

# Agenda

<b>Meeting name</b>	<b>Meeting of the Scrutiny Committee</b>
<b>Date</b>	<b>Thursday, 21 September 2023</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH</b>
<b>Other information</b>	<b>This meeting is open to the public</b>

Members of the Scrutiny Committee are summoned to the above meeting to consider the following items of business.

**Edd de Coverly**  
**Chief Executive**

## Membership

<b>Councillors</b>	M. Brown (Chair)	A. Thwaites (Vice-Chair)
	S. Atherton	R. Child
	H. Cliff	C. Evans
	M. Gordon	S. Lumley
	R. Sharp	T. Webster

**Quorum:** 5 Councillors

<b>Meeting enquiries</b>	Democratic Services
<b>Email</b>	democracy@melton.gov.uk
<b>Agenda despatched</b>	Wednesday, 13 September 2023

No.	Item	Page No.
1.	<b>APOLOGIES FOR ABSENCE</b>	
2.	<b>MINUTES</b> To approve the Minutes of the previous meeting held on 25 July 2023.	1 - 6
3.	<b>DECLARATIONS OF INTEREST</b> Members to declare any interest as appropriate in respect of items to be considered at this meeting.	7 - 8
4.	<b>REVIEW OF THE FORWARD PLAN</b> To consider the attached Forward Plan and identify any relevant items for inclusion in the Scrutiny Work Programme, or to request further information.	9 - 26
5.	<b>REVIEW OF THE SCRUTINY WORK PROGRAMME 2023/24</b> Members are to review and comment upon the attached Scrutiny Work Programme 2023/24.	27 - 34
6.	<b>PREPARING FOR REGULATORY CHANGE (HOUSING)</b> To receive a report on the work being undertaken to prepare the Council for regulatory change in housing.	35 - 48
7.	<b>CATTLE MARKET LEASES</b> To receive a report regarding Cattle Market leases.	49 - 62
8.	<b>URGENT BUSINESS</b> To consider any other items that the Chair considers urgent	

# Minutes

<b>Meeting name</b>	<b>Scrutiny Committee</b>
<b>Date</b>	<b>Tuesday, 25 July 2023</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH</b>

## Present:

**Chair** Councillor M. Brown (Chair)

**Councillors** A. Thwaites (Vice-Chair) S. Atherton  
R. Child C. Evans  
M. Gordon S. Lumley  
J. Mason R. Sharp  
T. Webster

**In Attendance** Planning Manager for Strategy and Planning, Leicester, Leicestershire and Rutland Integrated Care Board – Mr Adhvait Sheth

**Officers** Director for Housing and Communities (Deputy Chief Executive)  
Assistant Director for Customer and Communities  
Strategic Lead for Safer Communities  
Senior Democratic Services and Scrutiny Officer

Minute No.	Minute
1	<p><b>APOLOGIES FOR ABSENCE</b> No apologies for absence were received.</p>
2	<p><b>MINUTES</b> The Minutes of the meeting held on 18 April 2023 were approved.</p>
3	<p><b>DECLARATIONS OF INTEREST</b> No declarations of interest were received.</p>
4	<p><b>REVIEW OF THE FORWARD PLAN</b> The Chairman introduced the Cabinet Forward Plan and invited Members to comment.</p>
5	<p><b>REVIEW OF THE SCRUTINY WORK PROGRAMME 2023/24</b> The Chairman introduced the Scrutiny Work Programme 2023/24 and invited Members to comment upon the document.</p> <p>A discussion ensued regarding the four proposed workshops and whether there needs to be a prioritisation of the workload.</p> <p>Members asked for Officer advice on whether the workload was manageable and that advice was provided by the Director for Housing and Communities. Members were advised that whilst Officer workloads were stretched due to a change in administration and the impending development of the new Corporate Strategy, the Scrutiny Committee was advised that they are responsible for the Work Programme and that Officers will commit to what Members decided.</p> <p>A number of Members commented that they thought the Work Programme needed rationalising and that the workshops should be prioritised. The suggestion of assessing whether Scrutiny could make a meaningful contribution to the topic and what could Scrutiny achieve should be considered in order to establish which workshop should take priority.</p> <p>The comment was made that the Future Leisure Provision topic is the most viable topic for consideration as the other three appear too generic. Although the suggestion was made that supporting an aging population should be considered due to the increasing aging population.</p> <p>In response to the suggestion that a rationale should be provided, Members were informed that a rationale was provided at the Work Programme Workshop in June, when topics were considered for the Work Programme.</p> <p>Members were reminded that the Work Programme is a living document which can be changed throughout the year, as and when priorities change. In addition, the</p>

workshops that wouldn't proceed could be placed on the 'pending' list.

## **RESOLVED**

### **Scrutiny Committee**

**Would proceed with the Future Leisure Provision Workshop and place the following workshops on the pending list:**

- **Supporting an aging population;**
- **Connected with our Rural Communities;**
- **Offer to young people.**

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### **COMMUNITY HEALTH AND WELL-BEING PLAN**

(The Chairman agreed to alter the advertised agenda and take this item before the CCTV Post Implementation Review.)

The Director for Housing and Communities (Deputy Chief Executive) introduced the Community Health and Well-being Plan. Mr Advait Sheth, Planning Manager for Strategy and Planning at the Leicester, Leicestershire and Rutland Integrated Care Board was in attendance for this item. The Assistant Director for Customer and Communities was also in attendance for this item.

In introducing the Plan, the Director for Housing and Communities explained that there is a requirement for collaboration between the health and local authorities and in renewing the Health and Well-being Strategy there was an identified need for a plan at the Melton Borough level. This produced an opportunity for the Council to feedback to the Integrated Care Board.

Mr Sheth added that the Plan is for the population of Melton Borough. The Plan is evidence based and outlines five priorities, which are:

- Priority 1 – Support expectant mothers (Breastfeeding initiation and prevalence)
- Priority 2 – Develop and embed a Melton Neighbourhood Mental Health Offer
- Priority 3 – Empower residents to access preventive and self-care approaches including through Digital channels
- Priority 4 – Prevent falls through supporting the frail and those at risk of hip fractures
- Priority 5 – Integrate the local community support hub model further with health/wellbeing teams.

It was recognised by Members that without an overarching partnership, the aspirations on health would be difficult to achieve.

The challenges and the ripple effect of wider issues on people's health and well-being were mentioned. Cost-of-living pressures, access to education and quality of environment were provided as examples. In addition, linked to this is the importance of healthy food choices and the risk that cost-of-living pressures force

people to access unhealthier choices, e.g. that foodbanks are a crisis offer and don't provide fresh food.

The comment was made that residents should be left to access the care they wish to access and not be cajoled into doing so.

Members commented that access to health services, in particular for GPs, mental health services, urgent care and hospital care is unclear and disjointed. There was a sense that local residents have to travel a long way to access health services that they feel could be provided closer to home. It was suggested that a community hub model could be a solution to utilising the services within Melton Borough.

The importance of understanding underlying issues of behaviour such as trauma leading to drug use and unhealthy lifestyle choices was noted.

Concern was raised regarding cross border collaboration and making the plan relevant to those communities who living within the Melton Borough but access health care services in Lincolnshire. In particular, how does cross border integration work in practice with Lincolnshire health services and how can confidence be given to residents that the plan recognises their needs and has an ability to influence cross border health provision. Mr Sheth responded by stating that cross border partnerships need to be strengthened in order for health services on one side of the border to understand the residents' needs on the other side of the border. Mr Sheth added that understanding the residents' of peripheral areas and their needs is crucial.

Comment were raised that there is low public confidence in health care services due to issues residents have in not being able to get an appointment or having to wait a long time for a GP appointment. The Plan won't be viewed positively unless there is an assurance or confidence that GP access and provision would improve. Mr Sheth responded by noting the low public confidence but added that transformation is key in reshaping the services and improving their ability to delivery adequate care.

A Member commented whether there could be an opportunity for emergency services could be combined in order to provide a more holistic service.

The Chairman thanked Mr Sheth for his attendance at the meeting.

(At 8:05pm, the meeting was adjourned. At this point Councillor Child left the meeting and did not return.)

7

**CCTV POST IMPLEMENTATION REVIEW**

(At 8:10pm, the meeting was reconvened.)

The Director for Housing and Communities (Deputy Chief Executive) introduced the report on CCTV Post Implementation Review. The Assistant Director for Customer and Communities and the Strategic Lead for Safer Communities were both in

attendance for this item to answer questions.

The comment was made that in considering whether the objectives were met and that the project represents value for money for residents, it concluded that they were and it does however it was felt they could have been presented more clearly.

The 'help point' device was welcomed by the Committee who viewed it as a valuable resource in helping to protect vulnerable people. Although concern was raised about the potential for abusing the facility, however Members were reassured that the device has a camera so any person abusing the facility would be identified.

There was confusion whether the ultimate aim of the project is to prevent crime by acting as a deterrent; identify perpetrators for prosecutions or whether the project was initiated with the dual purpose in mind.

In response to the query on where the locations for the fixed cameras are and whether there are any in the Country Park, the Committee were informed that the cameras have been installed on current infrastructure in the town centre, although there will be future opportunities for more cameras to be installed however there are no immediate plans. There are however no cameras in the Country Park, due to the location of necessary infrastructure.

A further query was raised regarding mobile cameras and whether any more are planned. In response, Members were informed that there are a limited amount of mobile camera and that two have been vandalised. Although a mobile camera for fly tipping hotspots are planned.

Following a question regarding the flashing speed signs, it was clarified that this falls under the remit of Leicestershire County Council.

The Committee welcomed the feedback that has been received from Leicestershire Police and recognised the value CCTV has in Community Safety and tackling crime and disorder.

It is recognised that whilst the CCTV network can be valuable in identifying perpetrators, Members were reminded that the crime does need to be reported for the Police to take action.

Officers were requested that when rolling out further cameras, that a wider group of Members are consulted with as opposed to just town Councillors.

During the debate, it was noted that Melton Mowbray has areas of difficulty, however it isn't an unsafe town.

When asked about whether there is scope for using audio alerts, Members were informed that if the cameras are monitored 24/7 then would be useful.

