



NOTICE OF MEETING

Meeting:	Overview and Scrutiny Committee
Date and Time:	Tuesday, 18 October 2016 at 7.00 pm
Place:	Committee Room 1, Civic Offices, Fleet
Telephone Enquiries to:	01252 774141 (Mrs G Chapman) gill.chapman@hart.gov.uk
Members:	Axam, Bailey (Chairman), Clarke, Crisp, Gray, Harward, Leeson, Makepeace-Browne, Renshaw, Wheale, Woods

Joint Chief Executive

CIVIC OFFICES, HARLINGTON WAY
FLEET, HAMPSHIRE GU51 4AE

AGENDA

**COPIES OF THIS AGENDA ARE AVAILABLE IN LARGE PRINT
AND BRAILLE ON REQUEST**

1 MINUTES

The minutes of the meeting of 20 September 2016 are attached to be confirmed and signed as a correct record. **Paper A**

2 APOLOGIES FOR ABSENCE

3 CHAIRMAN'S ANNOUNCEMENTS

4 DECLARATIONS OF INTEREST

To declare disclosable pecuniary, and any other, interests.

5 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

Anyone wishing to put a question or statement to the Committee should contact the Committee Services Officer by phone or email (see front page of this Agenda) at least two clear working days prior to the meeting. Further information can be found at https://www.hart.gov.uk/sites/default/files/4_The_Council/Council_meetings/Public%20Participation%20leaflet%202016%20A4.pdf

6 FEEDBACK FROM SERVICE BOARDS

7 MULTI AGENCY FLOODING MEETING – 19 SEPTEMBER 2016

To note the draft minutes of the meeting held on 19 September 2016 between Hart District, Council, Environment Agency, Thames Water and Hampshire County Council.
Paper B

8 REVIEW OF MULTI-AGENCY FLOODING MEETINGS

Members to consider the effectiveness of the present system.

9 2016-17 BUDGET MONITORING – TO END OF AUGUST

To advise Members of the position on revenue and capital expenditure at the end of August. Cabinet will consider this report at its meeting on 3 November 2016.
Paper C

RECOMMENDATION

- 1 To comment on the revised projections and reasons for the main variations shown in Appendix 1 and Paragraph 4 below.
- 2 To comment on the current spending position on the Capital Programme shown on the Appendix 2.
- 3 To consider any comments it wishes to make to Cabinet.

10 EXCLUSION OF THE PUBLIC

The following item contains exempt information. Should Members wish to discuss any exempt information the Committee must first decide whether the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

If it is decided that the public interest in maintaining the exemption outweighs the public interest in disclosing it, it is recommended that the Committee agrees to exclude the press and public from the meeting in accordance with paragraph 1 of Schedule 12A of the Local Government Act 1972 (as amended), in order to consider that business.

11 UPDATE ON THE CREATION OF HART TRADING COMPANY

To obtain the Committee's comments about the developing proposal for Hart District Council to set up a local trading company. **Paper D**

NB All Appendices to this report are Confidential

RECOMMENDATION

- 1 That the committee considers and comments on the contents of this report and appendices, and endorses the ongoing development of a trading company model that will invest through both capital and borrowing in local housing stock.
- 2 That the committee recommends to Cabinet the continuation of the current approach to hone a business model and governance, reflecting the present direction of travel.

12 CABINET WORK PROGRAMME

The Cabinet Work Programme is attached for information. **Paper E**

13 OVERVIEW AND SCRUTINY WORK PROGRAMME

The Overview and Scrutiny Work Programme is attached for consideration and amendment. **Paper F**

Date of Despatch: 11 October 2016

OVERVIEW AND SCRUTINY COMMITTEE

Date and Time: 20 September 2016 at 7pm

Place: Committee Room 1, Civic Offices, Fleet

Present:

COUNCILLORS

Bailey (Chairman)

Axam, Clarke, Cockarill, Gray, Makepeace-Browne (from 7.47pm), Renshaw

In attendance: Councillor Forster (from 7.15pm)

Officers:

John Elson	Head of Environment and Technical Services
Philip Sheppard	Infrastructure Team Manager
Andrew Vallance	Head of Corporate Services

27 MINUTES

The minutes of the meeting of 19 July 2016 were confirmed and signed as a correct record.

28 APOLOGIES FOR ABSENCE

Apologies had been received from Councillors Crisp (substitute Cockarill), Leeson, Wheale and Woods.

29 CHAIRMAN'S ANNOUNCEMENTS

None.

30 DECLARATIONS OF INTEREST

None declared.

31 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

None.

32 FEEDBACK FROM SERVICE BOARDS

Environment & Technical Services – Councillor Axam reported that he and Councillor Gray had met with officers. Services were operating well, within budget. A long list of issues were making progress, including the waste contract. Regulatory Services – Councillor Clarke reported that he had attended this service board and would supply notes of the meeting to members of the Committee

Community & Wellbeing – Councillor Renshaw reported that the service board had met on 28th July. The main issue discussed was the future of the existing Hart Leisure Centre building once the new centre opened next year. He also reported that the Frogmore Leisure Centre reopening had gone well.

The Chairman stated that the Waste Contract Task and Finish Group had had its inaugural meeting. It had agreed a programme of work, anticipating three further meetings, after which it would prepare a paper for the Committee.

33 2016/17 BUDGET MONITORING – TO END OF JUNE

Members were advised of the position on revenue and capital as at the end of June. Due to the August meeting of this Committee being cancelled, this report was first considered by Cabinet on 3 September.

The Head of Corporate Services verbally updated members with the latest figures at the end of August.

Members requested further information by email from the Head of Corporate Services on the following items:

- Leisure Strategy – Unbudgeted publicity contract
- Hackney Carriages – Unbudgeted fees

DECISION

That the information be noted.

34 REVIEW OF HIGHWAY AGENCY AGREEMENTS

The Head of Environment and Technical Services advised members of Hampshire County Council's intention to reduce its funding of various highways agency services. This Council would therefore have to choose whether to reduce these services or find the money from savings elsewhere, with implications for other services.

The Head of Environment and Technical Services highlighted the potential consequences of a different number of grass cuts each year of county highways verges and adjoining district council open spaces. He then went through each service, highlighting any savings or income opportunities that had been identified. He also reported that the County had informed him by a telephone call that grass cutting budgets may not be reduced in 2017/18. He would revise the Cabinet report accordingly.

After a long discussion, members' views were sought on options for a future approach to the delivery of Hart's Highway Agency Agreements.

Members supported the suggested savings and income opportunities, including the reduction of one FTE post and income from Temporary Traffic Orders. However,

the latter was only on condition that the forthcoming paper on Concessions would address the issue of protecting voluntary groups from such charges.

