

OVERVIEW AND SCRUTINY COMMITTEE

11th February 2009

PRESENT:-

Conservative Group

Councillor Jones (Chairman), Councillor Mrs. Farrington (Vice-Chairman) and Councillors Atkin, Mrs. Hood and Mrs. Plenderleith.

Labour Group

Councillors Bambrick, Lane and Mrs. Mead.

OS/34. **MINUTES**

The Open Minutes of the Meeting held 10th December 2008 were taken as read, approved as a true record and signed by the Chairman.

OS/35. **DECLARATION OF INTEREST**

Councillor Bambrick declared a personal interest in respect of the items on the Community Transport Review and the Derbyshire Scrutiny Liaison Group – Protocol, as a Member of Derbyshire County Council.

OS/36. **COMMUNITY TRANSPORT REVIEW**

Members were reminded of the previous consideration of this review area. Information had been received from Derbyshire County Council, which comprised the Scoping Report for the County Council's review of Community Transport and a subsequent update from the Chair of the Sustainable and Safe Communities Scrutiny Committee on that review. An offer had been received from the relevant officers at Derbyshire County Council to attend the next Overview and Scrutiny Committee to give a further update on the review and to see whether there were areas that this Authority could add value to.

It was agreed to accept the offer from Derbyshire County Council to provide an update on its review of Community Transport to the Overview and Scrutiny Committee Meeting on 25th March 2009.

With regard to the previous review of public transport, Officers had received information from Trent Barton Buses about planned investment in the bus fleet serving the "Villager" route. These larger capacity vehicles would cause lower emissions and could operate using a cashless card scheme, with discounts for those using this service.

It was agreed to circulate a copy of the correspondence received from Trent Barton Buses to Members of the Committee.

OS/37. CONSULTATION ON THE COUNCIL'S BUDGET

Further to Minute No. OS/33 of 21st January 2009, a report was submitted on the Housing Revenue Account Budget, Financial Projection and Proposed Rent Increase for 2009/10. This was due to have been considered by the Housing and Community Services Committee at its Meeting on 5th February 2009. Due to weather conditions, this meeting had been cancelled and the matter referred to the Finance and Management Committee, which would meet on 17th February 2009. Officers explained the additional measures put in place to ensure that Housing and Community Services Committee Members were able to contribute to this item. It was suggested that the Overview and Scrutiny Committee consider the report submitted, highlight any particular issues to the Finance and Management Committee, whilst reserving the right for any subsequent consideration.

With reference to the earlier consideration of the Consolidated Budget Proposals and Financial Plan, Officers explained that the anticipated position on concessionary travel had been confirmed. Members were also reminded of the earlier review area on posts subject to external funding. It was noted that these posts had been built into the forward plan and the Head of Service had secured additional funding for the posts in question, for the next few years. Members were reminded of the decisions reached on that review, particularly relating to ongoing monitoring. This would in effect complete this review area and it would be submitted as part of the budget consultation response to Finance and Management Committee.

The Committee gave consideration to the submitted report. The executive summary looked at rent convergence between local authorities and other Registered Social Landlords (RSL's), the position on rental income, rent increases and projections relating to council house sales. The overall projection was then reported.

The detail of the report first looked at changes to the compilation of the 2009/10 base budget and how this had been formulated. The allowances for inflation were reported. Next, the report looked at Housing Subsidy, the Major Repairs Allowance, Management and Maintenance Allowances and guideline rents. Rent restructuring and the proposed rent increase for 2009/10 were discussed in further detail, including the changes for 2009/10, together with rental increases and the overall level of income. A particular issue discussed was the potential to not follow the Government guideline rent increase, together with the anticipated financial implications and potential government penalty.

It was questioned when rent convergence with other RSL's would be achieved through the restructuring process. Officers explained how this complex process had been reviewed and effectively there was no definite date for convergence. Primarily, the process had been delayed because of the cost implications for tenants. Related questions were submitted about the rent levels charged by private sector landlords and the difference between Council and RSL rent levels, which was currently about 10%.