Officers confirmed that the Council would begin to replace cameras in five years time. Officers would be open in using the best and recognise that technology would have moved on considerably in that time. The current cameras would still be sufficient in five years, however the cameras that are used the most will be updated first.

Following a query regarding the use of drone technology, Members were informed that Planning colleagues are already looking into using drones and that Officers would review the programme carefully before deciding whether to proceed with the technology in this area.

The Chairman then concluded the discussion by thanking Officers for their attendance.

8	<b>URGENT BUSINESS</b> There was no urgent business.
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The meeting closed at: 8.47 pm

Chair



## MEMBER INTERESTS

### Do I have an interest?

#### 1 DISCLOSABLE PECUNIARY INTERESTS (DPIs)

A “Disclosable Pecuniary Interest” is any interest described as such in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and includes an interest of yourself, or of your Spouse/Partner (if you are aware of your Partner's interest) that falls within the following categories: Employment, Trade, Profession, Sponsorship, Contracts, Land/Property, Licences, Tenancies and Securities.

A Disclosable Pecuniary Interest is a Registerable Interest. Failure to register a DPI is a criminal offence so register entries should be kept up-to-date.

#### 2 OTHER REGISTERABLE INTERESTS (ORIs)

An “Other Registerable Interest” is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body
  - (i) exercising functions of a public nature
  - (ii) any body directed to charitable purposes or
  - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

#### 3 NON-REGISTRABLE INTERESTS (NRIs)

“Non-Registrable Interests” are those that you are not required to register but need to be disclosed when a matter arises at a meeting which directly relates to your financial interest or wellbeing or a financial interest or wellbeing of a relative or close associate that is not a DPI.

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**In each case above, you should make your declaration at the beginning of the meeting or as soon as you become aware. In any other circumstances, where Members require further advice they should contact the Monitoring Officer or Deputy Monitoring Officer in advance of the meeting.**

# Declarations and Participation in Meetings

## 1 DISCLOSABLE PECUNIARY INTERESTS (DPIs)

- 1.1 Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests which include both the interests of yourself and your partner then:
- a) you must disclose the interest;
  - b) not participate in any discussion or vote on the matter; and
  - c) must not remain in the room unless you have been granted a Dispensation.

## 2 OTHER REGISTERABLE INTERESTS (ORIs)

- 2.1 Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests i.e. relating to a body you may be involved in:
- a) you must disclose the interest
  - b) may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
  - c) must not remain in the room unless you have been granted a Dispensation.

## 3 NON-REGISTRABLE INTERESTS (NRIs)

- 3.1 Where a matter arises at a meeting, which is not registrable but may become relevant when a particular item arises i.e. interests which relate to you and /or other people you are connected with (e.g. friends, relative or close associates) then:
- a) you must disclose the interest;
  - b) may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
  - c) must not remain in the room unless you have been granted a Dispensation.

## 4 BIAS

- 4.1 Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest (bias):
- a) you should not take part in the decision-making process
  - b) you should state that your position in this matter prohibits you from taking part
  - c) you should leave the room.

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**In each case above, you should make your declaration at the beginning of the meeting or as soon as you become aware. In any other circumstances, where Members require further advice they should contact the Monitoring Officer or Deputy Monitoring Officer in advance of the meeting.**

## MELTON BOROUGH COUNCIL Forward Plan

### FOR THE PERIOD September 2023 - December 2023

#### What is the Plan?

It is a list of the Key Decisions to be taken by the Cabinet during the period referred to above. The Council has a statutory duty to prepare this document, in accordance with the Local Government Act 2000 (as amended). The Plan is published 28 clear days before a meeting of Cabinet is to be held. The Plan is available to view at the Council's main offices in Melton, or on the Council's website, <http://www.melton.gov.uk>.

#### What is a Key Decision?

Definition of a key decision as detailed in the Council's Constitution is one which is likely to result in the Council:

- Incurring expenditure of £50,000 or more, or;
- Making savings or generate income of £50,000 or more, and/or
- Has a significant impact on two or more wards in the Borough and on communities living or working in those areas.

#### Who makes Key Decisions?

Under the Council's Constitution, Key Decisions are made by:

- Cabinet
- The Leader and Portfolio Holders
- Individual officers acting under delegated powers

#### Are only Key Decisions published on the Plan?

The Council has a statutory obligation to publish Key Decisions in the Plan. However, the Council has voluntarily decided to list non-key Cabinet decisions as well. To clarify matters, Key Decisions will be identified on the Plan with a Yes, non-key decisions with a No.

#### What does the List tell me?

The List gives information about:

- Upcoming Key and Non-Key Decisions (identified by Yes or No next to them)
- Whether the decision will be made in public or private.
- When decisions are likely to be made.
- Who will make these decisions.
- Who you can contact for further information.

### **Who are the members of the Cabinet?**

The members of the Cabinet and their areas of responsibility are:

- Leader of the Council, Housing and Landlord Services
- Governance, Environment and Regulatory Services (and Deputy Leader)
- Customers, Communities and Neighbourhoods
- Town Centre, Growth and Prosperity
- Corporate Finance, Property and Resources

### **What is the role of Scrutiny?**

The Council's Scrutiny Committee's role is to contribute to the development of Council policies, scrutinise decisions of the Cabinet and hold them to account and to consider any matter affecting Melton Borough or its citizens. Dates of these meetings can be found on the Council's website.

### **Who do I contact, and how?**

Each entry on the Plan indicates the names of the people to contact about that item. They can be contacted via the switchboard on 01664 502502

### **Request to view Background Papers**

Should you wish to request copies or extracts of any documents listed under the column entitled 'Background Papers', for items which are considered to be Key Decisions, please contact Democratic Services at, Melton Borough Council, [democracy@melton.gov.uk](mailto:democracy@melton.gov.uk) Please note that copies or extracts of documents which contain information of a confidential or exempt nature cannot be disclosed to the public.

### **Submission of Additional Documents**

Additional documents which are deemed relevant to a particular Key Decision item may be submitted to the Cabinet for consideration. Copies of such documents may also be requested under the same process for requesting to view Background Papers.

### **Confidential and Exempt Information**

This list may also include items to be considered which contain confidential or exempt information, but will not disclose any detail of a confidential or exempt nature. Such items will be identified with '(Exempt)' in the report title.

Report Title	Background Papers	Decision Maker	Date of Decision	Key Decision?	Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Award of Contract – Lift Refurbishment at Granby House</u></p> <p>To award a contract for the passenger lift refurbishment at Granby House.</p>		Portfolio Holder for Corporate Finance, Property & Resources	Not before 14th Sep 2023	Yes	Portfolio Holder for Corporate Finance, Property & Resources  Michelle Howard, Director for Housing and Communities (Deputy Chief Executive)	Open
<p><u>Sale of Cattle Market North</u></p> <p>The sale of Council land at the North End of the Cattle market, which comprises an approximate area of 1.69 acres, allocated for housing.</p>		Director for Growth and Regeneration	Not before 14th Sep 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Jiten Ravat, Corporate Property and Assets Manager	Open

<p align="center"><b>Report Title and Expected Decision</b></p>	<p align="center"><b>Background Papers</b></p>	<p align="center"><b>Decision Maker</b></p>	<p align="center"><b>Date of Decision</b></p>	<p align="center"><b>Key Decision?</b></p>	<p align="center"><b>Report Available/ Portfolio Holder/ Contact Officer</b></p>	<p align="center"><b>Decision to be taken in public or private session?</b></p>
<p><u>Contract Rates Uplift – Electrical Re-wires (Newey)</u></p> <p>To approve an uplift in the contract rates and amend the contract documents as required.</p>		<p>Portfolio Holder for Corporate Finance, Property &amp; Resources</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Portfolio Holder for Corporate Finance, Property &amp; Resources</p> <p>Christopher Flannery, Housing Asset Manager</p>	<p>Open</p>
<p><u>Procurement of evidence base for the Local Plan Review</u></p> <p>The evidence that will be procured is as follows:</p> <ul style="list-style-type: none"> <li>- Retail Study</li> <li>- Employment Study</li> <li>- Strategic Flood Risk Assessment (Stages 1 and 2)</li> <li>- Climate Change Study</li> <li>- Open Space Assessment Report</li> <li>- Local Housing, Economics and Affordable Housing Need Assessments (these could be 2 studies)</li> <li>- Gypsy and Traveller &amp; Travelling Showpeople Assessment</li> <li>- Sustainability Assessment (and Habitats Regulations Assessment)</li> <li>- Green Infrastructure Strategy</li> <li>- Integrated Water Management Study</li> </ul>		<p>Director for Growth and Regeneration</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Portfolio Holder for Governance, Environment &amp; Regulatory Services (&amp; Deputy Leader)</p> <p>Sarah Legge, Assistant Director for Planning</p>	<p>Open</p>

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<u>Lease Renewal at 66/68 Snow Hill, Melton Mowbray</u>  To arrange a lease renewal at 66/68 Snow Hill, Melton Mowbray		Director for Growth and Regeneration	Not before 14th Sep 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Jiten Ravat, Corporate Property and Assets Manager	Fully exempt 3
<u>Housing Management Policies</u>  To approve the following operational housing management policies: 1. Garages Allocations & Arrears Policy 2. Scooter Pod Allocations & Arrears Policy 3. Recharge Policy		Leader of the Council & Portfolio Holder for Housing & Landlord Services	Not before 14th Sep 2023	Yes	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Doug Stother, Tenancy Services Manager	Open

<p align="center"><b><u>Report Title</u></b> <b>and Expected Decision</b></p>	<p align="center"><b>Background Papers</b></p>	<p align="center"><b>Decision Maker</b></p>	<p align="center"><b>Date of Decision</b></p>	<p align="center"><b>Key Decision?</b></p>	<p align="center"><b>Report Available/ Portfolio Holder/ Contact Officer</b></p>	<p align="center"><b>Decision to be taken in public or private session?</b></p>
<p><u>Purchase of wood chipper and two vans</u></p> <p>Procurement process for a wood chipper and two vans</p>		<p>Director for Housing and Communities</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Portfolio Holder for Governance, Environment &amp; Regulatory Services (&amp; Deputy Leader)</p> <p>Paul Evans, Interim Head of Neighbourhoods</p>	<p>Open</p>
<p><u>Award of contract - Domestic and commercial heating servicing, maintenance and replacement</u></p> <p>To appoint a contractor to undertake gas safety checks, servicing and new installation of a range of heating types.</p>		<p>Leader of the Council &amp; Portfolio Holder for Housing &amp; Landlord Services</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Leader of the Council &amp; Portfolio Holder for Housing &amp; Landlord Services</p> <p>Christopher Flannery, Housing Asset Manager</p>	<p>Open</p>



