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THE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 26 November 2018

Attendance:

Councillors
Learney (Chairman)

Stallard
Clear
Cunningham
Evans
Gemmell

McLean
Thompson
Tod
Weston
Lumby

Others in attendance who addressed the meeting:

Councillors Ashton (Portfolio Holder for Finance), Godfrey (Portfolio Holder for Professional Services) and Warwick (Portfolio Holder for Environment)

Others in attendance who did not address the meeting:

Councillor Weir

1. DISCLOSURES OF INTERESTS

Councillors Clear and Evans declared a personal (but not prejudicial) interest in respect of item 5 (Housing Revenue Account Budget Options 2019/20) as Chairman of Wickham Parish Council and former City Council member representative on the Wickham Community Land Trust (CLT) respectively, due to reference to the Wickham CLT funding requirements being set out in the report.

Councillors Stallard and Tod also declared a personal (but not prejudicial interest) in item 5 in their capacity as Hampshire County Councillors, whereby the County Council had worked closely with the Council on this matter. In addition, Councillor Tod stated that he was HCC deputy member of the Committee that reviewed this particular proposal.

Councillor Learney declared a personal (but not prejudicial) interest in respect of item 8 (Medium Term Financial Planning) due to her husband's employment with IBM, who were referred to during discussion.

2. **MINUTES**

RESOLVED:

That the minutes of the meeting held on 3 September 2018 (less exempt minute) and the previous meeting held on 15 October 2018, be approved and adopted.

3. **TO NOTE THE SCRUTINY WORK PROGRAMME FOR 2018/19 AND THE FORWARD PLAN FOR DECEMBER 2018**

The Chairman drew members attention to the additional meeting of The Overview and Scrutiny Committee scheduled to take place on Thursday, 13 December 2018, where the Committee would now receive a presentation providing an update on the Station Approach project, rather than the outline business case report. This presentation would be made available to the Committee prior to the meeting and access would also be provided to the report due to be considered by Cabinet (Station Approach) at its meeting on 18 December 2018. Furthermore, reports regarding the traffic and on street parking agency agreements and the Environmental Services kerbside glass collection and contract strategy were also due to be considered at the meeting on 13 December 2018 and these items had been added onto the work programme accordingly.

In addition, it was reported that a further additional meeting of the Committee had been arranged for Thursday, 31 January 2019 for members to consider Leisure Centre: Full Business Case within the necessary timeframe.

It was noted that, wherever possible, measures be taken to avoid conflicts with scheduled meeting dates when arranging additional meetings in the future.

RESOLVED:

That the Scrutiny Work Programme for 2018/19 and Forward Plan for December 2018, be noted.

4. **PUBLIC PARTICIPATION**

No comments or questions were made during public participation.

5. **HOUSING REVENUE ACCOUNT BUDGET OPTIONS 2019/20**
(Report OS214 refers)

The Strategic Director: Services (Interim) introduced and outlined the context of the Report which had been prepared ahead of the recent announcement regarding the abolition of the HRA debt cap and the Council's submission bid to Government for further borrowing power. The changes to the report following this would be reflected and detailed in full within the next report due to be considered by the Committee at its meeting on 28 January 2019.

The report set out a 1% rent reduction for Council dwellings for 2019/20 and referred to a switch to Consumer Price Index (CPI) plus 1% from 2020/21 onwards, in line with the Ministry of Housing, Communities and Local Government (MHCLG) rent setting policy. It was noted that the report had previously been considered and supported by Cabinet (Housing) Committee at its meeting on 21 November 2018.

The Committee asked a number of questions on the following which were responded to by the relevant Officers and/or Portfolio Holders present:

- (i) The lifting of the debt cap;
- (ii) The rollout of Universal Credit and the need to recruit money and debt advisors for this purpose;
- (iii) Homelessness and the implications of the HCC £1.8m budget cut in service;
- (iv) Variations to depreciation calculations;
- (v) The delivery of the new homes programme - largely being carried forward into 2019/20;
- (vi) Mitigation measures for wildlife, particularly the population of swifts when carrying out roof repairs;
- (vii) The reporting of indoor appliance upgrades to improve air quality and damp conditions in properties;
- (viii) The carbon footprint of housing stock;
- (ix) Sheltered housing upgrades;
- (x) The estate improvement plan and stock condition survey (officers to provide details of forthcoming improvements to members in due course);
- (xi) The Council's support for the Wickham CLT, as set out in the appendices of the report.

In addition, in response to questions regarding the use of Retail Price Index (RPI) rather than CPI for the purposes of shared ownership rents, the Strategic Director: Services (Interim) reported that this had been set as an industry standard for shared ownership properties. However, it was reported that the background of this would be investigated further.

At the conclusion of questions and debate, the Committee thanked officers for their continued work on improving and increasing the levels of the Council's housing stock and considered there was merit in continuing to promote the unique Wickham CLT model.

RESOLVED:

1. That the Leader and other relevant Portfolio Holders notes the comments of the Committee;
2. That the Cabinet be asked to consider shared ownership rents at RPI, rather than CPI, as set out in the report; and

3. That, subject to the Corporate Head of Housing being satisfied that suitable delivery arrangements were in place and completion of the funding agreement between Wickham Community Land Trust (WCLT) and the Council, a supplementary capital estimate of £410k be supported and a grant of this sum be made to WCLT for the provision of affordable housing.

