

Notice of Meeting

Overview and Scrutiny Committee

Date: Monday 21 January 2019

Time: 5.30 pm

Venue: The Annexe, Crosfield Hall, Broadwater Road, Romsey, Hampshire,
SO51 8GL

For further information or enquiries please contact:

Caroline Lovelock - 01264 368014
clovelock@testvalley.gov.uk

Legal and Democratic Service

Test Valley Borough Council,
Beech Hurst, Weyhill Road,
Andover, Hampshire,
SP10 3AJ

www.testvalley.gov.uk

The recommendations contained in the Agenda are made by the Officers and these recommendations may or may not be accepted by the Committee.

PUBLIC PARTICIPATION SCHEME

If members of the public wish to address the meeting they should notify the Legal and Democratic Service at the Council's Beech Hurst office by noon on the working day before the meeting.

Membership of Overview and Scrutiny Committee

MEMBER

WARD

Councillor I Jeffrey (Chairman)	Dun Valley;
Councillor J Cockaday (Vice-Chairman)	Andover (St Mary's);
Councillor G Bailey	Blackwater;
Councillor D Baverstock	Romsey (Cupernham);
Councillor C Borg-Neal	Andover (Harroway);
Councillor P Boulton	Broughton & Stockbridge;
Councillor C Dowden	North Baddesley;
Councillor B Few Brown	Amport;
Councillor A Finlay	Chilworth, Nursling & Rownhams;
Councillor K Hamilton	Andover (Harroway);
Councillor I Hibberd	Romsey Extra;
Councillor P Hurst	Romsey (Tadburn);
Councillor J Lovell	Andover (Winton);
Councillor P Mutton	Penton Bellinger;
Councillor J Neal	Andover (Millway);
Councillor T Preston	Andover (Alamein);
Councillor I Richards	Romsey (Abbey);
Councillor C Thom	Valley Park;

Overview and Scrutiny Committee

Monday 21 January 2019

AGENDA

**The order of these items may change as a result of members
of the public wishing to speak**

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Minutes of the meeting held on 12 December 2018**
- 6 Call in Items**
- 7 Urgent decisions taken since last meeting**
- 8 Updates on Panels**

Lead Members to update the Committee on the progress of their Panels (10 mins)
- 9 Homelessness Reduction Act 2017 and Development Pilot Progress Report** **5 - 13**

To provide an update on the progress on the delivery of the developmental pilot approaches to tackle homelessness alongside the implementation of the Homelessness Reduction Act 2017 (HRS) (20 minutes)
- 10 2019-2020 Budget Update** **14 - 34**

To provide an update on the budget setting process for 2019/20 and provide information on proposals to close the budget gap (20 minutes)

11 Work Programme Update

35 - 48

To enable members to keep the Committee's future work programme under review (10 minutes)

ITEM 9 Homelessness Reduction Act 2017 & Developmental Pilot Progress Report

Report of the Head of Housing & Environmental Health (Portfolio: Housing & Environmental Health)

Recommended:

- 1. That the progress made in achieving Homelessness Reduction Act 2017 compliance and the results of an initial evaluation of the first 8 months of operations, be endorsed.**
- 2. That the progress made in embedding and implementing the pilot approach approved by Cabinet in March 2018, be endorsed.**

SUMMARY:

- In March 2018, Cabinet approved additional funding to support the Housing Service to deliver developmental pilot approaches to tackle homelessness, alongside the implementation of the Homelessness Reduction Act 2017 (HRA).
- The Council has been delivering a fully compliant HRA service model since April 2018, and has gone beyond statutory requirements in the interests of preventing and relieving homelessness, delivering sustainable and tailored outcomes for local residents, and an improved model of support.
- There have been a range of successful outcomes arising from the Council's investment in a 12 month developmental pilot.
- This report provides OSCOM with an update on progress.

1 Introduction

- 1.1 The majority of provisions in the HRA came into force in April 2018, with the new "Duty to Refer" provision (affecting specified public bodies) coming into force later in the year, on 1st October 2018.
- 1.2 In March 2018, Cabinet agreed that the Housing Service would monitor and evaluate progress in the context of delivering the requirements of the HRA and to report back to members.
- 1.3 Further recommendations learning from operational experience in 2018/19 will be brought to Cabinet in March 2019.

2 Background

- 2.1 In 2017, the Council appointed 2 additional temporary Housing Options Officers to support the Council's Housing Services to meet the demands of the HRA. This has proved to be prescient, with demand increasing from April 2018. The additional resource has been invaluable. The posts were funded using central government ring-fenced grant funding.

- 2.2 On 14th March 2018, Cabinet approved a new Preventing Homelessness Strategy Action Plan along with an associated 12-month 'developmental pilot' in Housing Services. These considerations were timed to coincide with implementation of the HRA.
- 2.3 Cabinet approved a range of baseline delivery methods, alongside investments in new ways of working to bolster the capacity for the Council to engage the wider system (in the interests of developing a shared sense of responsibility for homelessness across a range of services) and to prevent and relieve homelessness in different ways.
- 2.4 Key elements of this approach included:
1. Complying with all statutory requirements, and going beyond those requirements where appropriate, to prevent and/or relieve homelessness through a "universal" model of support.
 2. Working with people in a much more "asset-focused" or "strengths-based" way in the interests of promoting self-reliance and sustainable outcomes.
 3. Meeting emerging training needs for front line staff and managers.
 4. Engaging the wider system to play a more active role in identifying and supporting people at risk of homelessness, including through the new "Duty to Refer" contained within the HRA.
 5. Making targeted use of funding available to the Council to prevent and relieve homelessness including:
 - £9k to deliver new ICT to support the service
 - £15k for a Homelessness Prevention Fund
 - £13k for a Multi-Agency Task & Targeting Fund
 - £5k for a Single Homelessness Fund
 - £10k for the purposes of "prototyping" new projects and different ways of working with partner agencies
 - £5k to meet identified and emerging training needs

Operational Compliance with the HRA:

- 2.5 The Housing Options Service spent 12 months preparing for the introduction of the HRA. This included:
- (a) development of a robust IT homelessness module;
 - (b) rewriting of leaflets, letters and literature to reflect and comply with the new duties under the Act;
 - (c) training both staff and other statutory and voluntary agencies;
 - (d) and ensuring our operational policies and processes complied with the law ahead of commencement;
 - (e) In addition, we have sought to work with people differently, to maximise our prospects of successfully identifying underlying factors that contribute to homelessness, and increasing people's self-reliance.

- 2.6 To date, and despite a significant increase in the number of ‘challengeable’ decisions that now exist in the new statutory framework, no legal challenges have been received from customers or their advocates. We have not received any formal requests to review our homelessness decision-making under section 202 of the Housing Act 1996 (as amended), and we have received very few complaints from customers.
- 2.7 The service is geared towards preventing and relieving homelessness, delivering sustainable solutions for people, reducing repeat homeless presentations, reducing statutory homelessness acceptances, temporary accommodation and bed and breakfast use, and tackling rough sleeping.
- 2.8 The Housing Service has, since April 2018, operated in compliance with the new statutory framework. The team have also been delivering asset-based assessments and building on this approach by engaging stakeholders so the wider system actively contributes to new ways of working.
- 2.9 Events have been held with front line workers, senior managers, the voluntary sector, mental health services, Adult and Children’s Services, Registered Providers and more.
- 2.10 In partnership with local agencies, prototype projects have been delivered/developed with the voluntary sector. We have undertaken coordinated work with the Communities Team, Police, Inclusion, Two Saints, and Adult Services, set up joint working arrangements with JCP, engaged with the MOD regarding people leaving the Armed Forces, and participated in the countywide Social Inclusion Services review.
- 2.11 Further prototyping has included part funding a link worker within Unity, which has supported 32 clients, agreeing a local ‘Housing First’ model in partnership with Aster and Two Saints, and providing support for a pre-tenancy training programme for up to 10 vulnerable single people.

Impact of the HRA & Developmental Pilot:

- 2.12 Homelessness datasets collected pre and post HRA are not the same. However, if we consider homelessness prevention and statutory homelessness activities in the round, the following conclusions are reasonable despite the differences between the 2 legal frameworks:
- Administrative burdens on staff have increased significantly, including both the requirements of the new Act and the level of increasing demands on the front line.
 - Number of households presenting as homeless or threatened with homelessness has increased by 41 since April 2018 when compared with the number received over the previous 8 months.
 - We have experienced an increase in single homelessness pressures.
 - Targeted prevention activity has resulted in 141 households being secured accommodation or enabled to remain in their current accommodation, who would otherwise have been homeless.
 - Targeted homelessness relief activities resulted in 68 households securing alternative accommodation who were homeless.

