

STEVENAGE BOROUGH COUNCIL
OVERVIEW AND SCRUTINY COMMITTEE
MINUTES

Date: Tuesday, 28 January 2020

Time: 6.00pm

Place: Shimkent Room, Daneshill House, Danestrete

Present: Councillors: Lin Martin-Haugh (Chair), Philip Bibby CC (Vice-Chair) , Sandra Barr, Jim Brown, Laurie Chester, Michael Downing, Michelle Gardner, Andy McGuinness, John Mead, Adam Mitchell CC, Robin Parker CC and Claire Parris.

Start / End Start Time: 6.00pm
Time: End Time: 6.54pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Sarah Mead.

There were no declarations of interest.

2 MINUTES - 18 DECEMBER 2019

In relation to Minute 3 – Part I Decisions of the Executive (Community Centres Review), the Assistant Director (Finance & Estates) undertook to follow up the issue of the ongoing determination of the lease for the Old Stevenage Community Association and respond to the Member who had raised this matter at the meeting.

It was **RESOLVED** that the Minutes of the meeting of the Overview and Scrutiny Committee held on 18 December 2019 be approved as a correct record for signature by the Chair.

3 PART I DECISIONS OF THE EXECUTIVE

The Committee considered the decisions on the following matters arising from the Executive meeting held on 22 January 2020:

Minutes of the Executive – 16 December 2019

Noted.

Minutes of the Overview & Scrutiny and Select Committees

Noted.

Final Housing Revenue Account (HRA) and Rent Setting Report 2020/21

The Committee was advised that the Executive had requested the Assistant Director (Housing and Investment) to submit a report to the Executive in the Autumn of 2020 in respect of the outcome of Housing Service Charges Review to be conducted in

the Summer, prior to the charges being built into the 2021/22 Housing Revenue Account Budget.

The Committee was further advised that the Executive had approved an additional recommendation requesting officers to write to the Secretary of State (MHCLG) to request that new build right to buy receipts that are projected to be returned in the last quarter of 2019/20 (estimated at £790,000) are not returned to the Government, but used to increase funding for the Council's ambitious house building programme, such as Kenilworth or other pipeline programmes.

In response to Members' questions, the Assistant Director (Finance & Estates) commented:

- After a number of years of rent reductions for Council tenants, the Government had reverted back to its previous policy of rent increases of CPI +1% for the next five year period; and
- In relation to the retention of 1 for 1 right to buy receipts, it was confirmed that the eligibility criteria required the use of these receipts for replacement homes. At present, the funds needed to be spent within 3 years, but officers would be writing to the MHCLG to request that the time period be extended to five years, as suggested in the Government's consultation on "Use of Right to Buy (RTB) Receipts".

Draft General Fund and Council Tax Setting 2020/21

The Committee was informed that the report contained Financial Security Options approved by the Executive in November 2019, and included the recommendations of the Leader's Financial Security Group (LSFG).

The Assistant Director (Finance & Estates) referred to Appendix B to the report, which included a Risk-based Assessment of the level of General Fund Balances 2020/21, including 3 new risks, namely the increased cost of bed and breakfast for homelessness; increased revenue repair costs as a result of the stock condition surveys; and increased costs of capital works requiring funding as a result of re-phasing/deferring other capital works. In this regard, the Executive asked officers to arrange an All-Member seminar on Financial Risks, to ensure that Members were fully aware of the challenging General Fund position going forward.

The Committee was further informed that the Executive had agreed to an additional recommendation amending growth options G20 and G21 relating to the cost of managing the allotments for one year only (£22,000 full year cost) and implementing increased allotment charges from 1 October 2020 and not 1 April 2021, as included in the report.

Although the levels of 2020/21 fees and charges were to be noted, as they had taken effect from 1 January 2020, a Member raised doubts that the small increase in charges in the Old Town car parks would realise the level of additional income projected, as these car parks were invariably under-utilised. The Assistant Director (Finance & Estates) confirmed that the options to reduce spend and maintain current level of services were becoming more difficult.

In reply to a Member's question as to why the graph at Paragraph 3.2 of the report, which referred to Annual Government Grant Loss, commenced on 2011/12, the Assistant Director (Finance & Estates) commented that this was the year that the then Government's "austerity" programme had commenced. The Chair added that it was useful for Members to be shown the Grant Loss over the last 10 years in order to appreciate its cumulative impact on the Council's budget since 2011/12.

The Assistant Director (Finance & Estates) confirmed that all the savings options recommended by the Leader's Financial Security Group had been accepted by the Executive with the exception of the proposal to cease hard copy production of the Chronicle magazine. However, this had been offset by savings identified as a result of managerial changes within Stevenage Direct Services.

Draft Capital Strategy 2019/20 – 2024/25

The Committee was advised that the General Fund Capital Strategy included Health and Safety items totalling £1.8 Million, as well as previous commitments, including the Co-operative Neighbourhood Management Programme, ICT Strategy and Vehicle Replacement Programme. All Capital bids scoring 1.5 or over in the scoring system were recommended for inclusion in the Strategy, the one exception being the Bedwell Community Centre boiler works (£100,000).

The Assistant Director (Finance & Estates) drew attention to the section of the report concerning locality reviews. The locality reviews were looking to future proof the Council's assets and buildings; identify infill sites for potential disposal; and bringing down the revenue and running costs of buildings. A report on locality reviews was scheduled to be submitted to the July 2020 Executive meeting.

The Assistant Director (Finance & Estates) explained that the capital balance at the end of 2020/21 was projected to be £56,000, which she considered to be unsustainable. She would therefore be investigating possibilities to provide a sustainable solution, including the options set out in Paragraph 4.9.5 of the report.

In respect of the Housing Revenue Account (HRA) Capital Strategy, the Assistant Director (Finance & Estates) reported that the position was more sustainable, as evidenced by the HRA Business Plan approved by the Executive in December 2019.

In response to a Member's query regarding why capital bid C59 (Improving the environmental credentials of the build at the Kenilworth Close scheme) had not been recommended for inclusion in the Capital Strategy, the Assistant Director (Finance & Estates) explained that, though not agreed as an additional resolution, the Executive had requested that, should there be a financial overachievement of land and asset sales during the year, then priority should be given to some of this income being earmarked for improvement of the environmental credentials of the build at the Kenilworth Close scheme.

4 URGENT PART I DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE

None.

5 URGENT PART I BUSINESS

None.

6 EXCLUSION OF PRESS AND PUBLIC

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.
2. That Members consider the reasons for the following reports being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

7 PART II DECISIONS OF THE EXECUTIVE

The Overview and Scrutiny Committee considered the Part II decision of the Executive concerning the appointment of a Development Partner at Kenilworth Close.

The Assistant Director (Housing Development) answered a number of Members' questions regarding the report.

At the conclusion of the debate, Councillors Robin Parker CC and Andy McGuinness wished their names to be recorded as not supporting the decision of the Executive in respect of the appointment of a Development Partner at Kenilworth Close.

It was **RESOLVED** that the Part II decision of the Executive made at its meeting held on 22 January 2020 be noted.

8 URGENT PART II DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE

None.

9 URGENT PART II BUSINESS

None.

CHAIR