services for Temporary Agency Resources Tender Report | 51 - 56 |
| 10. | Exclusion of the Press and Public | |

To decide whether to pass the resolution set out below in respect of the following item:

That under Section 100A(4) of the Local Government Act 1972, the press and public 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 Paragraph 3 of Part 1 of Schedule 12A of the Act:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

11. Property Acquisition Sittingbourne

Confidential report to be circulated at the Cabinet meeting.

Issued on Tuesday, 29 August 2017

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Cabinet, please visit www.swale.gov.uk

**Chief Executive, Swale Borough Council,
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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Cabinet Meeting	Agenda Item: 5
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Meeting Date	6 September 2017
Report Title	Revaluation Discretionary Rate Relief
Cabinet Member	Clr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance
SMT Lead	Emma Wiggins
Head of Service	Amber Christou
Lead Officer	Zoe Kent
Recommendations	<ol style="list-style-type: none">1. That the Revaluation Discretionary Rate Relief criteria are adopted for 2017/18, with a review prior to year two of the scheme.2. To give delegated authority to the Revenues and Benefits Manager in consultation with the Cabinet Member for Finance and Performance for the award of the Revaluation Discretionary Rate Relief.

1 Purpose of Report and Executive Summary

- 1.1 As part of the Non Domestic Rates scheme the rateable values of businesses are reviewed every five years. As a result of changes in the economy which affected the rental value of commercial properties the revaluation which should have taken place in 2015 was delayed until 2017.
- 1.2 This delay has caused rateable values to increase significantly for some businesses; the Government has provided funding for local authorities to distribute to those businesses who have had an increase in their business rates as a result of an increase in their rateable value as at 1 April 2017.
- 1.3 The Council is required to set criteria as to which businesses will receive relief because the funding provided will not cover the total increase in rates of those affected.

2 Background

- 1.4 In March 2017, Central Government announced that it would make available a £300 million discretionary fund to support those businesses that have faced the steepest increases in their business rates bill as a result of the 2017 revaluation.
- 1.5 Rather than set out a scheme through regulation for the distribution of the fund the Government decided that local councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in greatest need. The Council has the option to deliver such a scheme through its discretionary relief powers under S47 of the Local Government Act 1988.

- 1.6 The Council is able to provide support for local businesses through the scheme funding up to £592,000 over four years of which 50% will be a loss to the council's business rates collection which will be offset by a grant from Government, with the other 50% being a direct loss to the Government.
- 1.7 The funding of the discretionary scheme will be front loaded with the majority of the funding awarded in 2017/18 and smaller awards available by 2020/21 the fourth year of the scheme.
- 1.8 European Union competition rules restrict Government subsidies to businesses (state aid). Relief from taxes, including business rates could be considered as state aid. An application process will be used to ensure that businesses consider the state aid rules.

Table 1. *Local discretionary relief scheme funding arrangements*

Year of scheme	Percentage of the scheme to be awarded	Cost to the Council reimbursed by Government	Direct Cost to Central Government	Total available funding of the scheme
2017/18	58.3	£172,551	£172,551	£345,102
2018/19	28.3	£83,760	£83,760	£167,520
2019/20	11.7	£34,629	£34,629	£69,258
2020/21	1.7	£5,032	£5,032	£10,064
Total	100	£295,972	£295,972	£591,944

- 1.9 As at 1 April 2017 there were 4,350 businesses based in Swale.

Table 2. *Changes in rateable value*

Change to rateable value	Number affected
Rateable value increased	1,045
Rateable value stayed the same	1,645
Rateable value decreased	1,660

- 1.10 In order to pass on the benefit to local businesses adversely affected by the revaluation, the suggested criteria for the scheme are as follows:
- Revaluation – that relief is available to businesses that experienced an increase in rateable value from 1 April 2017 as a result of the revaluation
 - Rateable value – that relief is restricted to businesses with a rateable value below £100,000

- Rates liability – that relief will only be available to businesses that have experienced an increase in the level of rates payable, after allowing for all other forms of rate relief
 - Occupation – that relief will only be made available to businesses that were in occupation of the premises as at 31 March 2017 and remain in continuous occupation.
 - National chains – that relief will not be awarded to national chains to help businesses based within Kent. National chains will be defined as those based over multiple locations, also located outside of Kent. This will be considered on an individual basis to take into account circumstances such as franchises.
 - Restrictions – that relief will not be awarded to communications hereditaments, communications related services or advertising rights.
 - Acceptable increase – that all businesses pay £600 of their increase. This amount is inline with the amount payable by businesses who receive small business rate relief who have had an increase in their rateable value. The Government has suggested £600 as an acceptable increase.
- 1.11 The scheme should be based on the criteria listed in 2.7 based on an application process. 80% of the funding being distributed to businesses meeting the criteria in 2.7 with the fund apportioned in line with increases experienced by individual businesses.
- 1.12 The remainder of the funding will be held as a contingency to assist businesses identified as experiencing financial hardship as a result of the revaluation. Applications will be in writing and will be based on the accounts of the business.
- 1.13 The Council will send an application form to those businesses who meet the listed criteria. The Borough Council wishes to support local small businesses and Discretionary Rate Relief is part of our strategy to support local enterprise.

3 Proposal

- 1.14 It is proposed that the revaluation discretionary rate relief criteria are adopted for 2017/18.
- 1.15 Delegated authority should be given to the Revenues and Benefits Manager in consultation with the Cabinet Member for Finance and Performance for the award of the revaluation discretionary rate relief.

4 Alternative Options

- 1.16 The alternative option is to award the funding on a first come first served basis. This is not recommended because it is likely the funding would not be distributed fairly or to those most in need.

5 Consultation Undertaken or Proposed

- 1.17 We are required to consult with the major preceptors on the design of this scheme, (Kent County Council, Kent Police and Kent and Medway Fire and Rescue Service). A copy of appendix I has been sent to the major preceptors for consideration before 1 September 2017.

6 Implications

Issue	Implications
Corporate Plan	Open for business, embracing localism BV10 – Percentage of non-domestic rates collected
Financial, Resource and Property	The expenditure of the Council will be fully refunded for the cost of the scheme. The Council will also receive a grant towards the administration of the scheme, this however may not cover the cost of administration in full. As part of the council's funding now comes through rates retention it is imperative we use grants awarded through business rates S47 of the Local Government Act 1988.
Legal and Statutory	Local Government Finance Acts 1988, 1998 and 2012.
Crime and Disorder	None
Environmental Sustainability	None
Health and Wellbeing	None
Risk Management and Health and Safety	There is a risk that businesses who have seen an increase in their business rates may struggle to pay the increase. If businesses who have seen an increase in their rateable value are not encouraged to claim we could see a drop in collection rates
Equality and Diversity	None
Privacy and Data Protection	None

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Revaluation Discretionary Rate Relief Draft Criteria August 2017

Discretionary Business Rate Relief Scheme – Criteria for granting discretionary relief following the revaluation 2017.

1. The Scheme

1.1 The Council has decided that relief under the scheme will be awarded using the following criteria:

- a. The scheme is designed to assist ratepayers who have suffered increases in rate liability due to the revaluation and the subsequent increase to their Rateable Value;
- b. Relief will not be granted where a hereditament has a rateable value of £100,000 or more at 1st April 2017;
- c. Relief will not be awarded where mandatory relief is granted;
- d. In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
 - i. The rate liability of the ratepayer at 31st March 2017 after any reliefs and reductions; and
 - ii. The rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief within this policy;
- e. Relief will be awarded where the calculation in d. above would result in an increase of more than £600. (determined by the Council as an acceptable increase);
- f. Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises;
- g. Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on 1st April 2017 and for each day subsequently.
- h. Ratepayers taking up occupation after the 1st April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation;
- i. Relief will be targeted to local businesses and not those businesses that are national or multi-national in nature. Local businesses are, for the purposes of this scheme, those which have premises wholly in the Council's area;
- j. Relief may be awarded for more than one premise as long as all other criteria are met;
- k. Relief will not be awarded where:
 - i. mandatory relief is awarded; or
 - ii. where the ratepayer has applied for a reduction under S44a of the Local Government Finance Act 1988; and
 - iii. the hereditament has an increase in Rateable Value after the 1st April 2017 which increases the rate charge above the 1st April 2017 value.

- I. Relief will not be awarded for hereditaments that are wholly or mainly used for:
- i. Communications hereditaments, communications related services or advertising rights.
 - ii Local authority and public sector hereditaments

2. Applications for relief under this scheme

2.1 The Council is keen to identify ratepayers who may qualify for the relief and as such will look to encourage certain ratepayers to apply. The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application.

2.2 Applications must be made by 30 June of the following financial year for example for 2017/18 applications by 30 June 2018.

3. Fixed amount of relief with case by case award Year 3 & 4

3.1 Amount of Relief - The amount of relief is tapered and will be calculated as follows:

2017/18

Award = Increase in rate liability calculated in (1.1d above) LESS £600 (acceptable increase)

2018/19

Award = 2017/18 award x 50% (for clarity this will be half of the relief awarded in 2017/18)

Amount to be determined by the Council based on modelling of relief – as follows:

- Amount of acceptable increase:
- For Year 2 the relief will be based on a 50 percentage reduction of a Year 1 award;

2019/20 & 2020/21

For the final year of the scheme, the Council will determine any award on an individual case by case basis and will take into account:

- the amount of the increase in rate liability due to the revaluation;
- the amount of rates in relation to other business expenses and income of the business;
- the amount of reserves held by the business; and
- the ability of the business to pay the increase.

4. Right of Appeal

The process of appealing against a decision regarding discretionary relief made by the Council can be found in the Business Rates Discretionary and Hardship Relief Policy.

