

RECOMMENDATIONS TO CABINET 30 JULY 2013 FROM THE MEETING OF THE RESOURCES AND PERFORMANCE PANEL 23 JULY 2013

RP28: CABINET REPORT: MAJOR HOUSING DEVELOPMENT – PROCUREMENT PHASE

The Corporate Project Officer gave a PowerPoint presentation which updated Members on progress made on the Major Housing Development project since the last report to Cabinet on 30 October 2012. The report requested authority to take the proposal to market.

The proposal was to build an estimated 587 housing units of which 87 (15%) would be affordable units, with an extension clause purely at the discretion of the Borough Council to extend the project to up to 1,000 units. The project was aimed at achieving a significant delivery of housing over a 4-5 year period, a commercial return for the Council over the longer term and act as a stimulus to the economic activity in the local area including the creation of apprenticeships in West Norfolk.

Members were advised that all options/models presented to the Council in response to the procurement exercise would be appraised against a pre agreed set of evaluation criteria as laid out in the European Union's procurement regulations.

Members' attention was drawn to the following sections of the Cabinet report:

- Aims of the project.
- Housing Sites.
- Property Types.
- King's Lynn Housing Market.
- Rental Market.
- Proposed Model Structure – Development Phase and Investment Phase.
- Council Options at Development Phase.
- Investor Phase.
- Indicative Viability Assessments.
- Summary.
- Financial Implications.
- Risk Implications.
- Statutory Considerations.
- Equality Impact Assessment.

In response to questions from Councillor Cousins, the Corporate Project Officer explained that costs had been included within the tree survey to look at the ancient orchard located on the Marsh Lane site, but highlighted that it did not appear to present any significant issue. In relation to the road which had not been successful in receiving pinch point funding, the Corporate Project Officer advised that once the tender process had been carried out and the Council had evaluated the offers received, it was anticipated there would be

other methods investigated to fund the necessary road. A further report would then be presented to Members.

In response to questions from Councillor Humphrey in relation to developer profits, the Corporate Project Officer advised that the figures were only indicative at this stage. Soft market testing had been carried out and it was the opinion of developers that the proposed model was deliverable. Developers had indicated that they were keen to keep their workforce employed and to train apprentices in order to achieve a more skilled workforce. The benefits of the proposed project did therefore not just relate to money.

Following questions from Councillor Morrison on investors and apprenticeships, the Corporate Project Officer explained that specialist advice had been received from Savills relating to investors. It was further explained that Savills could be invited to attend meetings of the Council to answer questions Members may wish to ask.

As regards to apprenticeships, the Corporate Project Officer explained that information relating to apprenticeships was included within the tender documents and bidders would be awarded points accordingly. Soft market testing which had been carried out had indicated that during Year 1 there would be a cost to the developer, but in Year 2, the apprentices would be of benefit to the developer.

Councillor Loveless asked if planning officers had been involved and had been given the opportunity to offer views on each site. Councillor Loveless referred to planning briefs which had been previously used and their merits. The Corporate Project Officer explained that to date, a workshop had been run by Savills at which planning officers and officers from other key departments had attended. The tender package would include planning policies for each area identified.

The Deputy Chief Executive added that the Council had previously looked at Marsh Lane, NORA and Lynnsport for potential development.

Councillor de Winton stated that he supported the proposal to approve a budget of £168,000 to progress the procurement to the award stage.

Councillor Wright asked why Savills had been chosen to provide the special advice required. The Corporate Project Officer explained that previously the Council had used a different property consultant, who were a national firm, but had provided advice that was considered as not being value for money. It was subsequently agreed to employ Savills as the Council's specialist property consultant.

Councillor D J Collis stated that he supported the idea of investment and in his view thought that the project demonstrated the Council's confidence. He added that it was helpful if Members were familiar and understood the local issues relating to each site. He therefore commented that it would be useful if information relating to the practicalities of each site was made available.

Councillor Wareham asked the Corporate Project Officer if he was aware of

the number of planned properties which had not yet been built in the Borough. In response, the Corporate Project Officer explained that the proposal sought to build properties over a number of years. In relation to the growth area, the target had not been met to deliver the required number of properties. He explained that there were currently 4,500 on the waiting list. Members were advised that there was a strong demand for the rental market, and in particular the private rented market not only in King's Lynn but nationally.

In response to further questions from Councillor Wareham, the Corporate Project Officer explained that soft market testing had been undertaken and developers had confirmed that they were willing to build the number of houses proposed. He added that the procurement exercise would test this statement.

Councillor Gourlay asked how the people on the waiting list would be able to afford to rent at market value. In response the Corporate Project Officer explained that the testing carried out by Savills had indicated that there was sufficient demand on the current market and that there were no problems envisaged.

In response to questions from Councillor Gourlay on the development/investor partnership arrangement and the units being returned to the Council after the 40 year period, the Corporate Project Officer explained that the developer would exit the arrangement after 5 years. However, the Investor would not wish to manage the units through to the end of the period. An amount for maintenance had been costed within the proposal.

