
POLICY DEVELOPMENT AND REVIEW COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT on Tuesday, 21 February 2017 from 7.00 pm - 8.23 pm.

PRESENT: Councillors Sarah Aldridge, Cameron Beart (substitute for Councillor Andy Booth), Monique Bonney, Lloyd Bowen (Chairman), Katy Coleman, James Hunt, Nigel Kay (substitute for Councillor Nicholas Hampshire), George Samuel and Ben Stokes.

OFFICERS PRESENT: Anne Adams, Philippa Davies and Bob Pullen.

ALSO IN ATTENDANCE: Councillor Duncan Dewar-Whalley (Cabinet Member for Finance and Performance).

APOLOGIES: Councillors Mike Baldock, Andy Booth, Nicholas Hampshire and Harrison.

1206 FIRE EVACUATION PROCEDURE

The Chairman drew attention to the Fire Evacuation Procedure.

1207 MINUTES

The Minutes of the Meeting held on 17 January 2017 (Minute Nos. 1109 – 1113) were taken as read, approved and signed by the Chairman as a correct record.

1208 DECLARATIONS OF INTEREST

Councillor Sarah Aldridge requested that it be recorded that she was a Trustee of Grove Park School, Sittingbourne.

1209 PROPERTY STRATEGY (INCLUDING THE COMMUNITY ASSET TRANSFER POLICY)

The Chairman welcomed the Cabinet Member for Finance and Performance, and the Head of Property Services to the meeting. The Chairman advised that the Committee would be considering the draft Property Asset Strategy 2017 – 2020, as part of the three-year cycle; this included the re-write and update of the previous version of the Strategy 2012 – 2015. The final document would be presented to Cabinet on 15 March 2017.

The Cabinet Member drew Members' attention to page 2 of the report which set-out the key changes between the current document and the previous version.

The Head of Property provided some background dates to the process as noted on page 1 of the report and further explained that the Community Asset Transfer Policy was the same version as that reviewed by the Committee in September 2014 as it was out of sync with the Property Asset Strategy. It would therefore be due for a review in November 2017.

The Chairman suggested the Committee went through the document, section-by-section, and he welcomed questions and recommendations.

Section 1 – Overarching Strategy (pages 7 – 12 of the report) and Appendix A (page 21)

A Member outlined the various different types of organisations which applied for asset transfers, and he considered charitable status to be a real safeguard in the process. He also stated the importance of the Council empowering organisations to engage with the asset transfer process.

In response to questions, the Cabinet Member explained that the Council did assist communities to take-over assets, and that work with limited companies needed to be looked at further by the legal team. The Head of Property also confirmed that legal advice would need to be sought with regard to the type of organisation the Council went into a long-term lease with.

A Member suggested that improved processing of Section 106 Agreements could assist the transfer of assets, with the potential for further funding opportunities for the community group. The Cabinet Member agreed to look into this further.

In response to a question, the Head of Property explained that with regard to repair and maintenance, where Swale Borough Council (SBC) had a liability to repair, a condition survey would be carried out, ideally once a year. There was a 5-year rolling maintenance programme, with periodic inspections. When there was a long lease, it was the lease-holders' responsibility to carry out repairs.

A Member considered not enough was made of Council assets. He considered there should be more information on the assets that had been transferred to community groups or Parish Councils, in Appendix A of the report.

Paragraph 1.7.2, Page 10

A Member considered that feasibility studies should be carried out throughout the Borough, not only in Sittingbourne town centre.

Paragraph 1.8.2, Page 11

A Member sought clarification on which councils had invested £800m into Commercial Property.

In response, the Cabinet Member saw no reason why the rest of the Borough could not be included in the feasibility studies. The Head of Property stated that all the community assets were named in paragraph 1.5.2, and there was a breakdown of all property listed in Appendix A. This information was also available on the Council's website. The Cabinet Member agreed to look into which councils were referred to under Paragraph 1.8.2.

A Member highlighted some premises that still had signs from when SBC managed the asset, so that these remnants from SBC management could be removed following completion of a transfer.

