

**OVERVIEW AND SCRUTINY COMMISSION
15 NOVEMBER 2018
7.30 - 9.40 PM**



Present:

Councillors Leake (Chairman), Angell (Vice-Chairman), Mrs Angell, Brossard, Harrison, Mrs McCracken, Mrs Temperton, Tullett, Virgo and Mrs Mattick (Substitute)

Apologies for absence were received from:

Councillors Allen, Mrs Birch, Finnie and Peacey

Executive Members in attendance:

Councillors McCracken and Heydon

Also Present:

Stuart McKellar, Director: Finance
Steven Caplan, Assistant Director: Property
Steve Booth, Head of Property

24. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the Commission held on 20 September 2018 be approved as a correct record, and signed by the Chairman.

There were no additions or comments from Members of the Commission on any Matters Arising since the last meeting.

25. Declarations of Interest and Party Whip

Councillor Mrs McCracken declared a personal interest as the spouse of the Executive Member for Culture, Resources and Public Protection.

There were no indications that members would be participating while under the party whip.

26. Urgent Items of Business

There were no items of urgent business.

27. Public Participation

No submissions had been made by members of the public under the Council's Public Participation Scheme for Overview and Scrutiny.

28. SILVA Homes

Alan Ward, Chief Executive Silva Homes and Linda Wells, Executive Director (Customer Services) Silva Homes attended and updated the Overview and Scrutiny Commission on the rebranding of Bracknell Forest Homes to Silva Homes and the

association's forward plans for housing with specific reference to provision in the Borough.

The Chairman welcomed Alan Ward, Chief Executive Silva Homes and Linda Wells, Executive Director (Customer Services) Silva Homes to the meeting and highlighted that many elected Members had some Silva Homes properties in their respective wards. Residents often looked to Members to answer questions and queries on housing related matters and it would be useful for Members to better understand Silva Homes' general ethos and that their attendance at the meeting of the Commission was an opportunity for Members and Silva Homes to get to know each other better and look at ways they work more closely together.

Alan Ward, Chief Executive Silva Homes presented to the Commission. The presentation provided a baseline from when Bracknell Forest Homes began 10 years ago and outlined the journey since. It brought the Commission up to date and provided current facts and figures.

In addition to his presentation Alan Ward, Chief Executive Silva Homes made the following points of note:

- He had worked with many stock transfers over the years.
- This was the best housing association and Council relationship he had encountered and positive relationships existed.
- He had been Chief Executive since April 2018.
- Prior to his appointment as Chief Executive he had worked with Bracknell Forest Homes for about a year as a consultant.
- The association was created in 2007 as Bracknell Forest Homes and is now Silva Homes which is a not for profit organisation.
- Bracknell Forest Council had scrutinised the performance of Bracknell Forest Homes closely in the early years to ensure promises to customers were delivered.
- 30 homes had been sold under the Right to Buy Scheme in the last 2 years.
- Each home acquired under Section 106 (S106) was bought at around two thirds of the open market value.
- Government policy is that rents set at 80% of market rents were considered affordable rents and these form most of the new homes provided.
- Most of the transferred stock is set at social rents (about 60% of market rents).
- There was no way of predicting where opportunities would come up for Silva Homes to win schemes.
- Silva Homes had to bid against other housing associations but also had to endeavour to not pay too much.
- Properties could not be bought at open market values as this didn't make financial sense if they are to be let at affordable rents.
- Silva Homes were disposing of a small number of sites that were too small to develop themselves.
- A land fund of £5m should be available for reinvestment within Bracknell Forest by the end of next year (2019).
- Available Silva Homes' properties in Bracknell Forest were advertised through the Bracknell Forest Council choice-based lettings scheme.
- Most properties are let on lifetime assured tenancies or fixed term assured shorthold tenancies – each has a one year starter tenancy period.
- Some secure tenancies had been inherited from stock that had been acquired from organisations such as the Guinness Trust.
- All of the trees and open spaces Silva Homes own as a result of the stock transfer were now mapped on their GIS.

