

A meeting of the **OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)** will be held in **THE CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **THURSDAY, 9 SEPTEMBER 2010** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact  
(01480)**

## **APOLOGIES**

**1. MINUTES (Pages 1 - 8)**

To approve as a correct record the Minutes of the meeting held on 15<sup>th</sup> July 2010.

**Mrs C Bulman  
388234**

**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. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN (Pages 9 - 14)**

A copy of the current Forward Plan, which was published on 12<sup>th</sup> August 2010, is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**Mrs H Taylor  
388009**

**4. FINANCIAL FORECAST (Pages 15 - 28)**

To consider and comment on a report by the Director of Commerce & Technology prior to its submission to the Cabinet.

**S Couper  
388103**

**5. PERFORMANCE MANAGEMENT (Pages 29 - 40)**

To consider a report by the Head of People, Performance and Partnerships containing details of the Council's performance against its priority objectives.

**H Thackray  
388035**

**6. WORKPLAN (Pages 41 - 46)**

To consider with the aid of a report by the Head of Democratic and Central Services, the current programme of overview and scrutiny studies.

**Mrs C Bulman  
388234**

7. **OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) - PROGRESS** (Pages 47 - 50)

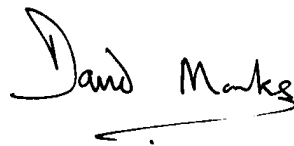
To consider a report by the Head of Democratic & Central Services on the Panel's programme of studies.

**Mrs C Bulman**  
388234

8. **SCRUTINY** (Pages 51 - 60)

To scrutinise decisions taken since the last meeting as set out in the Decision Digest and to raise any other matters for scrutiny that fall within the remit of the Panel.

Dated this 1 day of September 2010



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, their family or any person with whom they had a close association;*
  - (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 £25,000; 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 C Bulman, Democratic Services Officer, Tel 01480 388234 / email Claire.Bulman@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 Committee/Panel.**

**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.*

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# Agenda Item 1

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 15 July 2010.

- PRESENT: Councillor J D Ablewhite – Chairman.
- Councillors J T Bell, E R Butler, Mrs J A Dew, Hall, Roberts, M F Shellens, Ms M J Thomas, G S E Thorpe and D M Tysoe.
- Mrs H Roberts and Mr R Hall.
- APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Greenall and N J Guyatt.
- IN ATTENDANCE: Councillor B S Chapman.

### 17. MINUTES

The Minutes of the meeting of the Panel held on 10<sup>th</sup> June 2010 were approved as a correct record and signed by the Chairman.

### 18. MEMBERS' INTERESTS

Councillor G S E Thorpe declared a personal and prejudicial interest in Minute No. 21 by virtue of his membership of St Neots Town Council and left the meeting for the duration of the discussion on this item.

### 19. 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 1<sup>st</sup> July to 31<sup>st</sup> October 2010. Members decided that they did not wish to consider the outcome of the consultation on the Council's political leadership arrangements.

### 20. 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.

**21. FORMER FIRE STATION SITE AND WASTE RECYCLING CENTRE, HUNTINGDON STREET, ST NEOTS**

*(Councillor B S Chapman, Ward Councillor for St Neots Priory Park was in attendance for this item).*

The Panel considered a report by the Head of Law, Property and Governance (a copy of which is appended in the Minute Book) containing details of applications received for the leasehold of land at the former fire station site and waste recycling centre, Huntingdon Street, St Neots. By way of introduction, the Panel were advised that the Cabinet had approved a planning brief earlier in 2010 and that, following marketing, four bids had been received. The bids had been assessed in accordance with the selection criteria.

The Panel commented on the difficulties encountered by small businesses in preparing bids for contracts and on the timing of the decision to enter into a lease given current market conditions.

Councillor B S Chapman addressed the Panel as Ward Councillor. He drew attention to similar developments in other areas and the nature of the involvement of the local authority in their delivery.

In discussing the merits of the bids, the Panel focussed on their financial terms, the potential benefits they would bring and the degree to which they complied with the planning brief. Members acknowledged that a balance had to be struck between these factors and suggested that the Cabinet should be provided with further information for consideration as part of their deliberations.

With regard to the recommendations contained within the report and having regard to the importance of achieving the objectives within the planning brief, suggestions were made in relation to terms and conditions for inclusion in any future agreement. Whereupon it was

**RESOLVED**

that the Cabinet be recommended to

- i. proceed with the scheme to develop the Former Fire Station and Waste Recycling Site in Huntingdon Street, St Neots as proposed subject to additional information being provided on the bids that have been received;
- ii. include the construction of a cinema in the agreement with the successful bidder; and
- iii. make the agreement conditional on the release of the necessary land by St Neots Town Council.

**22. RE-ADMITTANCE OF THE PUBLIC**

**RESOLVED**

that the public be re-admitted to the meeting.

**23. ANNUAL REPORT ON ORGANISATIONS SUPPORTED BY GRANTS VIA SERVICE LEVEL AGREEMENTS**

*(Councillor A Hansard, Executive Councillor for Housing and Public Health was in attendance for this item).*

Pursuant to Minute No. 09/ 20, the Panel considered a report by the Head of Environmental and Community Health Services (a copy of which is appended in the Minute Book) containing details of the performance of voluntary organisations in Huntingdonshire who received funding from the Council via service level agreements. By way of introduction, Councillor Hansard reminded the Panel of the Cabinet's decision in 2007 to move from a system of open applications for grant aid to a commissioning model and introduce agreements, with one exception, for a 5 year period.

The Council's Community Manager, Mr D Smith, then outlined the background to the current performance framework, which was designed to link the funding provided to local organisations to the priorities set out in the Council's Corporate Plan – Growing Success and the objectives of the Cambridgeshire Local Area Agreement. Information was also provided with regard to the management of the agreements and Members were informed that all organisations were monitored against a set of agreed performance indicators and other organisational criteria on a quarterly basis. Members' attention was also drawn to the only indicator where the performance target had not been achieved in the previous year, which related to the provision of a Shopmobility service in St Ives in 2009/10. This was the result of funding not being secured.

Discussion ensued on the terms of the agreements between the District Council and voluntary organisations. Members queried whether consideration would be given to moving to three year agreements, particularly in light of the ongoing Government Spending Review. In response, the Community Manager drew attention to recent proposals by Cambridgeshire County Council and NHS Cambridgeshire to introduce a single funding agreement for the Councils of Voluntary Services across Cambridgeshire. Members were also advised that under the proposals three year agreements were the standard length of agreement but the model developed by the District Council had been identified as a good practice model by both District Audit and Go-East. The use of three year agreements would be considered when the negotiations took place on their renewal.

With regard to performance indicators within the report, comment was made on the number of cases dealt with by the Disability Information Service Huntingdonshire in the previous year. Members were advised that the reduction in the number of cases dealt with was not the result of reduced demand and could be attributed to the adverse weather conditions in the early part of the year. Comment was made on the success of some organisations in securing additional funding and whether this provided an opportunity for a reduction in the District Council's funding. In response, Members were advised that whilst the levels of funding involved could be re-negotiated at the end of the current agreements, the District Council's funding was used to cover core costs and it was likely that the organisations would be unable to

attract additional funding should this be withdrawn. Following a question concerning the validity of the performances reported, the Community Manager explained that targets were based on performance in the previous three years and all targets were increased by 10% each year. In the event that organisations consistently underperformed, the Council retained the option to terminate agreements. Having noted that a number of voluntary organisations were instrumental in helping the Council to achieve some of its objectives, it was

RESOLVED

that the contents of the report be noted.

## **24. CUSTOMER SERVICES**

*(Councillor T V Rogers, Executive Councillor for Finance and Customer Services was in attendance for this item).*

Pursuant to Minute No. 10/06, the Panel received a presentation by Ms M Greet, the Council's Customer Services Manager, on the development of Customer Services within the District Council. By way of introduction, the Panel were advised of the background to the establishment of the Council's Contact and Customer Services Centres, the range of services currently provided and statistical information on customer enquiries. Information was also provided on customer feedback, staffing requirements during fluctuations in demand for services and the challenges facing Customer Services.

The Customer Services Manager outlined the savings that Customer Services had achieved, the additional work that had been absorbed at no extra cost and a series of options for future service provision together with the savings that these might achieve. Members noted that Officers would continue to review the service to achieve savings.

Councillor T V Rogers referred to the importance of Customer Services to the delivery of the Council's services and the need to maintain current customer interface standards. The Panel discussed the extent to which back office costs might be shared with other authorities and, specifically, whether there was any potential to provide a customer services function on behalf of other authorities. The Customer Services Manager explained that such a move had not been explored. The Head of Customer Services then drew attention to the implications of changes to housing benefit legislation, which would come into force in 2013 and were likely to create a number of challenges for the service.

Arising from the presentation, a question was asked on new requirements relating to data security and the impact they might have on the way the Council provided its services. In response the Head of Customer Services explained that the need to achieve the standard required by the Code of Connection posed a number of problems for the authority with regard to remote access and home workers. Having been advised of the likely cost to the Authority of complying with the standard and in noting that the Authority was to be inspected in October 2010, Councillor Rogers reported that representations had



been made to the Secretary of State for Communities and Local Government that the inspection should be delayed to enable further work to be undertaken.

Following a question about the contingency arrangements, which were in place to tackle sickness levels within the service, the Panel were informed that service provision was augmented by a small number of contract workers who were employed during peak periods. Members noted that advisors at all locations had responded well to high demand. However, by providing cover during absences, some advisers were accruing high levels of flexitime. In the longer term, there would be a need to consider issues relating to staff recruitment and retention.

Consideration also was given to the Customer Service Quarterly Performance Report for the period April to June 2010 (a copy of which is appended in the Minute Book). Members noted the levels of performance and standards achieved by the Service. Whereupon, it was

#### RESOLVED

that the contents of the report and the information presented be noted.

## **25. RISK REGISTER**

*(Councillor T V Rogers, Executive Councillor for Finance and Customer Services was in attendance for this item).*

Pursuant to Minute No. 09/101, the Panel considered a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) containing details of changes made to the Risk Register in the period 1<sup>st</sup> September 2009 to 28<sup>th</sup> February 2010. The report had been requested at a previous meeting when it had been noted that 44 new entries onto the Register had been made during this period.

By way of introduction, the Council's Audit and Risk Manager, Mr D Harwood, outlined the background to the establishment of Risk Register, a copy of which appeared on the Council's Intranet. Members were advised of the process by which significant operational risks were added to the Register and noted that this was reviewed on a quarterly basis by Heads of Service. Having regard to the 44 new entries made in the previous period, the Audit and Risk Manager explained that this was the first period during which Activity Managers had been asked to identify risks and it was for this reason that more had been identified. Members were advised that those risks which had been identified as having high residual risk, together with the options available to manage their likelihood of occurring and severity, would be considered by the Cabinet at their next meeting.

The Panel discussed specific risks identified within the report. With regard to the high risk relating to the appropriateness of investment decisions, Members were advised that it was inevitable that investments involving large sums of money would always be considered a risk and the Head of Financial Services outlined the

measures which had been taken to mitigate the risks. Following a question on whether the budgetary savings which had been announced at the Council meeting in June would create any degree of risk for the Authority, Members were informed that the options for savings currently were subject to public consultation and that the Risk Management Team would consider proposals for savings as they emerged.

Having discussed the method of assessment and classification of individual risks and the cost of the software employed to monitor them, suggestions were made for changes to the way the information within the report was presented. Whereupon, it was

RESOLVED

that the contents of the report be noted.

*(Councillor Mrs J A Dew left the meeting part way through this item and Councillor E Butler left at its conclusion).*

## **26. STRATEGIC / PARTNERSHIP SCRUTINY**

### **(a) JOINT SCRUTINY**

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 were acquainted with recent developments concerning joint scrutiny between the Cambridgeshire Councils. Members were advised that Cambridgeshire Scrutiny Officers were due to discuss this matter at their next scheduled meeting and the Scrutiny and Review Manager invited comments from Members on the proposals.

