

COUNCIL

25 February 2016

EXTRACT OF MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE
HELD 22 FEBRUARY 2016

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 The Overview and Scrutiny Committee held 22 February 2016 for the consideration of Council.

RECOMMENDATION:

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

Appendix A

The Overview and Scrutiny Committee Minute Extract – 22 February 2016

1. **HOUSING REVENUE ACCOUNT BUDGET 2016/17 AND BUSINESS PLAN**
(Report CAB2761(HSG) refers)
EXTRACT FROM MINUTES OF CABINET (HOUSING) COMMITTEE HELD
3 FEBRUARY 2016
(Report CAB2771 refers)
EXTRACT FROM MINUTES OF CABINET HELD 10 FEBRUARY 2016
(Report CL124 refers)

The Committee noted that Report CL124 had not been made available for publication 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 refer to the comments of Cabinet as part of its consideration of Report CAB2761(HSG).

The Assistant Director (Chief Housing Officer) introduced the Report and drew attention to the detailed relevant discussions of the Cabinet (Housing) Committee and Cabinet held on 3 February 2016 and 10 February 2016, respectively.

He outlined that the budget for 2016/17 had been produced on a “worst case” basis in relation to rents and there was an on-going level of uncertainty in relation to future Government policy announcements with substantial challenges facing the Housing Revenue Account (HRA). However, it was noted that, subsequent to the production of the Report, the Department of Communities and Local Government (DCLG) had confirmed that certain types of property, including sheltered and temporary accommodation, would be excluded from the 1% reduction rules. As clarification had now been received on this matter, it was noted that affected tenants would be advised accordingly over the coming weeks. Members raised concern regarding the impact of the reduction on the HRA and the tenant consultation process to report policy changes and promote tenant engagement.

The Assistant Director (Chief Housing Officer) confirmed that tenant consultation was a key priority for the Council in the provision of the housing service. Tenant engagement was carried out using various methods, including bi-annual tenants’ survey, where responses indicated that housing repairs and estate improvements remained of the utmost importance to tenants and this had been taken on board as a priority by the Council. It was noted that a tenancy conference would take place on 12 March 2016, where tenant participation was encouraged, together with the need to adopt a formal approach on particular issues to establish a formal consultation process for matters that cannot be addressed via the Tenant Area Panel (TAP) groups.

In response to questions from the Committee, the Assistant Director (Chief Housing Officer) advised that risks with the ‘Pay to Stay’ policy would be

carefully assessed. The rules set within this policy and details of when it would commence were still to be determined with further information expected from the DCLG.

A Member queried the underspend on major repairs as set out in the Capital Programme. It was noted that this was as a result of changes to the Housing Management Team with staffing shortages meaning that programmes had fallen behind. However, with a full compliment of staff now in place, the funding would be carried forward to deliver the major repairs programme over the coming year.

RECOMMENDED:

THAT, WITH NO SPECIFIC MATTERS TO DRAW TO THE ATTENTION OF COUNCIL, THE HOUSING REVENUE ACCOUNT BUDGET FOR 2016/17 AND THE BUSINESS PLAN 2016/17 TO 2045/46 BE NOTED.

RESOLVED:

That the content of the extract of minutes of Cabinet (Housing) Committee held 3 February 2016 and Cabinet held 10 February 2016 be noted.

2. BUDGET AND COUNCIL TAX 2016/17

(Report CAB2763 Revised refers)

EXTRACT FROM MINUTES OF THE SPECIAL MEETING OF CABINET HELD 18 FEBRUARY 2016

(Report CL125 refers)

The Committee noted that Report CL125 and Report CAB2763 (Revised) had not been made available for publication within the statutory deadline. The Chairman agreed to accept the items onto the agenda as requiring urgent consideration, to allow the Committee to refer to the comments of Cabinet as part of its consideration of Report CAB2763 (Revised) to enable them to be considered prior to Council on 25 February 2016.

The Committee noted that the revised version of Report CAB2763 had been amended to take account of the changes to the budget for the proposed purchase of Milford House and Gordon Watson House, Christchurch Road, Winchester (Report CAB2780 refers) and to reflect updates to the Collection Fund, advised to Cabinet held 18 February 2016.

Councillor Godfrey introduced the Report which outlined the General Fund Budget and Council Tax proposals for 2016/17, including proposed growth and savings; movements in reserves and the proposed Capital Programme for the period 2020/21. He drew the Committee's attention to the budget

preparation for 2016/17 and its stages which informed the Report and the appendices therein.

In response to questions, Councillor Godfrey made reference to the settlement received by the Government that had fallen short of predicted forecasts and emphasised the challenges that the Council would face to bridge the budget deficit forecast. It was noted that the Council would need to continue to review sources of income streams, ensure efficient and effective delivery of its major programme of projects, including car parking, particularly further opportunities following the demolition of part of the former Friarsgate Car Park.

As a result of changes to Business Rates, the Revenue Support Grant and the New Homes Bonus, an increase to the Council Tax precept for 2016/17 of approximately £5 per property per year was proposed (figure based on an average Band D property). Although any increase to Council Tax was not taken lightly, it was recognised that the Council had frozen its precept for many years and fell within the lowest quartile for its Council Tax charge.

RECOMMENDED:

THAT, WITH NO SPECIFIC MATTERS TO DRAW TO THE ATTENTION OF COUNCIL, THE BUDGET AND COUNCIL TAX FOR 2016/17, AS SET OUT IN REVISED REPORT CAB2763, BE NOTED.

RESOLVED:

That the content of the extract of minutes of the Special Meeting of Cabinet held 18 February 2016 be noted.

