

A meeting of the **CABINET** will be held in the **COUNCIL CHAMBER, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **THURSDAY, 24 NOVEMBER 2005** at **11:30 AM** and you are requested to attend for the transaction of the following business:-

## **APOLOGIES**

  
**Contact  
(01480)**

**1. MINUTES** (Pages 1 - 2)

To approve as a correct record the Minutes of the meeting held on 10th November 2005.

**Mrs H Taylor  
388008**

**2. MEMBERS' INTERESTS**

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda item. Please see Notes 1 and 2 below.

**3. FINANCIAL STRATEGY - UPDATE** (Pages 3 - 6)

To consider a report by the Director of Commerce & Technology.

**S Couper  
388103**

**4. REVIEW OF COUNCIL BUDGET AND EXPENDITURE**  
(Pages 7 - 32)

To consider the Overview and Scrutiny Panel (Planning and Finance) recommendations on the Council's budget and expenditure.

**P G Mitchell  
01733 244666**

**5. CONCESSIONARY FARES** (Pages 33 - 36)

To consider a report by the Head of Environment and Transport outlining changes to the way that the concessionary fares regime operates across England and the implications for the District.

**S Bell  
388387**

**6. TREASURY MANAGEMENT INVESTMENT PERFORMANCE**  
(Pages 37 - 40)

To consider a report by the Head of Financial Services on levels of performance achieved by the External Fund Managers during the quarter ended 30th September 2005.

**S Couper  
388103**

**7. HUNTINGDON HIGH STREET - ENVIRONMENTAL IMPROVEMENTS** (Pages 41 - 46)

To consider a report by the Head of Environment and

**C Allen**

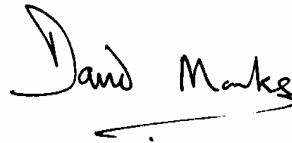
- Transport regarding progress on the Huntingdon High Street improvements and a request for the release of funding for Phase 2. **388380**
- 8. MEDIUM TERM PLAN: REQUEST FOR THE RELEASE OF FUNDS** (Pages 47 - 50)
- By way of a report by the Head of Finance Services to consider requests for the release of funding for Medium Term Plan Schemes. **S Couper  
388103**
- 9. CORE POLICIES DPD - AFFORDABLE HOUSING TARGETS: PREFERRED OPTION FOR CONSULTATION** (Pages 51 - 56)
- To consider a report by the Head of Planning Services regarding suggested preferred options for inclusion in the Core Strategy Development Plan Document. **Mrs C Bond  
388435**
- 10. ASSET MANAGEMENT PLAN** (Pages 57 - 66)
- To consider a report by the Head of Legal and Estates regarding the Council's Asset Management Plan. **K Phillips  
388260**
- 11. LICENSING ACT 2003 - IMPLEMENTATION** (Pages 67 - 70)
- To consider a report by the Head of Administration regarding the implementation of the Licensing Act 2003. **R Reeves  
388003**
- 12. ST NEOTS LEISURE CENTRE MANAGEMENT COMMITTEE**
- To note the resignation of Councillor I P Taylor from St Neots Leisure Centre Management Committee and consider the appointment of Councillor Mrs D E Collins to fill the vacancy following her nomination by the Leader of the Liberal Democrat Group. **Mrs H Taylor  
388008**
- 13. EXCLUSION OF PUBLIC**
- To resolve -
- that the public be excluded from the meeting because the business to be transacted contains exempt information relating to an employee of the District Council and the terms proposed for the supply goods and services.
- 14. HEADQUARTERS AND OTHER ACCOMMODATION - FINAL TENDER EVALUATION** (Pages 71 - 132)
- To consider a report by the Chief Officers Management Team.

**15. PATHFINDER HOUSE RECEPTION (Pages 133 - 136)**

To consider a report by the Head of Administration regarding staffing of the main reception at Pathfinder House.

**R Reeves  
388003**

Dated this 16 day of November 2005



Chief Executive

**Notes**

1. *A personal interest exists where a decision on a matter would affect to a greater extent than other people in the District –*
  - (a) *the well-being, financial position, employment or business of the Councillor, a partner, relatives or close friends;*
  - (b) *a body employing those persons, any firm in which they are a partner and any company of which they are directors;*
  - (c) *any corporate body in which those persons have a beneficial interest in a class of securities exceeding the nominal value of £5,000; or*
  - (d) *the Councillor's registerable financial and other interests.*
2. *A personal interest becomes a prejudicial interest where a member of the public (who has knowledge of the circumstances) would reasonably regard the Member's personal interest as being so significant that it is likely to prejudice the Councillor's judgement of the public interest.*

**Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntsdc.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Cabinet.**

**Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.**

**Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.**

Agenda and enclosures can be viewed on the District Council's website – [www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk) (under Councils and Democracy).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

***Emergency Procedure***

*In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit and to make their way to the base of the flagpole in the car park at the front of Pathfinder House.*

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Cabinet Room, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Thursday, 10 November 2005.

PRESENT: Councillor D P Holley – Chairman.  
Councillors Mrs J Chandler, N J Guyatt,  
A Hansard, Mrs P J Longford,  
Mrs D C Reynolds, T V Rogers and  
L M Simpson.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor I C Bates.

### **100. MINUTES**

The Minutes of the meeting of the Cabinet held on 3rd November 2005 were approved as a correct record and signed by the Chairman.

### **101. MEMBERS' INTERESTS**

No declarations were received.

### **102. EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED

that the press and public be excluded from meeting because the business to be transacted contains exempt information relating to applicants to become employees of the District.

### **103. OPERATIONAL SERVICES DIRECTORATE: APPOINTMENT OF DIRECTOR OF OPERATIONAL SERVICES**

The Chief Executive reported on the outcome of the meeting of a Panel appointed by the Council to interview the short listed candidates to the post of Director of Operational Services which had met earlier that day.

Having being acquainted with the requirements of paragraph A(e) of the Officer Employment Procedure Rules, the Leader of the Council informed the Chief Executive, that there was no material or well-founded objection to the Panel's proposals with regard to offer of an appointment to fill the forthcoming vacancy in the post of Director of Operational Services.

Chairman



CABINET

24 NOVEMBER 2005

## FINANCIAL STRATEGY - UPDATE

(Report by the Director of Commerce and Technology)

### 1 PURPOSE

1.1 The purpose of this report is to update the Cabinet on items that will affect the Financial Strategy report considered at their September meetings and by Council on the 28 September. At that time the Council decided to defer consideration of the Financial Strategy to their meeting on the 7 December as:

- significant changes to the Council's financial support from the government might result from changes to the grant formula.
- the clarification process with the tenderers for new office accommodation would lead to changes in the financial impact.

1.2 Subsequently, officers have been identifying another tranche of savings and have commenced reviewing the MTP. Chief Officers' Management Team have produced the guidance attached at Annex A for this purpose.

1.3 Reference was made in the report to a request to the LGA to try and get the Government to exclude Authorities in certain positions from being capped. Unfortunately the LGA considered that it would weaken their total opposition to capping if they were to approach the Government in this way.

### 2 GOVERNMENT FINANCIAL SUPPORT

2.1 The latest information is that the Council will receive the Government's draft figures in mid-November or early December. Given the significant changes in the formula this year and the LGA's recent comments that, unless the Government significantly increase financial support, average Council Tax increases of 10% will be likely the announcement may be towards the end of this time frame.

2.2 Two types of change may emerge:

- the grant resulting from the **last** formula change may be received more slowly or quickly than forecast. This will not affect the eventual level of savings required but may move the date by which they must be achieved forwards (slower receipt of grant) or backwards (quicker receipt of grant).
- The new formula may result in an underlying increase or reduction in the level of financial support that has been forecast. This will also have an impact on the date by which savings must be achieved but will also increase (less grant) or reduce (more grant) the eventual level of savings that must be achieved.

### **3. NEW OFFICE ACCOMMODATION**

- 3.1 Clarification of the lowest two tenders has now been undertaken and a robust estimate of refurbishment costs has been obtained. These figures are considered in a separate report on your agenda.

### **4. CONCLUSION**

- 4.1 Given the anticipated late notification of the draft grant settlement, the ongoing identification of savings and the review of the MTP there would be significant benefits from leaving further discussion of the Financial Strategy until the new year.
- 4.2 This would also allow members to assess the various pronouncements that the Government are likely to make on Council Tax levels though these will inevitably not give a clear indication of their proposed capping levels.

### **5. RECOMMENDATION**

- 5.1 Cabinet are asked to recommend to Council that they defer consideration of the Financial Strategy to their February meeting and consider it in parallel with the budget and 2006/11 MTP.

#### **Access to Information Act 1985**

Correspondence from the LGA and ODPM

#### **Contact Officer:**

**Steve Couper**, Head of Financial Services

**☎ 01480 388103**



## GUIDANCE FROM COMT TO OFFICERS ON REVIEWING THE MTP

I refer to the email I sent at the beginning of August which asked you to undertake certain actions for the MTP Review.

COMT have now identified a list of efficiency savings and/or budget reductions and are currently checking to confirm how soon they will come on stream.

As far as the remaining efficiency savings assumptions are concerned, any major amount will reflect business process reviews or other one-off projects. It may therefore be appropriate to adjust the savings profile to reflect the sort of work programme that the Business Analysts can achieve. However, we must also continue to seek and introduce small improvements, and these should certainly be considered whenever staff "hand in their notice". Any staff departure must be seen as an opportunity to do things differently and / or to change roles and responsibilities so that the vacancy doesn't need to be filled.

The Efficiency Savings line is only part of our challenge. Total savings, based on the lowest bid for new offices requires a **cost reductions of £7.1M on top of the efficiency savings of £1.3M by 2016/17.**

We therefore need to set some guidelines to minimise abortive MTP bidding.

### **New Schemes**

Obviously any Unavoidable bids will have to be included (**as long as the unavoidable is absolute - this includes the preservation of physical assets**) but any other new bids (including new 2010/11 bids) are only worth preparing if they have a **high impact on high priority\*\*** Council targets **AND** reductions on another bid or in the base can be identified to fund them. Obviously colleagues may not share your view of priorities and may be unwilling to reduce spending in their services to accommodate an increase in spending in yours, so the easiest way to achieve this is to find the savings from within your own service area. This also applies to any areas with significant overspending where you cannot solve them by virement. [Form to be completed - separate forms for unavoidable and high impact on high priority are available].

### **Revisions to existing schemes**

Please be realistic rather than optimistic when slipping schemes. A significant proportion of the Council's underspending is due to delays in completing schemes.

If there is an increase in cost and if the scheme is high impact on a high priority and the increase is minimal or a reduction in cost then a revision form can be used. Otherwise it must be treated as a new scheme (see above).

[Shortened form to be completed - copy available]

### **Reviewing existing schemes**

We also need to review those planned schemes that will **NOT** have a major impact on a high priority area. Some/all of these are likely to be deleted because it is obviously easier to achieve reductions in planned spending by not doing something we haven't yet started than to stop something we are already doing. [List to be provided of those that are not high impact on high priority showing those that should be considered for retention]

### **Base Review**

We will need to address service reductions in the base, so if you can identify any low priorities now so that those reductions can be made sooner rather than later. [Details to be provided]

### **Efficiency projects**

Identify any significant projects that could lead to efficiency improvements (other than Customer First and BA review programme which will be reviewed anyway). [List to be provided].

**\*\* High Priority and High Impact** are defined in the table on page 7 of "Growing Success 2004/05" produced and circulated by the Policy Division in June 2005.

**COMT subsequently agreed on the 15 November that where a manager has a new "high impact on a high priority" scheme but has been unable to identify compensating savings then, if the case is supported by their Director, COMT will consider whether it should be funded by savings identified in other services.**

## **REVIEW OF COUNCIL BUDGET & EXPENDITURE (Report by the Overview & Scrutiny Panel (Planning & Finance))**

### **1. INTRODUCTION**

- 1.1 At their meeting held on 8<sup>th</sup> November 2005, the Panel considered the findings of a review into the Council's budget and expenditure by a working group which had been established for this purpose. A copy of the working group's report is attached at Appendix A.

### **2. DELIBERATIONS OF OVERVIEW & SCRUTINY**

- 2.1 As a result of their discussions the Panel have agreed that further information is required in relation to a number of the findings put forward by the working group before decisions (if any) can be taken on the recommendations submitted. These can be summarised as follows:-

- Councillor P J Downes to investigate and report back on the implications of reducing the Council's information and promotion budget (paragraph 5.6).
- Councillor P J Downes also to investigate and report back on the implications of the Council's decision for the operation of the call centre (paragraph 6.10)
- The Executive Councillor for Leisure and Head of Community Services to be invited to a future meeting to discuss the role of the Leisure Centre management committees and budget retention by centres in each financial year (paragraph 7.5)
- The Executive Councillor for Housing and Head of Housing Services to be invited to a future meeting to discuss the housing provision for social and shared cost housing through subsidy and Section 106 agreements and the potential for any increase in nomination rights (paragraph 8.5)
- To request officers to monitor the effects of changes in Government grants on the Council's overall expenditure on housing provision and report the results to all Members.

- 2.2 With regard to the recommendations in relation to the identification of information technology costs (paragraph 4.5), the Panel have been informed that this information can be made available without any additional investigation.

