

## OVERVIEW AND SCRUTINY COMMITTEE

**Monday, 7 October 2019**

**Present: Councillor Chris Woodward (Chairman)**  
**Councillors Mrs Soyke (Vice-Chairman), Bailey, Bruneau, Chapelard, Hayward,**  
**Morton, Ms Palmer, Pound and Stanyer**

**Officers in Attendance:** Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Gary Stevenson (Head of Housing, Health and Environment), David Candlin (Head of Economic Development and Property) and Mark O'Callaghan (Scrutiny and Engagement Officer)

**Other Members in Attendance:** Councillor Scott

### APOLOGIES FOR ABSENCE

OSC24/19 Apologies for absence were received from Councillors Reilly and Thomson.

### DECLARATIONS OF INTEREST

OSC25/19 Councillor Ms Palmer noted that they were a director of Tunbridge Wells Property Holdings Limited but that as they did not benefit financially from the office this did not constitute a beneficial interest. David Candlin (Head of Economic Development and Property) noted the same.

### MINUTES OF MEETING DATED 12 AUGUST 2019

OSC26/19 The minutes were not available for the meeting and would be carried over to the next meeting.

The Chairman noted the following points:

- There had been an action to write to the Audit and Governance Committee. This was done and a response had been received and circulated.
- Slides relating the RAG presentation at the previous meeting had been due to be sent to Members, but some had not received them. This was noted, and it was agreed they would be resent.
- Further enquiries would be made in respect of: a) the intention to monitor the recording and monitoring of projects that failed to progress beyond the first stage; and b) consideration of an appointment of a non executive member of the programme board. The Chairman to come back at a later date on this issue.

### ITEMS CALLED IN UNDER OVERVIEW AND SCRUTINY PROCEDURE RULE 13

OSC27/19 There were no items which had been called-in under Overview and Scrutiny Procedure Rule 13.

### PORTFOLIO HOLDER UPDATE - PROPERTY, MAJOR PROJECTS AND STRATEGIC ENGAGEMENT

OSC28/19 Councillor Scott (Portfolio Holder for Property, Major Projects and Strategic Engagement) introduced the report which included the following comments:

- Better engagement processes had been introduced including cross party working and the introduction of independent panels that sought to look at major projects with a view to giving certainty that would allow them to progress.
- Introduction of a Councillor conference that would be a significant item for the next couple of years - that would seek to establish future priorities and that included more Council involvement and better public engagement.
- Consider whether there were better ways to consult on the Local Plan.
- To look at doing things differently. A model currently being considered was a Transport Fayre and Conference – to run a number of stalls in Calverley precinct to include issues like 20's Plenty, cycling and the various forms of public transport.
- Better communication on Climate change which would require a lot of public engagement.
- Better communication in general about the work of the Council and how best to disseminate information to the public.

Discussion included the following issues:

- Property acquisition and disposal was a priority for the Council as it affected income streams. The Council undertook a review of all its assets (approximately 400 in total) in 2011/12. The report identified those that were not in productive use – non active assets. Work now underway to determine how those currently not being used could be brought forward for development and into new uses. Where appropriate some had been transferred to the Town or Parish Councils. The Council were now in the process of considering some of the more challenging sites, seeking to reduce its liabilities and generating an income stream.
- Since work had commenced about 36 assets had been transferred to Town and Parish Councils. In addition about £15m had been raised.
- Asset management should be considered a priority. To proactively look to develop sites and react quickly to changes in market conditions.
- The Asset Management Plan included details of the 200 physical assets and 300 pieces of land that the Council owned. It set out the rationale for the Council holding those assets and the purpose for which they were being put. The draft Asset Management Plan would be published in November for the Cabinet Advisory Boards, for approval by Cabinet in December for public consultation. This Committee would be able to review the Plan in January before it went to Full Council in February.
- The Council had a process whereby land not being used could be put forward for other consideration e.g. be offered to Town or Parish Councils. It would be for Cabinet to determine best use.
- In advance of any decision on the Calverley Square Project preparations had been made should the scheme not proceed. In the first instance, a detailed understanding would need to be taken of what the vision for the future should be. Cross party collaboration would be essential. There would also be a need to consider what additional resources and funding would be required.

- One Public Estate was the Government's approach to collaborative working across the whole of the public sector. Looking at the entirety of assets and where there were opportunities including geographically for the police, Council, Health Service etc. to work together.

**RESOLVED** – That the update be noted.

#### **TUNBRIDGE WELLS PROPERTY HOLDINGS LTD.**

OSC29/19 Lee Colyer (Director of Finance, Policy and Development) introduced the report which included the following comments:

- Tunbridge Wells Property Holdings Ltd was established in 2015. It was now quite common for Councils to set up companies to look after and maintain Council property.
- There were 3 main groups of properties managed by the company:
  - Existing residential properties that were already Council owned;
  - Newly developed properties, e.g. John Street (a small scale mixture of residential and commercial use); and
  - New acquisitions by the Borough Council.
- The freehold was always in the ownership of the Borough Council, with only the lease being held by the Property Holdings company.

