

Minutes

of a meeting of the

Scrutiny Committee

held on Thursday, 8 February 2018 at 7.00 pm

in Meeting Room 1, 135 Eastern Avenue, Milton Park, Milton, OX14 4SB



Open to the public, including the press

Present:

Members: Councillors Debby Hallett (Chairman), Mike Badcock, Robert Hall, Vicky Jenkins, Sandy Lovatt, Chris Palmer and Judy Roberts

Officers: Gerry Brough, Simon Hewings, William Jacobs, Adrianna Partridge, Ron Schrieber and Mark Stone

Also present: Councillors Robert Sharp and Elaine Ware; Richard Spraggett (Capita Accountancy)

Sc.60 Apologies for absence

Councillors Alice Badcock and Ben Mabbett submitted apologies.

Sc.61 Declarations of interest

None.

Sc.62 Urgent business and chairman's announcements

The chairman welcomed Cllr Robert Hall, who had recently been appointed to the committee and reported that Cllr Ben Mabbett had also been appointed but had been unable to attend this meeting.

The chairman informed the committee that she had met with Adrianna Partridge, head of corporate services, and had asked her to clarify to the committee, the respective roles of scrutiny and audit and governance committees.

The head of corporate services reported that scrutiny committee contributed towards the development of policies and strategy. It could challenge decisions made by the executive and had a role in scrutinising delivery and performance.

Audit and governance committee needed to satisfy itself that an adequate control environment was in place and, therefore, contributed towards the assessment of control processes and reviewed the operation of controls and procedural compliance.

Sc.63 Public participation

None.

Sc.64 Houses that people can afford

The committee considered the report of the interim head of development, regeneration and housing which set out actions that were being taken and which could be taken, within the Vale of White Horse, to increase the number of houses for rent or sale that were truly affordable to the average working family or person.

Councillor Elaine Ware, Cabinet member for housing, introduced the report. Also present to answer questions was Gerry Brough, interim head of development, regeneration and housing.

The Cabinet member reported that the provision of affordable housing that was truly affordable to everyone was an issue that national and local governments have been wrestling with for many years. At the heart of the problem was the fact that, to make housing affordable, houses for sale and/or rent needed to be available at below market value prices or rental levels. Reducing market value or rental levels meant houses needed to be built more cheaply or potential owners and tenants needed to be provided with some form of subsidy (most likely in the form of tax relief and/or housing benefit). Building houses more cheaply could only be done if the cost of land, materials, labour and capital could be reduced and no development profit, or less development profit, was allowed for.

In response to members' questions, it was reported that:

- The 2014 Strategic Housing Market Assessment for Oxfordshire (SHMA) uses a benchmark of costs not exceeding 35% of a household's gross income to assess the affordability of rented accommodation. Based on this criterion, even the least expensive 2 bedroom homes for rent in the district were likely to be beyond the means of households whose earnings were within the lower quartile. Those on median level earnings were also likely to struggle with the cost of renting a modest 3-bedroom home.
- Although the SHMA benchmark was used by planning policy, a more accurate assessment of affordability would be the Institute of Public Policy Research criteria which were based on net, rather than gross, income.
- The lower quartile property purchase price in the Vale, in 2016, was £255,000. Assuming a deposit of 10% was available to a purchaser, the minimum annual income needed to obtain a mortgage for the balance would be £57,375, which was well in excess of both lower quartile and median earnings in the Vale.
- Despite the lack of truly affordable housing, the Vale had the lowest homelessness rate in Oxfordshire. However, it was recognised that there was an increasing number of people who did not have a home of their own but did not meet the statutory definition of homelessness.
- 1,122 new build affordable homes had been completed in the Vale between April 2012 and March 2017 of which 834 were for rent and 288 for shared ownership.

- The provision of newbuild homes for shared ownership had been through Registered Providers (RPs). Whilst Section 106 agreements stipulated that the initial share purchase could be as low as 25%, some RPs advertised their preferred model of a minimum 40% share purchase.

The report set out the ways in which the council could intervene in the market to improve the affordability of houses across the district and concluded that, without the risks being underwritten by Government, the council did not have sufficient resources to make anything more than a marginal impact.

The committee thanked the Cabinet member and officer for their informative report and agreed that, in order to make housing more affordable to the average working family or person, action was required at national level.

The committee considered how the council might influence national planning policies and

RESOLVED: to **RECOMMEND** the Cabinet to:

1. Take all necessary steps to seek a better relationship with Central Government in order to influence national planning policies; and
2. Respond to the review panel led by Sir Oliver Letwin looking at the gap between the number of planning permissions granted and homes built in areas of high demand.