- Statutory homelessness acceptances (those owed the main housing duty) has decreased by 83%.
- Numbers in temporary accommodation has reduced by 24% since April 2018.
- 28 households have been placed in B&B this year, compared with 31 in 2017/18.

12 Month Developmental Pilot – Baseline Delivery Methods:

2.13 Delivery methods were identified to support the Council develop its approach to preventing and tackling homelessness and ensure compliance with the new Act:

1. **Using data and local intelligence to profile local cohorts most likely to become homeless or threatened with homelessness to inform a “predictive indices” and “targeted prevention approach”** - *We have ‘heat mapped’ our own Housing Register and homelessness data through GIS and identified key hot spots locally. Work is underway with Supporting Families to cross reference their local intelligence data to target outreach and with potential for further joint working and co-located service delivery. Aster are also reviewing the potential to contribute data. We will continue to encourage our partners to contribute to a coordinated approach that can target local partnership responses.*
2. **Developing a new model of service delivery based on the principles of ‘engagement’ and ‘support’** – *We have actively engaged partner agencies to support customers, and actively promoted the new delivery model. This has helped us to bring on board partners including DWP, Job Centre Club, Unity, Supporting Families and Adult Social Care (Mental Health and Substance Misuse), to develop joint support plans / personal housing plans. This ethos has supported multi-agency work in Andover town centre to tackle street activity and rough sleeping.*
3. **Moving towards an “asset based” approach to helping people, focusing on customer aspirations, capabilities, interests and strengths, and seeking to influence them accordingly** - *We have introduced asset based assessment, in appropriate circumstances, for customers approaching the service for advice and support. Housing options officers have received training on coaching and motivational interviewing skills to support the approach. The asset based approach has resulted in positive outcomes and staff are reporting that people are receiving the new approach well and sharing information with us that would not previously have come to light.*

4. **Providing all customers with “personalised housing plans”** - *All customers are now being provided with a personalised plan detailing the steps the Council will take to support them, and importantly, the steps they need to take themselves to resolve their presenting situations. This is a requirement of the new Act and the approach that has been adopted here is compliant with legal requirements.*
5. **Meeting emerging training needs of key front line staff and managers** – *The Housing Options Service has been receiving a range of training to support them to adapt and transition to a new way of thinking about people and working with them.*
6. **Engaging and influencing the wider system of public services to play a more active role in identifying and supporting people at risk of homelessness** – *We have worked with colleagues across Hampshire to develop a county-wide “Duty to Refer” protocol and delivered training to agencies operating in Test Valley. We have set up appropriate systems to facilitate referrals and since the “Duty to Refer” commenced at the beginning of October, we have received 19 referrals. These include referrals from a range of agencies specified in the Act including prisons, DWP, and hospitals. We continue to reach out to the wider system to work differently with us, and with a view to getting a shared understanding as well as a shared sense of responsibility for preventing and tackling homelessness across statutory and voluntary sector partners.*
7. **Adopting a “universal” service that aims to help as many people as possible, in the interests of preventing rough sleeping** – *Following Cabinet in March 2018, the Housing Service has adopted the principle that no-one approaching the Council for help with their housing situation should be left to sleep rough, without first having been made an offer of emergency accommodation. This means that offers of accommodation are being made to people who may not otherwise fulfil the legal test of “priority need”. Since April, we have offered emergency accommodation to 11 people who did not have any priority need where there were no other options available to prevent them from sleeping rough. Not all offers of emergency accommodation have been accepted, but we have accommodated 7 people who would otherwise have slept rough. We have also adopted a more tenacious and proactive approach to tackling rough sleeping in partnership with a range of other agencies.*

8. **Introducing change interventions that go beyond housing, with support from partners** – *This has been one of the most challenging areas of work and we continue to encourage other agencies to work with us to help us to address the underlying causes of homelessness. The Housing Service continues to act as an outward facing ambassador for system reform in the interests of more joined up responses and a shared sense of responsibility for preventing and tackling homelessness.*
9. **Developing appropriate systems and data sets to measure and evaluate** – *We have developed experimental KPIs to monitor and measure our progress, these include indicators relating to the delivery of asset-based assessments, resolving cases at the prevention duty stage and the relief duty stage, reducing statutory homelessness main duty acceptances, and reducing the number of households in temporary accommodation (see also earlier paragraph 2.12 of this report).*
10. **Developing place based solutions, engaging participants from a diverse range of sectors in collaborative working** – *Linked to our “predictive indices” work, we have been delivering regular sessions from identified community venues; at the Andover Crisis and Support Centre, Inclusion (Drug and Alcohol) Services, You Matters (young mums and single men projects respectively), Job Club (DWP) and Christians Against Poverty (CAP), Two Saints Foodbank Romsey, plus Romsey Family Support Group. We are actively liaising with relevant partners to support joint assessments/surgeries, including with Adult Services Mental Health and Substance Misuse Team, Job Centre Plus, and Hospital Discharge Teams.*
11. **Engaging service users and stakeholders in an ongoing change process, so that they feel an investment in the changes that are taking place and have a role in service redesign** - *We have worked with our stakeholders through various forums over the duration of the pilot to gauge their views and engage them in identifying opportunities to work together. We have also consulted service users to seek feedback. Members may wish to note that an initial service user group has already fed back positive experiences of the way we are working, including that staff are approachable, helpful and non-judgemental, and that they wouldn't hesitate to advise any family member, friend or colleague, to come to us if they were experiencing problems that could result in a housing issue.*

Funding:

- 2.14 In March 2018, Cabinet agreed to invest in new ways of working to increase the capacity for the Council to engage the wider system and prevent and relieve homelessness in different ways. These are referenced earlier in this report at paragraphs 2.1 and 2.4 respectively. We anticipate all allocated funding will be spent in 2018/19. Spend to date has included:
- a) Enabling 5 households in financial difficulties with their rent and who would otherwise have been homeless, to remain in their current accommodation. This avoided the Council incurring costs associated with processing statutory homelessness applications and providing temporary accommodation for those households.
 - b) Assisting 7 households with emergency bed and breakfast accommodation who were not in “priority need”.
 - c) Enabled the Housing Service to work differently and ‘prototype’ new projects with partners. This includes a Unity Link Worker delivering a range of positive outcomes, working with 32 households at risk of homelessness, including some with very complex issues, helping them to sustain accommodation and access a range of other support services. You Matters are delivering a 7 week pre-tenancy programme for up to 10 single men, preparing them for the responsibilities of being a tenant and getting them “tenancy ready”. This will help them to work towards accommodation and support the Council and its partners to convince landlords to offer accommodation to vulnerable single males.
 - d) All housing options staff have participated in an ongoing suite of training to upskill them to deliver the HRA and innovative new ways of working.
 - e) The Multi-Agency Task and Targeting (MATT) fund has so far supported 5 households. Of those 5 households, the outcomes have been very positive. Despite this, we have not received the level of participation and engagement from the wider system that we hoped to achieve. In response, we have identified a number of actions to increase uptake where it will have a positive correlation with preventing and relieving homelessness.
- 2.15 In light of the work undertaken to date, we can identify some elements of the pilot funding that have been oversubscribed and delivered a range of tangible outcomes that have contributed to overall positive performance.
- 2.16 With these experiences in mind, Housing Services will bring forward future recommendations to Cabinet on the next phase of implementation.

3 Corporate Objectives and Priorities

- 3.1 The Council considers preventing and relieving homelessness to be a key priority.
- 3.2 This is reflected in the Corporate Plan priority of “*Live, where the supply of homes reflects local needs*”.

3.3 Preventing and tackling homelessness is also a key priority in the Council's Housing Strategy, plus within the Council's targeted Preventing Homelessness Strategy.

3.4 Delivering affordable housing, tackling homelessness and rough sleeping are also national priorities.

4 Consultations/Communications

4.1 A range of consultation was undertaken in the lead up to April 2018. This included work with stakeholders and staff.

4.2 More recently we have worked with service users to gauge their views and in the interests of co-designing any ongoing changes to the way we deliver the front line housing service.

