

THE OVERVIEW AND SCRUTINY COMMITTEE

13 February 2012

Attendance:

Councillors:

Chamberlain (Chairman) (P)

Cook (P)	Pearson (P)
Gottlieb (P)	Power (P)
Hutchison (P)	Tait (P)
Huxstep (P)	Thompson
Learney (P)	Wright

Deputy Members

Councillors Hiscock and Jeffs (Standing Deputies for Councillors Thompson and Wright)

Others in attendance who addressed the meeting:

Councillor Beckett (Leader)
 Councillor Cooper (Deputy Leader and Portfolio Holder for Communities, Safety and Public Health)
 Councillor Coates (Portfolio Holder for Strategic Housing and Landlord Services)
 Councillor Godfrey (Portfolio Holder for Administration, Innovation and Improvement)
 Councillor Wood (Portfolio Holder for Finance and Estates)

1. DECLARATION OF INTERESTS

Councillors Beckett, Coates, Cooper, Godfrey and Wood declared personal and prejudicial interests, due to their involvement as Leader of the Council and Portfolio Holders, in actions taken or proposed in the Reports outlined below.

However, the Committee requested that all the above Councillors remain in the meeting, in their capacity as Leader and Portfolio Holders, under the provisions of Section 21(13) (a) of the Local Government Act 2000, in order that they could provide additional information to the Committee and/or answer questions.

2. **MINUTES**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 23 January 2012 be approved and adopted.

3. **ACTIVE COMMUNITIES, CRIME AND DISORDER PARTNERSHIP AND EFFICIENT & EFFECTIVE COUNCIL PERFORMANCE MONITORING 2012/13**
[\(Report OS26 refers\)](#)

The Committee referred to appendices 1 – 6 to the Report and asked a number of questions related to the performance information.

With regard to the Active Communities Monitoring report (Appendix 1 refers) and Theme 2 - Housing enablement programme (page 6), the Chief Executive and the Head of Landlord Services advised that the internal capacity of the Council to deliver new affordable housing schemes would be improved, once officers currently involved with some large development sites in the district had completed their work. A common allocations process with the Council's Choice Based Lettings partners would also assist with housing residents in newly completed schemes.

Responding to further discussion, Councillor Beckett reported that he recognised that the delivery of affordable housing was a key priority for the Council. In recognition of this, he had also been discussing with officers ways to improve associated mechanisms, such as time taken to process section 106 legal agreements.

In response to a question, the Head of Landlord Services advised that he would circulate, outside of the meeting, the numbers of units of affordable housing granted planning permission during the year and the number of people housed. It was acknowledged that the large number of residents on the housing waiting list was likely to be a consequence of the economic climate, as opposed to fewer housing schemes being delivered throughout the District.

Councillor Cooper advised that he would report back to the Committee, outside of the meeting, about the number of acts of vandalism to commercial premises in the Winchester town centre and resulting convictions, indicating what part CCTV evidence had played in these convictions.

The Chief Executive responded to questions raised during discussion of the Efficient and Effective Council report (Appendix 3 on page 11 refers).

The Chief Executive clarified that the Aspire staff development programme had been developed for middle managers to further develop their broader management skills, away from their professional areas. The course was run in partnership with Eastleigh Borough Council. He explained that the Staff Forum had been developed in response to the staff survey, as a method to 'feed up' ideas and opinions on how to further improve the organisation. It had replaced the previous staff suggestion scheme.

With regard to Theme 3 – 'Collaborative solutions for Service Delivery,' the Chief Executive explained that whilst formal arrangements for shared Regulatory Services had been discounted due to costs, there were other potential less formal collaborations likely to be forthcoming that would deliver some savings.

The Committee referred to Theme 5 – 'Improving Service and Financial Planning' and discussed the Council's commissioning approach to service delivery. The Chief Executive reminded Members that both Arts Development and Sustainability were no longer delivered in-house by the Council and, as a consequence, achieved approximately £40,000 savings. The Assistant Director (Economic Prosperity) added that the commissioning approach also applied to the letting of the Guildhall refurbishment contracts and the waste collection contract, in terms of working in different ways and achieving efficiencies. She explained that specifications for new opportunities set out the desired outcomes to be achieved, and that this specification formed part of the service agreement or contract with the supplier. The specifications were drawn up in consultation with service users or their representatives, relevant Portfolio Holders and other stakeholders, and commissions approved through the portfolio holder decision making process or via Cabinet.