- 2.3 However, having regard to the timing of the budgetary cycle, the Panel invite the Cabinet to consider the following recommendations for the reasons outlined in the attached report:-

- i. That a total spend analysis similar to that in Annex A of the Working Group's report be made available to all Members and for it to include where reasonably practicable the distribution of ALL which is currently shown as Unallocated Items.
- ii. That the Cabinet be recommended to review those projects in the Medium Term Plan which have not yet commenced and to consider the potential for the removal of any items from the programme.
- iii. When considering new initiatives (MTP Bids) the Cabinet be recommended to encourage Heads of Service to accommodate these from their existing budgets, if necessary by adjusting time scales.
- iv. That the Cabinet be requested to undertake a full review of the revenue inflation for the years 2005/06 to 2009/10.
- v. That in considering the Council's Financial Strategy, the Cabinet be invited to recommend Option 3 to the Council.
- vi. That the Cabinet be recommended to take action to make necessary savings now with a linear increase in savings to reach a sustainable position by 2011/12.
- vii. That the Cabinet be recommended to identify efficiency savings arising from the implementation of the Customer First programme at the earliest opportunity.
- viii. That the Cabinet be recommended to give serious consideration to alternative financial strategies for funding leisure centre provision.

### **3. FINANCIAL STRATEGY**

- 3.1 At their meeting, the Panel also considered the future decision to be made by the Council on replacement office accommodation at their meeting to be held on 7<sup>th</sup> December 2005. Having regard to the findings of the Working Group and the potential cost of new build / refurbishment options, the Panel are of the opinion that a decision should not be taken until such time as the Council have considered and determined the Financial Strategy. The Panel therefore

#### **RECOMMEND**

**that the Financial Strategy be considered by the Council in advance of any decision on alternative office accommodation.**

### **4. RECOMMENDATIONS**

- 4.1 The Cabinet is invited to consider the recommendations of the Overview & Scrutiny Panel (Planning & Finance) as set out above.

## **BACKGROUND PAPERS**

Report by Overview & Scrutiny Working Group  
Minutes of Overview & Scrutiny Panel – 8<sup>th</sup> November 2005  
Council Budget 2005/06  
Agendas and Notes of Overview & Scrutiny Working Group

**CONTACT MEMBERS:**      **Councillors P G Mitchell, P J Downes & D B Dew (01733) 244666**

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**OVERVIEW AND SCRUTINY PANEL  
(PLANNING AND FINANCE)**

**8<sup>TH</sup> NOVEMBER 2005**

**REVIEW OF COUNCIL BUDGET & EXPENDITURE  
(Report by the Working Group appointed by the Panel)**

**1. PURPOSE**

To consider the outcome of the review into the Council's budget & expenditure.

**2. INTRODUCTION**

2.1 Members will recall that at their meeting held on the 9<sup>th</sup> November 2004, they appointed Councillors D B Dew, P J Downes, J A Gray, P G Mitchell and I R Muir to a working group for the purpose of undertaking a review of the Council's Budget & expenditure and to bring forward recommendations and proposals for consideration by the Panel. Councillor S J Vanbergen was appointed to join the group in January 2005.

2.2 Panel Members are reminded that the Working Group was established following the Panel's consideration of the outcomes achieved from the Council's Base Budget review in 2004 and their disappointment that there did not appear to have been any explicit Member involvement in the process.

2.3 The working group has met on 9 occasions to date and has focused their review on trends in Council expenditure.

**3. METHODOLOGY**

3.1 To enable the Group to obtain a better understanding of expenditure on Council services, the working group, with the assistance of the Head of Financial Services, developed a spreadsheet which demonstrated past, current and future net expenditure by service area, together with the percentage changes in expenditure over time. A copy is attached for Member's attention at Annex A. The Group hope that this will prove of use to Members in considering future expenditure trends.

3.2 The purpose of the exercise was to identify those services which incurred high volumes of expenditure and / or had incurred significant changes in spending in recent years and so were worthy of further investigation. Arising from that exercise, the Group agreed to focus their investigations on the following :-

<b>Service / Department</b>	<b>Head of Service</b>	<b>Executive Councillor</b>
Corporate Management	S Couper	T V Rogers

Customer First	C Hall	L M Simpson
Leisure Centres	P Jones	J Chandler
Housing Services	S Plant	D C Reynolds
Housing & Council Tax	J Barber	T V Rogers
Benefits		

which between them constitute 43% of actual spend before contingencies, investment income & other items are taken into account.

#### 4. OVERALL EXPENDITURE

4.1 As part of the review, the level of the Council's overall expenditure has been discussed with Mr S Couper, Head of Financial Services, Ms S Martin, Principal Accountant & Councillor T V Rogers Executive Councillor for Finance.

4.2 The specific details are contained in Annex A. Members should be aware that the total expenditure by service area is detailed in pages 1 and 2, whilst the yellow columns demonstrate the percentage changes in expenditure over the years. Members should also be aware that for the years 2007/08 to 2009/10, the sum of £5,200K is shown as unallocated expenditure and these items are listed in page 3 of the annex.

4.3 A summary of the Council's overall spend is set out in tabular form below:-

	2001/02 £000	% Change	2005/06 £000	% Change	2009/10 £000
<b>Gross Expenditure</b>			55,681		
<b>Net Expenditure</b>	9,754	78%	17,373	31%	22,774

**(Table 1, Total Spend)**

4.3 In relation to overall levels of expenditure, the working group have made the following observations:-

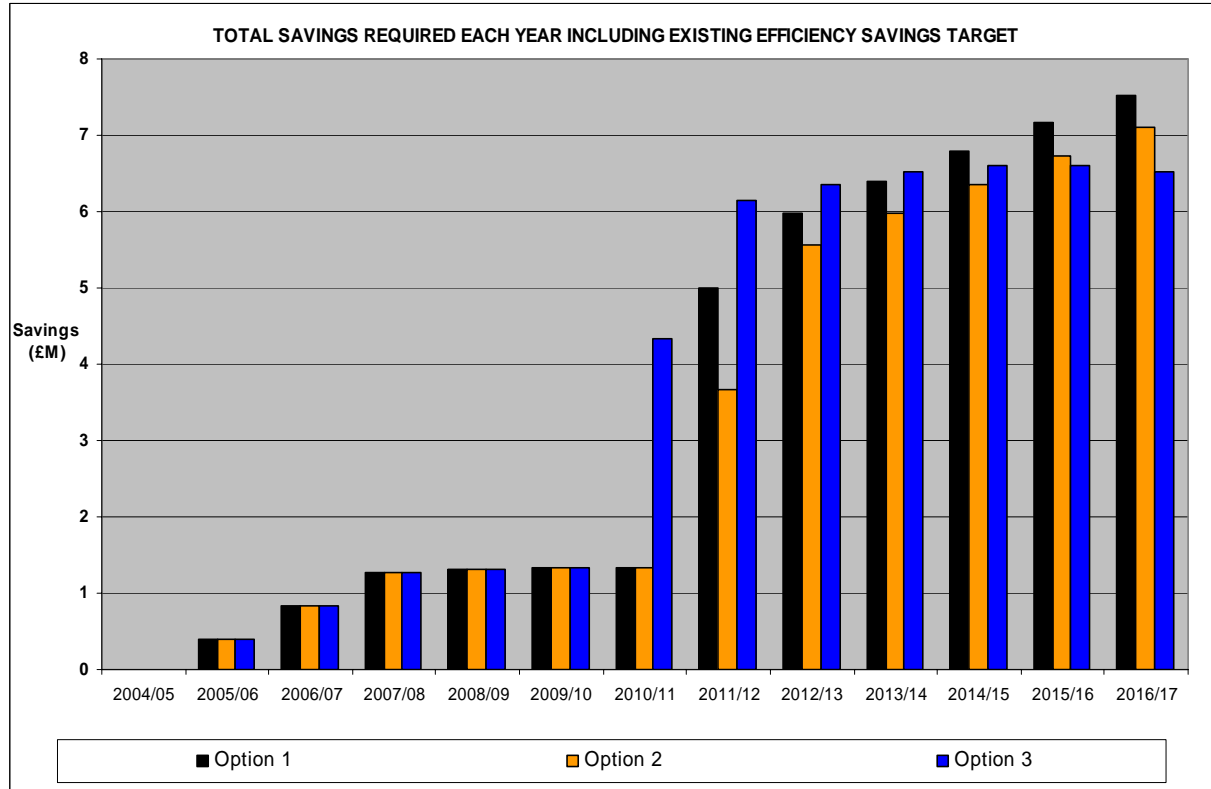
- The Financial Strategy, to cope with Capping and running out of reserves is well set out in the Agenda and Reports to the Council in September (Appendix B). The Working Group prefer Option 3, which reduces the Budget Increase to 6% and the risk of further capping but requires larger increases in Council Tax in later years.

Option 3 requires least service reductions (£5.2M), is least prone to capping and would be recognised as attempting to



follow the Government's approach. It does however result in smaller tax increases now but larger ones in due course.

The graph below shows the total savings required each year including the efficiency target already included in the MTP.



- The Working Group recognise that whichever option is chosen in the financial strategy presented for this year, major efficiencies / spending cuts will be required in service developments already included in the MTP and / or in existing services. Each option presented within the proposed financial strategy requires eventual reductions in service spending of over £5.2M per year with effect from 2011/12. Clearly the current Medium Term Plan cannot be sustained.
- The Council have increased overall levels of net expenditure by £7,619K (78%) between Year 01/02 and Yr 05/06; this rate of growth can not be sustained and must be addressed.
- Expenditure in the Directorates is driven by the Medium Term Plan. Given that it is ultimately Members who are responsible for approving the MTP, it is imperative that Members understand the implications of approving MTP bids.
- The increases forecast for the years 2005/06 to 2009/10 are significantly less than in the past but, it is our opinion that, if we are to avoid heavy spending cuts in the future we need to be

looking at a reduction in spend. The overall increase including the unallocated items amounts to 31% over 4 years. Inflation at our normal levels would be about 17% over this period.

- Unallocated items account for an increase of £5,197K in the years 2005/06 to 2009/10. The details are given in Annex A page 3 and include revenue inflation of £3,495K and pensions increases of £1,160K. However pensions is an area over which the Council has no control.

4.5 As a result the Working Group wish to make the following **RECOMMENDATIONS** for consideration by the Panel:-

- **That a total spend analysis, similar to that in Annex A be made available to all Members and for it to include the distribution of ALL which is currently shown as “Unallocated Items”**
- **Although the Working Group recognised that Information Technology (IT) is currently recharged to different areas of the Council’s budget, the Group consider that given the degree of expenditure on IT this should be clearly identified as a recognised sector of spend and the information made available to Members.**
- **That the Cabinet be recommended to review those projects in the Medium Term Plan which have not yet commenced and to consider the potential for the removal of any items from the programme.**
- **When considering new initiatives (MTP Bids) the Cabinet be recommended to encourage Heads of Service to accommodate these from their existing budgets, if necessary by adjusting time scales.**
- **That the Cabinet be requested to undertake a full review of the revenue inflation for the years 2005/06 to 2009/10.**

**That in considering the financial strategy, the Cabinet be invited to recommend Option 3 to Council. The Working Group further recommend that the action required to make the necessary savings is started NOW, with a linear increase in savings to reach a sustainable position by 2011/12.**

## **5. CORPORATE MANAGEMENT**

5.1 Councillor P J Downes undertook to explore the Corporate Management budget on behalf of the Group. The budget had seen an

increase from £1,377K in 2001/02 to £2,302K in the current year and comprised the following sub headings, in addition to a large percentage of the Customer First Programme:-

- **Bank Charges**
- **Best Value**
- **Information & Promotion**
- **External Audit**
- **Local Council Support**
- **Pensions**
- **Policy & Strategy**
- **Public Accountability**
- **Unutilised Depot Space**

5.2 The tabular summary below sets out the increase and forecast increase in expenditure in this area from 2001/02. The figures for 09/10 are in today's money and do not include inflation.

	<b>2001/02 £000</b>	<b>% Change</b>	<b>2005/06 £000</b>	<b>% Change</b>	<b>2009/10 £000</b>
<b>Net Expenditure</b>	1,377	67%	2,302	0%	2,302

**(Table 2: Corporate Management)**

5.3 Expenditure has been scrutinised under two headings:-

- a. Corporate Management**
- b. Customer First**

5.4 The outcome of Councillor Downes enquiries with relevant officers in respect of these budget areas is summarised in Annex B to the report

5.5 In relation to the Corporate Management budget, the Working Group have made the following observations:-

- Some of the trends are difficult to follow in fine detail because of changes in the way staffing costs are assigned. This is because the Chartered Institute of Public Finance Accountancy require certain headings to be used and their methodology has been refined over recent years.
- It is clear that we have had a considerable growth in service activity over the last three years with consequential growth in corporate services costs. We can't increase what we do without employing more people to do it.
- The staffing structure is broadly historical i.e. it tends to roll forward, with occasional extra (temporary) posts being created.
- The last two reviews by officers have deleted £870K from the Council's budget. If so, it is difficult to see how much

more can be identified unless there is a rigorous appraisal of work reduction, some of it arising from the Call Centre.

- There has been staff growth in the area of IT. IT is supposed to make everything more efficient but it does not always save money (e.g., software, hardware up-grades and maintenance).
- There has been a considerable expansion of our profile with information and promotion (publications, videos etc) and a substantial increase in the budget allocated to that heading.

