

COUNCIL

15 July 2015

EXTRACT OF MINUTES OF CABINET HELD 6 JULY 2015 AND THE OVERVIEW
AND SCRUTINY COMMITTEE HELD 7 JULY 2015

REPORT OF THE DEMOCRATIC SERVICES MANAGER

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Appendix A to this report sets out extracts from the minutes of Cabinet held 6 July 2015 and The Overview and Scrutiny Committee held 7 July 2015 for the consideration of Council.

RECOMMENDATION:

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

Minute Extract from Cabinet held 6 July 2015**1. CAPITAL EXPENDITURE OUTTURN 2014/15**

(Report CAB2697 refers)

The Chairman drew Cabinet's attention to the number of projects that had been successfully completed in 2014/15, including the re-letting of Avalon House and Abbey Mill, and the new North Walls skate park. In addition, he supported the list of carry forwards recommended for Council approval in Appendix A of the Report.

In response to questions, the Chief Finance Officer advised provision had been made in the 2014/15 Programme for a contribution towards a new Hampshire Community Bank. Some external financial due diligence work had been undertaken with positive feedback and further work was ongoing regarding refining the detail. A decision was expected within the next few months.

Cabinet noted that Councillor Achwal had wished to ask a question regarding the start date for the Meadowside Car Park lighting but had been unable to remain at the meeting until this item was considered. The Chairman requested that the Head of Estates be asked to respond directly to Councillor Achwal outside of the meeting.

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

RECOMMENDED:

**THAT THE CARRY FORWARD OF CAPITAL BUDGET
TOTALLING £6.717M FROM 2014/15 (AS DETAILED IN
APPENDIX A OF THE REPORT) BE APPROVED, IN
ACCORDANCE WITH FINANCIAL PROCEDURE RULE 7.9.**

RESOLVED:

That the capital expenditure and financing for 2014/15 and the implications on the future capital programme be noted.

2. **GENERAL FUND REVENUE OUTTURN 2014/15**

(Report CAB2698 refers)

The Chairman thanked the Chief Finance Officer and Team for their work in closing the 2014/15 accounts over a particularly busy period for the Council. In addition, he commended the Chief Executive and management generally for achieving savings in the staffing budgets. He highlighted that the General Fund Cost of Services had an underspend of £2.7 million at the end of 2014/15.

In response to questions, the Chief Finance Officer explained that the Council had set aside £1 million in Business Rate Reserve. The 2014/15 outturn had identified a likely call on this reserve in 2016/17 due to higher possibility of successful appeals against business rate levels than previously anticipated. This was due to a class of possible appeals regarding health centres being identified by a recent settlement and the rise in the number of additional appeals due to changes in the scheme from April 2015.

In response to questions, the Chairman stated that the broader business support activities relating to the Flood Business Support Schemes had yet to be identified but further information would be submitted to Members at the appropriate time (Appendix B, page 2 of the Report refers).

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

RECOMMENDED:

THAT THE REQUESTS FOR GENERAL FUND CARRY FORWARD OF ONE-OFF EXPENDITURE BUDGET TO 2015/16 BE APPROVED FOR THE PURPOSES SPECIFIED IN APPENDIX B OF THE REPORT, AND CONFIRM THE AMOUNTS TO BE SUPPORTED FOR CARRY FORWARD BE APPROVED IN ACCORDANCE WITH FINANCIAL PROCEDURE RULE 7.9 (NOTING THAT THESE ARE IN ADDITION TO THE HOUSING REVENUE ACCOUNT CARRY FORWARD REQUESTS DETAILED IN CAB2696(HSG), 30 JUNE 2015).

RESOLVED:

1. That the General Fund Revenue outturn position as set out in the Report be noted.
2. That the transfers to/from the Major Investment Reserve and other earmarked reserves be noted and the reserves and closing balances at 31 March 2015 be approved (as set out in Appendix D of the Report).

3. **DEVOLUTION: DEVELOPING PROPOSALS FOR DEVOLVED POWERS AND RESPONSIBILITIES**

(Report CAB2703 refers)

The Chairman highlighted that although discussions had begun across local authorities within Hampshire, Southampton, Portsmouth and the Isle of Wight, no decisions had yet been taken and unless there was any benefit for the Winchester District directly, he would not wish to proceed.

