

Notes of the Scrutiny and Overview Committee
Finance and Performance Working Group
3rd December 2014

Present: Councillors: Leonard Crosbie (Chairman), John Chidlow, Brian Donnelly, Frances Haigh, Brian O'Connell, Stuart Ritchie, Diana van der Klugt

Apologies: Councillors: John Bailey, George Cockman, Jim Rae

Also present: Councillor Roger Arthur

Officers: Katharine Eberhart, Director of Resources
Sue McMillan, Head of Finance
Mark Pritchard, Commissioning and Performance Manager
Helen Sissons, Senior Planning Policy Officer

1. TO APPROVE AS CORRECT THE RECORD OF THE FINANCE AND PERFORMANCE WORKING GROUP MEETING ON 19TH NOVEMBER 2014

The notes of the Finance and Performance Working Group meeting held on 19th November 2014 were approved as a correct record of the meeting, subject to altering the final date in the New Homes Bonus paragraph to state 'October 2014'.

2. TO RECEIVE ANY DECLARATIONS OF INTEREST

There were no declarations of interest.

3. ANNOUNCEMENTS FROM CHAIRMAN OR CHIEF EXECUTIVE

There were no announcements.

4. WEST STREET PROJECT, HORSHAM, PHASE 2 – UPDATE ON LIGHTING AND PLANTING

The Working Group received an update on the progress of the lighting and planting elements of the West Street Project; both were on track and within budget.

The Working Group requested confirmation that the existing lights would be working for December 2014.

The Working Group noted that the original trial bamboo plants had been removed and replaced with box yew shrubs. Members requested information about any additional maintenance costs and details of the irrigation system.

5. **PLANNING ENFORCEMENT PERFORMANCE REPORT FOR QUARTER 2, 2014/15**

The Working Group noted the planning enforcement cases report for Quarter 2 in 2014/15; 138 cases had been received and 152 cases had been closed.

A Member had previously asked how old the enforcement cases were when they were closed; information about that had been provided at the Business Improvement Working Group meeting held on 25th November 2014 when it received the performance figures for Quarter 2. Further information about the age of enforcement cases had been requested by the BIWG. That information could be shared with the Finance and Performance Working Group.

The Working Group suggested that, in future, the reports could include information about the age of enforcement cases.

6. **PERCENTAGE OF PLANNING APPEALS ALLOWED AND DISMISSED**

This matter had been discussed at the Business Improvement Working Group meeting held on 25th November 2014. The Director of Planning, Economic Development and Property would provide an update to the BIWG meeting on 27th January 2015; that information could be shared with the Finance & Performance Working Group.

7. **KEY INCOME AREAS: MISCELLANEOUS COMMERCIAL AND DOMESTIC PROPERTY RENTS**

The Working Group had requested information about the apparent drop in income under the heading 'Miscellaneous Commercial and Domestic property rents'. The Head of Finance explained that this was because Arun House in Hurst Road, Horsham was listed as a separate cost centre and not included in the actual or budget figures for 2014/15.

The rent on Arun House had been £157,000 per annum, with three quarters (rents being invoiced a quarter in advance) included in the miscellaneous property rent figure for the comparable first half year of 2013/14. A new lease had been agreed in July 2014 with a rental at £122,000 per annum. The 2015/16 budget would be adjusted to reflect the lower income figure.

The Working Group requested details of the rental per square metre and the duration of the new lease for Arun House; that information would be available as part of the Property and Facilities Manager's report on the Council's property assets that would be presented to the Business Improvement Working Group meeting on 27th January 2015.

8. **INITIAL REVIEW (FINANCE/BUDGET) OF THE COUNCIL'S KEY AREAS OF ACTIVITIES: PLANNING, PARKING, AND OPERATIONAL SERVICES – SUB-GROUPS' TERMS OF REFERENCE AND TIMETABLE FOR THE REVIEWS**

The Working Group agreed the terms of reference for the sub-groups' reviews of certain key Council departments.

The Business Improvement Working Group would be revisiting its review of Development Management in January 2015 to consider the progress on its recommendations and changes which had been implemented. Members agreed that the proposed sub-group review of the planning department would be a duplication of that work and suggested that the BIWG could inform the Finance and Performance Working Group of its findings.

The other two sub-groups would review Parking Services (Councillors Arthur and Ritchie would undertake that review), and Operational Services / Waste and Recycling (Councillors Bailey and Crosbie would undertake that review). The relevant Cabinet Members and departmental managers would be informed and visits arranged for January 2015. The aim was to complete the reviews by the end of March 2015 and to report back to the Working Group.

9. **COMMUNITY INFRASTRUCTURE LEVY**

The Working Group requested an update on the Community Infrastructure Levy (CIL) following the submission by the Council to the Horsham District Planning Framework (HDPF) Public Examination.

The Working Group had previously been informed of the Preliminary Draft Charging Schedule which set a charge of £50 per square metre for proposed residential development on land at North Horsham and £100 for retail development.

The Senior Planning Policy Officer reported that a further viability appraisal had been undertaken of the site at North Horsham taking into account the developer's additional work which had identified significant extra costs, and also the revised S106 contribution. That exercise had resulted in Council officers taking a view that it would not be viable to have any CIL charge in addition to the S106 contribution. That view had been reported to the Planning Inspector at the HDPF Public Examination who had originally requested further information on the viability of the North Horsham development.

The Council would be asked to approve the recommendations for the next consultation on the revised Draft Charging Schedule.

Members questioned the revision to a zero CIL rate and why that was felt to be necessary to ensure the viability of the proposed development. Members also asked about the potential burden that would be placed on the S106 contributions/process, the potential loss

of CIL revenue and the real possibility of a potential infrastructure funding gap (comparable to the funding gap which had now been identified in the West of Horsham scheme).

The Working Group agreed to review the CIL framework, and also how it related to the S106 process. In addition the Working Group wished to consider details of a potential funding gap for the North Horsham site, information on differentiating between greenfield and brownfield sites, consideration of variable CIL rates, and an assessment of the integrity of the revised viability outcomes for the North Horsham site given that the initial CIL calculation was based on house prices in 2013 together with the probability of a railway station being provided for North Horsham.

10. BUDGET PROCESS FOR 2015/16 - UPDATE

The Working Group received information about the budget process for 2015/16 and noted the draft budget parameters and a summary of main changes (additional costs and savings) to the planned budget, as at 3rd December 2014. The budget for 2015/16 was still being discussed and prepared.

Members noted that the Government's Revenue Support Grant would be announced before Christmas 2014.

The Head of Finance informed Members that the Council's reserves had only reduced by a small amount over a period of several years. There had not been a significant use the reserves because many of the final budgets in that time had been underspent.

The Working Group noted that additional budget costs included provision for the pay award and a superannuation increase. Increased income had been identified which included increased fee income from Development Management.

The latest information on the New Homes Bonus returns was presented indicating £876,000 for 2015/16.

The meeting ended at 7.33 p.m. having commenced at 5.30 p.m.

CHAIRMAN