Having been advised of the comments made by the Overview and Scrutiny Panel (Social Well-Being) who had been broadly supportive of the proposals provided that no additional organisational structures would be created, that savings could be clearly identified and that matters were addressed on an issue by issue basis, Members acknowledged that joint scrutiny was the best way that some services could be effectively scrutinised.

Having expressed their support for the principle of joint scrutiny and emphasised the need for any new arrangements to operate efficiently, Members endorsed the comments made by the Overview and Scrutiny (Social Well-Being).

### **(b) SCRUTINY OF PARTNERSHIPS**

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 considered their approach to scrutinising the partnerships in which the Council was involved.

Members were reminded that the Local Government and Public Involvement in Health Act 2007 placed a duty on the Council to scrutinise the Local Strategic Partnership and of the role that the Overview and Scrutiny Panel (Economic Well-Being) had in this work.

Having been advised that the Overview and Scrutiny Panel (Social Well-Being) had requested further information in relation to the thematic groups within their remit, it was agreed that the Economic Well-Being Panel would consider the Action Plan of the Economic Prosperity and Skills thematic group and its regular monitoring report on performance against the Action Plan.

## **27. WORKPLAN**

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.

## **28. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) - PROGRESS**

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) reviewing progress of matters that had previously been discussed. Members were informed that Councillor G S E Thorpe had requested further information on the use of S106 money for transport schemes in St Neots and that the Scrutiny and Review Manager would discuss the scheduling of waste collection rounds and the promotion of the use of re-useable nappies directly with Mrs H Roberts.

## **29. SCRUTINY**

The Panel received and noted the latest edition of the Council's Decision Digest. Following a suggestion by Mrs H Roberts, Members requested details of the measures the Council took to protect the data it held on the District's residents.

Chairman

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### FORWARD PLAN OF KEY DECISIONS

**Prepared by**  
**Date of Publication:**  
**For Period:**

**Councillor I C Bates**  
**12 August 2010**  
**1 September 2010 to 31 December 2010**

Membership of the Cabinet is as follows:-

Councillor I C Bates	- Leader of the Council	4 Church End Hilton Huntingdon PE28 9NJ  Tel: 01480 830250 E-mail: <a href="mailto:Ian.Bates@huntsdc.gov.uk">Ian.Bates@huntsdc.gov.uk</a>
Councillor L M Simpson	- Deputy Leader of the Council with Special Responsibility for HQ/Accommodation	45 Devoke Close Stukeley Meadows Huntingdon Cambs PE29 6XE  Tel: 01480 388946 E-mail: <a href="mailto:Mike.Simpson@huntsdc.gov.uk">Mike.Simpson@huntsdc.gov.uk</a>
Councillor K J Churchill	- Executive Councillor for Resources and Policy	51 Gordon Road Little Paxton St Neots PE19 6NJ  Tel: 01480 352040 E-mail: <a href="mailto:Ken.Churchill@huntsdc.gov.uk">Ken.Churchill@huntsdc.gov.uk</a>
Councillor D B Dew	- Executive Councillor for Planning Strategy and Transport	4 Weir Road Hemingford Grey Huntingdon PE28 9EH  Tel: 01480 469814 E-mail: <a href="mailto:Douglas.Dew@huntsdc.gov.uk">Douglas.Dew@huntsdc.gov.uk</a>
Councillor J A Gray	- Executive Councillor for Environment and Information Technology	Shufflewick Cottage Station Row Tilbrook PE28 OJY  Tel: 01480 861941 E-mail: <a href="mailto:JG@novae.com">JG@novae.com</a>

Councillor C R Hyams	- Executive Councillor for Operational and Countryside Services	22 Bluegate Godmanchester Huntingdon Cambs PE29 2EZ Tel: 01480 388968 E-mail: <a href="mailto:Colin.Hyams@huntsdc.gov.uk">Colin.Hyams@huntsdc.gov.uk</a>
Councillor A Hansard	- Executive Councillor for Housing and Public Health	78 Potton Road Eynesbury St Neots PE19 2NN Tel: 01480 388942 E-mail: <a href="mailto:Andrew.Hansard@huntsdc.gov.uk">Andrew.Hansard@huntsdc.gov.uk</a>
Councillor Mrs D C Reynolds	- Executive Councillor for Leisure, Law, Property and Governance	17 Virginia Way St Ives PE27 6SQ Tel: 01480 388935 E-mail: <a href="mailto:Deborah.Reynolds@huntsdc.gov.uk">Deborah.Reynolds@huntsdc.gov.uk</a>
Councillor T V Rogers	- Executive Councillor for Finance and Customer Services	Honeysuckle Cottage 34 Meadow Lane Earith Huntingdon PE28 3QE Tel: 01487 840477 E-mail: <a href="mailto:Terence.Rogers@huntsdc.gov.uk">Terence.Rogers@huntsdc.gov.uk</a>

Any person who wishes to make representations to the decision maker about a decision which is to be made may do so by contacting Mrs Helen Taylor, Senior Democratic Services Officer on 01480 388008 or E-mail: [Helen.Taylor@huntsdc.gov.uk](mailto:Helen.Taylor@huntsdc.gov.uk) not less than 14 days prior to the date when the decision is to be made.

The documents available may be obtained by contacting the relevant officer shown in this plan who will be responsible for preparing the final report to be submitted to the decision maker on the matter in relation to which the decision is to be made. Similarly any enquiries as to the subject or matter to be tabled for decision or on the availability of supporting information or documentation should be directed to the relevant officer.

Roy Reeves  
Head of Administration

Notes:- (i) Additions/significant changes from the previous Forward are annotated \*\*\*

(ii) For information about how representations about the above decisions may be made please see the Council's Petitions Procedure at <http://www.huntsdc.gov.uk/NR/rdonlyres/3F6CFE28-C5F0-4BA0-9BF2-76EBAE06C89D/0/Petitionsleaflet.pdf> or telephone 01480 388006

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
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Subject/Matter for Decision	Decision/recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Financial Strategy	Cabinet	16 Sep 2010	Previous year's budget report - Various Annexes	Steve Couper, Head of Financial Services Tel No. 01480 88103 or e-mail Steve.Couper@huntsdc.gov.uk	Overview and Scrutiny (Economic Well-Being)	T V Rogers	Economic Well-Being
Environment Strategy Review	Cabinet	16 Sep 2010	None.	Dr Paul Jose, Head of Environmental Management Tel No 01480 388332 or e-mail Paul.Jose@huntsdc.gov.uk		J A Gray	Environmental Well-Being
Leader or Mayor - The Choice for Huntingdonshire	Cabinet	16 Sep 2010	None.	Roy Reeves, Head of Democratic and Central Services Tel No. 01480 388003 or e-mail Roy.Reeves@huntsdc.gov.uk		K J Churchill	Economic Well-Being
Single Equality Scheme	Cabinet	16 Sep 2010	Covering report, Single Equality Scheme plus Appendices	Louise Sboui, Senior Policy Officer Tel No 01480 388032 or e-mail Louise.Sboui@huntsdc.gov.uk	DMT, Equality Steering Group, COMT, O&S Panel and other internal and external consultation (detailed in the scheme)	K J Churchill	Social Well-Being
Homelessness Strategy	Cabinet	21 Oct 2010	None.	Jon Collen, Housing Needs and Resources Manager Tel No. 01480 388220 or e-mail Jon.Collen@huntsdc.gov.uk	Consultation process in preparation.	A Hansard	Social Well-Being
Home Improvement Agency Review - Future Delivery Model Consultation	Cabinet	21 Oct 2010	None	Steve Plant, Head of Housing Services Tel No. 01480 388240 or e-mail Steve.Plant@huntsdc.gov.uk		A Hansard	Social Well-Being

Subject/Matter for Decision	Decision/recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Site Options Planning Proposals Development Plan Document	Cabinet	21 Oct 2010	Updated SHLAA, Employment Land Review, Updated Retail Study	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or e-mail Paul.Bland@huntsdc.gov.uk	Approve findings for consultations as preferred options	D B Dew	Environmental Well-Being
St Neots East Urban Design Framework	Cabinet	21 Oct 2010	Agreed Urban Design Framework	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or e-mail Paul.Bland@huntsdc.gov.uk	Adopt as Council policy	D B Dew	Environmental Well-Being
Local Transport Plan (LTP3)	Cabinet	21 Oct 2010	Draft Local Transport Plan	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or e-mail Paul.Bland@huntsdc.gov.uk	Endorse as Council policy	D B Dew	Environmental Well-Being
St. Ivo Leisure Centre - Proposal for Development	Cabinet	21 Oct 2010	None	Simon Bell, General Manager, Leisure Centres Tel No. 01480 388049 or e-mail Simon.Bell@huntsdc.gov.uk		Mrs D C Reynolds	Social Well-Being
Draft MTP	Cabinet	18 Nov 2010	Financial Strategy Previous Year's budget report - Various Annexes	Steve Couper, Head of Financial Services Tel No. 01480 388103 or e-mail Steve.Couper@huntsdc.gov.uk	Overview and Scrutiny (Economic Well-Being)	T V Rogers	Economic Well-Being
Sale of Land at Mill Road, Eaton Socon***	Cabinet	18 Nov 2010	Estates File - M/436/1	Keith Phillips, Estates and Property Manager Tel No. 01480 388260 or e-mail Keith.Phillips@huntsdc.gov.uk	Ward Councillors	Mrs D C Reynolds	Economic Well-Being



Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Asset Management Plan - Annual Report***	Cabinet	16 Dec 2010	Previous Cabinet Reports	Keith Phillips, Estates and Property Manager Tel No. 01480 388260 or e-mail Keith.Phillips@huntsdc.gov.uk		Mrs D C Reynolds	Economic Well-Being

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**OVERVIEW & SCRUTINY  
CABINET  
COUNCIL**

**9 SEPTEMBER 2010  
16 SEPTEMBER 2010  
29 SEPTEMBER 2010**

**FINANCIAL FORECAST  
(Report by the Director of Commerce & Technology)**

**1 PURPOSE**

- 1.1 This report aims to stimulate discussion of financial options prior to this year's budget/MTP process. It provides Members with an update of the financial position in the light of the likely deficit for the year, falling revenue reserves, the emerging prospects for lower government funding and government plans to replace Council Tax capping from 2012/13.

**2 BACKGROUND**

- 2.1 For a number of years financial forecasts have highlighted the need to substantially reduce expenditure and/or increase income. The Council is in the process of consulting with the public on their preferences regarding cuts in services and increases in Council Tax. The results of these consultations will not be known until the end of September.
- 2.2 The approved Budget and Medium Term Financial Plan (MTP) provided for expenditure of £25m in 2010/11 funded £13m by government, £7m by Council Tax and £5m from reserves. Revenue reserves were, and still are, planned to fall to £12m by March 2011. The financial plan for subsequent years required substantial savings to remove the revenue deficit by 2014/5 when revenue reserves would have fallen to a minimum level.

### 3 SUMMARY

Cuts are expected in the level of government funding. These are likely to amount to over £3m p.a. within 5 years.

The total budget shortfall rises to over £8m p.a. in 4 years time.

Expenditure reductions of £8m p.a. will require Members to approve substantial changes to the scope and nature of services provided by the Council and how they are provided. This could fundamentally change the role of the Council.

Reserves are sufficient to allow changes to be introduced at the rate of £2m in each of the next 4 years. However further delay is not prudent.

The scale of savings, and complexity of the consequences, requires decisions on how the first £5m of savings are to be made during this year's budget/MTP process.

If no action is taken reserves will run out in March 2013.

The budget consultation will indicate the public's relative appetite for council tax rise and service cuts. It will also identify which services have a lower priority.