Cabinet		Agenda Item: 6
Meeting Date	6 September 2017	
Report Title	Financial Management Report – April – June 2017	
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance	
SMT Lead	Nick Vickers, Chief Financial Officer	
Head of Service	Nick Vickers, Chief Financial Officer	
Lead Officer	Phil Wilson, Financial Services Manager	
Key Decision	Yes	
Classification	Open	
Forward Plan	Reference number:	
Recommendations	<ol style="list-style-type: none"> 1. To note the projected revenue underspend on services of £386,620 (including £672,000 additional income (table 1 refers)). 2. To note the capital expenditure of £1,000,380 to end of June 2017 (paragraph 3.12 and Appendix II refers). 3. To note the projected capital overspend of £71,225 (paragraph 3.14 and Appendix II refers). 4. To approve the additional capital funding of £71,225 (paragraph 3.14 and Appendix II refers). 	

1. Purpose of Report and Executive Summary

1.1 This report shows the revenue and capital projected outturn activity for 2017/18 as at the end of June 2017. The report is based on service activity up to the end of June 2017 and is collated from monitoring returns from budget managers.

1.2 The headline figures are:

- Total forecast revenue underspend of £386,620;
- Capital expenditure of £1,000,380;
- Projected capital expenditure variance of £71,225 as a result of additional expenditure to be funded from S106 contributions, external grants and internal resources.

2. Background

- 2.1 The Council operates a monthly budget monitoring process at Head of Service level, which reports each month to the Strategic Management Team.
- 2.2 Financial monitoring reports are presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

3. Proposals

Revenue Outturn

- 3.1 As at the end of June the total forecast revenue underspend is £386,620.
- 3.2 Table 1 details the significant service movements by type of variance.
- 3.3 Table 2 shows the outturn position by service.
- 3.4 Table 3 details the line by line service variations.

Table 1: Service Movements

Service/Contract	Reason for Variance	Working Budget £'000	Projected Variance £'000
Additional Income – Fees & Charges set by SBC:			
Parking Management	Additional income from pay & display fees	(1,715)	(200)
	Additional income from Parking Permits – Decriminalisation	(107)	(20)
	Additional income from season ticket income	(59)	(4)
Recycling & Waste Minimisation	Additional income from garden waste collections (brown bins)	(385)	(59)
Other Income:			
Planning	Fees – Additional planning income (See note * below)	(729)	(254)
Housing – Stay Put Scheme	Disabled Facilities Grant fees	(61)	(60)
Property Management	Rental income	(321)	(60)
Leisure, Sports, Open Spaces, Parks, Countryside and Allotments	Central House utility costs recharge	-	(11)
Other	Additional income	-	(47)
Loss of Income - Fees & Charges set by SBC:			
Land Charges	Loss of income	(220)	43
Total Net Income			(672)

Service/Contract	Reason for Variance	Working Budget	Projected Variance
		£'000	£'000
Procurement/Shared Service Savings:			
Public Convenience	Public Conveniences cleaning contract	259	(47)
Grounds Maintenance	Contract Savings	1,275	(53)
HR Shared Service	Savings on shared service with Maidstone – refund from 16/17	254	(30)
Total Procurement/Shared Service Savings			(130)
Additional Costs:			
Homelessness	Net Bed and Breakfast	263	172
Planning	Additional legal and planning specialists for appeals	-	100
	Planning Enforcement Team restructure – additional staffing costs (*)	115	3
	Planning Enforcement Team – additional agency costs (*)	-	14
	Planning Development Management – additional staffing costs (*)	696	101
	Planning Development Management – additional agency costs (*)	41	77
(*) All offset by additional planning income shown above in 'Other Income'			
Refuse Collection	Purchase of wheeled bins	62	70
Property	Swale House – Rates	5	16
Parking	Car Parks – Rates	206	17
	Park & Ride	-	27
Total Additional Costs			597
Underspends:			
Salaries	Net Employee Costs (incl. agency)	12,546	(123)
Community Halls and Centres	Alexander Centre grant	49	(49)
Corporate Items	Savings on Finance lease	69	(21)
Homelessness	Homeless Hostel	15	(15)
Total Underspends			(208)
Other Net Overspends			26
Total Variance			(387)

Table 2: Projected Variance by Service

		Working Budget £	Projected Outturn £	Projected Variance £
Chief Executive	M Radford	364,800	371,030	6,230
Policy	D. Clifford	218,310	209,190	(9,120)
Economy & Communities	C. Hudson	2,007,830	1,960,380	(47,450)
Communications	S. Toal	265,350	265,350	0
Resident Services	A. Christou	1,161,260	1,255,450	94,190
Planning	J. Freeman	962,190	1,045,720	83,530
Commissioning & Customer Contact	M. Cassell	5,576,800	5,271,970	(304,830)
Director of Corporate Services/ Director of Regeneration/ Emergency Planning	E. Wiggins	418,420	297,340	(121,080)
Information Technology	C. Woodward	1,144,090	1,144,090	0
Audit	R. Clarke	156,990	156,990	0
Environmental Health	T. Beattie	526,060	526,060	0
Finance	N. Vickers	867,830	866,560	(1,270)
Human Resources	D. Smart	316,000	286,000	(30,000)
Legal	E. Culligan	403,390	403,390	0
Democratic Services	K. Bescoby	970,260	970,260	0
Property	A. Adams	585,320	549,180	(36,140)
Contribution from General Fund		(116,000)	(116,000)	0
Corporate Items		2,522,100	2,501,420	(20,680)
NET REVENUE SERVICE EXPENDITURE		18,351,000	17,964,380	(386,620)
Financed by:				
Revenue Support Grant		(1,238,000)	(1,238,000)	0
Business Rates		(6,506,000)	(6,506,000)	0
New Homes Bonus		(2,743,000)	(2,743,000)	0
Contribution from Business Rates		(255,000)	(255,000)	0
Collection Fund Surplus		(140,000)	(140,000)	0
Council Tax Requirement		(7,469,000)	(7,469,000)	0
NET EXPENDITURE		0	(386,620)	(386,620)
NET EXPENDITURE BY DIRECTORATE:				
Chief Executive		364,800	371,030	6,230
Mid Kent Services		2,546,530	2,516,530	(30,000)
Commissioning & Customer Contact		5,576,800	5,271,970	(304,830)
Policy & Performance		218,310	209,190	(9,120)
Corporate Services		5,031,210	4,852,040	(179,170)
Regeneration		4,613,350	4,743,620	130,270
NET REVENUE SERVICE EXPENDITURE		18,351,000	17,964,380	(386,620)

Table 3: Main Variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of June 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
CHIEF EXECUTIVE – Cllr A. Bowles (Mark Radford)		
Chief Executive & Corporate Costs	(63)	£48k Underspend – net staff costs. £15k Underspend – project costs etc.
Transformation Project	69	£69k Additional Costs – net staff costs.
Policy	(9)	£9k Underspend – net staff costs.
TOTAL	(3)	
ECONOMY AND COMMUNITIES – Cllrs - All (Charlotte Hudson)		
Environmental	-	Nil Variance reported.
CCTV	-	£8k Overspend on monitoring service. £8k Additional funding from Environmental Initiatives.
Community Halls and Centres	(48)	£49k Underspend – no grant due to Alexander Centre this year. £1k Additional Costs.
Community Safety	-	Nil Variance reported.
Economy & Community Services	-	Nil Variance reported.
LEF (Local Engagement)	-	Nil Variance reported.
Youth	-	Nil Variance reported.
Learning, Business & Skills	-	Nil Variance reported.
Regeneration	-	Nil Variance reported.
Arts Events & Activities	-	Nil Variance reported.
Markets	-	Nil Variance reported.
Sports Development	-	Nil Variance reported.
TOTAL	(48)	
COMMUNICATIONS, PRINTING, ADVERTISING & PROMOTION – Cllr A. Bowles (Sara Toal)		
Communications	-	Nil Variance reported.
TOTAL	-	
RESIDENT SERVICES – Cllrs K. Pugh and D. Dewar-Whalley (Amber Christou)		
Housing Development and Strategy	(14)	£14k Underspend – net staff costs.
Private Sector Housing	-	Nil Variance Reported.

Projected Net (Under)/Overspend / Income Shortfall as at end of June 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Housing Options	153	£172k Additional Costs - B&B and Temporary Accommodation (TA) budget (this year includes Flexible Homeless Support grant received for £172k in support of TA budget). £15k Underspend - homeless hostel budget. £4k Underspend - net savings.
Housing Benefit and Council Tax Collection	-	Nil Variance Reported.
Council Tax Benefit	-	Nil Variance Reported.
Stay Put Scheme	(45)	£60k Additional Income - Disabled Facility Grant fees. £15k Additional Costs - staff and agency staff.
TOTAL	94	
PLANNING – Cllr G. Lewin (James Freeman)		
Building Control	-	Nil Variance Reported.
Development Control	41	£254k Additional Income – planning fees. £105k Additional Costs – staffing costs (to be met from planning income). £90k Additional Costs – agency costs (to be met from planning income). £100k Additional Spend - legal and planning specialists for planning appeals.
Development Services	-	Nil Variance Reported.
Local Land Charges	43	£43k Reduced Income – local land charges.
Local Planning & Conservation	-	Nil Variance Reported. N.B. Any underspend on the local plan will be transferred to the ring fenced reserve to be used solely to fund LDF associated work.
Mid Kent Planning Service (MKPS)	-	Nil Variance Reported.
TOTAL	84	
COMMISSIONING & CUSTOMER CONTACT – Cllr D. Simmons (Martyn Cassell)		
Commissioning & Customer Contact, Client & Amenity Services and Customer Service Centre	(35)	£35k Underspend - net staff costs savings.
Cemeteries and Closed Churchyards	-	Nil Variance Reported.

