
**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON MONDAY, 1ST FEBRUARY, 2021 AT 7.30 PM
THE STREAM IS AVAILABLE TO WATCH VIA
[HTTPS://WWW.TENDRINGDC.GOV.UK/LIVEMEETINGS](https://www.tendringdc.gov.uk/livemeetings)**

Present:	Councillors M Stephenson (Chairman), Scott (Vice-Chairman), Allen, Barry, Bray, Codling, Griffiths, Harris and Morrison
Also Present:	Councillor P Honeywood (Housing Portfolio Holder)
In Attendance:	Keith Simmons (Head of Democratic Services and Elections), Tim Clarke (Assistant Director of Environment and Housing) Keith Durran (Democratic Services Officer) and Matthew Cattermole (Communications Assistant).
Also in Attendance:	Lee Heley (Head of Housing Growth at Essex County Council).

118. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no absences or substitutions.

119. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Thursday 14 January 2021 were approved as a correct record and were then signed by the Chairman.

120. DECLARATIONS OF INTEREST

There were no declarations of interest.

121. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor had submitted notice of a question.

**122. REPORT OF THE HEAD OF HOUSING GROWTH AT ESSEX COUNTY COUNCIL. -
A.1 - DEVELOPING AN ECC HOUSING STRATEGY**

The Head of Housing Growth at Essex County Council (Lee Heley) shared his report on Essex County Councils Housing strategy with the Committee.

After a detailed discussion relating to the topic of the Housing Strategy the Committee thanked Lee Heley (Head of Housing Growth) for his attendance and his insights into the matter and his reported noted.

**123. REPORT OF THE ASSISTANT DIRECTOR FOR HOUSING AND ENVIRONMENT. -
A.2 - UPDATE ON HOUSING.**

Housing Acquisition and Development Strategy

The Committee heard how the Strategy had been adopted by Cabinet in October 2020 and that this Strategy set out a framework around which the council owned housing stock would be increased to achieve a target of 200 additional homes. The Strategy had been appended to this report for ease of reference.

Right to Buy

Members were informed that, when added to the housing stock held within the Council's Housing Revenue Account (HRA), the impacts of right to buy had to be taken into consideration and factored into the financial planning.

Right to Buy numbers over the last five years were shown in the table below:

Year	Number of properties	Av. Discount (£)	Total discount (£ loss)
2015/16	10	64,288	642,884
2016/17	20	63,460	1,269,190
2017/18	34	60,837	2,668,490
2018/19	10	69,790	697,900
2019/20	14	66,373	929,225
2020/21	8 to date	-	-

The total discount figure was essentially the financial loss to the HRA compared to the market value of the properties sold. Sales had peaked in 2017/18 and had now returned to a lower level. The addition of newer and more desirable properties to the Council's housing stock could have led to an increase in sales.

The current maximum discount was £84,200 (or £112,300 in London).

Houses: Discounts started at 35% when an individual had been a public sector tenant for three years and the discount remained at 35% until five years spent as a public sector tenant. After year five, the discount went up by 1% for every year up until a maximum of 70% or £84,200 across England (excluding London) whichever was the lower.

Flats: Discounts started at 50% for three years as a public sector tenant and remained at 50% until five years spent as a public tenant. After year five, the discount went up by 2% for every year until a maximum of 70% or £84,200 dependant on whichever was the lower.

Cost floor rule

Discount could be reduced by the 'cost floor' rule. That could apply if the property had recently been purchased or built by a landlord or they had spent money on repairing or maintaining it. The Discount could be reduced to nil if the cost floor was more than the value.

It was reported to the Committee that the cost floor period for council properties was either a 10 year period prior to receipt of the RTB application form or 15 years if the home had been built or acquired by the Council after 2 April 2012.

That meant that a house bought through right to buy after year 15 could subject the HRA to a loss of over £80k.

Extending the cost floor to 30 years would alleviate that risk and put the Council onto a much lower risk position. Officers had discussed that with representatives from MHCLG however this would require a change of government policy and legislation so at the present time all decisions around acquisitions and development had to be taken on the basis of the current 15 year cost floor.

