

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in the CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 11 November 2010.

PRESENT: Councillor J D Ablewhite – Chairman.  
Councillors J T Bell, E R Butler, Mrs J A Dew, S Greenall, N J Guyatt, M F Shellens, G S E Thorpe and D M Tysoe.

Mr R Hall and Mrs H Roberts.

IN ATTENDANCE: Councillors Mrs M Banerjee, I C Bates, B S Chapman, S J Criswell, D B Dew, P J Downes, C R Hyams, P G Mitchell, M F Newman, Mrs D Reynolds, L M Simpson, J S Watt and R J West.

### **50. MINUTES**

The Minutes of the meeting of the Panel held on 14<sup>th</sup> October 2010 were approved as a correct record and signed by the Chairman.

### **51. MEMBERS' INTERESTS**

Councillor M F Shellens declared a personal interest in Minute Nos. 53 and 54 by virtue of his membership of Brampton Parish Council.

Councillor N J Guyatt declared a personal interest in Minute Nos. 53 and 54 by virtue of his membership of Cambridgeshire County Council.

Councillor P J Downes declared a personal interest in Minute No. 53 by virtue of his wife's voluntary work for Huntingdonshire Citizens Advice Bureau.

### **52. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN**

The Panel considered and noted 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> November 2010 to 28<sup>th</sup> February 2010. The Panel were advised that a report on the sale of land at Mill Hill Road, Eaton Socon would be considered by the Cabinet at their meeting on 18<sup>th</sup> November 2010. Members were also advised that the Budget and MTP, together with the Treasury Management Strategy and Prudential Indicators would be presented to the Panel for consideration as a matter of course in February 2011.

In response to comments about the tight timescale between the February meetings of the Panel and the Cabinet, Members were

advised that it was anticipated that changes to the meetings calendar for 2011/12 would address some of their concerns in future years.

**53. DRAFT BUDGET 2011/12 AND MTP 2012/16**

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

*(Councillors Mrs M Banerjee, I C Bates, B S Chapman, S J Criswell, D B Dew, P J Downes, C R Hyams, P G Mitchell, M F Newman, Mrs D Reynolds, L M Simpson, J S Watt, and R J West).*

Consideration was given to a report by the Chief Officers Management Team (a copy of which is appended in the Minute Book) which contained a draft Budget for 2011/12 and Medium Term Financial Plan (MTP) for the period 2012-16, prior to their submission to the Cabinet and final determination by the Council.

By way of introduction, the Director of Commerce and Technology gave a presentation on the draft Budget based on the Government's preference for no increase in Council Tax and a reduction in spending of 11% in the current year. Having been advised of those areas where no significant changes were proposed to services, attention was drawn to the areas where efficiency savings were being sought and the impact on each service of the proposed spending cuts. Members were advised that the final Budget for 2011/12 would be prepared in the New Year with the benefit of further information in relation to the Revenue Support Grant, the impact of changes to concessionary fares and the new reward grant for housing development.

In discussing the contents of the report, Members reiterated the view that the Council should approach the financial planning process strategically through a vision for the District and for the Council. This would enable the Council's priorities to be weighted and make it possible to take better informed decisions on the budget. In response, the Executive Councillor for Finance and Customer Services explained that the Government was constantly changing the requirements it placed on local authorities and this presented difficulties in preparing a strategy. It was suggested that Government changes should not affect the overarching vision and would only have an impact on the delivery of it.

Comments were made in relation to the Council's strategic approach to financial planning and on the need for contingency plans to be prepared that addressed a range of scenarios and identified options for future action to respond to changing events. In addition, it was suggested that a rationale should be produced for each of the proposed changes. Members were assured that decisions would be informed by detailed pieces of work as the Council's plans developed.

Councillor N J Guyatt cited an example of the value of adopting a strategic approach by referring to the proposed closure of the Yaxley Customer Service Centre in the context of the Council's priority to support vulnerable people. The Executive Councillor for Finance and Customer Services drew attention to figures on claims for Housing

Benefit in the area and explained that efforts were being made to identify savings while maintaining services. Attention then was drawn to the recent public consultation exercise, which revealed that the public were of the opinion that reductions should be made in customer services. A number of members expressed the view that front-line services should be retained and that it would be preferable to seek savings in the back office. It was, however, recognised that the distinction between the two often was not clear and that the back office formed an important part of the Council's functions through such activities as local strategic planning.

