

# **POLICY AND RESOURCES COMMITTEE**

## **MINUTES**

Of a meeting held in the Penn Chamber, Three Rivers House, Rickmansworth, on 20 March 2017 between 7.30pm and 7.50pm and 8.04pm and 9.45pm.

Councillors present:

Sara Bedford (Chairman)

Phil Brading (Vice-Chairman) (Public Services)

Kemal Butt

Stephen Cox

Stephen Giles-Medhurst

Paula Hiscocks

Alex Hayward

Matthew Bedford (Resources and Shared Services)

Chris Lloyd (Leisure, Community and Wellbeing)

Ralph Sangster

David Sansom

Alison Scarth (Health)

Roger Seabourne (Community Safety)

Martin Trevett (Planning, Transport and Strategic Schemes)

Officers Present:

Steven Halls, Chief Executive

Geof Muggerridge, Director of Community and Environmental Services

Bob Watson, Head of Finance

Alan Head, Head of Major Projects

Anne Morgan, Solicitor to the Council

James Baldwin, Principal Solicitor

Kimberley Grout, Housing Services Manager

Martin Wells, Senior Planning Officer

Sarah Haythorpe, Principal Committee Manager

### **PR112/16 APOLOGIES FOR ABSENCE**

None received.

### **PR113/16 MINUTES**

The minutes of the meeting held on 27 February 2017 were agreed by the Committee and were signed by the Chairman.

### **PR114/16 NOTICE OF OTHER BUSINESS**

No items.

### **PR115/16 DECLARATION OF INTERESTS**

None received.

This report presented details of the proposed governance arrangements for the property investment activity that the Council will be pursuing and provided key documentation needed for the formation of the required commercial entities.

The following additional recommendations were circulated to the Committee:

Statement of investment principles:

- The average financial return is to be 5% NET;
- The criteria for acquisition set out in previous reports will be followed;
- There will be a priority for development within the Three Rivers area or within 15 miles of its border;
- The preferred development will be those schemes according with the aims of the TRDC Strategic Plan, which support the community of Three Rivers;
- No single property asset should be worth at acquisition more than 25% of the total property portfolio;
- The portfolio is to comprise not less than 50% and up to 80% residential and not less than 20% and up to 50% non-residential;
- Decisions on acquisitions worth £0-5m will be in consultation with Group Leaders and the Lead Member for Resources (Shared Services);
- Decisions on acquisitions worth above £5m will be considered only by P&R Committee;
- The Scrutiny Panel will consist of 3 Members of the Administration and 2 other Members.

The Head of Major Projects said the Committee had considered the investment strategy at the February meeting where Members had requested a further report on the governance arrangements as detailed in Paragraph 2.11 of this report. The flow chart (Appendix A) to the report provided details on the governance and decision making process.

A Member suggested that pages 11 to 17 of the Part II appendix of the Property Investment report (presented at the February meeting) on acquisitions, risks and mitigations be published alongside the decision tonight which provided details around the parameters for giving delegated powers.

A Member said they were in favour of improving treasury returns but this proposal had a significant number of risks. Residential development was an excellent way of transferring capital assets but it needed to be undertaken with an appropriate partner who had expertise in property investment.

Legal papers would need to be appropriately drafted, corporate governance observed, and the Council must be clear on the intended shareholding and governance proposals. This was a strategic investment proposal which he did not feel Members were not fully equipped or prepared to make a decision on. The report lacked key details, there was no clear understanding on the expertise the external advisors would provide and no clear guidance on the investment strategy. The Member had concerns on the governance arrangements and delegated powers and that Officers could make four individual investments of £5m without having to return to the Committee for agreement. He also raised concerns with regard to management competency and the level of competence of the Officers and opposed the proposals as defined in the report.

The Lead Member for Resources (Shared Services) referred to Page 12 of the Part II appendix presented at the previous meeting, which listed the key considerations, the length of the lease and the rate of return. He agreed this was not a business case.

Councillor Stephen Cox moved an amendment, seconded by Councillor Roger Seabourne, to the additional recommendations that the Scrutiny Panel consist of 3 Members of the Administration, 1 Member of the Conservative Group and 1 Member of the Labour Group.

On being put to the Committee this amended motion was declared CARRIED by the Chairman the voting being 7 For, 0 Against and 7 Abstentions.

On being put to the Committee the recommendations in the report at paragraph 7 and the additional recommendations circulated with the amendment were declared CARRIED by the Chairman the voting being 9 For, 5 Against and 0 Abstentions.