The Government is consulting on a proposal that Council Tax rises above a predetermined limit would be subject to achieving a majority in a public consultation and wishes to avoid centrally imposed capping. Although the April 2011 Council Tax increase will not be subject to a formal referendum future rises may be subject to such a referendum. .

#### **Conclusion**

**In advance of the budget process all Members are urged to give consideration to:**

- 1. The nature of services which the Council should continue to provide.**
- 2. Whether the Council's low tax level should be maintained in preference to the provision of services or vice versa.**
- 3. The extent to which services should be managed by the District Council or devolved to Towns, Parishes or localities.**
- 4. The results of the budget consultation when they become available.**

#### **4 2009/10 OUTTURN**

**The Council has benefited from some one-off windfalls which have allowed a Special Reserve of £1.9M to be set up to fund the up-front costs of achieving savings.**

- 4.1 In 2009/10 the Council managed to keep its spending £1.9M below budget, predominantly due to a high Housing and Planning Delivery grant settlement (£0.6M extra) and a one-off VAT refund (£0.7M). This saving was placed in a Special Reserve to meet the up-front costs of making savings, including the costs of redundancy in line with the updated policy and schemes on which the Employment Panel is consulting the staff side. £3.7M was taken from general reserves to fund spending last year. At 1<sup>st</sup> April 2010 Revenue Reserves stood at £15.9M.
- 4.2 Capital expenditure was £6.2M lower than budgeted due to savings of £0.8M and timing changes of £5.4M. Most of this was anticipated in the MTP leaving an extra £2M to be deferred to the current year. This results in some interest and MRP (provision for repaying debt) savings for 2010/11.

#### **5 CHANGES TO FUTURE NET SPENDING**

**The impact of changes from the approved forecasts due to inflation, interest rates etc. is modest.**

- 5.1 At this initial stage of the MTP process the changes to net spending are limited in number. They include:
- revisions to interest rates and the amounts that interest is earned on due to last year's outturn and this year's forecast. Further refinements to the forecasting model have been made to improve accuracy in this area.
  - inflation adjustments. It has been assumed that changes will be made to the Local Government Pension Scheme such that no further increases in employer's contributions are required after 2014/15. Further changes will be necessary once we get the actuary's revaluation of the scheme towards the end of this calendar year. The previous government proposed a NI increase from April 2011 but the new government is proposing to introduce some changes to the thresholds to reduce the impact. Until the thresholds have emerged it is impossible to forecast the reduction in impact as it will vary with the profile of salary levels within any organisation.
  - some deferment of capital expenditure.
  - removal of concessionary fares from April 2011 which is offset by reduced Government Grant (see para. 6 below).

- removal of assumption that an extra £250k of specific grants will be received each year due to the cut back in government grants that has already taken place.
- introduction of a much more detailed calculation of the Minimum Revenue Provision (MRP) (statutory provision for repaying debt). This has resulted in some increases but because of the basis chosen this is significantly off-set by reduced interest costs. Guidance requires formal approval of this basis every year and Annex C provides the explanation of the basis agreed and used last year. This approach is still in the Council's best interests and is recommended for endorsement.

**5.2** The following table shows the variations due to these items:

<b>VARIATIONS</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>
Interest and Loan repayments	-371	-200	-140	-53	184	387	532	673
Inflation	83	162	258	347	-25	-159	-272	-270
Concessionary Fares	-740	-740	-740	-740	-740	-740	-740	-740
Provision for extra grants removed	250	250	250	250	250	250	250	250
Other Adjustments	407	15	15	15	15	0	0	0
	<b>-370</b>	<b>-513</b>	<b>-357</b>	<b>-182</b>	<b>-316</b>	<b>-262</b>	<b>-230</b>	<b>-87</b>

Based on the 'Government Preference' Council Tax option described in para. 9.4 below. The interest figure and inflation figures will vary for other options due to variations in the speed with which reserves are used and savings requirements due to conversion to current prices.

## **6 GOVERNMENT GRANT**

**Government General Grant will reduce in cash terms for the next few years and the forecast has been based on a 25% cut spread over 5 years. This and some losses from formula changes would result in a loss of £3.3M per year by 2014/15.**

- 6.1 In December 2007 the Government introduced three year grant settlements to give greater planning certainty for local authorities. They kept to this commitment despite the economy being in a difficult position by last autumn when the 3<sup>rd</sup> year's allocation was confirmed with no changes. There are rumours that this year's announcement may only be for two years.
- 6.2 It is also now clear that the Government intends to reduce public spending and figures of 25%, or even 40%, in cash terms are being suggested. This contrasts with last year's assumption in the MTP that there would be a real terms cut because but no actual cash reduction over the next three years.
- 6.3 It is also expected that District Councils may lose out in the distribution mechanism of this reduced total because of the perceived priorities of Education and Social Services. However, in

order to not be too pessimistic at this stage, it has been assumed that grant will fall at 5% per year in cash terms for 5 years.

- 6.4 There are also likely to be changes to the allocation formula and the Department for Communities & Local Government (DCLG) have distributed a range of exemplifications indicating possible impacts. The most significant change is the transfer of concessionary fares to County Councils in April but it appears that the exemplifications on this may have an error. For the purpose of this forecast it has therefore been assumed that the concessionary fares impact will be neutral i.e. the loss of grant will equal the saving in expenditure. This may prove to be optimistic.
- 6.5 There may well still be some form of maximum loss of grant to protect the most significantly affected authorities and, because this will have to be funded by the other authorities, the forecast is based on us still not receiving all of the withheld grant that the Council was entitled to in 2010/11.
- 6.6 The Government are consulting on a new grant to reward Councils that support housing development. It would be based on awarding a grant equivalent to the Council Tax on the new houses for 6 years. It is expected that it will not be new money but top-sliced off of general grant. If 550 extra homes were achieved every year, the grant could grow to about £360k per year after 6 years, assuming it is just the District element of the tax, but it would need to be offset by a share of the reduction in general grant. Whilst we would expect to gain it is premature to model the likely impact until there is more clarity about whether it relates to just the District element of the Council Tax, the expected national scale to judge the offsetting RSG loss and the date it will be introduced. It will be built into the MTP as soon as clarification emerges. Its exclusion at this stage also mitigates the potential downside from a loss relating to the concessionary fares transfer and the possibility of reductions in excess of 25%.
- 6.7 The following table compares this forecast's assumptions with those in the approved MTP:

GRANT* FUNDING	Budget	MTP				FORECAST			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	17/18 £M	18/19 £M
<b>Current Approved MTP</b>									
2010/11 True Grant	13.4	13.4							
Less Concessionary Fares ##	0.0	-0.7							
Net	13.4	12.6							
Forecast change %		0.0%	0.0%	0.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Forecast True Grant		12.6	12.6	12.6	12.9	13.3	13.6	13.9	14.3
Withheld	-0.4	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grant Receivable	12.9	12.4	12.6	12.6	12.9	13.3	13.6	13.9	14.3
<b>This Forecast</b>									
2010/11 True Grant	13.4	13.4							
Less Concessionary Fares ##	0.0	-0.7							
Less Formula Changes		-0.1							
Net	13.4	12.5							
Forecast change %		-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	2.50%	2.50%	2.50%
Forecast True Grant		11.9	11.3	10.7	10.2	9.7	9.9	10.2	10.4
Withheld	-0.4	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grant Receivable	12.9	11.7	11.0	10.3	9.7	9.9	10.1	10.4	10.7
Reduction this time	0.0	-0.7	-1.3	-1.9	-2.8	-3.6	-3.7	-3.8	-3.9

\*Grant includes Revenue Support Grant and NNDR which are in aggregate distributed in line with the grant formula.

## Loss of RSG assumed to equal reduction in expenditure so neutral overall.

## 7 CAPITAL

In recent years the Council has maintained a significant capital programme. However as a result of the emerging financial pressures and the conclusion of the Pathfinder House and Depot projects the capital programme is now much diminished. The table below shows the value of the capital programme and that whilst it is currently forecast to fall to around £5m p.a., borrowing will accumulate and the consequent impact of interest and repayment on the revenue budget will continue to rise.

Borrowing Costs	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Forecast Capital Spending	9,079	10,842	4,062	5,540	5,202
Accumulated "Borrowing" EOY (net of MRP)	19,663	29,701	32,619	36,884	40,450
Net Interest and Borrowing Costs					
- total	-58	358	1,173	1,621	2,155
- as % of total net revenue spending	0%	2%	5%	8%	11%



## 8 FORECAST GAP IN FUNDING

Based on the changes explained above, and assuming a 2.5% annual increase in Council Tax from 2012 the forecast gap in our revenue account is as follows.

SHORTFALL	Budget	MTP			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M
Net Spending before savings	24.7	24.3	25.2	26.1	27.3
Funded by:					
Government support	-12.9	-11.9	-11.3	-10.7	-10.2
Council Tax	-7.2	-7.3	-7.6	-8.0	-8.5
<b>SHORTFALL</b>	<b>4.5</b>	<b>5.1</b>	<b>6.3</b>	<b>7.4</b>	<b>8.6</b>

Previous forecasts already predicted a substantial funding gap for 2011/2 and beyond. This updated forecast has increased the gap largely due to the predicted fall in central government funding. Whilst this reduction in funding is not yet certain, the gap in our funding is unlikely to be more than £1m higher or lower than currently predicted.

## 9 FUNDING OPTIONS

9.1 The Council currently raises £7.2m through Council Tax by charging the average band D tax payer £124.17. It is the 20<sup>th</sup> lowest of the 201 District Councils which have an average of £168 and a maximum of £313.

9.2 Recent policy has been to keep the annual Council Tax increase under the predicted capping level. This has previously been forecast at 5% but fell to 4.5% last year. The change in government and consequent change in capping arrangements may give this Council greater scope to determine its preferred level of taxation after consultation with the public. For each £10 rise in Council Tax the savings target would reduce by £0.6M.

### 9.3 Council Tax Constraints

The Council has a very low Council Tax and this is a fundamental cause of its difficult financial situation. Previous Governments, as part of their economic policy, have restricted Council Tax rises by capping rather than relying on local decision-making and accountability. Thus any authority with a low council tax was effectively caught in a “poverty trap” and could not move towards the average position.

The new Government does not support capping and is proposing to replace it with a scheme where Councils that seek a percentage increase of more than a government predetermined amount (subject to de minimis cash increase levels) must obtain local support through a referendum. This cannot be introduced in time for this year's Council Tax setting.

There have been Government proposals that there should be no Council Tax increases in 2011/12 or 2012/13 with the possibility of extra government support of up to the equivalent of a 2.5% tax rise in the first year.

#### 9.4 Council Tax Options

**Whilst the Members can set Council Tax at any particular level, three scenarios have been identified to stimulate the debate on the level of increase.**

<b>Government preference:</b> This is based on no increase next year, 2.5% in 2012/13 and then 5% per year for the rest of the plan period. It assumes we will get extra funding from the Government next year equivalent to a 2.5% rise and results in a Council Tax level of £4.40 per week (£229 per year) in 2024/25.	
<b>Council Tax</b>	<b>Savings still required</b>
No increase in 2011 followed by the maximum increase permitted without requiring a referendum in all subsequent years	£2m p.a. for each of the next 4 years.

<b>Moving to District Council Average:</b> This assumes the Council Tax is increased to the current year's average next year (an 84p per week rise) and then future increases are constrained to 2.5% per year. It also results in a tax level £4.45 per week (£232) in 2024/25.	
<b>Council Tax</b>	<b>Savings still required</b>
Immediate increase to the national average, but limited rises thereafter.	£2m of savings required for 2011/2, followed by a further £1m in each of the following three years

<b>Slower increase:</b> Based on a 10% rise next year followed by a rise of about 4.1% per year thereafter. This also results in a level of £4.45 per week (£232) in 2024/25.	
<b>Council Tax</b>	<b>Savings still required</b>
£1 per month increase in 2011 followed by 50p per month in subsequent years.	£2m of savings in 2011/2 followed by a further £1.5m in each of the subsequent years.