The Head of Policy and Projects advised that Hampshire County Council had also committed to further consider “double devolution” (i.e. devolving some of its responsibilities to district council level). The proposals also offered opportunities for further collaborative working between authorities.

One Member drew attention to Paragraph 1.7 of the Report which emphasised that the Government would have certain minimum expectations if there was to be a meaningful devolution of powers and funding and it would be for the Council to decide whether the potential benefits for the Council made this worthwhile. He queried how the Council would decide on what it would be prepared to accept? The Chairman stated that the combined authorities would draw up an agreement and emphasised again that it must be demonstrated to be of benefit to Winchester before any decision to enter into agreement was taken.

Members expressed concern about the uncertainties currently involved, including how the process would work in the event of disagreement with other authorities. It was noted that the two Local Economic Partnerships within Hampshire, together with the two National Park Authorities would also be involved in future discussions.

At the invitation of the Chairman, Councillor Power addressed Cabinet and in summary, whilst she recognised the potential benefits of a combined authority, she also expressed concern about its development and the need for adequate safeguards. She was concerned that it might be difficult for Winchester to withdraw from any joint agreement once it had passed a certain stage in discussions. She also highlighted the importance of all Member involvement prior to any decision being taken.

The Chairman stated that the letter from Hampshire and Isle of Wight Local Government Association (HIOWA) Leaders to the Secretary of State for Communities and Local Government (as contained as Appendix 2 to the Report) set out areas of interest, but did not result in any firm commitment. He also highlighted that the Report would be considered by The Overview and Scrutiny Committee on 7 July 2015 and Full Council on 15 July 2015.

Some Members expressed concern that the wording of Recommendation 2 be strengthened to highlight the involvement of the Leader, rather than the matter

being for decision by the Chief Executive. Following discussion, revised wording was agreed as set out below.

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

RECOMMENDED:

- 1. THAT THE APPROACH OF CABINET IN ITS DISCUSSIONS ON THE DEVOLUTION OF POWERS AND RESPONSIBILITIES FROM WHITEHALL BE SUPPORTED.**
- 2. THAT A FURTHER REPORT BE BROUGHT TO CABINET AND COUNCIL ONCE DETAILED PROPOSALS HAVE BEEN DISCUSSED WITH GOVERNMENT.**

RESOLVED:

1. That the local discussions on the devolution of powers and responsibilities from Whitehall be noted and the Leader and Chief Executive work alongside colleagues in Hampshire and the Isle of Wight to develop a model for devolution which meets local needs.
2. That the Chief Executive be authorised, in consultation with the Leader of the Council and following discussions with other Group Leaders, to approve the initial proposal for submission to Government.
3. That a further report be brought to Cabinet and Council once detailed proposals have been discussed with Government.

Minute Extract from The Overview and Scrutiny Committee held 7 July 2015

1. **DEVOLUTION: DEVELOPING PROPOSALS FOR DEVELOPED POWERS AND RESPONSIBILITIES**
(Report CAB2703 refers)

Councillor Godfrey introduced the report and outlined the discussions that had taken place across Hampshire, Southampton, Portsmouth and the Isle of Wight. He detailed the delegated authority required for the Leader and Chief Executive to work with other local authorities to develop a model for devolution to meet the Council's needs, as well as the aims of Government.

He drew Members' attention to Cabinet's revised recommendation to Council, extract of the draft minute from the Cabinet meeting held on 6 July 2015 circulated at the meeting, which strengthened Recommendation 2 to highlight the involvement of the Leader.

The Head of Policy and Projects advised that Hampshire County Council had also committed to further consider 'double devolution' (devolving some of its responsibilities to district council level), which offered further opportunities for authorities to work collaboratively.

Councillor Godfrey advised the Committee of the creation of a Combined Authority in Greater Manchester which had been the flagship example of how this might work, where responsibility had been taken on for economic development and other infrastructure issues. Following discussion, there was support that a 'looser' approach be sought in Hampshire and a general consensus for the retention of two tier Local Authorities.

He stated that a letter had been sent from Hampshire and Isle of Wight Local Government Association (HIOWA) Leaders to the Secretary of State for Communities and Local Government, as contained in Appendix 2 to the Report, which sets out the areas of interest, but did not result in any firm commitment. He reminded the Committee that Report would be further considered at Full Council on 15 July 2015.

