

MID SUFFOLK DISTRICT COUNCIL

Minutes of the meeting of the **MID SUFFOLK OVERVIEW AND SCRUTINY COMMITTEE** held in the Britten room - Endeavour House, 8 Russell Road, Ipswich on Thursday, 15 March 2018

PRESENT:

Councillor: Rachel Eburne – Chair

Councillors:	James Caston	John Field
	Elizabeth Gibson-Harries	Lavinia Hadingham
	Lesley Mayes	Derek Osborne
	Kevin Welsby	

In attendance:

Councillors Glen Horn
John Levantis
Suzie Morley
John Matthissen
Mike Norris
Kevin Welsby
Jill Wilshaw

Strategic Director (KN)
Assistant Director – Planning for Growth (TB)
Assistant Director – Housing (GF)
Corporate Manager – Strategic Planning (RH)
Corporate Manager – Growth and Sustainable Planning (PI)
Corporate Manager – Financial Service (ME)
Corporate Manager – Law and Governance (JR)
HRA Accountant (TA)
Governance Support Officer (HH)

Councillor Eburne asked the Committee to pay their respect to Councillor Ray Melvin, who had passed away on Sunday. He was the first chair of the Scrutiny Committee when the Local Government Act was first introduced in 2000 and believed that the Scrutiny Committee should always be chaired by a Member of the Opposition.

22 **APOLOGIES FOR ABSENCE/SUBSTITUTIONS**

There were no apologies received.

23 **TO RECEIVE ANY DECLARATIONS OF PECUNIARY OR NON-PECUNIARY INTEREST BY MEMBERS**

There were no declarations of interests.

24 **MOS/17/36 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 JANUARY 2018**

It was RESOLVED: -

That the minutes of the meeting held on 18 January 2018 be confirmed as a true record with the following amendment:

Page 9, 19.1 to read:'and were concerned that there were so many confidential reports on the list'.

25 **TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCILS PETITION SCHEME**

None received.

26 **MOS/17/37 THE FIVE-YEAR LAND SUPPLY**

26.1 The Corporate Manager – Strategic Planning presented report MOS/17/37 to Members.

26.2 Members thanked the report authors for writing a comprehensive explanation of the process and the related implications for the Five-year Housing Land Supply.

26.3 Members queried, which sites could be included in the Five-year Housing Land Supply, and it was clarified that sites with planning permission and sites allocated for development were included, as long as they were available, suitable, sustainable, achievable and viable. It was established that allocation of sites was based on the judgement of experienced officers and on the confidence that the above criteria were met.

26.4 Members asked for clarification on how they could be involved, especially regarding the point of contacting developers (page 18, 10.28 and 10.29) and discussed the possibilities of this suggestion. However, Members agreed that as long as they operated within their Code of Conduct and remembered they represented their constituency it was an option for Members to consider, but not a necessity.

26.5 The Government had put pressure on Councils to deliver more housing and despite that during the recession the timescale for the applications had been shortened to accommodate this demand, it was still a fairly lengthy and time-consuming process. The problem with calculating the Five-year Land Supply was that after planning permissions had been granted, planning conditions and other requirements had to be met, before actual building could commence, and this could delay the process for up to 24 months. The rate of housing developments was also a contributing factor in the timeframe for completions and therefore on larger sites only part of the development was likely to be completed within the five-year period. It was left up to the

discretion of the developers to inform the Council of finished developments. This meant that the annual amount of planning permissions did not reflect the annual amount of properties being built.

- 26.6 The Assistant Director – Planning for Growth expanded on the process for developments and said the Council could invest in work, which would ‘de-risk’ sites to be able to bring them forward for planning consideration. However, this was not necessarily good use of the Housing Revenue Account’s Funds (HRA) as it was not a direct investment in development of housing. There were constraints on how the Council could use its own borrowing to be able to deliver housing and Mid Suffolk District Council was at the limit of the borrowing headroom within the HRA. However, the Council could use Council Funds for market housing.
- 26.7 The draft revised National Planning Policy Framework (NPPF) had only been available for a week and a consultation was currently being conducted for Councils to respond to the draft. One aspect of this was the ability for Councils to fix the Five-year Housing Land Supply for one year, which meant that developers could not take planning applications to appeal for that one year. A statement for an exemption required Councils to provide substantial proof that the five-year land supply was achievable. The new NPPF policies were published in September 2018, but officers estimated that a statement to fix the Five-land Housing Supply would not be possible until 2018/19.
- 26.8 Another aspect of the new NPPF was the potential new rules for housing delivery and this caused concern amongst Members. Officers responded that a detailed explanation could be found on page 75 of the NPPF, but if a Council had met the criteria for the Five-year Housing Land Supply, but failed to physically deliver the supply even for a couple of years, then the Council would revert to a status of having no Five-year Housing Land Supply. This would have consequences for the Council, including planning appeals for developments in the District.
- 26.9 Members were assured that the Council was providing a robust answer to the NPPF consultation on the issues raised above.
- 26.10 Currently the Mid Suffolk’s land supply for the previous two years was at 70%, however the third year was anticipated to be below that.
- 26.11 Members asked if there was any means of increasing the rate of developments and if it was possible to improve the Section 106 funding negotiation process. Officers responded that the legal implications of the Section 106 funding process were just one issue; another issue was the restriction on resources. This had been recognised by the Administration and further investment was allocated to increase delivery of the Five-year Housing Land Supply for a Section 106 officer to be recruited.
- 26.12 Members raised concerns about Suffolk County Highways and the complications of their representation at planning committees. Officers explained that work was being undertaken to improve the collaboration