<b>Report Title and Expected Decision</b>	<b>Background Papers</b>	<b>Decision Maker</b>	<b>Date of Decision</b>	<b>Key Decision?</b>	<b>Report Available/ Portfolio Holder/ Contact Officer</b>	<b>Decision to be taken in public or private session?</b>
<u>Award of Contract for the Stockyard Operation</u>		Director for Growth and Regeneration	Not before 14th Sep 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Lee Byrne, Assistant Director – Regeneration and UKSPF Delivery	Open
<u>Award of Contract for the Construction of the Stockyard Development</u>		Director for Growth and Regeneration	Not before 14th Sep 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Lee Byrne, Assistant Director – Regeneration and UKSPF Delivery	Open

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<p><u>Approval of UKSPF Grants</u></p> <p>Approval of grants in line with grants guidance note and UKSPF guidelines and criteria for the financial year 2023/24.</p>		<p>Director for Growth and Regeneration</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Portfolio Holder for Town Centre, Growth &amp; Prosperity</p> <p>Lee Byrne, Assistant Director – Regeneration and UKSPF Delivery</p>	<p>Open</p>
<p><u>Change of Establishment - Levelling up Project Manager for 2 year fixed term</u></p> <p>To recruit a fixed term position to support delivery of the Levelling Up Fund and other capital programmes on behalf of Melton Borough Council.</p>		<p>Director for Growth and Regeneration</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Portfolio Holder for Town Centre, Growth &amp; Prosperity</p> <p>Lee Byrne, Assistant Director – Regeneration and UKSPF Delivery</p>	<p>Open</p>

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<p><u>Service Level Agreement for grant funding to the Business Improvement District</u></p> <p>To award the Business Improvement District £4,000 capital and £82,370 revenue from the United Kingdom Shared Prosperity Fund over the period 2023/24 and 2024/25.</p> <p>To provide direct support to retail through a Business Improvement Grant scheme to enable pop-up shops and increase occupancy.</p>		<p>Director for Growth and Regeneration</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Portfolio Holder for Town Centre, Growth &amp; Prosperity</p> <p>Gordon Watts, Senior Projects Delivery Officer</p>	<p>Open</p>
<p><u>Award of Contract - Aids and adaptations property extensions</u></p> <p>To award a contract for Aids and Adaptations Property Extensions</p>		<p>Leader of the Council &amp; Portfolio Holder for Housing &amp; Landlord Services</p>	<p>Not before 14th Sep 2023</p>	<p>Yes</p>	<p>Leader of the Council &amp; Portfolio Holder for Housing &amp; Landlord Services</p> <p>Christopher Flannery, Housing Asset Manager</p>	<p>Open</p>

<u>Report Title</u> and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<u>Contract rates uplift - Planned Maintenance</u>  To agree a variation to the contract to allow for the rates to be increased in line with inflationary increases		Leader of the Council & Portfolio Holder for Housing & Landlord Services	Not before 14th Sep 2023	Yes	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Christopher Flannery, Housing Asset Manager	Open
<u>Additional Heating Contract Extension</u>		Director for Corporate Services	Not before 25th Sep 2023	Yes	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Christopher Flannery, Housing Asset Manager	Open

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<p><u>Licensing Enforcement Policy</u></p>		<p align="center">Cabinet</p>	<p align="center">11 Oct 2023</p>	<p align="center">No</p>	<p>Portfolio Holder for Governance, Environment &amp; Regulatory Services (&amp; Deputy Leader)</p> <p>Joanne Belcher, Senior Environmental Health Officer</p>	<p align="center">Open</p>
<p><u>Intensive Housing Management Service Review</u></p>		<p align="center">Cabinet</p>	<p align="center">11 Oct 2023</p>	<p align="center">No</p>	<p>Leader of the Council &amp; Portfolio Holder for Housing &amp; Landlord Services</p> <p>Alison Bennett, Assistant Director for Housing Management</p>	<p align="center">Open</p>

<u>Report Title</u> and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
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<u>Housing Consumer Regulation - consultation response</u>  The Regulator for Social Housing (RSH) has launched a 12 week consultation period regarding proposed new Housing Consumer Regulation Standards and an associated Code of Practice.		Cabinet	11 Oct 2023	Yes	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Alison Bennett, Assistant Director for Housing Management	Open
<u>Asset Development Programme Update</u>  An update on the proposals for Phoenix House.		Cabinet	11 Oct 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Pranali Parikh, Director for Growth and Regeneration	Part exempt 3

<u>Report Title</u> and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<u>Feasibility Study into the Melton Mowbray Cemetery</u>  To consider the report from the CDS Group on the feasibility study into a proposed new cemetery for Melton Mowbray.		Cabinet	11 Oct 2023	Yes	Portfolio Holder for Governance, Environment & Regulatory Services (& Deputy Leader)  Paul Evans, Interim Head of Neighbourhoods	Part exempt 3, 4
<u>Refugee Resettlement Arrangements</u>		Cabinet	11 Oct 2023	Yes	Portfolio Holder for Customers, Communities & Neighbourhoods  Rachel Chubb, Strategic Lead for Housing Options and Homelessness	Open
<u>Quarter 2 Housing Revenue Account Revenue and Capital Budget Monitoring Report 2023/24</u>		Cabinet	15 Nov 2023	No	Portfolio Holder for Corporate Finance, Property & Resources  Carol King, Accountant (CK)	Open

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<u>Quarter 2 General Fund Revenue and Capital Budget Monitoring Report 2023/24</u>		Cabinet	15 Nov 2023	No	Portfolio Holder for Corporate Finance, Property & Resources  Natasha Allsopp, Senior Accountant (NA)	Open
<u>Mid-Year Treasury Management Report 2023/24</u>		Cabinet	15 Nov 2023	No	Portfolio Holder for Corporate Finance, Property & Resources  David Scott, Assistant Director for Resources (Deputy s151 Officer)	Open

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<b><u>Report Title</u> and Expected Decision</b>	<b>Background Papers</b>	<b>Decision Maker</b>	<b>Date of Decision</b>	<b>Key Decision?</b>	<b>Report Available/ Portfolio Holder/ Contact Officer</b>	<b>Decision to be taken in public or private session?</b>
<u>Intensive Housing Management Service Review Part 2</u>		Cabinet	15 Nov 2023	No	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Alison Bennett, Assistant Director for Housing Management	Open
<u>Leisure Contract Update</u>		Cabinet	15 Nov 2023	No	Portfolio Holder for People and Communities (Deputy Leader)  Aysha Rahman, Assistant Director, Customers and Communities	Open

<b><u>Report Title</u> and Expected Decision</b>	<b>Background Papers</b>	<b>Decision Maker</b>	<b>Date of Decision</b>	<b>Key Decision?</b>	<b>Report Available/ Portfolio Holder/ Contact Officer</b>	<b>Decision to be taken in public or private session?</b>
<u>Housing Revenue Account Asset Management Plan Review</u>		Cabinet	15 Nov 2023	Yes	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Christopher Flannery, Housing Asset Manager	Open
<u>UK Shared Prosperity Fund (UKSPF)</u>		Cabinet	15 Nov 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Lee Byrne, Assistant Director – Regeneration and UKSPF Delivery	Open

<p align="center"><b>Report Title and Expected Decision</b></p>	<p align="center"><b>Background Papers</b></p>	<p align="center"><b>Decision Maker</b></p>	<p align="center"><b>Date of Decision</b></p>	<p align="center"><b>Key Decision?</b></p>	<p align="center"><b>Report Available/ Portfolio Holder/ Contact Officer</b></p>	<p align="center"><b>Decision to be taken in public or private session?</b></p>
<p><u>Asset Development Plan (Corporate Assets)</u></p> <p>The report provides an update and requests that Cabinet provides a steer for the next steps of the plan.</p>		Cabinet	15 Nov 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Pranali Parikh, Director for Growth and Regeneration	Open
<p><u>Levelling Up Fund Update</u></p>		Cabinet	15 Nov 2023	Yes	Portfolio Holder for Town Centre, Growth & Prosperity  Lee Byrne, Assistant Director – Regeneration and UKSPF Delivery	Open

<b><u>Report Title</u></b> <b>and Expected Decision</b>	<b>Background Papers</b>	<b>Decision Maker</b>	<b>Date of Decision</b>	<b>Key Decision?</b>	<b>Report Available/ Portfolio Holder/ Contact Officer</b>	<b>Decision to be taken in public or private session?</b>
<u>Quarter 2 Corporate Performance and Progress Report 2023/24</u>		Cabinet	13 Dec 2023	No	Leader of the Council & Portfolio Holder for Housing & Landlord Services  Martin Guest, Senior Corporate Policy Officer	Open

## MELTON BOROUGH COUNCIL SCRUTINY WORK PROGRAMME 2023/24

### SCRUTINY REVIEWS

These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. There should only be a maximum of three reviews considered annually and review topics may be changed throughout the year as topical issues arise. Once considered, these issues will be subject to further development and scoping.

Should there not be sufficient capacity to cover items which are brought to the attention of Scrutiny they could instead be addressed through a “one-off” item at a scheduled meeting of the Committee.

Topics	Officer and Member Lead	Date	Notes	Requested by (Member)/ Date agreed for addition by Scrutiny Chairman	Portfolio Holder/Chief Officer consulted on date of report
Budget Scrutiny	Director for Corporate Services  Assistant Director for Resources  Scrutiny Lead: TBC	12 December 2023	A Budget Scrutiny Workshop is proposed to give Members an opportunity to view key changes to the budget prior to the publication of the budget papers at January’s formal Budget Scrutiny Committee meeting. The Workshop gives Members an opportunity to raise concerns with any proposals before they are finalised.	Requested by the Director for Corporate Services and Assistant Director for Resources.  Agreed by Chairman on 22 August 2023.	N/A – There will be no final report but comments will be fed into budget papers.
Future Leisure Provision	Director for Growth and Regeneration  Scrutiny Lead: TBC	TBC	Workshop session proposed.	SLT suggested this should be a workshop instead of a Policy Development Group.	N/A – There will be no final report but comments will be fed into existing plans and work streams.