Members discussed whether to support option 3 or option 4. After a vote it was agreed to support option 4.

RECOMMENDATION to Cabinet

Members supported option 4 identified in paragraph 8.1, and recommended its consideration to Cabinet.

35 QUARTER I CORPORATE PERFORMANCE INFORMATION – 2016/17

Members were updated on the Council's key performance indicator results (April 2016 - 30 June 2016).

DECISION

Members noted the information.

36 LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS

Members were informed of the findings from the Local Government Ombudsman's Annual Letter for 2015/16.

DECISION

Members noted the information

37 CABINET WORK PROGRAMME

The Cabinet Work Programme was considered.

38 OVERVIEW AND SCRUTINY WORK PROGRAMME

The Overview and Scrutiny Work Programme was considered and amended as follows:

- Review of Service Boards was added to the October agenda.
- Councillor Axam reported that he would be standing down from the waste Contract Task and Finish Group and that a replacement would be needed.

The meeting closed at 9.01pm

**MEETING OF THAMES WATER, ENVIRONMENT AGENCY AND
HAMPSHIRE COUNTY COUNCIL WITH MEMBERS OF
HART DISTRICT COUNCIL**

19 September 2016 at 2pm

Present:

Hart Councillors: Bailey (Chairman), Axam, Blewett, Collett, Forster, Makepeace-Browne, Oliver, Radley JR, Renshaw

Hampshire County Council: Councillors Collett and Glen, James Holt (JH) (Highways)

Thames Water Utilities: Huw Thomas, James Rouse, Gayle Thomas

Environment Agency: Neil Landricombe

Dean Hodges	Hampshire Fire and Rescue Services
Phillip Sheppard	Highways Team Manager
Gill Chapman	Committee Services

1 APOLOGIES

Apologies had been received from Councillors Crampton, Parker, Southern and Wheale, and Susanna Hope. (SH sent updates noted below.)

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of 21 March 2016 were agreed.

3 UPDATE ON THE COMMUNITY EMERGENCY PLAN WORKSHOP (HCC/HDC)

Dean Hodges reported on the workshop.

The workshop, consisting of a tabletop exercise with speakers from the Met Office, EA, Fire Service, Local Authority and Thames Water, had been quite well received. There was some confusion about the thrust of the workshop, with some attendees thinking it was purely about flooding. The meeting noted that for future workshops the communications to parishes and key community groups should be more precise..

4 STATUS UPDATES (INCLUDING UPCOMING PROJECTS)

Environment Agency:

- Completed initial assessments on some projects, looking at existing data and considering possible options to take forward.
- Strategic outline case next for Sandy Lane ditch and

- Cricket Hill and Tudor stream strategic outline case has been approved and looking to take forward to outline business case
- Detailed flood modelling needs to be undertaken to help understand and show options that can be taken forward
- Talking to partners, eg HDC.
- Griffin Stream - evidence not clear, looking for more evidence and will update initial assessment, solution could just be improving the balancing pond
- Kingsway - main issue appears to be surface water, flood modelling will help to inform what the issues are
- All modelling being done and will help decisions – modelling will start when tender awarded to consultants

Members discussed:

- When is the appropriate point for local knowledge to be fed in to the process? EA responded that meetings would be set up and ward councillors included. SH would be asked to liaise with the EA on meetings for the above projects.
Action: SH and EA
- What is the progress on the S19 legislation investigation. HCC would be asked for an update to circulate.
Action: PH / HCC
- After a request, EA agreed to circulate the project plan with some timelines to help Members understand the process. (This could also be shared with Town/Parish Councils)
Action: EA
- Effects of future projects on Planning Applications and ensuring EA and Thames Water comments on applications take this into account.

HDC projects

Mill Corner

SH update - Topographical survey and Phase I habitat survey completed. Further ecological surveys and core sampling / geotechnical surveys still to undertaken. We held a meeting with our consultant and Hampshire and Isle of Wight Wild Life Trust on 26 August. The needs of the SSSI fit very well with the needs of the Flood Alleviation Scheme. Once all the surveys are completed, potential options will be investigated. This work will need both Natural England and ordinary watercourse consent. Will undertake consultation with HCC once we have a list of options.

Phoenix Green

SH Update - Part way through outline business case. Business case should be completed by April 2017. We are currently in the process of updating modelling and various surveys, and this should be ready by the end of October to consult with Sentinel Housing, Hartley Wintney Parish and Cllr Southern on the options.

HCC Section 19 report (Fleet) – HCC would be asked for a written response on progress to be circulated (see above)

Thames Water

- Hitches Lane pumping station has now been handed over to TW and is operating correctly. Grove Farm pumping station has been shut off and equipment is being removed. Members thanked TW on behalf of residents for the on time completion and attractive landscaping.
- Private pumping stations – TW are starting to adopt private pumping stations, these usually service small blocks of flats or small housing developments. (Anything that only serves one property is private.) TW will furnish SH with a list, and would welcome any information as their list is not exhaustive.
- Looking to the year ahead – slightly up on groundwater this year. Forecasts are for normal weather, but this is an unknown. The major resource centre at Slough has flexibility for dealing with issues in the area. No recent concerns registered.

5 EVERSLEY DITCHES AND SECTION 106 AGREEMENT PROGRESS (HCC & HIGHWAYS)

- Another meeting with residents and Parish was suggested so everyone can understand how important this is.
- Lengthsmen – Members discussed the system, but with County reviewing funding these may not be affordable for Parishes.
- Ditch clearing – Members asked if County could do the work and charge the owners? Highways thought this would not be cost effective, especially if riparian owners had to be chased for payment. JH would discuss with Vicki Westall at HCC to see if this could be offered at a charge on a one off basis.

