

CABINET

Minutes of the meeting held on 14 December 2023 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Rick Everitt (Chair); Councillors Whitehead, Albon, Duckworth, Keen and Yates

In Attendance: Councillors Bambridge, J Bayford, Pugh, Rattigan, Rogers, Austin and W Scobie

63. APOLOGIES FOR ABSENCE

There were no apologies for absence made at the meeting.

64. DECLARATIONS OF INTEREST

There were no declarations of interest.

65. MINUTES OF PREVIOUS MEETING

Councillor Everitt proposed, Councillor Yates seconded and Members agreed the minutes as a correct record of the meeting held on 16 November 2023.

66. COMBINED SURVEILLANCE/CCTV/IMAGE RECORDING TECHNOLOGIES POLICY

Cabinet considered proposals regarding the CCTV and Image Recording Policy. CCTV and the use of image recording was now commonplace. From town centre CCTV cameras to building security to dash cams, ring doorbells and mobile phones. The Council's use of CCTV was governed by a profusion of legislation, codes of practice and central government guidance. New and Emerging technologies and capabilities such as Artificial Intelligence, biometrics, or advances in IT system integration had to consider the increased risk to individual privacy and ensure that the Council continued to be compliant.

In response the Council had developed this policy which was intended to regulate the its operation and use of image recording systems across all areas of the Council including when and where CCTV was used. Members were asked to agree to the adoption of this policy which was intended to regulate the Council's operation of image recording systems across all areas of the Council and to allow the delegation of future operational revisions of the policy to the Head of Neighbourhoods.

Councillor Keen proposed, Councillor Yates seconded and Cabinet agree the following:

1. The adoption of Combined Surveillance/CCTV/Image recording technologies Policy;
2. To delegate any operational revisions of the policy to the Head of Neighbourhoods.

67. PURCHASE OF 24 HOMES AT TOTHILL STREET, MINSTER FOR AFFORDABLE RENT

Cabinet discussed proposals for the purchase of 24 homes in Tothill Street, Minster to be used for affordable rent lettings. In July this year Council approved an accelerated affordable rented housing development programme of at least 400 new homes, constructed or acquired, by 2027. Officers were contacted by BDW (Barretts) Homes who were required to deliver 24 new affordable homes, as part of their development at Tothill Street, Minster. This requirement was set out in the section 106 obligations for the development. They had been unable to secure an affordable housing provider to deliver these homes. The capital cost for the 24 homes was £3.2 million and £50k for associated costs.

As the homes had been designated as affordable homes in the planning consent and section 106 agreement, they had been designed specifically for that purpose and accordingly were considered appropriate for the HRA, in line with the needs of households on the council's register or those living in temporary accommodation. There was a significant level of need for one bedroom homes, as well as for larger family homes. The unit sizes and the mix of dwellings were as follows:

- 8 x 1 bed units
- 16 x 2 bed units

It was proposed that the new homes be let in accordance with the council's adopted allocations policy.

The following Members spoke under Council Procedure Rule 20.1:

Councillor Pugh;
Councillor Bayford.

Councillor Whitehead proposed, Councillor Albon seconded and Cabinet agreed the following:

1. The purchase of 24 new affordable homes, using the additional capital budget, approved by Council at its meeting on 12 October 2023;
2. The letting of these homes in accordance with the Council's Allocations Policy, at an affordable rent as set out in the Council's Tenancy Strategy.

68. JACKEY BAKERS RECREATION GROUND

Cabinet considered proposals for the Jackey Baker Recreational Grounds. The proposals were for Cabinet's approval for improvements at Jackey Bakers Recreation Ground. The report that was discussed referred to a petition that was received by the Council in June 2023 about the management of Jackey Bakers Recreation Ground and describes the actions taken since then. The recommendations proposed in the Cabinet report included the demolition of the existing pavilion subject to planning prior approval being granted at the Planning Committee held on the 13th December 2023.

Following demolition, it was proposed that temporary facilities be provided with team changing rooms, showers, officials changing, storage and toilets. The report also proposed the adoption of a master plan (attached as Annex 1 to the report) for the future development of the site. The master plan proposals were not currently funded but the adoption of the plan will inform direction and represent a first step towards securing the required funding for the long-term future of Jackey Bakers. The report further proposed that authority be delegated to investigate the options for a future

development on the site based on the master plan, including car parking, a new pavilion and other sporting/recreational facilities that might enhance the offer at the site.