## POLICY DEVELOPMENT GROUPS

Policy Development Groups in three areas have been set up for Members to discuss and comment upon topics. The results of the discussions and comments will feed into the development of the new Corporate Plan.

Topics	Officer and Member Lead	Date	Notes	Requested by (Member)/ Date agreed for addition by Scrutiny Chairman	Portfolio Holder/Chief Officer consulted on date of report
Asset Development Programme	Director for Growth and Regeneration  Portfolio Holder for Corporate Finance, Property and Resources	Meeting 1 – 9 August 2023  Meeting 2 – 31 August 2023	This is an informal group set up by consensus. There will be 10 Members drawn from all 28 Members and will be politically balanced. It is anticipated there will be at least one Member of the Scrutiny Committee on the group who will be a conduit to Scrutiny.  The findings and recommendations of the group will inform the development of the Council's Corporate Strategy for 2024-2028.	N/A – The Chief Executive explained the proposal for Policy Development Groups at the Scrutiny Work Programme Workshop, 15 June 2023.	N/A
Town Centre vitality & regeneration	Director for Growth and Regeneration  Portfolio Holder for Town Centre, Growth and Prosperity	Meeting 1 – 2 August 2023  Meeting 2 – 22 August 2023	This is an informal group set up by consensus. There will be 10 Members drawn from all 28 Members and will be politically balanced. It is anticipated there will be at least one Member of the Scrutiny Committee on the group who will be a conduit to Scrutiny.  The findings and recommendations of the group will inform the development of the Council's Corporate Strategy for 2024-2028.	N/A – The Chief Executive explained the proposal for Policy Development Groups at the Scrutiny Work Programme Workshop, 15 June 2023.	N/A

**ONE OFF ITEMS/FORWARD PLAN(PRE-DECISION)/ANNUAL ITEM**

These are dealt with at scheduled meetings of the Committee. The following are suggestions for when particular items may be scheduled.

Suggested Topics	FORMAT	Portfolio Holder/Officer	Meeting Date	Notes	Requested by (Member)/ Date agreed for addition by Scrutiny Chairman	Portfolio Holder/Chief Officer consulted on date of report
(1) Preparedness for regulatory change in housing	One-off	Leader and Portfolio Holder for Housing and Landlord Services  Director for Housing and Communities	21 September 2023	The Committees role in this context could be to seek assurance of the Council's preparedness for regulatory change, and to comment on areas requiring further improvement. Feedback and / or recommendations to Cabinet would directly inform the next steps in the Council's housing improvement journey.	Scrutiny Workshop, 15 June 2023	Yes
(2) Cattle Market/Stockyard Leases	One-off	Portfolio Holder for Town Centre, Growth and Prosperity  Director for Growth and Regeneration	21 September 2023	The Committee is to consider the current arrangements and whether these need to be reviewed or modified in advance of long-term contracts being agreed. Members will also ensure that income to the Council is maximised and best value for the Levelling Up Fund investment is realised.	Scrutiny Workshop, 15 June 2023, agreed by Chairman, 13 July 2023	Yes
(3) Crime and Disorder	Annual	Portfolio Holder for Corporate Finance, Property and Resources  Director for Housing and Communities	19 October 2023	The new Local Police Inspector, Inspector Darren Richardson, has been invited to this meeting.	N/A as Statutory Function	Yes
(4) Homelessness Strategy	One-off	Portfolio Holder for Customers, Communities and Neighbourhoods  Director for Housing and Committees	23 November 2023	Scrutiny Committee review of the draft homelessness strategy will add value and will enable feedback and / or recommendations to cabinet for consideration. In this context, the Committee would be well placed to fulfil a consultative function.	Scrutiny Workshop, 15 June 2023	Yes
(5) Climate Change Strategy	One-off	Portfolio Holder for Governance, Environment and Regulatory Services  Director for Growth and Regeneration	23 November 2023	A Scrutiny Committee workshop was held in March 2023 to review the Council's work and the progress on the climate change strategy. Following the comments received, the draft strategy is being prepared.  It is proposed for the Committee to review the draft Climate Change Strategy as part	Scrutiny Workshop, 15 June 2023	Yes

Suggested Topics	FORMAT	Portfolio Holder/Officer	Meeting Date	Notes	Requested by (Member)/ Date agreed for addition by Scrutiny Chairman	Portfolio Holder/Chief Officer consulted on date of report
				of the consultation process. The feedback and comments from the committee will inform the final strategy for consideration by the Cabinet and approval by the Council later this year.		
(6) Budget	Annual	Portfolio Holder for Corporate Finance, Property and Resources  Director for Corporate Services	25 January 2024	<b>One item only agenda</b>  Scrutiny of the Budget.  <i>All Members are invited to participate.</i>	N/A	Yes
(7) Lightbulb – 5 Year Plan	One-off	Portfolio Holder for Customers, Communities and Neighbourhoods  Director for Housing and Communities	21 March 2024  <i>Could be December or February</i>	Scrutiny committee involvement in the development of the five-year business plan will be advantageous for the whole partnership. It will also enable the committee to provide feedback to cabinet on the opportunities and constraints for Lightbulb as a service (eg: eligible spend guided by legislative framework and ringfence, leading to underspend).  <i>This is a partnership piece of work.</i>	Scrutiny Workshop, 15 June 2023	Yes
(8) Regulatory change in housing review	One-off	Leader and Portfolio Holder for Housing and Landlord Services  Director for Housing and Communities	21 March 2024	This slot is on hold for a potential review on the effects of the regulatory change in housing upon Melton.	Scrutiny Workshop, 15 June 2023	Yes
(9) Annual Scrutiny Report	Annual Item	Scrutiny Officer  Chairman of Scrutiny Committee	25 April 2024	Report detailing the work of the Scrutiny Committee over the previous 12 months.	N/A	Yes



**PENDING ITEMS** These items are awaiting further discussion or additional research before being added to the work programme

Topics (One-off or Review Item?)	Officer and Member Lead	Date	Notes	Requested by (Member)/ Date agreed for addition by Scrutiny Chairman
(1) Leader's Annual Presentation	Chief Executive Leader	TBC	-	Scrutiny Work Programme Workshop, 15 June 2023
(2) Portfolio Holder for Governance, Environment and Regulatory Services Annual Presentation	Monitoring Officer Portfolio Holder for Governance, Environment and Regulatory Services	TBC	-	Scrutiny Work Programme Workshop, 15 June 2023
(3) Portfolio Holder for Customers, Communities and Neighbourhoods Annual Presentation	Director for Housing and Communities Portfolio Holder for Customers, Communities and Neighbourhoods	TBC	-	Scrutiny Work Programme Workshop, 15 June 2023
(4) Portfolio Holder for Town Centre, Growth and Prosperity Annual Presentation	Director for Growth and Regeneration Portfolio Holder for Town Centre, Growth and Prosperity	TBC	-	Scrutiny Work Programme Workshop, 15 June 2023
(5) Portfolio Holder for Corporate Finance, Property and Resources Annual Presentation	Director for Corporate Services Portfolio Holder for Corporate Finance, Property and Resources	TBC	-	Scrutiny Work Programme Workshop, 15 June 2023
(6) Connected with our Rural Communities	Director for Housing and Communities Director for Growth and Regeneration Scrutiny Lead: TBC	TBC	Workshop session proposed. It is recommended that the Leicestershire and Rutland Association of Local Councils is invited.	Scrutiny Work Programme Workshop, 15 June 2023
(7) Offer to Young People	Director for Housing and Communities Director for Growth and Regeneration Scrutiny Lead: TBC	TBC	Workshop session proposed. Workshop could be a prelude to a Youth Strategy.	Scrutiny Work Programme Workshop, 15 June 2023

(8) Supporting an aging population	Director for Housing and Communities Scrutiny Lead: TBC	TBC	Workshop session proposed.	Scrutiny Work Programme Workshop, 15 June 2023
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## **ADVICE ON WORK PROGRAMME**

### What is a Work Programme?

The Scrutiny Work Programme outlines the areas of work which are expected to be scrutinised over the coming months/year by or on behalf of the Council's Scrutiny Committee and any Working Groups convened for review work. Topics added to the work programme should have expected outcomes to add value to the services delivered by the Council and its partners and/or improve the quality of lives of Melton's residents. It is recognised that there is a need for flexibility in the work programme so as to allow relevant issues to be dealt with as and when they arise.

### Sources of Work Programme Ideas

Numerous sources of information can help to inform topic selection, including:

- Concerns that have been raised by the public relating to Council delivered services
- Issues of community concern – not necessarily services delivered by the Council
- Issues that have been flagged up by reviews, audits or inspections (past and present).
- Issues relating to Councils outcomes, objectives and priorities
- Consultations and interviews
- Underperformance
- "Stakeholders" concerns – raised by the Council's partners or the users of services
- Partnership objectives
- Cabinet Members, Chief Executive or Directors presentations about the pertinent issues that are emerging and any opportunities or threats on the horizon
- Central government priority changes
- Improvement Plans
- Forward Plan
- Budgetary analysis.

Scrutiny is also encouraged to think about external Scrutiny and the monitoring of other public bodies, and how its activities will engage partner organisations, the media and the public.

### Selecting a Work Programme Topic

The Scrutiny Committee should use effective processes to select topics that will contribute towards the best possible work programme for Scrutiny. This means looking at the sources of information that may help and using them to choose the right topics.