- The maintenance cost of the trees was £800,000 per year. This was an abnormal cost to tenants.
- Silva Homes':
 - Turnover was £46.9m
 - Operating margin was 25.3%
 - Had a total of £149m in loans
 - Had £53m unused loan facilities
 - Were going out for additional funding in the next 12 months
- 92% of complaints to Silva Homes were dealt with in time.
- Repairs averaged out to about 3 per property.
- The statistics and data generated by Silva Homes were used internally to provide business intelligence and help keep the development programme on an upward trajectory.
- During 2017 Silva Homes had entered into merger discussions with Housing Solutions. At the time, the proposal looked sensible but the two organisations did not agree on finances and the merger did not progress by mutual agreement.
- The abandoned merger process had been a catalyst for change and Silva Homes had developed a new strategic plan, created a new executive team and brought 3 new board members in to the organisation.
- The constitution of Silva Homes changed driven by the Council having to remove their shareholding by law and new governance arrangements were put in place.
- Board meetings were now held in the daytime instead of evenings.
- There were only two committees - audit and remuneration – with more work done in task and finish groups.
- Silva Homes has new offices at Western Peninsula in Bracknell.
- Silva Homes was a new brand in 2018. Bracknell Forest homes had been relaunched as Silva Homes in order to distance the organisation's name from a Council related function and to help customers understand who was responsible for what.
- Silva Homes as a brand provides as sense of an independent, confident, stand-alone organisation.
- The new Silva Strategic plan was launched in April 2018 which captured why they existed (their purpose), a new vision and 3 strategic objectives.
- The new vision was about being trusted by their customers and other stakeholders.
- The Silva Homes' asset strategy:
 - Could easily deliver 1100 homes over the next 5 years.
 - The ambition was to scale this up to provide about 1600 homes but more funding need to be raised in order to do this.
 - The needs of the existing housing stock needed to be considered.
 - Silva Homes had refocussed their geography more locally and would now not operate outside of Bracknell Forest, Wokingham and Hart in the short term.
 - Bracknell Forest had challenges. Much of the stock Silva Homes owns had been built around the same time and the structural integrity of that stock needed to be planned, accounted and provided for. In particular there were blocks of flats within Bracknell Forest that needed adequate provision to deal with them.
 - Following a detailed review of assets which was currently in progress, a new 5 year programme for existing stock investment would be produced in the next few months.

- Following on from the Grenfell tragedy the association had allowed for a 5% increase in overall spend to deal with fire safety and comply with health and safety requirements.
- There is a big shift towards digitalisation and self-service by customers.
- Silva Homes were conscious as an organisation that they needed to free up resources to support those who needed it most and address issues with tenants who don't comply with their tenancy agreements.
- Tenancy failures needed to be reduced and dealing with issues early was key to this.
- Longer term, digitalisation of services, where possible, would allow savings to be reinvested into new homes.
- An estimated £150m funding was needed in the next 12 months.
- Silva Homes wanted to create a culture that focussed on customer experience and that each employee of Silva Homes would have a direct line of accountability for each person during their customer experience to ensure people do not feel they were passed from pillar to post.
- Developing a customer centric view and culture would be the challenge for the next 12 months.
- No customers were directly appointed to the board.
- Silva Homes had a well-established group of customers who came to engagement activities, but there was a need to attract younger customers.
- In a survey carried out 65% of customers who responded wanted to engage with Silva Homes, but didn't want to have to go to meetings.
- A new framework had been launched. It includes a new customer partnership. The first event was held at the Hilton in Bracknell. 70 customers came along. The Fire Service presented. Silva Homes were able to use the event to conduct some customer research on their digital offer and there was a question and answer session.
- A new customer partnership board has also been created. Positions on the board were paid. The board will work as a consultative body on big issues. It will also scrutinise customer facing decision-making to ensure customer views are taken into account before decisions are made.
- Silva Homes could not attend to all parking issues alone. It already works with the Council on a programme to create new spaces but was keen to look at a joint approach to handle planning issues and address land holdings.
- A review of garages and parking was needed. Lots of garages required demolition and more work needed to be done to develop resident parking spaces perhaps on the land where garages were demolished.
- Local Authorities could lend money to housing associations. Silva Homes was a good investment if the Council was looking for a short term loan investment.
- In summary, it was felt there was a number of areas where Silva Homes and Bracknell Forest Council could work together and it was hoped this could continue to develop in the future.