Paragraph 1.9, Page 12

A Member requested more information on the possibility of SBC acquiring housing stock. The Cabinet Member explained that if this was to take place, SBC would not manage the properties; they were likely to be passed to AmicusHorizon for them to manage.

A further Member referred to the table on page 8 which set-out the aims and objectives for SBC's property portfolio, and he considered adding housing stock was not economically sustainable. The Cabinet Member added that the Policy needed to be reasonably flexible, and a further Member suggested the term be altered to read 'economically viable'.

Paragraph 1.1.2, Page 7

A Member suggested that on the list of market values, it would be useful to have a split of rental income, referencing the security of the tenure and the covenant strength, with a breakdown of rental incomes/book value to understand the balance of the portfolio.

The Head of Property advised that only a proportion of assets owned by the Council were income-generating. In terms of the market rent, she explained that it was difficult to put a market value on certain community assets as there was no market value as such. For this reason, financial regulations required only the book value to be reported.

The Member suggested that it would be useful to see the proportion of income from tenants when the lease had expired. The Head of Property explained that property performance information was provided in an annual report.

Paragraph 1.9.2, Page 12

In response to a question, the Cabinet Member stated that it was possible to get the profit split of council land/affordable housing with reference to the ability to contribute towards reducing the shortage of affordable housing and/or temporary accommodation.

Section 2 – Property Organisational Framework (pages 13 – 17) and Appendices B (Pages 22 and 23) and C (Page 24)

A Member welcomed the Property Services Structure and roles chart set out on Appendix C, but requested names be added to the roles and asked whether all the roles were filled?

He also noted that reference had been made to the Cabinet Member for Localism on Page 22 of the report which needed to be amended. Also, on page 23, he requested that with reference to officer and Member reporting arrangements, that minutes be circulated to all Members, not solely Cabinet Members. The Cabinet Member agreed to look into this further.

A Member considered town centre regeneration was fundamental to Property Services and queried how this fitted-in with the Policy and how it would be managed. The Head of Property explained that town centre regeneration came under the Regeneration Team, but there would be assets that would be acquired and these would need to be managed. This was currently being looked into, and would be either in-house or externally managed.

The Member highlighted the importance of making a recommendation on this matter, and considered that management needed to be properly integrated from day one, with a proper handover procedure. The Member drew-up her recommendation ready for completion of this item.

Section 3 – Property Performance Framework (Pages 18 and 19)

Paragraph 3.3, Page 19

A Member requested that with reference to officer and Member reporting arrangements, that minutes be circulated to all Members, not solely Cabinet Members. The Cabinet Member agreed to look into this further.

Section 4 – Executive Summary (Page 20)

A Member requested that reference to regeneration, be made to the Borough as a whole, not solely Sittingbourne.

In response to a question, the Head of Property suggested that as any potential investment in housing stock was currently just an option being explored, it was too premature to include it as a future action at the present time.

Appendix D – Disposals Policy (Pages 25 - 31)

Paragraph 1.5, Page 25

A Member considered the Council should be looking to retaining assets and looking to make more of an income. The Cabinet Member agreed.

Paragraph 1.18, Page 27

In response to a question, the Head of Property explained that disposals for leases over 7 years, or over £3,000, went to Cabinet for approval.

Paragraph 2.2, Page 27

A Member asked when some sites, after this review, would be released? The Head of Property advised that this was on-going, and was being carried out in phases. Some potential sites had been identified and talks were ongoing with housing associations/planning officers/developers. This was in the Service Plan, and it was hoped the sites would be released for disposal by the end of this calendar year.

Paragraph 2.2, Page 28

A Member considered that rather than ‘a further consideration in deciding whether to dispose of an asset.....’, it should be ‘a **main** consideration....’.

Paragraph 3.4, Page 29

A Member suggested that consultation should be with the Cabinet Member for Regeneration, as well as the Director of Regeneration. The Head of Property confirmed that she would discuss this with the Director of Regeneration.