This involves:

- Drawing out and discussing what matters most to Councillors and to the community at large
- Finding out about any research that has been completed or that is planned
- Prioritising topics
- Considering what added value is expected as a result of Scrutiny involvement
- Considering whether the topic is already being reviewed elsewhere

It is also important to note that Scrutiny has limited time and resources and therefore workplans need to be manageable. It is not possible to include every topic suggested by Members, Directors or the Public in the work programme. In addition, Officer capacity may be diverted from projects if a review is added to the workplan without considering the impact on Officer resource and this should be a consideration in adding to work programme. Successful Scrutiny is about looking at the right topic in the right way and Members will need to be selective whilst also being able to demonstrate clear arguments in favour of including or excluding topics.

### Risks

A common pitfall for Scrutiny can be the inclusion of topics on the work programme that are unmanageable, of limited interest to the community, purely for informational purposes, have few outcomes and fail to 'add value' to the work of the Council or the wellbeing of the community. As such the selection and prioritisation of topics is critical to the effectiveness of Scrutiny as such processes can ensure clearer focus, particularly in poor or weak areas of performance or major issues of concern to the wider community.

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Helping people | Shaping places



## Scrutiny Committee

21<sup>st</sup> September 2023

### Preparing for Regulatory Change (Housing)

<b>Report Author:</b>	<b>Chris Lambert</b> , Regulatory Assurance Lead <b>Alison Bennett</b> , Assistant Director (Housing Management)
<b>Chief Officer Responsible:</b>	<b>Michelle Howard</b> , Director for Housing and Communities (Deputy Chief Executive) 01664 504322 mhoward@melton.gov.uk
<b>Lead Member/Relevant Portfolio Holder</b>	<b>Councillor Pip Allnatt</b> , Portfolio Holder for Housing and Landlord Services (Leader of the Council)
<b>Corporate Priority:</b>	Excellent homes and landlord services
<b>Relevant Ward Member(s):</b>	All
<b>Date of consultation with Ward Member(s):</b>	Not applicable
<b>Exempt Information:</b>	No

#### 1 Summary

- 1.1 The Housing White Paper published in November 2017 suggested wide ranging changes to the way Social Housing is regulated, including moving from a reactive to a proactive regulatory approach. Work to develop and implement a new regulatory regime has taken place since, leading to the Social Housing (Regulation) Act 2023 receiving royal assent in July 2023.
- 1.2 The new regulation regime will apply to all social housing landlords with more than 1000 properties and will be enforced by the Regulator for Social Housing (RSH). With a stock of approximately 1800 homes, this applies to Melton Borough Council. This report provides information about the work being undertaken to prepare Melton Borough Council for the introduction of these new arrangements.

## 2 Recommendation(s)

### That Scrutiny Committee:

- 2.1 **Consider and comment on the preparations being completed by Melton Borough Council Housing Service for the introduction of the new housing regulation regime from April 2024.**

## 3 Reason for Recommendations

- 3.1 To ensure that the Scrutiny Committee have the opportunity to consider and comment on the Councils preparations for the implementation of the new Social Housing Regulation regime.

## 4 Main Considerations

- 4.1 The previous housing regulatory arrangements for social landlords were created as part of the Housing and Regeneration Act 2008, and replaced the former Housing Inspection regime with a co-regulation environment where social landlords were expected to work with the Regulator of Social Housing (RSH) to address any compliance issues they identified. The new housing regulatory regime is being enacted through amendments to the existing legislation where possible, but also required changes to primary legislation in some areas. The White Paper from November 2017 that proposed these changes ultimately became the Social Housing (Regulation) Act 2023 which received royal assent on 20 July 2023 after a series of last-minute amendments were made.
- 4.2 Compliance with the new housing regulatory regime is a statutory requirement for all social housing landlords with more than 1000 properties. The new regime significantly amends the role of the regulator from being reactive to being proactive on regulatory and enforcement matters. Under the former arrangements the RSH would normally only become involved with a social landlord if there was a self-referral or complaints from tenants. It would then be a matter for the RSH to determine if the breach reported represented a “significant detriment” before they could take regulatory action. The changes in the role of the regulator have removed the serious detriment test, and now enable the RSH to carry out a programme of inspections and require social landlords to submit performance and tenant perception data to them, which will be used to determine the proposed 4-year inspection programme priorities based on a risk assessment.
- 4.3 The new arrangements are not prescriptive about how landlords should achieve the required standards, as the clear emphasis is that they should work with tenants to define the services and approaches that meet tenants needs and service expectations and agree them on a local level. When the RSH are assessing compliance, they will look to check performance against locally agreed service priorities, apart from the core areas of safety and quality of homes.

- 4.4 In 2019, Melton Borough Council took proactive action to identify and address long-standing issues within its housing service, adopting a comprehensive Housing Improvement Plan. At the time, the Council made a self-referral to the Regulator, having identified a number of challenges relating to landlord health and safety and compliance. Following a review and engagement with the Regulator, they found it would not be proportionate to find a breach of the Homes Standard, reflecting on the positive progress the council had made since the establishment of the Housing Improvement Plan and the commitment to continue taking positive action.
- 4.5 The Council has continued to progress the investment and improvements that were committed to at the time and significant work has been undertaken to strengthen and improve the Council's housing service, with a number of notable achievements including:
- a) Development and approval of 30-year HRA Business Plan
  - b) Stability of Housing Leadership Team
  - c) Development, approval and delivery of HRA Asset Management Plan, with clear process to carry out annual review to inform future investment planning and budget setting process
  - d) Landlord Health & Safety Audit positive assurance and outcomes
  - e) Substantial assurance audit – strategic management of the Housing Revenue Account
  - f) Data driven approach, informed by stock condition survey
  - g) IT system development and implementation
  - h) Policy and procedure development and implementation
  - i) Tenant Engagement Framework and introduction of revised tenant engagement arrangements
  - j) Proactive damp and mould response, assurance to scrutiny committee and regulator, data driven and customer focussed approach
  - k) Capital programme spend in line with budget, enabling investment and improvement to tenants homes
  - l) Introduction of new anti-social behaviour policy and case management system
  - m) Addressing backlog of void (vacant) council properties
  - n) Access to benchmarking information to support continued development and improvement
  - o) Appointment of regulatory assurance lead officer to support preparation for changes to regulatory regime
  - p) Improved right to buy processes and arrangements, leading to positive audit outcome
  - q) Revised customer feedback and complaints policy, aligned to Housing Ombudsman requirements
  - r) Proactive, honest and transparent approach to risk identification and management

- 4.6 Maintaining progress and momentum is requiring continued officer time in improving services whilst simultaneously dealing with a reactive service environment to meet the needs of tenants, and proactive preparation for regulatory change and long-term strategic planning for the Council's housing function and services.
- 4.7 The Council is still on a journey of improvement and is not complacent. There remain areas of challenge and risk, including some areas of service delivery which have been reported to members through performance, audit, risk and financial management arrangements.
- 4.8 The completion of a comprehensive diagnostic self-assessment against the existing Consumer Regulations required by the current regulations is also being completed to identify any areas of risk or concern. This process is still ongoing and has proved very insightful in confirming that we are already fully compliant in most areas of the existing requirements, with further work is being undertaken in a small number of areas of uncertainty to ensure full compliance is being achieved.
- 4.9 This work identified a need to review configuration of the Northgate / NEC system regarding decent homes data. A plan to review the way in which data is being reported has been agreed and is being implemented, leading to the ability to report improved decent homes performance. This programme of work has identified that the council was reporting based on accurate data but had not added into its system configuration process some automation of reporting, leading to reporting being limited to 'age' of component (eg, kitchen) rather than 'age and condition' of component. An action plan is being worked through methodically, and decent homes reporting is showing an improved position to approx. 90% decency with further work still to do, which is expected to further improve this position. This will be reflected in the Q3 performance report and will enable a decent homes trajectory to be included within the asset management plan annual refresh currently underway.
- 4.10 There are a number of core elements of the **new** regulatory environment as detailed in sections below, and an Easy Read overview guide is available on the following link: [Standards for social housing tenants: Read our ideas and tell us what you think \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- 4.11 **Housing Consumer Standards** – these standards have existed for some time under the existing regulatory arrangements, and it is proposed to amend and update them.
- The new draft Consumer Standards are broken down into four areas -
- The Safety and Quality Standard.
  - The Transparency Influence and Accountability Standard.
  - The Neighbourhood and Community Standard.
  - The Tenancy Standard.
- 4.12 At the heart of the new arrangements are the principles of landlords needing to be transparent about their performance and treat their tenants with respect. This is through understanding the quality of homes and having appropriate plans to keep them safe (compliant) and in a good standard or repair and improvement, and understanding their



tenants, though holding and using appropriate levels of tenant profile data to enable services to be shaped to meet tenants needs.

- 4.13 The Tenant Satisfaction Measures (or TSMs as they are commonly known) form an additional standard in this suite of requirements. Full details of the consultation document on the new consumer standards can be found on this link: [Consumer standards consultation \(publishing.service.gov.uk\)](https://publishing.service.gov.uk). This document includes the 7 prescribed questions that landlords are invited to respond to as part of the consultation process which closes on 17 October 2023.
- 4.14 **Housing Consumer Standards Code of Practice** – this document is designed to support the new consumer standards and provide examples of the intentions of the new requirements, to guide landlords to ensure they comply. They are not a prescriptive list of specific requirements though, as the very ethos of the new arrangements is that landlords need to agree with their tenants how they are going to comply in a way that is appropriate for local circumstances and priorities. The full draft code of practice for consultation document can be found using this link: [Annex 2 - Proposed consumer standards Code of Practice \(accessible version\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- 4.15 **Economic and Governance Standards** – it is important to recognise that these standards exist within the wider housing regulatory framework, but they do not currently apply to Councils, as separate arrangements are considered to already be in place through the existing Local Government Audit oversight requirements. Housing Associations are required to be inspected periodically by the RSH with respect to this area and a poor outcome can have a significant impact upon their credit score when seeking to access market funding for developments.
- 4.16 **Tenant Satisfaction Measures (TSM)** – these are a series of 22 indicators that have been designed to provide a cross section of information about both the performance of the landlord and the perception of the service from tenants. Details of these are included as an appendix to this report. There are 10 service specific performance indicators, and 12 “tenant perception” indicators, assessing the views of tenants about the services they receive. We are already gathering the data that needs to be supplied for the performance indicators, and the perception indicator responses will be collected as part of a survey to be undertaken in September/October, working with Housemark. The survey must ask a series of set questions using a prescribed methodology to ensure the results are a representative sample of the tenants of the Council. Once completed the survey results must be submitted to the Regulator by April 2024. The frequency with which the surveys must be conducted is not specified, but the expectation is that it should be at least annual. Further details of the TSM Standard requirements were published on 30 March 2023 and can be found on the following link: [TSM Standard \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- 4.17 **Inspection process** – the new regulation regime will see the reintroduction of the concept of a Housing Inspection, where officers from the Regulator will visit landlords to assess the service they provide against the requirements of the new regulatory regime. It is anticipated that these inspections will be of the “short notice” type, with as little as 48 hours’ notice of an on-site arrival. Current suggestions are that the regulator will operate a 4-year rolling inspection programme, which will be prioritised using a risk based

methodology, using information submitted as part of the TSM process and other data sources, such as analysis of complaints from the Ombudsman and direct approaches from tenants.

