

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

CABINET SCRUTINY COMMITTEE

**Minutes of a Meeting of the Cabinet Scrutiny Committee
held on Wednesday 22 July 2009 at 6.00pm
in the Committee Suite, King's Court, Chapel Street, King's Lynn.**

PRESENT:

Councillors I Gourlay (Chairman),
P Burall, M Langwade (substitute for C Crofts), I Mack (Vice-Chairman),
R Payn, D Pope, J M Tilbury, A Tyler

Other Members Present:

Councillor N Daubney, Leader and Portfolio Holder for Resources
Councillor R Johnston, Portfolio Holder for Performance

Under Standing Order 34, Councillor D Collis (Items CSC19(a)(iii) and
CSC19(a)(iv)) attended

Apologies for absence were received from Councillors C Crofts and C Sampson

CSC12: MINUTES

The minutes of the meeting held on Monday 22 June 2009 were agreed
as a correct record and signed by the Chairman.

CSC13: URGENT BUSINESS UNDER STANDING ORDER 7

There was none.

CSC14: DECLARATIONS OF INTEREST

There was none.

CSC15: MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

Councillor Collis attended the meeting under Standing Order 34 for
CSC19(a)(ii) and CSC19(a)(iii).

CSC16: CHAIRMAN'S CORRESPONDENCE

There was none.

CSC17: RESPONSE TO PREVIOUS COMMITTEE RECOMMENDATIONS

The Committee noted the response made by Cabinet at its meeting on 7
July 2009, to the Committee's recommendation made on 22 June 2009 in
respect of the Building Control Structural Checking Policy.

CSC18: **MATTERS CALLED-IN PURSUANT TO STANDING ORDER 12**

There was none.

CSC19: **SCRUTINY OF CABINET/PORTFOLIO HOLDERS' DECISIONS**

(a) Cabinet Decisions 7 July 2009

The decisions/recommendations from the Cabinet meeting held on Tuesday 7 July 2009 were received.

(i) Proposed Changes to Homelessness Prevention Fund

The Vice-Chairman welcomed the Government decision to provide additional funding, albeit a rather small sum, to assist local authorities to prevent homelessness. He made reference to the Government guidance, a copy of which was circulated. It advised local authorities to extend their Prevention Funds to offer loans, rather than grants, to prevent repossessions and eviction, due to rent or mortgage arrears, which were at risk of increasing due to the current recession. The guidance set out a number of key principles which could underpin the use of the Fund, and which he considered would have been helpful to have been included in the Cabinet report, and he asked whether Cabinet had considered the issue of "moral hazard". As the Fund would now include assistance for mortgage holders, who had not been previously able to benefit, he asked what the level of need was likely to be from those applicants.

In response, the Leader advised that the additional Government grant provided the Council with a small amount to assist families who were at risk of homelessness. He commented that this was not additional money, but a reallocation of existing EEDA funding, which would have been used to assist business development in the region. The criteria used for assessment of need would be applied robustly and the funding used where it could genuinely prevent homelessness. As set out in the report the assistance would be in the form of small grants and loans. Loans would be favoured, in accordance with Government guidance, where officers were satisfied that repayment terms were realistic. He stated that he was satisfied that the appropriate decision had been made by Cabinet and that suitable measures had been put in place to enable the Council to help prevent homelessness, which was the overall aim of the Fund.

The Strategic Housing and Community Safety Manager acknowledged the importance of the adhering to the principles, as set out in the guidance. He advised that it had been necessary for the report to be prepared within a short timescale in order to establish a framework as quickly as possible for assessing potential needs. He emphasised the importance of ensuring a robust financial assessment of claimants and the ability and potential of

those who might benefit from a loan to be able to comply with the criteria for repayment.

A number of questions were raised, including what the interest charge was likely to be, the period of the loan, the length of interest free period, what would happen if a loan were to be paid back early, whether a top-up loan could be applied for, and the number of people likely to benefit.