Projected Net (Under)/Overspend / Income Shortfall as at end of June 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Parking Management	(180)	<p>£200k Additional Income – Pay & Display fees. £4k Additional Income – Season Tickets. £27k Additional Expenditure – For Christmas park & ride schemes. £17k Additional Expenditure – Staff underspends offset by additional expenditure on car park rates. £20k Additional Income – Decriminalisation Parking Permits.</p> <p>NB. Any surplus on Decriminalisation Parking will be transferred to the ring fenced off street parking account under Section 55 of the Road Traffic Act 1984.</p>
Seafront and Harbour & Quays	-	Nil Variance Reported.
Leisure, Sports, Open Spaces, Parks, Countryside and Allotments	(13)	<p>£11k Additional Income - utility costs recharge for Central House. £2k Underspend – net saving.</p>
Recycling & Waste Minimisation	(59)	£59k Additional Income – garden waste bins.
Refuse Collection / Street Cleansing/ Public Conveniences	24	<p>£47k Procurement Savings – cleaning of public conveniences contract. £4k Underspend - rates - public conveniences. £70k Additional Expenditure - additional wheeled bins. £5k Additional Expenditure - net other overspends.</p>
Contracts and Procurement	11	£11k Additional Expenditure – staffing costs.
Highways SBC	-	Nil Variance Reported.
Grounds Maintenance	(53)	£53k Procurement Savings - grounds maintenance.
TOTAL	(305)	
DIRECTOR OF CORPORATE SERVICES/REGENERATION – Cllrs D. Dewar-Whalley, A. Bowles and M. Cosgrove.		
Director of Corporate Services	(121)	£121k Underspend – Salaries.
Director of Regeneration	-	Consultancy and Legal fees costs are anticipated for the Sittingbourne Master Plan, requesting Corporate funding as per previous years.
Licensing	-	<p>Nil Variance Reported.</p> <p>N.B. Any surplus on Hackney Carriage Licensing will be transferred to the ring fenced reserve to be used solely to fund Hackney Carriage related work.</p>

Projected Net (Under)/Overspend / Income Shortfall as at end of June 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Emergency Planning	-	Nil Variance Reported.
TOTAL	(121)	
IT SERVICES – Cllr D. Dewar-Whalley (Chris Woodward)		
IT MKS	-	Nil Variance Reported. N.B. Any variance at year-end on PC maintenance & software will be transferred to the ring fenced reserve to be used solely to fund PC related expenditure in future years.
IT Client Side	-	Nil Variance Reported.
TOTAL	-	
ENVIRONMENTAL HEALTH – Cllr. D. Simmons (Tracey Beattie)		
Environmental Health MKS	-	Nil Variance Reported.
TOTAL	-	
INTERNAL AUDIT – Cllr D. Dewar-Whalley (Rich Clarke)		
Audit Services	-	Nil Variance Reported.
TOTAL	-	
FINANCE – Cllr D. Dewar-Whalley (Nick Vickers)		
Financial Services	(1)	Net saving.
TOTAL	(1)	
HUMAN RESOURCES – Cllr D. Dewar-Whalley (Dena Smart)		
Human Resources	(30)	£30k Underspend – refund from 16/17 from MBC re Secondment.
Organisational Development	-	Nil Variance Reported.
TOTAL	(30)	
LEGAL – Cllr D. Dewar-Whalley (Estelle Culligan)		
Legal MKLS	-	Nil Variance Reported.
External Legal Fees	-	Nil Variance Reported.
S106 Income	-	Nil Variance Reported.
TOTAL	-	
DEMOCRATIC SERVICES – Cllr A. Bowles (Katherine Bescoby)		
Democratic Process	-	Nil Variance Reported.
Other Democratic Costs	-	Nil Variance Reported.
TOTAL	-	
PROPERTY SERVICES – Cllr D. Dewar-Whalley (Anne Adams)		
Property Services	8	£8k Additional Costs – Electric car.

Projected Net (Under)/Overspend / Income Shortfall as at end of June 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Administrative Buildings	16	£16k Additional Costs – water at Swale House 16/17 and 17/18.
Property Management	(60)	Additional Income – rental income and back dated rent.
Health & Safety	-	Nil Variance Reported.
Building Maintenance	-	Any variance at year-end will be transferred to the Buildings Maintenance Fund for future years.
TOTAL	(36)	
NON-SERVICE BUDGETS		
Corporate Items	(21)	£21k Underspend - Finance lease underspend.
TOTAL	(387)	

Business Rates

- 3.5 The 2017/18 business rates are based on a new 2017 Valuation List. The effect was to be neutral at a national level, so as valuations have increased, the multiplier (which is applied to the rateable value to determine the cost of business rates for the year) was reduced. For local authorities the intention is for a neutral effect through an adjustment to the tariff paid to the Government. In the Budget on 8 March, the Chancellor announced that the Government would provide £300m to support those business most affected by the revaluation of business rates, which is due to take effect from April 2017. The Council is currently drawing up its policy of how to distribute its share of this support (£0.592m).
- 3.6 The Council is due to collect £44m of business rates in 2017/18. Council has previously agreed to the establishment of a Business Rates Volatility Reserve, in order to assist the Council in managing the anticipated volatility in business rate income resulting from the introduction of business rate localisation from 2013/14. There are a number of causes of this volatility, such as new businesses opening, existing business growing or closing, rating appeals, and collection rates. The balance on the reserve is currently £1.4m.
- 3.7 The Council has set aside £7.8m for business rate appeals. This indicates how business rate income can vary greatly as a result of a decision made on business rate appeals.
- 3.8 DCLG have confirmed agreement to a business rate pool for 2017/18 consisting of KCC and ten district / borough councils.

Improvement and Regeneration Funds

- 3.9 Table 4 below details the position on a number of reserve funds as at the end of June 2017. Total budget not committed as at end of June 2017 is £349,000.

3.10 Appendix 1 details the approvals from the Improvement and Regeneration Funds during 2017/18. These total £94,000.

Table 4: Improvement and Regeneration Funds

Funds	Balance as at 1 April 2017	Budget Committed as at 1 April 2017	Budget Committed April - June 2017 (refer to Appendix I)	Budget Not Committed as at end of June 2017
	£'000	£'000	£'000	£'000
Performance	534	413	94	27
Pension & Redundancy	245	-	-	245
Regeneration	687	365	-	322
Communities	116	116	-	-
Local Loan Fund	200	200	-	-
TOTAL	1,782	1,094	94	594

Capital Expenditure

3.11 This section of the report details actual capital expenditure and highlights any variations between the revised 2017/18 capital budget and the projected outturn.

1.11 Actual expenditure to end of June 2017 is £1,000,380 (Table 5 below refers). This represents 28% of the revised budget (refer to Table 5). Further details by Head of Service are set out in Appendix II.

Table 5: Capital Programme Expenditure (refer to Appendix II)

	2017/18 Revised Budget	2017/18 Actual to end of June 2017	2017/18 Projected Variance
	£'000	£'000	£'000
Economy & Communities	821	273	19
Commissioning & Customer Contact	623	378	52
Environmental Services MKS	77	6	-
Finance	2	-	-
Resident Services	2,067	343	-
Total SBC funded	789	81	27
Total Partnership funded	2,801	919	44
Total Capital Programme	3,590	1,000	71
% Spent to date compared to Revised Budget		28%	

1.12 The 2017/18 capital programme expenditure of £1,000,380 is funded as set out in Table 6 below. Further details are provided in Appendix II.

Table 6: Capital Programme Funding (refer to Appendix II)

	2017/18 Revised Budget	2017/18 Actual to end of June 2017	2017/18 Projected Variance
	£'000	£'000	£'000
Partnership funding (including S106 Grants)	2,801	919	44
Earmarked Reserves	282	16	19
Long Term Debtors / Third Party Loans	-	22	-
Capital Receipts	507	43	8
Total Funded	3,590	1,000	71

1.13 Projected capital variance is £71,225. Details of the significant variations are set out in Table 7 below and Appendix II. Requests are made totalling £71,225 for additional funding to be met from external capital grants received, S106 monies and internal resources to fund the following projects. Table 7 below details the variances and Appendix II provides further details.

Table 7: Capital programme – Main Projected Variances (refer to Appendix II)

Variance	Project	Variance £'000
Additional Expenditure	Sittingbourne Town Centre Regeneration – Multi-Storey Car Park (Internal resources)	15
Additional Expenditure	Sittingbourne Town Centre Regeneration – Other (Internal resources)	4
Additional Expenditure	Nursery Close/Q'Boro Lines Bridge Replacement (S106/External Grants Funding)	2
Additional Expenditure	Beach Huts (Capital Receipts)	8
Additional Expenditure	Kemsley Recreation Ground - Sports Improvement (S106/External Grants Funding)	20
Additional Expenditure	Stonebridge Pond Bridge, Faversham (S106/External Grants Funding)	21
Additional Expenditure	Footpath, Milton Creek (S106/External Grants Funding)	1
	TOTAL	71

Payment of Creditors

1.14 The payment of creditors to end of June 2017 is 99% paid in 30 days against the target of 97%.

Debtors

1.15 Tables 8 and 9 below analyse the sundry debt outstanding.

Table 8: Debt outstanding by due date

	June 2017 (Period 3) £'000	June 2016 (Period 3) £'000
Not Due	94	114
1 – 2 Months	62	440
2 – 6 Months	44	56
6 – 12 Months	41	23
1 – 2 Years	24	33
2 – 3 Years	31	38
3 – 4 Years	34	11
4 – 5 Years	4	15
5 – 6 Years	3	43
6 + Years	38	94
Total	375	867
Total Due	281	753
% Total Due	75%	87%

Table 9: Debt outstanding by Head of Service

	June 2017 (Period 3) £'000	June 2016 (Period 3) £'000
Commissioning & Customer Contact	21	58
Property	168	157
Residents Services	150	234
Legal MKLS	1	5
Economy & Communities	11	14
Planning	1	3
Communications	0	0
Environmental Health	1	14
Policy	0	1
Finance	6	0
Other	16	381
Total	375	867

1.16 The debt over six years old relates to charges on property, i.e. where the debt cannot be collected until the property concerned is sold.