between departments and that a dialogue with Suffolk County Highways department was ongoing.

26.13 Officers explained that a quarterly estimate of the Five-year Housing Land Supply would require additional resources, as it was a lengthy process and currently all extra resources were allocated to the preparation of the Local Plan. There was also the risk that due to the difficulties of collecting the data, a quarterly estimate could be less robust and that this in turn would have consequences for the annual Five-year Housing Land Supply. However, there was a possibility that the CIL funding application could contain a Commencement and Completion form for developers to complete and in the future, this could enable officers to collect more accurate data to estimate the Five-year Housing Land Supply more frequently.

26.14 In repose to the importance of increasing the delivery of housing, the Assistant Director – Planning for Growth, said that this could only be achieved if the Council was less concerned about developers including affordable housing in their developments. This would speed up the process of the Section 106 funding, however he was sure that the Council did not wish to compromise on affordable housing and the process had to undergo the necessary requirement for affordable housing to be included in developments. Members were reminded that each planning application had to be considered individually.

By a unanimous vote

It was RESOLVED: -

1.1 To recommend to Cabinet to review the resources required to improve the efficiency of all housing delivery

27 MOS/17/38 ALL TOGETHER PROGRAMME

27.1 The Strategic Director forwarded the Executive Director's apologies.

27.2 She then continued by explaining that in 2016, Full Council voted on the business plan for the move to Endeavour House and that the costing in report MOS/17/38 was taken from this plan. The savings for both Councils of £5.8 million was for a 10-year period for running costs and capital expenditure.

27.3 The Council was adapting to the increase in demand for 24 hours customer access to Council services and that access to services online would free up time for officers to help those members of the public who could not or did not want to access the online service. However, the customer access points were very popular with the public.

27.4 In response to questions from Members the Cabinet Member for Organisational Delivery said that more money had been spent on developing the Customer access points because the premises had required

full refurbishment including the installation of a toilet. The Depots had needed less work as they were already established. The cost for developing the Depots were included in the Touch-down points' costs.

- 27.5 The Touch-down points for Officers were very busy and allowed officers access to printers and secure network facilities. It was generally agreed that the Touch-down points were value for money.
- 27.6 The refurbishment costs for Endeavour House had been much less, as the out-fitting had been minimal.
- 27.7 It was established that the server at Hadleigh had to be decommissioned irrespective of the move to Endeavour House, as it could no longer cope with the volume of traffic generated by the increased mass use of computers.
- 27.8 Members enquired why the comparison had been made for the move from Hadleigh and Needham Market to Endeavour House. The Cabinet Members responded that the comparison was for a status quo scenario and that this illustrated that the move to Endeavour House was financially the better option. It was agreed that there had been other factors for the decision to move to Endeavour House and that these had been discussed at the Full Council in 2016.
- 27.9 Members wanted to know if the annual saving of £290,000 would be monitored to ensure that savings were actual being achieved. Officers responded this was monitored in the Revenue Account.
- 27.10 As part of the Councils Openness and Transparency policy it was agreed that the public access to services and public attendance at public meetings should be monitored, as this would provide indication if the move to Endeavour House provided better customer service.
- 27.1 The Corporate Manager – Law and Governance suggested that Committee Services monitored public attendance at public meetings and reported back to the Committee in six months' time.

By a unanimous vote

It was RESOLVED: -

- 1.1 That Committee Services monitor public attendance at public meetings and report back to the Overview and Scrutiny Committee in September 2018**

28 **MOS/17/39 RECOMMENDATION FROM CABINET TO THE OVERVIEW AND SCRUTINY COMMITTEE**

- 28.1 The Chair explained that Paper MOS/17/39 had been referred to the

Committee by Cabinet for scrutiny and asked the Committee to consider options A and B on the Agenda.