Action: JH / HCC

6 MINUTES OF THE LAST MEETING – MATTERS ARISING

- Crookham Road – issues had been solved
- Dinorben Avenue - HCC to investigate
- Steering group for Sandy Lane Ditch – See item 4 above – Status update from Environment Agency
- Visit to Hitches Lane pumping station - let SH know and she will organise
- Pondtail/Avondale – carry forward. **Action: James Rouse (TW) to talk to Cllr Wheale**
- Brookly stream – carry forward
- East bridge - carry forward
- The Street, North Warnborough - JH to update SH and Cllr Crookes **Action: JH**
- Balancing pond Brandon road – tied to Sandy Lane Ditch and modelling
- Could Amber Weather Warnings be circulated to Members? **Action: SH**

7 ANY OTHER BUSINESS

- The Chairman reminded Members and Agencies that updates on issues noted the minutes should be circulated before the meeting, especially in cases of non attendance

- Award Road – ongoing problem with water getting into the foul sewer system next to Curtis Court. Curtis Court was rebuilt and changes made have resulted in problems. SH would ensure that TW met with Sentinel HA to discuss
Action: TW to meet with Sentinel
- A323 underneath motorway bridge on way to HW and Fleet – flooding reported and still ongoing. HCC highways were not aware so will investigate
Action: JH
- Friars Lane - Road was flooded with sewage and rainwater.
Action: TW to investigate
- Borley Road – road flooding. JH had updated County Councillor Bennison recently, The road adoption is not yet finalised, highway work will be needed to bring up to HCC standards, but drainage problems not known.
- Hawley Park Farm - a live detailed planning application at the moment. Cllr Blewett flagged this as because of topography concerns about flooding. Neighbouring houses that have suffered flooding in the past are over the border in Rushmoor, so this could be a problem in the future.
- Dinorben Avenue – JH reported that the system from Dinorben through to the canal had been jetted, a lot of root mass had been cut out of the pipe. There is still a proposal to divert the system at a point but no funding for it yet.

8 DATE OF NEXT MEETING

Monday, 20 March 2017 at 2pm in the Council Chamber, Hart District Council.

OVERVIEW AND SCRUTINY COMMITTEE

DATE OF MEETING: 18 OCTOBER 2016

TITLE OF REPORT: 2016-17 BUDGET MONITORING – TO END OF AUGUST

Report of: Head of Corporate Services

Cabinet Member: Councillor Ken Crookes, Economic Development and Corporate Finance

I PURPOSE OF REPORT

- 1.1 To advise Members of the position on revenue and capital expenditure at the end of August. Cabinet will consider this report at its meeting on 3 November 2016.
- 1.2 At its meeting on 17 February 2015, the Committee agreed to receive monitoring reports from the Head of Finance which highlight any areas of particular concern for Members' attention (a "traffic light" system). Full details of variances to the end of August are shown in the attached appendix and the particular ones which members are asked to consider are detailed in paragraph 4. None are considered to be of undue concern – (a red traffic light).

2 OFFICER RECOMMENDATION

- 2.1 To comment on the revised projections and reasons for the main variations shown in Appendix 1 and Paragraph 4 below.
- 2.2 To comment on the current spending position on the Capital Programme shown in Appendix 2.
- 2.3 To consider any comments it wishes to make to Cabinet.

3 BACKGROUND

- 3.1 This report covers the period from 1 April to 31 August 2016.
- 3.2 It is important that regular monitoring of budgets is undertaken to ensure financial targets being set by the Council are being met and to make any necessary changes to approved budgets.

4 REVENUE BUDGET MONITORING

- 4.1 The revenue budget for 2016/17 was approved allowing for a contribution to reserves of £117,000. Based on the figures currently available it is projected a contribution from reserves of £138,000 will be needed. However, it is still early in the financial year to predict the final outturn position.
- 4.2 The main reasons for the current overspend are:

- Costs of the management restructure as approved by Cabinet in April 2016.
- A shortfall in budgeted legal fee income, as section 106 monies had been incorrectly coded to legal income
- Additional costs of the shared building control service with Rushmoor BC, due to the employment of contracted staff. Rushmoor has now recruited permanent employees to fill these positions.

5 CAPITAL EXPENDITURE MONITORING

- 5.1 The Capital budget attached is largely dominated by the provision for the new Leisure Centre and the refurbishment at Frogmore Leisure centre. In the case of the new building the timetable is being met and expenditure is very much in line with expected cashflows.

6 MANAGEMENT OF RISK

- 6.1 The monthly budget monitoring process examines all income and expenditure against budgets in order that significant variances are highlighted immediately and to identify areas where expenditure is being incurred but where insufficient or no budgetary provision exists. This allows officers to take corrective action to maintain overall expenditure within budgets.

7 BUDGET PREPARATION 2017/18

- 7.1 In order to ensure that the Council budgets reflect needs as closely as possible, a “zero based” budgeting exercise was undertaken for the current year’s budget. This process will continue for 2017/18 as the Council works towards making its budget as lean as possible.

8 CONCLUSION

- 8.1 The budget remains on course to achieve the Council’s financial objectives in 2016/17.

Contact Details: Andrew Vallance, email: Andrew.Vallance@Hart.gov.uk

APPENDICES

- Appendix 1 Revenue Monitoring
Appendix 2 Capital Monitoring

REVENUE BUDGET OUTTURN 2016 / 2017 PERIOD 5 AUGUST

	Controlable Current Budget	Year to Date Controlable Actuals	Controlable Full Year Forecast Outturn	Forecast Year End Variance	Commentary
COMMUNITY SAFETY					
Community Safety - Shared Service	235,050	31,590	215,050	-20,000	Vacancy Saving
	<u>235,050</u>	<u>31,590</u>	<u>215,050</u>	<u>-20,000</u>	
CORPORATE SERVICES					
Civic Function & Chairman	20,300	14,082	20,555	255	
Corporate - Apprentices	20,500	14,065	20,666	166	
Corporate Communication	126,800	36,052	128,140	1,340	
Leadership Team	540,580	287,229	561,549	20,969	5 Council's Staffing
Corporate Performance Team	57,770	22,934	57,792	22	
External Audit	66,660	0	66,660	0	
Non Distributed Costs	0	0	0	0	
Climate Change	12,300	-1,516	17,300	5,000	Increased 16/17 charge from Rushmoor
Business Support Unit	292,061	118,240	283,064	-8,997	Saving in Support Officer Post
Business Support Non Staff	165,906	128,945	165,136	-770	
Hart Development	142,650	52,369	155,081	12,431	Change in staffing Hours and SCP
Neighbourhood Planning	0	6,365	0	0	
Customer Services Contract	296,700	76,169	296,700	0	
IT Contract	297,810	99,451	301,845	4,035	
HR Contract	105,620	34,498	105,620	0	
Internal Audit	94,940	23,112	95,140	200	
Legal Services	232,790	1,417	276,415	43,625	Estimated shortfall in Budgeted Legal Fee income
Customer Services Client	50,560	22,304	50,687	127	
IT Client	310,540	163,807	337,007	26,467	Unbudgeted Licence fees (£42k), less reduction in Microsoft Enterprise Agreement (£20k)
HR Client	59,660	11,577	60,223	563	
Print Room & Photocopying	30,000	21,651	34,500	4,500	
Local Land Charges	-110,447	-35,565	-110,450	-3	
Planning Policy	409,880	223,702	409,880	0	
Admin Bldgs - R & M	375,200	215,329	371,861	-3,339	
	<u>3,598,780</u>	<u>1,536,219</u>	<u>3,705,371</u>	<u>106,591</u>	

