

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in the Corporate Training Suite, Eastfield House on Thursday, 4 February 2010.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors J T Bell, E R Butler,
L W McGuire, M F Shellens, Ms M J Thomas
and R G Tuplin.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors Mrs J A Dew, A N Gilbert and G S E Thorpe.

69. MINUTES

The Minutes of the meeting of the Panel held on 14th January 2010 were approved as a correct record and signed by the Chairman.

70. MEMBERS' INTERESTS

No declarations were received.

71. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN

The Panel considered the current Forward Plan of Key Decisions (a copy of which is appended in the Minute Book) which had been prepared by the Leader of the Council for the period 1st February 2010 to 31st May 2010. It was agreed that the item entitled Request for a loan to the Wildlife Trust should be considered at the next meeting.

72. FINANCIAL STRATEGY, MEDIUM TERM PLAN 2011-2015 AND THE 2010/11 BUDGET

(Councillor T V Rogers, Executive Councillor for Finance, 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) 2011-2015 and the Budget and level of Council Tax for 2010/11 in advance of their consideration by the Cabinet and final determination by the Council.

By way of introduction Councillor Rogers, Executive Councillor for Finance, reminded Members of the process involved in developing the Financial Strategy in the current year and explained that a number of changes had been made to the draft Strategy, which took into account £1.2m in savings that had been identified. These savings had been transferred into a Special Reserve in order to help facilitate the achievement of future spending adjustments.

Members were advised that the medium term impact of the changes was a reduction in the Council's budget deficit which would allow spending adjustments to be phased in at a more regular rate. Overall spending would fall significantly from previous assumptions mainly owing to lower provision for pay and price inflation but also as a result of lower assumptions on Government Grant and the proposed reduction in the level of Council Tax increase to 2.49%, a figure which it was considered would avoid capping. The result was that a reduced level of spending adjustments would be needed in the Medium Term Plan period, though in the longer term there would be few changes.

The Director of Commerce and Technology drew Members' attention to his conclusion contained in the report that the combination of a robust budget process and the current level of reserves should give Members no concerns over the Council's financial position for 2010/11. However, he drew attention to the fact that a significant level of work would be required to plan the spending adjustments required in future years in order to avoid the Council making sub-optimum decisions as reserves were depleted.

In highlighting the uncertainties and risks associated with the financial forecast Members were reminded of the possible impact of the Guided Bus on the Council's parking income, the unknown length and depth of the recession, changes in grant funding and the revaluation of the pension scheme. These were likely to require further spending adjustments in the future. Following a question from a Member on investments, it was explained that lower than planned expenditure in 2008/09 had allowed investments to be made. In addition, previous investments over long periods had meant that the Council was benefiting from favourable rates.

In discussing expected income of £150k in respect of public conveniences, the Panel was advised that this was an estimated figure, which would be received following the sale to developers of the public conveniences at South Street, St Neots. Members also discussed the figure for future wheeled bin replacement and were advised that although in the future developers would be charged for new wheeled bins, provision had to be made for bin replacement. The Panel endorsed the figure contained in the report for wheeled bins.

In response to a question regarding the allocation of £800k for bus station improvements, Members were informed that the scheme was under review. They were also advised of the potential effects of recycling savings, VAT refunds and civil parking enforcement income.

Following discussion on the effect of introducing a higher rate of Council Tax increase the Panel expressed support for an annual increase of 2.49% in Band D equivalent Council Tax and for the proposed Budget and Medium Term Plan. They also supported the creation of a Special Reserve for use in achieving future spending adjustments. Having received assurances that the Financial Strategy would allow the Council to meet its objectives, the Panel

RESOLVED

that the Cabinet be informed of the Panel's support for:

- (a) the proposed Budget, MTP and Financial Plan as submitted;
- (b) an increase of 2.49% in Band D equivalent Council Tax for 2010/11, and
- (c) the creation of a Special Reserve on the terms set out in the report now submitted.

73. 2010/11 TREASURY MANAGEMENT STRATEGY

(Councillor T V Rogers, Executive Councillor for Finance, 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 2010/11. The Panel was advised that following the collapse of the Icelandic Banks in 2008 treasury management now had a higher profile, which had led to new interim guidance from the Audit Commission and a revised Code of Practice from the Chartered Institute of Public Finance and Accountancy being produced. Members were also advised that the Department for Communities and Local Government was currently consulting on revised guidance on local authority investments, which was expected to apply from April 2010 onwards. The primary change would be to place emphasis on using a wider range of information to assess the credit quality of counterparties and on the security and liquidity of investments. The Panel was acquainted with the recommended criteria for assessing the credit worthiness of counterparties for Council investments.

Having outlined the borrowing that had taken place to fund the Capital Programme in future years, the Head of Financial Services went on to discuss the Prudential Code, which covered a number of indicators relating to capital expenditure, external debt and treasury management. Compliance with the Code would enable the Council to demonstrate the robustness of its capital expenditure plans. Members were advised that the proposed Strategy took account of the Code and Guidance and that further modifications would be considered should the final Guidance differ materially from the draft.