- 28.2 Councillor Eburne proposed the recommendation from Cabinet in respect of the variation between Quarter 2 and Quarter 3 on the Outturn paper for the Housing Revenue Account on page 87 of the report and that the Committee conducted the scrutiny at the meeting.
- 28.3 Councillor Osborne seconded the proposal.

By a unanimous vote.

It was RESOLVED: -

- 1.1 That Cabinet recommend to Overview and Scrutiny that the causes of the variations between Quarter 2 and 3 within the Housing Revenue Account be investigated.**
- 28.4 The Assistant Director – Housing explained that the Budget Monitoring report for the Housing Revenue Account (HRA) was a forecast based on the quarterly income and expenditure budget for the past nine months.
- 28.5 The HRA had not previously been subject to a monitoring report and the request for such had been made after the agenda deadline and therefore the paper had been tabled at the Cabinet meeting.
- 28.6 Members had been presented with a best and worst-case scenario in the forecast to allow for the eventualities of the budget variance. He explained the variance between Quarters 2 and 3 and said that one of the main reasons for the variance was due to changes for Babergh and Mid Suffolk Building Service (BMBS). Similarly, a roofing contract for tenant housing had been brought forward from the 2018/19 forecast. This contract was included in the RCCO budget line and this had produced a movement of £282,000. The movement for Repairs and Maintenance, BMBS and RCCO alone accounted for over two thirds of the variance.
- 28.7 He assured the Committee that measures had been taken to prevent this from happening again and that the team was monitoring the difference between income and expenditure. The budget was being monitored throughout the year and, and a forecast for the expenditure was to be produced at the end of the year.
- 28.8 The variance for premises costs included the development of the Customer Access points, improvements to the Creting Road and Great Wenham depots and disposal of the carpentry workshop. This was to make them suitable as a base for the BMBS team and as touch down points for officers.
- 28.9 Members were concerned that the original Business Plan for BMBS had been insufficient and that other surprises in the outturn, such as the Roofing Contract had not been properly forecasted. Some Members felt this made the

Council look incompetent, as the budget contained large variances and asked if Cabinet Members had been involved in the budget and planning process. They also questioned the decision-making process for large expenditures, such as the Roofing Contract.

- 28.10 The Cabinet Member for Housing responded that the decision for BMBS had been made by previous Members and that the final decision had been taken at Full Council based on the Business Plan available. She assured the Committee that she was working closely with the Housing team and with BMBS to develop the services within the budget framework.
- 28.11 The Assistant Director – Housing was confident that an improved management structure and delegation of budgetary responsibility to the HRA team's managers would provide a robust and intelligent prediction for future budgets. Other improvements included the format of reports going to Cabinet, which would include an executive summary, headlines, movement between quarters, sufficient details and explanations, better presentation and plain English. No tabled papers would be presented at Cabinet meetings, and any updated additional papers would be forwarded to Cabinet Members as early as possible.
- 28.12 Cabinet Members for Housing and Finance would be updated frequently, and work would be undertaken with Cabinet Members to avoid any unexpected surprises.
- 28.13 The finance and the HRA teams were working closely on the budget and the best/worst case scenario predictions would not be part of future budgets.

It was RESOLVED:

- 1.1 That Cabinet notes the points raised in the minutes from the Mid Suffolk Overview and Scrutiny Committee meeting on 15 March 2018**
- 1.2 That the Overview and Scrutiny Committee endorsed Appendix B Mid Suffolk District Council Medium Case Scenario Quarter 3 compared to Quarter 2 outturn for the Housing Revenue Account**

29 **MOS/17/40 INFORMATION BULLETIN**

- 29.1 The Committee were reminded that from 1 April 2018 the Mid Suffolk Transformation fund would be renamed to the 'Growth and Efficiency Fund'.
- 29.2 Members wanted to know why the Finance Department was involved in the Transformation Fund bidding and officers responded that it was to maintain control of the spending.
- 29.3 Each bid took approximately two weeks and were presented to the Senior Leadership Team. A quarterly report of the spend for each project was included in the Monitoring Report.

It was RESOLVED:

That the Information Bulletin be noted

30 MOS/17/41 FORTHCOMING DECISIONS LIST

It was RESOLVED: -

That the Forthcoming Decisions List be noted

31 MOS/17/42 MSDC OVERVIEW AND SCRUTINY FORWARD PLAN

It was RESOLVED: -

That the Mid Suffolk Forward Plan be noted

32 MOS/17/43 BDC OVERVIEW AND SCRUTINY FORWARD PLAN

It was RESOLVED: -

That Babergh Forward Plan be noted

The business of the meeting was concluded at 11.50am.

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Chair (& Date)