- 4.18 As part of the preparations for an inspection it is anticipated that landlords will need to submit an **In-Depth Assessment (IDA)** pro forma, to provide additional information to the regulator before their inspection takes place. The regulator is currently carrying out a series of pilot inspections to determine how the process will operate going forward. Following feedback from these initial inspections, a further series of pilots has been proposed. Inspections under the former regime were a very resource intensive process, and the draft guidance on this aspect of the new regulations is eagerly anticipated to see how the balance can be struck between resourcing service improvements and supporting the inspection process. Consultation is anticipated later this year after the outcomes from the latest round of pilots has been considered.
- 4.19 **Interventions** – another significant difference between the former arrangements and the new environment is the range of interventions available to the regulator. These are much more robust and include the power to work with landlords to resolve issues where there is a genuine desire to do so from the landlord through to the removal of the senior management of a landlord and their replacement with the regulators nominees if circumstances justify it. This gives the regulator real “teeth” when dealing with non-compliant landlords who are not prepared to work with the regulator. Consultation on the use of these new powers is awaited.
- 4.20 **Grading of regulatory assessment** – it is anticipated that some form of grading system will be used to “score” the service provided by a landlord. The grading system to be used is not yet known. This may follow the OFSTED model of a single word outcome, or the current arrangements used for Economic and Governance assessments of Housing Associations, on a scale of 1 to 4. Consultation on this aspect of the new arrangements is expected in the coming months.
- 4.21 **Fees for regulation** – as the role of the Regulator has changed significantly, so has its staffing requirement to meet the new requirements and therefore the cost. These costs are recouped through charges to landlords based on number of properties, and consultation launched on 5 September proposes a charge to Melton Borough Council of circa £15k per annum for the new arrangements. This consultation is still being examined in detail by officers and closes on 31 October. Fees for proactive regulation will need to be built into the council’s budget (HRA).
- 4.22 **Professional Qualifications for Housing Managers** – as one of a number of late amendments to the legislation, the Secretary of State included a requirement that all Housing Managers should be professionally qualified. The sector is currently still digesting this announcement and awaiting further guidance for consultation about this requirement, as becoming a fully qualified Housing Manager requires a period of study, so some transitional arrangements are likely to be required. In preparation, a review of qualifications held by housing staff has been undertaken to allow for a check against the new requirements when this information becomes available. Subject to the outcome of this process, an increased training budget may be required, however, a proactive approach to staff training and qualifications has been underway with a number of staff achieving qualifications over the last 2 years, and others underway.
- 4.23 **New statutory roles** – the creations of roles within landlords to be champions of two key areas is also part of the new arrangements. The roles have been created to ensure that

tenants are clear who is responsible for these key areas, as in many large organisations it can be unclear who to contact directly to voice concerns. The Council confirmed designation to these statutory requirements in July 2023 as part of the approval of the HRA business plan (see [Agenda for Council on Thursday, 28th July, 2022, 6.30 pm - Melton Borough Council](#))

- 4.24 The statutory Health and Safety role has been allocated to the role of Director for Housing and Communities (Deputy Chief Executive) as this complements the Council wide role in this area. Performance relating to health and safety is monitored on a monthly basis, in addition to annual spot checks through internal audit.
- 4.25 The role of Assistant Director of Housing has been appointed to the statutory role as Consumer Standards Champion, to oversee the delivery of the new requirements. The work of the Regulatory Assurance Lead is an important part of supporting the Assistant Director in this remit.
- 4.26 As part of Melton Borough Council's preparations for the new regulatory regime, a programme of high-level housing service / function reviews is underway to identify any areas of concern. This is systematically looking across the whole range of services provided to tenants, and identifying areas where further deep dive activity is required. Areas requiring improvement or corrective action are being dealt with on an ongoing basis. The following reviews have been undertaken so far by the Regulatory Assurance Lead, leading to a 'red / amber / green' rating and recommendations:
- a) Statistical returns and data submissions – green.
  - b) Landlord health and safety – green.
  - c) Allocations – green.
  - d) Tenant engagement – amber / further action to embed required.
  - e) Income collection rent arrears – red / in need of corrective action.
  - f) Decent homes – amber / further work on data configuration required.
- 4.27 Recommendations made by the regulatory assurance lead have been considered by SLT and where necessary, by cabinet. Details are provided below:
- 4.28 **Recommendation 1:** To consider whether the council can sustain capacity to deliver and improve, whilst also preparing for the future regulatory regime. Actions include changes to staffing structure, additional temporary resources to boost income collection performance, development of a service plan to support prioritisation. Ongoing consideration of future structure requirements.
- 4.29 **Recommendation 2:** Action required to improve and stabilise rent arrears performance, to support the team to 'go further, faster' to recover the current position. Actions include a detailed diagnostic of performance, implementation of improvements to procedures and processes and increased staffing capacity. Further additional staffing capacity proposed to accelerate progress in addressing arrears backlog, in addition to changes to reporting arrangements to SLT and Cabinet – work to prioritise resources and budgets to enable additional capacity in this area is underway.
- 4.30 **Recommendation 3:** To ensure we know how we are performing. Actions: to join and engage with Housemark benchmarking process, and to strengthen reporting on income collection performance.

- 4.31 Review of the following service strands / functions are scheduled:
- a) Planned / cyclical maintenance
  - b) Responsive repairs
  - c) Void repairs
  - d) Accuracy of data / stock condition information
  - e) Compliance record keeping and reporting
  - f) Arrears recovery processes
  - g) Antisocial behaviour management
  - h) Housing management services (tenancy, mutual exchange, tenancy changes, permissions, support etc)
- 4.32 The Council has been preparing for the new regulatory arrangements for some time and has engaged the support of an experienced housing professional to act as Housing Regulation Lead officer. Chris Lambert is the former Head of Housing with North-West Leicestershire District Council and was previously a member of the Housing Improvement Project Board as a “critical friend” which delivered Melton Borough Councils response to the self-referral to the Regulator. Chris has been working closely with the Housing Leadership Team, and reporting progress to Senior Leadership Team and Portfolio Holder.
- 4.33 As another element of these preparations the Council has joined **Housemark**, the social housing sectors leading cost and performance benchmarking organisation. Through this process, the Council will submit an annual cost and performance portfolio of information, which is then validated by Housemark and an annual bespoke feedback report produced. Through agreeing a comparable peer group of organisations who are also Housemark members to undertake benchmarking with, trends in performance and cost data will be able to be identified, enabling the Council to focus attention on the areas of greatest concern, and celebrate successes performance is strong. In addition to the annual comprehensive benchmarking report, a monthly “Pulse report” was introduced by Housemark during Covid to allow landlords to track changes in key service metrics on a more frequent basis. The Council has already commenced submission of key data to this process, which will enable access to the sector wide monthly summary performance reports going forward. Further information about Housemark is available from the website [www.housemark.co.uk](http://www.housemark.co.uk)
- 4.34 The new arrangements currently being implemented to the way social housing is regulated represent a very significant change in the approach to overseeing social housing landlords by the Government. This will require social landlords to adopt new approaches and change the way they work with tenants to ensure it is transparent and inclusive. Melton Borough Council are rising to the challenge of the new requirements, as detailed in this report.

## **5 Options Considered**

- 5.1 To not prepare for the new regulations – this was rejected, as failure to prepare for and meet the new regulatory requirements would result in a poor assessment of the Council, and would negatively impact tenants. The Council takes its responsibilities to tenants and as a landlord seriously.
- 5.2 To not report the matter to Scrutiny – this was rejected, as it does not reflect the transparency required to ensure all Members are aware of the new regulations and the Council's plans to ensure we comply. Transparency and oversight of the preparations being undertaken are key, including reporting to scrutiny committee on this. The inclusion of Housing Regulation on the Scrutiny Committee work programme is welcome.
- 5.3 To provide Scrutiny with a full report and assessment of the councils' position and preparations is considered to be the most appropriate way forward to ensure that Scrutiny members can provide Scrutiny and Oversight of the Council's preparations for the new arrangements, to ask questions of officers and offer any comments to Cabinet regarding the approach being taken or areas of concern or necessitating further action.

## **6 Consultation**

- 6.1 The Tenants Engagement Group (Your Choice) considered this matter at their meeting on 12 September 2023. Any views or comments expressed which are relevant to the discussions at Scrutiny Committee will be reported verbally to the meeting.
- 6.2 The new regulatory regime has been covered by articles in the tenant newsletter and will also feature in the forthcoming Annual Report to tenants. Updates have also been provided to Councillors through the members' bulletin.
- 6.3 Further work will be required with tenants as the requirements are confirmed following the issuing of final guidance expected in the new year.

## **7 Next Steps**

- 7.1 The Council will continue to respond to consultations from the RSH as they are issued to ensure the views of Melton Borough Council and our tenants are shared with the regulator to help shape the new arrangements.
- 7.2 Analysis of the outcome of the Housemark Benchmarking process in November 2023 will enable the Council to see areas of strength and in need of improvement in terms of both cost and performance, to produce an action plan to address any issues requiring attention.
- 7.3 Following the completion of the Tenant Satisfaction Measures survey in September/October and a review of the final report due in November 2023 will also allow an appropriate action plan to be developed to address any areas of concern identified.
- 7.4 Officers will continue to undertake the comprehensive housing service review programme to identify service strengths and areas for improvement. The Housing Service Plan will be updated to incorporate any required actions to improve services following completion of these reviews.
- 7.5 Preparation for an inspection and the submission of required pro forma information will be undertaken as soon as the new arrangements are confirmed, which is expected to be early in 2024.