The Chairman thanked Alan Ward, Chief Executive Silva Homes for his presentation to the Overview and Scrutiny Commission.

In response to Members' questions, Alan Ward, Chief Executive Silva Homes and Linda Wells, Executive Director (Customer Services) Silva Homes explained:

- There were 18,000 to 19,000 calls to the customer services team at Silva Homes per quarter.
- Most calls were about repairs.
- Most calls were customers reporting a repair or chasing their repair and trying to find out why it hadn't been done.

- It was hoped to introduce a digital system that would enable customers to book their own repairs online without having to make a call to enable customers to drive the process and choose when they have their repairs done.
- It was recognised that repairs to properties was an issue. The aging housing stock contributed to this situation.
- The current repairs service was very good but could always be better.
- Some customers did their own repairs.
- The most efficient way to carry out repairs needed to be understood better. It was important to find a way to fix the problem right the first time.
- There was a desire to move away from saying “Here’s your job ticket” to trusting the tradespeople and enabling them to fix a problem rather than just doing a single, specific ‘job’.
- The Silva repairs team had not been outsourced. Some contract support was used during busy times for example, during the winter months when boiler pipes would freeze. In situations such as this, local contractors had been called in to supplement existing staff and help address the volume of repair requests.
- There was an out of hours’ service which operated by being called out through Forest Care.
- In cases where anti-social behaviour was alleged, strong evidence needed to be provided to enable enforcement action to be taken. Anecdotal evidence could not be substantiated and surveillance was the Police’s job.
- The local Police were very supportive with trying to address county drug lines, crack house closures and, in some case, evictions.
- Intelligence was shared with the Police and Silva Homes had a good working relationship with them.
- In circumstances where customers could not evidence for what they were alleging, Silva Homes would try to help gather evidence but sometimes action could not be progressed.
- Sometime complaints could be vexatious. Some complaints came from people who were not Silva Homes’ customers. Whatever the situation was, if there was evidence of anti- social behaviour it would be looked at by Silva Homes.
- The development of some plots of land owned in the most, but not wholly by Silva Homes was sometimes frustrated and obstructed by those who own small plots of freehold within it.
- Silva Homes needed to do a review of those areas and wanted to work with the Council to develop a more pragmatic use of Compulsory Purchase Orders (CPO).

Action: Silva Homes to advise the local ward Member of any issues that they faced in relation to property so that Councillors could then follow any issues up with officers at the Council.

Action: Silva Homes to alert Councillors to any future plans that affected their wards so that Councillors could liaise directly with residents as necessary.

- Autumn maintenance was about reducing shrubs, not leaf fall clearance. There were 11,500 trees Silva Homes were responsible for. Some leaf fall around sheltered housing schemes was cleared but the whole of the Silva Homes’ estate across Bracknell Forest could not be covered as it would be too costly to do so.
- Residents cleared their own footpaths.

- The Silva Homes' Estate Services Team could help disabled residents to access their homes by clearing fallen leaves.
- There was some garden assistance available but certain criteria had to be fulfilled to access this assistance.
- Decorative assistance was now not regular but if someone had a specific difficulty, decorative assistance might be able to be applied for through community investment work.
- Lots of amenity land had passed to Silva Homes in the stock transfer.
- All land ownership was now on their GIS system so operatives could see what parcels of land belonged to Silva Homes and potential 'land grabs' could be identified.
- There were a number of disputes over parcels of land from owner occupiers.
- Where 'land grabs' had been identified Silva Homes took action to regain possession.
- The assumption was that open spaces would not be sold to individual owner occupiers as the land may offer amenity to the community and often the value of the land was often less than the cost of effecting a sale.