**RECOMMEND:**

- 1) To approve the Council establishing and participating, subject to a viable business case, in TradCo, RentCo and Sale LLP and participating in the joint venture with Watford Community Housing Trust.
- 2) To authorise the Chief Executive to take any and all decisions deemed necessary in his opinion to enable the Council to establish and participate in TradCo, RentCo and Sale LLP and to participate in the joint venture with Watford Community Housing Trust to include without limitation the negotiation of any terms and the approval for execution and/or signature of all documentation including the documentation at section 2.15 of the report.
- 3) To authorise the Chief Executive to approve the appointment of any officer of the Council as a Director of TradCo and/or RentCo and to the partnership board of Sale LLP.
- 4) To authorise the Chief Executive (following consultation with Group Leaders) to make any shareholder decision in respect of the Council's interest in TradCo and/or RentCo necessary, in his opinion, to allow for the establishment of TradCo, RentCo and Sale LLP.
- 5) To approve the methodology of governance as set down at sections 2.10 to 2.14 of the report and to authorise the Monitoring Officer to make the necessary changes to the Constitution.
- 6) To authorise the Policy and Resources Committee, subject to any necessary referral onwards to Council, to:
  - act as the shareholder decision-making body on behalf of the Council in respect of the Council's shareholdings in RentCo and TradCo;
  - manage the Council's property investment activity;
  - to put in place any scheme of delegation that the Policy and Resources Committee considers necessary to enable officers (including the chair of the Property Investment Board) to undertake Operational and Approval decision-making as set out in sections 2.10 to 2.14 of this report;
  - approve any business cases in respect of Direct Activity, TradCo, RentCo and/or Sale LLP.

- 7) Statement of investment principles:
- The average financial return is to be 5% NET;
  - The criteria for acquisition set out in previous reports will be followed;
  - There will be a priority for development within the Three Rivers area or within 15 miles of its border;
  - The preferred development will be those schemes according with the aims of the TRDC Strategic Plan, which support the community of Three Rivers;
  - No single property asset should be worth at acquisition more than 25% of the total property portfolio;
  - The portfolio is to comprise not less than 50% and up to 80% residential and not less than 20% and up to 50% non-residential;
  - Decisions on acquisitions worth £0-5m will be in consultation with Group Leaders and the Lead Member for Resources and Shared Services;
  - Decisions on acquisitions worth above £5m will be considered only by P&R Committee;
  - The Scrutiny Panel will consist of 3 Members of the Administration and 1 Member of the Conservative Group and 1 Member of the Labour Group.

**Meeting adjourned at 7.50pm**

**Meeting restarted at 8.04pm**

**PR117/16 SERVICE PRESENTATION – CPU**

This item was deferred to the June meeting.

RESOLVED:

That the presentation be Deferred.

**PR118/16 FUTURE MEMBER IT REQUIREMENTS**

Members' considered their requirements with regard to their future IT needs.

Councillor Chris Lloyd, duly seconded, was happy to move the recommendations in the report as set out at Paragraph 15.

Members made the following comments:

Watford Councillors had raised some concerns with regard to the equipment;

Problems experienced by Members were usually due to them not being up to speed in using the IT;

As a Member of the original working party he was happy to withdraw the allowance and continue with the Surface Pro;

Members were not prepared to be paperless yet and requested that agendas continue to be printed;

It would be difficult to make notes on committee reports;

How does the system work if there was no Wi-Fi access? Can Members use 3G/4G for access?

Full training had to be provided;

The consumables grant should not be removed as Members needed the ability to print copies of papers at home and Members should continue to receive the £100 consumables grant.

Officers made the following comments:

Withdrawing auto-forwarding would provide for a secure connection to Council emails;  
All Members would have the same IT equipment;  
Wi-Fi was available in the Council offices;  
Noted the concerns with regard to software compatibility and the ability to write notes on the reports;  
ICT would provide Group training, individual training or training at home and it would be a comprehensive training package to be rolled out from June 2017.

Councillor Stephen Giles-Medhurst moved, duly seconded, that the consumable (revenue) element of the IT grant be retained at £100 per year.

Councillor Matthew Bedford suggested that this be undertaken for one year only and that the Independent Remuneration Panel review this so that the allowance is incorporated into the Members full allowance.

On being put to the Committee the amendment to the motion that the consumable element of the IT allowance (£100) be retained for 2017/18 was declared carried by the Chairman the voting being 12 For, 1 Against and 1 Abstention.

On being put to the Committee the motion was declared CARRIED the voting being 12 For, 0 Against and 2 Abstentions.

RESOLVED:

- 1) That all 39 Members receive Microsoft Surface Pros and that this be phased over the next 12 months, starting from April 2017, with all Councillors having a device by March 2018.
- 2) That the Member IT allowance for capital of £370 be phased out over 2017/18 to be stopped completely after 31 March 2018 but the £100 revenue allowance continue to be paid out over 2017/18 but that the Independent Remuneration Committee be asked to review this at their next meeting.
- 3) That the money saved from each year be used to purchase new equipment for each Councillor every 4 years.
- 4) That a comprehensive training programme for the introduction of the surface pros be provided by Officers.

