

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

29 JANUARY 2015 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman
Mr C Ladkin and Miss DM Taylor – Vice-Chairman

Mr Bessant, Mr PAS Hall, Mr MS Hulbert, Mr DW Inman, Mr R Mayne, Mr K Morrell and Mr K Nichols

Also in attendance: Councillor Mrs L Hodgkins

Officers in attendance: Steve Atkinson, Bill Cullen, Julie Kenny, Sanjiv Kohli, Rebecca Owen, Katherine Plummer and Nic Thomas

353 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillors Batty and Moore.

354 MINUTES

It was moved by Councillor Nichols, seconded by Councillor Mayne and

RESOLVED – the minutes of the meeting held on 13 November 2014 be approved and signed by the Chairman.

355 DECLARATIONS OF INTEREST

No interests were declared at this stage.

Councillors Hulbert and Inman arrived at 6.35pm.

356 PLANNING APPEALS

The Scrutiny Commission received an update on the outcome of planning appeals. It was noted that of the appeals allowed against the authority, two were speculative applications which had been determined when Hinckley & Bosworth was deemed not to have a five year housing land supply. A member asked whether HBBC was now in a better position to refuse applications which were not in accordance with the core strategy, and in response it was emphasised that there was still a presumption in favour of development, if it was sustainable.

RESOLVED – the report be noted.

357 FINANCIAL CONTRIBUTIONS TOWARDS PLAY AND OPEN SPACE

Members received a report which provided an update on new planning obligations secured, payments received, payments outstanding and contributions at risk of being clawed back. Members were reminded that proactive monitoring was now being undertaken to avoid future problems.

RESOLVED – the report be noted.

358 GENERAL FUND BUDGET

Members were presented with the draft General Fund budget 2015/16 which would be determined by Council on 19 February. Reading this in conjunction with the other finance reports on the agenda, a member asked if there were capital reserves set aside for future projects. In response members were reminded that any reserves had funded the moveable floor in the new Leisure Centre so there were none set aside for the future.

Members asked questions around the plans to set up a wholly owned company in accordance with the HRA Investment Plan. It was noted that this could not be funded from the Housing Revenue Account, as it would breach the borrowing cap and it would therefore need to be funded from the general fund. Once set up, however, it would be self-funding. It was requested that a report on the formation of the company be brought to a future meeting, followed by regular updates.

A member expressed concern that, by setting aside a reserve for appeals, there was a risk of more applications being refused due to having the safety net of funds available. In response officers and other members felt that this would not be the case.

During debate, reference was also made to the worst-case figure included to repay VAT on Greenfields' unit lettings and the anticipated revaluation which the Government had continually deferred with regard to business rates.

RESOLVED –

- (i) The general fund budget and special expenses area budget for 2014/15 and 2015/16 be endorsed and RECOMMENDED to Council;
- (ii) The proposed movement in general fund reserves and balances for 2014/15 and 2015/16 be noted;
- (iii) The presentation of a revised Medium Term Financial Strategy to Council on 24 March be noted;
- (iv) A report on the formation of a wholly owned company, to support the Housing Investment Plan, be brought to the next meeting.

359 HRA BUDGET

The Scrutiny Commission reviewed the Housing Revenue Account (HRA) budget including the housing repairs account and was briefly updated on the increase in rents. It was noted that the rents for 2015/16 should have increased by an average of 9.76% in order to 'catch up' with the position calculated using the new formula. The lack of increases in line with formula rent in recent years had resulted in the HRA being £441,000 below what it would have been with formula rent increases. It was reported that for 2015/16 only new leases would let at formula rent, as a compromise.

Discussion ensued with regard to 'convergence', which aimed to bring council rents in line with private sector rented accommodation, and it was suggested that applying this to new properties would assist in closing the gap between the current rental income and the position, had we been charging formula rents. Officers explained that by using formula rent, the point of convergence would be naturally reached. The subject of 'target rent' was also raised, and officers agreed to bring a report to the next meeting on the various rental structures and how they worked.

RESOLVED –

- (i) The revised Housing Revenue and Housing Repairs account budgets for 2014/15 be noted;
- (ii) The Housing Revenue and Housing Repairs account budgets for 2015/16 be noted and RECOMMENDED to Council;
- (iii) The proposed movement in reserves be noted;
- (iv) A report be brought to the next meeting on rents.

360 CAPITAL PROGRAMME

Members gave consideration to the Capital Programme 2014/15 to 2017/18. It was highlighted that the programme was dominated by larger schemes which would start to see movement from 2016 onwards.

Councillor Mayne left the meeting at 7.47pm.

The receipt of a £714,000 grant for 'Channel Shift' was highlighted and it was explained that the aim of the project was being developed with partners to enable customers to move towards self-serve. Members asked for more information on this initiative to a future meeting.

Disposal of the site of the former depot on Middlefield Lane was discussed and it was noted that consideration was being given to whether this land should be sold or gifted to the company. It was agreed that such options be included in the previously requested report on the creation of the wholly owned company.

With regard to the Crescent development, it was noted that the council's agent was making good progress in securing tenants for Block C and would soon be in a position to make an announcement.

RESOLVED – the capital programme be noted and RECOMMENDED to Council.

361 TREASURY MANAGEMENT & PRUDENTIAL INDICATORS

The Scrutiny Commission received a report which outlined the council's prudential indicators for 2014/15 – 2017/18 and set out the expected treasury operations for this period. It was noted that the council benefitted from preferential borrowing for the public sector and as a result borrowing rates were considerably lower than market rate.

RESOLVED – the report be noted.

362 LEICESTER ROAD FOOTBALL GROUND

Members were updated on the current position with regard to Hinckley United Football Club and, more specifically, the 3G pitch in which the authority had an interest. It was reported that the issues surrounding the land ownership and access rights were complex.

Councillor Hulbert left the meeting at 8.40pm and Councillors Hall and Inman left at 8.45pm.

The Commission thanked Officers for their work on the matter and asked to be kept updated.

(The Meeting closed at 8.52 pm)

CHAIRMAN