Action: Silva Homes to provide a digital contact card for Councillors to provide them with a 'Who's who' contact list at Silva Homes in order that issues can be accurately and timely directed to the correct person/team.

- The Chief Officer Housing's replacement would act as the key contact at the Council for Silva Homes once appointed.

Action: Silva Homes to 'CC' Councillors into emails to the Council relating to issues within each Councillor's ward.

- During the first 5 years Bracknell Forest Homes didn't do development.
- Moving to become a developer was a task.
- Bracknell Forest Homes had no contacts and no history. Competition was tight. Existing developing housing associations were seen as a lower risk.
- Developing housing in this area had a higher cost.
- Bracknell Forest homes had been working to fine margins. Development in Oxfordshire had been easier.
- A strategic review was done last year. Silva Homes had tweaked their development assumptions which enabled them to bid at a slightly higher price and began to win schemes and became more competitive.
- S106 cannot force developers to work with someone.
- 'For profit' providers were now able to compete and they could start to drive the prices up.
- For example L&G had set up their own housing association and could now build affordable housing themselves.
- Developers held all the cards, they controlled the land supply, the price of land, what got built, and drove down affordable housing quotas.
- Silva Homes recognised they cannot just rely on providing homes using S106.
- The authority could make sure they had robust land plans which understood the development gain.
- An extra 300,000 homes per year had been promised by the Govt.
- Developers were slowing on production as they are uncertain about the market as housing is intertwined with the economy.
- Silva Homes were building up a land fund to buy land holdings they can build homes on and would like to work with the Council's land holdings.

- Silva Homes Ltd was set up a company registered with Companies House as this was the first thing to do when changing branding in order to protect the name.
- As soon as Bracknell Forest Homes changed its name to Silva Homes on the Mutuels Register, the name Silva Homes Ltd registered at Companies House had to be changed as there cannot be two organisations with the same name registered at Companies House and on the Mutuels Register.
- The new name chosen for Silva Homes Ltd at Companies House was SLLEWOH Homes.
- SLLEWOH Homes is in the process of being wound up.
- The Regulator had set new standards about value for money and this required Silva Homes to justify what discretionary services it provided .
- Any community investment in future must be relevant and add value to the core business.
- Silva Homes would not be spending as much money on community activities in the future but what was spent would be much better targeted around sustaining tenancies and improving the robustness and resilience of communities.
- Things Silva Homes were currently involved with were helping the Citizen's Advice Bureau (CAB) provide debt advice to tenants, The Wayz, community grants, helping those in hardship obtain the basics, employment projects, helping people to access digital services and teaching people how to write CVs so that they can get employment. All of these activities were focussed on the broader determinants of tenancy sustainment.
- There were no current plans to reconsider the future of the existing stock of bungalows.
- It was unlikely any new bungalows would be built. They took up the same footprint as a house and didn't make sense to build.
- Decent, well maintained communal accommodation such as Lawrence Court or Clement House was the preferred option to bungalows.

The Chairman thanked Alan Ward, Chief Executive Silva Homes and Linda Wells, Executive Director (Customer Services) Silva Homes for their frank and honest answers and extended a future invitation to attend the Overview and Scrutiny Commission to them.

The Chairman summarised by saying that there were 2 clear messages coming out of the meeting.

1. Members would help Silva Homes if they possibly could and it was requested that Silva Homes advise Councillors in advance, where possible, of any significant issues that affected their wards going forwards.
2. Members and Silva Homes shared a collective goal of delivering affordable housing which was one of the biggest problems, along with parking, facing residents of the Borough. Collectively Members wanted to help Silva Homes deliver on that goal.