Discussion included the following issues:

- The Company was able to offer Assured Short Hold Tenancies, something the Council was not permitted to do.
- In cases where property owners had approached the Council directly to ask about the possibility of buying their property the Council would consult their property advisors to decide whether there was any merit to the Council taking on any such acquisition. Details of any legal costs paid were not known at the time of the meeting, to follow later.
- This was a new company, so it would take time to establish. But it was meeting the Council's objectives and had provided short term tenancies. The Council had a large number of properties and this was a much better way of managing them. The returns had been far greater than was initially estimated when the acquisitions were obtained. Further information could be found on the asset values and the returns on the rents in the Council's statement of accounts and it's quarterly reporting to Cabinet.
- The Company had an obligation to obtain a rental return of 3% that it would give to the Council. However within that, there was flexibility on how it was achieved. There would be opportunities to achieve a higher return on some properties, with others achieving below that benchmark.
- Ultimately the purpose of the Company was for privately let residential properties and as such the Council would seek to get market rent for all them. The lease amount would be set at the beginning of the contract and could be reviewed every third year.
- The Council took on Dowding House to provide temporary accommodation in one dwelling and in one location. The Property Holdings Company was not set up for this purpose.

- The original estimate of an 8% growth as stated in the Business Plan had been reduced to 3% as a more realistic target.
- In addition to rent and maintenance costs there was an element of 'other costs' included. These could be attributed to a number of factors, including (but not exclusively) property refurbishment, auditor fees, legal and finance costs, website maintenance and the storage of public data.
- The lease that the Company had with the Council was for 22 years. The short term leases were for 1 year but with the option to extend.
- Liability issues relating to any of the properties within the Company's portfolio rested with the Company and not with the Council.
- Concern was raised that the motivation for the Company were political and that some property purchases were done to avoid dissent on particularly controversial projects.
- The Council had the power within the Local Government Act to manage a property portfolio and Members' role was to ensure that those functions were being undertaken in an appropriate manner. The Overview and Scrutiny Committee was not the correct forum to determine what, if any, decisions had been taken for political reasons. It was agreed the Chairman would take this issue under advisement and report back to the group at a later date.
- Community Trusts could be the appropriate vehicle for building Social Housing.
- The Company as the leaseholder would take on the responsibility for the cost of maintenance for the properties.

**RESOLVED** – That the update be noted.

## **CONSULTATION AND ENGAGEMENT TASK AND FINISH GROUP**

OSC30/19 Councillor Hayward (Chairman of the Consultation and Engagement Task and Finish Group (TFG)) introduced the report which included the following comments:

- The TFG sought to identify best practice in other bodies, with a particular interest in software as it was something that could be implemented quite quickly and was reasonably priced.
- Winchester had been identified as a contemporary town to Tunbridge Wells. Data on their product 'Citizens Space' had been received and was being appraised. Once further information on functionality and price had been received the Group would report back.

Discussion included the following issues:

- Whilst it was recognised that 'Citizens Space' was used by a number of other Councils it was important that the merits of the package were fully explained. The report would cover issues including what problems it intended to solve and how this potential solution would deliver. It was also important to include how spaces that the public had access to was managed.
- Councillor Scott requested a copy of the report and asked to join the TFG. As the products were well established it was envisioned that the report would not take very long to produce.

- There was a need to ensure there was public appetite for any new system. The current website was considered quite informative yet it was suggested that residents did not always make best use of it.
- The proposal would not negate the current consultation process – this would continue. It would give the public an easier way to engage with the Council.
- In the first instance the report would need to identify the options and undertake a full appraisal of the current system in use by the Council. It was only once those avenues had been fully explored could it be taken forward to the decision making process. It was important not to fall into predetermination before the preparatory work had been completed.
- Confirmation that the project was still in its initial stages, to date only a couple of meetings had taken place. It was understood that a lot more work would be required to develop possible options. It was further understood that due process would have to be followed in taking it forward.

**RESOLVED** – That the report be noted.

## **WORK PROGRAMME**

OSC31/19 Gary Stevenson (Head of Housing, Health and Environment) gave an update on the Parks and Gardens Maintenance Contract Task and Finish Group which included the following comments:

- Meetings to be arranged during the autumn that would seek to review the specification, to consider the evaluation criteria that would be used during the Tender process (including length and price of contract), include the quality controls that the contract would contain and to consider where carbon emissions could be improved.
- A final report would then be submitted to the Overview and Scrutiny Committee meeting in the new year, with recommendations taken to Cabinet.
- The Tender process for the new contract would then follow.

Discussions included the following issues:

- Contract monitoring was important. Confirmation was needed that the Council had monitoring staff in place. Also important to ensure contractor had sufficient quality control mechanisms in place. Agreed to include this issue as part of the Groups work.
- Suggestion that an additional member of the Task and Finish Group be appointed. Councillor Morton suggested Councillor Hickey and agreed to approach him.
- There was a problem with those areas of land that were not privately owned and not maintained by current contractor. To perhaps consider including these pieces of land as part of the next contract.
- The length of the contract was a decision for the Council – current contract was for 10 years.
- If the chosen Contractor was deemed not up to the standard required to carry out the work, there were procedures in place to terminate the contract. Ideally the tender process would be sufficiently robust to ensure this didn't happen.

Discussions on the other topics detailed in the Work Programme included the following issues:

- Work was continuing on the Plastics Project and Councillor Podbury would be giving an update at a future meeting.
- Agreed that if the draft Asset Management Plan ready for publication by the time of the next meeting on 18 November 2019, Lee Colyer would be happy to present an overview of the Plan. It would then be for Members to determine what further detail they wanted. Still sufficient time to comment prior to the consultation which would start in early December.

**RESOLVED** – That the update be noted.

#### **URGENT BUSINESS**

OSC32/19    There was no urgent business.

#### **DATE OF THE NEXT MEETING**

OSC33/19    The next meeting was scheduled for Monday 18 November 2019.

NOTE: The meeting concluded at 8.10 pm.