SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 10th October, 2019
Place: Committee Room 1 - Civic Suite

Present: Councillor D Garston (Chair)
Councillors D McGlone (Vice-Chair), D Burzotta, D Cowan, T Cox, P Collins, M Davidson, M Dent, George, S Habermel, D Jarvis*, H McDonald, I Shead, M Stafford and S Wakefield
*Substitute in accordance with Council Procedure Rule 31.

In Attendance: Councillors I Gilbert, M Terry and R Woodley (Executive Members)
Councillor C Mulroney and Councillor K Evans
J K Williams, F Abbott, J Chesterton, J Ruffle, A Barnes, G Halksworth and A Smyth

Start/End Time: 6.30 pm - 8.45 pm

399 Apologies for Absence

Apologies for absence were received from Councillor B Ayling (no substitute), Councillor P Wexham (no substitute) and Councillor D Nelson (substitute Cllr D Jarvis).

400 Declarations of Interest

The following interests were declared at the meeting:-

(a) Councillors Gilbert, Terry and Woodley (Cabinet Members) – interest in the called in items / referred item; attended pursuant to the dispensation agreed at Council on 19th July 2012, under S.33 of the Localism Act 2011;
(b) Councillor Cowan – Agenda Item relating to Notice of Motion – HRA Lundy Close - non-pecuniary interest: discussed with residents;
(c) Councillor McGlone – Agenda Items relating to – questions from public; Notice of Motion – HRA Lundy Close - non-pecuniary interest: a number of residents in vicinity known to him;
(d) Councillor Davidson – Agenda Items relating to - Notice of Motion – HRA Lundy Close; Housing and Development Pipeline; Selective Licensing - non-pecuniary interest: Non-executive Director of South Essex Homes Board;
(e) Councillor Woodley – Agenda Item relating to Notice of Motion – HRA Lundy Close – non-pecuniary interest: Lead Peer member for East England and East Midlands – LGA;
(f) Councillor Collins - Agenda Item relating to Housing and Development Pipeline - Disqualifying Non-Pecuniary Interest: Season ticket holder at Southend United Football Club – withdrew in relation to the Roots Hall discussion;
(g) Councillor Terry – Agenda Item relating to Housing and Development Pipeline –Disqualifying Non-Pecuniary Interest: Season ticket holder at

Southend United Football Club – withdrew in relation to the Roots Hall discussion;

(h) Councillor Woodley – Agenda Item relating to Housing and Development Pipeline – Disqualifying non-pecuniary interest: Wife is a season ticket holder at Southend United Football Club – withdrew in relation to Roots Hall discussion;

(i) Councillor Jarvis - Agenda Item relating to Housing and Development Pipeline – Disqualifying non-pecuniary interest: Wife and himself are season ticket holders at Southend United Football Club and he is also a small shareholder – withdrew in relation to the Roots Hall discussion;

(j) Councillor Habermel - Agenda Item relating to Selective Licensing of the Private Rented Sector – Disqualifying Pecuniary Interest: landlord – withdrew;

(k) Councillor Shead– Agenda Item relating to Selective Licensing of the Private Rented Sector – Disqualifying Pecuniary Interest: landlord - withdrew;

(l) Councillor Wakefield - Agenda Item relating to Selective Licensing of the Private Rented Sector – Disqualifying Pecuniary Interest: landlord – withdrew;

(m) Councillor Cowan - Agenda Item relating to Selective Licensing of the Private Rented Sector - non-pecuniary interest: private sector tenant;

(n) Councillor Dent - Agenda Item relating to Selective Licensing of the Private Rented Sector - non-pecuniary interest: private sector tenant;

(o) Councillor George - Agenda Item relating to Selective Licensing of the Private Rented Sector - non-pecuniary interest: Council's representative on SEAL;

(p) Councillor Mulroney – Agenda Item relating to Corporate Budget Performance – non-pecuniary interest: Chairman of North Thames Fisheries Local Action Group.

401 Questions from Members of the Public

Councillor Gilbert, the Leader of the Council (Cabinet Member for Housing and Communities) responded to written questions from Miss Newman. The responses to the questions submitted by Mr Webb to the Cabinet Member for Community Safety and Customer Contact and to the Leader of the Council (Cabinet Member for Housing and Communities) will be forwarded to him as he was not present at the meeting.