4.3 Part of the Council's approach to preventing and relieving homelessness has been to increase awareness. The Council has therefore put out press releases over the course of the year to raise awareness and encourage anyone who may be worried about their housing situation to contact the Council for advice and assistance.

5 Options

5.1 The evaluation has demonstrated legal compliance.

5.2 It has also demonstrated that new approaches have been successful, improving the way we work with people. This includes making inroads towards working with partner agencies proactively, with an interest in enabling greater self-reliance among those people who present to the Council for help with their housing situations.

6 Option Appraisal

6.1 Options for the ongoing implementation of the Act will be considered by Cabinet in March 2019. The pilot is ongoing and hence emerging learning will be taken into account to influence recommendations.

7 Resource Implications

7.1 It is anticipated that any future recommendation(s) to Cabinet will be deliverable within scope of funding currently available to the Council.

8 Legal Implications

8.1 The Council has a range of legal duties associated with homelessness and will ensure it continues to meet all relevant obligations set out in law and with due regard to statutory guidance and case law.

8.2 The approach to date has delivered compliance with the statutory framework and the Council is committed to ongoing legal compliance as its minimum response to homelessness.

9 Equality Issues

- 9.1 This report is for information purposes only, and so the Council's EQIA process does not apply.

10 Conclusion

- 10.1 The Council has invested in the delivery of HRA compliance and followed through on a commitment to go beyond what is required by law.
- 10.2 Since April 2018, whilst demand for housing services has increased, a range of positive outcomes resulting from the developmental approach can be demonstrated.
- 10.3 This report outlines the work undertaken by Housing Services in the context of homelessness, and associated performance.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u> It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	None		
Author:	Phil Turner	Ext:	8544
File Ref:			
Report to:	Overview and Scrutiny Committee	Date:	21 January 2019

ITEM 10

2019/20 Budget Update

Report of the Head of Finance (Portfolio: Finance)

Recommended:

1. That the savings options, income generation proposals and budget pressures, shown in Annexes 1 - 3, be endorsed.
2. That the budget position for 2019/20 and Medium Term Financial Forecast, shown in Annex 4, be noted.
3. That the feedback from businesses on the budget consultation, shown in Annex 5, be noted.

SUMMARY:

- This report updates the Overview and Scrutiny Committee (OSCOM) on changes to the 2019/20 budget forecast since the budget strategy was presented in November. This includes; the provisional Local Government Finance Settlement, the Local Council Tax Support Scheme, New Homes' Bonus provisional allocations and changes to revenues savings and pressures.
- It also provides an updated Medium Term Financial Forecast covering 2020/21 and 2021/22.
- In order to achieve a balanced budget, it will be necessary to close the remaining gap of £21,000 before figures are finalised in February 2019.

1 Introduction

- 1.1 The initial budget strategy and forecast for 2019/20 were presented to Cabinet on 10th October 2018, the OSCOM Budget Panel on 18th October 2018 and to OSCOM on 14th November 2018.
- 1.2 Since that time, work has been carried out to revise the current year estimates, prepare original estimates for 2019/20 and update the Medium Term Financial Forecast.
- 1.3 The purpose of this report is to;
 - Provide the latest available information on the provisional Local Government Finance Settlement and how it affects Test Valley.
 - Provide an update on the latest savings options, income generation proposals and revenue pressures.

- Update the Medium Term Financial Forecast after considering the above.
- Outline the remaining stages of the budget process.

1.4 Assuming no changes to the figures presented in this report, the Council has to close a gap of £21,000 in order to achieve a balanced budget for 2019/20.

2 2018/19 Revised Forecasts

2.1 Work is progressing well in preparing the revised forecasts for 2018/19 but detailed figures are not ready at this stage. However, some of the more significant factors that are being considered in the preparation of the forecasts are explained below.

2.2 The original budget for 2018/19 assumed there would be no change in the level of general reserves. This remains the same and general reserves are expected to remain at £2M at the end of the year.

2.3 Cabinet received a mid-year budget report on 7th November that highlighted significant budget variances in the first half of the financial year. The report highlighted additional income and savings of £553,000 in Services and £67,000 additional investment income to the end of September.

2.4 It is anticipated that any further variances that are identified in setting the revised forecasts for 2018/19 will be shown as a transfer to earmarked reserves. The decision on how to allocate this will be taken at the end of the year once the outturn position is known.

3 2019/20 Budget Forecast

3.1 Savings Options, Income Generation Proposals and Budget Pressures

This report identifies a number of new increased income streams and additional pressures. These have been identified by Heads of Service, budget holders and Service Accountants as the estimates for next year have been progressed.

Annex 1 shows all the savings options that have been proposed. These have not changed from the items totalling £124,400 considered by the OSCOM Budget Panel in October.

Annex 2 follows the same format as Annex 1 and shows all income generation proposals as at October and also includes some new items of additional income. The net additional income proposals identified in this report total £291,400.

Annex 3 details the budget pressures identified in October along with some new items. Net additional pressures of £370,100 have been included.

3.2 Budget Forecast 2019/20

As with the revised forecast figures for 2018/19, the original estimate figures for 2019/20 are also currently being worked on and there may be further changes.

When the budget forecast was presented in October 2018 there was a budget gap of £50,000. The current budget estimates include some major variances with the gap reducing slightly to £21,000. A reconciliation of the movement in this gap is shown in the table below.

	£'000
Budget gap per October report	50
Additional Council Tax income from increase in tax base	(125)
Increase in business rates baseline funding – Paragraph 3.3	(2)
Levy surplus allocation – Paragraph 3.3	(36)
Additional income generation proposals – Annex 2	(291)
Additional pressures – Annex 3	370
Increase to central contingency	81
Saving on inflation estimate	(26)
Current Budget gap	21

There are a number of factors that will impact on the completion of the estimates for 2019/20 that still retain a degree of uncertainty. These are discussed in the following paragraphs.

3.3 Local Government Finance Settlement

The provisional Local Government Finance Settlement (announced on 13th December 2018) has provided the headline grant figures that the Council can expect to receive in core funding (Settlement Funding Assessment (SFA)) in 2019/20.

The reduction is much less severe than in previous years with SFA falling by just 0.15% (£3,500) in 2019/20.

The Medium Term Financial Strategy presented to Cabinet on 10th October made assumptions about the Finance Settlement. These assumptions were reasonably accurate, with a small increase of £1,700 in the baseline funding for retained business rates.

The Government also announced a £180M surplus on the Business Rates Levy Account in 2018/19. This is the Government account that collects all the levy payments from authorities and from which any safety net payments are made to those authorities who are below their safety net threshold. All authorities will receive some funding from this surplus, with this Council receiving an unexpected £35,900.

3.4 Council Tax Increase – Referendum Threshold

When the Budget Strategy was presented in October, it was assumed that the Band D level of Council Tax would be frozen at £141.41 for 2019/20. The Government has now released its Referendum Principles Report for 2019/20 confirming that a £5 increase would be allowable and would not trigger a referendum.

When the Cabinet next meets on the 13th February, the final Local Government Finance Settlement figures will have been announced. Members will then have the opportunity to consider options for Council Tax levels to recommend to Full Council on the 25th February.

It should also be noted that Hampshire County Council and the Hampshire Fire And Rescue Authority will have the ability to increase their share of Council Tax by up to 3% (£36.02 and £1.97 respectively at Band D) and the Hampshire Police and Crime Commissioner by up to £24 (13.52%) without triggering a referendum.

As in previous years, no Council Tax referendum principles have been applied to parish and town councils.

3.5 Local Council Tax Support Scheme

2018/19 is the sixth year that the Local Council Tax Support Scheme has been in operation. During 2018, the Council consulted on a number of changes to the scheme. The consultation ran from 17th September 2018 for 12 weeks. After reviewing the results, the Overview and Scrutiny Committee made the following recommendations to change the Scheme for 2019/20:

- a) That a cap of 90% be applied,
- b) That the minimum amount of Council Tax Support payable be increased from £0.50 to £1.00 per week, and
- c) That a minimum tolerance level for changes in income of £30.00 per week be set.

All of these proposed changes were endorsed at the Cabinet meeting of 5th December 2018

A detailed report including a financial analysis of the proposed changes is being prepared for consideration at the Council meeting on 23rd January 2019, to approve a final scheme for 2019/20.

