

THE OVERVIEW AND SCRUTINY COMMITTEE

31 August 2017

Attendance:

Councillors:

Learney (Chairman) (P)

Evans
Gemmell (P)
Pearson (P)
Stallard

Thacker (P)
Thompson(P)
Tod
Weston (P)

Deputy Members:

Councillor Gottlieb (Standing Deputy for Councillor Stallard), Councillor Laming (Standing Deputy for Councillor Evans) and Councillor Hiscock (from Item 5) (Standing Deputy for Councillor Tod).

Others in attendance who addressed the meeting:

Councillors Ashton (Portfolio Holder for Finance), Brook (Portfolio Holder for Built Environment), Byrnes, Horrill (Leader with Portfolio for Housing Services) and Humby (Portfolio Holder for Business Partnerships).

1. **DISCLOSURE OF INTERESTS**

Councillor Gottlieb declared a personal and pecuniary interest in the St Clements Surgery. He did not believe that it was a prejudicial interest but he would, at the Chairman's discretion, leave the room if there was a specific discussion about the property. As no reference was made to St Clements Surgery during consideration of the items, he remained in the room and voted on the matters thereon.

2. **MINUTES**

RESOLVED:

That the minutes of meeting held 19 June 2017 be approved and adopted, subject to the following amendments:

(i) that the wording to (ii) and (v) contained within Item 10 be amended to read **(ii) 'More Affordable Housing'** rather than 'Greater Affordable Housing' and **(v) '... an effective link'** rather than '...a workable link'.

3. **SCRUTINY WORK PROGRAMME AND SEPTEMBER 2017 FORWARD PLAN**

RESOLVED:

1. That the September 2017 Forward Plan be noted; and
2. That the Scrutiny Work Programme for 2017/18 be noted.

4. **PUBLIC PARTICIPATION**

At the invitation of the Chairman, Councillor Byrnes addressed the Committee with regard to Item 5 and his comments are summarised under the relevant agenda item below.

5. **Q1 2017/18 FINANCIAL AND PERFORMANCE MONITORING REPORT** (Report OS171 refers)

Councillor Ashton advised that the Report set out a clear understanding of the performance of the Council as it moved to a quarterly reporting system. The Report set out the Council's performance during the first quarter of 2017/18 and the financial position as at 30 June 2017. It also included progress updates against major projects, the Council Strategy outcomes and key performance indicators. In addition, a financial summary for the General Fund revenue and capital budgets and the Housing Revenue Account (HRA) was also included for the Committee's comments and to provide an indicative view of the financial statement for the Council.

In conclusion, Councillor Ashton summarised the detailed information contained in Appendix 1 the Report and highlighted his satisfaction in achieving an income positive/expenditure negative report for the first quarter of 2017/18.

Councillor Byrnes addressed the Committee and made reference to three major projects set out in Appendix 1 to the Report. He stated that for each project, good transport infrastructure and parking in the Town Centre would be a key driver. He stated that late last year, Cabinet had committed to finding additional parking spaces in the Town area. Councillor Byrnes sought clarity on the following points: To what extent were the Committee satisfied that as major

projects progressed, existing policies were given full account? From a scrutiny perspective, was the Committee content that the best way to deliver capacity within the Council was via its major projects?

In response, Councillor Horrill reported that the Parking Strategy was currently being reassessed, with a review being prepared by officers for a revised strategy, charging tariffs and structure numbers. This would be available in the autumn and would highlight pressure points of where action was required to be fed into the Movement Strategy undertaken by the County Council on the Council's behalf.

Councillor Horrill reported that the revised Parking Strategy would help inform the Council's major projects going forward.

During consideration of the Report, the Committee asked a number of detailed questions which were responded to accordingly, as summarised below:

- (a) Following recent articles in the press regarding how Local Authorities are using Public Works Loan Board (PWLB) funds to purchase commercial assets, it was reported that £15m was ring-fenced for the Council's own schemes around regenerative benefit for the community. The Council's first purchase was Winchester Bus Station and clear criteria had been set around which other assets the Council may be interested in acquiring. It was noted that CIPFA is current consulting on the future prudential code which governs Council's ability to borrow funds.