The view was expressed that the Council should investigate alternative delivery methods rather than completely delete some services immediately. It was suggested that local office services might be provided through shared buildings and employees or on reduced hours using fewer employees. Specific suggestions also were made with regard to the establishment of customer service centres at the leisure centres and the libraries. At the same time caution was expressed that shared services might incur their own problems and costs especially in the field of information technology. In addition, the delegation of functions to Town and Parish Councils could result in increased service costs and it might be preferable to seek contributions from these Councils for the District Council to continue to operate them. Councillor G S E Thorpe re-emphasised that if this was to be done then Town and Parish Councils should be informed at the earliest opportunity to enable them to make the necessary provisions in their budgets.

Other suggestions for general approaches to alternative delivery methods included outsourcing, the sale of Council services to other organisations and shared services. With regard to the latter, it was suggested that the Call Centre provided a service which might be of value to other organisations and that investigations might be undertaken into establishing a "Centre for Cambridgeshire".

The report by the Chief Officers Management Team contained indicative figures on the likely reductions in employee numbers that would be required. Councillor S Greenall suggested that the Council should investigate ways of making better use of existing employees. Having questioned whether the Union had been consulted on opportunities for job sharing and working reduced hours, it was suggested that such practices could prevent the loss of skills and generate savings on redundancy costs. In relation to the specific changes to service levels referred to within the report, a number of Members commented on proposals to reduce the grants paid to voluntary organisations. Having regard to the importance of voluntary organisations in the localism agenda and the fact that their services would be more in demand as a result of changes to the welfare system, Members were of the opinion that further consideration should be given to the value of the work they did and what it might cost the Council to replace the activities that would be lost. This applied particularly to the Citizens Advice Bureau given its role in supporting and advising homeless people.

With regard to the proposals for Street Cleansing, Councillor S J Criswell expressed the view that the service currently was inequitably provided within the District. He suggested that either the budget

should be reduced and the Town Councils asked to make up the difference or the existing budget should be more equitably distributed amongst towns and villages. On the subject of District-wide, some members were of the opinion that the Council should review its plans only to produce it electronically as this method of communication would not reach a significant number of residents. It was stressed that some means was required of communicating with those who were not electronically enabled. Following this, comments were made about the adverse effect of cuts in planning and enforcement and a suggestion was made that planned increases in car parking charges should be staggered.

In discussing the proposals for the Council's CCTV Service, a number of Members commented on the benefits it provided, that it would be costly to re-introduce if this was deemed necessary and that it should be retained. Councillor S J Criswell reported that it was the intention of the Overview and Scrutiny Panel (Social Well-Being) to investigate the value of the service and the options that were available. Having regard to the fact that parts of the service were paid for by some Parish Councils, it was suggested that this was an option that could be pursued alongside the potential to share costs with Cambridgeshire Constabulary as other authorities had done.

On the subject of the District Council's leisure centres, it was suggested that their economic and social benefits should be identified, together with the overall benefit of the leisure centres to the well-being of residents of the District. It would be necessary to establish the projected rate of return on the Council's planned investments in them for this purpose. In addition, while Councillor N J Guyatt recommended that the Council should immediately investigate placing the leisure centres into a trust to inform future plans, it was also held that if the leisure centres, through investment, became profitable, they should be retained so that the Council benefited from the income that they generated.

In response to a question by Councillor M F Shellens concerning his Motion to the Council meeting on 3<sup>rd</sup> November 2010, the Executive Councillor for Finance and Customer Services advised Members of details of the grants provided to voluntary organisations and that further consideration would need to be given to funding for voluntary organisations, that the Employment Panel was currently considering changes to the Payroll System and that a number of the suggestions relating to the potential for job sharing, sub-letting of Council premises and sharing of back office staff had already been adopted or were being pursued. Members also noted that investigations had revealed that it would not be feasible to sell and lease back Pathfinder House. With regard to the proposal to reduce the number of elected Members and the size of the Cabinet and the Overview and Scrutiny function, the Panel noted that any electoral changes would be subject to approval by the Boundary Commission and were unlikely to generate savings in the current four year term. Similarly the size of the Cabinet was a matter for determination by the Leader of the Council.

