

SELF REGULATION SELECT COMMISSION
9th January, 2014

Present:- Councillor Currie (in the Chair); Councillors Atkin, Beaumont, Beck, Ellis, Godfrey, J. Hamilton, Sharman and Tweed.

Apologies for absence:- Apologies were received from Councillors Vines and Watson.

44. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

45. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no questions from member of the public or the press.

46. COMMUNICATIONS

There had been no communications received.

47. MINUTES OF THE PREVIOUS MEETING HELD ON 19TH DECEMBER, 2013

Resolved:- That the minutes of the meeting held on 19th December, 2013, be approved as a correct record for signature by the Chairman.

48. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act (as amended March, 2006) (information relating to financial and business affairs of any particular person).

49. BUDGET 2014/15

Further to Minute No. 32 of the meeting of the Self Regulation Select Commission held on 21st November, 2013, Karl Battersby, Strategic Director of Environment and Development Services, and Stuart Booth, Director of Finance, gave a presentation on the budget consultation and budget process, the opportunities for members of the public to have their say and the various questions that were asked.

The presentation referred to:-

- Money Matters and the Council Priorities.
- The Methodology.

- Questions for the Money Matters Consultation Process 2014-16.
- Online Forum.
- Headline Matters.
- Consultation Events covering:-
 - Universal – v – Targeted.
 - Empowering communities to help themselves.
 - Stop or reduce.
 - Which services should be delivered differently.
 - Making money go further.

The Director of Finance made reference to the current budget position, the individual savings proposals now being put forward by Directorates and the revisions that had already been made arising from discussions with Elected Members.

Discussion ensued about the use of staff forums for suggested efficiency savings and how these could feed into the budget process.

The Strategic Directors were invited to explain each of their savings proposals in detail and the rationale behind each suggestion.

Karl Battersby, Strategic Director for Environment and Development Services, reported on a further two savings proposals.

The Select Commission asked a number of questions about Parking Services and whether this affected the contract in out of centre areas and the proposals for the exit payments at Wellgate Multi-Storey Car Park.

Shona McFarlane, representing the Strategic Director for Neighbourhoods and Adult Services, accompanied by Councillor Rose McNeely, Cabinet Member for Safe and Attractive Neighbourhoods, Councillor John Doyle, Cabinet Member for Adult Social Care, and Councillor Ken Wyatt, Cabinet Member for Health and Wellbeing, reported on the various savings proposals from within the Neighbourhoods and Adult Services Directorate.

The Select Commission asked a number of questions about the re-commissioning of services and terms of conditions for staff and the degree of monitoring of such contracts and the fact that predominantly women staff were affected.

Reference was also made to the accounting arrangements for furnished homes and the previous inflexibility around public sector to public sector collaboration.

Stuart Booth, Director of Finance, accompanied by the Chief Executive and Councillor Jahangir Akhtar, Deputy Leader, reported on the various savings proposals from within the Resources Directorate.

The Select Commission asked a range of questions about the

expectations for attracting external funding and the confidence this could be achieved, flexibility of the savings proposals, number of voluntary redundancies, DWP's suspension of benefits and optimistic support from Trades Unions for staff savings proposals.

Joyce Thacker, Strategic Director of Children and Young People's Services, accompanied by Councillor Paul Lakin, Cabinet Member for Children, Young People and Families Services, had not further savings proposals to put forward, but were present to answer questions should they be asked.

The Select Commission also welcomed the opportunity to put forward their views and comments about the budget setting process and requested that further information be provided on what services were statutory and non-statutory and suggested that the written proposals be provided in a more timely manner.

Resolved:- (1) That Stuart Booth, Shona McFarlane, Karl Battersby and Joyce Thacker, and the relevant Cabinet Members that accompanied them, be thanked for their input.

(2) That the information as presented be noted.

50. HOUSING RENT INCREASE 2014/15

Further to Minute No. 62 of the meeting of the Cabinet Member for Safe and Attractive Neighbourhoods held on 6th January, 2014, consideration was given to a presented by Dave Richmond, Director of Housing and Neighbourhood Services, setting out the proposed housing rent, new build rents, garage rent and communal facilities increases for 2014/15.

The report set out in detail the proposed housing rent, new build rents, garage rent and communal facilities increases for 2014/15. The rents had been calculated in accordance with the national rent setting regime requiring all authorities to use the prescribed formula and apply annual increases to actual rents to achieve the Formula Rent. The Government expected that all similar properties in the same local area would have similar rent levels even if owned by different social landlords (rent convergence). The Government had set a target for authorities to achieve rent convergence by 2015/16.

For the 132 new Council properties built in 2011/12, the funding model assumed that rents would be aligned to the Council's existing rent structure based on them having a higher property value and greater thermal efficiency than existing stock. These properties had already reached convergence and, as such, the rental increase could be less than other properties.

The report also contained at Appendix A the 2014/15 draft Housing Revenue Account budget for consideration.

It was noted that the report was to be considered by the Cabinet at its meeting on the 15th January, 2014.

Discussion ensued about the Right to Buy Scheme and thirty year business plan remodelling, the raft of assumptions, the impact on void properties and the devastating effect this could have on the Council being unable to offer people housing. Clarification was sought on whether or not new build properties received some protection from the Right to Buy Scheme, the current plans for property acquisition and repairs and maintenance budgets.

It was also suggested that a watching brief be placed on the borough's remaining garage sites to prevent them slipping into disrepair.

Resolved:- That the request for Cabinet to recommend to Council the following be noted:-

- An average rent increase of 6.57%, in accordance with the Central Government (DCLG) Rent Formula which results in an average weekly increase of £4.54 when collected over 52 weeks.
- An average rent of £94.47 on new build (energy efficient) Council properties.
- In line with the Retail Price Index, Garage Rents and Communal Facility charges (including where there were applicable laundry charges and cooking gas charge) be increased by 3.2%.
- The draft Housing Revenue Account budget for 2014/15.

(Councillors Atkin, Currie, Ellis, J. Hamilton and McNeely declared personal interests in this item on the basis that they were or had relatives who were Council house tenants)

51. DISTRICT HEATING SCHEME CHARGES 2014/15

Further to Minute No. 63 of the meeting of the Cabinet Member for Safe and Attractive Neighbourhoods held on 6th January, 2014 consideration was given to a report presented by Dave Richmond, Director of Housing and Neighbourhood Services, setting out the proposed increases for District Heating for 2014/15.

In general, District Heating charges were made up of two components i.e. a weekly charge and a metered charge per kilowatt hour of heating used. It was proposed that there be no increase in the weekly charges but an increase in kilowatt hour charges to more accurately reflect true costs.

Pooled metered schemes had a weekly pre-payment flat rate charge collected through the rent system applied to all properties dependent

upon the size of the property. The actual costs of each property's heating was determined by meter readings of the amount of kilowatt hours of heating actually used.

Reference was made to the three heating schemes in operation and the need to ensure full cost recovery where stipulated and convergence requirements to increase costs on a phased basis.

The Select Commission were mindful of some tenants slipping into fuel poverty and asked that some kind of basic advice be provided for tenants.

Resolved:- That the request for Cabinet to recommend to Council the following be noted:-

- The weekly district heating charges be not increased.
- The various proposed increases to the kilowatt hour charges, as outlined in the report submitted, be approved as a means of achieving full cost recovery.
- To assist some tenants, increases in the kilowatt hour charge be phased as agreed at Cabinet on 16th January, 2013 (Minute No. C131(3) refers) with full cost recovery to be achieved by 2016/17.

52. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of the Self Regulation Select Commission take place on Thursday, 20th February, 2014, at 3.30 p.m.