- 7.6 A meeting of Leicestershire stock holding councils is due to take place in November 2023 to enable discussion and shared learning on readiness for regulatory change. This meeting is taking place at Director and Chief Executive level, representing commitment and collaboration between councils, in addition to operational relationships and collaboration that takes place, including through the Chief Housing Officer Group (CHOG).

## 8 Financial Implications

- 8.1 The Council will need to fund the additional costs in line with the requirements of the Social Housing Regulation Act 2023, for example – regulation and inspection fees, tenants satisfaction measure reporting, staff training and qualifications, changes to decent homes criteria. The outcome of the various consultations is awaited and will be built into the council's budget setting and budget management processes when the information and implications become available.
- 8.2 The Council's decision to engage with Housemark will further support transparency and performance management and monitoring. Finance and housing colleagues are working together to ensure proactive engagement with benchmarking opportunities.
- 8.3 Finance and housing colleagues continue to work closely to manage and monitor budgets, capital programme spend and income generation. Specific action is being taken to improve income collection performance as it is important income streams are maximised to help fund the additional burdens.
- 8.4 The financial headroom remains tight with the HRA with the average annual surplus reducing since the business plan was approved due to increasing costs and resource pressures which continue to be lower than the national average meaning it is likely to be a financial challenge to meeting the new requirements without making savings and efficiencies.

Financial Implications reviewed by: **Assistant Director for Resources (Deputy S151 Officer)**

## 9 Legal and Governance Implications

- 9.1 The Council must demonstrate preparation for and compliance with the requirements of the Social Housing Act 2023, in addition to compliance with existing requirements. Risks, gaps or areas of concern must be brought to the attention of the Senior Leadership Team, Councillors and if applicable at any stage, the Regulator for Social Housing. Preparations so far are considered robust, and the report is clear that there are areas of continued development and improvement.
- 9.2 There are a number of ways in which the Council can demonstrate good governance and oversight relating to Housing Regulation. These include:
- a) Inclusion in the Council's Annual Governance Statement 2023/24 as a core focus
  - b) Inclusion in the Internal Audit Programme, with a number of audits undertaken, underway or scheduled, and being reported to the Audit Committee
  - c) Regular monitoring of performance and risk via Senior Leadership Team and Cabinet

- d) Reporting to SLT on Regulatory Readiness assessment and recommendations for improvement or action
- e) Reporting to Scrutiny and Regulator on Damp and Mould response
- f) Proactive implementation of revised tenant engagement arrangements
- g) Portfolio Holder meetings, specific portfolio for Housing and Landlord Services

**Legal Implications reviewed by: Interim Assistant Director for Governance and Democracy (Monitoring Officer)**

## **10 Equality and Safeguarding Implications**

- 10.1 Equality Impact Assessments form a key supporting document linked to each of the consultation processes.

## **11 Data Protection Implications (Mandatory)**

- 11.1 No new requirements identified.

## **12 Community Safety Implications**

- 12.1 Requirements regarding Anti-Social Behaviour and the management of communal areas contained within the proposed Housing Consumer Standards will need to be fully embedded within the Councils approach to ASB once the final standards have been issued.

## **13 Environmental and Climate Change Implications**

- 13.1 No direct implications identified.

## 14 Risk & Mitigation

14.1 Key risks and mitigations are detailed in the table below.

Risk No	Risk Description	Likelihood	Impact	Risk
1	MBC have not prepared adequately for the new regulations being implemented	2	3	Low
2	MBC cannot afford any costs arising from the new arrangements / changing regulatory context	2	2	Low
3	Negative outcomes from an inspection process cause reputational damage and results in significant intervention from the regulator	3	3	Medium

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low			3	
	2 Very Low		2	1	
	1 Almost impossible		2		

Risk No	Mitigation
1	Detailed preparation underway, responding to consultations and undertaking comprehensive service review programme, plus diagnostic review of compliance with current arrangements.
2.	Provision for process support and payment of fees to be incorporated into the HRA budget for 23/24 and beyond. Will also be included in the HRA Business Plan review process.
3	Extensive and well-resourced preparations underway, together with a service improvement plan which will minimise the probability of a negative outcome.



## **15 Appendices**

15.1 None

## **16 Background Papers**

16.1 Social Housing Regulation Act 2023

16.2 HRA Business Plan 2022 - 2052

16.3 HRA Asset Management Plan

16.4 Audit Committee Reports (Landlord Health and Safety, Strategic Management of the HRA, Voids, Right to Buy)

16.5 Scrutiny Report, Damp and Mould response

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## Cattle Market Leases

<b>Report Author:</b>	<b>Jiten Ravat</b> , Corporate Property and Assets Manager
<b>Report Author Contact Details:</b>	01664 504284 jravat@melton.gov.uk
<b>Chief Officer Responsible:</b>	<b>Pranali Parikh</b> , Director for Growth and Regeneration
<b>Chief Officer Contact Details:</b>	01664 504321 PParikh@melton.gov.uk
<b>Lead Member/Portfolio Holder responsible</b>	Councillor Sarah Cox - Portfolio Holder for Corporate Finance, Property and Resources

<b>Corporate Priority:</b>	Delivering sustainable and inclusive growth in Melton
<b>Relevant Ward Member(s):</b>	Melton Egerton – Cllr Pip Allnatt and Cllr Mike Brown
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	Appendix A, B and C of this report contains exempt information and is not for publication in accordance with Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

### 1 Summary

- 1.1 The Chair of Scrutiny Committee asked for a report to be considered by the committee with following details:
- Details of current occupiers of the site
  - How much rent is paid by each tenant
  - What percentage of rent is paid as income to MBC
  - The method for determining the rental values including when they were last valued and by whom

- 1.2 This report sets out answers to the above questions and provides an overview of the operation and management of this key commercial asset for the Council.

## 2 Recommendation

That Committee:

1. Notes the report and provides any feedback to the Cabinet

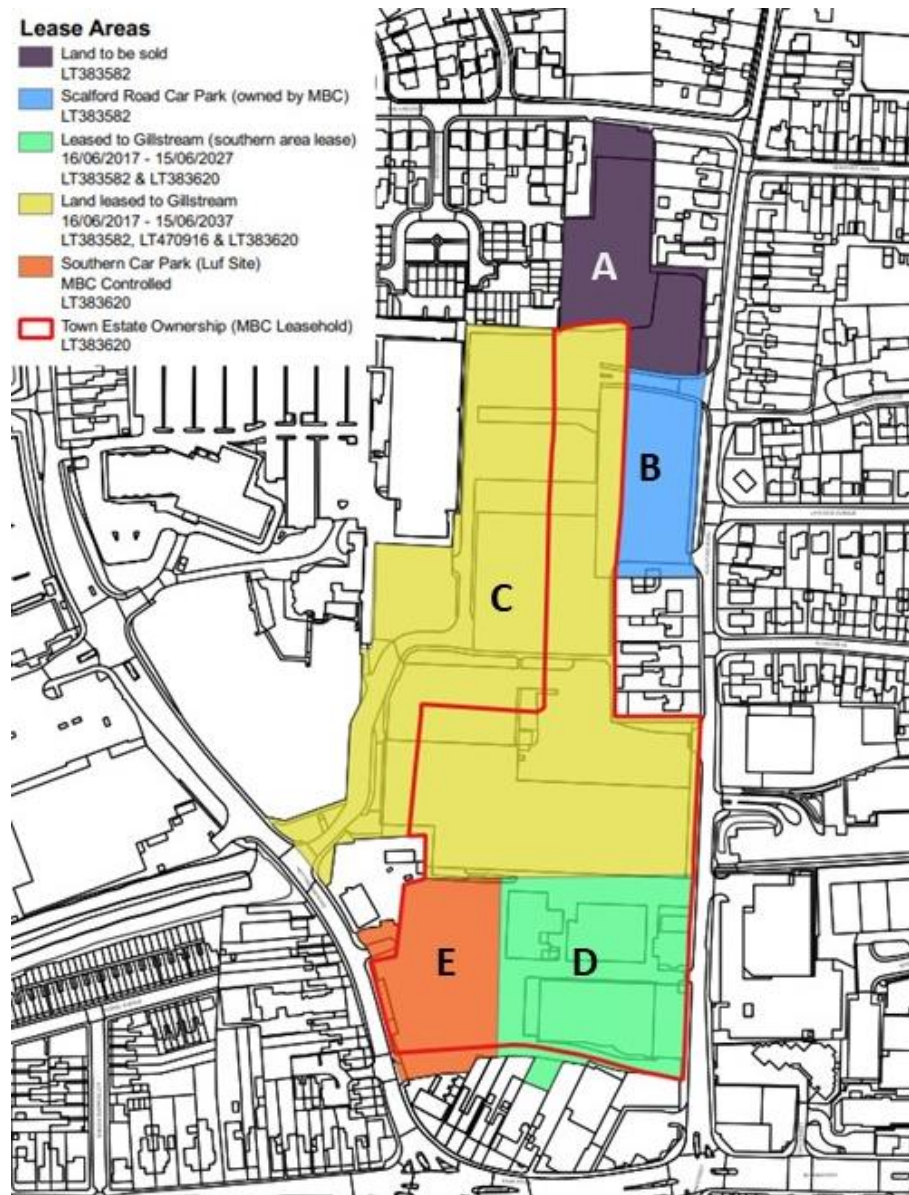
## 3 Reason for Recommendations

- 3.1 'Take a commercial approach to the management of our assets to deliver jobs, homes and income' is a focus area under the priority 3 of the Council's Corporate Strategy 2020-2024.
- 3.2 The Cattle market is one of the highest income generating asset for the Council and it is important to ensure that members have a good oversight of the effective management of it.
- 3.3 The livestock market is the only town centre based market in the Midlands and plays a key role in supporting the region's economy and food production sector.