5.6 The working group would like to present the following **RECOMMENDATIONS** for consideration by the Panel:-

- **That the Cabinet be recommended to scale back the information and promotion budget by £150K and accept the inevitable reduction in these activities.**

## **6. CUSTOMER FIRST**

6.1 Councillor P J Downes worked with the Head of Customer First and one of the Principal Accountants to explore the heading 'Customer First' which has a revenue budget of £644K in 2005/06 and which settles at £688K from 2006/07. This is an obvious area of growth as it had a budget of only £7K in 2001/02.

6.2 Customer First includes the Call Centre, the Customer Service Centre and the web-site, together with the cost of the Customer Relationship Management package and the Geographical Information System.

6.3 The people & facilities element of the budget accounts for £478K. There are 4 senior staff (2 managers and 2 team leaders) at the Call Centre and 12 full time equivalent agents providing a coverage which is greater than traditional office opening hours. Some posts have been transferred from Pathfinder House and the net extra staffing cost is shown on the budget as £238K. The savings that can be made are being logged.

6.4 Other costs of the Call Centre can be summarised as follows:-

- ICT systems - £113k per year.
- Technical infrastructure (including GIS and the Local Land and Property Gazetteer) - £195k per year.

The capital costs of £940K in 2004/05 and £1,088K in 2005/06 are high because they include permanent and temporary staff contracted to set up the system. The logic of entering salary costs under capital has been questioned.

- 6.7 The items shown on the MTP are only the **extra** staff and costs required by this programme. Some existing staff are within the base budget.
- 6.8 The Council has signed an agreement for 8 years for the infrastructure and lease part of Speke House, St Ives from the County Council for the Call Centre with a break clause at 3 years.
- 6.9 Discussions were held at length in respect to the extent to which opening the Call Centre saves time and therefore people in the back office. The difficulty in identifying savings is that a lot of officers are 'losing' a fraction of their job, or part of their work is being done by the Call Centre, thus providing them with more time to undertake their normal duties.
- 6.9 The Working Group has made the following observations in respect of Customer First:-
- Customer First has been an expensive development but it has modernised services. The option chosen for the Call Centre at the time was not the cheapest. An alternative option, involving integration with the County Council (based on initial cost estimates) would have cost £200K less in capital and £100k less per year in revenue costs. The capital has now been invested.
  - The option of saving money by abandoning Customer First does not seem realistic. The waste of capital investment would be indefensible. However, Heads of Service should identify savings i.e. staffing reductions, from within their teams.
  - The gain to the customer through a more comprehensive and faster telephone response service and through access to the web-site cannot be quantified in financial terms.
  - The overall aim of the Business Process Improvement (BPI) project is to streamline processes so that we are as efficient and effective as possible. The expectation is that the efficiencies which result from the project will be at least equivalent to the savings assumed in the MTP bid. However, the extent to which it is possible to turn these efficiencies into real cash savings is likely to depend on how much we change the structure.
- 6.10 The working group would like to present the following **RECOMMENDATIONS** for consideration by the Panel:-
- **That the Cabinet be requested to identify efficiency savings arising from the implementation of the Customer First programme at the earliest opportunity.**

- **That the Cabinet be requested to consider the reversion to an alternative option for the operation of the Contact Centre, possibly by way of integration with the County Council which could potentially save £100K per year in running costs (based on initial cost estimates)**

## 7. LEISURE CENTRES

7.1 As part of their review into the Leisure Centre's budgets, the working group have met with the Head of Community Services, the Executive Councillor and representatives from the Financial Services Division to discuss expenditure at the leisure centres. Having regard to the overspend by some of the centres and the responsibilities of the Management Committees for their budgets, it was agreed that this should be considered as part of the review. Given Councillor D B Dew's familiarity with the St Ivo Centre, it was decided that the investigations should be focused in this area.

7.2 The leisure centres budget has increased from £2,024K in 2001/02 to £2,843K in 2005/06 and is forecast to increase by a further 18% by 2010. As part of the review, information was obtained from another of the Council's Principal Accountant to discuss the detail of the budgets.

7.3 The tabular summary below sets out the increase and forecast increase in expenditure in this area from 2001/02, which are in today's money and do not include inflation. Annex C shows the details of expenditure of the various centres.

	2001/02 £000	% Change	2005/06 £000	% Change	2009/10 £000
<b>Net Expenditure</b>	2,024k	40.5%	2,843	1.6%	2,889

(Table 3a Leisure)

	Huntingdon £000	Ramsey £000	Sawtry £000	St Ivo £000	St Neots £000	ALL £000
Total Income	908	481	238	1,588	931	4,148
Total Expenditure	1,508	927	722	2,639	1,653	7,450
Total Net Expenditure	599	445	483	1,051	721	3,302
Less County & Schools Contribution	81	47	73	196	84	483
Funded by HDC	518	398	410	854	637	2,819

**(Table 3b Leisure Centres Relative Spending 2005/06)**

7.4 Arising from the review, the Working Group have made the following observations:-

- The leisure centres remain the Council's largest non-statutory cost and in the current financial climate, efforts to evaluate the implications of alternative funding strategies should be considered.

- Following discussions with officers and members, it has become apparent that the leisure centre management committees are not clear about the roles which they are expected to perform. The current system often leads to managers making decisions and the management committees ratifying them after the event. If leisure centres are to remain within budget it is important that committees fully understand their role and take greater control of centre expenditure.
  
- That the leisure centre budgets should encourage the retention of reserves for future projects. It has become clear that on occasions large budget amounts have been moved between centres. This cannot help the centres stay within their budget and in the opinion of the Working Group discourages Centre Managers from accruing reserves to fund larger projects.

7.5 The working group would like to present the following **RECOMMENDATIONS** for consideration by the Panel:-

- **That the Cabinet be recommended to give serious consideration to alternative financial strategies for funding leisure centre provision.**
  
- **That the Cabinet be recommended to review the role of the leisure centre management committees.**
  
- **That the budgets for leisure centres be allocated for a particular year and not transferred between the centres during the course of an individual year.**

## 8. HOUSING

8.1 As part of the review of the Housing Services budget, Councillor P G Mitchell has reviewed expenditure with the Head of Housing, and a Principal Accountant.

8.2 The 2005/06 Housing Budget constitutes 60 % of the Council's gross expenditure and 23% of Net Spend. The tabular summary below sets out the increase and forecast increase in expenditure in this area from 2001/02 which are in today's money. There is very little growth forecast in real terms from 2006/07 to 2009/10.

	<b>2001/02 £000</b>	<b>% Change</b>	<b>2005/06 £000</b>	<b>% Change</b>	<b>2009/10 £000</b>
<b>Gross Expenditure</b>	17471	26%	21930		
<b>Funding</b>	14375	24%	17836		

<b>Net Expenditure</b>	3097	31%	4094	12%	4590
------------------------	------	-----	------	-----	------

8.3 The expenditure for housing is given under the following sub headings. All values are given for the years (01/02 // 05/06).

- Housing Services (£441K // £646K)
- Private Housing Support (£794K // £2285K)
- Homelessness (£381K // £577K)
- Housing Benefits (£1481K // £585K)
- Council Tax Benefits (£229K // £45K)

Details of the various items of expenditure are set out in Annex D which also gives the explanations which have been provided to Councillor Mitchell in respect of his enquiries into these budget areas.

8.4 Arising from the review of the Housing budget, the Working Group made the following observations:-

- Private Housing Support will cost £2,285K this year. It will provide nomination rights for 30 new houses but these are not regarded as enough to cope with the level of homelessness in the District.
- Total Housing cost this year is budgeted at £21,930K gross with fees and grants of £17,840K, leaving HDC with a net cost of £4,090K. Staff Numbers in housing (which excludes Housing Benefits) were 28.5 in the year 01/02, rising 32.6 in the Year 05/06.
- Council Tax Benefit Payments. This sector was not reviewed but the gross levels need to be monitored particularly in view of forecast Government changes. Gross spend is budgeted at £4,699K, with grants of £4,654K leaving HDC with a net cost of £45K.

8.5 The working group would like to present the following **RECOMMENDATIONS** for consideration by the Panel:-

- **That the Cabinet be requested to review housing provisions for social and shared cost housing through subsidy and s106 agreements and investigate the possibility of obtaining more nominations for less expenditure.**
- **That officers be requested to monitor the effects of changes in Government Grants on the Council's overall expenditure and report the results to all Members.**

## 9. CONCLUSION & RECOMMENDATIONS



- 9.1 The general impression is that financial control is good..
- 9.2 The Working Group would like to express their appreciation to the officers and members who have helped them in their investigations and in preparing this report
- 9.3 The Overview & Scrutiny Panel are invited to consider the observations made by the Working Group and the recommendations arising set out in paragraphs 4.5, 5.6, 6.10, 7.5 & 8.5 of the report now submitted. Please note that these only relate to the services under review.

**CONTACT MEMBERS: Councillors P G Mitchell, P J Downes & D B Dew**

**(01480) 388234**

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	Net Revenue Impact in £000																Variance y05 - y09						
	Actual				Budget				MTP														
	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	Variance y01 - y05	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2009/ 2010	Variance y05 - y09											
<b>SERVICES</b>																							
Refuse Collection	1,495	1,677	1,765	2,733	115%	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	3,212	0	0	
Recycling	370	610	969	938	241%	1,262	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	8	8	
Street Cleansing	946	1,121	1,163	1,224	32%	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	0	0	
Drainage and Sewerage	423	476	471	477	41%	598	598	599	600	602	602	602	602	602	602	602	602	602	602	602	4	4	
Public Conveniences	320	311	311	425	-19%	260	301	256	256	269	269	269	269	269	269	269	269	269	269	269	9	9	
Environmental Health	1,182	1,286	1,424	1,687	56%	1,840	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	-8	-8	
Mortuary & Cemeteries	7	0	0	0	-100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Environmental Services</b>	<b>4,743</b>	<b>5,481</b>	<b>6,103</b>	<b>7,484</b>	<b>78%</b>	<b>3,679</b>	<b>8,463</b>	<b>8,419</b>	<b>8,420</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>8,435</b>	<b>13</b>	<b>13</b>	
<b>Development Control</b>																							
Building Control	1,550	847	852	1,044	-32%	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	0	0	
Planning Policy and Conservation	123	141	160	242	110%	258	258	258	258	258	258	258	258	258	258	258	258	258	258	258	0	0	
Markets	839	791	897	891	28%	1,074	1,222	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	1,022	-52	-52	
Economic Development	-45	-48	-45	-91	91%	-86	-86	-86	-86	-86	-86	-86	-86	-86	-86	-86	-86	-86	-86	-86	0	0	
<b>Planning Services</b>	<b>359</b>	<b>458</b>	<b>338</b>	<b>934</b>	<b>218%</b>	<b>784</b>	<b>716</b>	<b>729</b>	<b>729</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>733</b>	<b>-410</b>	<b>-410</b>	
<b>Leisure Events and Facilities</b>	<b>2,826</b>	<b>2,189</b>	<b>2,202</b>	<b>3,020</b>	<b>22%</b>	<b>618</b>	<b>3,165</b>	<b>2,978</b>	<b>2,978</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>-462</b>	<b>-462</b>	
<b>Leisure Centres</b>																							
Leisure Policy and Development	217	156	262	236	-18%	0	185	191	196	200	200	200	200	200	200	200	200	200	200	200	21	21	
Parks and Open Spaces	2,024	2,276	2,535	2,453	40%	819	2,825	2,840	2,856	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	46	46	
Countryside	258	290	314	379	45%	117	365	365	365	365	365	365	365	365	365	365	365	365	365	365	-10	-10	
Tourism	1,010	1,254	1,251	1,319	48%	483	1,495	1,494	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	3	3	
Community Initiatives	422	432	473	467	21%	88	510	510	510	510	510	510	510	510	510	510	510	510	510	510	0	0	
Community Services	270	332	357	395	55%	149	419	419	419	419	419	419	419	419	419	419	419	419	419	419	0	0	
Housing	365	409	594	645	138%	502	867	862	863	863	863	863	863	863	863	863	863	863	863	863	-4	-4	
Private Sector Housing Support	<b>4,566</b>	<b>5,149</b>	<b>5,786</b>	<b>5,894</b>	<b>46%</b>	<b>2,120</b>	<b>6,661</b>	<b>6,681</b>	<b>6,705</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>6,742</b>	<b>56</b>	<b>56</b>	
Homelessness	441	487	568	563	46%	0	646	646	646	646	646	646	646	646	646	646	646	646	646	646	0	0	
Housing Benefits	794	881	1,042	1,034	188%	1,491	2,393	2,399	2,458	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	232	232	
Housing Services	382	330	394	509	51%	196	633	684	735	786	786	786	786	786	786	786	786	786	786	786	208	208	
Housing Support	1,481	1,447	1,445	377	-60%	-896	722	696	669	641	641	641	641	641	641	641	641	641	641	641	56	56	
<b>Housing Services</b>	<b>3,098</b>	<b>3,145</b>	<b>3,449</b>	<b>2,483</b>	<b>32%</b>	<b>996</b>	<b>4,394</b>	<b>4,425</b>	<b>4,508</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>4,590</b>	<b>496</b>	<b>496</b>	
																						0	0

