

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, 11 March 2010.

PRESENT: Councillor J D Ablewhite – Chairman.

Councillors J T Bell, E R Butler, Mrs J A Dew, A N Gilbert, Hall, Roberts, M F Shellens, G S E Thorpe and R G Tuplin.

Mr R Hall and Mrs H Roberts

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors Ms M J Thomas.

IN ATTENDANCE: Councillor T V Rogers

81. MINUTES

The Minutes of the meeting of the Panel held on 4th February 2010 were approved as a correct record and signed by the Chairman.

82. MEMBERS' INTERESTS

Councillor G S E Thorpe declared a personal interest in Minute No. 88 by virtue of his membership of St Neots Town Council.

83. ICT STUDY PROPOSAL

With the aid of a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) the Panel received a presentation by Dr J Stanley, University of Cambridge, Dr G Briscoe, London School of Economics and J Josephra, Bind Technology on Sustainable Information Communications Technology (ICT) Provision. The Council had been contacted by Dr Stanley with a suggestion for a study into this subject as she felt it could have considerable benefits for the Council and for the District.

The Panel was acquainted with common causes of problems with the development of large scale ICT projects, which included being locked into existing contracts and poor initial requirement specifications. Dr Stanley proposed that an independent governance panel was established to provide advice on project development before requests for proposals were issued. The long term goal would be the creation of an expanded governance panel taking representation from a number of regional authorities with the aim of creating a knowledge and skills pool and special skills register. Dr Stanley explained that an online community consisting of ICT experts could be constructed across regional local authorities to enrich the knowledge pool.

The Panel discussed the role of the suggested governance panel, which would include input from Dr Stanley and her colleagues on a consultancy basis. However, it was considered that the employment of consultants for this purpose could not be justified given the financial challenges currently faced by the Council. This conclusion was reinforced by the fact that the Council already had strong project management arrangements in place for ICT development and that it did not have sufficient resources to develop its own software. The Panel thanked Dr Stanley and her colleagues for their presentation, but decided not to proceed with a study in to the proposal.

84. GREAT FEN LOAN

Councillor T V Rogers was in attendance for this item.

With the aid of a report by the Head of Finance (a copy of which is appended in the Minute Book) the Panel was acquainted with details of a request for a loan from the Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough. Members were informed that the loan of up to £1.2M had been requested in order that the Trust could acquire the leasehold of land to which it already held the freehold. This would assist in delivering the Great Fen Masterplan.

The Panel was informed that the Trust was confident of obtaining sufficient donations and grants over the next few years in order to repay the loan. The Trust was therefore seeking a flexible arrangement, which would allow for early repayment.

The Panel discussed detailed aspects of the proposed loan and the wider implications of it. With regard to the terms of the loan, Members expressed concern about the security being offered. While an independent valuation would be obtained from the County Council (at the cost of the Wildlife Trust), it was pointed out that there had been significant fluctuations in the value of agricultural land in recent years, which could mean that the future value of the land might not match the value of the loan. In addition, it was suggested that the Council should consider whether there was a reasonable chance that, should it be necessary, the sale of the land could be achieved. Members were of the view that these points should be taken into account during negotiations on the security provided as part of any loan agreement and that if an agreement was reached, it should comply strictly with the terms of the Council's Treasury Management Strategy.

Further comments were made that the Wildlife Trust's funding raising plans should be examined to establish whether they were realistic and achievable and that the Council should aim to maximise the Council's return on the sum loaned.

On the wider implications of the report, the Panel considered the principle of making the loan. A Member commented on the rise in the importance attached to food security, particularly as the Great Fen occupied high quality agricultural land, and that the loan should not be used to encourage local farmers to relinquish their farm tenancies. The view also was expressed that the Council should take into account whether there was a risk that it might suffer damage to its reputation either by being a cause of loss of agricultural land or

through the failure of the loan arrangement. In order to reduce this risk, it was suggested that a condition of the loan should be that the outstanding governance arrangements should be resolved. Another Member expressed support for the Great Fen Project, pointed out that the loan would further this aim and should be regarded as a financial transaction, which would bring benefit to the Council. The level of return the Council received in return for the loan would be greater than that which could be achieved by investment through financial institutions.

