

OVERVIEW & SCRUTINY PANEL

Minutes of the meeting held on 12 March 2024 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Phil Fellows (Chair); Councillors D Green, Austin, Bright, Britcher, Currie, Davis, Farooki, Packman, Pope and Wing

In Attendance: Councillors Bright, J Bayford, Everitt, Garner, Whitehead and Duckworth

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Kup and Councillor Moore (who was substituted by Councillor Manners).

2. DECLARATION OF INTERESTS

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Councillor Green proposed, Councillor Bright seconded and Members agreed the minutes to be a correct record of the meeting held on 15 February 2024.

4. CABINET MEMBER PRESENTATION FROM CLLR DUCKWORTH ON COMMERCIAL PROPERTY

Councillor Duckworth gave her presentation on Commercial Property and made the following points:

- Property vacancies were caused by tenancy surrender, identification of new potential properties, properties that were no longer needed and heightened interest;
- The Council's marketing strategy was tailored for each individual property, with smaller properties being handled in-house. Larger, more complex properties needed external agents, such as Zoopla or Rightmove;
- Rent levels were set through various valuation methods, with three main approaches: Coast approach, income approach and market approach;
- The Comparable Method under the Market Approach considered factors such as location, size, amenities, recent transactions, market conditions, tenant demographics, property age and condition; and zoning;
- Rent Reviews did occasionally deviate from the Comparative Valuation Model due to lease conditions, such as: Fixed Increase Rent Review, Open Market Rent Review, RPI (Rent Price Index) Rent Review, Turnover Rent Review, Staggered Rent Review, Stepped Rent and Cap and Collar Rent Reviews.

Councillors commented and asked the following questions:

- Councillors asked if the figures shown in the presentation were consistent throughout the entire Thanet District Council portfolio. Officers informed them that the figures deviated, due to the timing of the rent reviews;
- It was asked if there was a way of calculating the rent of a property, based on the community benefit it provided. Councillors were told that community benefit was too broad to quantify, so there was a standard rent that every property was

calculated too, however the Council did support community organisations who moved in transparently, through grant funding;

- Councillors wanted to know at what stage near the end of an organisation's lease on a property, did Thanet District Council start looking at renewal of the lease. Officers replied that termination would be subject to a three month or six month notice, depending on which property it was. Also that not all properties were subject to the Landlord and Tenant Act 1954, which allowed tenants to automatically renew a tenancy if they chose to;
- Councillors referenced the example in the presentation and wanted to know to what conclusion TDC calculated the rent. Officers replied to say that data was compared with three or four other properties, none of which were exactly the same, even if they were all units in the same industrial park, due to the different uses each unit would provide. Parking spaces were calculated separately as well as other factors (such as tennis courts), subtracted from the base rent to help calculate the rent per square metre and the additional costs applied thereafter;
- Councillors asked if there was a default process for any property that falls out of the Landlord and Tenant Act 1954. Officers replied that all leases were now in the act unless it was contracted out of the lease, as the tenant would be aware of this and aware that they would not have the same protections that someone inside the act would have. Councillors were also informed that the Council does not have a preference to whether or not a lease was in the act as it depended on factors such as the ease to let a unit, but in some cases if the use was unique, the Council would prefer if the tenants had that protection of the act;
- Officers were asked what level of resource did the Council have to cope with the current portfolio of units. Officers replied that for some time, the Council had surveyors on a contract by contract basis, however the Council has recently been successful in employing two permanent surveyors. The team allocates new pieces of work on Mondays and portioned the work out between surveyors and other members of the team;
- In a scenario where a leaseholder's rent was changed and went up, Councillors were curious who would be best for them to go to for a grant. Officers replied that the leaseholder just needs to put that proposal in an email to the team and then the team would then engage with the leaseholder;
- Councillors asked about the decision process on who would be provided grants and who would not. Officers replied that it would be an individual officers' decision based on schemes approved by the allocated budget and Cabinet. Some grants were specific to the organisation, such as the Citizens' Advice Bureau. Officers also said they would be happy to share with Councillors the list of grants available;
- Councillors wanted to know more about Full Repair Leases and how TDC enforced them. Officers replied that the tools available to enforce these leases were full termination of the lease because of breach of contract and dilapidations which would be capped based on the level of investment. Properties were inspected on a cycle, but the Council also depended on a declaration made by the leaseholder that they were currently following the details of the lease. Officers also informed Councillors that charities had access to discretionary supports which were not available to properties under commercial use;
- Councillors discussed outdated leases in the TDC portfolio and wanted to know where the Council stood when it came to bringing them back in line. Officers replied that this was why the Council preferred short term leases, so that at the renewal stage, contracts were modernised which were then drafted by in-house solicitors;
- A request was made for a list of properties in the Council portfolio and whether or not there was a leaseholder currently there. Officers replied that there was already a report published on the Council's website, for the sake of transparency which listed every single asset in the commercial fund;