3. **TREASURY MANAGEMENT STRATEGY 2016/17**

(Report CAB2766 Revised refers)

EXTRACT FROM MINUTES OF THE SPECIAL MEETING OF CABINET HELD 18 FEBRUARY 2016

(Report CL125 refers)

The Committee noted that Report CL125 and Report CAB2766 (Revised) had not been made available for publication within the statutory deadline. The Chairman agreed to accept the items onto the agenda as requiring urgent consideration, to allow the Committee to refer to the comments of Cabinet as part of its consideration of Report CAB2766 (Revised) to enable them to be considered prior to Council on 25 February 2016.

The Committee noted that the revised version of Report CAB2766 had been amended to reflect the changes to the figures for the proposed purchase of Milford House and Gordon Watson House, Christchurch Road, Winchester (Report CAB2780 refers).

The Chairman welcomed to the meeting Andrew Boufflower from Hampshire County Council's Investment and Borrowing team. Mr Boufflower introduced the Report which set out the framework to manage the Strategy, including the proposed Treasury Management Strategy, the Annual Investment Strategy, the Prudential Indicators and the Minimum Revenue Provision Policy Statement for the Council for 2016/17 and he answered Members' questions thereon.

He drew Members' attention to the positive cash balance for the next financial year, contained within Borrowing and Investment Strategy, as set out in the Report. He also highlighted the monitoring systems in place and the consistent approach within the Financial Strategy.

RECOMMENDED:

THAT, WITH NO SPECIFIC MATTERS TO DRAW TO THE ATTENTION OF COUNCIL, THE TREASURY MANAGEMENT STRATEGY 2016/17 AS SET OUT IN REVISED REPORT CAB2766 BE NOTED.

RESOLVED:

That the content of the extract of minutes of the Special Meeting of Cabinet held 18 February 2016 be noted.

4. **PROPOSED PURCHASE OF MILFORD HOUSE AND GORDON WATSON HOUSE, CHRISTCHURCH ROAD, WINCHESTER - (LESS EXEMPT APPENDICES)**

(Report CAB2780 refers)

EXTRACT FROM MINUTES OF THE SPECIAL MEETING OF CABINET HELD 18 FEBRUARY 2016 - (LESS EXEMPT MINUTE)

(Report CL125 refers)

Cabinet noted that Reports CAB2780 and CL125 had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the items onto the agenda as matters requiring urgent consideration to enable them to be considered prior to Council on 25 February 2016.

The Head of Estates introduced the Report which outlined the proposed purchase of Milford House and Gordon Watson House, currently managed by First Wessex, which provided housing for 35 people within the two sites.

The Committee noted that First Wessex had approached a number of housing associations with a view to securing an interested party to purchase the sites. No submission of bids from alternative housing associations had been submitted. Following lengthy discussions with First Wessex, the Council had expressed its interest in purchasing the freehold for the two properties. It had also received the full support of the Portfolio Holder for Housing and Cabinet, at its meeting held 18 February 2016, subject to approval by Council at its meeting on 25 February 2016.

The Committee noted that the proposed purchase price could be funded from within the Housing Revenue Account (HRA).

In response to questions, the Head of Estates confirmed that there was potential for expansion on the site due to its location and plot size, which incorporated parking facilities and a walled garden area. Milford House was an attractive and well-maintained property, which had been refurbished in the last three years and had not experienced any management issues under its current operation by First Wessex. Gordon Watson House comprised of self contained studio and one bed flats which required a degree of repair to bring up to a satisfactory standard and it was thought that this would be mainly cosmetic in nature. However, the Council's offer would therefore be subject to survey. £250,000 had been included within the Council's appraisal for expenditure, if required.

It was reported that the properties would be acquired with remaining tenants in situ. It was noted that the units at Gordon Watson House were currently occupied, and that the majority of units at Milford House were empty.

In response to Members' questions, the Head of Estates explained that the Report had been brought forward for urgent consideration due to the deadlines set for completion by early June. First Wessex had indicated that it would not be repaying £396,126 Housing Association Grant to the HCA and the property would be transferred to the Council, subject to specific terms and conditions regarding use. The grant sum would be deducted from the purchase price, as set out in the Exempt Appendix B and would only become repayable should the Council seek to sell the property out of its current housing use.

RECOMMENDED:

**THAT THE OVERVIEW AND SCRUTINY COMMITTEE
ENDORSE THE VIEWS OF CABINET, THAT THE REVISIONS TO
THE NEW BUILD CAPITAL PROGRAMME SET OUT IN SECTION 5
OF REPORT CAB2780 BE APPROVED**

RESOLVED:

That the Committee endorse the decision taken by Cabinet, as set out within Report CL125 above, subject to approval by Council at

it's meeting held 25 February 2016, and the matter be not called-in for review.

5. **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>
##	Proposed Purchase of Milford House and Gordon Watson House, Christchurch Road, Winchester) Information relating to the financial or business affairs of any particular person (including the authority holding that information).) (Para 3 Schedule 12A refers)
##	Exempt Minute of the Special Meeting of Cabinet held 18 February 2016) Information relating to the financial or business affairs of any particular person (including the authority holding that information).) (Para 3 Schedule 12A refers)
) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.) (Para 5 Schedule 12A refers)

6. **PROPOSED PURCHASE OF MILFORD HOUSE AND GORDON WATSON HOUSE, CHRISTCHURCH ROAD, WINCHESTER (EXEMPT APPENDIX)**
(Report CAB2780 refers)
EXEMPT MINUTE OF THE SPECIAL MEETING OF CABINET HELD 18 FEBRUARY 2016
(Report CL125 refers)

The Committee considered the content of the Exempt Appendix B, which sets out the valuation and purchase price information regarding the proposed purchase and referred to the views of Cabinet held 18 February 2016.

RESOLVED:

That the content of the exempt appendix and minute be noted.