REVENUE BUDGET OUTTURN 2016 / 2017 PERIOD 5 AUGUST

	Controlable Current Budget	Year to Date Controlable Actuals	Controlable Full Year Forecast Outturn	Forecast Year End Variance	Commentary
DEMOCRATIC SERVICES					
Rechargeable Elections	0	77,142	0	0	
Register Of Electors	95,720	34,765	104,372	8,652	Staffing pressure from 2 polling events in 2016/17
Election Expenses	194,890	32,003	185,986	-8,904	
Support To Elected Bodies	284,970	117,784	284,970	0	
	<u>575,580</u>	<u>261,694</u>	<u>575,328</u>	<u>-252</u>	
FINANCE					
Revs & Bens Contractor Costs	1,211,790	376,640	1,211,790	0	
Council Tax / NNDR	-276,290	-52,194	-276,955	-665	
Housing/Council Tax Benefits	95,000	164,445	105,000	10,000	DHP applications higher than budget
Meals On Wheels	8,000	0	8,000	0	
Housing Act & Housing Ass. Adv.	0	0	0	0	
Bank Charges	58,000	22,133	58,000	0	
Finance Client	80,970	81,109	153,600	72,630	Head of Finance 1fte 8 months.
Finance Contract	465,750	148,780	446,340	-19,410	Saving in Contract following Leisure Outsourcing
	<u>1,643,220</u>	<u>740,912</u>	<u>1,705,775</u>	<u>62,555</u>	
HOUSING SERVICES					
Private Sector Housing	174,500	59,759	174,500	0	
Strategic Housing Services	111,960	51,075	112,149	189	
Housing Needs Service	516,340	178,665	509,480	-6,860	Rent Deposit Officer vacancy
Help for Single Homelessness	0	-5,652	0	0	
Domestic Abuse	0	204,718	0	0	
	<u>802,800</u>	<u>488,565</u>	<u>796,129</u>	<u>-6,671</u>	
LEISURE					
Leisure Centre Maintenance	20,000	8,380	20,000	0	
Leisure Strategy	75,170	73,596	87,212	12,042	Unbudgeted Publicity Contract retained by Hart
Leisure Centre Contract	-36,150	0	-35,150	1,000	
Leisure Centre Client	68,477	17,661	64,708	-3,769	
Hart Leisure Centre (Client)	33,970	-63,849	38,097	4,127	
Frogmore LC (Client)	7,280	-501	6,394	-886	
Lesiure Centres (Re-Billing)	0	4,876	0	0	
	<u>168,747</u>	<u>40,163</u>	<u>181,261</u>	<u>12,514</u>	

REVENUE BUDGET OUTTURN 2016 / 2017 PERIOD 5 AUGUST

	Controlable Current Budget	Year to Date Controlable Actuals	Controlable Full Year Forecast Outturn	Forecast Year End Variance	Commentary
ENVIRONMENTAL PROMOTION					
Land Repossessions	4,480	1,283	4,480	0	
Fleet Pond	64,940	26,029	60,455	-4,485	2 Month vacancy saving
Commons	60,660	23,567	58,746	-1,914	
Odiham Common	52,800	13,063	50,940	-1,860	
Elvetham Heath Nature Reserve	47,460	21,446	49,760	2,300	
Parks/Play Areas Outside Fleet	0	0	0	0	
Edenbrook Country Park	62,010	19,162	47,311	-14,699	Vacancy Saving £7k and underspend on Consultants £5k
QE II Fields	9,570	6,131	7,655	-1,915	
Biodiversity	28,360	11,555	28,360	0	
Landscape & Conservation	56,810	23,535	56,810	0	
Environmental Promotion - Stra	147,660	15,399	150,544	2,884	
Tree Preservation Orders	126,310	45,158	129,354	3,044	
	661,060	206,327	644,415	-16,645	
ENVIRONMENTAL SERVICES					
Dog Warden	57,270	20,336	50,865	-6,405	Court Costs awarded £4k, Staff Saving £4k
Pest Control	2,750	1,838	2,750	0	
Env Health Pollution	0	-158	0	0	
Env Health Commercial	135,370	60,312	149,100	13,730	Staff realignment see Environmental Protection
Environmental Protection	189,850	69,147	165,591	-24,259	Staff realignment see EH Commercial. 0.5fte vacancy
Churchyards	7,000	0	7,510	510	
Out Of Hours Noise Service	24,910	8,657	25,067	157	
Health & Safety	27,090	30,248	28,140	1,050	
Licences	-9,230	-38,419	-9,232	-2	
Hackney Carriages	-26,410	-42,555	-21,348	5,062	Unbudgeted Fees
Health & Policy	44,570	9,772	44,570	0	
	453,170	119,177	443,013	-10,157	
PLANNING					
Planning Development	-144,440	-152,021	-166,592	-22,152	Staffing pressure of £98k off set by Application charges higher than budget £86k.
Building Control - Fee Earning	-117,210	-164,370	-91,170	26,040	Estimated difference on the 15/16 Contract.
Building Control - Non-Fee	77,830	-13,416	77,830	0	
Street Naming & Numbering	-490	-5,162	-2,746	-2,256	
	-184,310	-334,970	-182,678	1,632	

REVENUE BUDGET OUTTURN 2016 / 2017 PERIOD 5 AUGUST

	Controlable Current Budget	Year to Date Controlable Actuals	Controlable Full Year Forecast Outturn	Forecast Year End Variance	Commentary
TECHNICAL					
Emergency Planning	39,710	27,139	39,710	0	
Waste Income	-698,300	-496,831	-742,755	-44,455	Staffing reduction hours saving £6k, saving on Bin Purchases £23k, additional waste income £15k
Waste Contract Split Orders	0	14,470	0	0	
Hart Drainage	80,970	35,139	80,970	0	
Waste Contract	1,579,960	446,332	1,651,160	71,200	Based on the latest inflation calculations of 2%. Budget was - 0.76% for the 1st 6 months then 1.5% for the 2nd 6 months £22k. Unbudgeted increase in garden waste clinics (approx 1,500) costing £45k
Grounds Mtn Contract	352,100	38,439	352,100	0	
Street Cleaning	494,420	249,133	502,420	8,000	GIS Mapping of litter bins
Clinical and Bulky	-6,410	-20,942	-6,410	0	
Basingstoke Waste Contract	0	18,016	0	0	
Street Furniture	8,030	1,412	8,342	312	
Highways Traffic Management	35,660	30,728	46,359	10,699	Overlap of Infrastructure Manager
Highways Agency - Development	-29,310	-1,242	-19,086	10,224	Increased Contractor spend due to Planning Appeal and Staff Support
Estates/Asset Management	52,410	17,089	57,693	5,283	
Off Street Enforcement	-433,130	-111,541	-447,708	-14,578	
On Street Enforcement	94,080	32,350	59,831	-34,249	
CCTV	165,290	122,816	161,583	-3,707	
	1,735,480	402,506	1,744,209	8,729	
Grand Total	9,689,577	3,492,185	9,827,873	138,296	

