
SCRUTINY COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT on Wednesday, 23 March 2022 from 7.00 pm - 9.58 pm.

PRESENT: Councillors Lloyd Bowen (Chairman), Steve Davey, Mike Dendor (Vice-Chairman), Oliver Eakin, Tim Gibson, Mike Henderson, Carole Jackson, Denise Knights, Peter Marchington (Substitute for Councillor Ken Pugh), Pete Neal and Corrie Woodford.

PRESENT (Virtually): Councillor James Hall.

OFFICERS PRESENT: Philippa Davies, Lisa Fillery, James Freeman, Charlotte Hudson and Larissa Reed.

OFFICERS PRESENT (Virtually): Billy Attaway, Jeremy Pilgrim, Tony Potter, Emma Wiggins and Phil Wilson.

ALSO IN ATTENDANCE: Councillors Mike Baldock, Ben J Martin, Roger Truelove and Mike Whiting.

ALSO IN ATTENDANCE (Virtually): Councillors Monique Bonney, Alastair Gould, Alan Horton, James Hunt, Elliott Jayes, Richard Palmer, Ken Rowles, David Simmons, Tim Valentine and Tony Winckless.

APOLOGIES: Councillors Ken Pugh and Bill Tatton.

713 **Emergency Evacuation Procedure**

The Chairman outlined the emergency evacuation procedure.

714 **Minutes**

The Minutes of the Meeting held on 26 January 2022 (Minute Nos. 553 – 558) and the Minutes of the reconvened Meeting held on 2 February 2022 (Minute Nos. 563 – 565) were taken as read, approved and signed by the Chairman as correct records.

715 **Declarations of Interest**

During consideration of item 6, An update on the Rainbow Housing Company, the Cabinet Member for Housing, the Director of Regeneration and the Head of Housing and Community Services declared an interest in this item as they were directors of the Local Housing Company.

Part B Minutes for Information

716 **An update on the greening of Swale House**

The Cabinet Member for Economy and Property introduced the report which gave an update on the works, progress and financial propriety of the Greening of Swale House project.

Members were invited to ask questions and make comments which included:

- What were the projections on the use of Swale House by third parties after the refurbishment?;
- more information sought on the funding opportunities for the refurbishment;
- more detail was required on the minor internal alterations to enable third parties to use the space;
- did not consider the process to be 'greening' of Swale House, it was more of a refurbishment;
- it was probably more cost effective that Swale House be sold off for much needed housing, rather than carry out costly improvements to the building;
- suggested that Swale Borough Council (SBC) invested in off-site renewable sources to supply its needs in Swale House;
- more information sought on the timetable/study of the amount of space needed by SBC employees;
- with more flexible working, did not consider there would be a need for people to want to rent work space;
- a market study should be carried out to see who would be likely to want to rent space in Swale House, and a delay in this could mean SBC was missing out on potential tenants;
- could not understand why this was on the agenda as there did not seem to be a clear project, it was expensive, there was nothing to scrutinise at the moment and SBC did not presently know its own or third party requirements;
- how much money was SBC saving by carrying out the proposed works?;
- in terms of solar panels, suggested SBC worked with a community energy provider;
- there were ways of greening with no capital costs; and
- there must be a time with Swale House, when SBC says 'enough is enough' and considered the length of the building's useful life.

In response, the Cabinet Member for Economy and Property explained that there had been interest from various parties, from both the public and private sector and this was likely to increase, once the building had been refurbished. She explained that a good market rent would be sought and by renting some of the building out, this would decrease SBC's business rates bill.

The Cabinet Member for Economy and Property explained that it was disappointing that funding from the Public Sector Decarbonisation Scheme was less than expected, but it was hoped that there would be further funding opportunities. The Director of Regeneration and Neighbourhoods explained that the space that would be available for third parties was not known yet as the process of what space was still required by SBC staff was ongoing and a work in progress.

The Cabinet Member for Economy and Property said that it would cost considerably more to move, rather than improve the building. There were no suitable premises to re-locate to and to construct a new building would cost more, and was environmentally unfriendly, than what would be achieved by the sale of Swale House. She acknowledged the need for more housing, but said that the land where Swale House was situated was employment land, not residential. The Cabinet Member for Economy and Property outlined the works that would be completed and said that in the long term, SBC would save money and Swale House would become a more comfortable environment to work in. The Director of Resources agreed that it would cost more for SBC to move premises, and said that capital receipts could not be used to pay rent on a premises.