Annex A provides additional information for each of the above options and Annex B shows the sensitivity of these forecasts to variations in key assumptions.

## 9.5 Impact on Savings Requirements

The November draft budget/MTP report will provide a forecast for the level of savings that can be achieved through efficiencies, including staffing efficiencies, however it is unrealistic to believe that savings of these magnitude can be achieved through efficiencies alone. Members are invited to consider their views on the range of Council Tax increases and hence the extent to which each service should be cut.

## 10. PROPOSED ACTIONS AND TIMESCALE FOR AGREEING SAVINGS

10.1 It is clear that whatever approach the Council takes to taxation, a significant level of savings must be made. The extent of savings required mean that reductions in staffing are inevitable. With this in mind a voluntary redundancy scheme has already been proposed. Compulsory redundancies are most likely to also be required although the extent will depend upon the balance of tax rises and expenditure reductions determined by Members.

10.2 An indication of key dates in the process is shown below:

<b>September</b>	
9	Forecast considered by Overview & Scrutiny
16	Forecast considered by Cabinet
Mid to late	<b><i>COMT forecasts the items and value to be achieved from efficiency saving Consideration of consultation results.</i></b>
27	<b><i>Employment Panel adopt updated Redundancy Policy and agree Voluntary Redundancy scheme.</i></b>
28	<b><i>Voluntary Redundancy scheme advertised to staff.</i></b>
29	Forecast considered by Council
<b>October</b>	
12	<b><i>Voluntary Redundancy scheme closes for senior staff.</i></b>
20	Comprehensive Spending Review Announcement
<b>November</b>	
11	Draft Budget/MTP considered by Overview & Scrutiny
18	Draft Budget/MTP considered by Cabinet
<b>December</b>	
Early	Grant announcement
15	Draft Budget/MTP considered by Council
<b>January</b>	
8	<b><i>Voluntary Redundancy scheme closes for other staff.</i></b>
<b>February</b>	
10	Final Budget/MTP considered by Overview & Scrutiny
17	Final Budget/MTP considered by Cabinet
23	Final Budget/MTP considered by Council
<b>March</b>	
31	<b><i>Decisions made on Voluntary Redundancy requests.</i></b>

## 11 CONCLUSIONS

- 11.1 Whilst there remains a number of uncertainties, such as the level of reduction in government funding, the size of the Council's current deficit in relation to our now limited revenue reserves and low Council Tax will require the Council to make sizable reductions in the scale of its spending. The level of cuts can be reduced but not eliminated by raising Council Tax.
- 11.2 The results of the consultation exercises will allow the Cabinet to propose an approach to Council Tax increases and the resultant nature and phasing of service reductions.
- 11.3 The next 5 months are therefore critical to the Council's future levels of service delivery in many of its services.
- 11.4 Whatever decisions are taken the Council must make plans to achieve a minimum of £2M of reductions in its net costs next year and also determine where subsequent cuts shall be made.
- 11.5 Cabinet are required to approve the basis for calculating the Minimum Revenue Provision each year. The recommended basis is shown at Annex C.

## 12 RECOMMENDATIONS

### **Cabinet is requested to:**

**Approve** the annuity basis for the calculation of Minimum Revenue Provision as outlined in Annex C.

**Recommend** this report to Council and highlight the challenges that need to be addressed over the coming five months.

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

#### Source Documents:

1. Working papers in Financial Services
2. Financial Forecast (September 2009), 2009/10 Outturn, 2010/11 Revenue Budget and the 2011/15 MTP

**Contact Officer: Steve Couper, Head of Financial Services ☎ 01480 388103**

## ANNEX A

## COUNCIL TAX SCENARIOS

## OPTION Government Preferred

	Budget	MTP				FORECAST			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	17/18 £M	18/19 £M
Net Spending before savings	24.7	24.3	25.2	26.1	27.3	28.2	29.3	30.4	31.6
<b>Required Savings</b>	<b>0.0</b>	<b>-1.9</b>	<b>-3.8</b>	<b>-5.7</b>	<b>-7.6</b>	<b>-9.5</b>	<b>-9.9</b>	<b>-10.1</b>	<b>-10.5</b>
<b>Net Spending after savings</b>	<b>24.7</b>	<b>22.4</b>	<b>21.4</b>	<b>20.4</b>	<b>19.7</b>	<b>18.7</b>	<b>19.4</b>	<b>20.3</b>	<b>21.1</b>
<b>Funded by:</b>									
Government support	-12.9	-11.9	-11.3	-10.7	-10.2	-9.7	-9.9	-10.2	-10.4
Council Tax	-7.2	-7.3	-7.6	-8.0	-8.5	-9.0	-9.5	-10.1	-10.7
<b>SHORTFALL</b>									
<b>Met from Reserves</b>	<b>-4.5</b>	<b>-3.2</b>	<b>-2.5</b>	<b>-1.7</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Council Tax</b>	<b>£124.17</b>	<b>£124.17</b>	<b>£127.27</b>	<b>£133.64</b>	<b>£140.32</b>	<b>£147.34</b>	<b>£154.70</b>	<b>£162.44</b>	<b>£170.56</b>
Remaining reserves end of year	11.4	8.2	5.7	4.0	3.0	3.0	3.0	3.0	3.0

## OPTION District Average

	Budget	MTP				FORECAST			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	17/18 £M	18/19 £M
Net Spending before savings	24.7	24.3	25.2	26.1	27.5	28.7	30.0	31.0	32.2
<b>Required Savings</b>	<b>0.0</b>	<b>-1.9</b>	<b>-2.9</b>	<b>-3.9</b>	<b>-4.9</b>	<b>-5.9</b>	<b>-6.9</b>	<b>-7.9</b>	<b>-8.9</b>
<b>Net Spending after savings</b>	<b>24.7</b>	<b>22.4</b>	<b>22.3</b>	<b>22.2</b>	<b>22.6</b>	<b>22.8</b>	<b>23.1</b>	<b>23.1</b>	<b>23.3</b>
<b>Funded by:</b>									
Government support	-12.9	-11.7	-11.3	-10.7	-10.2	-9.7	-9.9	-10.2	-10.4
Council Tax	-7.2	-9.9	-10.3	-10.6	-11.0	-11.3	-11.7	-12.1	-12.5
<b>SHORTFALL</b>									
<b>Met from Reserves</b>	<b>-4.5</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.9</b>	<b>-1.4</b>	<b>-1.8</b>	<b>-1.5</b>	<b>-0.9</b>	<b>-0.4</b>
<b>Council Tax</b>	<b>£124.17</b>	<b>£168.00</b>	<b>£172.20</b>	<b>£176.51</b>	<b>£180.92</b>	<b>£185.44</b>	<b>£190.08</b>	<b>£194.83</b>	<b>£199.70</b>
Remaining reserves end of year	11.4	10.6	9.9	9.0	7.6	5.8	4.2	3.4	3.0

## OPTION Slower Increase

	Budget	MTP				FORECAST			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	17/18 £M	18/19 £M
Net Spending before savings	24.7	24.3	25.2	26.1	27.4	28.4	29.5	30.5	31.8
<b>Met from Savings</b>	<b>0.0</b>	<b>-1.9</b>	<b>-3.4</b>	<b>-5.0</b>	<b>-6.6</b>	<b>-8.0</b>	<b>-9.3</b>	<b>-9.6</b>	<b>-10.0</b>
<b>Net Spending after savings</b>	<b>24.7</b>	<b>22.4</b>	<b>21.8</b>	<b>21.1</b>	<b>20.8</b>	<b>20.4</b>	<b>20.2</b>	<b>20.9</b>	<b>21.8</b>
<b>Funded by:</b>									
Government support	-12.9	-11.7	-11.3	-10.7	-10.2	-9.7	-9.9	-10.2	-10.4
Council Tax	-7.2	-8.1	-8.5	-8.9	-9.3	-9.8	-10.3	-10.8	-11.3
<b>SHORTFALL</b>									
<b>Met from Reserves</b>	<b>-4.5</b>	<b>-2.6</b>	<b>-2.0</b>	<b>-1.5</b>	<b>-1.3</b>	<b>-0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Council Tax</b>	<b>£124.17</b>	<b>£136.59</b>	<b>£142.25</b>	<b>£148.14</b>	<b>£154.29</b>	<b>£160.68</b>	<b>£167.34</b>	<b>£174.28</b>	<b>£181.50</b>
Remaining reserves end of year	11.4	8.7	6.7	5.2	3.9	3.0	3.0	3.0	3.0

## FINANCIAL PLAN - SENSITIVITY AND RISKS

The financial forecast model has been used to demonstrate the impact that the following variations would result in. The values indicate the annual amount that would need to be added or deducted from the savings target at that time, **assuming that any intermediate years had been covered by temporary savings.**

	Extra savings needed (+) ##:	
	2015/16 £M	2024/25 £M
0.5% less pay award in 2011/12 and 2012/13	-0.3	-0.4
0.5% extra pay award every year	+0.7	+3.0
2% extra reduction in Government Grant per year for 5 years (35% cut rather than 25% cut)	+1.0	+1.2
5% loss in Leisure Centre fees and charges	+0.3	+0.4
0.85% increase in spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.	+0.9	+3.4
Pension Fund contributions increase after 2014/15 at 1% every year.	+0.2	+2.7

## Outturn prices for relevant year.

Inflation, other than pay, is fairly neutral as long as it is possible to quickly increase fees and charges in line with it.

### Other Potential Variations

*(items more likely to be favourable are in bold italics)*

- A net loss through changes to the grant formula when Concessionary Fares transfer to the County in April.
- **Introduction of reward grant for housing growth.**
- **NI increase impact reduced by changes to thresholds.**
- Increase in interest rates.
- Future capital programmes have items with shorter asset lives resulting in higher revenue cost for repaying borrowing.
- Most budgets are based on 97.5% of salary due to the expectation of savings from staff turnover. A temporary adjustment was made to reduce this in last year's MTP until 2013/14. Given that turnover will reduce because of significant cuts in the public service the salary budget may have to become more nearly fully funded.
- **Remote possibility of further one-off VAT refunds or receiving compound rather than simple interest on these and the refunds already agreed.**
- The potential for costs relating to "orphan" contaminated land sites.
- A "double dip" to the recession.
- Difficulty delivering the savings already identified or the spending targets inherent in this plan.
- High priority service developments not already in the MTP and any unavoidable spending requirements not referred to in this report emerging.
- Repayment of past land charge fees.

**ANNUAL MINIMUM REVENUE PROVISION POLICY 2010/11**

When a Council finances capital expenditure from borrowing, the resulting costs are charged to the Council Taxpayers over the whole life of the asset so that those who benefit from the asset share the cost. There are two elements to the cost – the interest on the borrowing is charged in the year it is payable, whilst the money to repay the sum borrowed is charged as a “minimum revenue provision” (MRP) to the revenue account each year, starting with the year after the borrowing takes place. Once money is in the MRP it can only be used for repaying borrowing.

The Department for Communities and Local Government (DCLG) has issued guidance on what constitutes prudent provision and this requires the Council to determine an approach and publish this each year.

There are three options for the calculation of the MRP :

**Equal annual installments**

This is the easiest and simplest approach but the combination of the equal installments of principal and the reducing interest makes the cost high to start with but then reducing year by year.

**Depreciation basis**

The Depreciation basis is the most complex. It starts by mirroring the equal annual installments method but also requires adjustments every time the life of an asset is varied.

**Annuity basis**

By setting the rate for the annuity equal to the expected long term borrowing rate the cost is the same for each year like a conventional mortgage. It is only marginally more work than the equal installments approach. This is the basis agreed for 2009/10.