Leaseback Housing Development

The Committee heard how leaseback was a means by which housing could be developed using funding from an institutional investor. The housing was then leased to the Council who managed it for the lease term, typically 40 years in the case of houses. At the end of the lease term the housing usually transferred into the ownership of the Council. During the lease term the management and maintenance costs were covered by the rental income, with the surplus rental income being passed on to the investor.

The Council was engaged in ongoing discussions with an institutional investor with a particular focus on providing housing in Jaywick Sands but had also considered options elsewhere in the District. Whilst favourable because the arrangement would provide a significant number of rental properties without exposing the Council to financial risk, there were a number of legal considerations to be understood. The investor needed to also understand the build and acquisition costs which presented a significant challenge in Jaywick Sands and the weekly rent needed to be set at a level that was attractive to renters.

Officers would continue to explore this option and would bring a report forward to Cabinet if and when a suitable arrangement had been developed.

Section 106 Funding

Members heard how the amount of s106 funding for affordable housing provision, often referred to as an *off-site* contribution, awarded to the Council was reported as part of the quarterly budget report. In Quarter 2, £1.7M had been available. That funding would be used to fund housing acquisition and development in order to achieve the Council's 200 additional homes target.

Housing Voids

Members also heard how housing voids had increased over the last year or so to a point where the Quarter 2 financial reporting had showed a figure of 4% financial loss. Given the COVID-19 pandemic an increase in void properties was to some extent to be expected and was something that all landlords would have experienced. All but urgent lettings had been suspended between April and mid-June 2020. General working restrictions both in respect of office based allocations staff and repair and maintenance contractors had meant a slower turnaround and allocation process had been in place.

There had not been an increase in properties being handed back during the pandemic and rent collection levels had remained very good in the circumstances.

The Committee was informed that at the time of the report there were 108 void properties, equating to 3.5% of the total housing stock. 42 of those properties were ready to let with 15 of those being offered to prospective tenants during the week commencing 18th January 2021. The target was to reduce that total number to around 62 which was 2% of the stock. Officers believed that was possible and had been working on measures to improve the housing allocations process for several months. Those measures would include new allocations and housing register software that would streamline processes and move them away from the current paper based processes.

Members heard that an officer working group had been set up with the first meeting held on 20th January 2021. The group would be standardising data collection across the allocations and repairs teams and would be improving communication and certain processes that collectively would enable void times to be reduced. In April 2021 a new term maintenance contract would commence, placing all void repair works with one contractor that would be subject to performance targets and financial penalties where turnaround times were not met.

Due to small outbreaks of COVID-19 in some sheltered schemes and the challenges in managing those outbreaks there would not be any new allocations of sheltered housing until it was safer to do so.

During the consideration of this matter it was **RECOMMENDED** to **CABINET** that:

- the quarterly Housing Revenue Account monitoring report (and the Out-turn HRA report) should include specific detail on the spend and funding for housing acquisitions to that point in the year and comparable data from previous years.
- the Small Housebuilding Scheme Pilot the Council was participating in continue to be given the full support of the Council as a tangible measure to getting local construction firms back working at capacity and helping to provide good quality homes for local people.
- Representations be made, or continue to be made, to Government to adjust the Cost Floor Period for new Council Housing from 15 years to 30 years and thereby mitigate the risks to Council Housing supply from the “Right to Buy” and consequently positively contribute to the (re-) provision of Council Housing as an element of a vibrant mixed economy in housing.

124. REPORT OF THE LEADER OF THE COUNCIL. - A.3 - PRIORITY OF ACTIONS 2021/22 AND MONITORING DELIVERY OF THOSE ACTIONS.

It was reported to the Committee that the Council had approved a Corporate Plan for 2020/24 which established its strategic direction for those four years. That strategic direction itself sought to reflect the issues that mattered most to local people, the national requirements from Government and the challenges that faced the District over that time period. The Corporate Plan had been adopted unanimously at the Council meeting held on 21 January 2020 (Minute 78 referred).

