

THE OVERVIEW AND SCRUTINY COMMITTEE

22 February 2016

Attendance:

Councillors:

Simon Cook (Chairman) (P)

J Berry (P)
Gemmell (P)
Hiscock (P)
McLean (P)
Sanders (P)

Stallard (P)
Tod (P)
Thacker (P)
Wright (P)

Others in attendance who addressed the meeting:

Councillors Godfrey (Leader)

Others in attendance who did not address the meeting:

Councillors Miller (Portfolio Holder for Estates), Read (Portfolio Holder for Built Environment) and Weston (Portfolio Holder for Service Delivery)

1. **STEPHEN WHETNALL AND ALEXIS GARLICK**

The Chairman announced that this would be the last meeting of the Committee that Stephen Whetnall, Chief Operating Officer and Alexis Garlick, Chief Finance Officer would be attending, as both would soon be leaving the Council. The Committee took the opportunity to thank both Stephen and Alexis individually for their hard work, their knowledge, advice and continued support and applauded them both for the contribution they had made over their many years of service to the Council.

2. **DISCLOSURE OF INTERESTS**

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

3. **MINUTES**

The Committee noted that minutes of the special meeting held 10 February 2016 had not been made available for publication within the statutory deadline. The Chairman agreed to accept the minutes onto the agenda as a matter requiring urgent consideration, to allow the Committee to refer to its previous comments made as part of its consideration of Report CAB2779, as set out below.

RESOLVED:

1. That the minutes of meeting held on 18 January 2016 (less exempt minute), be approved and adopted; and

2. That the minutes of the special meeting held 10 February 2016, be approved and adopted, subject to an amendment to note that Councillors Byrnes, Miller, Read and Weston were also in attendance but did not address the meeting.

4. **PUBLIC PARTICIPATION**

No comments or questions were made during public participation.

5. **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 upmost 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.

6. **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.

7. **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 Boutflower from Hampshire County Council's Investment and Borrowing team. Mr Boutflower 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.

8. **SILVER HILL: INDEPENDENT REVIEW RECOMMENDATIONS**
 (Report CAB2779 refers)
EXTRACT FROM MINUTES OF SPECIAL AUDIT COMMITTEE HELD 10 FEBRUARY 2016
 (Report OS140 refers)
EXTRACT FROM MINUTES OF THE SPECIAL MEETING OF CABINET HELD 18 FEBRUARY 2016
 (Report OS141 refers)

The Committee noted that Reports OS140 and OS141 and the Minutes of the special meeting of The Overview and Scrutiny Committee held 10 February 2016 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 the related minutes of meetings contained therein to be considered alongside CAB2779.

Members also referred to the Silver Hill: Independent Review report (Report OS139 refers), previously considered by the Committee at its Special Meeting held 10 February 2016.

Councillor Godfrey introduced the Report and drew Members' attention to the outcome of Cabinet's consideration of the Report, whereby the recommendations contained in the Independent Review were accepted, with initial comments and considerations made and brought to the Committee for consideration. The Committee also noted the further comments and recommendations made by Audit Committee at its special meeting held on 10 February 2016, as set out in Report OS140.

It was recognised that there was support for there to be a review of the Council's Scrutiny function and that training was required to establish how this developed and worked for the future. The Committee considered that it may now be prudent to form an Informal Scrutiny Group (ISG) to focus on these aspects.

In response to questions regarding the level of confidential information not made available to members of the public, the Chief Executive advised that it was Council policy to make reports available and open to members of the public, wherever possible. However, where reports were treated as exempt due to, e.g. the inclusion in the report of commercially sensitive information, these papers could be reviewed after an appropriate interval to decide whether the exempt status of the report could be lifted and the report released to the public.

The Chairman circulated a series of suggested recommendations to Members of the Committee for their consideration, on behalf of the Committee.

In response to the list of proposed recommendations, Members made reference to the following points:

Reference 6.1.8 and 6.1.10 - In relation to the Public Engagement Strategy, it was highlighted that the Public Relations/Communications Strategy required review and that public engagement/consultation was of the utmost importance, with improvement essential in order to regain public trust in the Council's vision going forward. It was noted that discussions were ongoing and work being carried out with the Local Government Association (LGA) to look at strengthening engagement, including the option of 'Citizen Space' via the website.