## 4 Background

- 4.1 The Cattle Market site is located between Scalford Road and Nottingham Road and within easy walking distance of the town centre. The site accommodates the 1000-year-old institution of England's largest town-centre livestock market which plays an important part in the borough's economy.
- 4.2 Melton Borough Council (MBC) own the freehold of part of the site and occupy the remainder of the site under a 999 year lease from The Melton Mowbray Town Estate (MMTE) that started in 1870. MMTE does levy Charter Right charges based on the number of market stalls occupied throughout the year. Last financial year, this payment that was due is £14,891.
- 4.3 The Cattle Market site is operated by Gillstream Markets (Melton Mowbray Markets) who were selected through open procurement process in 2017. Gillstream have two leases from MBC which cover the majority of the site. The principal lease covers the new livestock buildings and the land north of the building for access, parking and washing areas and the second lease, referred to as the Southern Opportunity Area covers part of site, to the south of the livestock market. In accordance with the two leases Gillstream operate a livestock market with ancillary accommodation and associated enterprises.
- 4.4 A site plan below provides a breakdown of the various Cattle Market areas as follows;
- MMTE 999 year lease area as shown outlined in red on the plan.
  - Area A – Cattle Market North - land that has been declared surplus by the Borough Council and is currently being sold for residential development with a view to use £1m of capital receipt as match funding for the Levelling Up Funding for development of the Stockyard project.
  - Area B –Scalford Road Pay and Display Car Park. This element of the site owned freehold and managed by the Council. This site is approved by the Cabinet for disposal subject to further business case and due diligence.

- Area C – Let to Gillstream Markets on a 20-year lease. The principal lease commenced in 2017 and will terminate in 2037. This lease includes the new livestock buildings, collection yards, washdown areas and car/lorry parking. There are lettable retail units located beneath the new sheep building.
- Area D – Referred to as the Southern Opportunity Area. Gillstream hold a separate lease of this area. This lease will expire in 2027. Included within this leased area is the Banqueting Suite and Exhibition Hall, the Market Tavern and the old sheep shed buildings. These buildings are used for covered trading such as car boots, farmers market and specialist fairs and festivals. This area also incorporates Round Corner Brewery, Fur and Feather Gin Distillery and Feast and Furious Smokehouse. These three businesses are sub tenants of Gillstream.
- Area E – previously licenced to Gillstream. The licence has expired since December 2019. Gillstream currently use the area on informal basis for car parking on Tuesdays and the Borough Council receive a percentage of the takings. On other days parking is not controlled. This area is also used for larger Food Festival events. £10m Levelling Up Funding is received by the Council for redevelopment of this area as for food and drinks production units.



## 5 Main Considerations

### 5.1 Details of current occupiers of the site

- 5.1.1 The Council's direct tenant is Gillstream Markets Limited through the two lease agreements. Gillstream have then entered into agreements with the various occupiers across both leased areas in accordance with the lease conditions.
- 5.1.2 Gillstream have a number of sub tenants and occupiers within the principal leased area who occupy the trade units underneath the sheep building. Within the principal leased there are 21 lettable units (shops/units under the livestock market). Of these units 12 are let and Gillstream Markets receive an income from these.
- 5.1.3 In respect to the Southern Opportunity Area, there are 21 occupiers. Gillstream operate this as a commercial entity and the site provides a range of functions including, banqueting suites, market tavern, Farmers Markets and car boot along with large events such as the Food Festival and Artisan Cheese Fair. A number of units and areas within this Southern Opportunity Area have been further developed by the tenant and its sub tenants to provide a brewery, cocktail venue and the soon to be opened eatery. Additionally there are regular food retailers who occupy parts of the old sheep building and weekly market traders.
- 5.1.4 It should be noted that the rents and basis of occupation are negotiated between the occupier and Gillstream Markets. The Council has no involvement with the negotiations. Occupation may be by way of a lease (governed by the Landlord and Tenant Act 1954 legislation) or licence agreement which is more informal. Gillstream are solely responsible for managing the relationship and the terms of their respective legal agreements and the level of rental income. In accordance with the lease conditions, Gillstream seeks landlord consent prior to entering into any sub lease.
- 5.1.5 A full list of tenants/occupiers is noted in appendix A.

### 5.2 How much rent is paid by each tenant AND What percentage of rent is paid as income to MBC

- 5.2.1 The Council receives a rental payment from the two Gillstream Leases. The rent that MBC receives from Gillstream Markets is set in accordance with the terms of the lease agreements. This is made up of a base rent and a percentage of income if the sales and rents received by Gillstream exceed this base rent figure.
- 5.2.2 The original base rent for the Livestock Market lease was £75,000 and the for the Opportunity Area Lease was £50,000. This is a minimum rent that the Council will receive. There is then a Commission rent which is calculated based on the income generated by Gillstream Markets. If the Commission rent exceeds the Base rent then the Council receives the Commission rent. The base rent for the Principal lease may be increased annually in line with inflation linked to the RPI. There is no rent review provision for the Southern Opportunity Area lease.
- 5.2.3 The key contributor for the income received from Gillstream is livestock sales which represents 65% of the total income. The remaining income; 35% is made up from the various tenants and occupiers and activities/events across both leases. This 35% is taken from both the principal lease and the lease of the southern opportunity area.
- 5.2.4 Rental income from each individual occupier is negotiated between Gillstream Markets and the occupier and under the terms of our leases with Gillstream, MBC receives 35% of this income.

- 5.2.5 The council's finance team undertakes a verification exercise on annual basis of Gillstream's accounts to ensure the income reported to the Council is reflective of their accounts.
- 5.2.6 In addition to the sub leases, income is generated from car boot stalls and stalls at the Farmers Markets and Tuesday antiques/flea markets and special events. Income from these uses varies on a weekly basis or by event. MBC receives 45% of any income generate by Car Boot Sales after allocation of a service charge and rates.
- 5.2.7 The table below shows the total income from both leases that MBC has received from Gillstream Markets.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
Actual payment received	£225,626	£213,202	£181,007	£235,270	£251,259

- 5.2.8 In both cases, "Gross Income" does not include any VAT (or similar tax) or service charge which is levied on the users and occupiers.
- 5.2.9 There are no provisions within the leases to negotiate the Commission Based Rent percentages. Where changes have occurred in the past this has been done by negotiation.
- 5.2.10 In 2022-23 the income generated by Scaford Road Pay and Display Car Long Stay Park was £22,232.70. Harborough District Council's Civil Enforcement Officers are contracted for enforcement of the traffic regulation order (TRO) in this car park. The tariff set within the TRO is £2.50 for up to three hours. A weekly pass can be purchased for £16. The car park is patrolled by the Civil Enforcement Officers.
- 5.3 The method for determining the rental values including when they were last valued and by whom**
- 5.3.1 The setting and review of the rents for the sub-tenants and trade occupiers is undertaken solely by Gillstream in their capacity as landlord. In setting and reviewing rents Gillstream would consider market values, conditions and any incentives to try and get tenants for the available units on site.
- 5.3.2 Where Gillstream Markets enter into leases covered by the Landlord and Tenant 1954 Act legislation they are required to seek consent from MBC. Such consent cannot be unreasonably withheld. In these instances MBC would review the terms of the underletting negotiated by Gillstream and provided they are reasonable and in accordance with the RICS code of practice, grant them with formal consent to underlet. The Council cannot offer any legal advice to the incoming tenants or dictate terms to them.
- 5.3.3 Both of the leases between Gillstream Markets and Melton Borough Council have been created on the basis that all parties understand the obligations which are contained within the leases. The Council encourages all parties to seek the relevant professional legal and surveyor advice. Council officers providing advice are qualified surveyors, regulated by the Royal Institution of Chartered (RICS) codes of conduct.
- 5.3.4 MBC cannot become involved in rent reviews between Gillstream Markets and their sub tenants and occupiers as MBC is not the direct landlord. This is in accordance with Landlord and tenant law and legal precedents together with regulatory requirements from the RICS.

- 5.3.5 Where a proposal requires a sub-tenant to make a capital investment into the site, where the landlord are unable to cover this investment, a rent reduction can be offered to the tenant for a relevant period. At the end of this period, if the tenant vacates the unit, then the landlord would own the structure they constructed with the capital investment and be able to rent this out again to another user to achieve a commercial rent. This was the case for Round Corner Brewery who have made significant capital investment into the site and their lease terms are in line with standard commercial market practise.
- 5.3.6 In respect of both leases the tenant is to keep the areas in good tenantable repair and condition. The landlord is responsible for the main structures, drainage and access roads.
- 5.3.7 The Stockyard development is expected to generate additional income for the council once complete with the construction of new food and drinks production units. The planning application for the proposal is due to be submitted by January 2024.
- 5.3.8 Whilst the development works are underway, a new procurement for the operation and management of stockyard will be undertaken and new lease conditions agreed.

## **6 Options Considered**

- 6.1 N/A

## **7 Consultation**

- 7.1 N/A

## **8 Next Steps – Implementation and Communication**

## **9 Financial Implications**

- 9.1 The table in para 5.2.7 outlines the income from the cattle market represents a significant income stream for the Council of circa £250k based on the outturn for 2022-23. It is important there is effective and robust management of the operator to ensure payments are up to date and accurate. This process is supported by the finance team with the annual review of accounts and monthly payment analysis.
- 9.2 Where rent review periods are in place the Council needs to ensure these are activated and discussions take place in a timely manner to agree and amend where required to ensure income maximization from a key council asset.

**Financial Implications reviewed by: David Scott, Assistant Director for Resources**

## **10 Legal and Governance Implications**

- 10.1 This report is for information only therefore there are no legal implications arising directly from this report.

**Legal Implications reviewed by: Alison McKane, Assistant Director for Governance & Democracy (Monitoring Officer)**

## **11 Equality and Safeguarding Implications**

- 11.1 N/A

## **12 Community Safety Implications**

- 12.1 N/A

## **13 Environmental and Climate Change Implications**

- 13.1 N/A



## **14 Background Papers**

14.1 N/A

## **15 Appendices**

15.1 EXEMPT – Appendix A – List of Occupiers

15.2 EXEMPT – Appendix B – Percentage split of income as per the lease agreements

15.3 EXEMPT – Appendix C – Details of Expenditure and Income

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