	Net Revenue Impact in £000														Variance y05 - y09	Variance y05 - y09
	Actual				Budget				MIP							
	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	Variance y01 - y05	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2009/ 2010	2010	2010	2010		
<b>Community Safety</b>	613	767	928	1,135	93%	572	1,185	1,237	1,227	1,245	1,258	1,258	1,258	1,258	6%	73
<b>Transportation</b>	162	385	277	726	427%	692	854	923	952	973	982	982	982	982	15%	128
<b>Public Transport Support</b>	281	283	326	334	40%	111	392	372	377	381	394	394	394	394	1%	2
<b>Highways Services</b>	178	233	257	258	-50%	-89	89	89	89	89	89	89	89	89	0%	0
<b>Car Parks</b>	-109	-139	-52	-118	-83%	90	-19	64	-90	-91	-89	-89	-89	-89	368%	-70
<b>Environmental Improvements</b>	317	427	517	490	103%	328	645	659	687	709	747	747	747	747	16%	102
<b>Highways</b>	829	1,189	1,325	1,690	137%	1,132	1,961	2,107	2,015	2,061	2,123	2,123	2,123	2,123	8%	162
<b>Administrative Services</b>	-52	161	131	292	-144%	75	23	95	85	85	85	85	85	85	270%	62
<b>Local Taxation and Benefits</b>	814	885	861	764	7%	55	869	869	869	869	869	869	869	869	0%	0
<b>Corporate Management</b>	1,377	1,670	2,423	2,670	67%	925	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	0%	0
<b>Democratic Representation</b>	683	839	898	972	59%	403	1,086	1,086	1,091	1,086	1,086	1,086	1,086	1,086	0%	0
<b>Central</b>	2,822	3,555	4,313	4,698	52%	1,458	4,280	4,352	4,347	4,342	4,342	4,342	4,342	4,342	1%	62
<b>Contingency</b>	0	0	0	78		-353	-353	-777	-1,224	-1,258	-1,293	-1,293	-1,293	-1,293	266%	-940
<b>Other Items</b>	-5,984	-5,064	-4,857	-6,564	57%	-3,409	-9,393	-9,335	-9,215	-9,139	-9,052	-9,052	-9,052	-9,052	-4%	341
<b>Investment Interest</b>	-3,759	-4,583	-2,842	-3,090	-21%	804	-2,955	-2,836	-2,844	-2,694	-2,552	-2,552	-2,552	-2,552	-14%	403
<b>Other Items</b>	-9,743	-9,647	-7,699	-9,576	30%	-2,958	-12,701	-12,948	-13,283	-13,091	-12,897	-12,897	-12,897	-12,897	2%	-196
<b>TOTAL ALLOCATED</b>	9,754	11,828	16,407	16,828	78%	7,617	17,371	17,431	16,809	17,168	17,575	17,575	17,575	17,575	1%	204
<b>UNALLOCATED</b>																0
<b>Technical (inflation &amp; pensions)</b>								1,155	2,255	3,487	4,712	4,712	4,712	4,712		4,712
<b>Other</b>								256	410	465	485	485	485	485		485
<b>Rounding</b>								2	2	2	2	2	2	2		0
<b>TOTAL</b>	9,754	11,828	16,407	16,828	78%	7,619	17,373	18,844	19,476	21,122	22,774	22,774	22,774	22,774	31%	5,401
								103%	103%	108%	108%	108%	108%	108%		

	Net Revenue Impact in £000												Variance y05 - y09					
	Actual				Budget				MTP					Variance y05 - y09				
	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	Variance y01 - y05	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2009/ 2010							
<b>UNALLOCATED</b>																		0
<b>Technical</b>																		
Other																		1
Capital Inflation																		60
VAT Non-reclaimable capital																		10
Revenue Inflation																		3,495
<b>inflation on revenue variations extra pension contributions</b>																		<b>-14</b>
Pensions																		360
																		800
																		800
																		4,712
																		4,712
<b>Variance</b>																		<b>0</b>
<b>Operations Division</b>																		<b>0</b>
Vehicle fleet replacements.																		<b>83</b>
St Ives Caxton Road Depot																		<b>2</b>
Contact Tracking																		<b>5</b>
<b>Offices</b>																		<b>0</b>
Pathfinder House improvements and																		<b>331</b>
<b>IT related</b>																		<b>0</b>
Voice and data infrastructure																		<b>4</b>
Corporate EDM																		<b>26</b>
Network and ICT Services																		<b>5</b>
Business Systems																		<b>28</b>
Data Rationalisation																		<b>-26</b>
Customer First																		<b>96</b>
<b>Other</b>																		<b>0</b>
Staffing Matters (early retirements etc)																		<b>2</b>
"106" Monitoring Officer																		<b>-26</b>
Replacement Printing Equip.																		<b>8</b>
Replacement Microfilm Reader/Printer																		<b>0</b>
Replacement Plan Printer																		<b>-3</b>
Replacement Colour Plotter																		<b>0</b>
Cash in Transit-extra costs																		<b>4</b>
2010/11 Capital Expenditure																		<b>0</b>
<b>Base Budget reductions</b>																		<b>-55</b>
<b>2003/04 capital savings</b>																		<b>0</b>
<b>Roundings</b>																		<b>1</b>
Variance																		<b>485</b>
																		<b>485</b>

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**CORPORATE MANAGEMENT COSTS**

All figures refer to £000s. The first figure is the expenditure under this heading in 2001/2 and the second figure refers to the current year 2005/6. It should be noted that, even if there had been no increase in service, the normal inflation for these headings would be about 17% over the four years period.

**Bank Charges 43//53**

We keep our balances low (so as to get a higher investment return) and so we are charged for cheques. We could reduce our costs if we handled less cash (but there are no easy alternatives for car parks). We could also save by using fewer cheques and we are already trying to persuade suppliers to accept payment direct to bank via Bacs-tel.

**Best Value 75//180**

This is where we charge the costs of producing corporate reviews. IL responsible for this heading.

Best Value is split as follows –

Performance Management		Service Reviews	
Supplies and Services (computer systems, training etc)	29 (20 from 2006/07)	Supplies and Services (annual survey)	12
Employee time	56	Employee time	84
<b>totals</b>	<b>84</b>		<b>96</b>

**Information and Promotion 158//460**

This has grown significantly from 2001-02. This is explained by increase in the number of District Wide publications (including move to full colour) and Business Wide (20), more internal communications (10), Student Communications Officer (15). IL responsible for part of this heading, Chris Hall for the remainder. The possibility of subsidising costs of publications by taking advertising has been considered but rejected on the grounds that advertisers might be seen to be expecting preferential treatment in receiving contracts for DC work.

Internal and External Communications (IL) - District wide, business wide, mobile information unit Hunts matters, staff news letters, other small leaflets, video and sound recordings		Other (CH) – Website, HELP, Street Scene	
Supplies and Services	110 (95 from 2006/07)	Supplies and Services	47
Time and other charges	288	Time and other charges	283
<b>Sub-Totals</b>	<b>398</b>		<b>330</b>
less website recharged to services	-268		
	<b>460</b>		

**External Audit**                      **108//109**

Required by law therefore no choice.

**Local Council Support**        **20//13**

Mainly officer time spent on giving advice to Parish Councils.

**Pensions Increase**                **163//178**

This relates to the cost of any 'added years' that the Council has awarded in the past when staff have retired early due to redundancy or because the Council has considered it in its financial or operational interest. From April 2005 the cost of paying for the early payment will also be charged here rather than simply result in higher contributions when the general employer contribution is reviewed at the next triennial review. NB The DC is part of the Pensions Fund managed by Cambs CC and this is reviewed triennially to make sure that it will cover its obligations. These obligations have been increasing as longevity increases (ex-government employees live 2/3 years longer than the population in general!) and the value of the pension fund was hit in recent years by the stock market fall. It is now staging a recovery.

**Policy and Strategy**                **697//794**

This is where the salaries of senior officers are recharged when they are undertaking tasks that relate to the Council's corporate policy and strategy. CIPFA requires all salary costs to be charged directly or indirectly to the services that benefit from that officer's involvement. 'Corporate' is defined as a service for this purpose, with a group of sub-divisions such as : Chief Executive; maintaining statutory registers; providing corporate information to members of the public exercising their statutory rights; completing, submitting and publishing corporate information; estimating, allocating and accounting for corporate level resources.

**Public Accountability**              **64//61**

This comprises performance indicators, council budget and tax setting, statement of accounts, council tax leaflet, statistical returns, publication of forward plan.

**Unutilised depot space**            **91**

This is the cost of spare space at the depot since the removal of the HHP factor



**2005/06 FINANCIAL INFORMATION - BUDGETS FOR ALL CENTRES**

	Huntingdon £'000	Ramsey £'000	Sawtry £'000	St Ivo £'000	St Neots £'000	All Centres £'000
<b>Income</b>						
Swimming - Public	95	57	35	125	121	433
Swimming - Lessons	91	70	56	74	122	413
Fitness Suite	111	63	0	128	97	399
Advantage	257	167	50	305	205	984
Hospitality (excluding Vending)	107	0	0	406	112	625
Vending	51	29	16	11	26	133
Centre Functions (St Ivo Only)	0	0	0	106	0	106
Burgess Hall (St Ivo Only)	0	0	0	84	0	84
Other (Indoor Activities)	172	79	71	275	184	781
Synthetic Pitches	26	17	10	71	63	187
Grants	0	0	0	4	0	4
<b>Total Income</b>	<b>910</b>	<b>482</b>	<b>238</b>	<b>1,589</b>	<b>930</b>	<b>4,149</b>
<b>Expenditure</b>						
Employees	756	396	311	1,265	803	3,531
Premises	166	82	107	315	228	898
Operational - General	151	87	59	224	168	689
Operational - Hospitality	41	0	0	183	44	268
Operational - Vending	28	21	16	5	19	89
Capital Charges	154	197	118	319	178	966
Management & Admin at HDC	212	145	113	330	213	1,013
<b>Total Expenditure</b>	<b>1,508</b>	<b>928</b>	<b>724</b>	<b>2,641</b>	<b>1,653</b>	<b>7,454</b>
<b>Total Net Expenditure</b>	<b>598</b>	<b>446</b>	<b>486</b>	<b>1,052</b>	<b>723</b>	<b>3,305</b>
<b>Less County &amp; Schools Contribution</b>	<b>81</b>	<b>48</b>	<b>74</b>	<b>196</b>	<b>84</b>	<b>483</b>
<b>Funded by HDC</b>	<b>517</b>	<b>398</b>	<b>412</b>	<b>856</b>	<b>639</b>	<b>2,822</b>
<b>Income as a percentage of Expenditure</b>	<b>60.34</b>	<b>51.94</b>	<b>32.87</b>	<b>60.17</b>	<b>56.26</b>	<b>55.66</b>

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**HOUSING SERVICES – MAIN EXPENDITURE AREAS & EXPLANATIONS**

All values are in £000. The figures given are for the years 01/02 // 05/06 // 09/10

**Housing Services Total (£441 // £ 646// £646)****Common Housing Register (£4 // £17)**

Compilation of a comprehensive district wide Housing Register, main expenditure is on Software. Required for the move to “choice based lettings” in 2010, a government initiative.

**Contributions to Housing Revenue Account (£14 // 26)**

Housing Revenue Account, no longer valid since we do not own any houses. Expenditure is mainly legal and will reduce over the next 5 years. Left over from stock transfer.

**Housing Advances (£11 // £12)**

Lender of last resort; we have 49 Mortgages left, an income of £22,070 and administration cost of £34,510. Will be reducing over the next 5 years. HDC no longer provide mortgages.

**Housing Advice (£64 // £103)**

Advice on temporary accommodation, Hostels, short let and B&B. Also advice to the general public on available accommodation and housing options.

**Housing Strategy and Housing Developments (£161// £220)**

Review of Government schemes and Government returns. Development of HDC Policy on housing, part of this being a statutory requirement for the Housing Improvement Programme returns.

**Mobile Home Park (£6 // £15,)**

We own a Mobile Home Park in St Neots, it makes a profit of £10K on day to day running costs, but has to transfer a Capital Charge of £25K.

There is a recent problem on possible land contamination, which may significantly increase the running cost in future years.

**Publicising Housing Services (£6 // £6)**

General publicity to tell people what is available

**Waiting List (£174// £246)**

Managing the waiting list for social housing.

**Private Housing Support (£794K // £2,285K // £2,517K)****Grants & Home Improvements Agency (£629 // £1360)**

Work carried out to make houses suitable for occupancy and adaptation for disabled residents etc. Includes £1.1m Capital expenditure but this has to be charged to revenue in one year as it does not result an acquisition. There is some statutory obligation to do this work; disabled facility grants are mandatory, once need has been established. However we are this year cash limited at about 30% of the expenditure. The subsidy used to be calculated at 60% of all grant payments but now is cash

limited, currently equivalent to around 30% in 2005/06 leaving HDC to pick up the cost of funding these mandatory grants.

Housing Associations (£147 // £918)

The MTP includes £1m per year to acquire nomination rights to new houses for social needs. It results in approx 30 houses per year, for which we have the nomination rights. Affordable housing, resulting from section 106 agreements are not all available for social housing, some of them go for shared ownership.

Housing Surveys (£18 // £7)

Information for government statistics and to inform policy decisions, including District wide surveys which are carried out every 5 years. The next survey is due in 06/07 and will cost about £50K.

**Homelessness (£381K // £578K// £786K)**

Includes such items as Management, Advisors, Hostel support and B&B Accommodation. We have about 130 recognised homeless families in the District at this time and a statutory duty to look after them, there are more families currently being investigated.