Members noted the serious implications for certain sections of the community and questioned the affordability of the proposed rent increases. A proposal was submitted that Finance and Management Committee be asked to consider the potential to reduce the level of rent increase for the current year,

for specific sections of the community and to consider the implications of this proposal. Whilst some sectors of the community would receive assistance through the benefit system, those receiving state pensions would be adversely affected. Officers explained that it would be difficult to assess the actual cost implications for the Council of applying such a reduction to specific sections of the community.

Next, the report looked at the HRA Financial Forecast to 2018. This included sections on council house sales, a summary of the main assumptions and risks, housing repairs, management costs and housing rents. Specific reference was made to a table within the report, which showed the dramatic impact of variations in the inflation levels over this 10-year period. Other issues discussed were changes to the rent convergence date, increases for individual tenants, payments to the national pool and national funding, together with reviewing the subsidy system. The report concluded with an overall summary, including feedback from the Head of Housing Services and details of a government commissioned review of the rent subsidy system. The Officer confirmed the recommendations that would be made to the Finance and Management Committee.

A Member requested further financial information relating to repairs for council houses and those for the sheltered housing schemes. The Head of Housing Services would be asked to contact the Member to discuss this further. It was felt that there was some contradiction of the level of rent increases proposed under the current budget round and projections later in the report. Officers explained that a recalculation took place each year and this had been an extraordinary year for inflation. Another Member commented that the assumptions made within the report were not unreasonable, that the long-term position on the HRA showed the budget deficit continued to be delayed and comfort was taken from this.

A copy of the unconfirmed Minutes of the Committee's Meeting on 21st January 2009 were circulated. These included the initial consideration of the Consolidated Budget Proposals for 2009/10 and Financial Plan to 2014. As with the previous year, the Committee's Minutes would be submitted to the Finance and Management Committee as its response to the budget consultation exercise.

It was agreed that this response be submitted for the Finance and Management Committee's consideration, at its Meeting on 17th February 2009.

OS/38. **DERBYSHIRE SCRUTINY LIAISON GROUP – PROTOCOL**

Under Minute No. OS/29 of 10th December 2008, the Committee approved the Council's involvement in the Derbyshire Scrutiny Liaison Group. The Committee had considered the draft Terms of Reference for this group and made a recommendation to the Council on the nominated Member and Substitute to serve on the Liaison Group. Derbyshire County Council had now prepared a draft protocol for the group and was seeking views from authorities on its content. A revised version of the protocol had recently been received and was circulated for the Committee's consideration.

It was agreed that any comments on the document be submitted to officers by email and that a response be provided to Derbyshire County Council.

OS/39. **OVERVIEW AND SCRUTINY COMMITTEE WEB PAGE**

It was proposed to review and update the Overview and Scrutiny Section of the Council's website. A draft web page was displayed and officers explained how this had been amended slightly from the previous version. Feedback was sought from Members and some minor additions to the text were proposed.

It was agreed that any further additions to the text be submitted via email, to enable the web page to be finalised.

OS/40. **OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME**

A report was submitted to review the Committee's work programme. Members were reminded of the completion of the Health Scrutiny and Broadband reviews which were being submitted to the appropriate Policy Committees. An update was provided on the Household Drainage Review. Following discussions with Planning Officers at the 10th December Meeting, it had been considered that the most appropriate way forward with this review area, was to lobby the Government. Officers had written to the appropriate Government Minister and it was agreed that a copy of this letter be circulated to all Members of the Committee.

Members were also reminded of the Baseline Assessment document approved at the December Scrutiny Meeting, which had been submitted to the Council on 22nd January 2009. It was proposed that the next stage for Scrutiny Review should involve an external peer assessment. Initial contact had been made with an Officer at Cherwell District Council, who also lectured on scrutiny. The Officer was willing to undertake the peer assessment for no cost other than expenses. Whilst a formal proposal was awaited, it was hoped that this assessment could be completed in time for report back to the Committee and inclusion in the current year's Annual Report. Officers gave a brief outline of the likely process, comprising the submission of written information, interviews and attendance by the Officer at a Meeting of the Committee.

The Committee agreed the work programme as submitted.

OS/41. **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985**

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

MINUTES

The Exempt Minutes of the Meeting held on 10th December 2008 were received.

C. JONES

CHAIRMAN