## **PR119/16 TEMPORARY ACCOMMODATION PRESSURE WITHIN THE DISTRICT**

This report provided an update on the current temporary accommodation pressures and the measures being taken by Housing Services to address them.

The Housing Services Manager advised the proposal was to provide temporary accommodation in Harlow in partnership with Broxbourne Council. The report also asked the Committee to increase the reasonable travel time to 2 hours on public transport. The Council could sublet the accommodation to another Council if it was not required.

On the quality of the accommodation in Harlow, the Housing Services Manager advised that a colleague had visited the accommodation which included bedsit or 2 bedroom units and felt it was of a very high standard. The accommodation would provide a better option to bed and breakfast accommodation as it provided a kitchen and bathroom and was more desirable for a family.

The Committee noted that nightly lets were very expensive as they were provided by the private sector but were mainly self-contained with a kitchen and bathroom but no lounge. Sometimes they had shared facilities with access to a kitchen.

Concerns were raised that Harlow could not be compared to Three Rivers.

In response to a question on the use of the building, the Housing Services Manager advised that the Council had one floor of the building with Broxbourne Council to provide temporary accommodation. A corporate housing management company would manage the accommodation and undertake repairs. All homeless applications would still be the Council's responsibility.

Councillor Martin Trevett moved, seconded by Councillor Phil Brading, the recommendation at Paragraph 6 of the report but said it was not ideal but no accommodation was available nearer to Three Rivers.

The Chairman said this was the best accommodation the Council could provide at the present time. Officers were managing the stock as best they could.

Committee noted there would be no extra cost on the Council.

On being put to the Committee the motion was declared CARRIED by the Chairman the voting being unanimous.

RESOLVED:

- 1) That locations such as Harlow be offered as temporary accommodation whilst applicants are waiting for accommodation through the Housing Register; and
- 2) that 7.4 of the Temporary Accommodation Placement Policy be amended to be two hours instead of 90 minutes.

## **PR120/16 REVISED STATEMENT OF COMMUNITY INVOLVEMENT**

This report sought Members' approval for a revised Statement of Community Involvement which provided the Council with an up-to-date commitment to how it would consult on planning policy documents and individual planning applications in line with current legislation and guidance.

A Member requested that Denham Aerodrome be added as a consultee.

Councillor Martin Trevett moved, duly seconded, the recommendations at paragraph 8.1 of the report.

On being put to the Committee the motion was declared CARRIED by the Chairman the voting being unanimous.

RESOLVED:

Adopt the Statement of Community Involvement (SCI), as set out in Appendix 1, to come into effect on 20 March 2017.

**PR121/16 EXEMPTION FROM PROCUREMENT PROCEDURE RULES**

To advise Members that a partial exemption to the Procurement process was approved by the Director of Community and Environmental Services and the Head of Regulatory Services under the Limited Market exemption as permitted by the Council's Constitution.

One Member expressed concern that there was only one consultant in the country who could organise this work. The Member's attention was brought to paragraphs 2.6, 2.7 and 2.8 of the report.

On being put to the Committee the motion was declared CARRIED by the Chairman the voting being unanimous.

RESOLVED:

That the action taken be noted.

**PR122/16 SERVICE PLANNING 2017-2020**

This report enables the Committee to comment on the following Service Plans for the three years commencing on 1 April 2017.

Legal, Committee, Customer Service Centre, Corporate Services, Finance, Revenue and Benefits, Major Projects, Community Safety and Economic and Sustainable Development (which in part both report to this Committee).

A Member asked for clarification on the following Performance Indicators within the Economic and Sustainable Development service plan (listed below) and asked why the target was not being improved or maintained:

ESD08 – Economically active people in District  
ESD09 – Vacancy rate for town and district centres

It was explained that the target was a ceiling not a target but a written response would be provided by the Director of Community and Environmental Services.

On being put to the Committee the motion was declared CARRIED the voting being 9 For, 0 Against and 5 Abstentions.

RECOMMEND:

That the service plans attached at Appendix 1 and their content be recommended to Council at its meeting on 16 May 2017.

POST MEETING NOTE:

**ESD08 - Economically Active people in district.** This is calculated by dividing the number of working age population who are economically active against the population of the district aged 16-64.

The latest figure for Three Rivers is 79.8% for the period Oct 2015 - Sep 2016. This varies slightly from the figure in the Service Plan which relates to the 2015/16 financial year (82.6%).