The themes of the 2020/24 Corporate Plan were:

- Delivering High Quality Services
- Building Sustainable Communities for the Future
- Strong Finance and Governance
- Community Leadership through Partnerships
- A Growing and Inclusive Economy

Cabinet established each year its priority actions to deliver against the Corporate Plan and thereby ensure that the ambition of that Plan was central to its work. The priority actions did not cover every separate element of the ambition of the four year Corporate Plan; nor were they intended to indicate that other projects, schemes or activities were not being pursued. They were though intended to reflect imperatives across the Council and for the District and actions that it was right to focus on in that year.

Members heard that 2020 had been an exceptional year not only nationally but globally. In Tendring the Council's Community Leadership role had never been more important. The Council had taken on additional responsibilities in supporting its residents and businesses through the COVID-19 pandemic. Whilst Tendring District Council had not formally reported on its performance against priorities during 2020, much had been achieved including but not limited to:

- The roll out of numerous grants in excess of £38million to businesses;
- The adoption of a local Back to Business Agenda which was not only supporting businesses to survive but preparing to help them flourish;
- An Economic Growth Strategy focusing on recovery for the future;
- Allocation of monies from the Tendring Community Fund to Ward Councillors to provide grants to local organisations to enable them to respond to the pandemic locally;
- Business continuity arrangements immediately being invoked to ensure Council services remained in place where they were able to do so and for those services impacted by the various lockdowns, staff had been redeployed to work with different teams in response to the pandemic, such as the Community Hub.
- Adoption of a Climate Change Action Plan to meet the Council's aspirations towards the Climate Emergency;
- Section 1 of the Local Plan had been found to be sound by the Planning Inspectorate thereby establishing the 5 year housing supply of 550 dwellings per annum, a North Essex vision and the Garden Community at Tendring Colchester Borders;
- A balanced budget and revised governance arrangements to ensure democratic decision making continued throughout;
- Getting ready to build or acquire new council homes. The Council had adopted a Corporate Housing Strategy to deliver homes to meet the needs of local people, making the best use of and improving existing housing and supporting people in their homes and communities. Separate strategies and policies had been introduced to assist reducing homelessness and rough sleeping in the District,

providing financial assistance polices for private sector housing and acquiring land and buildings to increase council housing stock.

The Committee was informed that all of the above had provided a great foundation on which the Council would continue to deliver its priorities during the remaining years of the Corporate Plan. The 2021/22 actions would, of themselves, underpin further actions in 2022/23. As such, it was appropriate to invest time and energy to delivering them.

A provisional list had been prepared following consultation with individual Portfolio Holders and the Leader of the Council and that was set out at Appendix A to the report.

After a short discussion it was **RESOLVED** that the Committee notes and fully endorses this report and thanks the Cabinet for bringing forth this piece of work.

**125. REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER.
- A.4 - PROTOCOL FOR CABINET AND OVERVIEW & SCRUTINY ROLES.**

It was reported to Members that, in May 2019, Statutory Guidance had been published by the Ministry of Housing, Communities & Local Government on Overview and Scrutiny in Local and Combined Authorities. The Council in operating as a Leader and Executive Governance Model therefore must have regard to it when exercising their functions and that Guidance should be followed unless there was a good reason not to in a particular case. The Guidance was attached as Appendix A to the Report.

Section 2 of the Government's Statutory Guidance referred to Culture and expressly stated:-

"The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.

While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.

Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.

Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole."

The Committee was informed that the guidance recommended an 'executive-scrutiny protocol' in order to help define the relationship between the two arms of the organisation, dealing with the practical expectations of scrutiny committee members and the Executive, as well as the cultural dynamics. Councils should consider adopting a

protocol, e.g. formal agreement at scrutiny committees and Cabinet, then formal integration into the Council's constitution.

It was felt that the Council already had strong measures in place to demonstrate the openness of Cabinet being held to account and had introduced some time ago that Group Leaders of all political groups would have the right to attend Cabinet meetings, and speak on agenda items whilst not being able to vote. The Terms of Reference of the Resources and Services Overview and Scrutiny Committee stated that its Chairman and Vice-Chairman would normally be a Member of a political group not represented on the Cabinet. Informal Group Leaders' meetings were also held at which the Leader or Deputy Leader could share information in advance of going to Cabinet or other topics, which had proved particularly useful during the Council's response to the COVID-19 pandemic. The Chief Executive held regular All Member Briefings, at which Portfolio Holders presented early ideas on strategies and policies for discussion. And Furthermore the Deputy Leader chaired a Constitution Review Working Group, whose membership was made up by representatives from nearly all other political Groups on the Council.