402 Minutes of the Meeting held on Thursday, 11th July, 2019

Resolved:-

That the Minutes of the Meeting held on Thursday, 11th July 2019, be confirmed as a correct record and signed.

403 Notice of Motion - HRA Lundy Close

The Committee considered Minute 323 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny, concerning the Notice of Motion opposing the Lundy Close housing scheme.

Resolved:-

1. That the following decision of Cabinet be noted:-

"That officers proceed to the next steps of the Land Review project which will include appointing of an Architect and Design Team to provide a more detailed plan for proposals at Lundy Close. Further consultation will take place with both ward councillors and local residents. Any planning application will be subject to public consultation in the normal way."

2. That, in accordance with Council Procedure Rule 39, the matter be referred to full Council.

Note: This is an Executive Function
Cabinet Member: Councillor Gilbert

404 Housing and Development Pipeline Update

The Committee considered Minute 324 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny, together with a report of the Executive Director (Finance and Resources) and the Deputy Chief Executive (People). This provided an update on the work underway in looking at the pipeline of housing and development opportunities across the Borough and presenting recommendations setting out the proposed way forward.

Resolved:-

That the following recommendations of Cabinet be noted:-

"1. That the progress of the first phase of housing and development pipeline sites currently in delivery as set out in Section 3.11 of the submitted report, be noted.

2. That the progress on the Acquisitions Programme for Council Housing as set out in Section 3.3 of the report, be noted.

3. That the work undertaken to date on the development land pipeline as set out in Section 3.5 of the report, be noted.

4. That £645,000 be allocated from existing capital reserves held within the General Fund and Housing Revenue Account as appropriate, in the first phase to enable the necessary initial site feasibility, due diligence, survey and high level design work to be commissioned to demonstrate viability (or otherwise) and enable a more detailed assessment of the number of units which could be delivered across the sites and, in relation to those suitable for joint venture opportunities, to establish appropriate objectives and bundling of sites. Following detailed feasibility, those sites which are proved to be viable will be presented to Cabinet for agreement on the preferred way forward for development in due course.

5. That PSP Southend LLP be invited to undertake the next stage of feasibility (to e2) for sites which the pipeline assessment work has indicated would be suitable for PSP delivery and for the Council to commission valuations for

these sites to establish the baseline values. At this stage PSP will work at their risk. Once these sites have been assessed in detail by PSP Southend LLP, recommendations will be made to Cabinet for the sites to be opted in to the LLP for delivery or for alternative approaches to be considered.

6. That negotiations be carried out to progress to update and re-brand PSP Southend LLP as set out in 3.21 of the submitted report. In particular so that the board and reporting structure can be aligned with other Council LLPs and companies, reporting in to the Shareholder Board and to delegate the agreement of the detailed arrangements to the Strategic Directors (Finance and Resources and Legal and Democratic Services) in consultation with the Leader of the Council.

7. That it be noted that the proposed amendments to the Ilfracombe Avenue site, specifically that the Library will not be located within the proposed housing development which is proposed to provide a housing-for-rent scheme which will include a planning policy level of affordable housing for rent (capped at Local Housing Allowance levels). Income from the development will be used to finance the capital borrowing required to complete the necessary condition works at the existing Southchurch Library."

That the following decision of Cabinet be noted:-

"8. That, in principle, the Council is minded to enter into an income strip lease transaction in relation to the proposed residential development at Roots Hall subject to the completion of the relevant due diligence and to ensuring the long-term financial sustainability for the Council. To note that if a suitable transaction can be agreed, the terms of that transaction will be put to Cabinet for consideration."

Note: The decisions in 1-7 above constitute a Council Function. The decision in 8 above constitutes an Executive Function.
Cabinet Member: Councillors Gilbert and Woodley

405 Selective Licensing of the Private Rented Sector

The Committee considered Minute 325 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny, together with a report of the Deputy Chief Executive (People). This outlined the preliminary work underway to introduce Selective Licensing in parts of the Borough and to seek agreement for the next steps, including resources required to undertake the preparatory research and other work needed ahead of implementation.

Resolved:-

1. That the following decisions of Cabinet be noted:-

"1. That a one off resource of £50k in order to undertake in-depth preparatory work ahead of any implementation of Selective Licensing within the Borough through a service delivery partner, be approved.

