

COUNCIL

21 February 2008

EXTRACT FROM MINUTES OF PRINCIPAL SCRUTINY COMMITTEE (18 February 2008)

REPORT OF HEAD OF DEMOCRATIC SERVICES

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Appendix A to this report sets out a minute extract relating to issues for the consideration of Council.

RECOMMENDATION:

That Council notes the matters set out in the minute extract.

MINUTE EXTRACT FROM PRINCIPAL SCRUTINY COMMITTEE
(18 February 2008)

BUDGET AND COUNCIL TAX 2008/09
(Report CAB1629 refers)

The Committee noted that Cabinet had considered the above report at its meeting held on 13 February 2008 and had approved the recommendations as set out, subject to giving additional approval to a project fund for 'Winchester Heritage, Local Economy and Futures', totalling £50,000, to be added to the Growth List for inclusion in the Budget, to be funded from the Local Authority Business Growth Incentive Scheme (LAGBI) reserve. Full Council would consider Cabinet's recommendations on 21 February 2008.

Councillor Beckett reported that the majority of the ideas put forward during the preparatory process during the November cycle of meetings had been incorporated into the budget now presented for approval. He advised that in its preparation, Cabinet had been mindful of achieving a balanced budget that identified savings and necessary growth items, whilst maintaining an increase in Council Tax at, or below, the rate of inflation. The budget also allowed for the Council to contribute towards improved sustainability initiatives throughout the District, in particular achieving improvements in the climate change agenda.

Councillor Beckett then drew the Committee's attention to the final Government grant support settlement for the Council, which was approximately 1% higher than for the previous year and likely to decrease to 0.5% for 2009/10. Despite this, for example, the Council was expected to apply inflationary increases based on the Retail Price Index (RPI) in transactions with its contractors. Finally, Councillor Beckett thanked the Head of Finance and her team for their hard work in preparing the budget.

The Committee referred to each section of the Report and the appendices in turn and, during discussion, the following matters were raised:

- with regard to the revised Budget 2007/08 (paragraph 2, page 3), the Head of Finance clarified that utilisation of the Major Investment Reserve (an increase of transfers by £0.386m) had been mostly offset. She explained that this had been achieved from additional interest income and from net underspends from elsewhere in the budget, including those from recurring benefits from organisational development (albeit there had been sizeable one-off associated costs).
- during discussion of LABGI awards to the Council, the Head of Finance stated that there remained uncertainty with regard to the final settlement. Therefore, no definite commitment to its utilisation had been made as part of the budget. Councillor Beckett confirmed that when known, funding would be applied to projects as they came forward. The Chairman

confirmed that, further to her request, the Head of Finance had undertaken to provide a list of commitments from LAGBI payments made to date. This would be circulated to the Committee outside the meeting as background information.

- with regard to the Capital Programme (paragraph 5, page 5), Councillor Beckett advised that, due to necessary preparatory work still being undertaken, there was nothing imminent within the programme for new Council Offices. However, he acknowledged that as the condition of City Offices was deteriorating, and mindful of its limitations with regard to being fit for purpose, decisions on the way forward were likely to be taken within two years.
- Councillor Beckett advised that prudent budgeting had originally forecast the Government grant support settlement as zero. This was later revised to £30,000 due to the likelihood of direct support funding from Government for new national initiatives for delivery by the Council, such as concessionary travel. The final settlement was in excess of this figure.
- responding to questions on Council Tax (paragraph 8, page 6), the Head of Finance advised that only indicative comparative precept figures had been received to date from other bodies. Final figures were expected shortly.
- during discussion of Appendix A to the Report (Risk Assessment), a number of matters were raised:

Interest Rates

Councillor Beckett acknowledged the various methods of financial interest forecasting. He advised that the Council Tax setting had regard to the inflationary increase of 3.9% that had been applied to state pensions.

Government Capping

Councillor Beckett acknowledged that the Town Forum had thoroughly debated its recommendations for the setting of the Town Account precept. He reminded the meeting that the Council was able to determine its setting, unlike that of Parish precepts. The Town Forum proposals came within the Council's capping limit.

Equal Pay

The Chief Executive explained that he was satisfied that the Council had met its obligations under the legislation. The Personnel Committee had recently endorsed the outcomes of an Equal Pay Audit for the organisation and the matter would be kept under review.

- The Committee referred to Appendix D to the Report, General Fund Revenue – Growth Pressures:

Planning Enforcement

Responding to discussion of the proposed additional resource to support this area, Councillor Beckett said this was a response to the budget consultation and recent scrutiny work on enforcement. He was satisfied that this was due to increased case work and that this would enable an enhanced level of service to be provided. The additional funding would be allocated by officers as appropriate, with Member endorsement should this be required.