**The Annuity basis is, by far, the most equitable approach and it is therefore proposed that it continues to be the Council's MRP policy.**





**OVERVIEW & SCRUTINY**  
**SOCIAL WELL-BEING**  
**ECONOMIC WELL-BEING**  
**ENVIRONMENTAL WELL-BEING**

7<sup>th</sup> September 2010  
9<sup>th</sup> September 2010  
14<sup>th</sup> September 2010

## **PERFORMANCE MANAGEMENT** **(Report by the Head of People, Performance & Partnerships)**

### **1. INTRODUCTION**

- 1.1 The purpose of this report is to present to Members performance management information on “Growing Success” – the Council’s Corporate Plan.

### **2. BACKGROUND INFORMATION**

- 2.1 The Council’s Corporate Plan includes short, medium and long term objectives to help achieve aims and ambitions for Huntingdonshire’s communities and the Council itself. In addition the Council identified eight of these objectives which were considered as priorities for the immediate future.

### **3. PERFORMANCE MANAGEMENT**

- 3.1 Progress against all the objectives is reported to Chief Officers Management Team quarterly on a service basis. A progress report from each Division includes performance data in the form of achievement against a target for each of the objectives that those services contribute towards. This is supported by narrative on achievements, other issues or risks and budgeting information.
- 3.2 In addition, a working group appointed by the Overview & Scrutiny Panels continues to meet quarterly to monitor progress in the achievement of the Plan and to consider development issues.
- 3.3 Members of the Overview & Scrutiny Panels have an important role in the Council’s Performance Management Framework and the process of regular review of performance data has been established. In adopting the updated version of Growing Success, and in particular in prioritising objectives, it was intended that Members should concentrate their monitoring on a small number of objectives to enable them to adopt a strategic overview while building confidence that the Council priorities are being achieved.
- 3.4 Members of the Panels will also find broader performance information of help to them in undertaking their review and scrutiny functions. This information can be provided on a regular or ad-hoc basis.
- 3.5 The priority objectives have been allocated between Panels as follows:

SOCIAL WELL-BEING	ENVIRONMENTAL WELL-BEING	ECONOMIC WELL-BEING
To enable the provision of affordable housing	To help mitigate and adapt to climate change	Effective Partnership
To achieve a low level of homelessness	To promote development opportunities in and around the market towns	To be an employer people want to work for
To promote active lifestyles		Maximise business and income opportunities including external funding and grants

#### 4. PERFORMANCE MONITORING

4.1 The following performance data is appended for consideration:

**Annex A** - Performance data from services which contribute to the Council objectives. For each measure there is a target, actual performance against target, forecast performance for the next period, an indicator showing the direction of travel compared with the previous quarter and a comments field. The data is colour coded as follows:

- green – achieving or above target;
- amber – between target and an “intervention level” (the level at which performance is considered to be unacceptable and action is required);
- red – the intervention level or below; and
- grey – data not available.

**Annex B** - a summary of the achievements, issues and risks relating to the objectives, as identified by the Heads of Service.

#### 5. DATA QUALITY

5.1 The appropriate Heads of Service have confirmed the accuracy of the data in the attached report and that its compilation is in accordance with the appropriate Divisions’ data measure templates. Acknowledging the importance of performance management data, a system of spot checks has been introduced to give further assurance on its accuracy.

#### 6. RECOMMENDATION

6.1 Members are recommended to;

Consider the results of performance for priority objectives.

## **BACKGROUND INFORMATION**

Performance Management reports produced from the Council's CPMF software system

Growing Success: Corporate Plan

**Contact Officer: Howard Thackray, Policy & Research Manager**  
**☎ 01480 388035**

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**Community/Council Aim: To improve our systems and practices**

**Objective: Effective partnership**

**Division: People, Performance & Partnerships**

**Divisional Objective: Develop, adopt and support the delivery of a sustainable community strategy for Huntingdonshire**

Key Activity(s) only to deliver service objective:	Key Measure:	Target:	Actual:	Forecast:	DoT*:	Comment:	
Ensure an appropriate performance management system for the Sustainable Community Strategy and provide policy support for this process	% of thematic groups reviewing their performance and delivery	100	100 (G)		↔		QRT
	Regular reports on the performance of thematic groups are submitted to the HSP Executive and Board (1=yes, 0=no)	1	1 (G)		↔		QRT

**Divisional Objective: Effective partnership framework**

Key Activity(s) only to deliver service objective:	Key Measure:	Target:	Actual:	Forecast:	DoT*:	Comment:	
Develop, implement and monitor strategic/operational partnership review programme	Partnership review programme on target (1=yes, 0=No)	1	0.50 (A)		↓	Review largely completed and will be reported to COMT later this summer	QRT

**Community/Council Aim: To learn and develop**

**Objective: To be an Employer People Want to Work For**

**Division: People, Performance & Partnerships**

**Divisional Objective: To attract and retain staff**

Key Activity(s) only to deliver service objective:	Key Measure:	Target:	Actual:	Forecast:	DoT*:	Comment:	
Promoting from within wherever possible	Internal promotions as percentage of all vacancies filled	33	28 (A)		↓	We continue to advertise vacancies both internally and externally however there has been a significant increase in fixed term posts which may deter internal applications in the current economic climate. All vacant posts are carefully considered prior to recruitment.	QRT
Recruitment package	% of new employees still in post after 12 months	90	86.70 (A)		↓	15 people started in April-June 2009 and 13 were still in post after a year. Two of the posts were on temporary fixed term contracts. 100% of those on permanent contracts were still in post.	QRT
						39 people started in April-June 2008 and 31 were still in post	

\* Direction of Travel - shows change in performance since last quarter, where applicable

	% of new employees still in post after 24 months	80	79.50 (A)		↓	after two years. Five of the posts were on temporary fixed term contracts. 91.2% of those on permanent contracts were still in post.	QRT
Retaining and releasing employees appropriately	Staff turnover – % of employees on permanent contracts leaving the Council	10	2.28 (G)		↔		QRT
Successful wellbeing initiatives which are improving attendance rates	% attendance of HDC employees a rolling 12 month average. Target based on CIPD for public sector employees.	96	98 (G)		↓		QRT
<b>Community/Council Aim: To maintain sound finances</b>							
<b>Objective: Maximise business and income opportunities including external funding and grants</b>							
<b>Division: Leisure</b>							
<b>Divisional Objective: Maximise leisure centre income</b>							
Key Activity(s) only to deliver service objective: Key Measure:		Target:	Actual:	Forecast:	DoT*:	Comment:	
Maintain expenditure within budget	Actual expenditure compared to budget (cumulative quarterly target)	1.66m	1.47m (G)		↔	Better than target. Net performance £88k better than target	QRT
Maximise leisure centre income	Actual income received compared to budget (cumulative quarterly target)	1.38m	1.28m (A)		↑	Slightly below target	QRT
<b>Division: People, Performance &amp; Partnerships</b>							
<b>Divisional Objective: To be aware of appropriate funding opportunities and communicate to the appropriate service</b>							
Key Activity(s) only to deliver service objective: Key Measure:		Target:	Actual:	Forecast:	DoT*:	Comment:	
Co ordinate and maintain a system of internal control via External Funding strategy, liaise with appropriate officers, provide funding advice and assistance in compilation of bids as required	% of bids which attract funding (year to date)	70			N/A	Data not available at present	QRT
	% of External Funding actions on track	90	80 (A)		↓		QRT

\* Direction of Travel - shows change in performance since last quarter, where applicable

Objective		Comments from appropriate Head of Service
To enable effective partnerships	Achievements:	<p><b><u>People, Performance &amp; Partnerships:</u></b></p> <p>Launch of Huntingdonshire Manufacturers Network to promote the sector in our district. Partner organisations will help take this forward</p>
	Issues or actions for next quarter:	<p><b><u>People, Performance &amp; Partnerships:</u></b></p> <p>Work has begun with partners on establishing a Local Enterprise Partnership. The LEP has the potential to help shape the way local planning and economic development work is undertaken. A proposal needs to be agreed and submitted to Central Government by 6th September. It is unclear at the moment what the remit or the geography of the partnership will be or the extent to which it will influence the delivery of our local services.</p>
	Risks:	
To be an employer people want to work for	Achievements:	<p><b><u>People, Performance &amp; Partnerships:</u></b></p> <p>New monthly payroll for Variable Staff successfully setup &amp; running from April with no complications. 19 corporate workshops undertake with 222 people attending across the authority.</p>
	Issues or actions for next quarter:	<p><b><u>People, Performance &amp; Partnerships:</u></b></p> <p>The Council's redundancy policy has been reviewed and approved by Members for consultation with staff. A voluntary redundancy scheme has also been considered by Members and they have requested the scheme to be worked up further with the view to rolling out in the autumn. This will require a re-phasing of some HR work to ensure staff can focus on this work over the coming months.</p>
	Risks:	
To maximise business and income opportunities including extended funding and grants	Achievements:	<p><b><u>Leisure Centres:</u></b></p> <p>Profit margins on bars and all varieties of catering are on or above target and overall recovery rate is now 82% compared to 78% at the same stage last year.</p> <p><b><u>People, Performance &amp; Partnerships:</u></b></p>
	Issues or actions for next quarter:	<p><b><u>Leisure Centres:</u></b></p> <p>Income is down by 7.6% on first quarter target and again reflects the economic climate throughout the country. All centres are affected with only swimming lessons and soft-play sessions above the group quarterly income target. However, no area, or centre, is performing badly and the situation remains acceptable for the season. To compensate, expenditure has been well controlled and is 11.7% below anticipated quarter levels and £53k below the same point last year. Staffing is 1.8% below budget, premises 47% below and operations (Supplies and services) 19% below budget, All areas of expenditure – staff hours, opening hours, contractor costs – are under constant and thorough review. Net position at the end of quarter one is identical to the previous year</p> <p><b><u>People, Performance &amp; Partnerships:</u></b></p> <p>We have been advised by Cambridgeshire County Council that LPSA funding may be withdrawn. Therefore all</p>

<b>Objective</b>		<b>Comments from appropriate Head of Service</b>
		partners have been advised that projects must secure alternative funding or be stopped with immediate effect. This has implications for the Council and HSP partners and will affect the delivery of local projects.
	Risks:	



## **CORPORATE PLAN WORKING GROUP**

### **NOTES OF MEETING HELD 26<sup>TH</sup> AUGUST 2010**

#### **1. INTRODUCTION**

- 1.1 The Corporate Plan Working Group met on 26<sup>th</sup> August 2010 when Councillors J D Ablewhite, S J Criswell, P M D Godfrey, D Harty and R J West were present.
- 1.2 An Apology for absence from the meeting was submitted on behalf of Councillor G S E Thorpe.
- 1.3 Miss H Ali and H Thackray were in attendance.

#### **2. QUARTERLY PERFORMANCE MANAGEMENT REPORT**

##### **(a) Social Well-Being**

- 2.1 The Working Group has drawn attention to the “number of admissions/participants in activities provided or promoted by the Council” at its Leisure Centres, which has not achieved the first quarter target. In response, the Policy and Strategic Services Manager reported that the target figure had increased by 9% when compared to the previous quarter. Whilst the report indicated that there were no specific areas of concern, the Working Group expressed their view that there should be some concern, in light of the fact that significant capital investments had been made at each of the Leisure Centres.
- 2.2 Arising from discussions, Members sought clarification on whether exercise classes for older people had relocated out of the St Ivo facility. Members further questioned whether this was due to more competitive rates being offered by the recently opened Corn Exchange in St Ives.
- 2.3 In noting the success of the launch of the One Leisure card campaign in attracting 90,000 card holders, some concern was expressed that only 32,600 of these card holders were regarded as “live” users. Members sought clarification on the meaning of the term “live” users and queried whether any targeted marketing would be undertaken to increase this figure. The view was expressed that this would help to achieve the quarterly target for the key measure relating to “number of admissions/participants in activities provided or promoted by the Council”.
- 2.4 With regard to the retrospective loss of LPSA reward funding for projects undertaken by the Environmental and Community Health Services Division, the Working Group were advised that alternative funding sources were currently being sought. Members have questioned whether any progress has been made in this respect.
- 2.5 Members have placed on record their concern that the target for the key measure relating to the “number of households living in temporary accommodation” had

not been achieved. In so doing, it was reported that this was attributable largely to the impact of the ongoing financial recession.