2. That the targeted consultation is progressed on the adoption of powers of Selective Licensing within parts of the Borough identified as experiencing antisocial behaviour (ASB) problems, crime and deprivation associated with poorly managed Private Rented Sector (PRS) accommodation.

3. That following the above work, a further report is brought before Cabinet relating to the introduction of Selective Licensing in parts of the Borough."

2. That, in accordance with Council Procedure Rule 39, the matter be referred to full Council.

Note: This is an Executive Function
Cabinet Member: Councillor Gilbert

406 Southend 2050 Outcomes Success Measures Report - Quarter 1 2019/20

The Committee considered Minute 333 of Cabinet held on 17th September, 2019, which had been called in to all three Scrutiny Committees, together with a report of the Chief Executive outlining the Southend 2050 Outcomes Success Measures for 2019/20 (first quarter).

In response to questions, the Leader said that he would be happy to look at how some of the data is presented in the report and see what might change for the next report. With regard to the data in the annual information page and the percentage of people with a disability who found it easy to get around the borough, the Council's Executive Director (Transformation) agreed to circulate details of how the information was gathered.

On behalf of the Committee, the Chair thanked the team for their work in preparing this new report which was very clear.

Resolved:-

That the following decision of Cabinet be noted:-

"That the Quarter 1 performance from 1 April – 30 June 2019 be noted."

Note: This is an Executive Function
Cabinet Member: Cllr Gilbert

407 Corporate Budget Performance 2019/20 - Period 4

The Committee considered Minute 334 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny, together with a report of the Executive Director (Finance and Resources) on the corporate budget performance 2019/20 (period 4).

Resolved:-

That the following recommendations of Cabinet be noted:-

"That in respect of the 2019/20 Revenue Budget Performance:

1. The forecast outturn for the General Fund and the Housing Revenue Account as at July 2019, be noted.

2. That the planned budget transfers (virements) of £1,872,260 between portfolio services, be approved.

3. That the transfer of £2,000,000 from the Children's Social Care Reserve previously approved to assist with the increase in demand and cost within this area, be approved.

4. That the transfer of £500,000 from the Interest Equalisation Reserve to fund the additional interest costs due to advance borrowing to take advantage of exceptionally low interest rates, be approved.

   That in respect of the 2019/20 Capital Budget Performance:

5. That the expenditure to date and the forecast outturn as at July 2019 and its financing, be noted.

6. That the requested changes to the 2019/20 capital investment programme, be approved.

7. That the requested additions to the Fire Improvement Works budget of £750k p.a. for the five years from 2020/21 to 2024/25 as set out in the Fire Safety Report, be noted."

Note: This is a Council Function
Cabinet Member: Councillors Gilbert and Woodley

408 Treasury Management - Quarter One 2019/20

The Committee considered Minute 335 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny, together with a report of the Executive Director (Finance and Resources) covering the treasury management activity for the period from April to June 2019.

Resolved:-

That the following recommendations of Cabinet be noted:-

"1. That it be noted that the treasury management activities were carried out in accordance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Sector during the period from April to June 2019.

2. That it be noted that the loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.

3. That it be noted that £0.492m of interest was received during this three month period. The total investment income earned including this interest during this three month period was £0.490m, at an average rate of 1.88%. This is 1.31% over the average 7 day LIBID (London Interbank Bid Rate) and 1.13% over the average bank rate.

4. That it be noted that the level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1st April 1998) increased from £267.8m to £277.8m (HRA: £77.0m, GF: £200.8m) during the period from April to June 2019.

5. That it be noted that during the quarter the level of financing for 'invest to save' schemes decreased from £8.73m to £8.70m."

Note: This is a Council Function
Cabinet Member: Cllr Woodley

409 Annual Comments, Compliments and Complaints

The Committee considered Minute 337 of Cabinet held on 17th September 2019, together with a report of the Chief Executive providing performance information about comments, compliments and complaints received across the Council for 2018/19. This had been referred direct by Cabinet to all three Scrutiny Committees for consideration.

Resolved:-

That the following decisions of Cabinet be noted:-

"1. That necessary changes be made to the Comments, Compliments and Complaints policy as described in paragraph 5.2 of the submitted report.

2. That the Council's performance in respect of comments, complaints and compliments for 2018/19 be noted and that the report at Appendix A be referred to each Scrutiny Committee and the reports at Appendix B and Appendix C be referred to the People Scrutiny Committee."