In response, the Strategic Housing and Community Safety Manager advised that it was important to establish a framework, but as yet all the details were not in place. No loans had yet been assessed or terms agreed and it was explained that assessment would be made on a case by case basis and terms agreed accordingly. He emphasised that the intention was to maintain the value of the Fund and not to make a profit. Under the existing scheme, a cost benefit analysis was undertaken for each case considered. It was important to ensure that the Council was not creating another debt problem for the potential recipient or dependency on availability of a grant or loan. With regard to the number of people who were likely to benefit, it was explained that this was difficult to predict. Under the current scheme around 20 households were assessed per quarter and this was one of a range of measures which already existed to help potentially homeless households in priority need. Consideration could be given to widening the scope of the scheme to take in other categories, which would require a further report to Cabinet.

The Vice-Chairman sought clarification as to where the key principles for delivery of the service were set out in the strategy document. He indicated he would be happy to liaise with officers on this issue outside the meeting.

In response to a question, the Strategic Housing and Community Safety Manager advised that offering an out of hours advice/assessment service to potential recipients had not been considered as an option. Staff tried to be flexible, but within office hours. The Executive Director, Revenues and Customer Services explained that officers could be contacted by telephone through the CIC which was open until 6pm. He also highlighted that opening of offices on Saturday had recently been withdrawn, as it had not been sufficiently used by members of the public. The Vice-Chairman commented that, in the current climate, the provision of a face-to-face debt assessment service out of hours would be beneficial.

Queries were raised about publicising the availability of the Fund to potential beneficiaries and the Council's liaison with the Citizens' Advice Bureau (CAB). The Leader explained that this was one of a range of tools and techniques at the Council's disposal to help prevent homelessness.

The Deputy Chief Executive emphasised that the Council was not a debt advisory service and people might be referred to the CAB by the Council in appropriate cases. Similarly, the CAB may refer their clients to the Council where they were genuinely in a potentially homeless situation.

The Strategic Housing and Community Safety Manager advised that the fund would not be actively promoted, but would be considered as part of the assessment process and used to assist a potentially homeless family, where it was judged to be appropriate and beneficial. He further explained that the Council worked with the CAB on many cases and was one of the first Councils to be recognised at a national level for its work in relation to the Mortgage Rescue Scheme.

The Leader stated that he considered the Committee was straying from its scrutiny of the Cabinet Decision.

There were no further questions for the Portfolio Holder or officers.

(ii) Exclusion of Public and Press

RESOLVED: That under Section 100(a)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

(iii) Asset Management – Land Disposal – Waveney Road, Hunstanton

The Vice-Chairman welcomed the Portfolio Holder for Performance back following his recent absence and wished him continued improving health.

Reference was made to the press release and subsequent article which appeared in the local press in relation to this site.

The Vice-Chairman stated that he had been unable to find information relating to the Housing Needs Survey for Hunstanton and indicated that he would be happy to liaise with officers outside the meeting. He asked whether this information had been available to Cabinet when making its decision and how many housing units were anticipated would be provided on the site. He also highlighted that there was no current policy to direct money to a specific scheme in the Capital Programme, and to do this would return to a “silo” system of funding. He asked whether Cabinet had taken into account the recommendation arising from the Audit Commission’s assessment of the Borough’s Strategic Housing Service, that it should look at how it would provide Council land for Social Housing.

The Portfolio Holder for Performance confirmed that housing needs information for Hunstanton had been taken into consideration during the development of the proposal. However, housing needs had to be balanced with the provision of jobs and ensuring the best value was obtained from the sale of the land, in the current economic climate. He commented that the value of the site as housing land could be less than for the uses being proposed. The number and type of housing units were not known at this stage and would be the subject of negotiation with the Registered Social Landlord (RSL) in due course. Sale of the site would produce a significant capital receipt for the Council and Cabinet considered that it would be appropriate for a proportion of that receipt to be used as a contribution towards the Hunstanton Regeneration Scheme.

The Vice-Chairman acknowledged that the issues had been considered by Cabinet, but stated that he would have to agree to disagree with the weighting which had been given in this consideration of the proposed sale of land.

