Confirmed

Minutes of a Meeting of the Scrutiny Committee held in the Conference Room, Riverside, on 29 September 2022 at 6.30pm

Members of the Committee present:
Councillor David Beavan, Councillor Stuart Bird, Councillor Linda Coulam, Councillor Mike Deacon, Councillor Tess Gandy, Councillor Tony Goldson, Councillor Colin Hedgley, Councillor Geoff Lynch, Councillor Caroline Topping

Other Members present:
Councillor Tony Cooper, Councillor Mick Richardson, Councillor Craig Rivett

Officers present:
Kerry Blair (Head of Operations), Sarah Davis (Democratic Services Officer (Scrutiny & Member Development)), Andrew Jarvis (Strategic Director), Matt Makin (Democratic Services Officer (Regulatory))

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1 Apologies for Absence and Substitutions

Apologies were received from Councillors Back, Cloke, Green and Robinson. Councillors Cooper and Richardson attended as substitutes for Councillors Robinson and Back respectively.

2 Declarations of Interest

Councillor Cooper declared an Other Registerable Interest in relation to item 6 in that he was a Trustee of the Leiston Town Athletics Association who had received funding from the Council towards a project.

3 Minutes

RESOLVED

That the Minutes of the Meeting held on 14 July 2022 be approved as a correct record and signed by the Chairman.

4 Matters Arising Update Sheet

The Committee noted the matters arising update sheet in relation to queries raised at the last meeting.

Councillor Beavan joined the meeting at 6.36pm.

5 Scrutiny Committee Annual Report 2021/22

Following agreement to the Chairman's suggestion that this item be moved to after the Cabinet Member Scrutiny Session item, the Committee then considered the Annual Report for 2021/22.

The Chairman stated that the style of the document was evolving each year and, in his view, this one was a great improvement on previous ones in that it highlighted the Committee and what had been achieved over the course of the year.

Councillor Topping suggested that a more robust follow up procedure was required for ensuring resolutions had been actioned. The Chairman pointed out that the Committee was always open to reviewing procedures which was why the matters arising update sheet had been devised but he acknowledged the need for an audit trail for resolutions and agreed to speak to Officers about a more robust process for this.

Councillor Beavan expressed concern that the ability of Members to submit pre-questions on reports had been removed especially in relation to the annual Budget reports. The Chairman reminded the Committee that it had been decided at the Away Evening to remove this process for several reasons and it had been replaced with a process for scoping out topics which enabled Members to submit lines of enquiry in advance, although he acknowledged that this did not happen for the Budget reports, therefore, he agreed that Officers would liaise to look into the feasibility of this.

On the proposition of Councillor Lynch, seconded by Councillor Hedgley, it was

RESOLVED

1. That the Scrutiny Committee's Annual Report 2021/22 be approved and forwarded to Full Council.

2. That Officers look into a more robust audit trail process for resolutions and the feasibility of pre-questions for the annual Budget reports.

6 Review of the Sale and Disposal of Council Assets Procedure

The Committee received report ES/1299 of the Deputy Leader and Cabinet Member with responsibility for Economic Development who briefly introduced it.

The Cabinet Member emphasised that there were times when it was not appropriate to sell off pieces of land from a strategic perspective and that all sales went through Cabinet as required under the Council's Constitution. He added that national legislation required disposals at best consideration reasonably obtainable, with some exceptions when assets were transferred to community groups at less than best consideration for the benefit of local residents and these were usually accompanied by funds.

The Chairman invited questions from Members. Councillor Coulam referred to a piece of land in her Ward which had been sold in the last year and asked if it would be possible for Ward Councillors to be informed before the sale. The Cabinet Member stated that this was part of the process and apologised that it had not happened in this particular case.

The Chairman asked if the Council sought other bidders if someone requested to purchase a specific piece of land eg to extend their garden. The Head of Operations stated that, in those cases where land had a specific value to an individual, that person might end up paying more than the square footage value as an additional amount might be applied. He added that he was not aware that the Council had ever gone out to the wider market for these types of land. He concluded that it could be beneficial for the Council to just negotiate with the person that had the special interest, given more money could be obtained for it. In response to a further query about whether the neighbours were informed, especially if sale of the land would impact on their access, the Head of Operations confirmed that they should be and the valuer looked at all sorts of things when they inspected, including access, wayleaves, utilities, restrictions on the land etc which was all captured in the valuation report, so if there was neighbour access in the back garden that should be picked up. The Cabinet Member added that it was not too often that the Council received these types of enquiries but Ward Councillors should be informed so if they had local intelligence that could be picked up.