- Officers added that when it came down to considering offers, all bids were considered, whether they're above the asking price or below the asking price;
- It was asked whether or not the Council provided a grace period for rent when it came to natural occurrences that may damage the property in question, e.g. flooding. Officers informed Councillors that when a property gets leased out, the leaseholder would be urged to take out insurance, including business continuity insurance on the property;
- Councillors asked if in the future TDC could look at adding a social element to the benefits of a property, including employing local residents and toilet facility availability. Officers replied that the social element cannot be quantified as there were too many variables, but when a unit was up for bid, the use for the unit would be taken into consideration;
- Councillors asked if there was an updated asset disposal list in regards to areas in the district that included toilet facilities. Officers replied that the asset disposal list was not necessarily there for sale, just that Cabinet has approved for the Council to make choices regarding the individual locations;
- Councillors wanted to know where TDC was with outstanding rent reviews. Officers replied that there were 12 outstanding, but the Council were working on those;
- Councillors suggested the possibility to include in future leases, toilet operating hours as a standard;
- Officers responded to Councillors questions regarding underletting that the Council uses accounting Capital valuations which were not public record, in order to police unauthorised subletting of the units;
- Returning to the point of calculating social benefits to properties, officers replied that there have been talks to establish a performance measure aspect to the portfolio, which included indicators for social value. Councillors were interested in this idea as it opened up transparency with grants for the public;
- Councillors suggested the idea of having some form of resident satisfaction for commercial units, similar to what Housing Department's Resident Involvement Team. Officers said they would take this into consideration;
- Councillors asked about shelters in the area and whether it was possible to have people book them for uses such as a coffee stand or busking. Officers replied that there were plans to upgrade some of the shelters across Thanet and have received responses about leasing the use of these shelters;

Councillors noted the presentation.

5. ADOPT NEW AND UPDATE CURRENT HOUSING RELATED POLICIES

Sally O'Sullivan, Head of Tenant and Leaseholder Services, introduced the report and made the following points:

- The executive decision involved the approval of two new housing policies and the update of three other policies;
- The Compensation Policy detailed how compensation was awarded and helped guide officers in that respect;
- The Write-Off Policy was a required policy to detail how the Council managed former tenant arrears and what authorisation was required to write-off a specific amount of rent arrears;
- The Aids and Adaptations Policy removed rent arrears as a reason to not carry out an adaptation in a property;
- The Anti-Social Behaviour Policy simplified the dispute process;
- The Rechargeable Works Policy now included costs for missed appointments and abuse of staff who attend the properties for inspections.

Councillors commented and asked the following questions:

- Councillors asked if the Compensation Policy applied to leaseholders under right to buy. Officers replied that it was mainly for tenants but it also detailed where compensation can be given to leaseholders;
- Regarding the Compensation and Write-Off Policy, Councillors asked how many people these policies covered. Officers replied that they did not have exact figures, but for Compensation, it was not many;
- With regards to the Rechargeable Works Policy, Councillors asked if people such as hoarders would be held to the same standard as other tenants. Officers informed Councillors that circumstances like that would be taken into consideration and they would not be treated the same as someone who refused to carry out repairs which were under tenant responsibility;
- Councillors wanted to know more about the Tenant and Leaseholder Group and how it was outlined. Officers replied that it was made up of residents who wanted to get more involved as they also had a terms of reference and annual meeting once a quarter;
- Councillors asked about Aids and Adaptations, specifically in regards to Kent County Council being the starting point for tenants as they would need to have an Occupational Therapist sign off on any adaptations; they wanted to know how their performance was in keeping with the Council. Officers informed Councillors that there were plans in place for employing an in-house occupational therapist to help streamline the process;
- Officers informed Councillors that the Disabled Facilities Grant was provided for people in privately rented or owned properties, Council tenants could still apply, however Tenant / Leasehold Adaptations Policy was more flexible for tenants. This policy would be coming back to Councillors at a later date;
- On the subject of the Aids and Adaptations Policy, Councillors wanted to know about the flexibility of it and what the process was if the tenant was in hospital or in the process of being discharged. Officers informed Councillors that the Better Care Fund was marked specifically to help for people being discharged from the hospital, to enable the resident to return home with the relevant adaptations in place or plans for adaptations in place for them. Officers also added that for more extreme adaptations that require more long term work, it was preferred if this process was done during the period where the property was void.

