

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (CORPORATE AND STRATEGIC FRAMEWORK) held in the Council Chamber, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Tuesday, 27 January 2009.

PRESENT: Councillor J A Gray– Chairman.

Councillors M G Baker, Mrs M Banerjee, E R Butler, S J Criswell, P J Downes, J E Garner, D Harty, L W McGuire, P G Mitchell, M F Newman, M F Shellens and R J West.

13. MINUTES

Subject to the inclusion of Councillors Mrs M Banerjee, S J Criswell and P G Mitchell in the list of attendees, the Minutes of the meeting of the Panel held on 11th November 2008 were approved as a correct record and signed by the Chairman.

14. MEMBERS' INTERESTS

Councillor J A Gray declared a personal and prejudicial interest in Minute No. 16 by virtue of his membership of the Capital Receipts Advisory Group and left the meeting for the duration of discussion on this Item.

Councillors M G Baker and Mrs M Banerjee declared personal interests in Minute No. 18 by virtue of their membership of the Luminus Board.

Councillors S J Criswell and P J Downes declared personal and prejudicial interests in Minute No. 18 by virtue of their membership of the Customer First and Accommodation Advisory Group and left the meeting for the duration of discussion on this Item.

15. FINANCIAL STRATEGY, MEDIUM TERM PLAN 2010 TO 2014 AND THE 2009/10 BUDGET

Councillor J A Gray in the Chair.

(Councillor T V Rogers, Executive Councillor for Finance and Environment, was in attendance for this Item).

With the aid of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel reviewed the Financial Strategy, Medium Term Plan (MTP) 2010-2014 and the Budget and level of Council Tax for 2009/10 in advance of their consideration by the Cabinet and final determination by the Council.

By way of introduction, the Executive Councillor for Finance and Environment acquainted the Panel with details of Executive Members' involvement in identifying potential areas for spending adjustments. Councillor Rogers went on to express the view that the budgets

associated with housing services and Information Technology should be recast as single budget areas. During discussion on this matter, a suggestion was made by a Member that the potential benefits of creating single budgets for each Executive Councillor's area of responsibility might be investigated.

The Panel considered proposed increases in expenditure on Information Technology. In so doing, a suggestion was made that those Information Technology matters identified in the report as requiring approval by the Chief Officers Management Team should be submitted to the Cabinet before proceeding.

With regard to the level of unidentified spending adjustments required in the period to 2013/14, and following a suggestion made by the Executive Councillor for Finance and Environment, the Panel decided to establish a Working Group to review the budget for future years. It was agreed that the Working Group should take into account which items within the budget were a statutory requirement and which were permissive. Councillor P J Downes also suggested that, as part of this process, some of his Party's previous suggestions for achieving spending adjustments might be revisited.

With regard to the proposed level of Council Tax for 2009/10, Members expressed support for an increase of £5.76 for a Band D property. Members also expressed support for the proposed Budget and MTP.

The Panel then discussed the overall approach that the Council should adopt given the present economic conditions. Members identified two possible strategic courses, namely exercising restraint in its spending and implementing measures to support and promote the local economy. Having requested that the Cabinet took into account these options and the Panel's other comments when formulating its recommendations on the overall strategic approach to be adopted and on the Council's Financial Strategy, MTP and Budget, it was

RESOLVED

- (a) that the Cabinet be informed of the Panel's support for the proposed MTP, Budget and Financial Plan as submitted;
- (b) that the Cabinet be informed of the Panel's support for an increase of £5.76 (4.4%) in Band D equivalent Council Tax for 2009/10; and
- (c) that a Working Group comprising Councillors J E Garner, L W McGuire and R J West be established to review the Council's budget for future years and to express a view on the feasibility and relative merits of reducing individual budgets within it.

16. 2009 / 10 TREASURY MANAGEMENT STRATEGY

Councillor S J Criswell in the Chair.

(See Minute No. 14 for Members' Interests).

(Councillor T V Rogers, Executive Councillor for Finance and Environment, was in attendance for this Item).

With the assistance of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel was acquainted with proposed changes to the Council's Treasury Management Strategy for 2009/10, which had arisen as a result of the annual review of the Strategy.

Members' attention was drawn to a proposal for Corporate Bonds to be included under non-specified investments within the Strategy as one of the types of investment available to the Council. Arising from concerns as to the risks associated with such investments, the Panel received assurances that Bonds would only be used when other forms of investment did not demonstrate a better rate of return and after a risk assessment and consultation with appropriate Members on the proposed limits, procedures and credit rating had been carried out. Subject to these measures being put into place, the Panel did not object to Corporate Bonds being adopted as one of the Council's forms of investment.

The Panel discussed the Council's approach to long term borrowing. Having noted the terms of borrowing undertaken to fund the Capital Programme for 2009/10, Members received assurances that the external auditor had approved the practice of borrowing to fund future budget commitments when rates were favourable. Members expressed the view that should similar circumstances reoccur, the same practice should be employed to borrow up to the amount required to fund the Capital Programme. Whereupon, it was

RESOLVED

that the Cabinet be requested to recommend the Council to adopt the revised Treasury Management Strategy.

17. EXCLUSION OF THE PUBLIC

RESOLVED

that the public be excluded from the meeting because the business to be transacted contains exempt information relating to the financial or business affairs of the Authority.

18. NEW ACCOMMODATION - BUILDING A - OPTIONS REVIEW

Councillor J A Gray in the Chair.

(See Minute No. 14 for Members' Interests).

(Councillor L M Simpson, Executive Councillor for Customer Services and Information Technology, was in attendance for this Item).

Consideration was given to a report by the New Accommodation Project Co-ordinator (a copy of which is appended in the Minute Book) which contained details of the options available for the site of Building A of the New Office Accommodation Project. Having

reviewed each of the options presented, Members expressed support for Option E, disposal of the site to Luminus for the construction of social rented housing. In reaching this decision the Panel took into account the facts that this option was likely to attract grant aid from the Homes and Communities Agency and would enable construction on the whole site to be completed by March 2010. Given the current economic climate, it also would provide the best rate of return for the Council. Furthermore, the Panel recommended that the Council should seek to link the level of ground rent to an appropriate index in order that a tangible benefit could be achieved over the full 125 years term of the proposed lease. Whereupon, it was

RESOLVED

that the Cabinet be recommended to pursue Option E as the preferred approach to be adopted with regard to the site of Building A of the New Office Accommodation Project.

Chairman