Councillor Gandy queried if the Council investigated whether it would be appropriate to build housing on pieces of land. The Cabinet Member firstly pointed out that land could only be sold once, before explaining that CMT considered what land could be used for, then he received a brief before a proposal was put before Cabinet. He added that the Cabinet Members for Housing and Communities would normally challenge to see if the land could be used for residential or other uses which met the aims of the Strategic Plan.

Councillor Hedgley queried what internal and external checks were in place and who checked them. The Cabinet Member responded that the Legal and Finance Teams were involved in the process and there was also a political check as everything had to go through Cabinet. Similarly, in relation to purchasing land, there was a strategy about that too eg the Council bought the business park in Ellough and at the time it had been the right thing to do and provided a good income but in future that and any decision the Council had made might be questioned as the world changed. The Strategic Director reiterated that all disposals went to Cabinet but there were lots of discussions going on beforehand with an Officer group chaired by the Head of Operations with representatives from across the Council including Finance and Planning colleagues. He explained that, for the bigger property sales, an external valuation was undertaken so there were checks and balances throughout.

In response to a question from Councillor Cooper, the Head of Operations confirmed that the Council's assets were listed in the accounts and were shown as a reduction in its book value that was carried out every five years. He added that when assets were disposed of, the Council lost the asset value and also future maintenance liability, although sometimes Parish Councils would be paid for a few years for the maintenance, so yes it was taken out of the asset value. Councillor Cooper also

queried if there was any chance that an asset could get lost due to legal delays when selling the asset. The Cabinet Member stated that he would not say it was lost but pointed out that it was the same as when selling a residential property, both sides would be pushing for completion. The Strategic Director acknowledged that some of the land issues the Council tried to sort out could be protracted as they had multiple owners of bits of land in trust or charities etc so it could take a very long time eg one had taken three years because all parties needed to agree to things.

Councillor Topping referred to three pieces of land in her Ward, one which was on GIS but did not belong to the Council, another which was rented to someone and another that had been fenced off and taken as part of a residents garden for nearly five years. She also referred to page 10 of the Strategy which showed the challenges and asked if there were any under performing or surplus pieces of land in her Ward. The Cabinet Member responded that the disposal process included early discussions with the Ward Councillor and also, if applicable, with Parish Councils. He added that he would take on board the issues raised and seek to resolve them, explaining that there had been a similar situation in another Ward where someone had tried to move a fence but they had put the fence back following discussions. He explained re KPI's that it was a big task and he regularly asked about progress on digitalisation which would provide capacity savings and more visibility, but this work was ongoing. The Head of Operations reported that there were over 2,500 assets mapped on Uniform and they were very different eg some were just open areas of land to the Moor Business Park. He explained that the Strategy had successfully enabled the assets to be divided up into those that were operational such as public conveniences, those that provided a revenue income, and those that might be suitable for community use. He offered to make the list available if Members wanted and added that the Council was making headway in transferring assets with 20 in Bungay, 40 in Melton and hopefully about 100 more in the near future. He pointed out that with only three estate managers looking after 2,500 assets across the whole district, they did not have the same eyes on the assets as someone who managed a business park etc so the Council relied on Members/neighbours to flag up if someone moved a fence for example so we could deal with it. Councillor Topping also referred to P12 of the Strategy and the backlog of work, and she queried if Uniform was not up to the job or if it was a case that there were insufficient staff. The Head of Operations confirmed that Uniform was not necessarily the best system for this purpose and it was possible the Council might utilise the system coming back in from Norse when the service came back in house or get a new one. He explained that Uniform had provided a great record of assets the Council owned and in terms of workflow it had assisted but there was a slight backlog in rents which needed to be reviewed, but huge headway had been made. He acknowledged that when reviewing the Strategy early next year ready for the new Term of Office, it was possible that more staff might be needed and he reassured Members that this would be looked at.