Paragraph 4.7, Page 30

A Member suggested that independent evaluation was preferable to internal evaluation, to avoid conflicts of interest. The Head of Property stated that this depended on the individual site. Some sites went to auction, and this would involve a sensible reserve price from the auctioneer. In response from a further question from another Member, the Head of Property agreed to add **RICS** qualified surveyor to this paragraph.

The Head of Property, in response to a question, explained that the terms of reference for the Asset Management Group were set-out on Page 23 of the report, and the Asset Transfer Group was a more informal officer group. She agreed to talk to the group about whether the group be made more formal.

Appendix E – Community Asset Transfer Policy (Pages 32 – 38)**Page 38**

A Member noted reference to the Cabinet Member for Localism which needed to be deleted.

Appendix F – Acquisitions Policy (Pages 39 – 44)**Paragraphs 1.10 and 3.10**

A Member queried decision-making, regarding officer delegations and the approvals process, on transactions between £30,000 and £100,000.

The Cabinet Member and Head of Property agreed to look into this further.

In response to a question, the Cabinet Member outlined the process if the asset transfer failed as outlined in Paragraph 1.5.5 on Page 9.

A Member stated that Paragraphs 1.8.2 and 1.8.4 needed to be amended to reflect the decision to allow the Council to borrow an additional £30m on top of the £30m previously agreed.

Councillor Monique Bonney moved a motion to recommend that the strategy included the integration of new acquisitions and disposals and this should be reflected in the property strategy for town centre regeneration, and broadened to

include town centres and any other sizeable acquisitions, and there should be a continuing process of management and communication between Property Services and the Regeneration Team. This was seconded by Councillor James Hunt.

Councillor Nigel Kay moved a motion to recommend that when the review of the Community Asset Transfer Policy was made in October 2017 the following points should be considered (and borne in mind for any proposals for transfers in the meanwhile) as follows:

1. Discourage transfers to Community Interest Companies.
2. Encourage transfers to registered charities that give the members of the public who are the beneficiaries the opportunity to become members of the organisation and to control it (such as companies limited by guarantee and Charitable Incorporated Organisations with a wider membership).
3. Highlight in the Policy the role of Swale Borough Council to assist organisations to be ready to have assets transferred to them by providing training, and this should be expressly set out in the policy.
4. Encourage a revised procedure for Asset Transfers, that are being funded by a Section 106 agreement, to ensure that whenever possible the Section 106 monies facilitate additional grants being obtained.

This was seconded by Councillor Cameron Beart.

Councillor James Hunt moved a recommendation that all Members be given details of the Asset Register and Annual Report. This was seconded by Councillor Cameron Beart.

The Cabinet Member for Finance and Performance thanked the Committee for their positive contribution.

The Chairman thanked the Cabinet Member for Finance and Performance and the Head of Property for attending the meeting.

Recommended:

(1) That the strategy included the integration of new acquisitions and disposals and this should be reflected in the property strategy for town centre regeneration, and broadened to include town centres and any other sizeable acquisitions, and there should be a continuing process of management and communication between Property Services and the Regeneration Team.

(2) That when the review of the Community Asset Transfer Policy was made in October 2017 the following points should be considered (and borne in mind for any proposals for transfers in the meanwhile) as follows:

- 1. Discourage transfers to Community Interest Companies.***
- 2. Encourage transfers to registered charities that give the members of the public who are the beneficiaries the opportunity to***

become members of the organisation and to control it (such as companies limited by guarantee and Charitable Incorporated Organisations with a wider membership).

3. Highlight in the Policy the role of Swale Borough Council to assist organisations to be ready to have assets transferred to them by providing training, and this should be expressly set out in the policy.

4. Encourage a revised procedure for Asset Transfers, that are being funded by a Section 106 Agreement, to ensure that whenever possible the Section 106 monies facilitate additional grants being obtained.

(3) That all Members be given details of the Asset Register and Annual Report.

1210 RECORD OF THANKS

The Chairman thanked Members, both those at the meeting, and those who could not attend, for their input on the Committee over the past year. He outlined the policies and strategies that had been considered by the Committee.

The Chairman thanked the Policy and Performance Officer for his support throughout the year, and he also thanked the Democratic Services Team.

Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel