

COUNCIL

20 February 2014

EXTRACT FROM MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE
(17 FEBRUARY 2014)

REPORT OF DEMOCRATIC SERVICES MANAGER

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

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

RECOMMENDATION:

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

**EXTRACT FROM MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE –
17 February 2014**

1. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2014/15 AND BUSINESS
PLAN 2014/15 – 2043/44**

(Report CAB2548(HSG) refers)

The Committee noted that the above report had been considered by Cabinet at its meeting held 12 February 2014, where the recommendations had been agreed as set out.

The Chief Finance Officer and Assistant Director (Chief Housing Officer) introduced the Report and drew the Committee's attention to key budget items. Together with Councillor Coates, they also responded to detailed questions of the Committee.

The Committee noted that despite the identification of a number of properties suitable for potential loft conversion/extension, to date, take-up of the scheme by tenants had been disappointing. The Committee was also reminded that although there was no additional money within the 2014/15 budget with regard to mitigating the impact of Welfare Reform, measures had been put in place during previous years that continued to successfully and proactively manage the potential impact.

With regard to work of the Council's Neighbourhood Wardens being charged to the HRA, the Chief Finance Officer undertook to report to Members outside of the meeting the extent to which the service was also financed by the General Fund to reflect the broader work of the wardens across the District i.e., in non-estate areas.

Councillor Coates explained that partners across the sub-regional Choice Based Lettings area monitored cross boundary moves. He also clarified the proportion of charges to the HRA for housing allocations as part of this process and that the General Fund also contributed to the cost. Councillor Coates also acknowledged that some estate improvement schemes may be of indirect benefit to private occupiers residing near those areas, but it would not be practical to seek contributions to these works from the General Fund. Proposals had been specifically targeted to Council owned areas, including sheltered schemes.

Councillor Coates advised that officers were looking to mitigate the impact on services within the HRA and the General Fund likely to be affected by the County Council's proposals to make savings to its Supporting People budget. Further detail would not be available for 6-9 months and a report would be brought to Cabinet (Housing) Committee at that stage.

The Assistant Director (Chief Housing Officer) provided assurances that despite an underspend of £440,000 in the Major Repairs budget, there were sufficient funds in place to deal with tenant's requests for repairs coming forward, including applications for disabled adaptations. The budget had been previously demand led and so underspends had been identified which were now required to meet increased spend in 2014/15 on Mechanical and Electrical services (mainly boiler replacements).

The Committee discussed the impact of rising costs (notably fuel charges) and the difficulties faced by many tenants in paying their rent. Members therefore considered whether the Council should investigate the current approach taken to setting rents for new dwellings completed as part of the new build programme. It was considered that extending the viability criteria appraisal period from 30 to 40 years was likely to help reduce rent levels. In addition, the Council could look to set rents in future on a programme basis, using either a consistent percentage of the market rent or a consistent rent across the District for similar sized properties.

In response to the suggestions made, Councillor Coates recommended that the Committee may wish to consider this matter in light of a report commissioned from Adams Integra looking at the Council's New Build programme. This was likely to include details of the existing payback period.

The Committee agreed that following consideration of the Adams Integra report later in the year by Cabinet (Housing) Committee, Members of this Committee would then decide whether to investigate the approach taken to setting rents for new dwellings completed as part of the new build programme by way of an Informal Scrutiny Group.

RECOMMENDED:

THAT HOUSING REVENUE ACCOUNT BUDGET FOR 2014/15 AND THE BUSINESS PLAN 2014/15 TO 2043/44 BE NOTED.

RESOLVED:

That, following consideration of the Adams Integra report later in the year by Cabinet (Housing) Committee, this Committee should then decide whether it needed to investigate the approach taken to setting rents for new dwellings completed as part of the new build programme by way of an Informal Scrutiny Group.

2. **BUDGET AND COUNCIL TAX 2014/15**

(Report CAB2555 refers)

The Committee noted that the above report had been considered by Cabinet at its meeting held 12 February 2014, where the recommendations in the Report had been agreed as set out, subject to an amendment to Recommendation 1.

As part of his introduction to the Report, Councillor Godfrey emphasised that despite cuts in grants, there were positive forecasts with regard to income and the Council had maintained its position with regard to service provision.

Councillor Godfrey drew to the Committee's attention that Cabinet had agreed to provide a supplementary budget of £100,000 for flood defence schemes, at places such as Hambledon. Cabinet had, therefore, agreed that Recommendation 1 of the Report be amended accordingly.

In response to questions, Councillor Godfrey explained that the Council would ensure that any funding from the Government for the recovery from the recent flooding was directed appropriately. A Member asked that a scheme at Littleton that had not been implemented after previous floods, be re-considered.

He also clarified that it was intended that any additional net income from textile recycling during 2014/15 would be allocated to the grants budget and distributed accordingly.

With regard to the Guildhall trading account, Councillor Godfrey explained that he expected the improved position to be maintained. The facility's net running costs remained appropriate at this time and any further changes to income targets would be considered against future actual performance to ensure that they would be capable of delivery.

Councillor Godfrey explained that he recognised that additional grant to help offset increased costs due to freezing Council Tax may no longer be forthcoming. As a consequence, the Council had built-in forecasts for this grant being lost over the longer term.

RECOMMENDED:

THAT THE BUDGET AND COUNCIL TAX AS SET OUT IN THE REPORT (SUBJECT TO THE CHANGE TO RECOMMENDATION 1 AS DESCRIBED ABOVE WITH REGARD TO FLOOD DEFENCES) BE NOTED

3. **TREASURY MANAGEMENT STRATEGY 2014/15**

(Report CAB2554 refers)

The Committee noted that the above report had been considered by Cabinet at its meeting held 12 February 2014, where the recommendations in the Report had been agreed as set out.

In response to discussion, Councillor Godfrey advised that the Council's future aspirations for large projects would be assessed for their risk and impact to the Council's financial position going forward.

RECOMMENDED:

**THAT THE TREASURY MANAGEMENT STRATEGY 2014/15
AS SET OUT IN THE REPORT BE NOTED.**