Alan Ward, Chief Executive Silva Homes and Linda Wells, Executive Director (Customer Services) Silva Homes provided hard copies of the magazine 'Spotlight' to Members of the Overview and Scrutiny Commission.

Councillors were advised that they could still request an electronic copy of this publication but to be retained on the mailing list would have to opt in to their data being held; as a result of the GDPR regulations that came into force earlier in 2019.

The Chairman thanked Alan Ward, Chief Executive Silva Homes and Linda Wells, Executive Director (Customer Services) Silva Homes for their attendance.

29. **Asset Management Plan**

Steve Caplan, Assistant Director: Property and Steve Booth, Head of Property attended and updated the Overview and Scrutiny Commission on the methodology and process to create the Council's new Asset Management Plan together with the mechanisms for its utilisation.

Stuart McKellar, Director: Finance introduced the Draft Asset Management Plan 2019 – 2022 (AMP) and advised:

- The AMP was a key input to the financial planning process.
- Bracknell Forest's AMP had elements that were specific to Bracknell Forest such as the regeneration of the town centre.
- Other elements of the AMP were common to AMPs produced by other Local Authorities.
- The AMP would go to the Executive for consideration in February 2019 and any comments made by the Overview and Scrutiny Commission would be included.
- The Chartered Institute of Public Finance Accountants (CIPFA) capital strategy was being finalised for consideration by the Executive in December 2018.
- The Capital Strategy will be a strategic document.

Steve Caplan, Assistant Director: Property outlined the purpose of the AMP and how it would meet the agreed objectives. He advised the Commission that:

- This AMP was a refresh under a new financial plan under a CIPFA requirement.
- It was a subset of the new financial strategy.
- Buy in had been obtained from the departments as to what services were needed.
- The AMP supported the transformation process.
- The draft had been to the Departmental Management Team (DMT). It would be created and crafted including their feedback and a formal decision by the Executive would be given in Feb 2019.

The Chairman advised he was prepared to defer the other agenda items if it became necessary to consider this substantive item thoroughly.

A new slide had been added to the presentation since the agenda was published. The amended presentation has been published as a supplementary paper to the agenda.

Steve Booth, Head of Property presented to the Commission.

In addition to the detail contained within the presentation, Steve Caplan, Assistant Director: Property and Steve Booth, Head of Property informed Members of the Commission:

- Non-operational property under Property Services in Bracknell contained over 200 shops and industrial units.
- Public Houses were owned on long leases and there were investment properties in other locations such as Huntwood Court in Southampton.
- There were over 200 residential properties.
 - 72 were flats above shops.
 - 100 properties were held by housing and used for homeless and special needs accommodation

- The business case for the development of Heathlands was still subject to negotiations with the NHS and whether the funding will become available will be decided in January 2019.
- The domino effect means that if one property is repurposed, then there is a consequential effect on another one.

Arising from questions from Members, Steve Caplan, Assistant Director: Property and Steve Booth, Head of Property advised Members:

- Any concerns about the prioritisation of repairs and the efficient targeting of resources to those repairs should be reported to Steve Caplan, Assistant Director: Property.
- No properties were left as idle stock.
- Empty surplus stock was not sat on.
- Properties identified for disposal were those no one had any use for.
- The property team worked with Silva Homes and would always take opportunities to work together where they existed.
- Operational use determined if a property was surplus to requirements. If it wasn't occupied by a service area when it is closed down, it would be declared surplus by the directorate. When this happened, the Asset Management Board assessed if anyone else within the Asset Management Group could use it. If there was no use, CMT and the Executive would consider it and provide consent to dispose of the asset.
- Winkfield Manor had been vacant for many years but didn't cost anything and had been delisted.
 - It sat next to a Silva Homes property waiting for Silva Homes to decommission their property which had now been vacated.
 - It had been considered by an older person's accommodation group and was a joint sale with Silva Homes.
 - It was in the green belt.
 - If it was redeveloped it would have to be replaced with a development of the same volume of accommodation.
- The Council spent £2,368,235 on electricity in 2017/18. This spend was the total cost of electricity to the Council in 2017/18 for the whole estate.
- No specific money was set aside as a land fund to buy land.
- Amber House and regent House were specifically purchased to recycle the land for development and the money from that has been repurposed. Purchases such as this were done on a case by case basis.
- The long leases on public houses were mostly 99-125 years. The leases now had 60-70 years on them but the peel Centre had 150 years left to run.
- The auditors had advised that voluntary aided schools should not be on the asset register as the Council does not own the buildings. The buildings were owned by the Diocese.
- The Council owned the playing fields of most of the Church Of England Schools, but not the school buildings.