Following this decision, the budget forecast will be amended if necessary to reflect any agreed changes to the Local Council Tax Support Scheme.

3.6 Localisation of Non-Domestic Rates (NDR)

2013 year saw the introduction of the Business Rate Retention Scheme. This was a significant change for local government that aimed to provide some incentive for local authorities that can achieve business growth, but also carried with it significantly more risk than the previous “pooling” arrangements.

Each year’s local government finance settlement builds upon the business rate retention starting position that was established in the 2013-14 local government finance settlement.

The table below shows this starting position compared with the provisional finance settlement figures for 2019/20:

	£	Comments
Area Business Rates	44,475,312	Average collectable over last 2 years
Less: Govt. share	<u>(22,237,656)</u>	Represents 50% of amount collectable
Local Business Rates Baseline	22,237,656	Represents 50% of amount collectable
TVBC BR Baseline	17,790,125	Represents 80% of above figure
Less: Tariff paid to Govt.	<u>(15,709,857)</u>	
TVBC Baseline Funding 2013/14	2,080,268	Retained share of Business Rates
TVBC Baseline Funding 2014/15	2,120,774	Retained share of Business Rates
TVBC Baseline Funding 2015/16	2,161,298	Retained share of Business Rates
TVBC Baseline Funding 2016/17	2,179,309	Retained share of Business Rates
TVBC Baseline Funding 2017/18	2,223,802	Retained share of Business Rates
TVBC Baseline Funding 2018/19	2,290,611	Retained share of Business Rates
TVBC Baseline Funding 2019/20	2,343,104	Provisional share of Business Rates

Work is still being carried out to estimate levels of income, appeals in the pipeline, likely future appeals, discounts and reliefs, etc. By the end of January 2019, it is hoped that the Council will have a better understanding of the likely financial position compared with the baseline funding announced by the Government shown above.

3.7 Revenue Support Grant

Revenue Support Grant (RSG) is a central government grant given to local authorities which can be used to finance revenue expenditure on any service. The amount of Revenue Support Grant to be provided to authorities is established through the local government finance settlement.

The provisional local government finance settlement shows a continuing and expected reduction in the amounts of grant support given to local authorities with the Government following through on their stated intention is to phase out RSG entirely by 2019/20. For this Council, the actual and provisional figures are as follows:

2013/14	£3.127m
2014/15	£2.445m = 21.8% reduction year on year
2015/16	£1.696m = 30.6% reduction year on year
2016/17	£1.012m = 40.3% reduction year on year
2017/18	£0.417m = 58.8% reduction year on year
2018/19	£0.056m = 86.6% reduction year on year
2019/20	£NIL = 100% provisional reduction

As expected and detailed in the Budget Strategy in October 2018, the Government have cancelled negative RSG with the cost funded by the Government.

3.8 Inflation

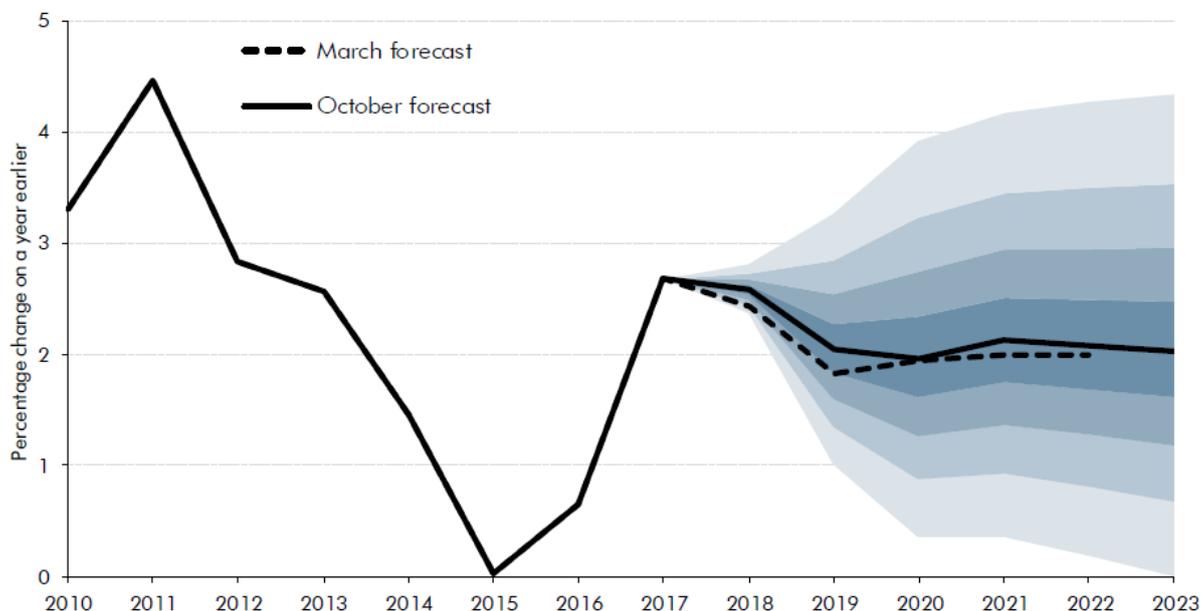
The budget forecast assumes a general zero inflation allowance for all expenditure budgets except for contractual obligations and a possible staff pay award.

These figures are estimates of what may occur during the next financial year and may increase or decrease before the budget is set, but currently a saving of £26,000 is estimated.

At its meeting on 19th December 2018, the Bank of England's Monetary Policy Committee (MPC) voted unanimously to maintain the Bank Rate at 0.75%. It takes the view that the near-term outlook for global growth has softened and downside risks to growth have increased. Global financial conditions have tightened noticeably, particularly in corporate credit markets. Oil prices have fallen significantly, however, which should provide some support to demand in advanced economies. The decline in oil prices also means that UK CPI inflation is likely to fall below 2% in coming months.

The Office for Budget Responsibility broadly supports this view and does not expect inflation to rise further. It expects the rate to decline gradually through 2019 before settling close to the 2% target around the middle of 2020.

CPI Inflation fan chart



Source: ONS OBR October 2018

The broader economic outlook will continue to depend significantly on the nature of EU withdrawal, in particular: the form of new trading arrangements between the European Union and the United Kingdom; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond. The appropriate path of monetary policy will depend on the balance of the effects on demand, supply and the exchange rate. The monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction. However, it is certain that the MPC will always act to achieve the 2% inflation target.

3.9 Investment Income

The income that the Council earns from its investment portfolio is dependent on three key factors; the prevailing base interest rate, the level above or below the base rate that the Council can invest at and the size of the investment portfolio.

The Council regularly receives interest rate forecasts from two external sources. An interest rate rise of 0.25% to 1% from the current base rate of 0.75% is currently forecast for the third quarter of 2019.

Investments of up to three months currently attract typical interest rates slightly higher than base rate at 0.9%. A one-year investment attracts an average return of around 1.15%.

The perceived risk in the banking sector has eased over the past five years and there are now more creditworthy counterparties with which investments for periods of up to one year can be placed. The over-riding priority continues to be the security of investments rather than the return on them.

The investment portfolio is estimated to be between £48M and £58M throughout the year. This comprises the Council's normal cash flow balances and both Capital and Revenue Reserves earmarked for specific purposes.

3.10 New Homes' Bonus

When the Budget Strategy was presented in October, the forecast income from the New Homes' Bonus (NHB) in 2019/20 was £3.723M. The provisional figures for 2019/20 have now been announced and the Council can expect to receive £3.788M – some £65,000 more than forecast.

This grant will be transferred into the New Homes' Bonus reserve where it will be used in accordance with the Budget Strategy.

As assumed in the Budget Strategy, the New Homes' Bonus national baseline has not increased from 0.4% with the methodology for calculating New Homes' Bonus payments remaining unchanged for 2019/20. However, the future of the scheme beyond next year still looks very uncertain.

3.11 Changes in local government funding in 2020/21

Two announcements were made alongside the provisional settlement that will affect the funding review that will be implemented in 2020/21:

- (a) A further consultation on the [Fair Funding Review \(FFR\)](#) - In itself the consultation does not give much away about how the final results of the FFR will impact on the Council. It does, however, give an insight into how thinking is developing within the MHCLG.
The Government is seeking to design a new relative needs assessment methodology that will deliver: simplicity, transparency, sustainability, robustness and stability and will be based on the most up-to-date data available.
- (b) A consultation on [Business Rates Retention Scheme reform \(BRRS\)](#) – This again lacks detail, but does give some indications of how a future system might be designed, and some of these are more radical than expected. For example, Ministers seem minded to have a full baseline reset in 2020-21: this will have significant financial consequences for high-growth authorities such as this council. A new system is also likely to reward growth more generously (75% retention, with a very limited levy). But the distribution of those rewards could change in two tier areas, with counties possibly getting a larger share than is currently the case.