2 Alternative Options

2.1 None identified – this report is for information.

3 Consultation Undertaken or Proposed

3.1 Heads of Service and Strategic Management Team have been consulted in preparing this report.

4 Implications

Issue	Implications
Corporate Plan	Good financial management is key to achieving our Corporate Plan priority of being “A council to be proud of”.
Financial, Resource and Property	As detailed in the report.
Legal and Statutory	None identified at this stage.
Crime and Disorder	None identified at this stage.
Sustainability	None identified at this stage.
Health & Wellbeing	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.

5 Appendices

5.1 The following documents are published with this report and form part of the report:

- Appendix I: Improvement & Regeneration Fund allocations as at the end of June 2017;
- Appendix II: Capital Programme – Projected outturn as at the end of June 2017.

6 Background Papers

6.1 The Budget 2017/18 and Medium Term Financial Plan 2017/18 to 2019/20.

Improvement & Regeneration Fund Allocations 2017/18
As at the end of June 2017

	Amount £
Performance Fund	
Payment Card Industry Data Security Standard Compliance	80,000
Safeguarding Database Upgrade	14,250
Total Approved as at June 2017	94,250

Capital Programme 2017/18

	Funding SBC/P (*see note below)	2017/18 Original Budget	2017/18 Revised Budget	2017/18 Actual to June	2017/18 Projected Full Year Variance	Notes
		£	£	£	£	
CCTV2 Initiative	SBC	15,000	15,000	0	0	
S106 - Easthall Farm Community Centre	P	0	365,750	241,283	0	
Sittingbourne Town Centre - Multi-Storey Car Park	SBC	0	0	15,000	15,000	(1)
Sittingbourne Town Centre - Other Assets	SBC	0	0	4,000	4,000	(2)
The Mill Project, Sittingbourne Skate Park	SBC	0	200,000	0	0	
The Mill Project, Sittingbourne Skate Park	P	0	40,000	17,250	0	
Faversham Creek Basin Regen Project (Swing Bridge)	SBC	0	200,000	0	0	
Total Economy & Communities		15,000	820,750	277,533	19,000	
Gunpowder Works Oare Faversham	P	0	9,000	0	0	
New Play Area - Iwade Schemes	P	0	92,200	79,461	0	
Bell Road Cemeteries	SBC	0	41,000	0	0	
Car Park New Ticket Machines & Installation	SBC	0	14,000	0	0	
Nursery Close/Q'Boro Lines Bridge Replacement	P	0	0	1,735	1,735	(3)
Thistle Hill Community Woodland - Trim Trail	P	0	35,000	34,512	0	
S106 - Play Area, Thistle Hill	P	0	180,000	178,909	0	
Beach Huts, Leysdown, Sheppey	SBC	0	11,370	19,259	7,889	(4)
Minster Leas Promenade Resurfacing	P	0	104,660	19,280	0	
Milton Creek Country Park Access Road	SBC	0	40,000	0	0	
Kemsley Recreation Ground - Sports Improvement	P	0	0	1,046	20,640	(5)
Bridge Deck Replacement at Bartons Point	SBC	0	14,000	0	0	
Stonebridge Pond Bridge, Faversham	P	0	0	21,334	20,765	(6)
Modular Toilet Kiosk	SBC	0	30,000	0	0	
Footpath, Milton Creek	SBC	0	16,190	17,386	1,196	(7)
Newington Car Park Wall	SBC	0	11,260	0	0	

Capital Programme 2017/18

	Funding SBC/P (*see note below)	2017/18 Original Budget	2017/18 Revised Budget	2017/18 Actual to June	2017/18 Projected Full Year Variance	Notes
		£	£	£	£	
Pay & Display Information Boards	SBC	0	24,360	800	0	
Total Commissioning & Customer Contact		0	623,040	373,722	52,225	
Air Pollution Monitoring Station	SBC	35,000	77,375	5,914	0	
Environmental Services MKS		35,000	77,375	5,914	0	
Cash Receipting System - Replacement	SBC	0	2,500	0	0	
Total Finance		0	2,500	0	0	
HRG'S - DFG Mandatory Grants	P	1,664,800	1,974,890	320,890	0	
HRG'S - DFG Mandatory Grants	SBC	0	92,100	0	0	
HRG - Housing Repair Grants Over 60	SBC	0	0	1,460	0	
RHB2 Decent Home Loans Owner Occupier	SBC	0	0	20,861	0	
Total Resident Services		1,664,800	2,066,990	343,211	0	
Total Capital Programme (SBC funded)	SBC	50,000	789,155	84,680	28,085	
Total Capital Programme (Partnership funded)	P	1,664,800	2,801,500	915,700	43,140	
Total Capital Programme (Gross Total)	SBC & P	1,714,800	3,590,655	1,000,380	71,225	

* SBC – internal funding from capital receipts and reserves.

* P – S106 contributions and external capital grants.

Capital Programme 2017/18

Notes on Variations :

		Projected Variance	Funding Source
		£	
(1)	Sittingbourne Town Centre - Multi-Storey Car Park	15,000	Internal Funding.
(2)	Sittingbourne Town Centre – Other Assets	4,000	Internal Funding.
(3)	Nursery Close / Queenborough Lines Bridge	1,735	This will be funded from a revenue reserve rollover from 15/16.
(4)	Beach Huts	7,889	Capital Receipts.
(5)	Kemsley Recreation Ground Sports Improvement	20,640	Capital Grants and S106 contributions.
(6)	Stonebridge Pond Bridge Faversham	20,765	This will be funded from a revenue rollover from 14/15. Expenditure to date includes £1,000 contingency which hopefully will not be required.
(7)	Footpath Milton Creek	1,196	Capital Grants and S106 contributions.
	TOTAL	71,225	

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Cabinet Meeting		Agenda Item: 7
Meeting Date	6 September 2017	
Report Title	Appointment of contractor – Swale House lift refurbishment and maintenance	
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance	
SMT Lead	Nick Vickers, Chief Financial Officer	
Head of Service	Anne Adams, Head of Property Services	
Lead Officer	David Brown, Building Surveyor	
Key Decision	Yes	
Classification	Open	
Forward Plan	Yes	
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet approves the appointment of Amalgamated Lifts to undertake the refurbishment of the lifts in Swale House together with servicing and maintenance for the initial period of three years, and 2. That Cabinet gives delegated authority to the Head of Property Services in consultation with the Cabinet Member for Finance and Performance to extend the contract for a further period of up to two years subject to satisfactory performance of the Contractor. 	

1 Purpose of Report and Executive Summary

- 1.1 The current lift maintenance contract expires shortly and the incumbent contractor has undertaken to continue with the servicing of the lift until October 2017. This report summarises the procurement process and its results, and seeks Cabinet approval to appoint the recommended contractor to carry out the necessary refurbishment of the lifts and on-going maintenance at Swale House to ensure their continued use to support the business of the Council.

2 Background

- 2.1 The current lifts have been in operation since the first occupation of the building by the Council and have largely remained 'as installed' with necessary repairs and upgrades as required.
- 2.2 Consultants were appointed to advise on the extent of work necessary to ensure that the lifts remain reliable for the next 5 – 10 years. The consultants prepared the specification of work for the refurbishment and a tender document was prepared that

incorporates the ongoing servicing of the lifts for up to five years (initial three year period extendable by up to two years).

- 2.3 The opportunity was advertised in accordance with contract standing orders, with interested parties asked to complete an Invitation to Tender document. The tender for the refurbishment and servicing was let on a 60% price 40% quality basis. Evaluation of the tenders scored Amalgamated Lifts highly on both parts of the tender, with evidence to show their potential to communicate clearly with staff and the consultants who will be overseeing the project.

3. Proposal

- 3.1 Cabinet is requested to approve the proposal to enter into a contract with Amalgamated Lifts Limited to refurbish the lifts and provide on-going servicing and maintenance to the lifts at Swale House for up to five years (initial three year period extendable by up to two years).
- 3.2 Although their tender price was higher than the lowest price, they scored highly in the quality evaluation due to the evidence they supplied of their track record, policies and procedures and approach to social value and therefore submitted the most economically advantageous tender. The results were as follows:

Tenderers	Price	Price score	Quality Score	Total score (MEAT)	
Amalgamated Lifts Ltd	£137,394	54.88	37	91.88	1st
Contractor B	£155,596	48.46	20	68.46	5th
Contractor C	£135,091	55.82	24.66	80.49	2nd
Contractor D	£125,688	60	19.66	79.66	4th
Contractor E	£210,111	35.89	26	61.89	7th
Contractor F	£155,789	48.40	31.33	79.74	3rd
Contractor G	£200,794	37.55	26	63.55	6th

4 Alternative Options

- 4.1 Do not refurbish. This is not a viable option. The lifts are in a cycle of decline and require more repair to keep in service with the stock of available parts becoming more difficult to come by, with many parts falling into obsolescence.