Councillor Horrill confirmed that the Strategic Asset Purchase ring-fenced fund enabled the Council to take a modest and humble approach when looking at regeneration assets for the benefit of the District – including residents, businesses and visitors.

- (b) Councillor Ashton confirmed that objectivity would be achieved over time by scrutiny and accountability and increasing the frequency of monitoring reports to quarterly.
- (c) In response to questions regarding progress and opportunities for collaborative working, it was reported that the Chief Executive and the Leader had met with organisations and similar authorities to consider this matter. Collaborative working practices were already in place within certain service areas (i.e. IM & T with Test Valley and Waste Services ` contract with East Hampshire (due for review)) and dialogue was in place to establish if further collaborative working opportunities may be available.
- (d) Several Members considered that it was beneficial for comments indicating the 'latest position' to be added to the matrix (set out in

Appendix 1) to provide a fuller picture, together with links to related reports or documents in relation to a specific aim/outcome (i.e. referral to Cabinet reports etc), comparators, simplified wording for the public to comprehend, and officer contact details for ease of reference to the reader.

Councillor Ashton welcomed these suggestions and considered that a balanced approach be taken to ensure all important data was captured without appearing overwhelming.

- (e) In response to questions in relation to the use of Bed and Breakfast accommodation for the purposes of emergency housing and the levels of Houses of Multiple Occupation (HMO's), Councillor Horrill informed the Committee that the Council did not use Bed and Breakfast accommodation in the District and that the Council had acquired Milford House and Gordon Watson House to provide temporary accommodation wherever necessary in order to avoid this.

In addition, Councillor Horrill confirmed that the Council had committed to look at Article 4 Directions in the District as well as in the Town Centre (such as has been the case in Winnall). It was recognised that there was driving demand for HMO accommodation, not only among students but young working people as it provided an affordable means of housing. The Housing Strategy was looking at how to help people in this position.

- (f) Councillor Horrill clarified that the development of the extra care apartments at Chesil Lodge was not over budget. It was noted that several revisions had been made to the design of the scheme and budget since the initial financial assessment for the site which had been re-worked with a contingency agreed as the scheme was refined. The revisions specifically related to the delivery of 52 units instead of 50 units, enhancements to the finish of doors and windows and the projected budget. However, since the scheme had been refined, the budget had been worked to and had not been exceeded.

In addition, Councillor Horrill confirmed that interest in the apartments had been excellent with take up on six of the eight properties currently available for sale/shared ownership. The care needs of interested parties needed to be assessed and their individual personal circumstances taken into account. The handover of the scheme was expected in November 2017. However, taking possession of the properties would be explored with the developer due to the Christmas period, with the moving in of residents taking a phased approach, currently planned to take place during February 2018.

- (g) In relation to questions raised regarding the Station Approach project, Councillor Horrill explained that the process had been broken down to RIBA stages to work within a framework whereby decisions would be taken step by step in a 'stage-gate' process. The Council would review the latest position and the progress made at the end of each stage.
- (h) Councillor Horrill addressed concerns regarding recycling collection rates of 36%, which were under the national average of 44%. However, it was noted that the Council was performing in line with other local authorities in the area.

During debate, the Committee agreed that the following comments be made to Cabinet for inclusion within the Quarter 1 Finance and Performance Management Report for 2017/18.

The following presentation points were raised for inclusion within the Report, as set out in Appendix 1 to the Report:

- (i) More comments to be contained within the Report
- (ii) More comparators to be contained within the Report
- (iii) Reference to relevant papers (ie Cabinet reports etc);
- (iv) Clarification of what is a target/action etc; and
- (v) Strengthen inconsistencies

Specific concerns were raised in relation to the following matters, as detailed above:

- (vi) Station Approach project;
- (vii) Recycling Rates; and
- (viii) Chesil Lodge

In conclusion, the Committee congratulated the Portfolio Holder and officers on the revised presentation of the Report and welcomed the new quarterly reporting approach.

RESOLVED:

That the Portfolio Holder have regard to the comments of the Overview and Scrutiny Committee when preparing the report to Cabinet on the matter.