- 2.6 Some concern was expressed by Members at the potential withdrawal of the rent deposit loans and bonds and the subsequent impact of this increasing the number of homelessness cases and demand upon temporary accommodation. The Working Group has questioned whether there was any scope to increase these loans and bonds with a view to reducing the level of homelessness currently being experienced. Discussion then ensued on the number of empty homes within the District, in particular RAF Upwood. Members questioned whether anything was being done by the Council to utilise these vacant homes as another source of accommodation. Whilst it was acknowledged that some of the vacant properties were privately owned, the Working Group queried whether an agreement, in terms of the use of the property, could be reached.
- 2.7 With regard to the objective “To enable the provision of affordable housing”, clarification has been sought from the Head of Planning Services on the definition of “alternative types of affordable housing provision”.

**(b) Economic Well-Being**

- 2.8 With regard to the key measure relating to “internal promotions as percentage of all vacancies filled”, the Working Group has sought clarification on the actual number of fixed term posts advertised over the reporting period.
- 2.9 The Working Group has expressed their view that the amber indicator recorded for the key measure relating to the “percentage of new employees still in post after 12 months” should in fact be regarded as a green indicator, given that there was only a minimal difference of 3.3% between the target and actual figure.
- 2.10 With regard to the Leisure Centres, Members noted that profit margins on bars and catering were reported as being above or on target. In so doing, Members queried the means by which this had been achieved in light of the fact that it was reported in the previous monitoring report that hospitality income appeared to have dropped by £65,000 across all Centres.
- 2.11 Clarification has been sought from the Head of People, Performance and Partnerships on the work of the Local Enterprise Partnership and the partners involved.

**(c) Environmental Well-Being**

- 2.12 With regard to the key measure relating to the “number of energy efficiency and renewable energy measures carried out as a result of HDC schemes and promotions” Members placed on record their disappointment that this target had not been achieved. Whilst it was reported that this was largely attributable to the unavoidable delay in appointing contractors, Members requested for a more comprehensive explanation on the causes of delay to be provided by the Head of Environmental Management. In particular, Members questioned whether the delay was attributable to a change in specification for the appointment of contractors to the Co2yHomes insulation scheme. The Policy and Strategic

Services Manager reported that to date, 20 insulations had been completed and that it was anticipated that the target would be met over the remainder of the financial year.

- 2.13 With regard to the key measure relating to the “percentage of Physical Infrastructure Development activities on track” the Working Group requested for this measure to be defined more clearly.
- 2.14 In noting that the Head of Information Management Division would be commencing a procurement process for virtualised servers, Members questioned whether this would be undertaken in partnership with neighbouring authorities. The view was expressed that this approach might prove to be more cost effective for the Council.
- 2.15 Some concern has been expressed by Members at the resourcing implications for the Head of Planning Services upon the anticipated number of planning applications received in connection with potential large scale retail developments in Huntingdon town centre. Concern was expressed over the increase in workload for Officers and in particular the indication that “appropriate specialist inputs” might be required. In terms of the latter, clarification was sought on whether the fees for the “specialist inputs” would be met by the Council or the applicant.

### **3. THE COUNCIL’S USE OF CONSULTANTS**

- 3.1 The Working Group has requested for an update on the Council’s use of external consultants. In so doing, Members were advised that a recommendation requesting the Cabinet to investigate whether there were any opportunities for jointly employing expert staff with a view to achieving savings for the Council had been submitted to the Cabinet at their April meeting. The recommendation was noted by the Executive. The Working Group reiterated that they intend to undertake further work on this subject with a view to satisfying themselves that the use of consultants is subject to appropriate controls, management and justification.
- 3.2 In noting that there was a meeting of the Joint Chairmen scheduled to be held prior to the September Council meeting, Members requested for an update on the Council’s use of external consultants to be provided at the meeting.

### **4. RECOMMENDATIONS TO CABINET**

- 4.1 With the aid of a report tabled at the meeting, the Working Group gave consideration to number of proposed recommendations to the Cabinet from Councillor S J Criswell relating to the Council’s budgetary planning and performance management procedures.

#### **(a) Budget Planning**



- 4.2 Bearing in mind recent developments concerning the Council’s Redundancy Policy and the implications of it upon the Council’s strategic and future development, concern was expressed by the Working Group at the current lack

of vision of the authority. Members commented that a clear vision of Council services was needed in advance of any proposed re-organisation and urged the Cabinet to bear this in mind when taking decisions on these matters. In that light, the Working Group concurred with the recommendations proposed as follows:-

- (a) In the search for the necessary financial savings, that Cabinet invites contributions from opposition groups, all other Members, employees and the public.
- (b) Having taken full account of the views expressed, the Cabinet reviews the Council's priorities, aims and objectives in the Corporate Plan "Growing Success" and that the Overview and Scrutiny Panels be involved as part of the review process.
- (c) As a result of recommendation (b) above, that Cabinet develops a clear vision of what services should be preserved, delivered differently or withdrawn.
- (d) That the Cabinet then decides which employees are required to deliver services and then considers the areas within which redundancies, whether voluntary or compulsory, would be appropriate.

**(b) Performance Management**

4.3 In respect of the proposals for the Council's performance management process, the Working Group concurred with the suggestion that given the recent Government announcement to abolish the Comprehensive Area Assessment, the Cabinet should be recommended to review all internal and external performance indicators to ensure that they are appropriate to the service delivered by or in partnership with the Council and that they are important to the residents and businesses of Huntingdonshire. Members have concurred that the Working Group should be involved as part of the review process.

**Contact Officer:** Miss H Ali, Democratic Services Officer  
 (01480) 388006  
 [Habbiba.Ali@huntsdc.gov.uk](mailto:Habbiba.Ali@huntsdc.gov.uk)

**OVERVIEW AND SCRUTINY PANELS**  
**(SOCIAL WELL-BEING)**  
**(ENVIRONMENTAL WELL-BEING)**  
**(ECONOMIC WELL-BEING)**

**7<sup>TH</sup> SEPTEMBER 2010**  
**14<sup>TH</sup> SEPTEMBER 2010**  
**9<sup>TH</sup> SEPTEMBER 2010**

**WORK PLAN STUDIES**  
**(Report by the Head of Democratic and Central Services)**

**1. INTRODUCTION**

- 1.1 The purpose of this report is to allow Members of the Panel to review their programme of studies and to be informed of studies being undertaken by the other Overview and Scrutiny Panels.

**2. STUDIES**

- 2.1 The Council has a duty to improve the social, environmental and economic well-being of the District. This gives the Overview and Scrutiny Panels a wide remit to examine any issues that affect the District by conducting in-depth studies.
- 2.2 Studies are allocated according to the Council's service areas which have been identified as follows:-

**Social Well-Being**

Housing  
Community  
Leisure Centres  
Operations (part)  
Democratic and Central Services (part)  
People, Performance and Partnerships (part)

**Environmental Well-Being**

Environmental and Technical Services  
Planning Services  
Environmental Health  
Operations (part)

**Economic Well-Being**

Information Management  
Finance  
Customer Service and Call Centres  
Revenues  
Democratic and Central Services (part)  
Law, Property and Governance  
People, Performance and Partnerships (part)  
HQ/Accommodation

- 2.3 Details of ongoing studies are set out in the attached Appendix.

2.4 Members are reminded that if they have a specific interest in any study area which is not being considered by their Panel there are opportunities for involvement in all the studies being undertaken.

### **3. RECOMMENDATION**

3.1 The Panel is requested to note the progress of the studies selected.

### **BACKGROUND DOCUMENTS**

Minutes and Reports from previous meetings of the Overview and Scrutiny Panels.

**Contact Officers: Miss H Ali, Democratic Services Officer  
01480 388006**

**Mrs J Walker, Trainee Democratic Services Officer  
01480 387049**

**Mrs C Bulman, Democratic Services Officer  
01480 388234**

**ONGOING STUDIES**

<b>STUDY</b>	<b>OBJECTIVES</b>	<b>PANEL</b>	<b>STATUS</b>	<b>TYPE</b>
Car Parking at Hinchingsbrooke Hospital	To investigate the causes of public complaints regarding the provision of parking facilities at the Hospital.	Social Well-Being	Six month review of new pricing structure to be conducted with the Hospital in January / February.	Whole Panel Study
Visitor Development & Town Centre Vibrancy	To consider issues relating to Visitor Development & Town Centre Vibrancy.	Economic Well-Being	Further information requested on the cost of the tourism service and the benefits it brings to both the Council and to the District.	Whole Panel Study
Consultation Processes	To review the Council's current consultation processes	Social Well-Being	Head of People, Performance & Partnerships to report at Panel's September meeting,	To be determined.
Health Implications of the Night Time Economy	To follow up the previous study undertaken by the former Overview and Scrutiny (Service Support)	Economic Well-Being	Further information requested with regards to the rate rate of alcohol-specific hospital admissions for under 18s and the availability of any available qualitative data on alcohol consumption in rural areas.	Whole Panel Study

Gypsy & Traveller Welfare	To be determined.	Social Well-Being	Report requested for future meeting.	To be determined.
Planning Conservation	To consider & evaluate the role of the Council's Planning Conservation Team in the preservation of Huntingdonshire's built heritage with particular reference to conservation areas and listed buildings.	Environmental Well-Being	Working Group meetings held on 29 <sup>th</sup> July and 5 <sup>th</sup> August 2010.	Working Group.
Lessons learned from the Headquarters and other accommodation project.	To review the implementation of the project.	Economic Well-Being	Report to be presented to Panel meeting on 14 <sup>th</sup> October 2010.	To be determined.
Leisure Centre Hospitality Performance & Future Plans.	To review the service provided following the receipt of recent performance management information.	Economic Well-Being	Report to be presented to Panel meeting on 14 <sup>th</sup> October 2010.	To be determined.
Leisure Centre Financial Performance and Employment Structure	To review the overall financial performance and monitoring arrangements  To consider the current Employment Structure.	Economic Well-Being	Report to be presented to Panel meeting on 14 <sup>th</sup> October 2010.	To be determined.



Use of Section 106 money for transport schemes in St Neots	To obtain further information with regard to County Council expenditure of Section 106 monies for transportation in St Neots	Economic Well-Being	Additional Information obtained from County Council and provided to Councillor G S Thorpe.  No further action at this time.	Study currently being pursued by Individual Panel Member:  Councillor G S E Thorpe.
Industrial Units at Caxton Road, St Ives	To consider the business plan for these premises.	Economic Well-Being	Copy of the business plan which was considered by Cabinet in October has been circulated to Members.	To be determined.

#### POSSIBLE FUTURE STUDIES

The Employees Performance Development Review Process	To review the current process.	Economic Well-Being	Outcome of Officer Review to be reported to the Panel when this is concluded.	To be determined.
Land Use for Agricultural Purpose in the context of planning policies and its contribution to the local economy.	To review the lack of promotion and protection of land for this purpose.	Environmental Well-Being	Not being pursued as a study at the current time.	To be determined.
Rural Transport	To review the lack of transportation in rural areas.	Environmental Well-Being	Not being pursued as a study at the current time.	To be determined.



