

COUNCIL

22 April 2009

EXTRACTS FROM MINUTES OF CABINET (20 April 2009) AND PRINCIPAL SCRUTINY COMMITTEE (21 April 2009)

REPORT OF HEAD OF DEMOCRATIC SERVICES

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

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

RECOMMENDATION:

That Council considers the matters set out in the minute extracts.

MINUTE EXTRACTS FROM CABINET
(20 April 2009)

1. **HOUSING RENTS – LATEST GOVERNMENT PROPOSALS**
(Report [CAB1835](#) refers)

Under the Council's Constitution, Access to Information Procedure Rules (Rule 15.1 General Exception) this was a Key Decision, which had not been included in the Forward Plan. Under this procedure, the Chairman of Principal Scrutiny Committee had been informed.

Councillor Coates emphasised that the full details of the Government's proposals on guideline rents had not been issued to local authorities until 26 March 2009 and councils were required to respond within the next four weeks. It had been calculated that the overall financial impact for 2009/10 would be a net gain on the Housing Revenue Account (HRA) of £63,000 (detail in paragraph 3 of the Report).

On behalf of Cabinet, Councillor Beckett thanked the Head of Landlord Services for his work in responding to the Government changes in guideline rents. He also expressed disappointment that the timing of the announcement (after the statutory deadlines for notifying rent increases to tenants) resulted in additional administrative costs to the Council, which meant that the full cost benefits could not be passed onto tenants.

The Head of Landlord Services advised that the Report's first recommendation should be corrected to refer to paragraph 3 (and not paragraph 5).

At the invitation of the Chairman, Councillor Learney addressed Cabinet on behalf of the Liberal Democrat Group. She welcomed the Government's proposals to reduce negative subsidy, but requested further details about possible increases in service charges to some tenants, which she was concerned might negate rent reductions. She also queried how the HRA net gain of £63,000 would be utilised and requested that it be used for funding of the improvement programme.

In response, the Head of Landlord Services confirmed that the Government stipulated the maximum level at which councils could set rent and service charges. The recent changes resulted in the Council being able to recover more in service charges than previously. Consequently, some tenants would receive a rent reduction at the same time as a small increase in service charges. He confirmed that he could supply further

details to Councillors outside of the meeting and that all tenants would receive written notification explaining the changes in both rent and service charge levels.

With regard to the gain on the HRA, Councillor Coates advised that a Report would be submitted to a future Cabinet, outlining how this amount and the funding being made available from the release from the Insurance Reserve (as set out in CAB1836 below) would be dealt with.

Mr A Rickman (TACT) welcomed the Report and the proposed reductions in rent. He confirmed that TACT would continue to campaign to further reduce the level of negative subsidy stipulated by the Government.

Councillor Beckett thanked Mr Rickman for his comments and confirmed that TACT would be involved in discussions regarding the use of the additional funding now available to the HRA budget.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE HEAD OF LANDLORD SERVICES BE AUTHORISED TO IMPLEMENT THE GOVERNMENT'S REVISED PROPOSALS FOR HOUSING RENTS FOR 2009/10 WITH EFFECT FROM APRIL 2009, AS SET OUT IN PARAGRAPH 3 OF THE REPORT, RESULTING IN AN OVERALL AVERAGE INCREASE OF 3.2%.

2. THAT SERVICE CHARGES CONTINUE TO BE BASED ON ACTUAL COSTS INCURRED AND THAT CAPPING APPLIED IN LINE WITH GOVERNMENT GUIDANCE BE ADJUSTED TO REFLECT CHANGES TO RENTS AGREED ABOVE, AND THE HEAD OF LANDLORD SERVICES BE AUTHORISED TO IMPLEMENT THE CHANGES.

2. MINUTES OF THE CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE HELD 25 MARCH 2009

(Report [CAB1832](#) refers)

Councillor Allgood declared a personal (but not prejudicial) interest in respect of this item due to his role as a County Councillor. Councillor Pearson declared a personal (but not prejudicial) interest as he was the City Council's representative on the Council for the Protection of Rural England. Both Councillors remained in the room, spoke and voted.

Councillor Allgood highlighted the importance of also protecting the natural environment around Wickham and Knowle. He requested that a revised version of Map SH5 North Fareham Strategic Development Area (SDA) be supplied to Members for Council on 22 April 2009, to reflect the corrections noted at the Committee meeting on 25 March 2009 (page 62 of CAB1823(LDF) Appendix D). The Head of Strategic Planning agreed to arrange this.