The Committee expressed concern that all Members should be kept regularly updated on this matter and believed that Cabinet's Recommendation 2 be further strengthened to ensure progress updates were provided to Members.

RECOMMENDED:-

THAT THE DECISION OF CABINET IN ITS DISCUSSIONS ON THE DEVOLUTION OF POWERS AND RESPONSIBILITIES FROM WHITEHALL BE SUPPORTED, SUBJECT TO THE LEADER PROVIDING REGULAR UPDATES TO MEMBERS ON PROGRESS WITH DISCUSSIONS.

2. **HOUSING REVENUE ACCOUNT 2014/15 OUTTURN**
(Report CAB2696 (HSG) refers)

Councillor Horrill introduced the Report which outlined the outturn for the Housing Revenue Account (HRA) for 2014/15 and the final outturn results in a net surplus on the account of (£0.544m), after adjusting for outturn housing debt, against a budgeted surplus of (£2.837m). It also detailed significant variances and budget carry forwards totalling £1,062m, as set out in the Report.

The Committee were advised that the Report had previously been considered and supported by the Cabinet (Housing) Committee, at its meeting on 30 June 2015 and provided excellent news on activity that had taken place during the 2014/15 financial year.

Members raised questions in relation to the number of carry forward figures, contained within the Report, and queried the spending of these funds within 2015/16. In response, Officers advised that reviews are carried out to test on-going need and demand for all intended spending purposes prior to the commencement of works. Following further questions, regarding the Government's right to buy proposals and the impacts on the business plan, the Assistant Director (Chief Housing Officer) agreed to provide a report to Members on this matter when this became available.

Councillor Horrill reported that she was keen to ensure that the programme of works was progressed to meet timescales, with particular reference to modernisations works etc (e.g. kitchen and bathroom modernisations).

RECOMMENDED:

THAT THE REPORT BE NOTED AND NO ITEMS BE DRAWN TO THE ATTENTION OF COUNCIL

RESOLVED:

That The Overview and Scrutiny Committee agree not to call in) for review the proposed virement (of £150,000 from the Winnall flats EWI scheme to the loft conversions and extensions programme, as detailed in paragraph 5.3 of the report.

3. CAPITAL EXPENDITURE OUTTURN 2014/15
(Report CAB2697 refers)

Councillor Godfrey introduced the Report which provided an overview of the actual (outturn) capital expenditure for the financial year 2014/15 and the associated financing, compared with the Revised Capital Budget and Members' questions were answered thereon.

The Committee's attention was drawn to the number of projects that had been successfully completed in 2014/15, including the successful letting of Avalon House and Abbey Mill and the new North Walls skate park. In addition Councillor Godfrey reported that he supported the list of carry forwards recommended for approval by Council at its meeting on 15 July, as set out in Appendix A of the report.

RECOMMENDED:

THAT THE REPORT BE NOTED AND NO ITEMS BE DRAWN TO THE ATTENTION OF COUNCIL.

4. **GENERAL FUND REVENUE OUTTURN 2014/15**
(Report CAB2698 refers)

Councillor Godfrey introduced the report which provided an overview of the Council's General Fund Revenue outturn compared with the budget for the year 2014/15 and explained the main variances, the movements on earmarked reserves and Members' questions were answered thereon.

He commended the Chief Finance Officer and her Team for their work in closing the 2014/15 accounts and for the excellent work achieved by the Chief Executive and Senior Management in the significant savings made to the employee budget. He also acknowledged a rise in car parking income (despite no increase in car parking charges), reflecting a large increase in visitors to the City and District. The leader justified the proposals for the carry forward proposals for £1.34m, as set out in Appendix B.

In response to questions, the Chief Finance Officer reported that the Council had set aside £1 million in a Business Rate Reserve at the end of 2014/15 and indicated that there could be a call on this reserve during 2016/17 owing to the increased possibility of successful appeals against business rate levels than previously anticipated. This was as a result of possible appeals regarding health centres being identified and an increase in the number of additional appeals due to changes in the legislation from April 2015.

RECOMMENDED:

**THAT THE REPORT BE NOTED AND NO ITEMS BE DRAWN
TO THE ATTENTION OF COUNCIL.**