Panel Date	Decision	Action	Response	Date For Future Action
15/07/10	<b><u>Grant Aid</u></b> Annual Report on organisations supported by grants through Service Level Agreements received by Panel.		Next report due July 2011.	2011
13/05/09	<b><u>Customer Services Monitoring Report</u></b> This item was transferred over from the former Overview and Scrutiny Panel (Service Delivery). Quarterly performance reports to be circulated informally to the Panel twice per year and formally twice per year.	Report to be included on Panel Agenda in July and January.	Next report due January 2011	13/01/11
13/05/09	<b><u>Licensing Act – Impact On Night-time Economy</u></b> This item was transferred over from the former Overview and Scrutiny Panel (Service Support).  Agreed to re-visit the study towards the end of the year to review progress made towards achievement of the countywide action plan, the night watch project and the availability of statistics from Hinchingsbrooke Hospital on alcohol related accidents and emergency treatment.		Report received at February 2010 meeting, Panel requested further information on the rate of alcohol specific hospital admissions for the under 18s and qualitative data on alcohol consumption in rural areas.	TBC
19/05/10	<b><u>Corporate Plan Working Group</u></b> Councillors J Ablewhite and GSE Thorpe have been appointed onto the Corporate Plan Working Group.	Quarterly performance reports to be submitted to all Overview and Scrutiny Panels.	Item appears elsewhere on the agenda.	09/09/10

Panel Date	Decision	Action	Response	Date For Future Action
12/11/09	<p><b><u>Local Government Act 2000 – Forward Plan</u></b></p> <p>Covert Surveillance Policy review</p>	Received Presentation by Council's Solicitor and Fraud Manager on the operation of current policy (April 2010)	Policy to be reviewed in due course. Await return on Forward Plan.	TBC
10/6/10	<p><b><u>Visitor Development &amp; Town Centre Vibrancy</u></b></p> <p>Received a presentation by the Head of People, Performance &amp; Partnerships and the Sustainable Economic Development Manager.</p> <p>Requested a further report outlining the cost of the service and the benefits it brings to both the Council and the District.</p>		Report to be submitted to October meeting.	14/10/10
10/6/10	<p><b><u>Performance Management</u></b></p> <p>Requested a further report on the financial performance and future plans of the Leisure Centres Hospitality Service.</p> <p>Requested a future report on the overall financial performance of the Leisure Centres and their employment structure.</p>		<p>Report to be submitted to October meeting.</p> <p>Report to be submitted to October meeting.</p>	<p>14/10/10</p> <p>14/10/10</p>

Panel Date	Decision	Action	Response	Date For Future Action
03/06/10	<p><b><u>Proposed Amendments to the Huntingdonshire District Council Budget 2010/11</u></b></p> <p>Requested a further report on public perception and the effectiveness of District Wide and on ways of reducing the cost of its production.</p> <p>Investigations to be undertaken into ways of disseminating information to Members more economically.</p> <p>Officers to investigate ways of altering the format of Council publications to reduce cost.</p>	<p>To be discussed at Document Centre Team Meeting,</p>	<p>Report to be presented to a future meeting.</p> <p>Following discussion with Democratic Services Manager following agreed:-</p> <ul style="list-style-type: none"> <li>➤ Pigeon holes ordered for Members Room</li> <li>➤ Instruction to be issued that all large documents be placed in Pigeon Holes and to use less colour where possible</li> <li>➤ Advice on distribution of documents to be issued shortly</li> <li>➤ Reviewed distribution lists for agendas, considerable reduction in number of paper agendas issued at an average cost of £3.29 per agenda.</li> <li>➤ No blank pages on Council agendas, although all new items will start on a new side</li> <li>➤ Agendas for forthcoming meetings to be distributed at meetings beforehand where possible.</li> </ul> <p>Scrutiny &amp; Review Manager to provide update.</p>	

Panel Date	Decision	Action	Response	Date For Future Action
15/0710	<u>Risk Register</u> Request for further information with regards to mitigation measures being undertaken to address the risk associated with breaches of ICT security.		Information provided to Mrs H Roberts.	
15/0710	<u>Scrutiny of Partnerships</u> Agreed to consider the Economic Prosperity & Skills Performance Report at a future meeting.			11/11/10
	<u>Workplan Studies</u> <ol style="list-style-type: none"> <li>1. The employees Performance Development Review process</li> <li>2. Lessons learned from the headquarters and other accommodation project</li> <li>3. Industrial units at Caxton Road St lves</li> <li>4. Use of Section 106 Monies for transportation in St Neots</li> </ol>		Officers to undertake a full review over the next year. Outcome to be reported once this concluded.  Report to be submitted to a future meeting.  Copy of Business Plan circulated to all Members.  Further information obtained for Councillor G S E Thorpe. No further action at this time.	TBC  14/10/10

## Decision Digest

Edition 106

Monthly summary of the decisions taken at meetings of the Council, Cabinet, Overview & Scrutiny and other Panels for the period Monday, 28<sup>th</sup> June 2010 to Friday 6<sup>th</sup> August 2010.

### FINAL ACCOUNTS 2009/10

The draft Statement of Accounts for the year ended 31st March 2010 has been approved by the Corporate Governance Panel. Specifically attention was drawn to a series of issues in the accounts relating to income, the treatment of capital, the collection fund and the pension fund. Other matters that were discussed included the claw back of claims / payments by the Council's previous insurers and the level of audit and inspection fees.

### EXTERNAL AUDIT – PROGRESS REPORT

The Corporate Governance Panel has received a progress report from the Council's external auditor's explaining the current situation with regard to the Use of Resources Assessment and the audit of the Financial Statements for 2009/10.

### INTERNAL AUDIT SERVICE: TERMS OF REFERENCE AND INTERNAL AUDIT STRATEGY

Changes to the Internal Audit Terms of Reference and Strategy have been approved by the Corporate Governance Panel.

### INTERNAL AUDIT SERVICE: INTERNAL AUDIT PLAN

The Corporate Governance Panel has approved the Internal Audit and Assurance Plan for the twelve months period commencing 1st August 2010.

### MONEY LAUNDERING AVOIDANCE POLICY & PROCEDURE

Members of the Corporate Governance Panel have approved changes to the Money Laundering Avoidance Policy which will be incorporated within the Anti-Fraud and Corruption Strategy.

### ANTI-FRAUD AND CORRUPTION FRAMEWORK

The Corporate Governance Panel has noted the outcome of a review of the Council's Anti-Fraud and Corruption Framework and endorsed the content of a revised Action Plan.

### COMPLAINTS

The Corporate Governance Panel has received an analysis of the Council's internal complaints and a summary of complaints involving the District Council which have been

determined by the Local Government Ombudsman in 2009/10.

At the same time, Members of the Panel have noted details of a complaint against the Council by a member of the public and the terms of compensatory payment negotiated by way of a local settlement.

### **APPOINTMENT OF HEAD OF OPERATIONS**

Having interviewed the short-listed candidates for the post, the Appointments Panel has appointed Mr E Kendall as Head of Operations.

In accordance with the requirements of the Officer procedure rules, the Cabinet has confirmed that they have no material or well founded objections to this appointment.

### **LOCAL GOVERNMENT ACT 2000: FORWARD PLAN**

The Overview and Scrutiny Panel (Social Well-Being) has requested sight of items on Open Space Strategy and the Single Equality Scheme prior to their consideration by the Cabinet.

The Overview and Scrutiny Panel (Environmental Well-Being) has requested sight of the St. Neots Urban Design Framework prior to its consideration by the Cabinet.

### **MONITORING OF SECTION 106 AGREEMENTS (PLANNING OBLIGATIONS)**

The quarterly Section 106 Monitoring report has been considered by the Overview and Scrutiny Panel (Social Well-Being). Additional information previously requested by Members has now been included within the report. Councillor P G Mitchell has suggested that further information is required and will meet with the Scrutiny and Review Manager to discuss this further. The Development Management Panel has asked that the information collated also be circulated to town and parish councils as they considered that it would be useful to them.

### **STRATEGIC/PARTNERSHIP SCRUTINY**

#### **(a) Scrutiny of Partnerships**

The Overview & Scrutiny Panels have considered the way forward in terms of scrutinising the partnerships in which the Council is involved. The Local Government and Public Involvement in Health Act 2007 placed a duty on the Council to scrutinise the Local Strategic Partnership. To assist them with this responsibility, the Social Well-Being Panel has requested further information in relation to the thematic groups within their remit.

The Economic Well-Being Panel has agreed to consider the Action Plan of the Economic Prosperity & Skills group and its regular



monitoring report at a future meeting.

### (b) **Joint Scrutiny**

The Overview and Scrutiny Panels have been advised of recent developments concerning joint scrutiny between the Cambridgeshire Councils. Having been invited to comment upon the proposals presented to them, the Social Well-Being Panel has endorsed the principle of introducing joint scrutiny arrangements across the County. However the Panel has requested further background information in view of the complexity of the framework in which the Cambridgeshire Joint Accountability Committee (JAC) and the Cambridgeshire Together Board operates. The Panel has also questioned the future of JAC should joint scrutiny be adopted by all Cambridgeshire authorities.

The Economic Well-Being Panel also outlined their support for the principle of joint scrutiny and emphasised the need for any arrangements to operate efficiently. Members acknowledged that joint scrutiny was the only means by which some services could be effectively scrutinised.

The Overview and Scrutiny (Environmental Well-Being) Panel have considered the

benefits that can be derived by focusing on geographic issues and the key outcomes of importance to local communities. The Panel has agreed that focusing on scrutiny of subject areas should be the way forward.

### **CAMBRIDGESHIRE HEALTH AND ADULT SOCIAL CARE SCRUTINY COMMITTEE**

The Overview and Scrutiny Panel (Social Well-Being) have noted that the Working Group appointed by the Cambridgeshire Health and Adult Social Care Scrutiny Committee had changed its name to the Health and Well-Being Scrutiny Working Group. The Working Group has been tasked with assessing the quality of services at Hinchingbrooke Hospital.

### **WORK PLAN STUDIES**

In discussing their work plan, the Overview and Scrutiny Panel (Social Well-Being) has requested a scoping report on the Council's consultation process and background information on gypsy and traveller welfare to be submitted to them at their September meeting. The former intended to determine whether the Council's approach to consultation was consistent across the authority whilst the latter sought information on the existing gypsy and traveller sites established within the District.

The Overview and Scrutiny (Environmental Well-Being) Panel have reviewed their programme of studies.

Councillor Davies has agreed to provide the Panel with sight of a letter that he has received from Anglian Water in response to his correspondence to them regarding St. Ives Residents' flooding issues taken up by the Panel in a previous study.

### **OVERVIEW AND SCRUTINY PANEL (SOCIAL WELL-BEING) – PROGRESS**

The Overview and Scrutiny Panel (Social Well-Being) has received updates on the future governance of Hinchingsbrooke Hospital and Provision of Play Facilities study. The Panel has also reiterated their wish for an update on town centre cleaning to be received at its September meeting.

The outcome of a meeting held between the Chairman and the Head of Facilities at Hinchingsbrooke Hospital has been reported to the Panel. Members have expressed their satisfaction with the new pricing structure proposed for the Hospital and car park concessions that were introduced with effect from 1<sup>st</sup> July 2010. A review of the new arrangements will be conducted by the Hospital in 6 months time and the Panel will be involved in this as part of the process.

### **STANDARDS COMMITTEE: REPORTS OF SUB-COMMITTEES**

The Standards Committee has received reports from the Chairmen of its Sub-Committees and noted that the Referrals (Assessment) and Standards (Consideration and Hearing) Sub-Committees had met on six and two occasions

respectively. The Review Sub-Committee had not been required to meet.

### **APPOINTMENT OF PARISH COUNCIL REPRESENTATIVES**

The Standards Committee has agreed to seek nominations to the vacant Parish Council post on the Committee directly from the Town and Parish Councils themselves and has authorised the Chairman, Vice-Chairman, Monitoring Officer and an existing Parish Council representative to make the final selection. The post has been vacant since November 2009 and two requests for nominations have been made to the Cambridgeshire and Peterborough Association of Local Councils. Town and Parish Councillors wishing to express an interest in the post will be asked to do so in writing to the Monitoring Officer.