The Panel then discussed whether the Wildlife Trust should sell the land it was offering as security and use the proceeds to purchase the new land. It was, however, argued that if a loan was taken and repaid in the way suggested, the Wildlife Trust would eventually own both areas of land.

Having come to the conclusion that the Wildlife Trust's request for a cap on the maximum level interest that was payable should not be granted and that alternatives to the flexible repayment arrangements should be explored, the Panel

RESOLVED

that Cabinet be recommended to approve a loan to the Wildlife Trust, of up to £1.2M subject to:

- i) no cap being placed on the interest rate offered;
- ii) the Director of Commerce and Technology and the Head of Legal and Estates being satisfied of the robustness of the terms and security ; and
- iii) the approval of adequate governance arrangements for the Great Fen Project.

85. LEISURE CENTRES' INCOME AND EXPENDITURE

Councillor T V Rogers was in attendance for this item.

Pursuant to Minute No. 56, the Panel received and noted a report (as appended in the Minute Book) by the General Manager, One Leisure on the Leisure Centres' financial performance. Members were informed that although income in 2009/10 was lower than the target greater savings in the same period meant that the net position represented an overall improvement. In addition, there would be a reduction in overheads owing to a change in the adjustment for pension contributions. Following an increase in contribution rates, the anticipated adjustment for the Centres had changed -£160K, which represented a reduction of 353K.

In discussing the performance of individual centres, Members noted the capital investment at One Leisure Huntingdon had generated a 26% increase in income and a 13% rise in admissions. Over 3,000 additional customers had become members and fitness activities in January were the highest ever recorded at one of the Council's centres. As a result of measures to improve efficiency, staffing levels at Huntingdon had not increased and expenditure was £100k lower than the budget.

Members were advised that, following the introduction by Cambridgeshire County Council of new school sport funding arrangements, income from school bookings would be £80k lower than the previous year but that negotiations to effect a solution to this problem were ongoing. Officers were confident that this would not reoccur in 2010/11.

Following a question on the planned redevelopment of One Leisure St Neots, Members were informed that research by the in-house marketing team gave officers confidence that the new facilities would attract more customers and that the Council's investment would be recouped.

In acknowledging that the Council's investments in its leisure centres had improved their financial performance, Members congratulated the Officers who had been involved in this work. The Panel would continue to monitor progress in this respect.

86. PROPOSED AMENDMENTS TO THE HUNTINGDONSHIRE DISTRICT COUNCIL BUDGET 2010-2011

(Councillor T V Rogers was in attendance for this item).

The Panel received a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) containing details of proposed amendments to the Budget 2010 – 2011, which had been submitted by the Liberal Democrat Group to the full Council meeting on 17th February 2010. The Council had decided to refer them to the Overview and Scrutiny (Economic Well-Being) Panel for consideration. In order to investigate the proposals fully it was decided to dedicate a special meeting to them and various information was requested for this purpose.

87. PERFORMANCE MONITORING

The Panel considered a report by the Head of People, Performance and Partnerships (a copy of which is appended in the Minute Book) containing details of the Council's performance against its priority objectives in the quarter to 31st December 2009. The comments of the Corporate Plan Working Group on the report were endorsed for submission to the Cabinet. Members also concurred with the Working Group's suggestion that the Cabinet should be recommended to investigate whether there were any opportunities for jointly employing expert staff to avoid the greater costs incurred by using specialist consultants.

88. 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 March to 31st June 2010. Members requested that they receive a copy of the report on the transfer of the S106 asset at Loves Farm.

89. 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.

90. WORKPLAN STUDIES

In receiving and noting a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) containing details of the studies being undertaken by the Council's Overview and Scrutiny Panels, Members were advised that the Overview and Scrutiny (Environmental Well-Being) Panel had decided to undertake a study into the rural economy and farming.

91. SCRUTINY

The Panel received and noted the latest edition of the Decision Digest.

Chairman