**Housing Benefits (£1481K // £585K // 641K)**

Administration of Housing Benefits (£686 //£726)

Gross expenditure is £1.2m against which government grants cover £0.56m

Rent Allowance Local Scheme (£80// £38)

Subsidised, except for discretionary war pensions in the early years. HDC local scheme disregards war widows pension income and therefore results in higher awards of benefit. A from 2004/05 get some subsidy direct from DWP (rather than indirect subsidy receiving any from RSG Settlement.).

Rent Allowance National Scheme (£678 // -262)

Expenditure net of recovery is £16590K. Subsidy is at 100% on correct payments and is £16850K. We benefit from fraud recovery.

Temporary Accommodation Support (£113 // £169)

Gross payments are £205K and is paid in benefits to people in B&B, subsidised to a threshold. This is a mandatory payment.

**CABINET**

**24<sup>TH</sup> NOVEMBER 2005**

**CONCESSIONARY FARES  
(Report by Head of Environment & Transport)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to outline changes to the way that the Concessionary Fares regime operates across England and the implications for this District and the scheme currently operating across Cambridgeshire.

**2. BACKGROUND**

- 2.1 The Council currently issues bus passes on request to men and women over 60 years of age and those others within the eligibility criteria, such as people with disabilities. This currently allows holders to travel at half-fare anywhere within Cambridgeshire, including Peterborough, providing that their journey starts or finishes within the County.
- 2.2 The current scheme is funded by all the Districts of the County and administered by the County Council. Bus companies are reimbursed on the basis of pass sales, proportioned according to the service mileage undertaken in each District. This Council also provides direct reimbursement to Community Transport schemes for bus pass holders relating to specific needs services, such as local shopping trips to market towns.

**3. NEW SCHEME**

- 3.1 The Government's 2005 Budget announced that a free concessionary bus fare scheme for those eligible, as outlined above, would be introduced from April 2006. This would permit free travel outside the morning peak within the district boundaries for passholders. This follows previous schemes introduced and now running in Wales and Scotland.
- 3.2 At the present time, we are still waiting for full Government guidance to be published relating to the specific requirements of the new scheme although we do know that this will only be funded on a District by District basis. This is unlike the scheme operating in Wales where bus travel is free anywhere within the Principality.

3.3 On the basis of the short-time scale in which to introduce any new scheme and the complexity of the issues, all the Cambridgeshire authorities agreed to fund a study by Consultants to identify a deliverable scheme for implementation by April 2006. The outcomes of the study are to include:

- The scope the scheme could take, including the options of running the scheme across Cambridgeshire, rather than on a District by District basis and to extend any statutory minimum arrangement, such as the peak-hour start time
- A forecast of the impact on revenue for operators
- An explanation of how the new scheme could address current weaknesses
- Identification of process improvements to simplify scheme operation and reduce costs
- Full design for the operation of the scheme, from data collection through to revenue distribution including hardware and software requirements
- Operator consultations
- A financial plan identifying scheme set-up and on-going costs
- A full implementation plan for operation by April 2006

#### **4. ISSUES FOR CONSIDERATION**

4.1 The statutory minimum scheme is just for travel within the district after 9.30am. Councils can agree to fund an increase to the scheme, for example, to allow travel over a wider area and at any time.

4.2 Three possible options for a new a scheme would be:

- a) Maintain a County and Peterborough wide scheme allowing free travel across the whole area, including to towns across the county border
- b) Provide free travel within each district and then half-fare concession across the rest of the county
- c) Provide free travel within each district with no further concessions

For each option a decision would be required as to whether morning peak travel would be allowed. In rural areas with only one bus a day which runs before 9.30am, not allowing morning peak travel could be a distinct disadvantage.

4.2 The statutory minimum scheme would mean some residents would be worse off. For example, a journey from Fenstanton to Cambridge would currently be half fare to qualifying residents. Under the new scheme only the section within Huntingdonshire would be free and the rest of the journey would be at full fare resulting in a more costly journey than previously. It would also present a confusing situation for both the operators and passengers on any journey crossing a district boundary.

- 4.3 There are some administrative and technical problems to overcome in establishing an effective way of reimbursing the operators for whichever scheme is chosen. Option b) could be particularly difficult to administer and reimburse.
- 4.4 Operators must be notified by 1<sup>st</sup> December 2005 as to what the new scheme will be from 1<sup>st</sup> April 2006. The government guidance and confirmation on funding is still yet to be released. Without this it is impossible at this stage to calculate exactly what each option would cost the Council.
- 4.5 As an indication however, if we were to introduce an 'Interim 12-month Scheme' from April 2006, as outlined in the Consultant's Initial Report, our current payments would double. We would then use the following year to enable more detailed analysis and negotiations with the operators to take place culminating in an agreement on a way forward from April 2007.
- 4.6 Cabinet have previously been appraised of the likely funding scenarios for the new scheme as part of the report from the Director of Commerce and Technology relating to Government financial support to Local Authorities (15<sup>th</sup> September 2005)
- 4.7 An MTP Bid would be required to meet this sum as part of our budgetary processes and it is suggested that this be developed now on the basis of the short timescales for introduction of a revised scheme from April 2006.
- 4.8 In order for a County and Peterborough wide scheme to work it requires all authorities to agree to the same scheme and agree to fund any extra concessions.
- 4.9 Additionally, at the request of Cabinet, Consultants have recently completed a study relating to 'Improving Rural Access' as part of the Council's wider agenda of improving accessibility. This study explores a range of options available to the Council to extend the current eligibility for those holding a bus pass to those such as Young People and Jobseekers. The recommendations of this report will need to be carefully considered, together with the wider implications of the overall change to free travel, as the Council decides the type of scheme it wishes to implement within Huntingdonshire.

## **5. CONCLUSION**

- 5.1 While there are still many unknown aspects to how Government expects to see this new scheme delivered across England, it is hoped that the Cambridgeshire study will allow us and our partners to develop and deliver a scheme to meet minimum needs as well as the identification of options to provide an enhanced level of service. There

are however some districts within Cambridgeshire with budget constraints which could restrict their ability to provide an enhanced service.

- 5.2 To try to ensure that pass holders do not suffer a reduced level of service it will be vital to ensure that this Council and its partners across Cambridgeshire continue to work together to deliver a countywide approach. A fragmented scheme delivered on a District by District basis may undermine the level of service currently offered.
- 5.3 A verbal update will be given at the Cabinet meeting if necessary to inform of any emerging guidance, given the short timescale to scheme implementation.

## **6. RECOMMENDATION**

It is recommended that Cabinet note the current position and that a further report and MTP bid will follow in due course

## **BACKGROUND INFORMATION**

Concessionary Fares Study – Briefing Paper August 2005  
Concessionary Fares – Improving Rural Access Study (Steer Davies Gleave. Final Report August 2005  
Report to Cabinet, 15<sup>th</sup> September 2005 – Consultation on Changes to the way the Government provides financial support to Local Authorities  
Cambridgeshire and Peterborough Concessionary Fares Scheme – Consultant's Initial Report

**Contact Officers:** **Stuart Bell – Team Leader Transportation**  
**Sonia Hansen - Development and Community Manager**  
**☎ 01480 388387 / 01480 388341**



**TREASURY MANAGEMENT  
INVESTMENT PERFORMANCE  
(Report by the Head of Financial Services)**

**1. INTRODUCTION**

- 1.1. This report comments on the performance of the fund from July to September 2005. In the period 1<sup>st</sup> April 2005 to 30<sup>th</sup> September 2005 the Fund Managers were managing £73m of the Council's funds: £26.5m with Investec, £26.5m with Alliance Capital and £20m with CDCM.
- 1.2. The Monetary Policy Committee reduced the base rate by 0.25% to 4.5% in August 2005.

**2. PERFORMANCE SUMMARY**

- 2.1. Annex A provides comparative tables showing investment returns over various periods.

**2.2. July to September 2005**

The market position did not favour gilts resulting in an industry average of 1.09% whereas 7 day rates were 1.13% and 3 month rates 1.14%. However Alliance Capital (1.08%) and Investec (1.02%) were below the average, even though they exceeded the Council's benchmark which was only 0.94% due to the 40% gilts element. It is unusual for either of them to be below the industry average and our concern will be highlighted at the next review meeting.

CDCM (1.25%) produced a high return and exceeded its benchmark (1.14%) by 0.11%. CDCM is benefiting from having made shrewd investment decisions in 2003 and 2004 on 3 and 5 year deposits.

**2.3. April to September 2005**

In the first quarter of the year the benchmark for Alliance Capital and Investec (1.76%), which includes gilts as well as 3-month cash, was significantly higher than the benchmark for CDCM (1.21%) and the more commonly used 7-day cash (1.17%). As noted above, the situation was reversed in the second quarter due to a change in the bond market.

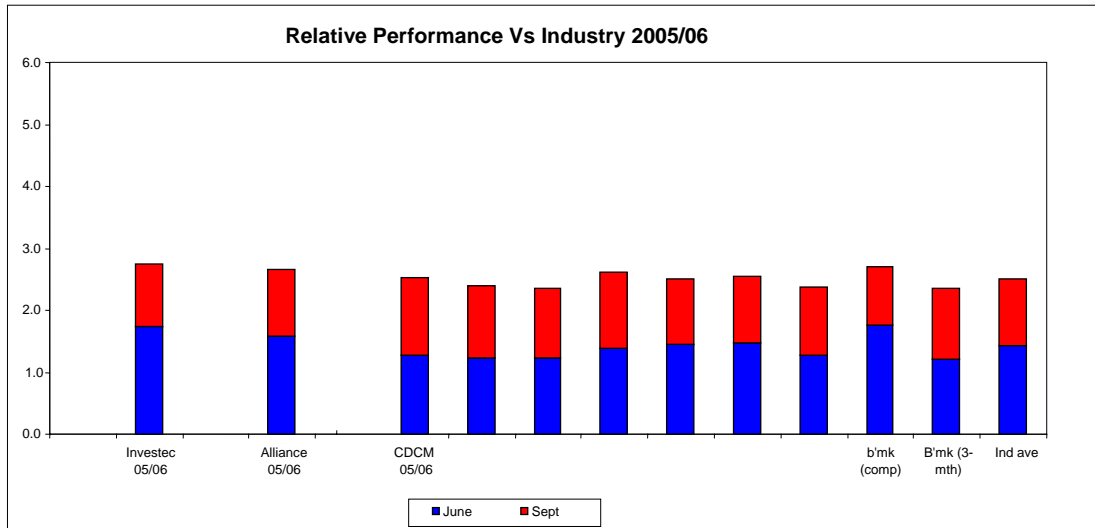
Overall for the first 6 months of the year Investec and CDCM have outperformed their benchmark by 0.05% and 0.17%, whilst Alliance Capital is marginally below by 0.07%. CDCM's performance matches the industry average, but Alliance Capital and Investec both exceeded it.

**2.4. Since start of new mandates (July/August 2000)**

The Authority appointed the three Fund Managers and gave them new mandates more than five years ago. In that time they have all exceeded their benchmarks and the industry average. Overall returns are very similar but currently CDCM is slightly ahead of Investec

### 3. PERFORMANCE V. INDUSTRY

3.1 Most of the Fund Managers in the industry will have a portfolio that includes gilts and cash. The graph below shows that they all performed reasonably well against the industry average.



### 4. PERFORMANCE AGAINST BUDGET

4.1 There will be an improvement in the investment interest of around £500k due to the deferral of capital schemes, but it is difficult to forecast whether investment performance for the year will exceed the 5% assumed in the budget, given the low returns in the last quarter.

### 5. RECOMMENDATIONS

5.1 It is recommended that Cabinet note this report.

### BACKGROUND PAPERS

Working papers in Financial Services

### CONTACT OFFICER

Steve Couper – Head of Financial Services Tel. 01480 388103

PERFORMANCE FOR THE QUARTER JULY TO SEPTEMBER 2005					
	Performance %	HDC Benchmark %	Industry Average %	Variation from	
				HDC Benchmark %	Industry average %
<b>Investec</b>	<b>1.02</b>	0.94	1.09	<b>0.08</b>	<b>-0.07</b>
<b>Alliance</b>	<b>1.08</b>	0.94	1.09	<b>0.14</b>	<b>-0.01</b>
<b>CDCM</b>	<b>1.25</b>	1.14	1.09	<b>0.11</b>	<b>0.16</b>

PERFORMANCE FOR THE YEAR TO SEPTEMBER 2005					
	Performance %	HDC Benchmark %	Industry Average %	Variation from	
				HDC Benchmark %	Industry average %
<b>Investec</b>	<b>2.77</b>	2.72	2.52	<b>0.05</b>	<b>0.25</b>
<b>Alliance</b>	<b>2.65</b>	2.72	2.52	<b>-0.07</b>	<b>0.13</b>
<b>CDCM</b>	<b>2.52</b>	2.35	2.52	<b>0.17</b>	<b>0.0</b>

CUMULATIVE PERFORMANCE SINCE JULY 2000					
	Performance %	HDC Benchmark %	Industry Average %	Variation from	
				HDC Benchmark %	Industry average %
<b>Investec</b>	<b>29.24</b>	28.74	27.13	<b>0.50</b>	<b>2.11</b>
<b>Alliance #</b>	<b>29.09</b>	28.14	26.49	<b>0.95</b>	<b>2.60</b>
<b>CDCM</b>	<b>29.28</b>	26.07	27.13	<b>3.21</b>	<b>2.15</b>

# The mandate with Alliance Capital started in August 2000

\* Composite of 60% Merrill Lynch 3 month LIBID (London Inter-Bank Bid Rate) and 40% ML 0-5yr Gilt Index.