Members were advised that a further report will be presented to the Overview and Scrutiny Panel and the Cabinet once these options have been further explored.

The following Members spoke under Council Procedure Rule 201:

Councillor Rogers;
Councillor Rattigan;
Councillor Will Scobie;
Councillor Austin.

Councillor Albon proposed, Councillor Duckworth seconded and Cabinet agreed the following, to:

1. Approve the demolition of the existing pavilion on the basis of health and safety (subject to the Local Planning Authority giving prior approval*);
2. Approve the purchase of a temporary portacabin style changing facility once demolition has occurred;
3. Approve a public engagement exercise to inform the master planning for Jackey Bakers, based on Section 1 the draft master plan attached at annex 1;
4. Explore facilities that will be installed that will encourage safe enjoyment of Jackey Bakers by girls and young women;
5. Ensure the temporary changing facilities are properly insured and secured;
6. Delegate authority to the Chief Executive Officer to investigate the options for a future development on the site based on the master plan, to include a new car park, new pavilion (to include changing facilities) and other sporting/recreational facilities that might enhance the offer at the site. A report will be represented to the Overview and Scrutiny Panel and the Cabinet once these options have been further explored;

and

That Cabinet Recommends to Council that:

1. A one-off 2023/24 supplementary General Fund Revenue budget of £370,000 be approved, for the demolition of the existing pavilion and the provision of a temporary portacabin facility, to be funded from the Risk Reserve.

*Local Planning Authority approval was granted on 13 December 2023.

69. PUBLIC TOILETS REFURBISHMENT AND RENEWAL PROJECT

Members discussed proposals for the refurbishment of public toilets that were detailed in the Cabinet report. This report proposes a schedule of investment in public toilets around the district. Budgets totalling £1.25 million with a mixture of revenue and capital funding have been identified. A further sum of £250k is anticipated although not yet approved via an external grant from Southern Water. The report proposes maintenance works at 7 sites. This will focus on addressing

existing defects and is not a full refurbishment of the toilets. But it will return them to a much higher standard of repair. Examples of the work content can be found at Annex 1 (to the report) with the estimated cost.

The total spend on revenue repair work is £279k and subject to approval at Cabinet. It was proposed to undertake these works in the new year so that they were complete before the start of the 2024 season. The report also proposed capital works at three sites, Margate Clock Tower, Stone Bay and Botany Bay. These capital works would provide significantly improved and accessible facilities at all three sites. There were currently 27 public toilets in Thanet and this report proposes works in 10 of those 27 locations. This investment was proposed to be the start of an anticipated wider and longer term programme of public toilet improvements subject to further funding being identified.

The report also proposes that a further report be taken to Cabinet before the end of October 2024 to provide an update on toilet refurbishment and improvement works. The report would update on the capital works programme and will propose next steps to address refurbishment or improvements at the public toilets not included in this initial phase. £400k of revenue funding is coming from earmarked reserves. In option 1 £279k would be allocated for revenue repairs and £121k revenue contribution to capital. However, if the Council was required to undertake option 2 then the whole £400k would be allocated to revenue repairs.

The Cabinet recommended to Council that a one-off supplementary General Fund revenue budget of £279k be approved for the repairs to existing facilities; to be funded from the underspend identified at the end of 2022/23 and allocated to earmarked reserves for investment in toilet facilities. Of the £749k budget for the Public Toilets refurbishment and renewal project within the 2023/24 Capital Programme the report suggested that £450k be from borrowing and a £121k contribution from earmarked reserves. Financing of the remaining £179k was going to be identified at a later date.

£400k of funding would be sourced from the Margate Town Deal funding, which was an external grant. Cabinet noted that £400k of approved capital budget was allocated for toilet facilities within the Margate Town Deal scheme in the 2023/24 Capital Programme. It was estimated that Southern Water would allocate funding to the value of £250k.

The following embers spoke under Council Procedure Rule 20.1:

Councillor Pugh;
Councillor Austin.