PAPER C
Appendix 2

Capital Programme Budget Monitoring 2016/17						
	Original Budget 2016/17	Carried Forward 2015/16	Current Available Budget 2016/17	Actual To Date	Forecast Expenditure 2016/17	Variance 2016/17
Capital resources available as at 1st April 2016						
Receipts in year						
Corporate Services	0	50	100	(88)	99	(1)
Housing & Customer Services	630	350	980	297	840	(140)
Leisure	0	16,817	16,817	6,077	16,846	29
Environmental Promotion	0	105	801	20	217	(584)
Technical Services	0	450	588	6	272	(316)
TOTAL CAPITAL PROGRAMME	630	17,772	19,286	6,312	18,274	(1,012)
Capital Resources available as at 1st April 2016						

Service Area	Scheme	Original Budget 2016/17	Carried Forward 2015/16	Current Available Budget	Actual To Date	Forecast Expenditure	Variance
Corporate Services	CCTV-Rushmoor	0	50	50	(69)	50	0
	Rural Broadband	0	0	0	0	0	0
	Upgrade to IT infrastructure	0	0	0	(18)	0	0
	Civic Office Refurbishment	0	0	50	0	50	0
	Door Entry System	0	0	0	(1)	(1)	(1)
			0	50	100	(88)	99
Housing & Customer Services	Private Sector Renewal - Minor Works Grants(Home trust Loan)	60	0	60	7	60	0
	Grant for 13x 4 bed dwellings.	0	350	350	210	210	(140)
	Disabled Facilities Grants	570	0	570	80	570	0
		630	350	980	297	840	(140)
Leisure	Fleet Area Football (S106)	0	180	180	0	180	0
	Leisure Centre SCAPE project appraisal	0	0	0	0	0	0
	Strategic Leisure	0	0	0	0	0	0
	Leisure Centre Pre Construction Stage	0	168	168	38	168	0
	Frogmore leisure Re-Development	0	1,485	1,485	1,206	1,514	29
	Leisure Centre Construction	0	14,822	14,822	4,814	14,822	0
	Leisure Centre Consultants & Fees	0	162	162	19	162	0
		0	16,817	16,817	6,077	16,846	29
Environmental promotion	Fleet Pond Project-Restoration	0	0	0	0	0	0
	Edenbrook Country Park (S106 SANG)	0	30	30	0	0	(30)
	Fleet pond Nature Reserve Visitor Strategy (S106)	0	8	28	11	11	(17)
	Odiham Common (S106)	0	19	19	4	19	0
	Odiham Signs	0	5	5	0	0	(5)
	S106 Leisure Parish Funded Projects	0	43	43	5	43	0
	Fleet Pond Access Track	0	0	150	0	0	(150)
	Fleet Pond Visitor Enhancements	0	0	56	0	0	(56)
	Hazeley Heath Grazing Project	0	0	80	0	0	(80)
	Hazeley Heath Notice Boards	0	0	15	0	0	(15)
	Hazeley Heath Access Improvements	0	0	80	0	20	(60)
	HW Central Common Enhancement	0	0	36	0	20	(16)
	HW Central Common Access Improvements	0	0	80	0	10	(70)
	HW QEII Fields Improvements	0	0	35	0	0	(35)
	Edenbrook CP Play Tree	0	0	30	0	0	(30)
	Edenbrook CP History Walk	0	0	20	0	0	(20)
	Cricket Hill Pond Phase 2	0	0	10	0	10	0
	Service Vehicles	0	0	65	0	65	0
	Countryside Workshop	0	0	19	0	19	0
		0	105	801	20	217	(584)
Technical Services	Fernhill Road, Pedestrian Facilities (S106)	0	66	66	0	66	0
	S106 NEHTS Parish	0	12	12	3	12	0
	Forgmoor Day Centre Roof Repairs	0	0	40	0	35	(5)
	Church Road (Victoria Road) Car Park - Pay on Foot	0	247	0	0	0	0
	Church Road Improvements	0	0	270	0	0	(270)
	Post Payment Parking	0	0	76	0	76	1
	Phoenix Green, Hartley Wintney	0	75	75	(1)	75	0
	Mill Corner, North Warnborough	0	50	50	4	8	(42)
		0	450	588	6	272	(316)
TOTAL CAPITAL PROGRAMME	630	17,772	19,286	6,312	18,274	(1,012)	

OVERVIEW AND SCRUTINY COMMITTEE

DATE OF MEETING: 18 OCTOBER 2016

TITLE OF REPORT: UPDATE ON THE CREATION OF HART TRADING COMPANY

Report of: Head of Housing Services

Cabinet Member: Councillor Stephen Gorys, Housing

1. PURPOSE OF REPORT

- 1.1 To obtain the Committee's comments about the developing proposal for Hart District Council to set up a local trading company.

2. OFFICER RECOMMENDATION

- 2.1 That the committee considers and comments on the contents of this report and appendices, and endorses the ongoing development of a trading company model that will invest through both capital and borrowing in local housing stock.
- 2.2 That the committee recommends to Cabinet the continuation of the current approach to hone a business model and governance, reflecting the present direction of travel.

3. BACKGROUND

- 3.1 In October 2015, Cabinet approved the principle of utilising investment to develop a portfolio of properties through a housing company that will be wholly owned by the Council and limited by shares. Cabinet agreed to set aside a sum of £50k from reserves to cover costs associated with setting up the company, project management, as well as the legal and financial advice required to establish a sound Business Plan.
- 3.2 Following Cabinet approval and ongoing discussions with Cabinet members, work has been undertaken to develop "Hart Investments Limited", including researching similar models in other areas, preparing the background to register the company in a basic form with Companies House, engaging preliminary legal advice, and developing the detail of a proposed model for Hart (confidential Appendix 1).
- 3.3 To develop the Company further expert advice has been sought from consultants – Savills in partnership with Trowers & Hamblins. This partnership has been involved in supporting a number of other Councils to develop similar models successfully. This arrangement will provide additional support in the implementation phase of the project.
- 3.4 Officers have been working with Savills and Trowers & Hamblins to develop the business model. An initial business plan has been drafted (confidential Appendix 2) and officers and the Cabinet Members for Finance and for Housing have been

working together to provide comments and challenge assumptions within the financial modelling. Trowers & Hamlins have also built on earlier advice received from the Shared Legal Service and Eversheds (confidential Appendix 3), providing an additional report (confidential Appendix 4) and a briefing on potential conflicts of interest associated with models of governance (confidential Appendix 5).