It is important to recognise that the outcome of the FFR will be a “package”. It needs to be politically acceptable and capable of securing a parliamentary majority in late January or early February 2020. Furthermore, the outcome cannot be one that threatens the financial viability of individual authorities or classes of authority. In the end ministers will have to make decisions on how all the elements come together, including the FFR, reform of business rates and the Spending Review. One piece of very good news contained in the consultation papers is the confirmation that the Government’s intention appears to be that transitional arrangement or “damping” should be in place and encompass **all** the changes in funding in 2020-21, including the business rate baseline reset. This should provide some protection for the council in managing these radical changes to important funding streams.

3.12 Department for Work and Pensions (DWP) Grants

The budget forecast assumed that the Council would receive £275,300 in respect of Local Council Tax Support Admin Subsidy Grant and Housing Benefit Admin Subsidy Grant for next year. Letters were received from the DWP on 18th and 21st December, 2018, informing the Council that the actual allocation will be £316,467 for 2019/20, some £41,167 better than expected.

3.13 Other risks affecting the budget process

There are a number of other factors that will affect the budget process to a lesser extent. These include items such as: fee and other income streams that are largely outside the control of the Council, and staff vacancy rates.

In light of the variances identified in 2018/19 to date, Heads of Service have continued to be more optimistic in their approach to setting budgets for fee income. In the event that the actual income does not reach budgeted levels it will be possible to draw from the Income Equalisation Reserve at the end of the year to ensure that there is no negative impact on the General Fund balance.

4 Medium Term Financial Forecast

- 4.1 The Medium Term Financial Forecast has been updated to reflect the above changes and the latest version is shown in Annex 4. The position in respect of 2019/20 is addressed in section 3 above.
- 4.2 The figures for 2020/21 and 2021/22 assume that all savings to close the budget gap for 2019/20 are sustainable and will continue in the medium term.
- 4.3 In order to maintain a balanced budget, current forecasts indicate a small surplus of £44,900 in 2020/21. This amount reduces by £748,800 to £703,900 to close the forecast budget gap for 2021/22.

5 External Consultation on the Budget

Consultation with local business

- 5.1 On 19th November, 2018, the Economic Development Officer sent copies of the Council's Medium Term Financial Strategy and budget forecast to the Hampshire Chamber of Commerce: Andover, Stockbridge & Romsey committees, Andover Women in Business, Andover Mutual Business Group, Andover and Romsey Town Centre Managers and to the Federation of Small Businesses (FSB) inviting their (and their members) responses by the 4th January, 2019. The comments received are generally positive, especially in relation to the help and support the Council gives to businesses and the freezing of car parking charges. All comments received are detailed in Annex 5.

6 The Next Steps in the Budget Process

- 6.1 Any OSCOM recommendations from this meeting will be considered by Cabinet on 13th February when the final budget report will be presented.
- 6.2 The final budget report will be presented to Cabinet on 13^h February 2019 for recommendation to Council on 25th February.

7 Risk Management

- 7.1 A risk assessment has been completed in accordance with the Council's Risk management process and has identified some significant (red and amber risks). These are detailed in the Medium Term Financial Strategy report presented to Cabinet on 10th October 2018.

8 Resource Implications

- 8.1 The resource implications of the 2019/20 budget process and the Medium Term Financial Forecast have been discussed throughout the report.

9 Equality Issues

- 9.1 This report is for information purposes, so the Council's EQIA process does not need to be applied.

10 Conclusion and reasons for recommendation

- 10.1 This report provides an update on the budget strategy that was approved in October. It takes into account the latest developments that will affect the budget process and forecasts a budget gap of £21,000 for 2019/20.
- 10.2 The final budget report will be presented to Cabinet on 13th February 2019.

Background Papers (Local Government Act 1972 Section 100D)

1. "Provisional local government finance settlement: England 2019 to 2020" - MHCLG Consultation December 2018
2. "Fair Funding Review: A review of local authorities' relative needs and resources" - MHCLG December 2018
3. "Business Rates Retention Reform: Sharing risk and reward, managing volatility and setting up the reformed system" – MHCLG December 2018

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	5	File Ref:	
Author:	William Fullbrook	Ext:	8201
Report to:	Overview and Scrutiny Committee	Date:	21 January 2019

SUMMARY OF CORPORATE CHALLENGE SAVINGS OPTIONS

Service / Ref	Service	Function	Savings Option Proposed	2019/20 £	2020/21 £	2021/22 £
Efficiency Savings:						
HEH01	Housing & Environmental Health	Supplies and Services	Reduce equipment and vet's fees budgets	2,000	2,000	2,000
HEH02	Housing & Environmental Health	Supplies and Services	Delete building maintenance budget and charge to the Asset Management Plan if needed	4,000	4,000	4,000
CL01	Community & Leisure	Employee costs	Delete vacant salary budget following minor restructure	25,200	25,200	25,200
IT01	IT	Supplies and Services	Savings in corporate software costs	8,700	8,700	8,700
IT02	IT	Supplies and Services	Budget for consultancy fees relating to Graphical Information System (GIS) aerial mapping no longer required	6,500	6,500	6,500
REV01	Revenues - Local Taxation	Employee costs	Delete two vacant posts	39,300	39,300	39,300
REV02	Revenues - Customer Services	Employee costs	Reduce hours for vacant post	4,250	4,250	4,250
ENV01	Environmental	Street Scene	Reduce budget for hiring of standpipes following review	5,000	5,000	5,000
				94,950	94,950	94,950
Budget Realignment Savings:						
FIN01	Finance	Transfer Payments	Reduce added years pension budget to align with actual cost due to natural attrition	21,000	21,000	21,000
HEH03	Housing & Environmental Health	Transport	Align officers' travelling and car allowance budgets to actual costs	4,480	4,480	4,480
HEH04	Housing & Environmental Health	Licences	Increase Animal Welfare Licence fee budget to match income received	2,000	2,000	2,000
IT03	IT	Storage Area Networks (SANS) and Servers	Budget reduced due to historic overprovision	2,000	2,000	2,000

SUMMARY OF CORPORATE CHALLENGE SAVINGS OPTIONS

Service / Ref	Service	Function	Savings Option Proposed	2019/20 £	2020/21 £	2021/22 £
				29,480	29,480	29,480
Total Saving Options in October Budget Strategy				124,430	124,430	124,430
Total Saving Options in this Update				0	0	0
Total Saving Options				124,430	124,430	124,430

SUMMARY OF CORPORATE CHALLENGE INCOME GENERATION PROPOSALS

Service / Ref	Service	Function	Savings Option Proposed	2019/20 £	2020/21 £	2021/22 £
PB01	Planning and Building	CIL	Additional income from Community Infrastructure Levy (CIL) admin fee	25,000	30,000	35,000
PB02	Planning and Building	Building Control	Increase budget for building control deposits	35,000	35,000	35,000
ENV02	Environmental	Street Scene	Increase expected level of income from collection of abandoned shopping trolleys	7,000	7,000	7,000
ENV03	Environmental	Vehicle Workshop	Increase charge for private MOT testing (first increase in six years)	2,500	2,500	2,500
ENV04	Environmental	Garden Waste	Increase subscription charge by £1.75	22,500	22,500	22,500
ENV05	Environmental	Waste Collection	Increase charge for black bin by £4	5,000	5,000	5,000
CORP01	Project Enterprise	Income	Additional unbudgeted income from property investments	22,000	22,000	22,000
CORP02	Project Enterprise	Income	Anticipated net income from property investments during the year	100,000	100,000	100,000
Total Income Generation Proposals in October Budget Strategy				219,000	224,000	229,000
Income Generation Proposals in this Update:						
ENV07	Environmental	Income	Additional income from increased numbers of Green Waste subscribers and sale of bins	52,500	52,500	52,500
CORP04*	Project Enterprise	Income	Additional income from acquisitions in 2018/19 and end of rent deferral period	67,500	67,500	67,500
CORP05*	Estates & Economic Development	Income	Additional Income from other corporate properties partly offset by reversal of draw from Income Equalisation Reserve	216,900	190,900	171,400
HEH06 *	Housing & Environmental Health	Income	Ringfenced Homelessness Grant	233,400	0	0
				570,300	310,900	291,400