\*\* 3 month LIBID

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CABINET

24 NOVEMBER 2005

## HUNTINGDON HIGH ST, ENVIRONMENTAL IMPROVEMENTS (Report by the Head of Environment & Transport)

### 1. INTRODUCTION

- 1.1 Huntingdon High Street was identified as being an area that required improvements due to its importance as a Town Centre area. There is a MTP scheme for £1060k in the programme to carry out these works.
- 1.2 Phase one of the works is on site at present. This consists of laying new surfacing and drainage channels in the High Street from the Market Square to Hartford Road. Completion of this section is due by the end of November. Work has progressed well by using the partnership contract under the County's term contract with May Gurney Contractors. Few complaints have been received about the construction work and compliments are being made about the final appearance.
- 1.3 Phase 2 of the work was planned to be improvements to the Benedicts Court area which joins onto the High Street.

### 2. RELATED DEVELOPMENT PROPOSALS IN HUNTINGON

- 2.1 Huntingdon has several areas which are being considered for redevelopment. These included Princes Street, which is being constructed at present, Chequers Court with new shops, and West Side of Huntingdon between Brampton Rd and Ermine Street.
- 2.2 The combination of these developments could affect the viability of the existing High Street shops, by moving the centre of the town.
- 2.3 It is important to ensure that the High Street viability remains. This would be helped by keeping the centre's appearance at a high standard. The modifications to the building at the High Street entrance to Chequers Court will also enhance this central area, and it is considered that this should be supported.

### 3. BENEDICTS COURT PROPOSALS

- 3.1 The Huntingdon Advisory Group, which has included representatives from many local groups, has been involved in developing the proposals since the scheme's inception. The open space of Benedicts Court has been seen as an important meeting place with a more intimate feel than the Market Square. It is also the cross roads of the Princes Street/ Chequers Court axis with the High Street.
- 3.2 The basis of the proposals is to remove the Gazebo structure with its inherent problems, with more open, attractive seating, and therefore encouraging a footfall into Benedicts Court. The seating will be designed

into a low level structure with feature areas at each end. These are being developed as planted areas or a water feature to give some height and visual impact to the square. The layout will also enable the court to be used as a small performance area. The plan included in Annex A shows the layout.

- 3.3 These proposals were included in the public consultation undertaken in the summer and were favourably received and it is supported by the Town Council and the Town Centre Partnership.

#### **4. PROGRESSION OF THE SCHEME**

- 4.1 Funds were released in March 2005 for the first phase of the works. £450k is allocated in 2006/07 for the remainder of the works.
- 4.2 The programme for the works is that the design is finalised by the end of November, tenders be sought after Christmas with work commencing in April 2006.
- 4.3 A request for release of funds is included in Annex B.

#### **5. CONCLUSION**

- 5.1 Huntingdon town centre is going to experience many development changes over the next few years. The old centre of the town may be put under pressure for these proposals. It is considered that investment in the central area is needed to ensure its continued viability.
- 5.2 The contract for the High Street improvement works has progressed very well, with a positive reaction being received.
- 5.3 The second phase of works is planned for Benedicts Court and £450k is allocated in the MTP for this work in 2006. Release of Funds is required so that tenders can be prepared to commence work in April 2006.

#### **6. RECOMMENDATION**

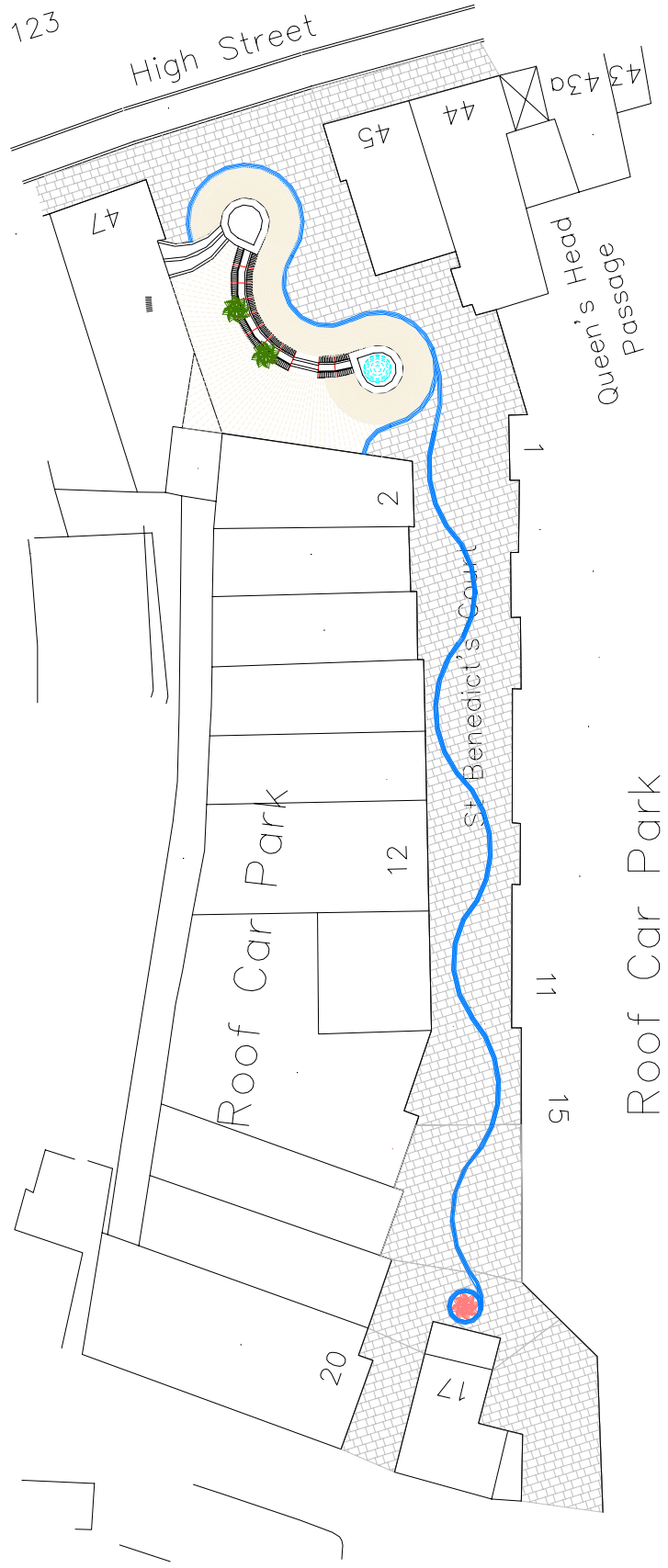
- 6.1 Cabinet are recommended to
- (a) note the progress of the High Street improvements to date; and
  - (b) release funds to enable the second phase to be constructed from April 2006

#### **BACKGROUND INFORMATION:-**

1. Environment and Transport files.

**Contact Officer: C Allen, Project and Asset Manager**  
**☎ 01480 388380**

# Annex A



## St Benedict's Court, Huntingdon - Phase 2 Environmental Improvements

49 Huntingdon Town Centre Environmental Improvements Chris Allen – Project and Assets Manager  
Phase 2

Financial Impact	Net Revenue Impact							Net Capital						
	2003 /	2004 /	2005 /	2006 /	2007 /	2008 /	2009 /201	2003 /	2004 /	2005 /	2006 /	2007 /	2008 /	2009 /201
Approved Budget	2004 £000	2005 £000	2006 £000	2007 £000	2008 £000	2009 £000	2009 £000	2003 £000	2004 £000	2005 £000	2006 £000	2007 £000	2008 £000	2009 £000
Already released	4	19	44	55	55	55	55	4	65	541	450	450	2009 £000	0
<b>Amount for which release now requested</b>	4	19	32	32	32	32	32	4	65	541	450	450	2009 £000	0

**Justification for Release**

The first phase environmental improvement scheme in Huntingdon High Street commenced on site in August 2005 and will be complete in November 2005. With the developments around Huntingdon, it is important to maintain investment in the Town Centre. Benedicts Court has been identified as the next area to be improved.

The monies requested are to cover the design and construction of the next phase of the works.





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CABINET

24 NOVEMBER 2005

## MEDIUM TERM PLAN REQUESTS FOR RELEASE OF FUNDS

(Report by the Head of Financial Services)

### 1 PURPOSE

- 1.1 The purpose of this report is to allow Cabinet to decide whether to release funds for the MTP schemes detailed in the attached annexes.

### 2 BACKGROUND

- 2.1 The Council considered the draft budget and MTP report at its December meeting and agreed *that, having regard to the implications for future spending and Council Tax levels, Directors review with appropriate Executive Councillors the need for schemes/projects included in the MTP but not yet started and that specific prior approval be sought and obtained from the Cabinet before such schemes/projects are implemented.*

- 2.2 Officers have considered which schemes have wholly or partly started with reference to the following definitions:

#### STARTED

- The staff have been appointed and/or a legally binding contract is in place for all aspects.
- Some of the staff have been appointed or a legally binding contract is in place for **part** of the scheme **and there is no sensible option to avoid or defer those elements that are not yet legally committed.**
- The scheme is based on a partnership and **all** constituent projects have been agreed with those partners and they have reserved funding for them in the current year.

#### PARTIAL START

- Some of the staff have been appointed or a legally binding contract is in place for part of the expenditure and there is a practical cost-effective option to not carry out the full scheme at this time.
- The scheme is based on a partnership and **some** individual projects have been agreed with those partners and they have reserved funding for them in the current year.

- 2.3 Officers have subsequently identified which schemes that they wish Cabinet to consider releasing further funding for and have discussed them with the relevant Executive Councillor.

- 2.4 Annex A summarises and the following Annexes detail the schemes where release of funds is now requested.

### **3. RECOMMENDATION**

- 3.1 The Cabinet is recommended to delegate authority to release the budget, shown in Annex B, to the Director of Operational Services following consultation with the Leader of the Council in the light of the Government's decision on whether to cap the Council's spending this year.

#### **ACCESS TO INFORMATION ACT 1985**

None

**Contact Officer:**

**Steve Couper**

Head of Financial Services    📞 **01480 388103**

	Net Revenue Impact £000					Net Capital £000						
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010
Annex B St Neots Bar/Kitchen/Creche Extension		0	1	1	1	1						10
Total amount for which release now requested		0	1	1	1	1						10

## 333 St Neots Bar/Kitchen/Creche Extension

Simon Bell

Financial Impact	Net Revenue Impact						Net Capital							
	2003/ 2004 £000	2004/ 2005 £000	2005/ 2006 £000	2006/ 2007 £000	2007/ 2008 £000	2008/ 2009 £000	2009/ 2010 £000	2003/ 2004 £000	2004/ 2005 £000	2005/ 2006 £000	2006/ 2007 £000	2007/ 2008 £000	2008/ 2009 £000	2009/ 2010 £000
Approved Budget Already released			-7	-21	-14	-14	-14			286	0			
<b>Amount for which release now requested</b>			<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>							<b>10</b>

**Justification for Release**

Over the last two years, the Centre has been aware of the progressive deterioration of the bar air conditioning units. These units were scheduled for replacement as part of the bar, kitchen and crèche redevelopment works scheduled for summer 2003, and subsequently postponed. Since this time a costly programme of repair works have kept the system operating until recent times however, further system breakdowns have resulted in the production of a report from the Centre's heating and ventilation maintainers stating that they are no longer able to obtain spare parts for the air conditioning units due to the age of the equipment.

This currently leaves the Centre's busy bar area without reliable air conditioning and it is feared that this will have a detrimental impact upon customer comfort over the summer months and therefore result in loss of trade.

**Predicted costs**  
£10,000

**Total requested**  
£10,000

COMT  
CABINET

8 NOVEMBER 2005  
24 NOVEMBER 2005

**CORE POLICIES DPD – AFFORDABLE HOUSING TARGETS  
PREFERRED OPTION FOR CONSULTATION  
(Report by Head of Planning Services)**

**1 INTRODUCTION**

- 1.1 This report informs Cabinet of the suggested preferred option for inclusion in the Council's Core Strategy Development Plan Document (DPD). Cabinet is requested to recommend approval of the preferred option as a basis for public consultation.

**2 BACKGROUND**

- 2.1 The Core Strategy is the first policy document that the Council will produce as part of the new system of plan production. It will set out a spatial 'vision' for the area and criteria-based policies for guiding the development and use of land. It will also provide an over-arching framework for other documents, including a Planning Proposals DPD that will contain site-specific allocations.
- 2.2 All other policy approaches in the Core Strategy were recommended to Council for approval for consultation by Cabinet on 19 May 2005. These were subject to public consultation during July and August and responses to the representations received are currently being considered.

**3 REASONS FOR ADDITIONAL CONSULTATION**

- 3.1 The Core Strategy: Preferred Options Report included a definition of affordable housing but did not set any targets or thresholds of the scale of development where affordable housing would be sought. The intention was to set targets and thresholds in a separate Planning Obligations Development Plan Document.
- 3.2 Following the publication of Circular 05/2005 on Planning Obligations advice has been given by Go-East that if the Council's targets and thresholds for affordable housing are included in the Core Strategy Development Plan Document then all other planning obligations matters can be included within a Supplement Planning Document rather than a Development Plan Document. The Supplementary Planning Document would involve less onerous statutory procedures and could be produced more quickly and at lower cost.
- 3.3 To incorporate the affordable housing targets and thresholds into the Core Strategy before it is submitted to the Secretary of State (expected in April 2006) it is necessary to conduct public consultation on the Council's preferred option as was done with all other preferred approaches in July/ August. The preferred approach must also be subject to a sustainability assessment and the results of this made available for public consultation too. It is hoped that consultation can be commenced in December.