Councillor Albon proposed, Councillor Duckworth seconded and Cabinet agreed the following:

1. To approve the schedule of works this report suggests in 3.1/3.2 (either option 1 or option 2, dependent on the outcome of discussions with Southern Water) which will be undertaken using:
 - i. £400k of funding from earmarked reserves. Under option 1 £279k will be allocated for revenue repairs and £121k revenue contribution to capital. Under option 2 the whole £400k will be allocated to revenue repairs;
 - ii. £450k of capital funding (via borrowing);

- iii. £400k from the Margate Town Deal funding (external grant);
2. To endorse the proposed financing of the existing £749k budget for the Public Toilets refurbishment and renewal project within the 2023/24 Capital Programme, to be a mix of £450k of borrowing, a £121k contribution from earmarked reserves, with financing of the remaining £179k to be identified at a later date; with the actual financing of the capital programme being determined by the s151 officer as per officer delegations;
3. To approve a budget virement (adjustment) to be made if the discussions with Southern Water are not successful, as per option 2, with a virement of £121k from the budget for the revenue contribution to capital to be transferred to the revenue budget for repairs to existing facilities;
4. To note that £400k of approved capital budget is allocated for toilet facilities within the Margate Town Deal scheme in the 2023/24 Capital Programme;
5. That a further report be taken to Cabinet before the end of October 2024 which provides an update on toilet refurbishment and improvement works, including the outcome of the Southern Water financial contribution. The report shall also propose next steps to address refurbishment or improvements at the public toilets not included in this initial phase;
6. That the Western Undercliff public toilets be added to the list of toilets for consideration when further funding becomes available.

70. TLS PROCUREMENT - RESPONSIVE REPAIRS, VOIDS, COMPLIANCE AND PLANNED AND CYCLICAL WORKS CONTRACT

Cabinet considered proposals for the Tenant and Leaseholder Services procurement of a responsive repairs, voids, compliance and planned maintenance and cyclical works contract. And was asked to “the letting of a 10 year contract, with provision to extend for a further 5 year period to enable a true alliance between contractors and client. This contract is for the provision of responsive repairs, voids, compliance, cyclical and planned works. It will also include an element of works for corporate properties.”

This contract would cover the following:

- Responsive repairs, voids, compliance, cyclical and planned works;
- Provide an element of service for the council's corporate properties;
- Provide an out of hours service for emergency repairs;
- Maintain a customer contact centre for tenants and leaseholders of the council to call to report repairs.

In developing this contract, the Council placed a strong focus on local delivery, directly employed local operatives and the use of local material suppliers. This was in order to add social value to the area through job creation and material supplies. This would also provide the most efficient and responsive delivery through local supply, ensuring that Thanet's service is given priority, through area buy-in and local knowledge. This approach would also minimise carbon emissions by reducing travel time for operatives and material delivery. The level of work that went into procurement and organisation of a housing service of this scale was extraordinary; as was the progress that had been made within Housing since we brought it back in house.

This contract was last extended in 2020; it cannot be extended further, which means that coming in this May as an administration gives little to no lead time to produce an extended in house service across all areas; much as, as evidenced by my determination to bring Housing back and produce in house temporary housing, and our first in house rough sleeping accommodation, my general inclination is to create and promote in house services wherever possible.

Ideals have to be considered in relation to realities in order to deliver results, and the security of service, especially when what is at stake is the quality of delivered service to a very large number of our residents; and as such focusing on areas that we can deliver in house, such as minor works, and ensuring that our complex and specialist areas function and deliver without interruption is essential. As referenced in the report, we are now choosing to focus heavily on the local economy in housing procurement; our contracts prioritise local jobs, local call centres, and include the requirement for local apprenticeships, to build not only the local economy, but also build skills and employment opportunities.

This combined with our proposed in house expansion of minor works, to explore our delivery of direct services, allows us to deliver not only many highly complex workstreams, but also build our own resilience; and the sheer scale of the number of new strategies being implemented, and the considerable growth of our portfolio means that ensuring reliability of provision at a time when we are still a Council with disproportionately low staffing for the scale of what we deliver means that considering the long term future of all projects is essential and testing the water in terms of in house provision is a vital part of this. The service that now requires procurement is currently being delivered by Mears through a 9 year Partnering Term Contract. This contract is due to expire on 31/3/2025, and due to the complexity of this contract officers have started this exercise now to ensure the right partnering contractor is found, ensuring that we source a contractor that fits the council's ethos and culture.