The Strategic Housing and Community Safety Manager advised that in June 2009, there were 75 households on the housing register for Hunstanton, but this did not necessarily reflect the level of housing need. It had been recognised for many years that the need for social housing in Hunstanton was very high and was difficult to deliver. He advised that officers would be working with the RSL to ascertain the appropriate mix of dwelling types to meet the needs identified. The number of dwellings would depend on the density and layout, but, in general terms, upwards of 15 dwellings could be provided on a one acre site.

Reference was made to the press article and the potential impact of the decision on other businesses in Hunstanton. The Portfolio Holder for Performance advised that it was believed that the expansion of the store and range of products would not impinge greatly on existing businesses.

The Leader commented that the decision was to proceed with the sale of the site, the future development of which would then be subject to the usual planning procedures.

Under Standing Order 34, Councillor Collis stated that he welcomed the additional employment opportunity, but considered that situation with regard to housing was difficult. He commented that he would have expected that with the site being adjacent to that of the purchaser, it would have commanded a premium price. If a premium price were to be paid for the land, he asked whether it would be feasible to invest some of this in other plots to assist RSLs to provide more affordable housing and whether this had been considered by Cabinet.

In response, the Leader advised that the Regeneration Plan for Hunstanton was in place and the Regeneration Partnership would consider how any contribution towards regeneration projects as a result of this sale would be used.

In response to a question from the Chairman, it was clarified that agreeing that part of the income generated from this site be allocated for regeneration initiatives in Hunstanton was not a departure from policy. The Deputy Chief Executive advised that around £11 - £12million of Capital receipts were needed to be generated to fund the Capital Programme to 2012. It was any additional income above this sum which it had been agreed would be earmarked toward the cost of the Waterfront Regeneration Project. He commented that this was a similar situation to decisions which had been taken previously whereby some of the income generated from the sale of industrial units was reinvested in the refurbishment of other industrial units.

The Vice-Chairman stated that, in his opinion, the press release, and in particular the headline, was misleading. In response, the Leader gave a reassurance that if there was a change in policy on preferentially funding projects within the Capital Programme, there would be an opportunity for Cabinet Scrutiny Committee to scrutinise it.

(iv) Acquisition of Office Accommodation, North Lynn

The Vice-Chairman acknowledged the need for urgency in dealing with this matter and sought clarification on a number of issues relating to the provision of the Care and Repair Service and consideration of the options available for provision of accommodation, including the following:

- The type of work undertaken by Care and Repair and any issues affecting the location of the service
- Consideration of joint working arrangements and suitability of the site
- Consideration of alternative short term options, in the current economic climate
- Any financial considerations relating to this Capital expenditure of acquiring this asset.

In response, the Portfolio Holder for Performance advised that the location of the base for the Care and Repair service was not crucial, as staff spent much of their time out and about visiting clients. The service was delivered in conjunction with other authorities and 2500 sq ft of accommodation was required. There was limited availability of accommodation of this size, but a number of locations had been considered, with an appraisal of those which were considered to be the most suitable being detailed in the report to Cabinet. It was

considered that the site at North Lynn presented the best option, in terms of energy efficiency, lower conversion and future maintenance costs and investment in a capital asset which would increase in value in the future. In addition, the accommodation was slightly larger than was required and, together with the availability of another associated adjacent building, provided an opportunity to explore the possibility of establishing a West Norfolk Care Centre together with other agencies.

The Portfolio Holder for Performance also responded to subsequent questions from the Committee.

In response to a question, the Deputy Chief Executive confirmed that the costs would be met from the transfer of budget provision in the Capital Programme from the scheme for the acquisition of land at Hardwick Industrial Estate, so funding arrangements were already accounted for within the current Financial Plan 2008/2012. Acquisition of the offices would provide a valuable addition to the Council's property portfolio which it was anticipated would increase in value in future years.

RETURN TO OPEN SESSION

(b) Portfolio Holders' Decisions made under Delegated Powers.

The list of Portfolio Holders' Decisions made under Delegated Powers was noted.

CSC20: DATE OF NEXT MEETING

The Committee noted the date of the next meeting was scheduled for **Wednesday 26 August 2009** at 6.00 pm.

Meeting closed at 7.13 pm