The Members heard that, as previously requested by Cabinet, Senior Officers had produced a draft Protocol for Cabinet and Overview and Scrutiny roles for consultation with the Chairmen of the Overview and Scrutiny and Audit Committees together with the Deputy Leader and the Portfolio Holder for Partnerships. The Statutory Guidance had been considered in the production of the draft Protocol together with taking into account comments received through the consultation.

It was reported that the draft Protocol had introduced a number of principles and how it applied between the roles of Cabinet and Overview and Scrutiny building upon a relationship of trust whilst both bodies performed their statutory functions, acknowledging the inter-relationship with Audit too. It was designed to sit alongside the range of other commitments to openness and inclusiveness as set out above. It also set out how Policy Development Overview and Pre-Decision Scrutiny could work in addition to the traditional views of solely holding the Cabinet to account. The importance of timely overview and scrutiny in budget setting and monitoring throughout the year was highlighted to show how the process could add value, by reviewing whether the financial plans and strategies of the Council were sound and had taken into consideration all relevant factors.

It was further reported to the Committee that Performance Measurement and reporting provided insight into whether value for money was being achieved and whether improvements were necessary, feasible and affordable. The purpose of reporting general performance data to an Overview & Scrutiny Committee enabled scrutiny as to capturing the right level of data to support delivery of services or priorities – and to make recommendations, if necessary. In some instances further enquiry of an activity may could be warranted and the appropriate Committee would factor how that work could be accommodated in its work programme.

Members heard that, through their respective work programmes, the Overview and Scrutiny Committees would consider the Cabinet's adopted priorities in support of the Council's Corporate Plan, areas of planned policy development over the relevant Municipal Year (and the next) would be provided and they would be asked to highlight any areas where overview & scrutiny could be specifically invited to assist in work

(including Community Leadership areas). The enquiries included within the work programme should be identified to add value to the Council as a whole and the District. The allocation of enquires to specific Overview and Scrutiny Committees would be in accordance with their respective terms of reference.

The draft Protocol also referred to how Overview & Scrutiny recommendations to the Cabinet would be dealt with including seeking further clarity if needed. Some additional operational matters had been included for completeness in determining the relationship covering responding to urgent items of Cabinet Business, Scrutiny Consideration of Confidential Decisions, Call-in and Councillor Call to Action which built upon the existing requirements within the Constitution.

It was reported to the Committee that, with due regard to the Council's Statement on Councillors' development, training would be made available for Overview & Scrutiny Committee members, Cabinet Members and support Officers on the Protocol and elements referenced in it including work planning, budget scrutiny, using performance data and key lines of enquiry.

In the Overview & Scrutiny Annual Report submitted to Full Council each year there would be a section demonstrating the impact of Overview & Scrutiny and the effectiveness of the Protocol. All Members would be expected to adhere to the Protocol in their respective roles, and once formally adopted by Council, the Protocol would be incorporated within Part 6 of the Constitution.

After a detailed conversation it was moved by Councillor M Stephenson, seconded by Councillor Bray and **RESOLVED** that the Committee notes and endorses the contents of the report and that it be added it to the work programme for a future review.

126. SCRUTINY OF PROPOSED DECISIONS

The Members had before them a list of 31 proposed executive decisions published since 12 November 2020. The Committee noted the contents of the report.

127. RECOMMENDATIONS MONITORING REPORT

The Members had before them the current Recommendations Monitoring Report. The Committee was aware that the report outlined any recommendations it had made to the Cabinet, the Cabinet's responses thereto and any relevant updates.

The Committed noted the contents of the report.

128. REVIEW OF THE WORK PROGRAMME

The Committee noted that it had five items to add to its work programme and therefore decided to adjourn this discussion until the Committee's meeting in March 2021, at which and in accordance with the Chairman's request it would be the first item on the agenda.

The meeting was declared closed at 10.25 pm

Chairman