Action: Steve Caplan Assistant Director: Property to advise the Commission why Binfield Church of England Primary School is in the asset list.

- As little property as possible was held.
- Value that could be used to provide services should not be tied up in buildings.
- Assets were not held on to accrue capital value in general although there were some exceptions where assets had been held because the time was not optimal to divest them. Winkfield Manor and the sale of land at Garth were good examples of this. The land at Garth was part of a strategic plan to sell

the land once it had been zoned and CIL was in place, and it was the appropriate time to repurpose the money. The land was held for 4 years then sold.

- All assets were subject to a revolving, condition based, 5 year, independent, external asset survey.
- The asset survey categorised which elements were a priority and produced a list of urgent matters (1D's) which were bid for on the capital programme.
- The capital programme tried to deal with the backlog and urgent items first.
- The Asset Management Group looked at the state of properties.
- The Commercial Centre was an issue.
- Condition based surveys were there to identify the operational priorities and how the bids for capital should be built.
- Selling Easthampstead Park Conference Centre before April 2018 had not been in the Council's interest because of clawback.
- The asset review process was driven by whether the property was operationally needed.
- Only stock that was needed to deliver services was held.
- A forward plan was held which accounted for future usage requirements in advance of just 12 months and was part of the rigorous consultation process.
- The forward plan considered the corporate plan and service plans and the AMP delivered what assets were needed.
- The space at Braccan Walk was being considered for youth use. There was a drama club there previously and since then it had been used as a Council storage facility. A bid had come forward to CMT to fund that project.

In the course of discussion, it was raised that the presence of the Binfield Community Centre being listed within the S106 Projects gave the impression that the funding arrangements had been agreed. It should be noted that no decisions had yet been made.

Action: Steve Caplan Assistant Director: Property to appendicise the priority list from the condition based survey to the plan.

30. **Quarterly Service Reports (QSRs)**

The Commission considered the latest trends, priorities and pressures in terms of departmental performance as reported in the Quarterly Service Report for the second quarter of 2018/19 (July to September) relating to the Delivery Directorate

As a result of members comments and questions the following point were made:

- In response to a question in section 1.4.17 whether any support would be provided to schools to use the apprenticeship levy, Stuart McKellar, Director: Finance advised the Commission that there is an Apprenticeship Manager whose main role is to advise schools.
- In response to a question in section 7.2.56 to clarify the correct number of beds that would be provided in the delivery of a new dementia care home, Stuart McKellar, Director: Finance advised the Commission it was 65 beds.
- It was observed that section 7.2.47 should not be RAG rated green but should be amber.

Action: Stuart McKellar, Director: Finance agreed to correct the RAG rating of section 7.2.47 from green to amber in the QSR.

31. **Executive Key and Non-Key Decisions**

The Commission considered the scheduled Executive Key and Non-Key Decisions of a corporate nature

No comments were made by Members of the Commission.

32. **Work Programme and Panel Activity Update**

The Commission noted the progress against the Overview and Scrutiny work programme, and the reports from Overview and Scrutiny Panel Chairmen on each Panel's progress against the work programme.

No comments were made.

CHAIRMAN