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THE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 9 July 2018

Attendance:

Councillors
Learney (Chairman)

Stallard
Cunningham
Evans
Gemmell

Thompson
Tod
Weston

Deputy Members:

Councillor Mather (as deputy for McLean) and Weir (as deputy for Clear)

Others in attendance who addressed the meeting:

Councillors Horrill (Leader) , Ashton (Portfolio Holder for Finance) Humby (Deputy Leader and Portfolio Holder for Business Partnerships) and Miller (Portfolio Holder for Estates)

Apologies for Absence:

Councillors Clear and McLean

1. DISCLOSURES OF INTERESTS

Councillor Stallard declared a personal (but not prejudicial interest) interest in item 10 (Q4 Financial and Performance Monitoring Report) as she was an Executive Member for Public Health at Hampshire County Council, which included portfolio responsibility for security bollards. This Council was making a financial contribution to the County Council toward these – Appendix 1 to the report (section 5) refers.

2. CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked David Ingram, Head of Environmental Health and Licensing, and Ernie Shelton, Director of Horizon Power and Energy Limited, for their informative Member Briefing held just before this meeting. Mr Ingram had updated Members on progress made with the Council's Air Quality Action Plan and Mr Shelton had set out considerations for the Council's electric vehicle charging infrastructure, the strategy for which would be considered by Cabinet later in the year.

The Chairman also advised of a special Overview and Scrutiny Committee meeting being scheduled for 24 September 2018 to consider Station Approach and the related business case prior to Cabinet

3. **MINUTES**

RESOLVED:

That the minutes of meetings held 21 May and 4 June 2018 be approved and adopted.

4. **TO NOTE THE SCRUTINY WORK PROGRAMME AND THE AUGUST 2018 FORWARD PLAN AND COMMENT ON ANY ITEMS FOR FUTURE CONSIDERATION.**

The Chief Executive advised that, in respect of a query raised about the waste contract, the Council was awaiting partnership information from East Hampshire District Council before arrangements could be finalised.

It was suggested that a street markets item be added to the Work Programme, in consultation with Winchester Town Forum, as well as plans for the future of the River Park leisure centre site and the allocation of CIL monies. The Chairman would discuss with officers how best to proceed with this.

RESOLVED:

1. That the August 2018 Forward Plan be noted; and;
2. That the Scrutiny Work Programme for 2018/19 be noted.

5. **FOR INFORMATION ONLY (REPORTS CAB3055(SA) AND CAB3049 BELOW (TO FOLLOW)**

(Reports CAB3055(SA) and CAB3049 refer)

The Committee noted that the following reports were due for consideration by Cabinet (Station Approach) Committee and Cabinet respectively. In line with financial procedure rules, opportunity needed to be given to the Committee to consider the matters, if required.

- CAB3055(SA) – Station Approach Public Realm
- CAB3049 – Coitbury House Roof Winchester (less exempt appendices)

However, since the publication of the agenda, the Coitbury House Roof item would not now be considered by the next meeting of Cabinet and so no papers were ready for this Committee to view at this time.

In respect of the Station Approach scheme, officers introduced the Public Realm report which focused on proposals in Station Hill and Station Road and to enable the Council to take a business case to the M3 Local Economic Partnership (LEP) for £5m of funding. The report set out the procurement strategy to progress key priorities in the Public Realm Strategy which was considered at the Cabinet

Committee on 27 February 2018. In order to take this work forward, proposals in the Strategy will need to go through a design process and it was proposed to extend the current contract with Lifschutz Davidson Sandilands to undertake the design work. In addition, a technical role to bring in engineering, design and specification work, tendering, contract and construction management and advice to help with seeking approvals was needed. It was proposed that this role be undertaken by the County's Design and Engineering Services consultancy. The report set out why this was important in progressing the application to the Enterprise M3 LEP for a £5m grant.

Members sought clarifications on the bidding process and what needed to be demonstrated within this.

RESOLVED:

That the matter not be called in for scrutiny and therefore passed to the Cabinet Committee for consideration.

6. **PUBLIC PARTICIPATION**

There were no members of the public in attendance.

7. **HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME OUTTURN 2017/18**

(Report OS203 refers)

Councillor Horrill, in introducing the report, referred to the continued high levels of satisfaction of Council tenants with the housing stock and expressed her thanks to the Housing team for their continued hard work in maintaining this. Councillor Horrill then set out the changing context of the housing market in which the Council continued to build properties and work in partnership with others. The Corporate Head of Housing then outlined the budget for the year, including savings made; progress with the Chesil Lodge scheme; the repairs programme; the New Build programme; how the Right to Buy sales income was calculated and the restrictions on its use.

Members then asked a number of detailed questions and sought clarification in a number of areas including:

- The roll out and preparations for Universal Credit, which were still ongoing matters.
- The work being done to assist tenants being able to self-help through enhanced digital abilities – self service portals were being installed as was Wi-fi.
- The role of the Housing Company (paragraph 11.2 of the report) and how this will enhance the New Build Programme Support.
- The progress of the Chesil Lodge project.
- How underspends occurred and were accounted for, and appreciation of their cyclical nature.
- Ventilation of properties – Councillor Tod offered to send a report to officers on other funding options now available.

- Right to Buy arrangements, and why, due to cost-effectiveness, the current acquisitions policy was not focusing on this (with investments greater in new rather than existing housing).

The Committee welcomed the report's content and expressed its thanks to officers for such positive work. It was requested that the numbering system in future reports be reformatted slightly so as to make issues clearer.

RESOLVED:

That forthcoming recommendations to Cabinet continue to be considered by this Committee first, so as to facilitate meaningful pre-decision scrutiny.

