

**Minutes of the Overview and Scrutiny Committee**  
**7 April 2021**

**Present:**

Councillor V.J. Leighton (Chairman)  
Councillor O. Rybinski (Vice-Chairman)

**Councillors:**

J.H.J. Doerfel	M. Gibson	D. Saliagopoulos
J.T.F. Doran	A.C. Harman	H. Harvey
R.D. Dunn	N. Islam	
T. Fidler	L. E. Nichols	

**Apologies:** Councillors C.L. Barratt and R.A. Smith-Ainsley

**In attendance:** Councillors C. Bateson, R.W Sider BEM, S. Buttar and I.T.E Harvey

**98/21 Disclosures of Interest**

There were none.

**99/21 URGENT - Call-in of Cabinet decisions**

The Deputy Chief Executive introduced the Call in response report and drew the Committees attention to the seven key points of clarification and the supplement containing a visual graphic of the themes the Committee may wish to discuss.

The Group Head of Corporate Governance, Housing Strategy and Policy Manager (Housing Options), Property and Development Manager (Asset Management), Asset Management Contractor (Asset Management) and Chief Accountant were also present to provide advice and responses to questions relating to their service areas.

In response to members questions the Housing Strategy and Policy Manager advised that the tenure split provided for was within the scope of the Council's policy objective, as set out by the administration at the Extraordinary Council meeting on 21 January, of achieving at least 50% affordable housing as well as providing for key workers. He explained that the split set out at option d in the response report was appropriate, that it was important to ensure the right housing mix was achieved to create sustainable communities and that a key worker policy had been drafted and provided to the Committee to inform their debate.

In response to further questions the Housing Strategy and Policy Manager, stated Section 106 (S106) affordable housing provision varied and was dependent on the scheme. The Group Head of Corporate Governance

confirmed that in addition to the S106 affordable housing the Council would have a nominations agreement with Knowle Green Estates (KGE).

A member queried when the levels of income and discount for key workers had been decided. The Housing Strategy and Policy Manager stated that it had been set for quite some time and the Deputy Chief Executive confirmed this.

In response to members questions on the basis of property valuations, the Asset Management Contractor explained that land is valued on its existing use rather than the development land value but that assets deal with real time costs.

Members noted the Council would make a nominal saving on its homelessness budget where affordable units are filled by tenants from the Council's housing register but expressed the view that potential private rental tenants may not want to live in the same development. In response the Housing Strategy and Policy Manager advised that the Council was trying to achieve balanced and sustainable communities but may need to review its approach in future.

In response to a member's question the Asset Management Contractor explained that each scheme went through extensive consultation with planning officers to ensure they were policy compliant prior to being presented to the Planning Committee for determination.

A member expressed concern that the depreciation list at paragraph 3.22 of the response report appeared to be generous and a one-off incident or accident could see items destroyed. The Property and Development Manager informed the Committee that the Council has a good property management resource in place with warranties on items and had made provision in the costs to cover such incidents.

In response to further questions the Property and Development Manager explained that he was looking into an insurance policy that would ensure KGE would continue to receive a rental income if any repairs or rebuilding were required. This insurance would be necessary to safeguard KGE against loss of income if there were a fire for example.

Councillor Helen Harvey stated that she had spent a lot of time analysing the documents ahead of the meeting and felt that some information required clarification and that more detailed information was required in order for her to fully scrutinise the decision. In response to Councillor Harvey's query on the confidential Appendix A the Chief Accountant advised that the report contained annual figures and the net monthly label was there because the report is produced monthly. The Chief Accountant agreed to investigate adding an explanatory note in future to provide clarification.

The Committee discussed the Key Worker Housing Policy. Councillor Helen Harvey expressed concerns that the rent levels stated in paragraph 10.1

would reduce viability and asked that Cabinet review the level of discount as her proposal that the clause be removed was not supported by the Committee. The Deputy Chief Executive stated that it might not be possible to apply the financing rules and stressed that the policy was an interim policy that had been through internal consultation and to mitigate the risk of empty properties the Council could fill units from the housing register if a key worker was not found. Councillor Harvey also requested that Professor Urwin's report on key worker demand for Spelthorne be shared with members of the Committee and that Cabinet is briefed on it.

The Committee expressed the view that the policy was in draft form and should continue to be developed. The Committee noted that whilst Cabinet could note its comments on the policy members did not want to make recommendations and that it wasn't appropriate to do so at this stage.

The Committee agreed that the visual graphic of themes was useful and that a term sheet setting out the terms of a transfer would be valuable. The Committee agreed the term sheet should set out assumptions at an early stage and be amended if things changed.

The Committee agreed that it was supportive of the Cabinet's decision (Transfer of properties from Spelthorne Borough Council to Knowle Green Estates Ltd.) but recommended that the appropriate documentation must be in place.

The Chairman invited the Portfolio Holder for Finance, Councillor Buttar, to address the Committee. Councillor Buttar stated that officers had spent a considerable amount of time addressing the points raised by members who had called in the decision. He explained that private developers had not provided the level affordable housing and as a result the Council had acted to resolve the issue itself and was trying to make all of its developments affordable and viable.

Members of the Committee concluded that it was important that the Cabinet take decisions that have been clearly defined and with the right policies in place. Cabinet and Committee papers need to be clear and concise and contain all relevant information, so members are able to look back and see that all the relevant facts had been considered.

The Committee resolved to recommend to Cabinet the following three recommendations:

**Recommendation 1:**

That Cabinet instructs officers to draw up the following documents:

1. A Term Sheet to set out the basis of developments and supporting policy. A Term sheet should be required for each Spelthorne Borough Council residential development and will be created prior to planning application submission and monitored and adjusted as required thereafter.

2. A policy for valuation and transfers of developments.
3. An interest rate policy.
4. Documentation of Knowle Green Estates (KGE) depreciation policy.

**Recommendation 2:**

A Term sheet template and draft policy documents are to be presented for approval by the Policy and Resources Committee and KGE Board as soon as possible and no later than the end of July 2021.

**Recommendation 3:**

That Cabinet confirms that no housing units will be sold unless a policy to do so is formally approved by the Council.