- 3.4 The current proposed model involves an investment of approx. circa £33m, with £29m being borrowed by the Council to support financing the company and a £4m capital investment using the majority of the Council's Housing Capital Fund. It is anticipated that this investment will achieve a property portfolio of 125 units over a period of 5 years.
- 3.5 The Head of Corporate Services has engaged Capita's Treasury Management Services to undertake due diligence with regard to the Business Plan. This will provide additional checks and balances to ensure we are developing a financial model that is robust and mitigates as much risk as it is possible to do in a market driven environment. The costs of Capita's support will be covered within the Cabinet approved budget.

4. CONSIDERATIONS

- 4.1 The development process will be iterative as we continue to hone the model. The Head of Community Services has set out a challenging project plan (Appendix 6). Meeting this timescale is important - however - it should not take priority over ensuring we are collectively clear about any risks associated with pursuing the model.
- 4.2 The current timescales fit with the Council's decision making processes and have been designed with the intention that Council can consider the delivery of the Trading Company in alignment with the budget cycle.
- 4.3 Heavily investing in a market driven environment carries with it inherent risks. Officers are working to understand those risks and will ensure members are clear about the level of risk the Council may be taking should it proceed with this model. While there are risks, there are also clear benefits to pursuing the approach including the opportunity to generate income, invest in the local housing market, and contribute to meeting local housing need in a way that the Council can directly influence through its shareholding.

5. POLICY IMPLICATIONS

- 5.1 The proposed trading company represents a departure from the way the Council has traditionally operated, although it remains in scope of the Corporate Plan and Housing Strategy. It does adopt similar principles to previous Existing Satisfactory Purchase programmes that have been grant funded in the past.
- 5.2 The delivery of a trading company, and the experience of setting one up and trading, may provide further opportunities to consider commercial avenues that could be pursued in the interests of Hart residents.

- 5.3 Whilst there is a range of opportunities associated with this proposal, clearly there are also risks and sensitivities. These will be reviewed and worked through with assistance from Savills and Trowers & Hamlins, and with due diligence from Capita Treasury Management Services. Identified risks, to date, are highlighted in both confidential Appendices 1 and 2 and in Section 6 of this report below.
- 5.4 The governance structure is discussed within confidential Appendix 1, and in confidential Appendices 3, 4 and 5. The preferred options for the composition of the Board will be determined by Cabinet in November.

6. FINANCIAL IMPLICATIONS

- 6.1 £50k budget has already been approved to cover costs of specialist advice.
- 6.2 While the Council can invest in the company through £4m within the Housing Capital Fund, it will also need to lend money to the company to support it to trade. The Head of Community Services will work with the Head of Corporate Services and relevant Cabinet Members to establish the best options for Hart. The model that has been presented in the initial draft from Savills (confidential Appendix 2) does not include provision to repay the debt, which would mean the Council maintains a level of debt circa £29m over the longer term. This could expose the Council to risks associated with this level of borrowing and to changes in lending practices over time. Officers and relevant Cabinet Members are challenging this assumption and looking at debt repayment options as part of the next iteration of the Business Plan. Confidential Appendix 2 suggests some options in section 5.4 “Exit Strategies”, but these do not include ways in which the company could contribute to clearing the Council’s debt over a set period e.g. 25 years. Modelling alternative debt repayment strategies may affect the viability of the model and require a more commercial emphasis.
- 6.3 There is also an identifiable lack of sensitivity testing of some of the broader assumptions within the model, such as the future of the housing market both in terms of property values and rental yields moving forward. These issues also need further investigation to ensure we are developing a model that affords healthy margins for unanticipated changes to the market environment.
- 6.4 The next steps will be to understand these financial implications in more detail as part of drafting a detailed business plan for Cabinet to consider. It is the current intention to bring a discussion paper forward to Cabinet in November. This will enable Cabinet to reach informed decisions about how to move forward and how the financial model will operate in practice, with the intention for Cabinet to approve a final business model and governance structure in January.

7. ACTION

- 7.1 It is requested that Overview & Scrutiny members note the contents of this paper and associated appendices, and approve the Officer recommendations set out in section 2 above.

Contact Details: Phil Turner phil.turner@hart.gov.uk ext 4488

CONFIDENTIAL APPENDICES:

- Appendix 1 (Confidential): Initial Draft Proposed Business Plan
- Appendix 2 (Confidential): Housing Company Financial Business Plan
- Appendix 3 (Confidential): Eversheds Legal Advice & Shared Legal Service Advice
- Appendix 4 (Confidential): Trowers & Hamblins Report
- Appendix 5 (Confidential): Trowers & Hamblins Briefing on Governance Matters
- Appendix 6 Project Plan Milestone Dates (not Confidential)

Appendix 6: Project Plan for Key Work Milestones

- 21/07/16:** Project Brief (ITT) document drafted & sent to prospective companies
COMPLETE
- 02/08/16:** Evaluate proposals/quotes received COMPLETE
- 03/08/16:** Establish approval COMPLETE
- 04/08/16:** Procure external support COMPLETE
- 09/08/16:** Inception meeting COMPLETE
- 31/08/16:** Initial report received COMPLETE
- 01/09/16:** Update report to Cabinet COMPLETE
- 07/09/16:** Initial Savills/Trowers report reviewed and comments/requests set out
COMPLETE
- 16/09/16:** Meeting to look at approach COMPLETE
- 26/09/16:** Revised report received COMPLETE
- 30/09/16:** Further comments returned to Savills/Trowers COMPLETE
- 18/10/16:** Report to O&S COMPLETE
- 03/11/16:** Report to Cabinet setting out format and proposed financial model -
Recommendation from Cabinet to Full Council for approval on signatory
- 08/11/16:** Feedback to Savills/Trowers following Cabinet
- 15/11/16:** Revised business plan received
- w/c 21/11/16:** Meeting with Savills/Trowers and Head of Corporate Services to review,
including determining potential implementation support that may be required
and associated costs.
- 24/11/16:** Full Council approval on signatory
- 05/12/16:** Revised business plan
- w/c 12/12/16:** Further meetings/revisions as may be required
- w/c 19/12/16:** Further meetings/revisions as may be required
- 05/01/17:** Final Business Plan to Cabinet. Recommendation from Cabinet to Report to
Full Council
- 26/01/17:** Full Council to approve final Business Plan
- w/c 27/02/17:** Implementation commences

CABINET

KEY DECISIONS/ WORK PROGRAMME AND EXECUTIVE DECISIONS MADE

November 2016

Cabinet is required to publish its Key Decisions and forward work programme to inform the public of issues on which it intends to make policy or decisions. The Overview and Scrutiny Committee also notes the Programme, which is subject to regular revision.