Sc.65 Revenue Budget 2018/19 and Capital Programme to 2022/23

The committee considered the head of finance's report. This brought together all relevant information to allow Cabinet to recommend to Council a revenue budget for 2018/19 and a capital programme for 2018/19 to 2022/23. The Medium Term Financial Plan (MFTP) was included, which provided details of the forward budget model for the next five years. The report also recommended the prudential indicators to be set by the Council in accordance with 'the Prudential Code', introduced as part of the Local Government Act 2003.

Councillor Robert Sharp, the Cabinet member for finance, introduced the report. Also present to answer questions were William Jacobs, head of finance, Simon Hewings, strategic finance manager and Richard Spraggett, chief accountant (Capita).

Councillor Emily Smith had registered to speak at the meeting. In response to her questions, it was reported that:

- Revenue growth bid CSVR1: This was a one-off bid to fund feasibility studies and exploratory work on the installation of electric charging points.
- Revenue growth bid DAHR1: These were the additional costs associated with the council hosting the Oxfordshire Growth Board, including support staff. The council would be host for 12 months from July 2019, which was why a proportion of the cost extended into the following year

- Capital programme, Abbey Meadows toilet block: Details of this expenditure were included in the previous year's budget.

In response to members' questions, it was reported that:

- West Way capital receipt: The West Way receipt had not yet been allocated so was funding the capital programme, reducing the borrowing requirement at this time. Potential leisure investment projects in the Botley area were under review with a report anticipated in 2018/19. Consideration would also be given to a suitable investment opportunity should one arise.
- Budget adjustment, reduction in West Way rent: The rental income was approximately £600,000 p.a. but the budget had already been reduced in the previous year to reflect the closure of some units. The figure for 2018/19 and future years reflected the final position following the sale completion.
- Budget build change CLIR1: A review of ongoing internal IT costs had revealed that costs of approximately £111,000 p.a. had been removed incorrectly from the budget when the 5 councils' partnership contract went live. This provision corrected the error.
- Budget build change CMTR1: This was one-off expenditure to meet the new requirements of the General Data Protection Regulations. If the feasibility work determined that new IT hardware was required, the additional costs would be included in future budgets.
- Budget build change DAHRE2: The flexible homelessness grant funding had already been received and was in reserves. The Syrian refugee grant funding would be received in 2018/19. A budget was required in order to spend the funding already received.
- Budget build change CMTR2: The Data Protection Officer post would be shared with South Oxfordshire District Council.
- Budget build change CMTR3: This was the estimated cost of the senior levels of the management restructure as agreed by Council and the restructure of the client team which was out for consultation at the present time.
- Budget build change: WLER4: A bid for an additional £10,000 for tree surgery had been included at the request of the head of service.
- Revenue growth bid LEGR1: This bid had been brought forward to meet the ongoing increased demand for external legal support on planning inquiries and court and tribunal proceedings, including judicial reviews and appeals.
- Revenue growth bid PLAR2: The Didcot Garden Town (DGT) grant has funded the work of the DGT team to date. This bid covered the costs associated with the council, as planning authority, producing a DGT Development Plan Document. If the bid were approved then further details could be circulated to members.
- Revenue growth bid WLER4: This bid would create an in-house team to work with parishes to provide improvements to the environment. The bid was in response to requests from the parishes.
- Planning revenue budget bid: This bid related to a specific change in Government policy that permitted a 20% increase in planning fees. It was a requirement that this increase must deliver additional planning related resources so could not be used to offset previously approved expenditure.
- Appendix D1: Concerns about slippage did not relate directly to the budget but rather to the delivery of the capital programme. In response to a previous

request from the committee, the budget outturn report was to be amended to include a column setting out the reasons for the slippage above £50,000 on any capital scheme.

- Staff resources: A growth bid for additional staff resources required to meet the requirements of the organisation had been included in the budget.

A member requested that the summaries for growth bids should provide more detail. The head of finance reported that the summaries were submitted by the relevant head of service. Where summaries were brief this was generally due to the information being commercially confidential or proposals being subject to formal consultation.

Some members expressed the view that part of the £250,000 p.a. proposed expenditure on parish environmental improvements would be better spent on implementing the currently unfunded air quality action plan. Accordingly, the following motion was moved and seconded.

To recommend that Cabinet reconsiders the revenue growth bid WLER4 and reallocates some of the £250,000 p.a. proposed expenditure to implement the air quality action plan.

On being put to the vote, the motion was lost.

RESOLVED: To note the draft revenue budget 2018/19 and the capital programme to 2022/23.

Sc.66 Work schedule and dates for all South and Vale scrutiny meetings

The committee considered its work programme and noted that its meeting scheduled for 31 May was likely to be rearranged.

The meeting closed at 9.00 pm