8. **Q4 FINANCIAL AND PERFORMANCE MONITORING REPORT**

(Report OS204 refers)

Councillor Ashton introduced the Report which summarised the Council's performance and financial position during the final quarter of 2017/18. The Council had been able to set aside an increased amount to reserves to help support future budgets and enhance protection for the council against future financial volatility. The report gave updates against major projects, the Council Strategy outcomes and key performance measures. A financial summary set out the detail of the General Fund revenue and capital budgets as well as the Housing Revenue Account (HRA).

A number of points and issues were raised:

- Winchester High Street security bollards contribution – no public consultation had occurred on these owing to statutory emergency planning responsibilities, but where there were options (eg fixing to the ground) then interested parties such as the Town Forum and BID would be consulted.
- St Maurice's Covert – a new design had been received from the architect following concerns raised by the Police and this was now being considered.
- Constitution review – this would be progressed in the coming weeks, following further review by legal services.
- The generating of an additional £500k of returns through a strategic asset purchase scheme was queried against the actual returns generated.
- There would shortly be a fundamental review of fees and charges for 2018/19.
- A point was raised as to what 'on track' meant and how this differed from 'Green' in the RAG (Red, Amber, Green Status) status. In the specific example of restricting permitted development rights in Winchester,

Councillor Horrill confirmed that following more data collection recommendations on this would be forthcoming.

- The Cabinet (Housing) Committee had considered the issue of HMO size reductions and Government's direction on this. A programme of inspection would be drawn up and Members kept fully briefed.
- The Strategic Director: Resources was asked to provide Members with details of the numbers of litter fines issued (page 63 of the agenda refers) and how successful this had been to date.
- In respect of employment opportunities for young people, Councillor Humby confirmed that a company was being used to talk to local businesses about developing / encouraging opportunities.
- The Economic Strategy was being reviewed to incorporate more meaningful targets.
- With regard to the Central Winchester Regeneration project, Councillor Horrill confirmed that a meeting tomorrow would take into account new supplementary planning guidance and other governance recommendations, including working up further detail. The lessons learned from the Bath, Chester and Oxford city visits and how the retail 'mix' and related strategies evolved here.
- The Replacement Surgery project was on hold due to the GPs yet to finalise arrangements with the Clinical Commissioning Group and NHS more widely on longer-term provisions.
- The Central Winchester Archaeology Advisory Panel had reported to the IPG, making recommendations on how to proceed with the site. The Cabinet Committee was inviting them back so that interested parties could ask questions directly of them.
- On Internal Audit actions, it was noted that there had been significant improvements and that there were now fewer outstanding issues.
- A risk-based, comprehensive approach continued to be taken when responding to FOI requests.
- In respect of paying invoices within 30 days, a 100% target would be near impossible to achieve as there can be clarifications sought or disputes to resolve before payments can be completed. The figure was currently mid 90% of invoices that were paid in less than 30 days.
- With regard to increased homelessness, Councillor Horrill outlined a number of initiatives and partnership arrangements currently being progressed to continue addressing this.
- Learning points were being gathered in respect of the Enterprise Centre, and the capital strategy would be revised in the future.

The Committee commended the continual improvements to the report, but asked that the Capital Expenditure Outturn figures be reformatted so that they were more easy to read.

RESOLVED:

That the Leader and other relevant Portfolio Holders notes the comments of the Committee but that no items of significance to be drawn to the attention of Cabinet.

9. **TREASURY MANAGEMENT OUTTURN 2017/18**
(Report OS205 refers)

The Strategic Director: Resources introduced the report which provided detail of the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and confirmation that there were no instances of non-compliance with the Council's Treasury Management Policy Statement and Treasury Management Practices, for the year 2017/18. The report was produced in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. In 2017-18 the Council's investment strategy delivered £54k of additional income above budget. The level of borrowing undertaken was in line with the budget for the financial year.

It was noted that, in respect of the comparative credit rating, the bail-in risk was lower than other similar organisations.

RESOLVED:

That no issues be raised with Cabinet on this report.

10. **MEDIUM TERM FINANCIAL CHALLENGE**
(Report OS206 refers)

Councillor Ashton introduced the report which set out the medium term financial planning challenge that the Council faced. A range of scenarios had been prepared, which took into account a variety of known and unknowable financial pressures on the Council. The report set out what the financial position is whereas later reports would address how the Council could best respond.

With specific regard to business rates, a likely reset in 2020/21 could reduce funding by up to £2.6m. Whilst the Government may change its stance in this area, a successful application into a Business Rate pool with other authorities may well be useful and advantageous; the Council is progressing this

Members sought clarification on how the options, and assumptions within them, had been drawn up and the justification that was given for these. The Strategic Director: Resources explained that the middle option assumed a hard line business re-set and that a fair funding review was benign to the City Council. The 'blue' and 'green' options were more extreme and less likely but shouldn't be

ruled out. Members also queried as to whether longer-term periods should be built in. Councillor Ashton felt that this could generate over-reactions on longer-term service provision and that this Council's demand was unlikely to fluctuate as much as other larger organisations.

With regards to the Outcome Based Budgeting, a detailed breakdown of the £3.8m to be achieved would be set out in the Medium Term Financial Strategy.

Committee Members reiterated their concerns that longer-term forward planning needed to be developed, so as to address the challenge more robustly.

RESOLVED:

That Cabinet be advised of this Committee's concerns about the level of proposed detail to come in the Medium Term Financial Strategy, and that there should be a timetable of planning for the Council's financial future as well as more specific figures attached to named projects.

The meeting commenced at 6.30 pm and concluded at 8.50 pm

Chairman

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