### **STANDARDS FOR ENGLAND – THE FUTURE?**

The latest developments following the Government's announcement to "abolish the Standards Board" regime has been considered by the Standards Committee. This includes the cancellation of the Annual Assembly 2010 and the postponement of the quarterly monitoring return by the Monitoring Officer. A review of the activities undertaken by Standards for England is currently being undertaken and it was noted by the Committee that any proposed changes to legislation affecting the current regime will be subject to consultation by the Government.

### **DRAFT ANNUAL REPORT 2009/2010**

The Standards Committee has commented upon the draft Standards Committee Annual Report 2009/10. Members have agreed that more detailed information on the true cost of dealing with Standards' matters should be included within the report. Once finalised, the report will be promoted via the District Council's website and District-wide and will also be circulated electronically to the Town and Parish Councils.

### **APPLICATIONS FOR DISPENSATION**

Applications for dispensations from Great and Little Gidding and Southoe and Midloe Parish Councils have been approved by the Standards Committee. The former enables five Members of the Parish Council to speak and vote on the Village Hall and Recreation Field and the Great Gidding Charity whilst the latter enables four Members of the Parish Council to speak and vote on the provision of allotments within the Parish area.

### **TRAINING UPDATE 2010**

An approach to training on the Code of Conduct has been endorsed by the Standards Committee. Four area based sessions will be held over the Autumn period in Huntingdon, St Ives, St Neots and Yaxley and have been designed to encourage both new and existing Councillors across the District to attend. Individual requests for training from Town and Parish

Councils will also be considered by the Monitoring Officer.

### **LOG OF CODE OF CONDUCT ENQUIRIES**

The Standards Committee has noted the nature of the Code of Conduct enquiries recorded by the Monitoring Officer since the last meeting.

### **RECENT CASE SUMMARIES AND ADVICE**

The content of a guide on "Blogging" and details of cases recently published by Standards for England following complaints considered by Fenland District Council have been noted by the Standards Committee.

### **CODE OF CONDUCT COMPLAINTS – YAXLEY PARISH COUNCIL**

Members of the Standards Committee were acquainted with the latest conduct issues concerning Yaxley Parish Council. The views of the Committee on the possible ways forward were sought by the Monitoring Officer.

### **ANNUAL PAY AWARD 2010/11**

Having regard to the Annual Pay Award for 2010/11 and the outcome of negotiations with Employee Side representatives, the Employment Panel has agreed the following should be awarded to Council employees for the year commencing 1<sup>st</sup> April 2010:-

- ◆ no pay increase for staff on Grades 1 – 9;

- ◆ a pay award of £91 for the year for staff on Grades 10 & 11; and
- ◆ a pay award of £182 for the year for staff on Grades 12 – 15.

## POLICY REVIEW

The Employment Panel has approved, for the purposes of consultation, a revised Redundancy Policy including compensatory payments for compulsory redundancy. The Panel has also endorsed the principles of a Voluntary Redundancy Scheme, excluding the level of compensatory payment that this would attract.

## FORMER FIRE STATION SITE AND WASTE RECYCLING CENTRE, HUNTINDON STREET, ST NEOTS

The Overview & Scrutiny Panel (Economic Well-Being) has endorsed proposals to develop the former fire station and waste recycling centre in Huntingdon Street, St Neots which were to be considered by the Cabinet at their meeting on 22<sup>nd</sup> July 2010. As part of which and having regard to the importance of achieving the objectives within the planning brief, the Panel suggested that additional terms and conditions be added to any future agreement.

In discussing the merits of the bids the Panel focussed on their financial terms, the potential benefits they would bring and the degree to which they complied with the planning brief. Members acknowledged that a balance had to be struck between these factors and that the Cabinet

should be provided with further information.

Subsequently the Cabinet has authorised the Director of Central Services after consultation with the Executive Councillors for Finance and Customer Services and for Leisure, Law, Property and Governance to approve the terms for the disposal of land at the former fire station site and waste recycling centre to the successful developer.

## ANNUAL REPORT ON ORGANISATIONS SUPPORTED BY GRANTS VIA SERVICE LEVEL AGREEMENTS

Details of the performance of voluntary organisations who receive their funding via service level agreements have been considered by the Overview & Scrutiny Panel (Economic Well-Being).

As part of which, the Panel has been advised of the background to the establishment of the current commissioning process. Information was also provided with regards to the management of the grant process and the performance monitoring mechanisms in place.

The Panel raised a number of questions with regard to specific performance indicators within the report and were advised of the penalties for underperformance. Comment was also made about the success of some organisations in securing additional funding but Members were advised it was unlikely that such organisations would be able to attract additional funding should this be withdrawn.

Discussion also took place with regard to the term of the funding agreements offered by the District Council to these organisations.

### CUSTOMER SERVICES

A presentation on the development of Customer Services has been received by the Overview and Scrutiny Panel (Economic Well-Being). As part of which the Panel were advised of the background with regard to the establishment of the District Council's Contact and Customer Services Centres, the range of services currently provided and statistical information with regards to customer enquiries. Details of the additional work which had been absorbed at no extra cost and a series of options for future service provision together with the level of savings these might provide were also provided.

Having outlined their support for the Customer Services service, the Panel discussed the implications arising from the introduction of new legislation with regards to the security of data and the contingency arrangements which were in place to tackle sickness levels within the service. Questions were also raised about the potential to share back office services and the implications of impending changes to housing benefit legislation.

### RISK REGISTER

Following a request for further information at a previous meeting, the Economic Well-Being Panel has received further information on the

Council's Risk Register and the number of new entries between the period 1<sup>st</sup> September 2009 to 28<sup>th</sup> February 2010 inclusive.

In doing so, the Panel has noted the process by which Risks are added to the Register and the reasons for the increase in entries in the previous quarter. The Panel has raised a number of questions with regard to the risks within the report, the method of assessment and classification and the cost of the commercial package for monitoring risk. The Scrutiny & Review Manager has been asked to provide details of the measures the Council took to protect the data it held on Council residents.

### THE GREAT FEN

Having had a tour of the Great Fen, the Overview and Scrutiny (Environmental Well-Being) Panel have been advised that the Council is tied into a five-year agreement which amounts to a contribution of £20,000 per annum towards the project management costs, this agreement is renewable after five years. The income from the land owned by the project will assure the project's future should the agreement not be renewed. The Panel has been informed that the Council has a broader interest than other partners and as such will benefit from having influence over the projects future.

Members have been advised that a temporary visitor centre has been planned for the summer and plans for a permanent centre will be

developed as visitor numbers increase.

The Panel has been informed that Councillor T Orgee is the project's County Council representative and a report on the project co-ordinator's action plan is expected in six months time.

### **CIVIL PARKING ENFORCEMENT**

The Overview and Scrutiny (Environmental Well-Being) Panel has considered a report on the potential introduction of civil parking enforcement in Huntingdonshire. Members have acknowledged that there is little enforcement of on-street restrictions currently by the Police and there is little likelihood of any improvements unless CPE is introduced.

The Panel has welcomed the possibility of improved enforcement, however reservations have been expressed over the possible implications on the Council's own off-street parking enforcements and the outcome derived from this source.

Members have recognised the Department for Transport's preferred option of a co-ordinated approach to on and off-street parking enforcement, however the Panel feel that any change should not be to the detriment of the existing off-street arrangements. The Panel also recognise the potential impact on the street ranger service which combines parking enforcement with other frontline services and the cost-effectiveness of the latter if this is separated from parking enforcement.

Members have acknowledged the continuing uncertainty about how best CPE could be delivered in Huntingdonshire but that its introduction is the only option if on-street enforcement is to improve. The Panel supports the recommendation for further negotiation with the County Council and other authorities but without commitment at this stage in the process.

The report has subsequently been considered by the Cabinet who agreed that further negotiations be held with Cambridgeshire County Council, the outcome of which are to be submitted to a future meeting.

### **PUBLIC CONVENIENCES**

The Overview and Scrutiny (Environmental Well-Being) Panel and the Cabinet has noted three petitions objecting to the closure of public conveniences in Huntingdon, Godmanchester and Ramsey. In doing so, the Environmental Well-Being Panel has been addressed by one of the Ward Councillors for Godmanchester about the impact of the closure of the facility in that town.

As part of the deliberations by the Environmental Well-Being Panel, Members have been reminded that the decision to offer the management of the public conveniences to the town councils had been made by the Council when the budget had been set for the current year and that no financial provision has therefore been made for their ongoing maintenance. The Panel did not

questioned this decision and maintain the view that provision of public conveniences is a matter for local decision by town and parish councils. The Panel has acknowledged that there are a number of facilities available in the towns where conveniences could be used by the public and that they offer a potentially more cost-effective level of provision than separately maintained units that are not supervised. In mind of the strength of public opinion expressed by way of the petitions, the Panel has suggested that a way forward might be for the District Council to use its influence and experience to assist town councils in negotiating access to other facilities, while stressing that any financial contribution towards maintaining access should be met by the relevant town councils themselves.

The Cabinet, having discussed the perceived difficulties of maintaining public conveniences have stressed that officers are available to offer advice and assistance to town councils on the matter. In the meantime, Executive Councillors have asked the Director of Environmental & Community Services to submit a further report on the future of the conveniences at Huntingdon bus station to their October meeting.

### **HUNTINGDONSHIRE STRATEGIC FLOOD RISK ASSESSMENT**

The Development Management Panel has endorsed the use of the 2010 updated Strategic Flood Risk Assessment for the determination of future developments. The Assessment which has already

been approved by the Environment Agency, provides an accurate assessment of all sources of flooding in the District and flood maps which are compliant with Planning Policy Statement No. 25.

### **DEVELOPMENT APPLICATIONS**

At the July meeting, the Development Management Panel considered 7 applications of which 3 were approved and 2 refused. Consent was given by the Panel to two applications requesting the extension of the timescale to 5 years for the commencement of the proposed rail facilities and rail link to the east coast mainline and for continuation of the temporary uses at Alconbury Airfield. Following representations from the Stukeleys Parish Council, the Panel has asked the Head of Planning Services to consider establishing in consultation with the developer, staged targets over a five year period to encourage submission of the proposals which would progress the development of the site.

### **REVENUE BUDGET MONITORING: 2009/10 OUTTURN AND 2010/11 BUDGET**

The Cabinet has noted the final outturn for revenue and expenditure for 2009/10 and the variations already identified in the current year. Executive Councillors were advised that £1913,000 has been transferred to a Special Reserve to finance any "invest to save" proposals. In discussing the main variations to the programme, Executive Councillors referred to the reduction in income from schools using the leisure centre facilities and the impact of

the Government's announcement that a number of grants awarded for 2010/11 will now be withdrawn.

At the same time, the Cabinet's attention was drawn to an increase in the total amount of payments written off during April to June 2010 for Council Tax and National Non Domestic Rates, Executive Councillors were advised that this was a consequence of the downturn in the economic climate.

### **CAPITAL MONITORING: 2009/10 OUTURN AND 2010/11 BUDGET**

The Cabinet has been acquainted with variations in the capital programme in the current year. Executive Councillors were advised that the level of Local Public Service Agreement performance reward grant was likely to be considerably less than has been budgeted. At the same time, Members have been apprised of plans announced by the Government to abolish Go-East and the possible implications for the authority.

### **2009/10 ANNUAL PERFORMANCE REPORT**

The Cabinet has noted the Council's performance against the targets within the Corporate Plan for the year ending 31<sup>st</sup> March 2010. The information will be reported to local residents via the District Wide newsletter and the Council's website.

### **RISK REGISTER**

The Cabinet has noted progress being made to identify and manage corporate risks. In so doing,

Executive Councillors attention was drawn to the four risks which were identified as being very high or red. Having been advised of the options available to manage the risks to reduce their likelihood and severity, the Cabinet has approved the actions proposed within existing resources.