

PRINCIPAL SCRUTINY COMMITTEE

12 February 2007

Attendance:

Councillors:

Learney (Chairman) (P)

Anthony (P)
Chapman
Clohosey (P)
Collin (P)
Cook (P)
Evans (P)
Chamberlain (P)
Hiscock (P)

Huxstep (P)
Jeffs (P)
Lipscomb
Macmillan (P)
Mather (P)
Saunders (P)
Rees (P)
Worrall (P)

Deputy Members:

Councillor Stephens (Standing Deputy for Councillor Lipscomb)

Others in attendance who addressed the meeting:

Councillor Beckett (Leader and Portfolio Holder for Economy and Tourism)
Councillor Hollingbery (Portfolio Holder for Performance and Communications)
Councillor Allgood (Portfolio Holder for Finance and Resources)

Others in attendance who did not address the meeting:

Councillor Verney

1. **APOLOGIES**

Apologies were received from Councillors Chapman and Lipscomb.

2. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made no announcements.

3. **MINUTES**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 15 January 2007, less exempt item, be approved and adopted.

4. **PUBLIC PARTICIPATION**

There were no questions asked or statements made.

5. **THE ACTIVITIES OF THE WINCHESTER DISTRICT LOCAL STRATEGIC PARTNERSHIP 2006/07**
(Report PS274 refers)

The Chairman welcomed to the meeting Ms Margaret Newbigin, Chair of the Local Strategic Partnership (LSP).

It was noted that an update on the activities of the Winchester District Natural Environment had been circulated to the Committee. The Chairman agreed to accept this item onto the agenda, as a matter of urgency, so that the Committee could refer to this addendum as part of its consideration of the Report.

Ms Newbigin reported on an increased focus on achieving the outcomes set out in the Community Strategy. This had resulted in the thematic partnerships and forums of the LSP jointly resourcing various cross cutting actions to provide real outcomes for communities. She also reported that she was confident that all the priorities of the LSP would be achieved, and that it was the intention to develop performance indicators to assist in their monitoring. She also undertook to investigate comparative benchmarking data for the achievements of other LSPs operating in the area.

The Chief Executive also reported on work to develop the County Council Local Area Agreement to more closely align priorities related to District Councils, and so act to as a conduit for funding to the LSP.

RESOLVED:

That the content of the Report be noted.

6. **EFFICIENCY UPDATE**
(Report PS271 refers)

The Committee noted that Cabinet would also consider the Report at its meeting on 13 February 2007.

Referring to the discussion at the previous Committee of the interim report of the Gershon Savings Informal Scrutiny Group (Report PS264 refers); Councillor Allgood congratulated officers on the substantial progress made to date on achieving cashable savings. He reported that the request for Cabinet to identify further non-cashable savings had been noted.

As Chairman of the Informal Scrutiny Group, Councillor Hiscock reported that the Group would soon be making its final recommendations to Cabinet.

RESOLVED:

That the current position be noted.

7. **COMMUNICATIONS UPDATE**

Councillor Hollingbery explained that the Council was developing a number of initiatives for a more strategic approach to its communications. Ms Eleanor Hodge (Acting Corporate Communications Manager) gave a presentation on this work, and answered a number of questions.

Referring to the Local Government Association's (LGA) 'Reputation Project', Ms Hodge explained that the Council should seek to align its overall reputation with the satisfaction levels for its services. Furthermore, the Communications Team would ensure that all messages were linked to the Corporate Priorities.

Ms Hodge detailed to the Committee some recent corporate overarching and 'one-off' campaigns. She also explained new initiatives including electronic bulletins and the on going development of the web-site.

Referring to the recent introduction of 'dotmailer' publications, Ms Hodge showed recent examples and, in summary, explained that this was a cheaper, yet effective method of communication. During questions, she advised that in addition to utilising electronic methods of communication, the Council would continue to promote other innovative initiatives, including local democracy events in schools. She also reported that people were being invited to sign up to receive relevant information on the work of the Council.

Councillor Hollingbery explained that the Communications Team was a limited resource, but by working more efficiently and less reactively, he was confident that the various initiatives detailed above would be achieved.

In thanking Ms Hodge for her presentation, it was agreed that it be made available to all Members on the intranet.

RESOLVED:

That the content of the presentation be noted.

8. **THIRD QUARTER 2006/07 PERFORMANCE MONITORING - LEADER**
(Report PS272 refers)

During discussion, Councillor Beckett reported on work to update the Community Strategy and its alignment with the revised Corporate Strategy, and its role in developing the 2007/08 budget. He was also pleased to report on ongoing enhancements to partnership working (including the LSP) to deliver improvements to residents. Councillor Beckett also referred to the progress on the City Offices project, in particular the recent acquisition of the leasehold interest in the West Wing of the Guildhall.

The Chief Executive also reported that development of the community planning protocol would assist with the development of the Community Strategy.

RESOLVED:

That the performance information in the Report be noted.

9. **THIRD QUARTER 2006/07 PERFORMANCE MONITORING – DEPUTY LEADER**
(Report PS273 refers)

Councillor Hollingbery responded to questions on the performance information as set out in the appendices to the Report. He reported on the need to establish baseline comparisons to make measurements, with an emphasis on focusing on the outcomes that the Council wished to achieve.