Councillor Lynch asked what plans or strategy was in place to ensure that if a Council House had been upgraded eg with solar panels or heat pumps, this increased the valuation. The Strategic Director acknowledged that Right to Buy (RTB) was an issue as the Council lost 30/35 properties per year to RTB and it was a heavily regulated, including the valuation process.

The Chairman asked several questions relating to the use of external valuers and the Head of Operations confirmed that a number of different individuals/firms were used but all needed to be RICS Members and use approved recognised qualifications. He explained that, in some cases, the Council got more than one valuation but did not normally get more than two unless it was high value/profile. Internal checks were also carried out looking at the evidence of workings out or comparables and the external valuers had to be able to justify their value. The Strategic Director confirmed that it depended on the asset being sold eg if it was unusual or controversial then more than one valuation would be sought but if it was more routine then only one would. He added that some were also offered for bids so the market competed to buy it to get the best value.

In response to a question from Councillor Coulam relating to the number of surplus assets, it was explained that the KPI target was 5% under 12 months which was around 50 properties.

Councillor Goldson queried who lead and had responsibility for the new properties that the Council developed. The Strategic Director stated that the Council used a number of external consultants to manage projects and others helped with the design and procurement. The Cabinet Member confirmed he and Cabinet had ultimate responsibility. In response to Councillor Goldson's query as to whether the Council looked at the future viability of other public sector buildings such as those belonging to the NHS, it was noted that the Strategic Director was part of the One Estate Group which involved all parts of the public sector so the Council were involved in discussions.

Councillor Deacon thanked the Cabinet Member and Officers for the report and stated that it was reassuring. He also referred to the Strategy which stated that all disposals met State Aid rules but asked what the impact was now that the UK was no longer part of the EU. The Head of Operations stated that it was no longer called State Aid but was now Subsidy Control and was about whether a public body was giving preferential treatment to an individual body so there was legislation against it and the Council's legal team ensured that we were on the right side. The Cabinet Member clarified that the Monitoring Officer often gave advice on this to ensure the Council was compliant. Councillor Deacon also asked for an assurance that the recent sale of Melton Hill offices and other high value assets had followed the strict procedures outlined in tonight's papers as he was aware that residents were concerned about the previous, failed, sale process of the Melton Hill site and were keen to be assured that all appropriate process had been followed. The Cabinet Member confirmed this, acknowledging that there had been complexities re the site but the sale had now been affected. He added that the Strategy, the Constitution, the national legislation and everything that come through Cabinet as well as the CMT officer led checks, so he hoped that provided the reassurances required.

Councillor Topping referred to page 20 of the Strategy and asked how the Council dealt with tenants in rent arrears and how many buildings were owned in the C2 category. The Cabinet Member clarified that this related to commercial tenants and he was not aware of any on payment plans or in arrears. In relation to risk, he stated that progress was being made as they were being digitised and the detail was very thorough. The Head of Operations stated that all the assets had been inspected over last six months and any urgent works had been carried out with any other works

programmed for next year and that would inform the basis of ongoing inspections. In relation to C2 category properties, he stated that he was not sure that we had any that were in such a poor state of repair that needed to be disposed of but he would look into and report back to Members on this. The Strategic Director pointed out that the Council did have some properties in a poor state of repair, some were bought because we could see redevelopment potential eg the Council had bought some property on Kirkley waterfront that was not in the best of condition but we could see it benefitted access to another site we owned, then rented it out and now in process of demolishing it because it was surplus to requirements.

Councillor Cooper declared an Other Registerable Interest in that he was a Trustee of a community group that had received funding.

Councillor Richardson queried if there was a plan to protect the Council's assets from negative equity. The Cabinet Member explained that negative equity related to assets with mortgages against them when that was more than the value, and he confirmed that he was not aware of any such Council owned mortgaged properties that would cause problems. Councillor Richardson also asked, under Right to Buy (RTB), if the value of the property dropped and the tenants then put in an RTB, if that would lose a lot of money for the Council. The Cabinet Member stated that this was within the Cabinet Member for Housing's portfolio and Officers would ask the question and report back to Committee.

