

NOT FOR PUBLICATION by virtue of paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

### **EXEMPT APPENDIX TO MINUTE 128 OF THE MEETING OF EXTRAORDINARY COUNCIL HELD ON 8 JUNE 2016**

During discussion the following was noted:

- A change to direct governance by Sanctuary Housing Association (SHA) would enable efficient management and provide savings and additional funding in the District for new housing and adaptations to existing housing.
- Instead of the Rochford Housing Association Board there would be a Committee set up for monitoring operational performance of SHA. This Committee would comprise five residents, three District Council Members and two independent members and would continue to steer the management of the housing stock in a direction acceptable to both the Council and residents.
- A commitment by SHA to deliver a total of 363 houses would be written into the contract; SHA would be subject to an enforceable financial penalty if it failed to meet this commitment or did not meet target delivery dates.
- There would be no change to tenants' agreements or conditions under the proposals; service charge levels in the current contract would be transferred unchanged to the new contract with SHA. Going forward, any proposed changes to the management of the housing stock would be subject to Sanctuary undertaking a statutory three month consultation with tenants.
- The Council's Chief Executive and two Directors (with support from the Assistant Director, Legal Services) had negotiated the terms of the proposed contract with SHA.
- The majority of the 363 new dwellings that SHA was committed to deliver were likely to be new build; some may be via existing building developments. SHA was looking to achieve the maximum number of new dwellings possible in the District.

#### **Resolved**

That the Deed of Variation as set out in Appendix A to the officer report be agreed and that any minor matters of detail that might arise be agreed by the Lead officer in consultation with the Portfolio Holder. (Director)

Note - Cllrs C I Black, M Hoy and C M Stanley wished to be recorded as having voted against the above decision.

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### EXEMPT APPENDIX TO MINUTE 129 OF THE MEETING OF EXTRAORDINARY COUNCIL HELD ON 8 JUNE 2016

During discussion the following was noted:

- In respect of the introduction of a Grounds Maintenance subsidiary, the proposal was to amend the staffing arrangement from twelve members of staff to nine plus three modern apprentices. The full-time staff would receive an increase in salary. It was anticipated that investing in staff in this way would improve retention rates, which has been an issue in the existing contract. Employees on the modern apprenticeship scheme would receive comprehensive training and development in their role. In the longer term it was hoped that the business would expand and that additional staff could be employed. The apprenticeship scheme would sit within the Council, not with the LATCo.
- Much of the cost of setting up a subsidiary to operate the Grounds Maintenance contract would be a one-off and would facilitate the establishment of other companies under the LATCo Group at little additional cost.
- Local Government funding was changing and the Council needed to adapt to meet these changes.
- The relationship between the LATCo and the Council would be covered by shareholder agreements. The holding company would have a Board comprising four non-executive directors (each of whom would have a duty under company law and have unlimited liability), which would report to the Council. It was recommended that Rochford District Council Members should not be involved on the Boards of the LATCo's as there may be issues of conflict of interest. The Member role would be one of scrutiny. There would be penalties built into the contracts so that the Council could hold the LATCo to account.

#### Resolved

- (1) That authority be delegated to Lead Officers, in consultation with the Chairman of the Investment Board, to proceed with the establishment of a Local Authority Trading LATCo Group structure through the power to trade contained in the Local Government Act 2003 and the Localism Act 2011 and to settle the detailed arrangements for the establishment of the LATCo Group Structure together with the Governance arrangements as set out in this report.

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- (2) That the Chief Finance Officer be authorised to provide loan facilities to the LATCo Group Structure in consultation with the Portfolio Holder for Finance, in accordance with the guidelines set out in the report relating to state aid.
- (3) That a budget of £50,000 for set up costs of the LATCo be approved.
- (4) That the Business Case for setting up the Grounds Maintenance LATCo be approved.

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### **EXEMPT APPENDIX TO MINUTE 130 OF THE MEETING OF EXTRAORDINARY COUNCIL HELD ON 8 JUNE 2016**

The Chairman of the Chief Officer Appointments Committee, Cllr Mrs C E Roe, expressed thanks to all Members involved in the Committee's work, which had been cross-party and had included candidate presentations to the broader membership. Thanks were also extended to Michelle Kirk, the Council's Human Resources Adviser, and Nicky Amor, the Human Resources Team Leader.

Responding to questions, Michelle Kirk advised that:-

- Whilst it was not usual practice to discuss the detail of assessment centre activity, the fact that the Committee's recommendations were unanimous should give the Council confidence in the candidates.
- It would be appropriate to ensure that all possible support was given to the candidates.
- The Authority already had an appraisal system in place to facilitate the setting of targets. It would be appropriate for that system to be adhered to and for progress to be kept under review via the usual arrangements.

On a motion, moved by Cllr Mrs C E Roe and seconded by Cllr M J Steptoe, it was:-

#### **Resolved**

- (1) That Mr Shaun Scrutton be appointed to the post of Head of Paid Service (Managing Director) in line with Option 4.
- (2) That Mr Nicholas Khan be appointed to the position of Executive Director (including Returning Officer and Electoral Registration Officer) in line with Option 4.

Note: Cllr Mrs D Hoy wished to be recorded as having voted against the above decisions.