Report Title	Ref (Note 1)	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y?	Cabinet Member (Note 2)	Service (Note 3)
Enabling Pension Arrangements for the Five Councils Procurement	July 16	To seek approval to a combined admitted body status for all five authorities	Sept 16	Nov 16		BB	JCX
Swan Public House, North Warnborough	Aug 16	Update	Oct 16	Nov 16		KC	JCX
Establishment of a Local Trading Company	Oct 15	To move to form a local trading company	Feb 16	Nov 16		SG	H
Early Consideration of the budget opportunities for 2017/18	Aug 16	To seek early direction on the creation of 2017/18 budget	Nov 16			KC	F
Budget Monitoring	Quarterly	Quarterly Budget Monitoring	Nov 16 Mar 17 Sept 17			KC	F
Fleet Business Improvement District	Aug 16	Consideration of proposal	Nov 16			KC	JCX
Letting Agency Redress Scheme	July 16	To gain approval for the scheme	Nov 16			SG	H
Hampshire Agency Reviews	Aug 16	To consider agency reviews - Grass Cutting, Development Control and Traffic Management	Oct 16	Nov 16		SF	TS&M

Report Title	Ref (Note 1)	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y?	Cabinet Member (Note 2)	Service (Note 3)
Blue Badge	Feb 16	Report on issues of blue badge charging	July 16	Dec 16	Y	MM	TS&EM
Car Parking Concessions	Sept 16	For approval	Nov 16	Dec 16		MM	TS&M
Local Authority Lottery	Oct 16	To consider whether appropriate to introduce in Hart	Dec 16			KC	F
Making of Rotherwick Neighbourhood Plan	April 16	Recommendation to Council	Dec 16			SP	PP
Winchfield Neighbourhood Plan	April 16	Agreement to modifications and to referendum	Dec 16			SP	PP
Cron dall Conservation Area Character Appraisal	Aug 16	Adoption after public consultation	Dec 16			SP	PP
On Street Parking	Aug 16	Consideration of on-street parking issues	Jan 17		Y	SF	TS&EM
Finalisation of the Local Trading Company	Aug 16	To complete creation of the Local Trading Company	Jan 17			SG	H
Waste Retender	Aug 16	Approval of Tender Specification	Feb 17		Y	SF	TS&EM
Treasury Management Strategy	Annual	Update	Feb 17			KC	F
2016/17 Revenue Budget, Capital Programme and Council Tax Proposals	Annual	Approval. Recommendation to Council.	Feb 17			KC	F
Service Plans	Annual	Service Plans 2017/18	April 17			BB	All
Food Safety Service Plan	Annual	For approval	June 17			JK	RS
Suitable Alternative Natural Green Space (Sang)	May 16	Annual Monitoring report	June 17			SP	PP

Report Title	Ref (Note 1)	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y?	Cabinet Member (Note 2)	Service (Note 3)
Outside Bodies	Annual	To confirm representatives on Outside Bodies	June 17			SP	JCX
Medium Term Financial Outlook	Annual	Review	Aug 17			KC	F
Revenue and Capital Outturn 2016/17	Annual	Report on outturn.	Aug 17			KC	F
Treasury Management 2016/17	Annual	Report on Treasury Management Activities 205/16.	Aug 17			KC	F
Car Parking Maintenance Review	Dec 15	Overview of how we are maintaining our car parks and how we effectively make use of our resources	Mar 16	TBC		MM	TS&EM
Odiham Neighbourhood Plan	Nov 15	Response to submission documents	TBC			SP	PP
Local Plan Submission Plan	June 16	Consideration of Submission plan	TBC			SP	PP
Devolution	Mar 16	Hampshire Devolution - progress/ approval	TBC			SP	JCX

Notes:

1 Date added to Programme

2 Cabinet Members

SP Leader & Planning Policy

KC Economic Development

BB Corporate Services

SG Housing

AC Community Wellbeing

JK Regulatory Services

SF Environment

MM Town Regeneration

3 Service:

JCX Joint Chief Executive

CS Community Safety

F Finance

SLS Shared Legal Services

HS Housing Services

CCS Corporate Services

PP Planning Policy

MO Monitoring Officer

RS Regulatory Services

L&EP Leisure and Environmental Promotion

TS &EM Technical Services and Environmental Maintenance

EXECUTIVE DECISIONS - None

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME – October 2016

Issue and Description of Topic	Current Position Objective	Original Due Date	Revised Due Date	Resources Required	Contact
Quarterly Budget Monitoring	Quarterly update	Oct 16 Feb 17 Aug 17		Report	Head of Finance
Flooding	Notes from twice yearly meeting of Agencies	Oct 16 April 17		Minutes	Environmental and Technical Services
Flooding Meetings	Review of the Multi Agency Flooding Meetings	Oct 16			Committee
Establishment of local Trading Company	To move to form a local trading company	July 16	Oct 16	Report	Head of Housing
Parking Concessions	Consideration of establishment of parking concessions policy	Sept 16	Nov 16	Report	Environment & Technical Services
Blue Badge	Report on issues of blue badge charging	Jan 16	Nov 16	Report	Environment & Technical Services
RIPA	Quarterly Update	Nov 16 Jan 17 April 17 July 17		Report	Monitoring Officer
On Street Parking	Consideration of badge parking	Nov 16		Report	Environment & Technical Services
Performance Information	Quarterly highlight reports.	Dec 16 Feb 17 Aug 17		Report	Performance and Innovation Officer
Waste Retender	Consideration of Specification	Jan 17		Report	Environment & Technical Services

