

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

21 JANUARY 2016 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman
Mr SL Bray and Mrs R Camamile – Vice-Chairman

Mr DC Bill MBE, Mr WJ Crooks, Mr KWP Lynch, Mr BE Sutton and Mr R Ward

Also in attendance: Councillor MA Cook, Councillor DS Cope, Councillor M Hall, Councillor J Kirby, Councillor K Morrell, Councillor M Nickerson, Councillor MJ Surtees and Councillor A Wright

Officers in attendance: Steve Atkinson, Bill Cullen, Lesley Keal, Julie Kenny, Rebecca Owen, Sharon Stacey, Nic Thomas, Mark Tuff and Ashley Wilson

349 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillors Allen, Rooney and Williams from the Scrutiny Commission, and Councillor O'Shea from the Finance, Audit & Performance Committee.

350 MINUTES

It was moved by Councillor Camamile, seconded by Councillor Sutton and

RESOLVED – the minutes of the meeting held on 10 December be confirmed and signed by the Chairman.

351 DECLARATIONS OF INTEREST

No interests were declared at this stage.

352 CLOSURE OF HINCKLEY CO-OP

Councillor Bill reported that he had had no response from the Heart of England Co-op to a 500 signature petition, or to his requisition for the Board to meet but would continue to contact them. The Chief Executive stated he had also attempted to maintain contact to discuss the future of the car park, which was a concern for users of Hinckley town centre and the council.

353 S106 CONTRIBUTIONS TOWARDS OFF-SITE PLAY AND OPEN SPACE

The Scrutiny Commission received an annual update on developer contributions in relation to off-site play and open space. During discussion and responses to questions, the following points were raised:

- Section 106 agreements took effect from the date signed, and if changes to legislation occurred between drafting and signing, the agreement would need to be updated accordingly
- The formulas for requesting contributions were included in the S106 supplementary planning document

- A member asked if a developer ceased to trade following completion of a development, would the contributions be secure. Officers agreed to check the specific details of the example given and report back to the councillor
- In relation to the Barwell Sustainable Urban Extension (SUE), it was noted that there had been a delay whilst the development consortium negotiated transport contributions with Leicestershire County Council, but agreement and signing was fairly imminent.

354 ELECTIONS - INDIVIDUAL ELECTORAL REGISTRATION

Members were updated on the impact of the introduction of Individual Electoral Registration (IER), the key change being that each member of a household now had to register, rather than one person in a household taking responsibility for registering all eligible at their address as previously. It was also noted that online registration had been introduced and that proactive work had been undertaken to explain the changes, particularly in care homes, to ensure that as many people as possible were registered to vote.

Concern was expressed that the rate of return was 90.72%, which was 6% lower than under the previous arrangements. It was anticipated, however, that by undertaking a 100% canvas each year, this number would increase to the same level or higher than previously.

In relation to the costs of the changes, it was noted that £27,000 government funding had been received to support the process in year 1, but that any budget required for future years had been built into the authority's base budget.

A Member asked if there was a geographical pattern to areas where numbers registering had reduced. Officers agreed to check and report back.

RESOLVED – progress be noted.

355 MEDIUM TERM FINANCIAL STRATEGY (SUMMARY) 2016/17 - 2019/20

Consideration was given to the Medium Term Financial Strategy summary 2016/17 – 2019/20. Members were reminded that, whilst the report presented a balanced budget for 2016/17, putting the minimum measures in place to achieve this would not address the increasing deficit in following years, as shown in section 4 of the report.

A member referred to the previously discussed possibility of a council tax referendum for increasing the rate by £16 per year (average band D) and asked why this was not included in the options. In response, the Leader explained that, since the consultation on that option was held, the Finance Settlement had been released which gave authorities in the bottom quartile for council tax the ability to impose a £5 increase for four years, so a greater increase would not be required for a balanced budget for 2016/17. The Leader explained that there were other unknown factors in future years, such as the progress of the local housing company which, he felt, may reduce the financial burden on the authority.

During discussion, the following concerns were raised:

- the large gap for future years' budgets
- the possibility of rising direct service costs
- the likelihood of not receiving 100% of business rates and a worsening New Homes Bonus receipt
- the certainty of the removal of dry recycling credits by the County Council
- the potential need to consider reducing 'non-essential' services in future years.

Some members asked that the Executive be requested to reconsider the MTFs in order to produce a strategy which addressed the financial gap in years 2017/18 to 2019/10, since the Chief Executive had indicated that, in its present form, the Strategy would not be presented for approval. The Leader reassured members that a Medium Term Financial Strategy which provided a balanced budget for the term of that strategy would be presented to Council on 18 February.

RESOLVED – the report be noted and the Executive be requested to reconsider and produce a balanced MTFs for Council on 18 February.

356 HOUSING REVENUE ACCOUNT BUDGET 2016/17

The Commission was presented with the 2016/17 Housing Revenue Account (HRA) budget which, it was reported, showed the impact of the 1% rent reduction. Members discussed the previous government's policy of convergence and the resulting increase in rents to move towards this, and the decision to buy out of the HRA subsidy and expressed anger at the change in direction by HM Government.

In response to a question about whether there was still a hardship fund, it was agreed that a report on this be brought to the next meeting.

RESOLVED –

- (i) The revised Housing Revenue and Housing Repairs Account budgets for 2015/16 be noted;
- (ii) The Housing Revenue and Housing Repairs Account budgets for 2016/17 be noted;
- (iii) The proposed movement in reserves be noted;
- (iv) The approved rent decrease and the policy that void properties will be re-let at formula rent from 1 April 2016 be noted;
- (v) A report on the Hardship Fund be brought to the next meeting.

357 HRA BUSINESS PLAN

Members were advised of the options for managing the impact of the 1% rent reduction and previous rent increase decisions on the Housing Revenue Account (HRA) Business Plan and HRA Investment Strategy which had been in place since July 2013.

In addition to the rent reduction, the impact of selling high value voids was a concern for members. It was noted that there had not yet been any indication of what constituted 'high value' or how this would work in practice. The suggestion to move to short-term tenancies also caused concern in that, amongst other concerns, there would be less incentive for tenants to maintain and improve their properties.

During discussion, the following points were raised:

- The impact of the reduced rental income on the decency of housing stock
- Possible options for working with housing associations and the new local housing company
- The authority had opted to keep housing stock when other authorities were selling theirs, yet now the Government seemed to be forcing authorities to sell

It was noted that key members were trying to arrange a meeting with the MP to make representations about the impact of these changes. It was acknowledged that more work would be undertaken in relation to the sale of high value voids once more detail was known.

In relation to the options provided in the report, members indicated a clear preference for option 3.

RESOLVED – option 3 – re-borrowing (continue with current schemes only) be supported as the preferred option.

358 GENERAL FUND BUDGET

The Scrutiny Commission reviewed the General Fund budget for 2016/17 ahead of consideration by Council. In response to a member's question, it was explained that the special expenses area budget had to be included in the council's budget setting, but that the Hinckley Area Committee would also be considering its budget the following week.

RESOLVED – the report be noted, pending further consideration of the MTFS.

359 CAPITAL PROGRAMME

The Scrutiny Commission received the General Fund Capital Programme for 2015/16 to 2018/19. Members were pleased to see key projects being delivered.

RESOLVED – the report be noted.

360 SCRUTINY COMMISSION WORK PROGRAMME 2015-16

Members noted the work programme, with the addition of a report on the Hardship Fund for the next meeting.

(The Meeting closed at 9.18 pm)

CHAIRMAN