With regard to the performance information related to time taken to process Housing and or Council Tax benefit claims (Appendix 4, page 16 refers) although time taken had shown some increase, Councillor Godfrey reported that the Council still remained in the top quartile for performance for Councils in the country. The Chief Executive underlined that whereas continued improvement in service delivery was always desirable, in some cases, where resources were reduced, a judgement would have to be made to maintain services at a satisfactory or good standard.

The Committee acknowledged that, as the performance information as presented was shown as the number of days taken, it was requested that further information be circulated outside the meeting to show how this equated to actual number of claimants. It was also noted that this performance indicator also appeared as a National Indicator and therefore the Council's relative benchmarking position could also be circulated.

The Committee also discussed the customer satisfaction performance information with regard to calls to the Customer Service Centre (page 18 of Appendix 4). Councillor Beckett drew attention that quarter three had coincided with of the initial problems of introducing the new waste management contract and the ensuing high volumes of calls to the Council. Winchester City Council had also dealt with calls on behalf of East Hampshire District Council at this time. He detailed the contractor's swift response to deal with the issues, including paying for an additional call-centre to help bring the numbers of calls back to a level where staff could promptly deal with individual queries.

The Committee referred to the Community Safety Action Plan as set out at Appendix 5 on page 21 of the Report. Responding to questions, Councillor Cooper acknowledged an increase during quarter 3 of occurrences of domestic violence. He explained that this trend had been recognised from previous years, and the Crime and Disorder Reduction Partnership had proposed mechanisms to deal with offenders and also improvements to linkages between appropriate support agencies.

At conclusion of debate, as Chairman of the Performance Indicators Informal Scrutiny Group, Councillor Huxstep requested that Members contact him with any comments that they may have, or any difficulties interpreting the performance information presented in the Report.

RESOLVED:

That Cabinet have regard to the comments of the Committee with regard to the performance information in the Report.

4. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2012/13 AND BUSINESS PLAN 2042/43**
(Report [CAB2287\(HSG\)](#) refers)
5. **EXTRACT OF MINUTES OF CABINET (HOUSING) COMMITTEE HELD 1 FEBRUARY 2012**
(Report [OS33](#) refers)

The Committee noted that the Report had been considered in detail by the Cabinet (Housing) Committee at its meeting on 1 February 2012 and by Cabinet on 8 February 2012. Both meetings supported the Report's recommendations. The relevant extract of the minutes of the Cabinet (Housing) Committee are contained within Report OS33.

Report OS33 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, due to the need to refer to the minutes of the discussion of the Cabinet (Housing) Committee

as part of The Overview and Scrutiny Committee's consideration of Report CAB2287(HSG).

During his introduction of the Report, Councillor Coates referred to the work of the Housing Self-financing Informal Policy Group (IPG) which had requested increased provision for a programme of new build Council housing over the first 10 years of the plan. The Housing Finance Reforms would also help deliver other priorities within the Business Plan, including addressing the current shortfall in the maintenance requirements of existing stock.

During discussion, Councillor Coates advised that the repairs programme included energy efficient measures (such as new boilers etc) and although he did not rule out the possibility of installing photo voltaic (PV) cells where this was a viable option, expenditure on wide scale installation of PV cells was not a priority in the Business Plan.

The Head of Landlord Services also clarified that the Business Plan did not propose any significant capital input to extra-care facilities, but the HRA would continue to work in partnership with the County Council (as the responsible agency) in delivering appropriate support services to elderly tenants.

The Head of Landlord Services reminded Members that the scope of the new build programme would be determined early in the process, for example; which type of houses to build and how to make the best use of available Council owned land. Although the emphasis would be to invest in new stock, there were potential options to purchase existing privately owned dwellings. Although this option could be considered e.g. to assist delivery at the start of the programme, this was generally more expensive than building new houses. With regard to empty and occasionally semi-derelict homes within the private sector, there were existing processes separate to funding from the HRA that allowed the Council to serve notices to bring them back into occupation. However, past experience had indicated that there were few cases apparent around the District where this could be achieved in a cost effective manner.