Note: This is an Executive Function
Cabinet Member: Councillors Terry, Harp and Jones

410 Control Environment Assurance

The Committee considered Minute 338 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny, together with a report of the Executive Director (Finance and Resources) on the proposed revisions to be made to the Control Environment in respect of Risk Management, Counter-Fraud, Bribery & Corruption, Counter Money Laundering, Whistleblowing and the Regulation of Investigatory Powers.

Councillor Shead asked if an addition could be made on page 3 of the Whistleblowing Policy to deal with the situation where a council officer decides to make a disclosure to a Councillor, rather than to another officer. In such circumstances the officer making the disclosure would need to meet a higher standard in order to attract employment protection, since a Councillor is not a "prescribed person" under the Public Information Disclosure Act 1998. Councillor Shead asked if the Council could extend the same protection "wherever possible". The Executive Director (Legal and Democratic Services) said that he would investigate and advise.

In response to questions raised about the revised Policy and Procedures for undertaking surveillance pursuant to RIPA (Appendix E), the Executive Director (Legal & Democratic Services) explained that:-

- A Commissioned Fraud Investigation Service would necessarily undertake a range of activities in connection with that service. Occasionally surveillance may be required, although in 2018/19 there was no use of surveillance powers.

- It was logical that the body investigating a fraud should obtain the necessary authority for any surveillance - and it was quite lawful for the Commissioned Service to obtain that authority.

- Southend-on-Sea Borough Council has oversight of the Commissioned Service. Furthermore safeguards are in place to ensure any surveillance is carried out lawfully; most importantly an order must be obtained from the Magistrates' Court for any proposed surveillance.

- The Fraud Investigation Service provided by Thurrock Council in fact ended in early October 2019, but it is reasonable to retain a general policy.

Resolved:-

1. That the following decisions of Cabinet be noted:-

"1. That the revised Risk Management Policy Statement and Strategy set out in Appendix A to the submitted report (including the action plan included at Appendix A of that document) be approved.

2. That the revised Counter Fraud, Bribery & Corruption Policy and Strategy (Appendix B), the revised Counter Money Laundering Policy & Strategy (Appendix C) and the revised Whistleblowing Policy (Appendix D), be approved

3. That the revised Policy and Procedures for undertaking Directed Surveillance and the use of Covert Human Intelligence Sources (Appendix E) and also the detailed procedures for use of a CHIS as set out in the confidential Appendix F, (subject to the inclusion of an additional sentence under paragraph 7.2 in relation to the handling, storage and destruction of material obtained through the use of a CHIS) be approved.

4. That it be noted that:

   (a) The Council has not used the surveillance powers available to it under RIPA between 1 April 2018 and the 31st March 2019 and neither has it used any CHIS during this period.

   (b)Thurrock Council has not used any such powers on behalf of Southend-on- Sea Borough Council when undertaking Anti-Fraud work between 1 April 2018 and 31st March 2019.

5. That the staff training undertaken in 2018/19 and proposed training for 2019/20 in connection with RIPA, be noted.

6. That the regulation of CCTV activities be noted."

2. That, in accordance with Council Procedure Rule 39, the matter be referred to full Council.

Note: This is an Executive Function
Cabinet Member: Councillors Gilbert and Woodley

411 In depth Scrutiny project - How the Council and Councillors communicate with local people and stakeholders

Further to Minute 201 of its meeting held on 11th July 2019, the Committee considered the project plan in relation to the agreed joint in-depth scrutiny project 2019/20 entitled "How the council and councillors 1) communicate with local people and stakeholders and 2) facilitate engagement and participation."

The Committee also received an oral update on the progress that had been made with the study to date.

Resolved:-

That the project plan be agreed.

Note:- This is a Scrutiny Function.

412 Exclusion of the Public

Resolved:-

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below, on the grounds that it would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

413 Control Environment Assurance - Confidential Appendix

The Committee considered Minute 342 of Cabinet held on 17th September, 2019, which had been called in to Scrutiny.

Resolved:-

1. That the following decision of Cabinet be noted:-

"That the confidential appendix, be endorsed (subject to the amendment referred to in Minute 338 (3)."

2. That, in accordance with Council Procedure Rule 39, the matter be referred to full Council.

Note: This is an Executive Function
Cabinet Members: Councillors Gilbert and Woodley

Chair: _____