Members were advised that responsibility for scrutinising Treasury Management would fall to the Economic Well-being Overview and Scrutiny Panel and training to enable them to ensure that the Council complied with the Code would be arranged. Having noted that in future, half yearly reports would be submitted to the Panel, it was

RESOLVED

that the Cabinet be requested to recommend the Council to approve:

- a) the revised Treasury Management Strategy for 2010/11,
- b) the Treasury Management Indicators and Prudential Indicators for 2010/11 and

- c) scrutiny of Treasury Management by the Overview and Scrutiny (Economic Well-being) Panel.

74. CUSTOMER SERVICE QUARTERLY REPORT

The Panel received and noted the Customer Service Quarterly Performance Report for the period October to December 2009 (a copy of which is appended in the Minute Book). The report outlined the levels of performance and standards achieved by the Service. Members were informed of the results of a recent mystery shopper survey, which had rated the overall service ahead of other Councils in the region.

75. ECONOMIC DEVELOPMENT

In response to previous requests for information on potential study areas, the Panel received presentations on the implications for the Council and the District of the loss of the Huntingdonshire Enterprise Agency (HEA) and on the Creativexchange in St Neots.

Having informed the Panel of the services that were previously provided by the HEA, Mrs H Donnellan, the Council's Sustainable Economic Development Manager, outlined the steps that had been taken since it ceased to operate to ensure that enterprise in the District continued to be promoted. She explained that a service had been introduced to provide 1 to 1 consultancy and tailored workshops for businesses. Members also were advised that support for individuals hoping to become self employed was now available through the Cambridge and Rural Enterprise and Mentoring (CREAM) scheme, which was a project initiated by the Norfolk and Waveney Enterprise Services and funded by the East of England Development Association and the Greater Cambridge Partnership. CREAM was also partly funded by the District Council. It had been the catalyst for a high number of new businesses starting in the District and gave the Council the ability to commission bespoke services as conditions required. Having also discussed the cost to the Council of business development, Members concluded that, through partnership working, the budget available attracted a significant level of services; however, there were concerns regarding the future funding of the CREAM project beyond 2012. Members also were informed that Business Link provided assistance to a significant number of businesses that were already established.

The Panel then received a presentation on the CreativeXchange in St Neots and, in particular, the partnership working involved in its development and operation. It was explained that the development had been created in association with Longsands School, which had donated the land valued at £300k. Capital costs of £300k had been funded by the District Council and running costs would be met by Norfolk and Waveney Enterprise Services for the first 5 years. The total value of the project had been estimated at £2m. It now provided light industrial units for creative enterprises with easy in / out terms and back up services whilst also aiding the school in its application for specialist status. The project had successfully exceeded its operating targets for 2009/10 and had a high level of occupancy, which was notable given recent economic conditions. Having noted that the project was well placed to meet its targets for 2010/11 and that it had

received a number of awards, Members congratulated all those involved in the project on the progress that had been made to date.

76. THE HEALTH IMPLICATIONS OF THE NIGHT TIME ECONOMY

In pursuit of a study by the former Overview and Scrutiny Panel (Service Support) into the night time economy and the relationship between alcohol consumption and anti-social behaviour and alcohol related crime within the District, Members were acquainted with the scope and findings of the study and informed that the Panel had concluded that the powers available to the police were not always fully utilised. As few reviews of premises licences had taken place, the Panel had formed the view that steps should be taken to raise public awareness of their rights in respect of premises licensing.

In order to follow up on the study findings the Panel received a presentation by the Scrutiny and Review Manager on the effects of alcohol consumption on local health and health services. The data presented had been obtained from the Strategic Partnership's Health and Well-Being Thematic Group and had been augmented with information from the Public Health Observatory at the Centre for Public Health. It indicated that Huntingdonshire had lower rates of hospital admissions than the average for England; however, Members were informed that the rate of alcohol-specific hospital admissions for under 18s was higher than in other areas of the Eastern region. They, therefore, asked for further information on this issue to be submitted to a further meeting together with any available qualitative data on alcohol consumption in rural areas.

77. INDEPENDENT SCRUTINY PANEL MEMBERS

The Panel was reminded that as part of the review of the democratic structure the Council had decided to introduce provision for two independent members of the public to be appointed to each of the Overview and Scrutiny Panels. Following an exceptional response to publicity to attract interest for the positions, a Selection Panel had recently been convened to interview the applicants. As a result the Selection Panel had recommended that Mr R Hall and Mrs H Roberts should be appointed to sit on the Economic Well Being Panel for a period of four years. Having endorsed the recommendation, it was noted that following an induction, the independent members would be invited to their first Overview and Scrutiny Panel meeting in March.

RESOLVED

that the Council be recommended to accept the co-option of Mrs H Roberts and Mr R Hall to the Overview and Scrutiny (Economic Well Being) Panel.

78. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) PROGRESS REPORT

The Panel received and noted a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) on the Panel's current programme of studies.

79. WORKPLAN STUDIES

The Panel received and noted a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) containing details of studies being undertaken by the Council's Overview and Scrutiny Panels. Members were advised that a report on the financial position of the leisure centres was expected at the next meeting of the Panel.

80. SCRUTINY

The 101st edition of the Decision Digest was received and noted.

Chairman