Councillor Allgood also requested clarification of Eastleigh Borough Council's position regarding the Hedge End SDA. In particular, if the Borough Council decided against the SDA, could Policy SH4 be deleted (page 59 of CAB1823(LDF) Appendix D).

Councillor Beckett confirmed some difficulties had been caused in formulating the Council's LDF proposals, because Eastleigh Borough Council was approximately two years behind the City Council in its preparation of the Core Strategy. He indicated that he understood that revised wording might be submitted to Council on 22 April 2009 in relation to Policy SH4, so that land within the Council's District would only be released if the Hedge End SDA was approved.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE DRAFT CORE STRATEGY PREFERRED OPTION DOCUMENT BE APPROVED FOR PUBLICATION FOR A PUBLIC CONSULTATION PERIOD OF AT LEAST SIX WEEKS, AS SET OUT IN APPENDIX D TO CAB1823(LDF) AND AMENDED AS OUTLINED IN THE MINUTES OF THE CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE OF 25 MARCH 2009.

2. THAT THE HEAD OF STRATEGIC PLANNING, IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR PLANNING AND ACCESS, BE GIVEN DELEGATED AUTHORITY TO:

A) AGREE THE WORDING OF AN EXECUTIVE SUMMARY TO THE PREFERRED OPTIONS DOCUMENT;

B) MAKE MINOR EDITORIAL AND PRESENTATIONAL CHANGES TO THE DOCUMENT PRIOR TO PUBLICATION; AND

C) MAKE ARRANGEMENTS FOR PUBLICISING AND CONSULTING ON THE DOCUMENT.

3. THAT, IN ORDER TO MEET THE GOVERNMENT'S HOUSING TARGETS, COUNCIL AGREE THAT THEIR OVERALL STRATEGY FOR ACCOMMODATING THE REQUIRED LEVELS OF NEW DEVELOPMENT IN ACCORDANCE WITH GOVERNMENT POLICY, SHOULD BE TO PRIORITISE THE USE OF PREVIOUSLY DEVELOPED LAND.

4. THAT COUNCIL SHOULD SUPPORT THE HOUSING TRAJECTORY IN THE ANNUAL MONITORING REPORT (2008), WHICH SUGGESTS THAT LARGE GREENFIELD RELEASES OUTSIDE THE PUSH AREA WILL NOT COME FORWARD UNTIL THE LATTER PART OF THE PLAN PERIOD.

5. THAT THE COUNCIL CONTINUE TO PRESS THIS AND FUTURE GOVERNMENTS TO ALTER THEIR HOUSING TARGETS, SO THAT WINCHESTER IS NOT COMPELLED TO DEVELOP SENSITIVE GREENFIELD LOCATIONS.

RESOLVED:

That the minutes of the Cabinet (Local Development Framework) Committee held 25 March 2009 be received and the recommendations contained therein be recommended to Council as outlined above.

3. INSURANCE RESERVE REVIEW
(Report CAB1836 refers)

The Chairman agreed to accept the Report onto the agenda, as a matter requiring urgent consideration, in order that Cabinet could consider the contents and make a recommendation to Council on 22 April 2009.

Councillor Allgood advised that the late availability of the Report was due to the timing of the actuarial review. The proposal was to reduce the earmarked levels of reserve to the levels as set out in Recommendation 3 of the Report. If agreed, this would result at year end in £344,573 being released into the General Fund and £305,572 into the Housing Revenue Account (as discussed under CAB1835 above). The use of the General Fund amount would be considered by Cabinet as part of its consideration of 2008/09 outturn and capital programme at its meeting in June or July.