Councillors agreed to note the report.

6. TLS PROCUREMENT - FIRE DOOR REPLACEMENT AND RELATED FIRE RATED ITEMS CONTRACT

Sally O'Sullivan, introduced the report and made the following points:

- The Council was looking to procure a contract to replace fire doors for the Council's low-rise flat blocks;
- The contract would be £3.9 million over a 6-7 year period;
- The doors to be replaced were the front doors, internal doors, electrical riser cupboard doors, loft hatches and meter boxes;
- Much of the program was identified through fire risk assessments that follow legislative guidelines;
- The contract also covered the need for replacing doors on an ad-hoc basis.

Councillors commented and asked the following questions:

- It was asked if the Council had fallen behind when it came to the replacement of these fire doors. Officers informed Councillors that the Council did fall behind with the fire door replacement as this was a plan to make the doors safe, following from when the portfolio was under East Kent Housing.

Councillors agreed to note the report.

7. **NEWINGTON COMMUNITY CENTRE PROJECT**

Louise Askew, Head of Regeneration and Growth, introduced the report and made the following points:

- Cabinet would be receiving this report at the next Cabinet meeting;
- The project outlined refurbishment works for the Newington Community Centre;
- Survey works for the building identified works required through the Levelling-Up Fund;
- These works were targeted to upgrade the energy efficiency of the building itself as well as lower operational costs long term;
- Accessibility to the building would be greatly improved;
- The goal of the work was to provide locals with training opportunities through a range of regeneration programs;
- £300,000 would be requested from the HRA Capital Budget from the Major Repairs Reserve;
- Further permissions were being sought after for the required works for the building as it would be considered a key decision.

Councillors commented and asked the following questions:

- Councillors generally supported this proposal;
- It was asked if the funds had to be taken from the HRA Capital Budget or could they be taken from an alternative source. Officers explained that the funds coming from the HRA Budget were for the upkeep of Council owned buildings in the portfolio, however The Council has applied for sustainability funding through the Community Association, this was earmarked for sustainability elements within in the property;
- Councillors wanted to know what facilities the Council currently provided that gave the same services. Officers informed the Councillors that there were plans to add an extension including kitchens, which provided training as well as individual office spaces for one-to-one assistance;
- Councillors then asked who would be working with the Council to provide the services. Officers replied to say that the services would be provided by the Newington Community Association in partnership with the Starlight Trust.

Councillors agreed to note the report.

8. **DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES EXTERNALLY FUNDED PROJECTS APPROVALS - PROCUREMENT**

Mike Humber, Director of Environment, introduced the report and made the following points:

- The report recommended that Cabinet approve expenditure that was above the key decision threshold for services that support the delivery of Ramsgate and Margate, Levelling-Up funded projects which would work with the Simplification Pathfinder;
- The capital funding was already allocated within the Council's approved budget;
- Councillors were reminded that this report was regarding the key decision to spend, not for the allocation of the budget itself;
- The report also requested approval for the Council to procure design team services, which included the award of a contract for specialist ro-ro Berth surveys as part of the port infrastructure project;

- The report also referred to cost consultant services which would need to be outsourced as not all services can be provided in house.

Councillors commented and asked the following questions:

