

**THE OVERVIEW AND SCRUTINY COMMITTEE**

**17 February 2014**

Attendance:

Councillors:

Pines (Chairman) (P)

Byrnes (P)  
Cook (P)  
Evans (P)  
Gemmell (P)  
Learney (P)

Power  
Sanders (P)  
Scott (P)  
Stallard (P)  
Wright (P)

Deputy Members

Councillor Hiscock (Standing Deputy for Councillor Power)

Others in attendance who addressed the meeting:

Councillors Wood (Leader), Godfrey (Portfolio Holder for Finance & Organisational Development and Coates (Portfolio Holder for Housing).

Others in attendance who did not address the meeting:

Councillors J Berry and Verney

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1. **APPOINTMENT OF SUB-COMMITTEES ETC**

RESOLVED:

That the following membership of Batch 5 Informal Scrutiny Groups be noted:

**a) How we respond as a City Council to Homelessness**

Councillors Power (Chair), Weir, Hiscock, Banister, Pines plus Conservative nominations to be confirmed

**b) How we respond as a City Council to Domestic Violence**

Councillors Evans (Chair), Henry, Witt, Achwal, J Berry plus Conservative nominations to be confirmed

**c) River Park Leisure Centre**

Councillors Wright (Chair), Cook, Maynard, Laming, Lipscomb, Phillips and Byrnes

**d) Abbey House**

Councillors Scott (Chair), Izard, Johnston, Rutter plus  
Conservative nominations to be confirmed

**2. DISCLOSURE OF INTERESTS**

Councillor Stallard declared a disclosable pecuniary interest in respect of agenda items CAB2548 and CAB2553 due to her role as a County Councillor. However, as there was no material conflict of interest, she remained in the room, spoke and voted under the dispensation granted on behalf of the Standards Committee to participate and vote in all matters which might have a County Council involvement

By way of personal statement, Councillor Stallard advised that she would take no part in the Committee's discussion of agenda item OS95, as she was the Portfolio Holder during the period in respect of which the allegations regarding the management of the DC Leisure Contract were being made.

**3. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman advised that he had recently attended a Tenant's Scrutiny Group meeting where he had observed its robust and challenging observations of the work of the Council's landscape contractors.

**4. MINUTES**

The Chief Operating Officer responded to a query from a Member with regard to Resolution 2 of Minute 8 on page 9. He advised that the Chief Executive would clarify with representatives of Hampshire Pension Fund as to the timing of their attendance at a future Committee meeting.

RESOLVED:

That the minutes of the previous meeting of the Committee held on 20 January 2014, be approved and adopted.

**5. PUBLIC PARTICIPATION**

Mr Wilson addressed the Committee with regard to Report OS95 (elsewhere on the agenda). The Report set out the Chief Executive's interim report to Mr Wilson's previous representation at the Committee with regard to matters concerning the contract between the City Council and DC Leisure for the management of River Park Leisure Centre.

In summary, Mr Wilson did not accept the Report's conclusions that the Committee should await the outcome his representations to the Council's Auditor. He suggested that whilst the Auditor would be investigating concerns of

financial irregularities, the Committee should refer to issues related to the involvement of officers, including information made available to Members as part of the decision making processes. He drew attention to the Committee's terms of reference that in his view required it to investigate potential maladministration issues. Mr Wilson also considered that the Council was not disclosing all related information and was so falling short of its obligations under the Freedom of Information Act.

Mr Wilson highlighted several areas that he felt warranted further investigation by the Committee. He drew particular attention to a report commissioned from Capita Symonds in May 2009 on the retendering of the Leisure Contract, which he felt had not been sufficiently drawn to the attention of Cabinet. He also highlighted the inclusion of the management of Meadowside Leisure Centre as part of the agreement to extend the existing contract with DC Leisure and he questioned whether this and other matters had been appropriately dealt with under respective procurement regulations and EU directives. He also referred to previous discussion of potentially replacing River Park Leisure Centre. Finally, Mr Wilson detailed two occasions when Deeds of Variation and a Deed of Novation were signed and he queried whether these had been referenced as part of the decision making process to retender the contract.

The Chairman thanked Mr Wilson for his representation and supporting detailed written submissions. The Chairman advised that he would refer this additional information to the Chief Executive and ask that it be given due consideration as part of the Council's formal response to Mr Wilson's concerns.

6. **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.

