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Minutes of the meeting of the **Overview & Scrutiny Committee** held in Committee Room 2 - East Pallant House on Tuesday 18 September 2018 at 9.30 am

Members Present: Mrs C Apel (Chairman), Mrs N Graves (Vice-Chairman), Mr P Budge, Mrs P Dignum, Caroline Neville, Dr K O'Kelly, Mrs P Plant, Mr H Potter and Mr A Shaxson

Members not present: Mr M Dunn, Mr S Lloyd-Williams and Mr J Ransley

In attendance by invitation: Mrs J Kilby

Officers present: Mr D Hyland (Community and Partnerships Support Manager), Mr N Bennett (Divisional Manager for Democratic Services), Mr A Buckley (Corporate Improvement and Facilities Manager), Mr T Day (Environmental Coordinator), Mrs L Grange (Divisional Manager for Housing), Mr A Gregory (Project Manager - Estates), Mr P E Over (Executive Director), Mrs S Peyman (Divisional Manager for Culture), Mrs L Rudziak (Director of Housing and Communities) and Mr P Jobson (Taxation Manager)

226 **Chairman's Announcements**

Apologies for absence had been received from Councillors Dunn, Lloyd-Williams and Ransley.

227 **Minutes**

The minutes of the meeting of 19 June 2018, were approved as a correct record and duly signed by the Chairman.

Members noted that Full Council had received the Overview and Scrutiny Committee Annual Report 2016-17 at its July meeting.

228 **Urgent Items**

The Committee agreed that agenda item 14, Call-in of Cabinet decision 564 of 4 September 2018 - *Development Site - The Grange Midhurst*, be heard first.

229 **Declarations of Interests**

Councillors Neville, O'Kelly and Shaxson declared a personal interest in item 14, Call-in of Cabinet decision 564 of 4 September 2018 - *Development Site - The Grange Midhurst*, as signatories to the call-in request. Councillor P Dignum declared

a personal interest as the wife of the Leader of the Council, named in the Call-in request.

230 **Public Question Time**

Public questions had been received in relation to item 14 (Call-in of the Cabinet decision – *Development Site, The Grange, Midhurst*), which the Chairman allowed to be heard during the debate on that item.

231 **Late Items - Call In - Development Site, The Grange Midhurst**

Cabinet decision 564 of 4 September 2018 - *Development Site - The Grange Midhurst* had been called in, in accordance with the provisions set out in the Constitution, by Councillors McAra, Morley, Neville, Shaxson and O'Kelly.

The Chairman invited Mr Ward to present the report. The council was bound by law to seek 'best consideration' when disposing of land. There were some very exceptional circumstances where the council could dispose of land for consideration less than the best but the council would still have had to consider its duty to its residents and tax payers. In order to accept a lesser consideration the council would have to demonstrate that the lesser consideration would secure the improvement of the economic, social or environmental wellbeing of the area. Mr Ward confirmed that there is currently no such established policy for this in relation to the site. He also clarified that there had been no significant demand for a particular retail or office space in the bids received.

Councillors McAra and Morley addressed the Committee on behalf of the Call-in signatories. The signatories had felt that Midhurst would benefit from a retail or supermarket development, or housing for young people, in preference to a care home, with an emphasis on retail being apparent in the Local Plan. A petition against a care home development had been raised, and Members were concerned that there had been insufficient consultation with ward members and residents. Legal advice had not been provided in the Cabinet report, but had been assimilated at the Cabinet meeting and the decision did not appear to be aligned to the early-stage development of the *Midhurst Vision*.

In response to members questions officers emphasised that there had been a transparent process in place which all bidders had to follow and the process had been used by the council for other land disposals. The site had been marketed three times, and the subsequent planning process would provide opportunity for the public to respond to the application.

The legal advice provided to the Cabinet meeting had been reviewed and was sound; there had been sufficient information for the Cabinet to make its decision. The conduct of the Chairman of Cabinet had also been reviewed and no breach of the Code of Conduct in the handling of the meeting was identified.

Two public questioners asked questions at the meeting.

(1) Margaret Guest – Midhurst Town Council Member

Does the Committee consider that, in this case, sufficient information and evidence for 'best value' has been obtained to comply with the Council's duty of 'due diligence'; particularly when there has been no comparative impact assessment of the full range of options, including their respective likely long term economic and wider social value for the local community?

Response by Mr Ward – Director Corporate Services

Mr Ward re-iterated that the Council had to achieve best consideration, that no other development options had been forthcoming and that the only other option would be not to dispose of the site. In the absence of any demonstrable justification for accepting a lesser consideration, such action would be deemed unlawful. Such a decision would also be in breach of state aid rules as the Council would be subsidising a private sector organisation.

(2) Fiona Mackay – Midhurst resident

- i) How and where would the profit from the disposal be invested?
- ii) Was a swimming pool development considered?
- iii) Could the health provider that would be occupying the site be publicly identified?