Abbey Mill

A Member drew attention to a previous feasibility study undertaken into power generation at Abbey Mill. He suggested that this document should be referred to as part of the latest study.

Concessionary Travel Scheme

Councillor Beckett acknowledged that the original growth estimate to fund the initiative had now decreased. He reported that the Council had been reliant on consultants for projections that had been based on costs associated for other local authority run schemes.

Customer Service Centre

Councillor Beckett advised that he was disappointed that there had been delays in realising savings from the Customer Service Centre. Although these had not materialised to date, the additional associated costs had, in his opinion, been worthwhile due to the excellent service now being delivered to residents. He was confident that the revised savings would be achieved in time. The Chief Executive also reported that the savings as predicted had been delayed and he acknowledged the difficulties in harnessing savings where only a minor part of the work of a post had transferred to the Centre. This would be addressed so that efficiencies could be harvested in time.

Electoral Registration/Elections

The Corporate Director (Governance) advised that this had been identified as a growth item, due to the previous direct cash grant from the Government being replaced by an allowance being made in the formula for the calculation of the Rate Support Grant. In response to a question, the Director indicated that the Licensing and Regulation Committee had recently concluded a review of polling stations. Although there were a few stations with a small number of voters, the law and guidance required a polling station to be provided in each parish. The Committee had adopted this approach.

Local Access Points

Responding to questions, Councillor Beckett advised that he was satisfied that additional growth in this area should be committed. Cabinet had recently considered a report on trials undertaken on the hubs and cluster initiative that had provided lessons from which positive successes could be built upon.

- With regard to Appendix E to the Report – General Fund Revenue – Savings and Income, the Head of Finance responded to questions.

Organisational Development

It was clarified that there was no further costs associated with the original Organisational Development proposals, which had been one-off costs spent during 2007/08.

Car Parks

Councillor Beckett advised that growth in this area had been predicted. He acknowledged various schemes, including the Winchester Access Plan and the climate change agenda, which looked to reduce private transport use over time. During further discussion, he advised that he would build in, over the long term, the possible impact on the use of city centre car parks from the new South of Winchester Park and Ride facility. However, this was at least two years away.

Grants

The Head of Finance confirmed that this area of income did include the final LAGBI payments which had not yet been received, in addition to other grant income.

Planning Advice

Councillor Beckett acknowledged that the £20,000 growth income was a modest figure to be used until the concept had been proven. He clarified that a clear definition would be worked up as to when the charge was to be applied but, for example, it was not intended to charge private householder applications.

Long Term Vacancies – review across Divisions/ongoing Organisational Development

The Chief Executive clarified that some areas of the Council had been identified for an in-depth review of their structure and proposals would come forward in due course. The ongoing savings of £75,000 associated had been predicted due to the profiles of the particular areas currently under consideration. There could be initial one-off costs associated with the ongoing savings.

- During discussion of Appendix G to the Report – Total Proposed Capital Expenditure Programme 2007/08 – 2012/13, the following was discussed:

Car Parks

A Member suggested that the capital programme for repairs to Car Parks should not include tarmac of previously gravelled or grassed areas. Pervious surfacing should be promoted wherever possible, as it was better for the environment, as well as likely to be less costly. It was agreed that this matter be better dealt with in detail at a future meeting of the Environment Scrutiny Panel.

Re-investment in Affordable Housing

The Corporate Director (Policy) advised that this was related to the Council policy of disposal for capital receipt of HRA Housing stock that required significant repair. There was intention to reinvest the £1m accrued, however this was yet to be allocated to specific affordable housing schemes.

Financing of Capital Programme

Capital Receipts for General Fund

Councillor Beckett advised that the amounts specified were an aggregate of building assets owned by the Council that were now surplus to requirements and to be disposed of for capital receipt. The Corporate Director (Governance) advised that the detail of items were subject to commercial negotiations yet to be commenced and were, therefore, confidential at his stage. He undertook to circulate further details confidentially to the Committee outside of the meeting.

Open Space Provision

The Head of Finance advised that she would report to the Committee outside of the meeting the detail behind the financing of the provision and the intentions for its allocation.

- During discussion of Appendix K to the Report – Council Tax on Winchester Town Area, it was confirmed that the contribution to Neighbourhood Wardens was historic and not a new initiative. On another point, it was noted that community associations, with minimal administrative support from the Council, ran the majority of the allotment acreage within the Town area.

RESOLVED:

1. That the report be noted.
2. That the Environment Scrutiny Panel give further detailed consideration to the concerns raised that the capital programme for repairs to Car Parks should not make provision for tarmacing of previously gravelled or grassed areas, for the reasons that pervious surfacing is better for the environment, as well as likely to be less costly.