Councillor Godfrey highlighted the two specific suggestions raised by Cabinet at its meeting held on 18 February 2016. These related to the provision of public engagement via the Council's website and a call for regular quarterly public meetings to include questions and answer sessions and/or topics for debate around the District with specialists from the various authorities concerned.

Reference 6.1.2 - The Chief Executive informed the Committee that Cabinet (Major Projects) Committee would have a crucial role to play, as the best way forward within existing structures, to review all aspects of public engagement in the first instance.

Following debate of the suggested recommendations circulated by the Chairman and in conclusion, the Committee supported the recommendations as follows:

- 6.1.1 To appoint a designated project group of Councillors, as a Sub Committee of and reporting to Cabinet, and Chaired by the relevant Portfolio Holder, to be charged with delivering any significant redevelopment projects.
- 6.1.2 The appointed Group/Sub Committee recommend to Cabinet what development was now required of the Silver Hill area.
- 6.1.3i Review as to whether the Council has the necessary number of officers with the appropriate professional skills to manage a project of the scale of Silver Hill or similar projects that may be required in the future.
- 6.1.3ii Give consideration to the case for shared specialist services with other local authorities when managing a project of the scale of Silver Hill or the equivalent in the future.
- 6.1.4 Review the principal of competition in development terms against the cost implications of achieving the best economic result gained from direct negotiation.
- 6.1.5 Make it the rule that external advisers should not be engaged without involving internal specialists and require that the Director of Finance and the lead Member for Finance be involved in

providing instructions to lawyers/counsel, consultants and developers.

- 6.1.6 A register to be kept of all external advice that is obtained that should be available to all Members and the public unless a particular piece of advice is required to remain confidential. Any information, which is said to be commercially confidential, should be made available as soon as possible and should not prevent the information from being put into the public domain unless it is strictly necessary to do so.
- 6.1.7 Review all the current development projects to establish the risk management status.
- 6.1.8 The Council must put evidence of a development project scheme's viability into the public domain.
- 6.1.9 That the Council complete the implementation of the LGA and 4Ps Project Management recommendations.
- 6.1.10 Review the current strategies for Press, Public Relations and public consultation and the relationship between the Council and the general public to include the communication of information both internally and externally.
- 6.1.12 Carry out a Governance Review to establish the most effective way of working from May 2016 when the Member numbers reduce to 45 with revised Wards.
- 6.1.12 (b) Review the protocol for writing committee reports, to include paragraphs identifiably written by internal specialists, with open recommendations and options, with Lead Members seeing and contributing to early drafts.
- 6.1.12 (e) Appoint a time-limited Task Group to review the powers and processes of The Overview and Scrutiny Committee, after reviewing best practice in similar local authorities. *
- Note * suggested Cabinet Member/Chairman of The Overview and Scrutiny Committee/ Chairman of Audit Committee/plus three others.
- 6.1.12 (f) Review the gifts and hospitality register arrangements and ensure that there are regular reports to the Audit and Standards Committees on the operation.
- 6.1.12 (g) Review the operation of the current protocol for declaration of conflicts of interest and review the criteria for relevance to Councillor/Officer actions.

- 6.1.12 To review the decision on elections by 3rds **after** the May 2016 elections and consider if Annual Elections are a more effective way of managing the business of the Council.

RESOLVED:

1. That the Committee's recommendations and comments to the Independent Review recommendations be accepted as outlined above;
2. That the recommendations of the Committee, as set out above, form a collective set of comments with those made by Audit Committee at its special meeting held 10 February 2016, for consideration by Cabinet; and
3. That the information contained in Reports OS140 and OS141, and the issues raised by Members at the meeting, be noted.

9. **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 its meeting held 25 February 2016, and the matter be not called-in for review.

10. SCRUTINY WORK PROGRAMME AND MARCH 2016 FORWARD PLAN
(Report OS132 refers)

RESOLVED:

That the Scrutiny Work Programme and Forward Plan for March 2016, be noted.

11. 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)
##	Exempt Minutes of The Overview and Scrutiny Committee held 18 January 2016) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.) (Para 5 Schedule 12A refers)

12. **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.

13. **EXEMPT MINUTE**

RESOLVED:

That the exempt minute of the previous meeting of the Committee held on 18 January 2016, be approved and adopted.

The meeting commenced at 6.30pm and concluded at 8.50pm.

Chairman