The Cabinet Member for Economy and Property said that SBC was looking into off-site carbon neutral energy sources such as wind turbines and solar panels. She explained that the priority had been the first round of works as set out in the report and solar panels could be an option on the roof of Swale House at some point in the future.

The Director of Regeneration and Neighbourhoods explained that the review of the New Ways of Working (NWoW) would run in parallel with the refurbishment works in the Summer/Autumn of 2022. On 1 April 2022 there would be further Covid-19 Government guidance and this would enable SBC to become clearer on its space requirements.

The Cabinet Member for Economy and Property explained that some businesses were looking for office space in more localised premises, rather than a larger town, with some businesses expanding and needing more space. She was confident that there would be a market for the rental of offices in Swale House.

The Interim Property Manager explained that once the NWoW study and the refurbishments had been carried out it would be possible to evaluate the space available to rent out. This was likely to be one third of the building space. He said that in its current state, it was difficult to rent out, but with the improvements, although there was a volatile market, the building would be in a better state to present to potential tenants. The Chief Executive explained that a joint Member and staff working group had agreed that space within Swale House would not be dramatically reduced for staff, and that by the end of Summer 2022, it would be clearer on the way forward. She highlighted the importance of taking staff wellbeing into consideration, and this was echoed by Members. The Cabinet Member for Economy and Property said that a market study carried out now, prior to the works being completed, was likely to be inconclusive. The Interim Property Manager explained that he engaged with any potential tenants, both in the public and private sector, and that there had already been a number of enquiries. It was difficult to give definite times as to when the space would be ready to let, but every enquiry was monitored. He was confident that the space could be let as Swale House offered a unique space in the town centre.

The Cabinet Member for Economy and Property did consider the project was 'greening' Swale House as, with the installation of double glazing and insulation of the under-croft, this went towards consuming as few energy resources as possible.

The Interim Property Manager advised that he was waiting to hear from the project manager in terms of the final costs of the project as this depended on the type of double glazing that was used. There were opportunities to make savings. There was a balance between rises in gas and electricity costs and the improvements being made to the insulation of the building. The Cabinet Member for Economy and Property agreed to circulate the figures to Members in due course

The Cabinet Member for Economy and Property explained that Swale House was a concrete frame building, with embedded carbon and to build a new building this required a lot of resources. She added that there was structurally nothing wrong with Swale House, but investment and periodic housekeeping was essential. The building was still viable and had an economic life.

The Chairman responded to why the item had been added to the agenda, which had been on the request of members of the Scrutiny Committee as the project involved a huge amount of taxpayers money.

The Chairman thanked the Cabinet Member for Economy and Property, the Director of Regeneration and Neighbourhoods and the Interim Property Manager for attending the meeting for this item.

Resolved:

(1) That the report be noted.

717 An update on the Rainbow Housing Company

The Leader and Cabinet Member for Finance introduced the tabled report which provided an update on progress made on the Local Housing Company and the progress in developing the initial three development sites.

The Cabinet Member for Finance provided some background and progress to date as set-out on the tabled paper. He said the plan was to develop 185 units, and this was not viable without borrowing, which would be a loss to the Council. Grant funding was being pursued from Homes England (HE) and this would enable the increase in the number of affordable homes. In order to apply for the funding, there was a requirement to become an investment partner with HE and any homes built must be owned and registered with a Registered Provider.

In response to a question on accountability, the Chief Executive explained that the Shareholder Panel would be a sub-committee of the new housing committee, and the minutes from those meetings would go to Full Council.

The Cabinet Member for Finance explained that HE was a Government quango to help capitalise affordable housing. The Cabinet Member for Housing added that HE was there to assist in developing affordable housing in line with Government targets. The Director of Resources said the funding from HE was a grant and not a financial investment.

In response to a question about the need for a registered provider now, the Cabinet Member explained that under the previous Savills scheme this had not been necessary and there had also been no need to look for an external grant.