The Head of Landlord Services also advised that early discussions on the detail of the programme might also consider maximising the capacity of existing stock, such as via loft conversions. The procedures for bringing sites forward for the development of Council homes would also need to be ascertained early in the process. Although the Council would have more control on how it delivered schemes on its own land, the development of Council homes might, for some communities, be a more attractive use of exception sites. The Council's new build programme would supplement the provision made by Registered Social Landlords.

The Chief Executive advised that the borrowing would be requested on 26 March 2012 and would be actioned by the Head of Finance (in consultation with the Portfolio Holder for Finance and Estates and the Council's treasury advisors) and in accordance with the approved Treasury Management Strategy, as approved by full Council. Attention was drawn to the potential impact in delivering the Business Plan of a significant rise in interest rates (above 3.8%) on 26 March which would then impact on the interest costs to the Council. It was noted that the borrowing would be repayable in tranches at fixed interest rates taking account of the needs of the Business Plan.

At conclusion of debate, the Committee noted that the potential debt portfolio outlined in the paragraph 4.5 of the Report outlined an indicative financial model to deliver the aspirations contained within the HRA Business Plan, and this approach was supported. The details and practicalities of the new build programme would be brought forward to Members in due course.

RECOMMENDED:

**THAT THE HOUSING REVENUE ACCOUNT BUDGET 2012/13
AND BUSINESS PLAN 2012/12 TO 2042/43 BE SUPPORTED.**

6. **BUDGET AND COUNCIL TAX 2012/13**
(Report [CAB2297](#) refers)

The above Report 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, due to the need to consider the matter prior to its discussion by Council on 23 February 2012.

The Committee also noted that Cabinet had approved the Report and its recommendations at its meeting held on 8 February 2012.

The Head of Finance advised that Appendix E had not been included in the published Report. Therefore, references to Appendix E within Appendix C should instead refer to Appendix D. She apologised for any confusion this had caused.

In introducing the Report, Councillor Wood advised that in delivering a balanced budget, it had been possible to maintain frontline services. He stated that, further to a request from Councillor Evans, £50,000 was now proposed to be included in the 2012/13 Capital Programme to enable Wickham toilets to be improved.

In response to concerns that the latest organisational changes (Report PER 200 refers) only contained identified savings for a small percentage of the overall £200,000 proposed in 2012/13 with a full year effect thereafter of £300,000, the Chief Executive advised that further staffing changes proposed would be brought forward in due course. He clarified that the changes were linked to how services were delivered and supported, and that his intention was to minimise the impact on services to the public.

During discussion, the Head of Finance clarified that the budget in its entirety supported delivery of the Change Plans and that once the budget was set, further detail would be available within the budget book which would set out approved allocations against each theme and outcome. She also advised that with regard to the New Homes Bonus, the figures quoted within the budget were best estimates according to the information available at the time.

The Chief Executive referred to a proposed growth item in respect of consultancy advice on equalities and said that in certain circumstances it was more cost-effective for the Council to procure specialised professional expertise rather than seek to employ such staff.

With regard to the Government's 'challenge funding' that had recently become available for councils to reconsider their bin collection schemes, Councillor Beckett reported that officers were currently considering whether the Council was able to effectively utilise the potential funding to further improve services to residents. Councillor Wood indicated that the budget provision for the option to introduce a glass recycling collection scheme (£166,000) had been deferred for a further year until the financial situation improved. It was currently estimated that the Revenue costs for such a scheme would be in the order of £200,000 and required a further Capital investment of £200,000.

Councillor Wood explained that the Council had still not been given an indication of Government proposals for the localisation of planning fees which had been delayed. Therefore, a reduced planning fee income had been included within the budget as a growth pressure. The Head of Finance advised that there was not a specific release of the £174,000 within the Local Development Framework Reserve as an associated spending plan had not yet been brought forward. It was anticipated that the funding would be needed for the Local Plan Inquiry in due course.