- Councillors asked why the port was not approved for Port Infrastructure Fund monies in 2020, from a Government funded scheme. Officers explained that this was included to be part of the Levelling-Up Fund for TDC and that the £130,000 figure was the estimated value of the surveys being carried out to account for the specialist services provided, such as ultrasonic thickness testing and diving;
- Councillors were concerned about the environmental impact of the project on Ramsgate town, regarding large shipping. Officers reminded councillors that heavy shipping occurred in the Ramsgate ports previous to 2013 and that, ships had to switch over to less polluting low sulphur fuel or marine gas oil;
- Councillors brought up concerns over the potential increase in road traffic and lorry movements going through the town also causing environmental impacts as well as the expertise of a potential port operator who would accept the job. Officers understood the concerns and explained that the Ramsgate Tunnel would help the flow of lorries going to and from the port, rather than going through the town itself;
- Councillors asked if there was a back-up plan for the monies if the port infrastructure failed. Officers addressed this to say that there was not a backup plan to speak of as this was being taken as a risk based approach that has been approved by Cabinet, but the project would not progress any further if the deliverables such as finding a port operator were not achieved;
- Councillors asked specifically what timescales the Council was working towards when it came to the tendering process of the project. Officers replied that the initial plan was for the tendering process to be complete later on in the year, or early 2025, however the Council would have more information regarding the initial stage of the process, by the end of the Summer;
- Councillors wanted to know why a further £250,000 was being spent on the berths, when there was a £1.2 million spend for the upkeep of the berths in 2016. Officers assured Councillors that since those works were carried out, at least £1.2 million of income has been generated from the berths.

Councillors agreed to note the report.

9. DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES EXTERNALLY FUNDED PROJECTS APPROVALS - REALLOCATING FUNDING

Louise Askew, introduced the report and made the following points:

- £500,000 which was within the Coastal Wellbeing Intervention that would be used to combat inflation challenges for the Walpole Bay Project. Last year a public engagement event for Walpole Bay had 400 people attend and 670 surveys completed;
- £375,000 was reallocated to the Pavillion;
- £175,000 was reallocated to the Skate Park Project;
- The Margate Winter Gardens had the engagement of a specialist marketing agency and had a revised proposal to go out to the market with a £4 million funding allocation to help further private investment;
- The new Thanet Regeneration Partnership Board met for the first time on 1 March with the goal to ensure the safety of the skate park as well as kiosk facilities for the park. The Council were in the process of looking to find an operator for the park.

Councillors commented and asked the following questions:

- Councillors wanted to know if the £4 million allocated to the Margate Winter Gardens was for the refurbishment directly or for more consultations. Officers replied that the funds were allocated for refurbishment and that the Council was going out to the market to identify an operator to progress the scheme. Officers later went on to say third party investment would need to match the £4 million initial investment;
- Councillors talked about the Winter Gardens going to market in the Summer of 2023 and wanted to know how positive the engagement was. Officers replied that there was a lot of interest from various organisations, which included viewings for the result. The feedback received however, was more directed to the level of investment required to bring it to a full business;
- Councillors were pleased about the addition and reallocation of funds to these projects;
- Regarding the skate park, Councillors asked if there was any involvement with the Council to make sure the park remained safe and inclusive, especially with young, female skateboarders. Officers replied that when it came to the design stage of the process, rooting out anti-social behaviour was a key goal as well as engaging with the community to support underrepresented groups. The Council was working with Skateboard England and Sport England to help further promote skateboarding to a wider audience;
- Councillors were concerned about the level of sustainability the skate park would have once in operation. Officers replied that kiosks set up in the park would help with sustainability.

Councillors agreed to note the report.

10. FORWARD PLAN AND EXEMPT CABINET REPORT LIST

There were no questions or discussion around this item.

Councillors agreed to note the report.

11. REVIEW OF OVERVIEW AND SCRUTINY WORK PROGRAMME FOR 2023/24

The Chair invited Councillors to make comments and engage in discussion:

- Councillors were concerned about the impact that Dreamland would have on the businesses along the seafront of Margate as well as cleansing. Officers suggested that a developer for Dreamland address Councillors at a future Councillor Briefing to answer questions that Councillors may have;
- The Chair put to the Committee, the potential of putting together a panel for the purposes of grant funding in regards to things such as sporting facilities or event organising, etc.
- Councillors also expressed concerns about road safety for pedestrians and cyclists in the area and approved of the 20MPH zones being introduced in Margate. Councillors expressed interest in engaging further with Kent County Council's Highways Department.

The Chair asked the Committee for ideas for a Cabinet presentation at the next meeting of the Overview and Scrutiny Panel.

- Councillors suggested inviting the Cabinet Member for Cleansing and Coastal Services to the next meeting to discuss open spaces and biodiversity within the district;
- Councillors went on to suggest that they would prefer the Cabinet Member for Neighbourhoods to be invited to the next meeting to discuss how the Council

provided for younger residents in Thanet, with further information being requested regarding the Thanet Youth Council and cuts to young people services in Kent County Council.

Meeting concluded: 9:54pm