## 4 PREFERRED APPROACH

- 4.1 The initial consultation with key stakeholders commenced on 19<sup>th</sup> September and the representations made and the Council's proposed responses to them are attached to the agenda separately in appendix 2.
- 4.2 The current Housing Needs Survey (2002-2007 ) confirmed that a 40% target would be justified. Policy P9/1 of the Structure Plan states that '**40% or more** of the new housing in the Cambridge sub region will be affordable'. The level currently stands at 29%.
- 4.3 The target figure of 40% was put forward for consultation purposes with stakeholders. Consultation responses have raised the possibility that our target should reflect the Structure Plan target of '40% or more'. This approach has been adopted by neighbouring Districts e.g. South Cambridgeshire and Cambridge City who are seeking a target of 50%. Our H12 policy attached has therefore been amended to seek '40% or more' as a target. The Council will undertake further work on housing need and site viability in order to inform a viable target in the final Core Strategy. This work will be completed prior to the submission of the Core Strategy in April 2006.
- 4.4 Until then the preferred approach for the next stage of the consultation and the reasons for it are set out in appendix 1. This suggests that:
- Proposals for housing development should provide 40% or more of the total number of dwellings as affordable housing, as defined in preferred approach H2, on housing sites
    - of 0.5 ha or more and all developments containing 15 dwellings or more in market towns or key centres as defined in the settlement hierarchy
    - on all developments containing 2 or more dwellings in smaller settlements as defined in the settlement hierarchy, subject to the effect of such provision on the financial viability of any scheme
  - Contributions should be made in the form of free serviced land. Additional contributions, including capital, may be sought to ensure that at least half of the resultant affordable housing is of social rented tenure.
  - Where the 40% target would result in less than 1 complete dwelling unit being sought an equivalent capital contribution will be sought for off-site provision.
  - Account will be taken of any particular costs associated with the development. Alternative levels of affordable housing may be negotiated where the 40% target is shown to make development unviable or where there are other planning objectives which need to be given priority.
  - The appropriate mix of housing tenures and sizes of affordable housing within a development will be determined in response to identified needs in the local area and funding priorities at the time of the development



## **5 NEXT STEPS**

- 5.1 The preferred option will represent the Council's proposals for the content of the Core Strategy DPD. There will be a statutory six-week period for public consultation during December and January. A short piece will be placed in the next edition of District Wide to raise awareness of the forthcoming consultation as well as statutory notices. The results of that consultation will need to be considered by the Council in finalising the Core Strategy that will be submitted to the Secretary of State.

## **6 RECOMMENDATION**

- 6.1 It is recommended that Cabinet:  
Recommends to Council that the preferred approach for affordable housing targets be approved as a basis for public consultation.

### **Background Papers:**

ODPM, 2004, *Planning Policy Statement 12: Local Development Frameworks*  
Report to Cabinet, 19 May 2005, and Minutes, Core policies DPD - *Preferred Options for consultation*

**CONTACT OFFICER** - enquiries about this report to Clare Bond (Principal Planner), on 01480 388435.

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## POLICY SCOPING: KEY PRINCIPLES

### Policy area

H12 Affordable housing targets /and contributions

### Policy approach

Policies in the plan will indicate that:

- Proposals for housing development should provide 40% or more of the total number of dwellings as affordable housing, as defined in policy area H2, on housing sites
  - of 0.5 ha or more and all developments containing 15 dwellings or more in market towns or key centres as defined in the settlement hierarchy
  - on all developments containing 2 or more dwellings in smaller settlements as defined in the settlement hierarchy, subject to the effect of such provision on the financial viability of any scheme
- Contributions should be made in the form of free serviced land. Additional contributions, including capital, may be sought to ensure that at least half of the resultant affordable housing is of social rented tenure.
- Where the 40% or more target would result in less than 1 complete dwelling unit being sought an equivalent capital contribution will be sought for off-site provision.
- Account will be taken of any particular costs associated with the development and whether there are other planning objectives which need to be given priority
- The appropriate mix of housing tenures and sizes of affordable housing within a development will be determined in response to identified needs in the local area and funding priorities at the time of the development

### Policy source(s)

PPGs / PPSs / Circulars	PPG3, circular 6/98 and 05/2005,
RPG6 / draft RPG14	RPG6 (policy 10), draft East of England Plan
Structure Plan	P5/4, P9/1
Existing LP policies	AH1, AH2, AH4
Community Strategy	Priority action to promote social inclusion by ensuring everyone has access to a decent home
Best practice guidance	<i>Local Housing Needs Assessment: A Guide to Good Practice</i> (DETR,2000)
Other sources	<i>2002 Housing Needs Survey</i> by Fordham Research for HDC (2003), Consultation papers <i>Planning for Mixed Communities</i> and <i>Planning for Housing Provision</i> ODPM 2005

### Reason for policy approach

It has become increasingly difficult for local people on low to modest incomes to gain access to suitable housing. A growing gap between average earnings and housing costs, a limited supply of new affordable properties and the loss of existing social housing through 'right to buy' / 'right to acquire' provisions have all contributed to this problem.

The *2002 Housing Needs Survey* estimated a total requirement for new affordable housing 2003-2007 of 5,065 dwellings. This equates to a need for 1013 new affordable dwellings each year. The Structure Plan states a build rate of only 500 dwellings per year in Huntingdonshire. Even if 100% of new dwellings were affordable this would be insufficient to meet the proven need. The survey recommends that 40% would be justified.

The County Council's Structure Plan states that '40% or more of the new housing in the sub region will be affordable'. The Housing Needs Survey notes that the Council's responsibility as a housing and planning authority operates at the level of the whole district. The Council has to meet need where it

can best do so, it is unrealistic to expect that those parts of the district with greatest numbers of housing allocations will exactly match with the greatest levels of identified need.

Reducing the threshold from a site size of 25 dwellings to 15 dwellings is in accordance with the government's attitude in *Planning for Mixed Communities* and should generate around a further 50 affordable dwellings per year than a threshold of 25 dwellings. Rather than use a 3000 population cut-off figure the preferred approach sets targets based on a settlement's position in the settlement hierarchy as proposed in policy area P2. The reason for this is to ensure that Key Centres (limited growth) with a population in excess of 3000 would still be eligible for affordable housing provision although development is restricted to minor schemes. A threshold of 2 dwellings for sites in smaller settlements is proposed as policy area H1 would only allow for infill development to take place in such settlements. This would typically give rise to 10 affordable homes per year. A higher threshold would result in no affordable housing provision in smaller settlements, other than rural exceptions sites.

The Housing Needs Survey shows that social rented housing is by far the highest need in the district. Following changes in Social Housing Grant legislation (which means it is more difficult to secure) the Council will in future expect contributions to be at a level which ensures that at least 50% of the resultant affordable housing is social rented regardless of the availability of grant. The Council and providers will then seek to secure grant to a level which will deliver 80% social rented and 20% other tenure (such as shared ownership). The contribution is likely to be at least free serviced land. To secure a 50/50 tenure split, additional contributions including capital may be sought.

#### **Alternative approaches**

The Cambridgeshire and Peterborough Structure Plan particularly notes a need for provision of affordable housing within the Cambridge sub-region. An alternative approach to the targets for affordable housing provision could acknowledge this and set higher targets within the Cambridge sub-region than the rest of the district. Targets could be set at 40% within the Cambridge sub-region and 30% within the rest of the district of the total number of dwellings on developments containing 15 dwellings or more in settlements with a population over 3,000 and on all developments containing 2 or more dwellings in settlements with a population of 3,000 or less. This would equate to an adjustment to 40% for the Cambridge sub-region in line with the Structure Plan target and virtually a continuation of the current approach elsewhere. This would conflict with the advice given in the *Housing Needs Survey* to respond to the Council's responsibility at a district-wide level in order to meet need where it can best do so. A further variation would be to increase the thresholds to 50% for the Cambridge sub-region and 40% elsewhere. This would bring Huntingdonshire in line with the targets sought in South Cambridgeshire and Cambridge City and have the advantage of promoting a consistent approach throughout the wider area. However, the housing market in Huntingdonshire differs from that in South Cambridgeshire and Cambridge City and this approach would not reflect the variation in house and land prices.

**CABINET MEETING**

**24 NOVEMBER 2005**

## **ASSET MANAGEMENT PLAN (Report by the Head of Legal and Estates)**

### **1 PURPOSE**

The purpose of this report is to acquaint the Cabinet with the National Property Performance Indicators (NPPI's) in respect of the Council's property portfolio and to consider the implications of new guidance and changes to the Comprehensive Performance Assessment.

### **2 BACKGROUND**

2.1 Information is produced annually on five NPPI's. Guidance commissioned by the Office for the Deputy Prime Minister (ODPM) was expected in 2004 but was subsequently not published until July 2005. A summary is provided in Section 4.

2.2 Following extensive consultations a revised set of NPPI's has been produced. These are referred to in Section 5.

2.3 The Management of Assets is now one of the key lines of enquiry in new procedures for Comprehensive Performance Assessment (CPA) and this is considered in more detail in Section 6.

### **3 REPORT ON NPPI's**

3.1 Outcomes on the NPPI's for 2003/2004 and 2004/05 are set out in Appendix A. The following paragraphs provide a brief commentary on the indicators and, where appropriate, comparison is made with other authorities based on the returns collated by the Institute of Public Finance AMP network (IPF) for 2004.

#### **3.2 NPPI 1 – Condition and Maintenance Backlog**

Backlog is defined as "the cost to bring a building from its present state up to the state reasonably required to deliver the service or to meet statutory or contractual obligations"

The improvements noted last year have continued with a 60% reduction in Category C (poor) for operational property. 90% of properties are now in the top two categories which compares favourably with the IPF average of 75%.

The total value of outstanding maintenance has been reduced by 33%, reflecting in particular the improvements carried out during the last year. The backlog of maintenance in the urgent category has been reduced by over £300,000 to less than 1%. Although the percentage within the essential category has increased, this relates to a lower total backlog figure.

### 3.3 **NPPI 2 – Internal Rate of Return**

The figures reflect the revaluation of assets undertaken last year and are close to the IPF average.

### 3.4 **NPPI 3 – Annual maintenance costs**

The figure of £2.26 per sq metre is similar to last year's and above the IPF average of £1.54. However this is not considered to be a particularly useful indicator and will in fact be dropped under new proposals.

### 3.5 **NPPI 4A – Repair and Maintenance**

The figure of £10.69 represents a reduction from last year and is now well below the IPF average of £15.15 per sq metre.

### 3.6 **NPPI 4B - Energy**

The figure of £11.33 has increased by 10% and remains about 50% above the IPF average. This reflects the age and nature of the Council's assets.

### 3.7 **NPPI 4C – Water**

The figure of £2.42 is the same as last year and is about 28% above the IPF average. Again this partly reflects the nature of the Council's assets.

### 3.8 **NPPI 4D – CO<sup>2</sup> emissions**

The figure of 0.107 tonnes per sq metre has fallen by 7% and is below the IPF average.

### 3.9 **NPPI 5 A AND B – Capital schemes**

Six schemes met the criteria of which two produced an overspend and one overran the programme by more than 5% partly due to adverse weather. The figures are above the IPF average of 63% (cost predictability) and 66% (time predictability).

## **4 GUIDANCE**

4.1 In 2004 the ODPM commissioned the Royal Institution of Chartered Surveyors to produce guidance on how local authorities should produce Asset Management Plans for their property assets. This was in response to a whole raft of initiatives such as the Best Value Framework, the Gershon Review, the Prudential Code and the Comprehensive Performance Assessment process. These initiatives will require local authorities to take an increasingly strategic view of their property assets to ensure continuing improvements to the management and maintenance of property.

4.2 The guidelines produced seek to emphasise a link between effective property management and improved service delivery in terms of outputs (such as improved property assets) and actions (such as the

better achievement of corporate objectives) and a more efficient and effective service to the public resulting from the improvements in property assets. The guidelines set out objectives – levels of customer/stakeholder satisfaction, affordability, compliance with statutory codes, improved corporate management and environmental issues – and identify the key drivers for continuing improvement. The latter includes the CPA process.

- 4.3 While the guidance is aimed predominantly at local authorities with more significant property assets, it does provide a comprehensive document which will assist in the asset management process.

## **5. NEW NPPI's**

- 5.1 These proposals follow extensive consultation within local government and beyond and are endorsed by the ODPM. NPPI's 2 and 5 – Internal Rate of Return and Capital Schemes - are no longer required and have been replaced by new ones. To distinguish them from the NPPI's they are referred to as Performance Management Initiatives (PMI).

### **5.2 PMI.1 A, B, C AND D: CONDITION AND REQUIRED MAINTENANCE**

Required maintenance is defined as “the cost to bring the property from its present state up to the state reasonably required to deliver the service and/or to meet statutory or contractual obligations and maintain it at that standard”.

PM.1 A and B are the same as NPPI 1 A and B.

C refers to the annual percentage change to the total required maintenance over the previous year.

D refers to the total spend on maintenance in the previous financial year, the total spend on maintenance per sq metre, and the percentage split of total spend on maintenance between planned and responsive maintenance.