In response to questions regarding treatment of the Municipal Mutual Insurance Ltd (MMI), the Corporate Director (Governance) advised that the Council was awaiting the outcome of a notice of appeal to the House of Lords, due later in the year, which it was anticipated would address the current situation.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

<p>RECOMMENDED:</p> <p>1. THAT THE GENERAL FUND PROVISION OF £185,000 RELATING TO THE MUNICIPAL MUTUAL INSURANCE SCHEME OF ARRANGEMENT BE RETAINED.</p> <p>2. THAT THE COUNCIL MAKES FURTHER PROVISIONS TOTALLING £152,570, COMPRISING £74,885 FOR THE GENERAL FUND AND £77,685 FOR THE HOUSING REVENUE ACCOUNT.</p> <p>3. THAT THE LEVELS OF EARMARKED INSURANCE RESERVES BE REDUCED TO THE FOLLOWING LEVELS AT 31 MARCH 2009:</p> <p>(I) GENERAL FUND - £29,691</p> <p>(II) HOUSING REVENUE ACCOUNT - £45,279</p>

4. **REVIEW OF ELECTORAL ARRANGEMENTS**
(Report [CAB1803](#) refers)

Under the Council's Constitution, Access to Information Procedure Rules (Rule 15.1 General Exception), this was a Key Decision, which had not been included in the Forward Plan. Under this procedure, the Chairman of Principal Scrutiny Committee had been informed.

Councillor Cooper declared a personal (but not prejudicial) interest as the City Councillor for Boarhunt and Southwick Ward. He remained in the room, spoke and voted.

The Corporate Director (Governance) advised that the main matter for Council at the current time was to indicate whether it wished to undertake a review of warding arrangements, with a view to establishing single

member wards. If so, the Boundary Committee for England required notification of this choice as soon as possible. The Corporate Director emphasised that if such a change was agreed, the Boundary Committee were more likely to recommend a reduction in the number of Councillors than an increase.

Councillor Beckett commented that Cabinet would not make recommendations on this matter and would refer the decision to full Council.

At the invitation of the Chairman, Councillor Busher queried what the role of the civic Mayor would be, should a future decision be made to move to the directly elected Mayor with Cabinet model?

The Corporate Director (Governance) explained that the civic Mayor would continue in its current form in addition to any directly elected Mayor, who would in effect be the directly elected Leader of the Council.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

THAT MEMBERS CONSIDER THE REPORT AND RECOMMEND HOW THEY WISH TO PROCEED IN RELATION TO WHETHER AN APPLICATION SHOULD BE MADE TO THE BOUNDARY COMMITTEE FOR ENGLAND FOR AN ELECTORAL REVIEW BASED UPON SINGLE MEMBER WARDS.

MINUTE EXTRACTS FROM PRINCIPAL SCRUTINY COMMITTEE
(21 April 2009)

1. **REVIEW OF ELECTORAL ARRANGEMENTS**
 (Report CAB1803 refers)

The Corporate Director (Governance) advised that Cabinet on 20 April 2009 had referred the matter for further consideration to the meeting of full Council on 22 April 2009.

The Corporate Director outlined the various options available to the Council, should Members decide to change its electoral arrangements. Following discussion, the Committee agreed to recommend that no application be made to the Boundary Committee for England at this stage, but did not rule out the Council giving further consideration to the proposals in the future.

RECOMMENDED:

**THAT NO APPLICATION BE MADE AT THIS STAGE TO
 THE BOUNDARY COMMITTEE FOR ENGLAND TO COMMENCE
 A REVIEW OF THE COUNCIL'S ELECTORAL ARRANGEMENTS.**

2. **CONSIDERATION OF ITEM UNDER THE COMMITTEE'S POWERS OF
 CALL-IN**

(i) **INSURANCE RESERVE REVIEW**
 (Report CAB1836 refers)

The above item had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the item onto the agenda, as a matter requiring urgent consideration to allow the Committee to make a recommendation to Council on 22 April 2009.

The Committee noted that Cabinet had considered the Report at its meeting held on 20 April 2009 and had endorsed the proposals as set out.

During discussion, the Corporate Director (Governance) confirmed that officers would, in due course, bring forward proposals to reallocate the net savings to the HRA by way of a Cabinet report.

RECOMMENDED:

**THAT THE PROPOSALS AS OUTLINED IN REPORT CAB1836
BE SUPPORTED.**

RESOLVED:

That the decision of Cabinet on 20 April 2009 to:

(a) Retain the general fund provision of £185,000 relating to the municipal mutual insurance scheme of arrangement

(b) Make further provisions totalling £152,570, comprising £74,885 for the general fund and £77,685 for the HRA

(c) Reduce the levels of earmarked insurance reserves to the following levels at 31 March 2009:

(i) General fund - £29,691

(ii) Housing Revenue Account - £45,279

be not called-In for review.