6. **MEDIUM TERM FINANCIAL PLAN** (Report OS174 refers)

Councillor Ashton introduced the Report and outlined the changes made to the projections contained within the Report which had been extended to incorporate

the long term financial position. It was considered that this approach would improve planning and accountability. He drew the Committee's attention to the overall funding provision and to the long term scenario planning (sensitivity analysis) based on differing assumptions of activity over the next ten year period. It was recognised that the Council would need to continue to make a fundamental shift in its approach to planning its activities and review how these are funded.

Reference was made to the Government Funding Projections, in particular the forecast receipts over the next four year period (2017/18 – 2022/23), which reflected the impact of the revised new homes bonus, reduction in the revenue support grant and the potential reduction to business rates retention by 2022/23.

The Corporate Director (Professional Services) informed the Committee of the recent Government changes to proposals to reduce the retention period for new homes bonus by Local Authorities from six years to four years. As a result, it was anticipated that further changes could be expected during the next Government funding review in 2020/21.

It was reported that projections had been based on 'known changes' to give an indication of the Council's finances over the next ten years. The Committee would receive a further report in the autumn setting out savings and income generation options.

In response to concerns raised by Members regarding the risk surrounding Business Rate retention, the Corporate Director (Professional Services) highlighted the risk in relation to the retained Business Rates coming through from the Finance Bill which had indicated that this would be a retention of 50% and not 100%. Assumptions had been made on this basis, with a level of risk around appeals and business rate growth. It was noted that Business Rate baseline was key; this was due to be reset by the Government in 2020 and as a result some of the growth could be lost. There was some uncertainty at this time how much ongoing growth would be retained and therefore this formed the basis of the worst case scenario, as set out in the Report.

In conclusion, the Committee expressed strong concerns regarding the future retention of Business Rates and the New Homes Bonus.

RESOLVED:

That the Portfolio Holder have regard to the comments of The Overview and Scrutiny Committee when preparing the report to Cabinet on the matter.

7. **COMMUNITY INFRASTRUCTURE LEVY – ROLLING 3 YEAR PROGRAMME OF SCHEMES**

(Report OS172 refers)

Councillor Brook introduced the Report which outlined the Community Infrastructure Levy (CIL) that had been implemented by the Council in 2014 with a three year rolling programme. A number of proposed schemes had been identified, as set out in Appendix A, which had been deemed viable to date. However, it was noted that where projects were ring-fenced for CIL funding, this may not be made available if alternative grant funding came to fruition. Approximately 50% of CIL funding received to date had been ring-fenced.

The Committee were reminded that within each Ward area Parish Council's received a percentage of local CIL for buildings in their area. This also applied to Town Wards. Future projects coming forward could apply for CIL funding indicating their viability and this would be assessed accordingly.

The Corporate Director (Service Delivery) confirmed that 25% of CIL had been allocated to the County Council with the agreement that this be spent in the District and for the benefit of the District. This had been provided by the City Council as a result of s106 changes, whereby the County Council no longer received any entitlement under CIL.

In response to Members concerns in relation to the spend of this CIL contribution by the County Council. It was reported that there were no plans for spending the CIL at the current time. However, this was under review with both Councils investigating how infrastructure projects coming forward in the District could be supported by this particular CIL allocation.

In conclusion, the Committee requested details of all CIL allocations to Parish Council's and evidence of the County Council's plans for CIL going forward.

RESOLVED:

That the Portfolio Holder have regard to the comments of The Overview and Scrutiny Committee when preparing the report to Cabinet on the matter.

8. **ANNUAL REPORT: LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN 2016/17**

(Report OS175 refers)

The Corporate Director (Service Delivery) introduced the Report which provided details on the complaints and enquiries received by the Local Government and

Social Care Ombudsman, together with the conclusions reached following their investigations.

The Committee were advised that there were no cases against the Council which were upheld by the Ombudsman during 2016/17. This positive news was welcomed by the Committee.

RESOLVED:

That the Report be received and noted.

The meeting commenced at 6.30pm and concluded at 9.35pm.

Chairman