Following further questions from Councillor Gourlay on the investor model, the Corporate Project Officer explained that over the period, the investor would take a risk but would expect a rate of return of 4.9%.

In response to comments made by Councillor Humphrey relating to the developer profit, the Chief Executive advised that the first stage had been to undertake a feasibility study. The Corporate Project Officer had progressed the work to enable the Council to move to the second stage of proposing a budget of £168,000 to undertake the procurement process. The model had been developed in order to address the current sluggish housing market both in King's Lynn and nationally. The proposed model would result in the Council taking a deferred land receipt and provided a guaranteed exit strategy which was designed to make it more attractive to potential developer partners. The Council's approach would encourage developers to bring forward a viable model.

The Chief Executive gave an example of a similar model which was being delivered in Kent. The procurement exercise would therefore bring forward a viable proposal and allow the Council's land to be developed rather than sit undeveloped for the next 5 years. Members were advised that there were other greenfield areas identified for future housing allocation in the Local Development Framework Core Strategy in King's Lynn which were likely to prove to be more attractive and easier to develop than those in the Borough Council's ownership. He therefore recommended that the Council progress to the procurement phase.

Councillor Wareham asked if there were other examples other than Kent. In

response, the Corporate Project Officer explained that a similar scheme was being progressed in London and there were 3 or 4 other councils in advance of the Borough Council. The Borough Council was one of the first tranche, but it was anticipated that similar schemes would take off throughout the country and in some areas which would appear as better choices than King's Lynn.

In response to questions from Councillor J Collop, the Corporate Project Officer explained that affordable housing would be provided on each identified site by using the Council's peppercorn policy. The Corporate Project Officer advised that all key agencies had been consulted and added that all known costs including estate roads would feed into the model.

The Panel voted on the recommendation as set out in the Cabinet report which was carried.

Councillor Gourlay abstained from the following recommendation.

RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet.

RP29: **CABINET REPORT: CALL RECORDING POLICY**

In presenting the report, the Customer Information Centre (CIC) Manager explained that in order to protect employees and the Council, from time to time it may be necessary to record incoming and outgoing telephone calls which were handled by the Council's staff for the purpose of improving customer service, training and for monitoring purposes. To legally record calls, the Council must publish its Call Recording Policy on its website and take reasonable steps to inform callers that call recording may take place. The document outlined the Borough Council's draft policy on the recording of telephone calls across the authority.

The CIC Manager explained that there were no financial implications of adopting the policy. It was intended to use a bespoke solution, utilising the existing software to initially record calls in the CCTV Suite, in Treasury Management and within the Car Parks Department. However, to extend call recording into the Council Information Centre, a more robust solution would be sought which digitally recorded calls, date and time stamps them and stores the calls in a fully retrievable system. A separate proposal for this would be made through the ICT Development Group.

Members were informed that as well as informing customers that telephone conversations may be recorded, it was a requirement that staff were informed that their calls may be recorded. The policy would be taken to the Senior Management Trade Union Meeting in July for consultation and a copy of the policy would be placed on Insite. Staff would be informed in advance of any recording taking place. However, it was not the intention to record telephone calls between extensions.

In response to questions from Councillor Humphrey in relation to paragraph 6.1, the Customer Information Centre (CIC) Manager explained that it was not intended to record telephone calls between internal extensions. Only external calls would be recorded. Any calls from Councillors received by the Customer

Information Centre (CIC) may be recorded. Following further comments from Councillor Humphrey, the CIC Manager agreed to see if it were possible to revise the wording in paragraph 6.1.

Councillor Wright commented that he was not in favour of a call recording policy.

Councillor de Winton stated that it was important for such a policy to be introduced to protect the Borough Council and in some cases call recording acted as a warning to some people who acted in an abusive manner.

Councillor Gourlay asked if 28 days was considered to be the normal retention period. In response, the CIC Manager explained that 28 days was the retention period which had been adopted by CCTV and it was considered appropriate to propose 28 days to keep in line with CCTV. However, it was explained that some calls may be retained for a longer period if required for a complaint, training purposes or if identified as evidence for the Council's procedure for dealing with unacceptable behaviour towards staff and unreasonably persistent complainants.

Councillor Wright abstained from the following recommendation.

RESOLVED. That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet.

RP30: **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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Scheduled 12A to the Act.**

RP31: **EXEMPT CABINET REPORT: ASSET MANAGEMENT – PROPOSED DISPOSAL OF LAND AT GAYWOOD**

The Property Services Manager presented the report which set out the provisionally agreed terms for a proposed disposal of land and buildings in King's Lynn, and authority was sought from Cabinet to progress this disposal through to completion.

The Property Services Manager responded to questions and comments from the Panel.

Councillor D J Collis abstained from the following recommendation.

RESOLVED. That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the report to Cabinet.