We consider a target of 75% for future years as being reasonable, taking into account that the average figure for Great Britain as a whole is currently 77.8%. Our target is slightly below the GB average because we have a higher proportion of residents who chose not to work for whatever reason- this includes, for example, those aged below 64 who chose to retire early and can afford not to take up any other paid employment.

**ESD09- Vacancy rate for town and district centres.** This measures the number of vacant units, expressed as a % of all units, within our 8 retail centres across the district. The latest figure we have showed an average rate of 4% vacancy across the district. A target of 6% for future years is set to take into account that vacancy rates can fluctuate over time and also in the short term, rates in areas such as South Oxhey, will increase because of the redevelopment of the town centre. The 6% target is still well below the GB average vacancy rate for shopping centres which national studies show currently stands at around 11-12%.

## **PR123/16 STRATEGIC PLAN 2017-2020**

This report enabled the Committee to comment on the Strategic Plan for the three years commencing on 1 April 2017.

The strategic plan has been reviewed for this period to include new Strategic Themes and a set of underpinning values.

The Committee noted that the amendment made to the strategic plan following its presentation to this Committee and the Service Committees was as follows:

Objective 1.2.1 to be amended to read “..... support to small enterprises, e.g. through Rivertech.” The objective originally read: “New – Support to small enterprises through Rivertech”

It was agreed that any amendment required to performance indicator ESD08 and ESD09 would be included in the plan before its presentation to Council in May.

On being put to the Committee the motion was declared CARRIED by the Chairman the voting being unanimous.

**RECOMMEND:**

That the final Strategic Plan attached as Appendix 1 be recommended to Council.

## **PR124/16 BUDGET MONITORING – PERIOD 10 (JANUARY)**

Budget monitoring report is a key tool in scrutinising the Council’s financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.

This report seeks approval to a change in the Committee’s 2016 - 2020 medium-term revenue financial plan. The report shows the Council’s overall consolidated medium term financial plan for both revenue and capital.

Members' attention was drawn to the rephrasing of capital funding detailed on Page 81 of the agenda papers (Appendix 6). The Local Ward Councillor in Leavesden asked if a more detailed explanation could be provided with regard to the Leavesden Management plan rephrasing.

On being put to the Committee the motion was declared CARRIED by the Chairman the voting being 9 For, 0 Against and 4 Abstentions.

**RECOMMEND:**

That the following revenue and capital budget variations be approved and incorporated into the three-year medium-term financial plan:-

Variance	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue - (Favourable) / Unfavourable	(7,000)	0	0	0
Capital - Increase / (Decrease)	(1,752,030)	1,520,380	0	0

**POST MEETING NOTE:**

The YMCA is responsible for the procurement of the café/community centre at Woodlands. It is anticipated that the project will be completed in 2017.

**PR125/16 WORK PROGRAMME**

To agree the Committee's work programme.

**RESOLVED:**

That the work programme be noted.

**PR126/16 EXCLUSION OF PRESS AND PUBLIC**

If the Committee wishes to consider the remaining item in private, it will be appropriate for a resolution to be passed in the following terms:-

"that under Section 100A 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 it involves the likely disclosure of exempt information as defined under paragraph 3 of Part I of Schedule 12A to the Act. It has been decided by the Council that in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

(Note: If other confidential business is approved under item 3, it will also be necessary to specify the class of exempt or confidential information in the additional items.)

**PR127/16 HOUSING JOINT VENTURE – BUSINESS PLAN**

This report set out the business plans for the two companies that form the basis of the proposed joint venture (JV) between the Council and Watford Community Housing Trust (WCHT). It also presented the plan for the trading company that was required to be set up by the Council to allow it to be listed as

a partner in the limited liability partnership. The business plan was at present based on the development of the site known as The Grapevine, Prestwick Road, South Oxhey; it was however envisaged that further trading activity will be undertaken by one or more of the entities over the next five years.

Councillor Chris Lloyd moved the recommendations in the report.

Councillor Matthew Bedford moved an amendment to the recommendations that the first recommendation read "That the Committee agrees this business plan and authorises the Chief Executive to make all legal and financial decisions necessary to establish the legal structures."

On being put to the Committee the motion was declared CARRIED by the Chairman the voting being 12 For, 0 Against and 1 Abstention.

**RESOLVED:**

- 1) That the Committee agrees this business plan and authorises the Chief Executive to make all legal and financial decisions necessary to establish the legal structures.
- 2) That public access to the report be denied.
- 3) That Public access to the decision be Immediate.

**POST MEETING NOTE:**

The business cases will be presented to an Extraordinary P&R Committee meeting on 16 May 2017 for the Committee to approve.

CHAIRMAN