5 Consultation Undertaken or Proposed

- 5.1 Property Services has sought professional advice from consultant lift engineers to ensure the best value refurbishment and on-going use of the lifts and increased reliability and future availability of parts to significantly reduce any down time. The Chief Financial Officer and the Cabinet Member for Finance and Performance fully support this project.

6 Implications

Issue	Implications
Corporate Plan	Fully functional and reliable lifts will further the “Council to be proud of” priority.
Financial, Resource and Property	The works will be funded from the building maintenance reserve. The consultant lift engineer will oversee the refurbishment element of the project with overall project management being carried out by Property Services.
Legal and Statutory	Preparation of the contract documents.
Crime and Disorder	None identified at this time.
Environmental Sustainability	The refurbishment of the lifts will reduce electricity costs and the enhanced controls and motors will reduce the carbon footprint of the installation.
Health and Wellbeing	There are no discernible health benefits to this scheme, but the improved availability of lifts will be positively viewed by staff and other users.
Risk Management and Health and Safety	Once the refurbishment phase of the project has been completed there will be no on-going adverse health and safety implications to this project. Contractors will provide risk assessments and method statements prior to commencement of the works for review. One lift will be kept in operation throughout the project. This was a very strong point in Amalgamated Lifts tender.
Equality and Diversity	Improved reliability of the lifts will ensure that the building remains fully accessible at all times.
Privacy and Data Protection	None identified at this time.
Social Value	The successful tenderer has made a number of commitments in relation to social value including the use of local labour, the minimisation of waste and pollution and an environmentally sound transport strategy to reduce CO2 emissions. They also undertake to give appropriate consideration to the environmental credentials of suppliers when purchasing products and services.
Commissioning & Procurement	The Councils Contract Standing Orders, Commissioning framework, Procurement Strategy, relevant EU Procurement Directives and the Public Contract Regulations 2015 have been adhered to.

7 Appendices

None

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Cabinet	Agenda Item: 8
Meeting Date	6 September 2017
Report Title	Scrutiny Committee Review of Housing Services
Cabinet Member	Cllr Ken Pugh, Cabinet Member for Housing and Wellbeing
SMT Lead	Emma Wiggins, Interim Director of Regeneration
Head of Service	Amber Christou, Head of Resident Services
Lead Officer	Bob Pullen, Policy and Performance Officer
Key Decision	No
Classification	Open
Forward Plan	Reference number:
Recommendations	1. That Cabinet notes the report of the Scrutiny Committee on housing services and considers and responds to the recommendations at a subsequent Cabinet meeting.

1 Purpose of Report and Executive Summary

- 1.1 The report at Appendix I contains the findings and recommendations of a Scrutiny Committee review of housing services. In accordance with the requirements of the Constitution, the report is submitted to Cabinet for its consideration with a request that it responds to each of the recommendations contained within the report at a subsequent Cabinet meeting.

2 Background

- 2.1 The Scrutiny Committee established a Task and Finish Group to undertake a review with the following terms of reference:
- to understand the reasons why the provision of temporary accommodation in Swale has been consistently problematic and how this can be overcome;
 - explore the causes of pressures on housing services (lack of availability of affordable private rented sector housing, low numbers of affordable houses being built in the Borough, lack of available properties for tenants to 'down-size' to) and possible measures for alleviating them;
 - review what effect the purchase of a property to house homeless families has had and whether this initiative should be extended; and

- as necessary, to make recommendations to Cabinet.

2.2 The Scrutiny Committee adopted the report of the Task and Finish Group at its meeting of 5 July for submission to Cabinet.

3 Proposals

3.1 The report is presented to Cabinet by the Scrutiny Committee. Cabinet are requested to consider the report and recommendations and respond to them at a future meeting.

4 Alternative Options

4.1 No alternative options are proposed.

5 Consultation Undertaken or Proposed

5.1 The Task and Finish Group consulted a wide range of individuals and organisations in the formulation of its recommendations as detailed in Appendix II of the report.

6 Implications

Issue	Implications
Corporate Plan	The recommendations in the report most closely align to the Corporate Plan priority: A Community to be proud of.
Financial, Resource and Property	Several recommendations in the report have financial implications.
Legal and Statutory	None identified.
Crime and Disorder	None identified.
Environmental Sustainability	None identified.
Health and Wellbeing	Housing is an integral feature of the health and wellbeing of residents, particularly those who are vulnerable and at risk of becoming homeless.
Risk Management and Health and Safety	None identified.
Equality and Diversity	None identified.

Privacy and Data Protection	None identified.
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7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Scrutiny Committee – Housing Services review

8 Background Papers

Draft report of the Task and Finish Group on Housing Services –
<http://services.swale.gov.uk/meetings/documents/s7830/Housing%20Services%20-%20Draft%20report%20-%2019-06-17.pdf>

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**SCRUTINY COMMITTEE
REVIEW REPORT**



HOUSING SERVICES

Report date:	5 July 2017
Lead reviewer(s):	Councillor Derek Conway (review coordinator) and Councillors Mike Dendor, Mick Galvin and Samuel Koffie-Williams
O&S support officer:	Bob Pullen, Policy and Performance Officer
Service liaison officer(s):	Amber Christou, Head of Resident Services
Head(s) of service:	Amber Christou, Head of Resident Services

1 Report summary

- 1.1 This report outlines the findings of the Task and Finish Group which was established to review the effectiveness of aspects of Swale BC's housing service.

2 List of recommendations

2.1 The Task and Finish Group recommends:

- a) **Cabinet should consider what more the Council can do to help housing associations provide more affordable and social housing in Swale;**
- b) **Cabinet should consider ways to provide housing associations a closer role in planning applications for housing development, e.g. by routinely consulting them;**
- c) **that Cabinet considers whether it should make further capital investments into selective housing stock;**
- d) **that Cabinet considers whether the Council is doing enough to alleviate social housing pressures, and whether Swale should follow the lead of other councils and adopt a less risk-adverse approach to property acquisition;**
- e) **that the housing team, supported by the Cabinet Member for Housing and Wellbeing, bid for capital funding should any empty properties become available that owners agree to let the Council use;**
- f) **Cabinet should consider whether the residency criteria (i.e. living in Swale for four years out of five) in Swale's Housing Allocations Policy is a help or a hindrance towards helping those in housing need, and if the latter, whether the policy should be reviewed;**

- g) that Cabinet be encouraged to write to the Secretary of State for Communities and Local Government drawing attention to the severe pressures Swale was facing in housing homeless families.**

3 The review

3.1 The Task and Finish Group (TFG) was established to:

- understand the reasons why the provision of temporary accommodation in Swale has been consistently problematic and how this can be overcome;
- explore the causes of pressures on housing services (lack of availability of affordable private rented sector housing, low numbers of affordable houses being built in the Borough, lack of available properties for tenants to 'down-size' to) and possible measures for alleviating them;
- review what effect the purchase of a property to house homeless families has had and whether this initiative should be extended; and
- as necessary, to make recommendations to Cabinet.

3.2 The review was instigated by the Scrutiny Committee and the review plan was agreed by the Committee on 17 March 2016 and is at Appendix I.

3.3 The review was conducted principally through a number of meetings between the TFG and representatives from housing associations, members and officers from other district councils and officers at Swale Borough Council. A schedule of who we met is at Appendix II and a glossary of key terms used in this report is at Appendix III .

3.4 The TFG would like to thank all those who agreed to meet with us to answer questions and for providing information. The TFG would also like to thank officers from Swale Borough Council for their input.

3.5 The review was led by Councillor Derek Conway and the other Task and Finish Group members were Councillors Mike Dendor, Mick Galvin and Samuel Koffie-Williams. The TFG were supported by Bob Pullen, Policy and Performance Officer, as overview and scrutiny support officer.

4 Background

4.1 The Council has a statutory duty to house families who present themselves as homeless and are accepted as such under the Housing Act 1996. As the Council transferred all of its housing stock in the 1990s, the accommodation used to house homeless families is either:

- housing association stock;
- private rented accommodation; or
- temporary accommodation, e.g. bed and breakfast.

4.2 The incidence of homeless families being housed in temporary accommodation is becoming more prevalent. At December 2016 there were 145 households living in temporary accommodation. In 2013/14 there were 76. Homeless applications are also rising, with applications nearly doubling between 2013/14 and 2015/16. This is not a case of the Council simply underperforming but has resulted from a series of factors which most local authorities in Kent are experiencing including:

- proximity to London and the displacement of people from the capital due to increasingly high and unaffordable rents and property prices;
- the changes brought about by welfare reform;
- the loss of private rented accommodation within the borough;
- the diminishing number of affordable homes being provided; and
- the increasing number of households who are presenting themselves as homeless.

4.3 In common with most areas, the biggest factor in households presenting themselves as homeless, or are threatened with homelessness, is termination of a private rented sector tenancy. This can be as a result of the landlord deciding to sell the property or choosing to rent to tenants with a more stable income. There is no obligation on private sector landlords to offer tenancies to homeless families.

4.4 The Housing Options Team within Resident Services work very hard to prevent households becoming homeless and in 2015/16 they successfully prevented 277 households from doing so. The work of the Team has been showcased nationally with Matt Allright from the Housing Enforcers BBC television series shadowing members of the Team as they go about their duties.

4.5 The report describes the reasons why it is getting harder to house families who present themselves as homeless and makes some proposals for measures that may alleviate them.

4.6 There were two significant policy dimensions on the horizon which could have a bearing on the Council's housing function as follows, and the key issues arising from these are described in Appendix IV:

- the Homelessness Reduction Act 2017 is due to be enacted by Government within the next two years; and
- the Housing White Paper was published on 7 February 2017.