### **5.3 PMI.2 A, B AND C: ENVIRONMENTAL PROPERTY ISSUES**

This is the same as NPPI 4 B-C but in addition refers to consumption for energy and water.

### **5.4 PMI.3 A AND B: SUITABILITY SURVEYS**

The objective here is to identify whether assets are fit for the purpose.

A refers to the percentage of the portfolio by floor area for which a suitability survey has been undertaken in the last 5 years.

B refers to the number of properties for which a suitability survey has been undertaken in the last 5 years.

## 5.5 PMI.4 A, B, C AND D: BUILDING ACCESSIBILITY SURVEYS

As with PMI 3 this is a new local indicator with the objective of monitoring progress in providing access to buildings for people with disabilities.

A. This represents the percentage of the portfolio by floor area for which an access audit has been undertaken.

B. The number of properties for which an access audit has been undertaken.

C. The percentage of the portfolio by floor area for which there is an accessibility plan in place.

D. Is the number of properties for which there is an accessibility plan in place.

5.6 It is intended that these indicators, added to and amended over time, should be regarded as the standard measures for local authority property management. Benchmarking will be promoted as a key element of the initiative, coordinated through the IPF. The ODPM recommend the use of these indicators in preference to the former ODPM NPPI's.

## 6. CPA – USE OF RESOURCES

6.1 In June 2005 the Audit Commission published guidelines on how it would incorporate the use of resources into Comprehensive Performance Assessments. Within the financial management line of enquiry, auditors now will consider how a local authority manages its asset base.

6.2 The overall score for use of resources will be based on combining scores for each of the four key lines of enquiry.

Level 1	<ul style="list-style-type: none"><li>• Below minimum requirements</li></ul>	Inadequate performance
Level 2	<ul style="list-style-type: none"><li>• Achieving the minimum requirements</li></ul>	Adequate performance
Level 3	<ul style="list-style-type: none"><li>• Consistently above the minimum</li><li>• Achieving all of the requirements for level 2</li></ul>	Performing well
Level 4	<ul style="list-style-type: none"><li>• Well above the minimum</li><li>• Achieving all of the requirements for level 3</li><li>• Showing innovation or best practice</li></ul>	Performing strongly

A summary of the requirements for levels 2 and 3 is set out in Appendix B.

6.3 Relevant Officers have considered the various requirements and concluded that in general terms the criteria in Levels 2 and 3 are being met at present.



## **7 AMP DEVELOPMENT**

- 7.1 The AMP was approved in July 2002 to cover a five year period subject to annual updates and amendments. Information supporting the AMP is reviewed annually and used to produce the NPPI figures. In addition the data is adjusted to reflect any assets disposed of or new assets acquired.
- 7.2 As reported to Cabinet on 15th September 2005, progress is now being made to update the Council's records on land and property. Comprehensive and accurate data will be available in a GIS format by 2006. New software will enable more detailed records to be kept on specific buildings, including records of repairs and maintenance.
- 7.3 Achievements during 2004/05 have included
- refurbishment/improvements proceeding at various Leisure Centres;
  - sale of residential development land with a value of c.£4.4 million;
  - identification of other surplus land for disposal;
  - acquisition of redundant church to consolidate a development site;
  - continuing progress with the HQ office accommodation project; and
  - all assets re-valued as at 1st April 2004 (5 yearly revaluation)

## **8. CONCLUSIONS**

- 8.1 It is essential that property assets are maintained in an appropriate condition in order to ensure that the level of service can be delivered effectively. These are monitored via the relevant Officer Working Group.
- 8.2 The introduction of the new PMI's will focus on key areas and should further assist the process.

## **9 RECOMMENDATION**

- 9.1 It is recommended —
- (a) that the report be received and the information in Appendix A be approved
  - (b) that the Executive Councillor for Resources & Policy be designated to "champion" and to promote efficient and effective asset management in respect of all District Council land and property.

## **BACKGROUND INFORMATION**

Legal and Estates – Asset Management Plan Files  
Report to Cabinet Asset Management Plan – Progress Report 15th September 2005

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## HUNTINGDONSHIRE DISTRICT COUNCIL

## PROPERTY PERFORMANCE INDICATORS 2004 AND 2005

## PPI 1 CONDITION AND MAINTENANCE BACKLOG

1A. % of gross internal floor space in condition categories A-D

	Operational		Non-Operational	
	31.3.04	31.3.05	31.3.04	31.3.05
A. Good	4	4.5	20	22
B. Satisfactory.	67.5	85.5	79	77
C. Poor	28.5	10	-	-
D. Bad	-	0	1	1

	2004	2005
Operational Gross Internal Area (sq metres)	27,055	27,124
Non-Operational Gross Internal Area (sq metres)	14,909	13,709

1B. Backlog of maintenance by cost

- (i) Total value £4,418,736 (31.3.04) £2,962,500 (31.3.05)  
(ii) Priority Levels 1-3

	Operational		Non-Operational	
	31.3.04	31.3.05	31.3.04	31.3.05
1. Urgent	13	1	1	2
2. Essential (2 years)	20	53	42	23
3. Desirable (3-5 years)	67	46	57	75
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Note: The total value includes all refurbishment costs for leisure centres and public toilets programmed over the next five years.*

## PPI 2 OVERALL AVERAGE INTERNAL RATE OF RETURN

	June 2004	June 2005
(a) Industrial	12.19%	10.24%
(b) Retail	11.52%	10.03%
(c) Agricultural	-	-

### **PPI 3 ANNUAL MANAGEMENT COSTS PER SQ METRE**

3. Operational and Non-Operational Property £2.20 (2004) £2.26 (2005)

### **PPI 4 ANNUAL PROPERTY COSTS**

		<b>2004</b>	<b>2005</b>
4A.	Repair and maintenance costs per square metre	£14.95	£10.69
4B.	Energy costs per square metre	£10.22	£11.33
4C.	Water costs per square metre	£2.43	£2.42
4D.	CO <sup>2</sup> emissions in tonnes per square metre	£0.116	£0.117

### **PPI 5 CAPITAL SCHEMES**

5A. Percentage of projects where out-turn falls within +/- 5 % of the estimated out-turn, expressed as a percentage of the total number of projects completed in the financial year (cost predictability).

2003-4	50%
2004-5	66%

5B. Percentage of projects falling within +5% of the estimated timescale, expressed as a percentage of the number of projects completed in the financial year (time predictability).

2003-4	100%
2004-5	83%

Note: there were six schemes that met the criteria.

## APPENDIX B

### CPA – USE OF RESOURCES

#### Level 2 Criteria

The Council has an up-to-date corporate capital strategy linked to its corporate objectives and medium term financial strategy.

The Council has an up-to-date Asset Management Plan that details existing asset management arrangements and outcomes and planned action to improve corporate asset use.

The Council maintains an up-to-date asset register.

The Council has a designated corporate property function.

The Council's arrangements for reporting to members are sufficient to ensure that they fulfil their responsibility in relation to the Council's land and buildings portfolio at both a strategic and service level.

The Council has an annual programme of planned maintenance based on a rolling programme of property surveys.

The Council has assessed the level of backlog maintenance.

The Council's capital programme gives priority to potential capital projects based on a formal objective approval process.

#### Level 3 Criteria

\*A member has been allocated portfolio responsibility for the Council's fixed assets.

There is a plan in place to reduce the level of backlog maintenance and this has been approved by members.

\*The Council has developed a set of local performance measures in relation to assets that link asset use to corporate objectives.

The Council makes investment and disposal decisions based on thorough option appraisal and whole life costings.

**Note:** All criteria are mandatory apart from the two marked with an asterisk.

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CABINET

24 NOVEMBER 2005

## LICENSING ACT 2003 REPORT ON IMPLEMENTATION OF THE ACT

(Report by Head of Administration)

### 1. INTRODUCTION

- 1.1 At their meeting in September 2003, the Cabinet considered a report on the implications of the Licensing Act 2003 which implemented the Government's modernisation proposals for alcohol licensing in this country and represents a major transfer of responsibility for licensing functions from the courts to local authorities. At the time of the Cabinet meeting, neither the fee levels for the new licensing regime nor the first date for the submission of applications were known. Similarly many of the detailed regulations implementing the Act had not been issued at that time. Given that uncertainty and the fact that premises licences are granted in perpetuity and personal licences for 10 years, the Cabinet agreed to the employment of two additional members of staff on fixed term contracts for 2 years to assist in the implementation of the Act, with a review in the second year of operation of the new system.

### 2. PROGRESS

- 2.1 Parliament subsequently determined 7<sup>th</sup> February 2005 as the first appointed day for applications with automatic conversion rights for existing licences if applications were received prior to 6<sup>th</sup> August 2005. The second appointed day when the new licences come into effect is 24<sup>th</sup> November 2005. The Regulations approving fee levels were finally issued in January 2005. The Government assuring local authorities that the income received should be sufficient to cover the cost of administering the new system. The Government has commissioned an independent review of income and expenditure by authorities to ensure that licensing under the Act is not subsidised from elsewhere but equally has warned that if authorities are shown to be making a "profit", fee levels could be reduced.
- 2.2 As at the end of October, a total of 553 applications for premises licences and club premises certificates had been received and 600 for personal licences. Many applicants for premises licences and club premises certificates applied shortly prior to the last day for automatic conversion in August which generated particular problems, especially as many of those attracted representations from responsible authorities and interested parties. Applications are continuing to be received from those operators who missed the conversion deadline. As a result of the representations received, 80 hearings by sub-committees have been arranged of which 25 were cancelled, usually because applicants were prepared to accept conditions imposed by responsible authorities. 52 hearings have taken place with a further 3 currently scheduled.
- 2.3 Computer software problems and the influx of late applications have generated a delay in the preparation of licences and certificates and efforts are being made to ensure that these are issued prior to the second

appointed day. This will also populate the public access website to enable the public to view information on-line relating to individual licensed premises.

- 2.4 In terms of income, as at the end of October a total of £125,000 had been received for premises licences and club premises certificates and £22,000 for personal licences. It is also now possible to estimate the volume of income which is likely to be received from the annual fees from premises licences and certificates which is forecast to exceed £90,000 per annum. Together with income from variations, transfers, temporary events notices etc it is likely that annual income will be approximately £100,000.

### **3. FUTURE WORKLOAD**

- 3.1 The likely future workload arising from the Act can now be estimated with greater accuracy. Applications for a variation of licences and certificates already have commenced and will be a regular occurrence. Requests by local residents for licences to be reviewed necessitating hearings by a sub-committee are also likely to be received on a regular basis. Added to this will be a continuous flow of applications for change of ownership details, designated premises supervisor, change of address etc, all of which attract fee income. Temporary events notices replaced occasional licences with effect from 10<sup>th</sup> November and although the volume of notices is difficult to predict, the fact that any premise is entitled to hold up to 12 temporary events each year suggests that at least 500 notices will be received per annum.

- 3.2 An enforcement protocol is in the final stage of preparation with the police and other responsible authorities which will require a more proactive role for licensing staff. In addition there will need to be ongoing liaison between licensing staff and responsible authorities (police, fire, weights and measures, social services, environmental health etc.) to ensure consistency of approach and avoid duplication.

### **4. GAMBLING**

- 4.1 The 2003 Act also transfers responsibility for gaming machines in licensed premises from the courts to the Council, involving an estimated 200/300 permits. The Gambling Act 2005 which will be implemented in September 2007 will transfer additional licensing responsibilities to the Council for premises used for gambling in Huntingdonshire. This will include betting offices, race tracks, casinos and gaming machines in clubs. The precise implications of the Act, together with fee income, will be dependent upon regulations and guidance from the recently established Gambling Commission which have yet to be issued.

### **5. RESOURCES**

- 5.1 The two additional members of staff approved by Cabinet commenced in November 2004 with the result that their contracts will end in November 2006. The resources proved insufficient to cope with the late influx of applications and production of licences and temporary staff had to be engaged in the summer and autumn. Based upon the information now available it will not be possible to manage the continuing workload imposed by the 2003 Licensing Act and the new 2005 Gambling Act with fewer resources than are currently available



## **6. FINANCIAL IMPLICATIONS**

- 6.1 Annual fee income under the 2003 Act is forecast to be £100,000. However until the Government's current review of licensing expenditure and fee levels is known, it would be imprudent to budget for an ongoing surplus.
- 6.2 The fee rates for the proposed additional responsibilities under the Gambling Act have not yet been set and the consequent income to the authority cannot be predicted with any certainty at this stage.
- 6.3 The annual cost of making the two temporary posts permanent at their existing grades is £41,300. Other annual running costs for enforcement and Licensing Committee administration arising from the 2003 Act are estimated to be £10,000. This additional expenditure, together with other on costs can be met from forecast fee income.

## **7. CONCLUSION AND RECOMMENDATION**

- 7.1 Generally the Licensing Act 2003 has been implemented successfully to date. This is due, in no small measure, to the enthusiasm and commitment of the staff of the Licensing Section and the support and involvement of the Licensing Committee.
- 7.2 A clearer indication of the future workload is now possible which indicates that the administration and enforcement of the 2003 Act and the implementation of the Gambling Act is unlikely to be achieved with fewer resources than are currently available. A further assessment of the implications of the Gambling Act will be made when additional guidance has been issued.
- 7.3 It is therefore

### **RECOMMENDED**

that the Cabinet note the progress on the implementation of the Licensing Act and approve the necessary funding from licensing income for the retention of posts CN070 and CN076 referred to in recommendation (a) above.

## **BACKGROUND PAPERS**

Licensing Files

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