Response by Mrs Hotchkiss – Director Growth and Place

- i) The capital receipt from the disposal of the site had been earmarked to offset the cost of the Grange Community and Leisure Centre, which opened in 2014. The *Midhurst Vision* steering group had now been formed to prepare an action plan.
- ii) The development of the Grange Community and Leisure Centre had been subject to consultation with the community and the viability of social and leisure options for Midhurst had been considered then.
- iii) The public identification of the health provider that would occupy the site was exempt information pursuant to schedule 12A of the Local Government Act 1972.

A Member urged the Council to consider developing a policy for disposals where less than best consideration could be demonstrated, to secure the promotion or improvement of the economic, social or environmental well-being of the area. The Chairman explained that such a suggestion could be considered for inclusion on the future work programme of the Committee.

Members surmised that no social or cultural bids for the site had come forward, and that the Council had been prudent in accepting, rather than rejecting a significant bid for the site. Both the retail economy and the demography of the district were changing and the new Grange Community and Leisure centre, and library were growing community assets in Midhurst.

A vote was taken by a show of hands and by six votes for, three votes against and three abstentions, the Committee -

RESOLVED: To uphold the original Cabinet decision.

232 **Chichester Enterprise Centre**

Mrs Hotchkiss and Mr Gregory presented the report which provided a review of how the Enterprise Centre project had performed against the original intentions set out in the Project Initiation Document. The original objectives had been fully achieved, albeit to a varied timetable, due in part to the approval of a two-stage procurement process by Cabinet. The Enterprise Centre was now complete and a five-year Operational Management Agreement was in place with Basepoint (with the provision to renew for a further 5 years)

In response to Members comments, officers explained that performance of the centre was monitored as part of a Corporate Plan target and the requirements of the Operational Management Agreement, and that around 30 comparator schemes in the South East had been used to develop service level specifications. Mrs Hotchkiss confirmed that 'full' occupancy would be achieved at around 85% to 95% and clarified that where 250 total number of jobs delivered had been stated, this was a district-wide target, rather than project specific.

Members noted that a significant underspend of the capital budget had been achieved and endorsed that the project had been well-managed overall.

RESOLVED: That the post project evaluation report for the Chichester Enterprise Centre development, be noted.

233 **Council Tax Review of Locally Defined Discounts and Premia**

Mr Jobson introduced the report which recommended that the empty homes premia for properties that had been unfurnished and unoccupied for more than two years, first agreed by Cabinet in 2017 at 50%, be set at 100% for 2019-20.

The proposal would encourage owners to bring properties back into use as soon as possible, and provide certainty when preparing the Council Tax base for 2019-20. The proposed change to premia would affect 91 properties in the district. The Committee noted the proposal that the level of locally applied discounts (prescribed classes A-D) would remain unchanged for the 2019-20 financial year.

In response to Members' questions, Mr Jobson explained that the Council maintained a database of all properties, including newly completed properties, and inspectors visited those properties known to be vacant. The Council would consider the merits of individual cases prior to taking any enforcement action; and similarly to other districts, exemptions could be applied for cases of probate or a change in circumstances, such as a move to a care home. A 25% discount would also be applied for a sole occupant if the statutory criteria had been satisfied.

RECOMMENDED:

- 1) That Cabinet apply the Council Tax discounts proposed in appendix 1 to the report for the 2019-2020 financial year.

- 2) That Cabinet sets the Council Tax empty homes premium at 100% for the 2019-2020 financial year, *providing that* the Rating (Property in Common Occupation) and Council Tax Bill (2017-19) was given Royal Assent.

234 **Leisure Services Performance Review**

Mrs Peyman introduced the report and was joined by Mr Mills, the Contract Manager, Everyone Active (Sports and Leisure Management Ltd, (SLM)), whom gave a presentation to the Committee. Mr Mills detailed the successes from year two of the contract, including:

- Increased registrations and participation
- Continued partnership working
- All sites had achieved a Quest rating of excellent, and were ranked in the top 25 leisure centres in the country

Members' were pleased to hear that customer satisfaction had increased from 89% to 92%, and commended the high standards achieved by Sport and Leisure Management Limited.

In response to Members' questions, Mr Mills clarified that the parking refund scheme at Westgate Leisure centre was causing delays for customers and would be under review. Improvements to the lockers were also underway. Mr Mills explained that new improvement projects and KPIs were reviewed annually; however, an identification of a market share was complex because private providers had no incentive to share their information with those competing for the same customers.

The Committee endorsed the view of the Members' task and finish group that the contract was on course to provide the outcomes it set out to achieve and that customer satisfaction continued to exceed the targets set within the contract.

RESOLVED:

- 1) That the 2017-18 Annual Report from Everyone Active be noted.
- 2) To endorse that the contractor is achieving satisfactory levels of performance against the outcomes in section 3.0 and the key performance indicators in section 4.0 of the 2017-18 annual report.