SUMMARY OF CORPORATE CHALLENGE INCOME GENERATION PROPOSALS

Service / Ref	Service	Function	Savings Option Proposed	2019/20 £	2020/21 £	2021/22 £
Movement on reserves:						
CORP05*	Estates & Econ Development	Income	Reverse draw from Income Equalisation Reserve	(45,500)	(19,500)	0
HEH06 *	Housing & Environmental Health	Income	Ringfenced Homelessness Grant	(233,400)	0	0
				(278,900)	(19,500)	0
Total Income Generation Proposals in this Update				291,400	291,400	291,400
Total Income Generation Proposals				510,400	515,400	520,400

SUMMARY OF REVENUE PRESSURES

Service / Ref	Service	Item	2019/20 £	2020/21 £	2021/22 £
<i>Pressures previously identified in February 18 Budget Strategy:</i>					
FIN02	ALL	Increase in Employers' pension contributions resulting from 2016 Pension Fund actuarial revaluation	126,000	126,000	126,000
REV03	Revenues	Reduction in Housing Benefits Administration grant	40,100	40,100	40,100
REV04	Revenues	Reduction in Council Tax Support Administration grant	27,900	27,900	27,900
ENV06	Environmental	Incremental cost of additional waste collection coverage re. new properties	20,000	40,000	60,000
ALL	ALL	Additional transfer to Asset Management Reserve to cover expected peak in work programme in 2018-2020.	900,000	0	0
			1,114,000	234,000	254,000
<i>Draw from reserves to offset pressures:</i>					
FIN02a	ALL	Draw from Pension Equalisation Reserve	(100,000)	0	0
			(100,000)	0	0

N.B. All of the above costs have already been included in the budget forecasts as the budget was approved in February 2018.

SUMMARY OF REVENUE PRESSURES

Service / Ref	Service	Item	2019/20 £	2020/21 £	2021/22 £
<i>Pressures identified in Budget Strategy:</i>					
CEX01	Chief Executives	New Communications Officer	39,200	39,200	39,200
CORP03	Corporate	Payment of Andover BID Levy on Council-owned properties	22,000	22,000	22,000
IT04	IT	Additional cost of corporate Microsoft Enterprise Licence renewal	25,000	25,000	25,000
ENV08	Environmental	Additional summer Garden Waste Collection round	36,000	36,000	36,000
EST01	Estates & Econ Development	Additional cost of proposed changes to Pay and Display Parking payment methods	62,000	62,000	62,000
PB03	Planning and Building	Permanent establishment of two part-time scanning posts	39,000	39,000	39,000
LD01	Legal and Democratic	Permanent establishment of additional solicitor post	62,750	62,750	62,750
			285,950	285,950	285,950
Total of New Pressures identified in October Budget Strategy			285,950	285,950	285,950
FIN02b	ALL	Adjustment to increase in Employers' pension contributions resulting from 2016 Pension Fund actuarial revaluation	14,000	14,000	14,000
CORP03a	Corporate	Correction to payment of Andover BID Levy on Council-owned properties	(5,100)	(5,100)	(5,100)

SUMMARY OF REVENUE PRESSURES

Service / Ref	Service	Item	2019/20 £	2020/21 £	2021/22 £
CEX02	Chief Executives	Temporary Digital Transformation Manager post made permanent and retitled to Business Transformation Manager	56,700	56,700	56,700
EST02 *	Estates & Economic Development	Two new temporary posts for 22 months as approved by Council 21/11/18 financed from the Capacity Building Reserve	74,290	64,670	0
EST03	Estates & Economic Development	Two new permanent posts as approved by Council 21/11/18 financed from Project Enterprise income	89,870	89,870	89,870
EST04	Estates & Economic Development	One-off additional costs relating to essential works required following building compliance review	93,000	0	0
HEH05 *	Housing & Environmental Health	Continuation of temporary staff financed from the homelessness Reserve	61,700	0	0
LD01	Legal and Democratic	Net cost of borough elections over amount set aside in reserves	47,800	12,000	12,000
PP01 *	Planning Policy	Project Consultancy costs financed from the LDF Reserve	65,000	0	0
REV03a	Revenues	Higher than anticipated Housing Benefits Administration grant	(17,600)	(17,600)	(17,600)
REV04a	Revenues	Higher than anticipated Council Tax Support Administration grant	(23,550)	(23,550)	(23,550)
REV05	Revenues	Reduction in court fee income net of reduction in summons costs	35,000	35,000	35,000
ALL	ALL	Pension auto-enrolment costs	80,000	80,000	80,000
			571,110	305,990	241,320

SUMMARY OF REVENUE PRESSURES

Service / Ref	Service	Item	2019/20 £	2020/21 £	2021/22 £
Draw from reserves to offset pressures:					
EST02*	Estates & Economic Development	Draw from Capacity Building Reserve re two temporary posts	(74,290)	(64,670)	0
HEH05*	Housing & Environmental Health	Draw from Homelessness Grant Reserve	(61,700)	0	0
PP01 *	Planning Policy	Draw from LDF reserve to finance consultancy costs	(65,000)	0	0
			(200,990)	(64,670)	0
Total of New Pressures identified in this Update			370,120	241,320	241,320
Total of New Pressures			656,070	527,270	527,270

MEDIUM TERM FINANCIAL PLAN

	Original Estimate 2019/20 £'000	Base Changes £'000	Budget Forecast 2020/21 £'000	Base Changes £'000	Budget Forecast 2021/22 £'000
<u>Service Requirements</u>					
Chief Executive's Office	484.4	(12.8)	471.6		471.6
Community & Leisure	1,955.8	(344.2)	1,611.6	379.8	1,991.4
Environmental Service	5,012.7	(7.1)	5,005.6	20.0	5,025.6
Estates & Economic Development	(5,753.3)	(142.4)	(5,895.7)		(5,895.7)
Finance	149.3		149.3		149.3
Housing & Environmental Health	2,851.9		2,851.9		2,851.9
I.T.	(5.0)		(5.0)		(5.0)
Legal & Democratic	450.7	(140.0)	310.7		310.7
Planning & Building	1,743.1		1,743.1		1,743.1
Revenues	1,377.2		1,377.2		1,377.2
Inflation	384.1	600.0	984.1	600.0	1,584.1
	8,650.9	(46.5)	8,604.4	999.8	9,604.2
<u>Other Requirements</u>					
Net Cost of Benefit Payments	(200.0)		(200.0)		(200.0)
Corporate & Democratic Core	4,270.9		4,270.9		4,270.9
Net Cost of Services	12,721.8	(46.5)	12,675.3	999.8	13,675.1
<u>Corporate Requirements</u>					
Contingency Provision	527.9		527.9		527.9
Depreciation Reversal & Capital Charges	(4,847.2)		(4,847.2)		(4,847.2)
Investment Income	(515.6)		(515.6)		(515.6)
Borrowing Costs	153.0	(4.6)	148.4	(4.8)	143.6
Minimum Revenue Provision	134.3	3.6	137.9	3.6	141.5
Small Business Rate Relief	(1,201.8)		(1,201.8)		(1,201.8)
Other Government Grants	(264.6)	7.1	(257.5)		(257.5)
New Homes' Bonus	(3,788.1)	400.7	(3,387.4)	172.0	(3,215.4)
Provision for NDR Levy	1,590.8	(1,590.8)	0.0		0.0
Levy surplus allocation	(35.9)	35.9	0.0		0.0
100% retention of NDR from Renewable Energy	(461.0)		(461.0)		(461.0)
Net General Fund Expenditure	4,013.6	(1,194.6)	2,819.0	1,170.6	3,989.6
Transfer to Earmarked Reserves	3,278.0	8.0	3,286.0	(172.0)	3,114.0
Transfer to Asset Management Reserves	2,117.1	(900.0)	1,217.1		1,217.1
Transfer to Capital Reserves	2,804.3	(198.4)	2,605.9		2,605.9
Total General Fund Expenditure	12,213.0	(2,285.0)	9,928.0	998.6	10,926.6
Revenue Pressures	656.1	(128.9)	527.2	0.0	527.2
Savings Options	(124.4)	0.0	(124.4)	0.0	(124.4)
Income Generation Proposals	(510.4)	(5.0)	(515.4)	(5.0)	(520.4)
Revised Net Budget	12,234.3	(2,418.9)	9,815.4	993.6	10,809.0
FURTHER SAVINGS TO BE IDENTIFIED	(20.8)	65.7	44.9	(748.8)	(703.9)
General Fund Requirements	12,213.5	(2,353.2)	9,860.3	244.8	10,105.1

Annex 5

Business Consultation on the Council's Budget 2019/20

1. Do you think that the Council's approach to managing its finances over the medium term is acceptable?

"Yes." No other comments have been received on the Council's overall approach to managing its finances.