With regard to an apparent decline in the number of staff feeling adequately informed (following analysis of the staff attitude survey, as shown at page 3 of Appendix 1 to

the Report), he reported that he was satisfied that this was largely due to uncertainty from recent changes to the organisation over the last eight months. This included the change in the administration of the Council and the Chief Executive's proposals for organisational development. He also reported on the difficulty in questionnaire design and analysis of data, although he was satisfied that the reasonably high return rate achieved had indicated that the results were generally representative of all staff.

During further discussion, it was noted that, although the increase in 'dissatisfaction' was fairly marginal from previous surveys, the Committee requested that this issue be monitored.

Following a Member's request, the Chief Executive confirmed that the monitoring of the implementation of the Communications Strategy would continue as a key target.

RESOLVED:

That the performance information in the Report be noted.

10. **BUDGET AND COUNCIL TAX 2007/08**
(Report CAB1418 refers)

The Committee noted that Cabinet would also consider the Report at its meeting on Tuesday 13 February 2007.

The above item had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept this item onto the agenda, as a matter requiring urgent consideration, so that the Committee's discussion of the budget proposals could be considered by Cabinet as part of the wider consultation.

The Chairman also agreed to accept onto the agenda, for the same reasons, additional information and appendices that were tabled at the meeting. These related to the recommendations of the Informal Group upon the Winchester Town Account, an annex to Appendix G and the addition of an Appendix E (Summary of Reserves).

Councillor Allgood reported that consultation on the draft budget proposals had been important in considering the budget proposals as set out in the Report. The initial gap in the budget of £1.5 million had now been reduced to a small deficit of £200,000. He explained that Cabinet would make proposals at its meeting on 13 February 2007 to produce a balanced budget. In preparing the budget, Cabinet had been mindful of longer term priorities and of an ideal increase in Council Tax at, or below, the rate of inflation and for reserves only to be utilised to fund important one-off growth.

Councillor Allgood advised that, as the consultation on the proposals was ongoing, Cabinet was to receive additional information at its meeting on 13 February 2007 to allow it to finalise its recommendations upon a balanced budget to Council on 28 February 2007. He indicated that comments of this Committee on the proposals were welcomed.

Councillor Allgood reported that Cabinet was to recommend an increase in the Council Tax for the Winchester Town Account of 8%. He explained that this was due to the account operating at a deficit for two years and balances decreasing as a consequence. He clarified that the increase to the taxpayer would equate to approximately an additional 30 pence per month.

During discussion, Councillor Allgood referred to Appendix C to the Report that set out prioritised growth bids and costs (and those funded from Reserves and from LGBI, if achieved). Appendix C also detailed revenue savings and additional income. He suggested that the Committee might be able to suggest ideas to achieve a fully balanced budget, ideally from a combination of reduced growth, from savings and income.

Following questions with regard to the increase in take up of concessionary travel, Councillor Allgood acknowledged the success of the scheme for free bus travel for the over 60s had been greater than expected. He was satisfied that the provision made for the financial contribution to bus companies was adequate at this time, and took into account a legal challenge at national level, and would not therefore increase the budget deficit.

The Committee expressed concern that the final details of the budget proposals were not available for it to undertake a full scrutiny of the proposals. It then referred to each section and appendix of the Report in turn and, during discussion, the following matters were raised:

- Referring to the shortfall of £200,000 on the savings target of £1.3 million (page 3 paragraph 2.1, (f)) Councillor Allgood reported on progress with regard to Gershon savings. He advised on the efficiencies targets for 2005/06 not achieved, and the Director of Finance reported that this included those with regard to the Customer Service Centre and procurement.
- Councillor Beckett reported that Cabinet would be presented with a balanced budget, in light of the ongoing consultation, taking into consideration matters that might be suggested by this Committee. He suggested that the finalised budget would be thoroughly debated at Council on 28 February 2007 and that Council was the appropriate forum for scrutiny of the final budget proposals to take place.
- Councillor Beckett responded to a question regarding the summaries presented at paragraph 3 on page 5, and of the consultation event held with representatives of the business community. He advised that Cabinet would make a decision with regard to parking charges, as part of its balancing of the budget, for recommendation to Council. The Director of Finance confirmed that any anticipated growth in parking charges had not been anticipated within the individual Directorate Budgets 2007/08 at Appendix M to the Report. A Member asked whether proposals to increase parking charges would involve wider consultation other than just the businesses community.
- Councillor Allgood confirmed that the proposed increase in Council Tax of around 3% to match the current rate of inflation had been based on the CPI index (page 5 paragraph 3.1, (d)).
- Councillor Allgood advised further efficiency savings of £103,000 was a balancing figure (page 5 paragraph 3.1, (f)) and could be achieved. The final figure would be affected by growth and savings approved to achieve a balanced budget.
- The Director of Finance reported on a baseline assumption of an increase in the pay bill of around 2.5% for the Council (currently around £12 million per annum). Although inflation was currently at a higher rate, she was satisfied that the current budget provision was reasonable. If the pay award was greater than 2.5%, then the cost would be met initially from balances.