5 Findings

Role of housing associations

Key findings

5.1 The landscape in which housing associations operate is changing.

- 5.2 A number of housing associations operate in Swale, but the biggest by far is AmicusHorizon who took over management of the Council's former housing stock when it was transferred to the then Swale Housing Trust in the 1990s. AmicusHorizon are a key strategic partner to the Council. They are represented on the Swale Public Services Board, Health and Wellbeing Board and they have staff working alongside our officers - e.g. in the Community Safety Unit.
- 5.3 Other housing associations with a significant operation in Swale include Hyde and Moat, and along with Amicus, the Group met representatives from all of these housing associations. A key feature was that all were currently involved in mergers with other housing associations with the objective of creating bigger organisations which were more resilient to change and market forces.
- 5.4 The changing landscape that housing associations were operating in included:
- reduction in Government subsidies and grants;
 - a 1% year on year reduction in social rents;
 - changes to legislation and policy;
 - classification of affordable housing being extended to starter homes; and
 - becoming more commercially driven, using sales of property to cross-subsidise social housing.
- 5.5 The 2015-18 affordable homes programme had been transferred to the shared ownership homes programme and these homes are no longer designated for local people only.
- 5.6 All housing associations said that they operated in an opportunistic way, targeting areas where they could work with developers to provide social and affordable housing.
- 5.7 Housing associations welcomed being involved with local authorities at an early stage of a proposed development and all those we met said that they had a very positive relationship with the Council in this respect.
- 5.8 Shared ownership schemes, which the Government were actively promoting, were less deliverable in parts of Swale due to low land values.
- 5.9 Void rates in housing association stock in Swale is among the lowest in the country which is testament to the close working relationship the Council has with providers.
- 5.10 Given the constraints that housing associations now find themselves operating in and the importance of Swale having more social and affordable housing provision to help it meet housing need, the TFG considers that Cabinet gives consideration to these findings and therefore recommends:

Recommendation:

- a) Cabinet should consider what more the Council can do to help housing associations provide more affordable and social housing in Swale;**

b) Cabinet should consider ways to provide housing associations a closer role in planning applications for housing development, e.g. by routinely consulting them;

Role of local authorities

Key findings

5.11 In order to gain a different perspective, the Group visited two other local authorities to speak to members and officers about how they discharged their housing functions. The Group was struck by the challenges facing each council. A summary of these is as follows:

- Maidstone:
 - vibrant county town;
 - mainly affluent population;
 - lots of speculative commercial development which had been converted to residential under permitted development rights;
 - willingness to invest in property to be used as temporary accommodation including the establishment of an in-house team whose role was to identify and acquire investment opportunities, including residential;
 - purchased former NHS nursing accommodation for use as temporary accommodation for mainly young and vulnerable people, employed full time manager to run;
 - excellent transport links;
 - one main population centre;
 - no families placed in bed and breakfast accommodation;
 - significant problem of London Boroughs placing families in borough leaving less accommodation available for local families;
 - housing register stipulates two years local residency as a qualification criteria; and
 - most new development identified in the Local Plan will happen in rural areas – don't envisage any problems in securing affordable homes.

- Thanet:
 - still own and manage part of original housing stock – enables the council greater flexibility in housing homeless households and provides an additional funding stream for new development through the Housing Revenue Account;

- major housing-led regeneration project in Cliftonville in one of the most deprived wards in England – legacy of holiday hotels being turned into Houses in Multiple Occupation (HMOs) in the 1980s, including the infamous Hotel Leslie;
- significant rough sleeping problem – council part funded winter shelters operated by the voluntary sector;
- largest number of empty homes in Kent;
- three year residency qualification criteria to be eligible for the housing register;
- close links with two local providers in the private sector for temporary accommodation and one agency that can place people across Kent;
- main population centres are individual towns, but all linked by good public transport networks; and
- Local Plan anticipates some 17,000 extra homes, mainly extending out from existing urban areas – confident in securing 30% affordable provision.

5.12 The key characteristics of Swale’s housing situation are as follows:

- variable viability across the borough with provision for affordable homes in the new Local Plan as follows:
 - Isle of Sheppey – 0%
 - Sittingbourne – 10%
 - Faversham – 35%
 - Rural areas – 40%;
- limited temporary accommodation with households having to be placed in hotels and bed and breakfast as a last resort, which is expensive;
- diminishing availability of private rented housing to use as temporary accommodation, partly as a result of national policy changes on stamp duty and taxation around buy-to-let;
- very small stock of council-owned accommodation to place households with a housing need;
- agents for London Boroughs placing their clients in the Swale area; and
- just under 300 families in Swale are likely to be affected by welfare reform with some unable to afford the full private sector rent or social rent potentially leading to unintentional homelessness.

5.13 In recent years Swale BC has used reserves to purchase two properties in Sittingbourne and Sheerness to place households in housing need in temporary accommodation. These have been augmented by the use of a further property in

Teynham which had previously been brought back into use through the 'No Use Empty' scheme. While this has alleviated some of the pressures on the Council being able to find temporary accommodation in which to place households in housing need, the pressures on temporary accommodation are growing which is already resulting in families having to be placed outside the borough, away from their support networks.

5.14 A recent innovation as a means of providing more accommodation for homeless families that the Task and Finish Group kept hearing about was modular homes. A number of the London Boroughs were embarking on schemes to provide accommodation in the form of temporary, factory-built units that can be moved between sites, or even modified shipping containers or chalets of the type that are used as temporary classrooms in schools or offices on building sites. The article from Inside Housing at Appendix V gives more details.

5.15 The TFG therefore recommends:

Recommendation:

c) that Cabinet considers whether it should make further capital investments into selective housing stock;

d) that Cabinet considers whether the Council is doing enough to alleviate social housing pressures, and whether Swale should follow the lead of other councils and adopt a less risk-adverse approach to property acquisition;

e) that the housing team, supported by the Cabinet Member for Housing and Wellbeing, bid for capital funding should any empty properties become available that owners agree to let the Council use;

5.16 The Group noted that the two councils it visited both had significantly different residency criteria in place than we have at Swale regarding the eligibility criteria under their housing allocations policies. Swale is four years out of five whereas Thanet's was three years and Maidstone's was two years.

5.17 The TFG therefore recommends:

Recommendation:

f) Cabinet should consider whether the residency criteria (i.e. living in Swale for four years out of five) in Swale's Housing Allocations Policy is a help or a hindrance towards helping those in housing need, and if the latter, whether the policy should be reviewed.

5.18 Despite the severe challenges facing the Housing Team, the Group did hear a great deal about the excellent service they provided to residents, some of whom were vulnerable and often desperately worried for themselves and their families.

5.19 For example, a newly created post of Housing Welfare Reform Officer had worked with over 30 households to help them into employment. All households are encouraged to seek pathways into employment as part of the routine homelessness prevention process, but the creation of this new post has massively increased the resource available and is having a big impact.

5.20 The Group also want to put on record some of the challenging situations which the Housing Options Team has to face. For example, during 2015/16 the Police or Ambulance Service were called out to assist customers at Swale House over 50 times. These incidences arise from threats of violence, drug or alcohol problems, safeguarding referrals and mental health issues.

5.21 Notwithstanding the variable targets for affordable homes in the new Local Plan, the fact that the housing associations which operate in Swale are all going through the process of merging with sometimes much bigger associations should be a cause for optimism if these expanded organisations continue to invest in Swale.

5.22 In conclusion, the TFG recommends:

Recommendation:

g) that Cabinet be encouraged to write to the Secretary of State for Communities and Local Government drawing attention to the severe pressures Swale was facing in housing homeless families.

Appendices

Appendix i Review plan

Appendix ii Review participants

Appendix iii Glossary

Appendix iv Homelessness Reduction Act 2017 and Housing White Paper

Appendix v Inside Housing – Temporary Solution

O&S REVIEW PLAN: PERFORMANCE REVIEW



About performance reviews

The objective of a performance review is to examine the reasons for apparent under-performance of a council service, to assess prospects for improvement, and to make recommendations to Cabinet where appropriate. The output of a policy review is always a report to Cabinet. Typical questions for this type of review are:

- Is this service genuinely under-performing, and if so why?
- Are there plans and systems in place which will help it improve?
- What more needs to be done?

The review needs to be tightly focused on a single service area which appears to be under-performing against performance indicators, planned actions, customer satisfaction or budget management. A performance review could also be conducted on a service run by one of the council's partners, but in this case the committee will need to be clear that it has sufficient powers to review the service and make recommendations for improvements – if it does not, then the issue should be treated as an information item.

Part 1: Business Case

Subject:	<i>Housing Services</i>
Proposed by:	Scrutiny Committee
Length:	Expected to take six months from start to finish.
Objective	
<ul style="list-style-type: none"> • To understand the reasons why the provision of temporary accommodation in Swale has been consistently problematic and how this can be overcome; • To explore the causes of pressures on housing services (lack of availability of affordable private rented sector housing, low numbers of affordable houses being built in the Borough, lack of available properties for tenants to 'down-size' to) and possible measures for alleviating them; • To review what effect the purchase of a property to house homeless families has had and whether this initiative should be extended; and • To make recommendations to Cabinet as necessary. 	
Justification	
<p>The number of households contacting Swale's Housing Service for help is increasing. The number of homeless applications has increased from 108 in 2011/12 to 271 in 2014/15. The number of households placed into temporary accommodation as at 31 March each year has increased from 65 in 2012 to 76 in 2015. The number of households placed into bed and breakfast has increased over the past three years resulting in net expenditure rising from £69,373 to £201,239 in 2014/15, although expenditure is now starting to show a downward trend following the signing of a new service level agreement with AmicusHorizon to provide additional properties for SBC</p>	

to use as temporary accommodation. The total number of affordable homes built varies from year to year as follows:

- 2010/11 – 155
- 2011/12 – 90
- 2012/13 – 116
- 2013/14 – 81
- 2014/15 – 156.