**7. 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**

8. **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.**

9. **PERFORMANCE MANAGEMENT FRAMEWORK**  
(Report OS94 refers)

The Head of Policy responded to questions and clarified how the performance framework would be aligned to both the priority outcomes of the Community Strategy and the individual projects within the Portfolio Plans. It was also reported that further work was necessary to finalise reporting models and performance targets. The Committee therefore agreed that consideration be given to arranging a briefing and demonstration to all Members of the finalised reporting models and performance targets.

Members referred to Appendix 2 to the Report and it was requested that officers ensure that the draft list of performance indicators be checked to ensure their robustness and whether they sufficiently reflected the Council priorities. For example, it was queried whether the indicator for Food Safety (under Active Communities) should rather ensure that food establishments were compliant with a star rating level for food hygiene, as opposed to being 'broadly' compliant. It was also questioned whether the number of Council Apprentices was an appropriate indicator for Prosperous Economy.

The Head of Policy explained that an additional indicator may be added with regard to measuring officer responses to queries in line with agreed corporate customer service standards.

**RESOLVED:**

1. That the performance monitoring and reporting arrangements as set out in the Performance Management Framework in Appendix 1 to the Report, be noted.
2. That the proposed performance indicators that are to be used to measure the progress the Council is making in achieving the outcomes included in the Community Strategy, be noted.
3. That officers ensure that the draft list of performance indicators be checked to ensure their robustness and whether they sufficiently reflect Council priorities.
4. That consideration be given to arranging a briefing and demonstration to all Members of the finalised reporting models and performance targets.

10. **RIVER PARK LEISURE CENTRE REPLACEMENT OPTIONS**  
(Report CAB2553 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 Wood advised that all potential sites (including those currently threatened by flooding) would be investigated as part of the options to be considered to replace the facility. He would also be seeking clarification from both Tesco with regard to its landholding and from the University with regard to its interest in participation in the project. He also acknowledged that comparisons to other facilities elsewhere were not always straight forward, due to differing land ownership and funding factors.

RESOLVED:

That the Report be noted.

11. **RIVER PARK LEISURE CENTRE: PUBLIC REQUEST FOR AN INVESTIGATION INTO CONTRACTUAL MATTERS**  
(Report OS95 refers)

The Chief Operating Officer explained that the Report drew attention to the various committee reports that were available for inspection which were related to the concerns raised by the member of the public, Mr Wilson.

The Chairman explained that he had reviewed all the documentation referred to in the Report, together with submissions from Mr Wilson, and he had concluded that the outcome of the External Auditor's approach to Mr Wilson's concerns should be awaited before further consideration could be given as to whether the Committee should undertake its own review. At this time, there was no timeframe when this work would be completed. However, he would establish with officers an appropriate timeframe as to when Mr Wilson should receive a formal response to the matter. He clarified that he would discuss with officers the content of the further submissions from Mr Wilson received today and via email the previous day.

During discussion, the Chief Operating Officer explained that it was a matter for the Committee as to whether it may wish to undertake its own, separate review. Officers would also take forward the issues raised, but undertaking this in such a way as so to avoid any double handing of the work of the External Auditor. He reiterated that the Council was not able to influence or control how the External Auditor dealt with representations by the public, but the allegations raised were capable of being within the External Auditor's jurisdiction. Furthermore, whether the External Auditor decided to pursue the matter or not, the Council would respond to Mr Wilson appropriately in due course.

At conclusion of discussion, the Committee agreed that progress on the matter be reported to the next and subsequent committee meetings, until was concluded to the satisfaction of the Committee.

RESOLVED:

1. That Mr Wilson's representations and the background reports which deal with decisions on the matters raised, be noted.

2. That a full review of the matters raised be deferred until the Council has been informed of the outcome of Mr Wilson's representations to the Council's External Auditors.



3. That progress on the matter be reported to the next and subsequent Committee meetings, until it was concluded to the satisfaction of the Committee.

12. **SCRUTINY WORK PROGRAMME AND MARCH 2014 FORWARD PLAN AND COMMENT ON ANY ITEMS FOR FUTURE CONSIDERATION**  
(Report OS71 refers)

As Chairman of the Member Involvement in Decision Making Informal Scrutiny Group, Councillor Wright reported that it had now concluded its work. As its recommendations were seen as relevant to the ongoing work of the Electoral Review/Governance Informal Policy Group, he had drawn these to its attention in the first instance. He expected that the ISG's final report would be brought to the next meeting of the committee.

RESOLVED:

That the Scrutiny Work Programme and Forward Plan for March 2014 be noted.

The meeting commenced at 6.30pm and concluded at 9pm.

Chairman