2. Do you have any comments on the savings/income options as set out in the appendices of the report? (Please note that Councillors have already made the decision to freeze car parking charges for next year)

"We are pleased to see the freeze on parking charges. No other comments to make other than to note that the other items listed in appendices will have only a small impact on business".

3. Do you think that the Council could do more to help the business community, and if so, what should it be doing?

"As has been recognised prolifically over many years by the FSB Local Authority Awards, Test Valley Council has an exemplary approach to economic development, which is due to the strong focus and dedication of the officer responsible and support from the authority's leadership".

"As an organisation representing member businesses in Test Valley area, we ask that Economic Development remains as one of the authority's top priorities moving forward, particularly in light of the uncertainty and economic threats that we face as the UK moves towards Brexit. We ask that the current level of focus on economic growth is sustained and we retain existing levels and ease of access to support, for retail and business start-ups going forward".

"Businesses have been and will continue to face growing pressures (including very sluggish domestic growth, uncertain international trade, Brexit and static disposable income growth) so anything councils can do to recognise this and support businesses of all kinds and sectors is very welcome".

"We have for several years lobbied Government on how the business rates burden discriminates against town centre businesses and therefore support the priority TVBC is giving to its town centres, including on car parking charges and help to new retailers".

"In the rural area, we strongly support interventions to encourage greater access to high bandwidth broadband for both residential and business users."

ITEM 11

**Programme of Work for the
Overview & Scrutiny Committee**

Report of Head of Legal and Democratic Services

Recommended:

The Committee is requested to:

- 1. Review the outcomes on the work programme and recommendations update.**
- 2. Approve the future work programme.**

SUMMARY:

- The purpose of this report is to enable members to keep the Committee's future work programme and recommendations update under review.

1. Background

- 1.1 The OSCOM Work Programme is presented at Annex 1 for review and approval.
- 1.2 The OSCOM Task and Finish Panels update is presented at Annex 2 for the Committee's review and comments.
- 1.3 The Cabinet Work Programme is attached at Annex 3 for the Committee to consider.
- 1.4 Annex 4 tracks the recommendations to Cabinet and Council.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	4		
Author:	Caroline Lovelock	Ext:	8014
File Ref:			
Report to:	Overview and Scrutiny Committee	Date:	21 January 2019

ANNEX 1

OVERVIEW & SCRUTINY WORK PROGRAMME 2018/19

	*Scrutiny Indicator	Requested by	Purpose of Report (Responsible Officer/ Member)
21 JANUARY (ROMSEY)			
Round table discussion on Armed Forces Covenant	3	Committee	To consider how the Council operates with a particular focus on housing.. (Head of Housing and Environmental Services) (20 mins)
Homelessness Reduction Act	3	Committee	To consider an update on the implementation of the Act (Head of Housing and Environmental Services) (20 mins)
Budget Strategy Update	1	Committee	To check the results of the Budget Panel chaired by the Vice Chairman and make sure all is satisfactory (Vice-Chairman) (20 mins)
20 FEBRUARY (ANDOVER)			
Emerging Corporate Plan	4	Committee	To consider and make comment on the emerging Corporate Plan (Policy Manager) (30 minutes)
20 MARCH (ROMSEY)			
LGA Peer Review	2	Committee	To consider whether issues arising from the LGA Peer Review final report require consideration. (Policy Manager) (20 mins)
Drug Intervention Services in Test Valley	3	Committee	To consider the outcomes of the Community Safety Management Group deliberations (Community Safety Manager) (20 mins)
24 APRIL (ANDOVER)			
Draft OSCOM Chairman's Annual Briefing	2	Committee	To consider the Chairman's draft Annual Briefing prior to being submitted to Council (Cllr Jeffrey) (15 mins)
22 MAY (ANDOVER)			
Final OSCOM Chairman's Annual Briefing	2	Committee	To consider the Chairman's final Annual Briefing prior to being submitted to Council (Cllr Jeffrey) (15 mins)

* Scrutiny Indicator Key:

1 : Holding to Account	2 : Performance Management	3 : Policy Review	4 : Policy Development	5 : External Scrutiny
------------------------	----------------------------	-------------------	------------------------	-----------------------

BRIEFING NOTES

2018		
March	Affordable Housing Update (Head of Housing and Environmental Health)	19 March 2018
May	Safeguarding Children & Vulnerable Adults (Community Engagement Manager)	22 May 2018
June	Test Valley Partnership Annual Review (Policy Manager) Risk Management (Principal Auditor)	31 July 2018
December		
2019		
March	Affordable Housing Update (Head of Housing and Environmental Health)	
Date to be agreed		
	Hampshire County Waste Strategy	
	Review of Community Toilet Scheme	

* Scrutiny Indicator Key:

1 : Holding to Account	2 : Performance Management	3 : Policy Review	4 : Policy Development	5 : External Scrutiny
------------------------	----------------------------	-------------------	------------------------	-----------------------

Panel	Lead Member	Progress Update	Report back to OSCOM
Completed Panels			
Community Safety Panel	Councillor Baverstock	Phase 1 complete Phase 2 final report in July	3 August 2016
Review of Call In Process	Councillor C Dowden	Recommendations to Cabinet on 19 April 2017 and Council agreed recommendations on 6 September 2017.	
Communications and Procurement Panel	Councillor J Cockaday	Considered on 25 October 2017 recommendations to Cabinet agreed on 18 November 2017	
Public Involvement Panel	Councillor Baverstock	Scoping document agreed by OSCOM on 20 September 2017 Report back Recommendation to Cabinet Findings of the Panel referred to the Member and Community Development working group to develop proposals further and to report back to OSCOM with proposed actions for onward submission to Cabinet	21 March 2018 18 April 2018
Planning Panel	Councillor Hibberd	Scoping template agreed Report back Panel's final report to OSCOM Recommendations considered by Cabinet	22 November 2017 25 July 2018 19 September 2018 10 October 2018

Ongoing Panels			
Council Tax Support Scheme	Councillor Baverstock	<p>Meeting to be arranged early January to review the options for the Council Tax Support Scheme 2019/2020</p> <p>Report back</p> <p>Recommendation to Cabinet on options 5, 6 and 7</p> <p>Cabinet agreed to undertake consultations on options 5, 6 and 7 with a slight amendment to option 5</p> <p>Panel to reconvene to consider the results of the consultation.</p> <p>Consultation now complete final report considered by OSCOM prior to consideration by Cabinet.</p> <p>Cabinet agreed at its meeting on 5 December 2018 to endorse the Panel's recommendations and a full report will be considered at Council on 23 January 2019</p>	<p>21 March 2018</p> <p>18 April 2018</p> <p>14 November 2018</p>
Parking (Car Park and Streets) Panel	Councillor Baverstock	<p>First meeting held on 6 July to agree scoping template</p> <p>Scoping template agreed by OSCOM</p> <p>Meeting to look in more detail at specific areas and discuss way forward</p> <p>Meeting with Head of Planning Policy to consider the main issues and how they can be taken forward to influence the next Local Plan</p>	<p>19 September 2018</p> <p>2 November 2018</p>
The future of hospitals in Andover and Romsey	Councillor Baverstock	Panel to be set up in the New Year	
Future of High Streets in Test Valley	Councillor Hurst	A Panel to be set up to review how emerging policies could influence and develop High Streets across the Borough	

Cabinet Work Programme

Further information

1. This is a formal notice under Regulation 9 of The Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012. This edition supersedes all previous editions.
2. Documents submitted to the Cabinet or Cabinet Member(s) for decision will be in the form of a formal report, which if public and non-urgent, will be available for public inspection on this website at least 5 clear working days before the date that the decision is due to be made.
3. Background papers for such reports are listed in this Programme where their identity is known in advance of the report being written.
4. Documents shown will be available from the Democratic Services Manager at Test Valley Borough Council, Beech Hurst, Weyhill Road, Andover, Hants, SP10 3AJ. They can also be contacted at admin@testvalley.gov.uk.
5. Please note that additional documents relevant to those matters mentioned in the Work Programme may be submitted to the decision maker.
6. Whilst the majority of the Cabinet's business at the meetings listed in this Work Programme will be open to the public and media organisations to attend, this is formal notice under the above regulations that part of the Cabinet meetings listed in this Work Programme may be held in private because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.
6. To view details of the members of the Council's Cabinet who will be making these decisions, please click the link below:
[Cabinet Members](#)

KEY DECISIONS

A key decision is one which is likely

1. to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates;

or
2. to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.