At the conclusion of the discussion, the Leader of the Council, Councillor I C Bates, expressed his appreciation to the Panel and other Members of the Council of their contribution to the debate. He

was, however, disappointed at the absence of any alternative proposals for making savings or suggestions for generating income. Having outlined a number of initial comments on the suggestions that had been made, he reminded Members that the Budget was only in draft form at this stage and any further suggestions would be welcomed. Whereupon, it was

#### RESOLVED

that the Cabinet be recommended to approve a draft budget for submission to the Council, subject to the Panel's comments on:

- weighting the Council's priorities;
- investigations taking place into ways of retaining some services through shared services and job sharing;
- investigations taking place into alternative ways of delivering services rather than completely deleting some services;
- shaping the MTP into a vision;
- concerns regarding reductions in planning enforcement activities and in grants to voluntary organisations;
- outsourcing;
- using leisure centres for the provision of customer services;
- the need for a rationale on mothballing CCTV and consultations with the Community Safety Partnership on this service;
- reviewing the proposals on District Wide through a strategic approach to communication with residents;
- reviewing further back-office functions;
- delegating functions to Town and Parish Councils and the need to communicate any proposals as soon as possible;
- the need for investments to be informed by business plans;
- the need for contingency planning and for a rationale to be produced for changes; and
- staggering increasing in car parking changes.

#### **54. TREASURY MANAGEMENT - REVIEW OF PERFORMANCE**

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

Consideration was given to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) containing details of the Council's Investments for the period 1<sup>st</sup> April to 30<sup>th</sup> September 2010.

By way of introduction, the Head of Financial Services reminded the Panel of the background to the introduction of enhanced arrangements for overseeing the management of the Council's

financial investments and borrowing. Members' attention also was drawn to the strategic approach that had been adopted to the management of the District Council's investments and recent changes to Public Works Loan Board loan rates, which had increased the cost to local authorities of long term borrowing by 0.85%. The Head of Financial Services also explained recent changes, which had been made to the definition used for fixed and variable rate investments and the resulting need to change the borrowing limits in order to maximise the flexibility available to the Council to react to changes in interest rates. The Panel supported the proposed change.

In discussing the content of the report and in noting that the latest forecast outturn predicted that there would be an increase in investment interest compared with the net budget, Councillor M F Shellens sought clarification as to how this had been achieved. In response, the Head of Financial Services explained that it was through a combination of factors including higher than anticipated interest rates, improved cash flow and changes in the mix of expenditure.

Members' attention was drawn to a recent decision to invest with the Cambridge Building Society, which had enabled the Council to achieve a higher rate of return compared with other Building Societies for a short term investment. In response to a comment on the risks associated with investments in Building Societies, the Head of Financial Services informed Members that while some local authorities preferred to accept a lower return for complete security, a view had been taken that the securities offered by Building Societies were sufficient to minimise the risk to the Council associated with short term investments. Moreover, the funds invested were instantly available. Whereupon, it was

RESOLVED

that the Cabinet be requested to recommend the Council to note the contents of the report by the Head of Financial Services on Treasury Management – Review of Performance.

## **55. PERFORMANCE MANAGEMENT**

With the aid of a report by the Cabinet (a copy of which is appended in the Minute Book) the Panel were acquainted with Executive Members' deliberations and decisions in response to a joint report by the Overview and Scrutiny Panels on the Council's performance against its priority objectives (Minute No. 10/34 refers).

Having been advised that the recommendation concerning external consultants had been referred back to the Corporate Plan Working Group for further review, it was agreed that it would be more appropriate for this work to be undertaken by the Overview and Scrutiny Panel (Economic Well-Being) and Councillors J D Ablewhite, G S E Thorpe and D M Tysoe, Mr R Hall and Mrs H Roberts were appointed to a working group for this purpose.

RESOLVED

that Councillors J D Ablewhite, G S E Thorpe and D M Tysoe,

Mr R Hall and Mrs H Roberts be appointed to a Working Group to review and make recommendations on the Council's use of consultants including the criteria used in the appointment of consultants and an assessment of the cost and value gained from using them.

**56. 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.

**57. 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. Councillor M F Shellens undertook to consult the Chairman on the terms of a possible future study on the financial implications of the Council's future housing responsibilities.

**58. SCRUTINY**

The Panel received and noted the latest edition of the Council's Decision Digest. In so doing and following the recent receipt of a Tree Replacement Notice, Councillor M F Shellens emphasised the need to re-consider the information which was circulated to Councillors with a view to securing cost savings.

Chairman