6. **Q2 FINANCIAL AND PERFORMANCE MONITORING**

(Report OS212 refers)

The Strategic Director (Resources) and Councillor Ashton introduced the Report and together with the other members of Cabinet present, they responded to detailed questions. Councillor Ashton drew Members attention to the forecast underspend for the year ahead of just under £0.5m and the Council's financial position, corporate performance indicators and project milestones, as set out in Appendix 1 to the report

The Committee asked a number of questions on the following which were responded to by the relevant Officers and/or Portfolio Holders present:

- (i) Development Management Income – The Strategic Director: Resources clarified that as there was not always a linear trajectory between the two, it would prove difficult to forecast increases in the establishment for the current year and the level of planning applications that came through for consideration. This matter would continue to be monitored and reviewed going forward;
- (ii) Future funding for the LEADER programme;
- (iii) Strategic Asset Purchase – The Strategic Director: Resources reported that this was the current position as although the Council had submitted bids, these had not been successful at this stage so no further transactions had been progressed. However, officers were confident that further opportunities would arise which would result in a good return for the taxpayer, but that financial caution would continue to be exercised in this respect;
- (iv) The rollout of superfast broadband in rural locations;
- (v) Establishing a Housing Company – It was reported that a report would be taken to Cabinet (Housing) Committee early in the new year to consider proposals, members aspirations, capacity to operate outside of the HRA and financial viability;
- (vi) Article 4 Directions in further areas of Winchester (i.e. Fulflood and Badger Farm) to deal an increasing levels of Houses of Multiple Occupation (HMO's). The Strategic Director: Resources confirmed that a report back on timescales in this respect would come forward to the Committee shortly;
- (vii) Flytipping – Councillor Warwick clarified that HCC appoint the lead officer for flytipping and are partnering with the District in covert surveillance work;
- (viii) Air Pollution – In relation to achieving a Lower Carbon Council, it was reported that the Low Carbon Board would be tasked with a review and refresh of the actions previously set in 2015/16. The Membership of

this Board was also due to be reviewed to look at potential partners going forward;

- (ix) The future installation of Solar PV at Council properties;
- (x) Major project statuses and milestones to be continually updated to reflect many changes to scheduled timescales;
- (xi) Continued engagement with local cycling groups on the Council's major projects – Councillor Warwick clarified that cycling formed an important part of the Movement Strategy and that issues related to cycling needed to be taken forward as a response to the Strategy to feed into this process;
- (xii) Staff sickness levels; and
- (xiii) The number of days taken to process new housing and Council Tax benefit support claims.

RESOLVED:

1. That the Committee welcomes the continued improvements in the presentation of the information contained in the report; and

2. That the Leader and other relevant Portfolio Holders notes the comments of the Committee which has no major issues or areas of concern to raise with Cabinet but provides the following minor area to be noted:

- (a) That an update be made to reflect changes to the project milestones set out in Appendix 1 to the report.

7. **COUNCIL STRATEGY UPDATE** (Report OS213 refers)

The Strategic Director (Resources) introduced the Report and its appendices and together with the other members of Cabinet and officers present, they responded to detailed questions:

- (i) It was noted that there were no proposed changes to the four strategic outcomes but there were some changes to update and streamline indicators, as set out in the report;
- (ii) Taxi's operating from outside the area taking trade from the licensed drivers in the Town area;
- (iii) The need to continually work in partnership to lower emissions, improve air quality and ensure safeguarding practices which would be controlled by the taxi programme and recruitment of a fixed term post into the licensing team to focus on these aspects; and
- (iv) City Centre WIFI and SmartApps and the terminology used in the Strategy which required further clarity for residents to understand.

At the conclusion of questions and debate, the Committee welcomed the report and thanked officers and Cabinet members for their significant input into the Strategy.

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.

8. **MEDIUM TERM FINANCIAL PLANNING**
(Report OS211 refers)

The Strategic Director (Resources) and Councillor Ashton introduced the report which set out the latest medium term financial projections and the outcome based budgeting planning proposals which outlined a variety of proposals to inform the final budget and Medium Term Financial Strategy prior to its approval by Council in February 2019. It was noted that the Council had presently benefited from funds from the New Homes Bonus and the retention of growth in Business Rates since 2013. However, a Government paper was expected in the new year that was scheduled to set out significant changes in Local Government financing from 2020/21 onwards, particularly surrounding the retention of business rates and new homes bonus. As a result, officers had endeavoured to forecast from these anticipated changes, as set out in the report and addressed how the Council could best respond in these circumstances.

The Committee gave consideration to the report and officers present responded to detailed questions. These included questions related to the following matters;

- (i) Risk Management – the Council’s ability to ‘mop up’ any potential drop in Business Rates due to Brexit related impacts;
- (ii) Council Tax – any future percentage increases in the Council’s precept;
- (iii) The Guildhall – 1871 café and catering costs;
- (iv) Asset Management;
- (v) It was considered that there was a need to generate a larger savings programme and focus on additional income at this stage to bridge the possible reduction in costs faced over the longer term; and
- (vi) The changes in projections from February 2018 to the current forecast. The Strategic Director: Resources agreed to provide a comparison on these figures to the Chairman in due course.

Councillor Ashton outlined that the report provided robust assurances on the Council’s plan, options and provisions and confirmed that to generate any over-reactions on longer-term service provision would be futile at this stage due to ongoing fluctuations and until all other avenues had been explored.

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

RESOLVED:

That the Portfolio Holder notes the comments of the Committee but that no items of significance to be drawn to the attention of Cabinet.

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>
##	Minutes of the meeting held 3 September 2018 (exempt minute)) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. (Para 5 Schedule 12A refers)

10. **EXEMPT MINUTE**

RESOLVED:

That the exempt minute of the meeting held 3 September 2018 be approved and adopted.

The meeting commenced at 6.30 pm and concluded at 9.30 pm

Chairman

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