Since the tenant and leaseholder service was brought in house, officers have ensured strong contractor management and have worked in true partnership with Mears. This has reaped rewards of improved customer satisfaction and performance that can be seen in the number of responsive repairs that are completed on time and the driving down of the void turnaround times. With only five years left on the Mears contract at the point of transition, the stability of the service and the issue of noncompliance with regulatory and legislative factors took logical priority over the exploration of potential options to replace the services of a partnering contractor.

In preparing for this procurement guidance had been sought from a consultant that has a wealth of experience in this area. They conducted a series of stakeholder workshops to assess what was needed and valued within the service; their report recommends continuing with the same model of service delivery. In moving forward officers would apply lessons learnt from the current contract, keep a strong focus on local delivery and the employment and training of local operatives. It was proposed to continue the service in this way because this approach supports:

- The management of the peaks and troughs of workload through seasonal demand;
- Management of the risk of subcontractors going into liquidation;
- Management of TUPE obligations and in addition
- This is a model that is supported by residents;

- We can use this contract to tap into specialist areas without carrying out lengthy procurement exercises;
- A partnering contractor can on board smaller local contractors that local authority procurement regulations make difficult for smaller companies to compete for.

This model worked well with the right contract management and willingness to nurture the partnership to the benefit of both parties. This could be evidenced through the increases in the levels of customer satisfaction. When asked in 2021 and then again in 2023 for residents satisfaction with the way TDC dealt with repairs and maintenance residents gave us the following statistics:

In 2021, residents expressed 63.4% satisfaction with the service.

In 2023, residents expressed 77.75% satisfaction with the service.

This was nearly a 15% increase in satisfaction in two years and were currently heading toward upper quartile performance when comparing with other social housing landlords, which was something that officer should be hugely proud of as a department, and as a Council. In relation to the second lot included in this procurement, Officers had calculated the work required to decarbonise the council's housing stock would cost in the region of £40 million. Members therefore proposed to include procurement for a bid and delivery partner for grant funded works.

The rationale behind this proposal was due to experience gained from our tower block retrofit and refurbishment programme. When grant funding becomes available to the sector, we have to be ready to bid and deliver the works within very tight timeframes. There was £4m per year included for this element; but this would not be spent unless grant funding was available and a winning application was made. This level of spending has been included because our ambitions are to decarbonise the housing stock, provide warm and comfortable homes for residents and achieve this at the best possible value.

There was a desire to explore bringing this service in house. Over the next couple of years, further work would be carried out to see if a Direct Labour Organisation (DLO) was the right model for the Council, for the long-term future. It included extension of provision of some of the in-house services and this would include minor works, fencing and arborist works. The intention was to keep these services available to call off through this contract as well, to provide resilience to the service and to explore the potential for delivery in a safe and managed way.

The implementation of a DLO was a massive undertaking that would provide a very important front line service, therefore must not be rushed. The issue was not the creation of a DLO or otherwise; the issue was the management of whichever model was chosen, and the time and consideration put into its development. Exploring in-house work incrementally, and providing safety to explore options within a secure framework, provides the best of both worlds, informed by the knowledge of the housing stock and our needs as an area.

It was important to be sure that the chosen model fits the Council's ethos, culture and was right for the tenants and leaseholders; tenants and leaseholders have expressed support for the chosen model. The Council had strong belief that it can implement a local focus linking to the Council's priorities and strategy through this form of delivery.

The budget for this service comes from the Housing Revenue Account. The HRA was separate from the General Fund and was self-financing through rental and other

income generated by HRA owned land and property, and therefore is not supported by tax income. It was important that VfM was obtained for the HRA. The value of this contract was £156 Million if it were to be spent in full and let for the full 15 year duration. This equated to £11m per year. £4m of this per year was set aside for grant funded opportunities and would only be spent if such opportunities arise and if bids are successful.