The Council's thresholds are

- | | | | |
|----|---|---|------------------|
| a. | Decisions on spending which are within the annual budgets approved by the Council | NO THRESHOLD | NOT KEY DECISION |
| b. | Decisions on cash flow, investments and borrowings. | NO THRESHOLD | NOT KEY DECISION |
| c. | Decisions for spending or savings outside the budget, or included in the annual budget with reservations. | SPENDING EXCESS OF £75,000 PER ITEM IS A KEY DECISION | |

Arrangements for making representations to the cabinet regarding decisions contained within the work programme

A member of the public may address the Cabinet in accordance with the Public Participation Scheme. Notice must be given to the Democratic Services Manager by noon on the day before the meeting.

Members of the public are welcome to write to the appropriate Head of Service as listed in the Work Programme on any matter where a decision is to be made.

Date of Decision (Location)	Item	Key Decision	Decision maker	May include information which is not to be made public*	Documents to be Submitted for Consideration	Head of Service	Notice of proposed decision first published
16 Jan 19 (R)	Budget Forecast Update	No	Cabinet	No	Report of the Finance Portfolio Holder	Head of Finance	08 Oct 2018
16 Jan 19 (R)	Valley Housing Matters	Yes	Cabinet	Yes	Report of the Finance Portfolio Holder	Acting Head of Revenues (Local Taxation and Project Enterprise)	13 Aug 2018
16 Jan 19 (R)	Transfer of the maintenance of the closed church yard at All Saints Church Barton Stacey to the Council under section 215 of the Local Government Act 1972	No	Cabinet	No	Report of the Community and Leisure Portfolio Holder	Head of Community and Leisure	22 Oct 2018
16 Jan 19 (R)	Estates Property Matters	Yes	Cabinet	Yes	Report of the Finance Portfolio Holder	Acting Head of Revenues (Local Taxation and Project Enterprise)	07 Dec 2018
16 Jan 19 (R)	Local Government Association: Corporate Peer Challenge	No	Cabinet	No	Report of the Leader	Chief Executive	17 Dec 2018

Date of Decision (Location)	Item	Key Decision	Decision maker	May include information which is not to be made public*	Documents to be Submitted for Consideration	Head of Service	Notice of proposed decision first published
16 Jan 19 (R)	Adoption of Residential Area of Special Character Supplementary Planning Document	No	Council	No	Report of the Planning Portfolio Holder	Head of Planning Policy	19 Dec 2018
13 Feb 19 (A)	Revenue Budget & Council Tax Proposals	No	Cabinet	No	Report of the Finance Portfolio Holder	Head of Finance	25 Oct 2018
13 Feb 19 (A)	Capital Programme Update	No	Council	No	Report of the Finance Portfolio Holder	Head of Finance	25 Oct 2018
13 Feb 19 (A)	Treasury Management Strategy	No	Council	No	Report of the Finance Portfolio Holder	Head of Finance	25 Oct 2018
13 Mar 19 (R)	Write off of uncollectable debts	No	Cabinet	No	Report of the Finance Portfolio Holder	Acting Head of Revenues (Local Taxation and Project Enterprise)	25 Oct 2018
17 Apr 19 (A)	Carry Forward of Unspent Revenue Budget	No	Cabinet	No	Report of the Finance Portfolio Holder	Head of Finance	06 Dec 2018
17 Apr 19 (A)	Annual Governance Statement	No	Council	No	Report of the Finance Portfolio Holder	Head of Finance	06 Dec 2018

* Members of the public will be excluded from the discussion during the consideration of these reports in the event that they contain information which is not to be made public in accordance with the relevant legal provisions.

DELAYED/DELETED ITEMS

Original Date Of Decision	Item	Delayed/Deleted	Reason For Delay/Deletion	Informed By	Date Informed
05 Dec 18 (R)	Valley Housing Matters	Delayed	Delayed until the 16 January 2019	Acting Head of Revenues	06 November 2018

Part 5 – Action Tracking

Review of Council Tax Support Report on 21 March 2018						
Recommendation	Agreed			Start Date	Progress Update	Completion date
	OSCOM 21.3.18	Cabinet 18.4.18	Council			
That consultation be undertaken on options 5, 6 and 7.	√	√			<p>Agreed at Cabinet</p> <p>That consultation be undertaken on the following options for Council Tax Support Scheme for 2019/20:</p> <ul style="list-style-type: none"> Option 5 – Apply a cap on financial support so that Council Tax payers would pay a minimum of either 10%, 15% or 20% of their Council Tax, subject to protection for those Council Tax payers receiving the ‘Support Component’ of Employment Support Allowance or the ‘Limited Capability for Work’ element of Universal Credit. Option 6 – Simplification of the scheme Option 7 – Increase minimum weekly Council Tax support award from 50p to £1 	

Planning Panel's Final Report on 19 September 2018						
Recommendation	Agreed			Start Date	Progress Update	Completion date
	OSCOM 19.09.18	Cabinet 10.10.18	Council			
<p>1. That Members are encouraged to meet with new Planning Officers in order to build a rapport.</p> <p>2. That a programme of planning training for Members be compiled and regular updates be received.</p> <p>3. That the composition of Planning Control Committee comprise of a Chairman, Vice Chairman and 12 other Members made up of The Chairman and Vice-Chairman of each of the two Area Committees plus the Portfolio Holder and nine members to balance northern and southern members as far as possible, as from Annual Council in May 2019.</p> <p>4. That the area Committees continue as currently.</p>	√	√			<p>Agreed at Cabinet</p> <p>1. That the recommendations from the Overview and Scrutiny Committee be noted.</p> <p>2. That the recommendations be passed on to the Planning Advisory Service to be considered during their review.</p>	

Drug Intervention Services in Test Valley on 17 October 2018						
	Agreed			Start Date	Progress Update	Completion date
Recommendation	OSCOM 17.10.18	Cabinet 7.11.18	Council			
That opportunities for funding drug prevention education programmes be explored.	√	√			<p>Agreed at Cabinet</p> <p>That opportunities for funding drug prevention education programmes be explored.</p> <p>Community Safety Manager to report back to OSCOM on 20 March 2019 in the outcome of the Community Safety Management Group deliberations.</p>	

Public Involvement Panel Final Report on 17 October 2018						
	Agreed			Start Date	Progress Update	Completion date
Recommendation	OSCOM 17.10.18	Cabinet 7.11.18	Council			
That the proposed action plan emanating from the Public Involvement Review be endorsed ready for onward submission to Cabinet.	√	√			<p>Agreed at Cabinet</p> <p>That the proposed action plan emanating from the Public Involvement Review be endorsed.</p>	

Review of Council Tax Support Scheme for 2019-20 on 14 November 2018						
Resolved	Agreed			Start Date	Progress Update	Completion date
	OSCOM 14.11.19	Cabinet 5.12.18	Council			
<p>1. That a cap of 90% be applied.</p> <p>2. That the minimum amount of Council Tax Support payable be increased from £0.50 to £1.00 per week.</p> <p>3. That a minimum tolerance level for changes in income of £30.00 per week be set.</p> <p><u>Recommended to Cabinet</u></p> <p>That Cabinet be requested to endorse these recommendations for submission, with a full report and draft scheme, to Council on 23 January 2019.</p>	√	√			<p>Agreed at Cabinet</p> <p>That the recommendations of the Overview and Scrutiny Committee on the Review of the Council Tax Support Scheme for 2019-20 be endorsed for submission, with a full report and draft scheme, to Council on 23 January 2019.</p>	