In response to Councillor Lynch's query about exactly how many properties constituted the 5% surplus for more than 12 months, the Cabinet Member clarified that this was a KPI target and Officers would report back to Committee Members on a live figure and whether the 12 months target was being met.

The Chairman queried if a four year review of the Strategy was sufficient time to update it and also if it was benchmarked against other Local Authority Asset Management Policies so we could learn from best practice. The Head of Operations confirmed that Officers had looked at what other Councils produced as a framework and would do that again when it was refresh next year. He explained the reason it was for 4 years was that it was felt it should run alongside the term of Council because it was driven by the Council's strategic direction. In relation to the review, he added that performance was reviewed regularly especially when meeting the Cabinet Member but he was happy to consider other timescales for review.

The Chairman asked if there were any further comments and Councillor Topping stated that she wanted to ensure there were sufficient staff to deal with the backlog and also asked where the budget was coming from to upgrade the IT.

The Chairman asked if Members would be told about the review and asked that it would include whether more staff were needed. The Head of Operations confirmed that it would go through Cabinet Briefing/Cabinet and would involve deciding if more staff were needed.

Councillor Lynch stated that Officers should look to see a Policy in place before doing any major investment on properties subject to an RTB to ensure that valuations

accurately represented it. The Strategic Director agreed to provide information on the RTB process and how valuations were done.

Councillor Gandy requested a link to the Uniform asset map and the name of team members Councillors could contact for assets within their Ward.

RESOLVED
That the report be noted and the Cabinet Member and Officers be asked to report back to Members on the following queries:

- Are there any C2 category properties in such a poor state of repair that they need to be disposed of?
- Would the Council lose a lot of money if the value of a Council House dropped and the tenants then put in an RTB?
- What are the latest performance figures regarding the KPI - 5% surplus for more than 12 months?
- What is the RTB process and how are valuations done, including how can we protect the Council and ensure any upgrade investments in individual properties were reflected in the valuation?
- A link to the Uniform asset map and the name of team members Councillors could contact for assets within their Ward.

The meeting was adjourned at 7.33pm and reconvened at 7.41pm.

7 Cabinet Member Scrutiny Session

The Chairman welcomed and thanked Councillor Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development who firstly gave a brief verbal presentation in relation to the Energy/Renewables element of his portfolio. The Cabinet Member stressed that the Council was only one of many consultees rather than the decision maker on NSIPs. In response to a number of queries on the decommissioning of wind turbines, the Cabinet Member stated that this was an issue the whole sector was grappling with, including looking at the possibility of whether new turbines could be placed on existing bases. A query was raised in relation to a ring main and the Cabinet Member responded that, unfortunately, there were no commercially available cables big enough at the moment.

The Cabinet Member also gave a brief verbal presentation in relation to the Economic Development side of his portfolio. Concern was expressed that it was still difficult for disabled people to get down to the sea and that they also had to climb six steps to speak to the Beach Officer. The Cabinet Member pointed out that beach wheelchairs were available for those disabled people who wished to get down to the sea but he acknowledged the point about accessing the Beach Inspector and stated that he and the Cabinet Member for Communities, Leisure and Tourism would look into this, in conjunction with the Disability Forum. In response to a query on renting out empty properties to charities or community groups, the Cabinet Member confirmed that he was happy for community groups to be signposted to him to see if there were any opportunities to re-utilise vacant properties. The Cabinet Member stressed that whilst there were some issues such as the A12 that were outside of this Council's direct control, there were other matters that we could do something about such as the roll

out of gigabit broadband so there were many very good reasons why businesses should invest in and locate to East Suffolk.

8 Scrutiny Committee Work Programme

Councillor Goldson suggested a review of the decision to terminate the contract with NORSE and create a LATCO to deliver the services. Given the decision to create the LATCO had already been made, a further suggestion that the LATCO's governance arrangements be scrutinised was then considered and it was agreed that this would be scoped out and emailed to Committee Members for approval. The Chairman reminded the Committee that any new topics would have to be considered at an ad hoc meeting as there were no more slots available in the scheduled timetable.

The meeting concluded at 8.56pm.

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Chairman