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME – October 2016

Issue and Description of Topic	Current Position Objective	Original Due Date	Revised Due Date	Resources Required	Contact
Treasury Management Strategy	Report setting out the treasury management strategy for the council	Annual	Jan 17	Report	Head of Finance
Draft Budget 2016/17	Report	Annual	Jan 17	Report	Head of Finance
Waste Retender	Contract Award	Mar 17		Report	Environment & Technical Services
Service Plans	Draft Service Plans 2017/18	Mar 17		Report	Joint Chief Executive
Body Worn Video	Annual monitoring	April 17		Report	Environment & Technical Services
Outside Bodies	Reports from Representatives on Outside Bodies	April 17		Report	Joint Chief Executive
Annual Review	Preparation of Chairman's end of year report from Committee to full Council on the work of the Committee 2016/17	April 17		Discussion	Committee
Nominations to Service Boards	Member nominations	June 17			Chairman O&S Committee
2016/17 Performance Information – Annual Outturn	Annual update	June 17		Report	Performance and Innovation Officer
Service Boards	Consideration of the role and function of Service Boards	July 17			Committee
Medium Term Financial Forecast	Annual forecast	July 17		Report	Head of Finance
Treasury Management Outturn	Report on outturn.	July 17		Report	Head of Finance

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME – October 2016

Issue and Description of Topic	Current Position Objective	Original Due Date	Revised Due Date	Resources Required	Contact
2015/16 Revenue and Capital Outturn	Annual	July 17		Report	Head of Finance
Markets Across Hart	Task and Finish Group - Councillors Makepeace-Browne and Wheale to lead.	TBC			Committee
Waste Contract	Task and Finish Group – Councillors Axam, Wheale and Makepeace-Browne to lead.	TBC			Committee
Procurement Process	Report	TBC			Joint Chief Executive

OVERVIEW AND SCRUTINY COMMITTEE

Date and Time: 18 October 2016 at 7pm

Place: Committee Room 1, Civic Offices, Fleet

Present:

COUNCILLORS

Bailey (Chairman)

Clarke, Gray, Harward (from 7.10pm), Leeson, Makepeace-Browne, Renshaw, Wheale, Woods

In attendance: Dickens, Gorys, Parker (from 8pm)

Officers:

Andrew Vallance	Head of Corporate Services
Phil Turner	Head of Community Services

39 MINUTES

The minutes of the meeting of 20 September 2016 were confirmed and signed as a correct record.

40 APOLOGIES FOR ABSENCE

Apologies had been received from Councillors Axam and Crisp.

41 CHAIRMAN'S ANNOUNCEMENTS

None.

42 DECLARATIONS OF INTEREST

None declared.

43 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

None.

44 FEEDBACK FROM SERVICE BOARDS

Corporate Services – Councillor Makepeace-Browne reported that Councillor Burchfield had presented a full update at the last Council meeting

Councillor Wheale requested a review of service boards. The Chairman reported that he would be bringing such a report to the next meeting of the Committee.

Housing – Councillor Leeson reported that the board had not met but that updates had been circulated by the Head of Community Services. Board members would be meeting with Housing staff shortly.

The Head of Corporate Services informed members that a series of members workshops would be held throughout 2017 to enable all councillors to meet the staff of each service.

(Councillor Harward joined the meeting at 7.10pm)

45 MULTI AGENCY FLOODING MEETING – 19 SEPTEMBER 2016

The draft minutes of the meeting held on 19 September 2016 between Hart District, Council, Environment Agency, Thames Water and Hampshire County Council were noted.

46 REVIEW OF MULTI-AGENCY FLOODING MEETINGS

Members were concerned that actions were slipping from one six-monthly meeting to the next. The Committee agreed that Susannah Hope should send out a reminder of the agreed actions at the mid-point between meetings to chase officers of each organisation to complete them before the next meeting.

47 2016-17 BUDGET MONITORING – TO END OF AUGUST

Members were advised of the position on revenue and capital expenditure at the end of August. Cabinet would consider this report at its meeting on 3 November 2016.

Members were informed that the position had improved during September and the forecast revenue overspend at year end had now reduced to £80,000.

DECISION

Members noted the report.

48 EXCLUSION OF THE PUBLIC

The following item contained exempt information. The Committee decided that the public interest in maintaining an exemption outweighed the public interest in disclosing the information.

DECISION

That in accordance with Section 100A of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the item below, on the grounds that it involved the likely disclosure of exempt information, as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

49 UPDATE ON THE CREATION OF HART TRADING COMPANY

Members considered the developing proposal for Hart District Council to set up a local trading company.

NB All Appendices to this report were Confidential

The key issues discussed were as follows:

- Members were supportive of the general approach
- Members recognised key risks and that officers will work with portfolio holders to mitigate these risks, and to ensure that members understand the risks going forward
- Future reports should take account of any potential impact from devolution or local government reorganisation
- Governance – business plans would be agreed annually by Cabinet, but Overview and Scrutiny Committee would be consulted as part of the process
- Cabinet would consider any conflicts of interest when appointing members to the board of the company
- The impact of welfare reforms, especially the benefit cap, on affordability issues – Housing is working with Revenues and Benefits and the Citizens Advice Bureau to work with affected families
- Availability of staff resources to manage the company as well as existing workloads
- Concerns about spending on consultants and the potential award of future management contracts to estate agents
- Concerns about the impact on the local housing market and removing properties that would otherwise be available to first-time buyers. Officers felt that the purchase of 125 units over 5 years would not distort the market, but they would monitor the situation to ensure that the trading company complemented other Housing Services aims
- The possibility of purchasing large houses and dividing them up into HMOs to meet the needs of single people, as there was a shortage of smaller housing units in the district
- Financial risk – cyclical changes in the housing market, new legislation, Government policy changes. These were all identified as risks that members must be clear that they were accepting from the outset of the project
- Possibility of working with neighbouring authorities – but they were currently working to different models. The company would buy some properties in those areas. There would be the possibility of working together in the future if other authorities wished to partner with the company.
- Key workers, especially care workers. The company could prioritise these at some point in the future.
- The potential to convert empty offices, including HCC owned premises such as Thurleston House
- Reputational risk from the proposal such as publicity around evictions
- Concerns about future high borrowing levels
- Shared ownership – would increase the number of units the company could afford to buy

- The need to focus the company on meeting the housing needs of local residents
- Concerns about “officer stretch”

Councillor Parker joined the meeting at 8pm during this discussion

DECISION

That the ongoing development of a trading company model that will invest through both capital and borrowing in local housing stock be endorsed.

RECOMMENDATION to Cabinet

That the current approach to hone a business model and governance is continued, reflecting the present direction of travel.

50 CABINET WORK PROGRAMME

The Cabinet Work Programme was considered.

51 OVERVIEW AND SCRUTINY WORK PROGRAMME

The Overview and Scrutiny Work Programme was considered and amended as follows:

- Review of Service Boards would be added to the November 2016 agenda
- Task and Finish Group on Waste to report to December 2016 meeting
- Update on progress of Trading Company to February or March 2017 meeting

The meeting closed at 9pm