A Member asked what other options had been looked at and the Cabinet Member for Housing explained that the board had looked at the option of private sales to finance affordable housing on other sites, but this was not possible; and to increase the volume of other rental models with private rental which would increase the viability gap. He spoke on the option of a joint venture, but this would mean that the Council would not have control over the properties long-term and would also not been able to realise a capital receipt. The Member was concerned about the costs and the Cabinet Member for Finance said the Shareholder Panel would scrupulously examine the costs and viability.

A Member spoke on the requirement to have a registered provider and the management of the company. In response, the Head of Housing and Community Services said a third party would manage the properties and they in turn would be managed and monitored by the Council's standards.

In response to a question, the Cabinet Member for Finance confirmed that in terms of long-term continuity, the Shareholder Panel would be made up of Members and officers in their specific roles, such as Chief Executive/Section 151 Officer. The Head of Housing and Community Services explained that there were documents in place on how the Board of directors was made up, which included that if a person left the Council, they would no longer be on the company board. The Chief Executive added that in terms of the officer role on the company board, this role was separate from their day job, and it was a very serious undertaking, that required training. In response to a further question on the make-up of the Shareholder Panel, the Chief Executive said the Panel needed to be taken from the 'parent' committee, which was quite likely going to be the housing committee, and this would be politically balanced.

The Chairman moved the following motion: That the appropriate committee, post May 2022, considered the Local Housing Company, with updates, as an agenda item. This was seconded by the Vice-Chairman. On being put to the vote the motion was agreed.

The Chairman thanked the Leader and Cabinet Member for Finance, the Cabinet Member for Housing, the Director of Regeneration and Neighbourhoods and the Head of Housing and Community Services for attending the meeting for this item.

Resolved:

- (1) That the report be noted.**
- (2) That it be recommended that the appropriate committee, post May 2022, considered the Local Housing Company, with updates, as an agenda item.**

718 Planning appeal costs

The Cabinet Member for Planning introduced the tabled report which presented performance statistics relating to planning appeal decisions and the costs incurred.

A Member referred to paragraph 3.2 in the report and welcomed that the Council's performance indicator of major applications allowed at appeal was 2%, significantly below the threshold of 10%.

A Member welcomed the comprehensive report and in referring to paragraph 2.1 of the report, considered that planning officer time should be recorded for individual jobs. The Cabinet Member for Planning explained that this would be an unrealistic demand on planning officers, and very time consuming as well. The Member considered it could be beneficial for a manager to understand how long was being taken on particular applications. In response, the Cabinet Member for Planning said that with improved software this could potentially be a practice in the future. The Head of Planning Services said that he was not aware of any other local authorities which undertook time records for individual jobs. He added that a few years ago, the Planning Advisory Service did have a time sheet in place, but it was too complicated and was not implemented.

Members welcomed the report and thanked officers for compiling it quickly.

The Chairman invited Members to comment on the appendices.

Appendix I

In response to a question, the Policy and Performance Support Officer confirmed that the dates listed were when the decision on an application had been made. A Member spoke positively on the figures in the final column and the Cabinet Member for Planning acknowledged that the over 98% effective decision figure was very efficient and that they were a robust set of decisions overall.

Appendix II

The Head of Planning Services explained that the figures for 2021/22 did not show cases that might yet go to appeal or there was no appeal decision to-date.

Appendix IV

The Head of Planning Services gave an overview of the appendix as it had not been printed clearly. The average appeals dismissed were: UK 72%; Kent 75%; Swale 68%, with similar 'family' authorities being 70%. He explained that Swale's figure was probably lower because the Council had a significantly higher proportion of major applications than other local authorities; Swale was a unique local authority as it had constraints such as coastal locations; Areas of Outstanding Natural Beauty and a mix of urban and rural, and so there were naturally controversial applications, rather than the figure being low because of the quality of the decision-making.

Appendix V

In response to a question, the Cabinet Member for Planning explained that the Wises Lane, Borden and Barton Hill Road, Minster applications had high costs because they were huge applications, with a lot of issues and detail to them.

The Head of Planning Services said that the three 'unknown' costs related to one site and the total cost was £3,500.

A Member said it would be beneficial to keep an ongoing record of awards of appeal costs going forward. The Cabinet Member for Planning said that this could be looked into in the future.

The Chairman thanked the Cabinet Member for Planning and the Head of Planning Services for attending the meeting for this item.

Resolved:

(1) That the performance statistics and costs implications in relation to planning appeals be noted.