Evidence and information to be gathered

Information around the lack of suitable temporary accommodation in Swale and lack of alternatives to bed and breakfast. Information on the reasons why more affordable homes are not being built in what is a growth area. Why the costs of renting privately are so high and why some landlords are unwilling to let to benefit dependent households. The role of registered social landlords and the reasons for their unwillingness to let to welfare-dependent tenants.

Sources of information and evidence

<i>Individual or organisation</i>	<i>Committee session</i>	<i>Task and finish panel, site visit, correspondence, or other method</i>	<i>To be decided</i>
Cllr Ken Pugh, Cabinet Member for Housing and Wellbeing; Amber Christou, Head of Resident Services.	X	√	X
AmicusHorizon, Moat and Hyde Housing Associations	X	√	X
Organisation(s) to be reviewed	If partners' activities are to be reviewed, what powers or influence does the committee have?		
<input type="checkbox"/> SBC only.			
<input type="checkbox"/> Partner organisation only.			
<input checked="" type="checkbox"/> SBC working in partnership.			
Timing constraints	No external constraints identified.		

Part 2: Review Plan

Review team

Lead review member:	Cllr Derek Conway
Other review members:	Cllrs Mike Dendor, Mick Galvin and Samuel Koffie-

	Williams	
O&S support officer:	Bob Pullen, Policy and Performance Officer	
SBC service liaison officer:	Amber Christou, Head of Resident Services	
Key dates		
Date to begin evidence gathering:	July 2016	
Date(s) of committee sessions (if any):	12 January 2017	
Date for draft report to be presented to committee:	5 July 2017	
Note: Dates of committee session(s) and for the report to be presented to committee must be added to the committee forward plan.		

Review participants

Date of meeting/visit	Name	Organisation
14 October 2015 (Scrutiny Committee meeting)	Councillor John Wright, previous Cabinet Member for Housing	Swale Borough Council
“	Amber Christou, Head of Resident Services	“
11 November 2015	Eileen Martin, Regional Director	AmicusHorizon Housing Association
“	Neill Tickle, Development Director	“
2 August 2016	Tony Morgan	Hyde Housing Association
4 August 2016	Amber Christou, Head of Resident Services	Swale Borough Council
“	Rebecca Walker, Strategic Housing and Health Manager	“
24 August 2016	Eileen Martin, Regional Director	AmicusHorizon Housing Association
31 August 2016	Steve Nunn	Moat Housing Association
7 December 2016	Councillor Marion Ring, Chairman of Communities, Housing and Environment Committee	Maidstone Borough Council
“	John Littlemore, Head of Housing and Communities	“
“	Ellie Kershaw, Housing and Inclusion Manager	“
14 December 2016	Councillor Lin Fairbrass, Cabinet Member for Community Services	Thanet District Council
“	Bob Porter, Head of Housing	“
“	Vicky May, Housing Options Manager	“
“	Ashley Stacey, Housing Strategy Manager	“
12 January 2017	Scrutiny Committee consideration of ‘working draft’ version of report	Swale Borough Council
14 March 2017	Councillor Ken Pugh, Cabinet Member for Housing and Wellbeing	Swale Borough Council
“	Amber Christou, Head of Resident Services	“

Glossary

Affordable housing ¹	<p>Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices.</p> <p>Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.</p>
Houses in Multiple Occupation (HMOs)	<p>A home is defined as a HMO if both of the following apply:</p> <ul style="list-style-type: none"> • at least 3 tenants live there, forming more than 1 household; and • a toilet, bathroom or kitchen facilities are shared with other tenants.
Intermediate housing ²	<p>Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the affordable housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.</p>
Private sector housing	<p>Where the term ‘private sector’ is used in housing policy and housing statistics, it is generally meant “private housing” sector or non-social housing sector ie owner-occupied dwellings and those rented privately, including those that go with a job or business and not those owned by housing associations.</p>
Social housing	<p>Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.</p>

¹ DCLG – definitions of general housing terms - <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

² DCLG – National Planning Policy Framework – Glossary: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

Homelessness Reduction Act 2017

This Act was originally introduced as a Private Members Bill and was adopted by government for inclusion in its legislative programme.

The Homelessness Reduction Act 2017 is designed to ensure that all households who are either homeless or threatened with homelessness within 56 days receive genuine help and advice from their local council. This is regardless of whether they are in priority need.

Originally, the Act would have given councils a duty to secure accommodation for 56 days, but this was withdrawn as impractical in the English context. The current wording will impose a duty on councils to assist all homeless and potentially homeless households; the government has indicated it will provide additional resources to councils to cover their costs.

The Act received Royal Assent on 27 April 2017. Commencement of the provisions of the Bill will depend on the introduction of Regulations by the Department for Communities and Local Government which could be up to two years.

The Department for Communities and Local Government is preparing an impact assessment for the whole Act to understand the implications for local housing authorities, financial and other ways, which derive from the Act.

Housing White Paper

The government's Housing White Paper – Fixing our broken housing market – was published on 7 February 2017.

It sets out the government's strategy for building more of the right homes in the right places. Specifically, it includes proposals to:

- help create certainty and to simplify the planning system, including standardising the process for assessing objectively assessed housing need (OAN);
- award new powers for councils to establish local development corporations;
- require 10 per cent of sites to be 0.5 hectare;
- increase planning fees by 20 per cent;
- apply fees to planning appeals;
- allow councils to compulsorily purchase undeveloped land with planning permission;
- require starts on site within two years of planning permission being granted;
- introduce measures to hold councils to account through a delivery test;

- review of Section 106 and the Community Infrastructure Levy;
- introduce a commitment to offer some support for councils to build through their Housing Revenue Accounts and other ventures;
- a suggestion that the Government wants to see an offer similar to Right to Buy in housing delivered through such ventures; and
- introduce new flexibilities on the affordable home ownership products and a lower requirement of 10 per cent starter homes.

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Tuesday, 23 May 2017

Temporary solution

5 February 2016 4.42 pm | By Kate Youde

Over-stretched accommodation and rising rents in London are leading to councils considering temporary homes as a potential fix. *Kate Youde* finds out more



When it comes to housing [homeless](#) families in temporary accommodation, councils are increasingly turning to temporary structures. Enfield Council's cabinet late last month agreed the principle of providing "flexible, quick-build" housing - temporary, factory-built units that can be moved between sites - as a "cost-effective alternative" to nightly-paid accommodation.

A [policy](#) blog from the charity Shelter last year referred to pop-up housing as a "drastic measure for a desperate time". So what are the circumstances under which the [London](#) borough has taken this step?

At the end of September 2015, Enfield had 2,930 families in temporary accommodation - the fifth-highest level in England according to a report that went to the council's cabinet. Two and three-bedroom units accounted for two-thirds of total demand. Of the 2,930 families, 1,414 were being housed in nightly-paid accommodation in the private sector, the most expensive form of temporary accommodation.

Although the council expects the number of homeless applications to drop slightly this year - from 1,501 in 2014/15 to a predicted 1,427 in 2015/16 - total acceptances are forecast to more than double over the same period, from 639 to 1,324.

The borough has introduced a number of initiatives to respond to the pressure on local [housing supply](#) in recent years. These include the launch in 2014 of Housing Gateway, a council-owned company which has bought and renovated 138 existing homes to provide sub-market accommodation

the local authority can use to discharge its statutory homeless duties. In its first year, estimated savings compared with nightly-paid accommodation were more than £500,000.

Budget pressure

However, as demand for temporary accommodation is increasing, Enfield Council faces an estimated budget pressure of £5.3m in the next [financial](#) year, rising to £13.2m in 2017/18 - and, in the words of the report to the cabinet, "additional urgent action" is required.

To that end, the cabinet has agreed to the principle of the council providing "flexible" accommodation - often modular units built offsite and so constructed more quickly than traditional methods - to deliver "greater [value for money](#) from temporary accommodation", although no figures are specified. Other [benefits](#) of this approach include the ability to change the size or location of units, or even stack them, to meet changing housing needs or site requirements.

Y:Cube modular units

Room sizes tend to be smaller in temporary structures, however, and proposed sites will need to have access for large delivery vehicles and be close to local amenities and transport links. Although temporary, the homes will require [planning](#) permission.

Under the proposals, the council could lease units to use as temporary accommodation directly or Housing Gateway could lease or purchase units which the council could then use to discharge its statutory homeless duties or lease from the property company for temporary accommodation. Initial financial modelling suggests the most financially viable option is for Housing Gateway to buy units.

Ahmet Oykener, cabinet member for housing and housing regeneration at the Labour-controlled council, says the cabinet's decision comes against a backdrop of reduced council stock due to the [Right to Buy](#), rising [homelessness](#), increasing private rents and changes to the housing [benefit](#) cap, which have made inner London unaffordable and put pressure on outer London boroughs. As demand rises, [private landlords](#) are charging more to house people in need.

Without enough long-lease properties available to the local authority to house homeless families, it has to enter nightly-paid accommodation agreements with agencies and private landlords. "It is extraordinary expensive and the quality, at times, is very questionable," says Mr Oykener. "So I thought we should look at modular housing because of, first, the

better quality and, second, the speed of being able to come up with these units." He adds that one of the companies with which the council has had informal discussions has suggested homes could be delivered within 12 weeks.



Reasonable approach

Mr Oyken says some temporary modular units he has seen "tick all the boxes" in terms of quality, energy efficiency, speed of delivery and financial savings. The number of units built will depend on viability: the cabinet has commissioned work to compare the cost of nightly-paid accommodation against flexible housing systems.