- The Director of Finance advised that there remained uncertainty with regard to the final settlement of the Local Authority Business Incentive Scheme (LAGBI) and Planning Delivery Grant (PDG) awards to the Council. As a consequence, action would need to be taken if final awards were substantially less than predicted. Should it more, then the excess could be utilised to fund necessary growth, or put to Reserves.
- Councillor Allgood reiterated that ideally, all the growth bids as set out on page 3 of Appendix C to the Report, would all be considered as part of a balanced budget.
- Councillor Allgood confirmed that as part of the ongoing process to balance the budget, each Portfolio Holder and Director had been asked to look for additional opportunities for savings.
- In explaining the funding of Capital Projects over a 5 year period (Appendix G to the Report), the Director of Finance referred to further information contained in the annex to the Appendix, as tabled at the Committee.
- The Director additionally confirmed that there was no provision within the budget for one-off capital costs that might be required for Organisational Development and, if required, these would need to come from Reserves.
- A Member requested that greater priority be given for a growth bid for the provision of Outreach Services as part of proposals to expand the Alcohol Exclusion Zone (page 3 of Appendix 3 to the Report).
- Further to the enthusiasm shown at the Parish Council consultation event to develop Parish Hubs, Councillor Allgood stated that a programme for their establishment had been increased. The necessary growth bid had been increased accordingly.
- The Chief Executive reported on the background to the remits of the Active Lifestyles Officer and Biodiversity Officer, both included as lower priority growth bids (page 3 of Appendix C to the Report). It was noted that following the post holder's retirement, savings from the deletion of the Recycling Officer post could be utilised towards proposals for two Recycling Advisors or be made more generally available to support growth.
- During questions, Councillor Allgood reported he believed that cessation of the Council's contribution towards Hampshire County Council's Meals on Wheels Scheme (page 1 of Appendix D to the Report) could increase the cost to clients by approximately 20 pence per meal.
- Responding to comments with regard to the reduction of the grant to the Theatre Royal (page 1 of Appendix D to the Report) and lack of inflationary rise over recent years, Councillor Beckett reported that the Board of Governors of the Theatre had indicated that they could continue to operate. It was also noted that this saving had not necessarily been linked to the correct Corporate Priority, as the presence of the Theatre had economic development benefit by encouraging the use of other businesses in the area. A Member was concerned that the proposed cut would place the Theatre in a position of financial uncertainty, as the Arts Council had also indicated a withdrawal of grant aid by removing Regular Funding Organisation Status.

£39,000 of grant aid from the Arts Council would no longer be automatically available, although the Theatre could make applications for grant aid for specific projects. This, together with the additional reduction of matching Hampshire County Council grant to the City Council's grant (a reduction of £2,500), could affect the financial stability recently achieved. It was suggested that the grant be maintained to give the Theatre more time to investigate its future funding streams.

- The Director of Finance explained that recurring savings related to Organisational Development (page 1 of Appendix D to the Report) would remain in the base budget, once the changes were in place. The Chief Executive explained that the total amount of savings had been based on what could be readily achieved in 2007/08 and extrapolated over future years, although there could be some variance from Year 3 onwards. He reported that in addition to savings from reduced staff overheads, there were proposed on-going efficiency and other corporate overhead savings from broader cultural change. Principal Scrutiny Committee would have the opportunity to monitor the ongoing delivery of these broader cumulative savings.
- Referring to potential income sources to the Council to increase the base Budget (page 1 of Appendix D to the Report), it was noted that fee income from Houses in Multiple Occupation (HMO) licences was unlikely until 2011/12. The Committee considered the possibility of charging developers a fee for pre planning application advice. However, the Committee were mindful that a charge could discourage such discussions taking place, leading to additional administrative costs to the Council at a later stage in the process.
- The impact of the removal of grant for the meals on wheels service and increase in parking charges would have a significantly greater financial impact upon the individuals affected than any savings on Council Tax levels.

RESOLVED:

That the report be noted.

11. **SCRUTINY WORK PROGRAMME (REPORT PS265 REFERS), FEBRUARY 2007 FORWARD PLAN AND ITEMS FOR FUTURE CONSIDERATION**

The Chairman advised that the Gershon Savings Informal Scrutiny Group would shortly make its final recommendations to Cabinet.

RESOLVED:

That the Scrutiny Work Programme and Forward Plan for February 2007 be noted.

12. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if

members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Exempt Minute of previous meeting held 15 January 2007) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers).
	• Tower Street Repairs	
##	Hat Fair Funding)

13. **EXEMPT MINUTES**

RESOLVED:

That the exempt minute of the previous meeting, held 15 January 2007, be approved and adopted.

14. **HAT FAIR FUNDING**
(Report CAB1382 refers)

The Committee noted that Cabinet was to consider the Report at its meeting held on Tuesday 13 February 2007.

The Committee considered the above report that set out details with regard to the financial management arrangements of the event (detail in exempt minute).

The meeting commenced at 6.30pm and concluded at 9.45pm.

Chairman