Once the corporate aspect of the contract had been removed and the £4M per year for grant funded capital works the contract value was nearer £6.7 Million per year. This was £2,200 per property per year (including void works, responsive repairs and allowances for planned and cyclical works). This value was based on the previous year's spend and the consultant has provided a cost model that shows that this value was within the industry norm.

There was a lengthy discussion of this procurement at the Overview and Scrutiny Panel (OSP), and a recommendation was made to:

“Explore performance related pay, and explore the ability to lock in a performance related element.”

Officers have carried out the recommendation to explore performance related pay and linked to research undertaken are proposing to not implement this within this contract. The reasons for not including this element in this contract were as follows:

- Financial incentives can skewer the contractor's performance toward certain areas of the contract at the expense of others;
- A contractor will focus on the areas they need to ensure they perform in to maximise income, and could neglect other areas;
- Contractors can spin KPI's to support good performance to gain the incentive;
- The focus for the contractor becomes achieving the KPI to receive the incentive rather than consistent quality over the entire service;
- Disagreements can arise if both parties do not agree on if a payment should be awarded;
- It often does not lead to true partnership working; by taking the performance related incentive out of the discussion we can improve the quality of the service.

The success of the partnership relies on clear objectives, robust key performance indicators (KPIs), and a commitment to continuous improvement. Cabinet would be ensuring that the contract allowed robust performance management via the following:

- Producing a well defined scope and objectives of the contract, ensuring both parties have a mutual understanding of their responsibilities;
- Measurable KPIs that align with TDC's strategic objectives;
- Regular performance reviews will be conducted that create a collaborative environment for feedback and improvement.

Where performance was poor and did not improve with these measures, there was the allowance through the contract to:

- Apply a service improvement plan;
- If performance does not improve, this can lead to a break clause for that service element. Meaning we can remove that element of work and procure our own contractor.

This in itself was a financial incentive because if the partnering contractor loses elements from the scope of work their income would be reduced. A huge amount of work has gone into the preparation of this procurement exercise, and The TLS team have worked incredibly commitment and expertise at Overview and Scrutiny meeting was exceptionally clear, and was recognised by all in Housing.

Councillor Whitehead proposed, Councillor Yates seconded and Cabinet agreed the following:

1. The letting of a 10 year contract, with provision to extend for a further 5 year period to enable a true alliance between contractors and client. This is for the provision of responsive repairs, voids, compliance, cyclical and planned works. This contract will also include an element of works for corporate properties.

71. TLS KPI Q1 & Q2 - HOUSING PERFORMANCE REPORT

Members considered the performance report provided Cabinet with a view of the performance of the Council's Tenant and Leaseholder Service (TLS) for Quarter 1 & Quarter 2 for 2023/24. This included performance information relating to two areas of the TLS and these were:

- Operational performance against key indicators for the period from 1 April 2023 - 31 June 2023 and 1 July 2023 - 31 September 2023;
- The management of tenant and leaseholder health and safety as of 31 June 2023 and 31 September 2023.

As evidenced by the thorough nature of these reports, a huge amount of work went into both collecting and analysing data within Housing and the comprehensive coverage of service performance was something that officers involved in producing this information deserve significant credit for. The new dashboard style reporting, which made information more accessible and very clear to understand was welcome worth special mention. The inclusion of in-depth reporting on the Council's tower block retrofit and refurbishment programme, which was a huge piece of work, was exceptionally positive.

Cabinet was encouraged that gas compliance only had one outstanding case, and that this was linked solely to very complex access issues, as this indicated the level of effort officers had made and were making to ensure that residents were protected. Cabinet acknowledged that the drop in tenant arrears was extremely positive considering the level of financial stress that many residents were currently facing. This was evidence to the huge amount of support that the TLS team were giving to residents to help them access support that they may be entitled to and to support them when times were challenging.

Work in relation to voids was also very pleasing with faster turnaround times which meant more families accommodated more quickly. This was essential to reduce disruption to families and provide secure accommodation as quickly as possible. Cabinet commended reports from the Head of Tenant and Leaseholder Services as being always very thorough. Members also recognised the work that went into collating and presenting performance information and extended their appreciation to the Tenants and Leaseholder Services team.

Councillor Whitehead proposed, Councillor Keens seconded and Cabinet agreed to note the report.

Meeting concluded: 8.10 pm