Their interior

Enfield is not the first local authority to look to temporary structures. Last year, Ealing Council selected Mears Group and Snoozebox to provide modular units to enable homeless families to leave unsuitable and costly bed and breakfast accommodation. Lewisham Council is providing temporary homes for 24 homeless families in what it describes as the "UK's first 'pop-up village'". The homes are due to be ready for occupation in April or May and stay on site for a maximum of four years, after which they will be taken down.

Faye Greaves, policy and practice officer at the Chartered Institute of Housing, expects more councils to consider using temporary, flexible housing for temporary accommodation. "In terms of providing a temporary solution [to homelessness] in a statutory sense, it is a reasonable approach to meeting that need. However, councils still need to have ways of fulfilling long-term duties. There needs to be enough suitable housing options out there, freeing up these temporary homes for other people to move into."

Sir Steve Bullock, London Councils' executive member for housing and elected mayor of Lewisham, said in a statement that London boroughs were under "severe pressure" to meet high demand. "Ultimately more needs to be done to increase affordable housing supply, which will reduce use of temporary housing in the first place," he said.

"However, with current levels of demand, innovative and effective approaches such as flexible housing schemes will be needed in the meantime."

Readers' comments

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Cabinet Meeting		Agenda Item: 9
Meeting Date	6 September 2017	
Report Title	Procurement of Agency Staff Services	
Portfolio Holder	Cllr D Dewar-Whalley, Cabinet Member for Finance and Performance	
SMT Lead	Nick Vickers, Chief Financial Officer	
Head of Service	Dena Smart, Head of HR Shared Service	
Lead Officer	Dena Smart, Head of HR Shared Service	
Recommendation	That the Cabinet approves the appointment of Matrix SCM Ltd as the recommended provider for vendor neutral agency service provision for an initial three year period with an option to extend for one year.	

1 Purpose of Report and Executive Summary

- 1.1 The current framework expires on 30 September 2017. The Human Resources team carried out a tender process based on the most economically advantageous tender evaluated on 60% price and 40% quality. The neutral vendor service provision is to provide agency staff to the Council.
- 1.2 This report seeks approval from Cabinet to enter into a new contract for the supply of agency staff.

2 Background

- 2.1 Swale Borough Council has been part of a vendor-neutral managed contract with Comensura for the supply of temporary agency staff through the Eastern Shires Purchasing Organisation (ESPO) and their Managed Services for Temporary Agency Resources (MSTAR) framework. 'Vendor-neutral' means that the company act as a third party, they are not a direct employer and provider of agency staff but act as a matching service between a companies need for temporary staff and an agency's ability to provide workers. The 'vendor – neutral' organisation works on a savings sharing basis i.e. as they work on high volumes they negotiate cheaper agency rates and we both keep a proportion of the savings. The initial decision to be part of this contract with Maidstone Borough Council was taken in 2012. At the time of the contract Comensura were the only vendor-neutral provider on the framework. This contract was extended for both councils in September 2016 for one year on the basis that a tender process was undertaken.
- 2.2 Prior to the vendor – neutral arrangement services were able to call any agency and negotiate any price, which resulted in vastly different levels of pay and generated many invoices to administer. However with the vendor-neutral arrangements Comensura contributed to cost reduction by using bulk purchasing to achieve better prices, whilst departments retain responsibility for managing the hire, management and costs of agency staff.

- 2.3 Under the contract, using an online portal and helpdesk services Comensura provides temporary staff via managed services. In the event of a need for a temporary member of staff, the relevant manager would notify Comensura of their need and Comensura then contacts the agencies listed with them to match suitable candidates.
- 2.4 All transactions are carried out with Comensura, rather than individual agencies, and the necessary 'vetting' procedures (right to work etc.) required to ensure that the agencies are complying with our requirements are carried out by Comensura.
- 2.5 The benefits obtained from the contract since joining have been:
- both cashable and non-cashable savings (e.g. time saved for staff);
 - improvements in the quality of agency staff;
 - an effective engagement route for finding good quality temporary staff;
 - improved management and administration procedures by reducing the volume of invoices;
 - reduction in risk from the employment of agency staff; and
 - improved reporting procedures.
- 2.6 In particular, since October 2013, both Maidstone and Swale BC have benefited from increased savings each year due to annual benchmarking and reduced agency margins. This ensures the Council receives the best value for money from the contract.
- 2.7 A breakdown of spend and savings with Comensura over the last four years is set out in the table below: It should be noted that the total spend on temporary staff through Comensura includes the amount paid to the agency worker, fees paid to the employing agency, and the fee paid to Comensura for their service.

Swale Borough Council

Time Period	Total Spend	Total Saving
2013/14	£121,093	£8,285
2014/15	£214,691	£27,745
2015/16	£279,691	£51,310
2016/17	£219,691	£43,386

- 2.8 The table shows an initial increase in spend for agency staff in Swale followed by a recent reduction. This increase has primarily been caused by the difficulty in permanent recruitment within Legal Services and Planning and the use of agency staff to temporarily fill vacancies.
- 2.9 In accordance with the principles of good governance and procurement standards the contract has now been re-tendered. This was undertaken using

the help and assistance of the Swale procurement team on behalf of Maidstone and Swale councils. The decision was taken to continue with a vendor –neutral managed service provider rather than a preferred supplier agency (i.e. where that agency is the direct employer of all the agency staff supplied) as the range and access to specialist skills is greater. There are now several managed service providers on the MStar framework which meant that a tender process had to be carried out to decide between the available companies.

- 2.10 The opportunity was advertised in accordance with current contract standing orders, with interested parties asked to complete an Invitation to Tender. Two tenderers replied and scores were allocated according to the criteria explained in the tender document.
- 2.11 The second stage, for the tenderers was a clarification interview with the procurement panel. The panel consisted of the Head of HR, the Business Manager Legal Services as one of the highest users of agency staff and an HR Officer. Each panel member made notes at the interview and discussed openly before collectively adjusting the scoring of the tender submissions. Interviews are not part of the evaluation process; they are for clarification purposes only.
- 2.12 The proposals from the two organisations were very similar and there was not a significant difference on scoring however Matrix SCM scored marginally higher particularly on the quality checks they have in place for the staff supplied, ease of use of the system and were marginally cheaper. The final scoring is set out below:

Number	COMPANY NAME	Price Score	Non Price Score	Total Score
1	Matrix SCM - SBC Lot	60.00	91.67	151.67
2	Company A - SBC Lot	59.79	74.00	133.79

3 Proposal

- 3.1 Cabinet is requested to approve the proposal to enter into a contract with Matrix SCM for 3 years under the MSTAR Framework with the option to extend the contract for a further 12 months, totalling 4 years subject to satisfactory performance.
- 3.2 Matrix SCM currently work with over 90 local authorities in the UK including a large contract with Thurrock Council and Kent and Essex Police. They are keen to ensure that the use of local agency staff is encouraged and demonstrated a good customer understanding.

4 Alternative Options

- 4.1 The decision could be to return to the practice of directly contacting multiple agencies. However, this will cause additional cost implications by departments paying any agency rates that are quoted, administration of more

invoices as these will no longer be managed through one central point, and increased costs of appointing agency staff to permanent roles as finders' fees will be applied.

4 Consultation Undertaken or Proposed

- 4.1 Managers who regularly make use of agency staff, the Procurement Team, and the Strategic Management Team have been consulted in preparation of this report.

5 Implications

Issue	Implications
Corporate Plan	Appointing a contractor that meets a good quality standard and provides good value for money contributes towards all the corporate priorities as it ensures that the staff resources of the Council's assets are optimised.
Financial, Resource and Property	Anticipated annual spend on the contract is £200,000. The total contract value for the three years is therefore, estimated as £600,000. The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended do not apply to this contract and the implications of this have been addressed in the procurement process.
Legal and Statutory	The contract will be the standard Council contract and undertaken using the Council's current Terms and Conditions. There is a requirement under the Agency Workers Regulations 2011 to ensure that agency workers that have a minimum 12 weeks service are given the same basic employment conditions as permanent staff. Matrix has developed software to manage the regulations and track the length of assignments so that we are compliant with the regulations.
Crime and Disorder	None identified.
Sustainability	None identified.
Health and Wellbeing	None identified.
Risk Management and Health and Safety	Not using a neutral vendor for supply of temporary staff will have a significant impact on the control and governance of the process for resourcing agency staff. There will be a risk of not being able to accurately report on agency spend as this will no longer be reported centrally through one system, and the risk of inadequate checks being carried out before being appointed to jobs. In addition, there will be issues on providing responses to FOI requests
Equality and Diversity	There are no equality and diversity implications in moving the contract to Matrix.

Social Value	The tender document required the tenderer to set out the way in which they would encourage local businesses and residents of Swale into the vacant positions; this will help to enhance the economy of the Borough.
Commissioning & Procurement	Commissioning advice was supplied by the Swale Procurement Team to ensure that the Councils Contract Standing Orders, Commissioning framework, Procurement Strategy, relevant EU Procurement Directives and the Public Contract Regulations 2015 were applied in the process.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- None.

8 Background Papers

- 8.1 Cabinet decision on 4 July 2012 on Procurement of Temporary Staff report:
<http://services.swale.gov.uk/meetings/CeListDocuments.aspx?MID=303&RD=Minutes&DF=04%2f07%2f2012&A=1&R=0>
- 8.2 Cabinet decision to extend the contract
<http://services.swale.gov.uk/meetings/ieListDocuments.aspx?CId=129&MId=1716&Ver=4>

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