719 Financial Management Report

The Leader and Cabinet Member for Finance introduced the report which set-out the revenue and capital outturn position for 2021/22. The report was based on service activity up to the end of December 2021 and was collated from monitoring returns from budget managers. The Cabinet Member for Finance said there was an underspend of £99k and this could be a larger underspend by the end of the year. The total expenditure due to the

Covid-19 Pandemic was expected to be £679,000. He referred Members to Table 1 and Appendix I which showed variances over the budget, and areas of underspend and the net impact on the revenue accounts was less than it might have been. The Leader reminded Members of the Covid-19 Pandemic contingency fund of £1million, but as listed in paragraph 3.9 of the report, only £289,856 had been used. The balance would go into the General Fund. The balance from the Budget Contingency reserve would also go to the General Fund. The Cabinet Member for Finance referred to the compensation given to bus companies as a result of the disruption to their services during the Spirit of Sittingbourne scheme. He said that the funds for this had come out of the revenue budget for 2021/22, but on reflection this was not considered to be appropriate and so the funds would come from the Kent Pool Economic Development Business Rates reserve instead.

The Cabinet Member for Finance referred to paragraph 3.7 of the report and highlighted that there was still a balance of £136,000 in the Improvement and Resilience Fund and £243,000 in the Special Projects fund. At the Extraordinary Cabinet meeting on 13 April 2022 a full list of funds allocated would be reported to show the final balance for those funds. He gave an update on the Capital Programme and concluded by saying that the revenue balance included £198,000 from Government for losses made previously on sales and fees and charges. The Cabinet Member for Finance considered the Council was in a 'pretty good place'.

Members were invited to make comments on the report.

The Cabinet Member for Finance responded to questions and explained that the underspend of £99,000 had been compensated by income of £198,000; that the Covid-19 Recovery Fund had been used to fund cost pressures over the year, which included repairs to The Swallows Leisure Centre roof; and he confirmed that reserves were being looked at and if they had not been used, they were transferred to the general fund.

The Director of Resources responded to questions and explained that, on Table 4, the funding for the Faversham Reach Footpath was a longstanding agreement with KCC; and that the Milton Creek access road was funded in parts where it had not been planned to be funded by the developer.

Members were invited to make comments on the appendices.

The Director of Resources clarified some points for Members.

The Chairman thanked the Leader and Cabinet Member for Finance and the Director of Resources for attending the meeting for this item.

Resolved:

(1) That the report be noted.

720 Performance Monitoring Report

The Leader and Cabinet Member for Finance introduced the report which presented the quarterly performance report for the third quarter of 2021/22 (October – December 2021) and he said there had been improvement across general indicators.

Members were invited to make comments on the appendices.

In response to a question on 'Planning Enforcement – Informing complainant within two days', the Head of Planning Services advised that in the last month, two vacant posts had been filled, and although the new staff were on a learning curve, it was hoped that the year-to-date figure would soon improve.

A Member asked about staff shortages and reporting empty homes and felt that even if an empty home was reported, nothing would be done because of the lack of staff. The Cabinet Member for Housing encouraged the reporting of empty homes and said that until a new member of staff was employed, their work would be picked up by other staff.

The Chief Executive responded to a question and explained that if a member of staff was absent because of Covid-19, that would get recorded. If the member of staff was still able to work from home, it would be recorded that they had Covid-19, but not recorded as sick leave.

The Cabinet Member for Housing confirmed that the reduction in leisure centre use was seasonal.

The Chairman thanked the Leader and Cabinet Member for Finance and the Policy and Performance Support Officer for attending the meeting for this item.

Resolved:

(1) That the report be noted.

721 Cabinet Forward Plan

Resolved:

(1) That the Forward Plan be noted.

722 Call-in

There were no matters to consider under this item.

723 Adjournment of Meeting

The Meeting was adjourned from 8.47 pm to 8.57 pm.

724 Record of thanks

The Chairman spoke as this was the last scheduled Scrutiny Committee meeting. He said he had enjoyed being Chairman for the last six years. The Chairman thanked the Vice-Chairman, previous Chairmen, members of the committee, officers who had attended over the years and Democratic Services for their support.

Chairman

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All minutes are draft until agreed at the next meeting of the Committee/Panel