The Chief Executive responded to discussion on the relationship between the revenue grants budget and the commissioning budget, and the Council's support to the voluntary sector. He clarified that the commissioning and the grants budgets were both utilised to deliver the

Council's priority outcomes. Councillor Wood reported that the level of grant to voluntary organisations had not been reduced overall since the previous year.

During further discussion, the Chief Executive advised that costs associated with increased instances of bed and breakfast being used as temporary accommodation for homeless clients were generally funded via the Council's homelessness prevention budget. This was then offset by Government grant. He also reported that the Council was able to absorb some of the work previously funded by the County Council under its traffic management responsibilities, although a judgement would be made as to its relative impact and benefit to residents.

Councillor Beckett advised that should the proposed Guildhall improvement measures not improve the income received within six to eight months, then a more thorough study on what additional improvements might be necessary and would be undertaken. He highlighted that initial income projections were best estimates at the time the building works were approved.

At conclusion of debate, some Members expressed concern that the budget as set out was not sufficiently transparent as to how all the savings would be achieved. Some of the detail within the Report was also difficult to understand without in-depth analysis which had proved difficult for some Members due to the Report's late publication.

RECOMMENDED:

THAT THE GENERAL FUND BUDGET FOR 2012/13 BE NOTED.

7. **TREASURY MANAGEMENT STRATEGY 2012/13 AND 2011/12 REVISION**

(Report [CAB2284](#) refers)

The above Report 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, due to the need to consider the matter prior to its discussion by Council on 23 February 2012.

The Committee also noted that Cabinet had approved the Report and its recommendations at its meeting held on 8 February 2012.

Councillor Wood apologised for the late availability of the Report which had been because the Strategy needed to take account of the Housing Finance Reform proposals (Report CAB2287(HSG) refers).

During discussion, the Committee referred to it being necessary to establish greater cash flow management arrangements to enable the Council to make the best use of the funds soon to be made available to the Housing Revenue Account (HRA). Until the detail of the new build programme was worked up, Members noted that the funds may not be spent as soon as they became available. Councillor Wood acknowledged that additional expertise and capacity within the Finance Team would be necessary to deal with this work, and measures would be put in place.

A Member referred to paragraphs 8.5 and 8.6 on page 11 of the Report and sought the assurances of Councillors Beckett and Wood and officers that the measures to approve financial institution counterparties were sufficient. In view of the increased cashflow from the Housing Re-financing arrangements would there be sufficient counterparties to accept the Council's Funds? Councillor Wood reminded Members that the Debt Management Office (DMO) which always accept funds albeit at lower interest rates. He also stated that there was always associated risk in making investments, as was the case with the Council's deposit with the Icelandic Heritable bank which had also been undertaken in accordance with agreed policies.

At conclusion of debate, whilst acknowledging the professionalism of the Finance Team and also the measures to be put in place to increase its existing capacity, the Committee noted the forthcoming challenge to officers from additional Treasuring Management work which would need to be kept under review.

RECOMMENDED:

**THAT THE TREASURY MANAGEMENT STRATEGY 2012/13
AND 2011/12 REVISION BE SUPPORTED.**

8. **SCRUTINY WORK PROGRAMME AND FEBRUARY 2012 FORWARD PLAN**
[\(Report OS30 refers\)](#)

RESOLVED:

That the Scrutiny Work Programme and Forward Plan be noted.

9. **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>
##	WCC Organisational Development – Update on Implementation of Phase 4 Changes) Information relating to any individual. (Para 1 Schedule 12A refers))) Information which is likely to reveal the identity of an individual. (Para 2 Schedule 12A refers))) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority. (Para 4 Schedule 12A refers)

10. **WINCHESTER CITY COUNCIL ORGANISATIONAL DEVELOPMENT – UPDATE ON IMPLEMENTATION OF PHASE 4 CHANGES**

(Report PER200 refers)

The Committee considered the above Report which provided an update on the implementation of Phase 4 changes of the Council's organisational development (detail in exempt minute).

The Committee noted that the Report had been considered and its recommendations approved by Cabinet and the Personnel Committee at their meetings held 8 February 2012.

The meeting commenced at 6.30pm and concluded at 9.45pm.