235 **Reducing Single Use Plastics**

Mr Day introduced the draft plan that identified three main focus points; action on the Council's own premises, supporting community led actions and the encouragement of action by residents and businesses. Four themes would then be adopted, from which specific actions points would flow:

- I. Improving the Council's performance as an organisation
- II. Working with local businesses
- III. Communicating the message
- IV. Working with our community

Members felt that an aspirational timescale for the completion of the action plan was needed. The use of the word 'eradicated' was not preferred and Members advised that words such as 'reduce' or 'remove' would be preferable. With regard to specific actions that the Council could consider, Members felt that the Council could lead by example and suggested that:

- The Council could advise its suppliers to provide alternatives to plastic wrapping
- Committee paper despatch envelopes should be replaced with recyclable envelopes
- Staff should be encouraged to the use of glass, or recyclable bottles where appropriate, rather than single use plastics
- That 'easy to do' priorities should be identified in the plan

Officers noted Members' comments and explained that the action plan aimed to specify actions that could be taken at the Council's own buildings. Leisure centres were already exemplars, and working in partnership with Everyone Active would enable the plan to be delivered.

RESOLVED:

- 1) That officers consider the comments of the Committee in preparing the subsequent draft of Single Use Plastics Action Plan.
- 2) That a one-year review of progress against the action plan be reported to the Overview and Scrutiny Committee before the end of 2019.

236 Southern Gateway Regeneration - Development Brief

Mr Over introduced the report which updated the Committee on progress with the implementation of the Southern Gateway Regeneration project and sought consideration of the draft Development Brief.

The Brief was a statement to the market that built upon the adopted Masterplan and provided a degree of direction to prospective developers as to the nature and content that their draft proposals should contain. Whilst expressing the needs of the strategic partners, the Brief had to also be viable and deliverable. Consultants had identified that the most viable means of securing a suitable development partner on appropriate terms would be via an OJEU compliant procurement process. Consultation feedback following the CDC/WSCC Members workshop on 3 September had suggested that the tender evaluation criteria should be 60% quality, 40% price.

Members' felt that greater emphasis could be placed on the social and sustainability aspirations of the Brief. Clarification was sought as to whether a conference centre would be included, and whether traffic flows and the promotion of sustainable transport initiatives could be assured.

In response to Members comments, Mr Over clarified that a multi-use entertainment facility, and a conference venue was included as possible uses in the Brief and that specific details around building design and sustainability would come forward when

developers responded. Furthermore, traffic modelling had been undertaken with regard to the development site and across the wider network in close collaboration with WSCC as the highway authority, and the preferred approach had been identified as part of the adopted Masterplan. A transport appraisal report showed an increased re-assignment of traffic to the A27 and Northern Ring Road as the approach was implemented, with no significant alteration to Highway Network flows.

Mr Over clarified that the development agreement would set out how the land would be transferred to the developer for payment, which at minimum would satisfy the statutory requirement for best consideration.

RESOLVED: That officers note the considerations of the Committee.

237 **Housing standards and future needs - Report of the Task & Finish Group**

The Overview and Scrutiny Committee of 13 June 2017 received a report on the Review of the Housing Allocation Scheme. The Committee recommended that the Cabinet Member for Housing should form a task and finish group to review the quality standards of existing affordable housing stock in the district and the overall demand for the type and volume of new affordable housing in rural and urban areas.

The Portfolio Holder for Housing, Councillor Kilby presented the report of the group which had made eight recommendations. Members' attention was drawn to issues around the lack of refurbishment, complaint resolution and inappropriate size of property. An asset management group in partnership with Hyde had been already been established.

In response to questions from Members, Officers explained that Housing standards resources were prioritised to vulnerable tenants and that no enforcement notices had been served on Registered Providers in the district as the Council would always seek to work with the landlord first to solve problems. Mrs Grange explained that housing providers had to make investment decisions regarding older stock in rural areas and that the Hyde Group had demonstrated their commitment to Chichester and had offered a briefing by one of their Directors to all Members. Members noted that the report of the group would ultimately feed into the Housing Strategy.

RESOLVED:

That the recommendations of the task and finish group be endorsed

RECOMMENDATION:

That the Portfolio Holder for Housing reconvene the task and finish group in six months to review the progress of the recommendations.

238 **Corporate Plan Review - Terms of Reference**

The Committee noted that the terms of reference of the review were to consider a mid-year progress report for the period April to September 2018, and to identify any further action that needed to be taken to challenge poor performance and to reduce any risk to an acceptable level. The task and finish group was scheduled to report to the Overview and Scrutiny Committee meeting in November 2018. The Chair

expressed an interest in joining the group, subject to availability, and called for Committee members to volunteer.

RESOLVED: That a task and finish group of Councillors P.Dignum, Galloway and Plant, be formed to undertake the review.

239 **Forward Plan**

The Committee noted the Forward Plan. In response to a question around whether the Council should build houses, Mrs Rudziak reminded Members that a report had been received previously setting out options, and that whilst the matter was under review with strategic partners, the Council had not pursued house building further.

Councillor Shaxson (referring to item 5170 and consideration of policy that might allow disposals where less than best consideration could be demonstrated) proposed and Councillor Potter seconded that the Committee work programme be amended. Upon a show of hands the Committee:

RESOLVED: That a report on the development of an Asset Transfer Policy be included in the Committee work programme for 2018-19.

The meeting ended at 2.37 pm.

CHAIRMAN

Date: