

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, 11 NOVEMBER 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 - 6)

To approve as a correct record the Minutes of the meeting held on 14th October 2010.

**Mrs J Walker
387049**

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 7 - 12)

A copy of the current Forward Plan, which was published on 14th October 2010 is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**Mrs H Taylor
388008**

4. DRAFT BUDGET 2011/12 AND MTP 2012/16 (Pages 13 - 42)

To consider a report by the Head of Financial Services.

**S Couper
388103**

5. TREASURY MANAGEMENT - REVIEW OF PERFORMANCE (Pages 43 - 48)

To consider a report by the Head of Financial Services reviewing performance for the period 1st April to 30th September 2010.

**S Couper
388103**

6. PERFORMANCE MANAGEMENT (Pages 49 - 50)

To receive a report on the Cabinet's decisions on recommendations by the Overview and Scrutiny Panels on Performance Management.

**Miss H Ali
388006**

7. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) - PROGRESS (Pages 51 - 56)

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

**Mrs C Bulman
388234**

8. **WORKPLAN** (Pages 57 - 62)

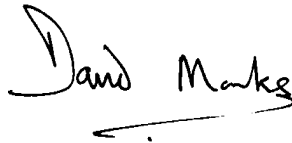
To consider with the aid of a report by the Head of Democratic and Central Services, the current programme of overview and scrutiny studies.

Mrs C Bulman
388234

9. **SCRUTINY** (Pages 63 - 70)

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 November 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 (*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 the CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 14 October 2010.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors 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.

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

IN ATTENDANCE: Councillor K Churchill, Executive Councillor for Resources and Policy

Councillor Mrs D C Reynolds, Executive Councillor for Leisure and Law, Property and Governance

Councillor T V Rogers, Executive Councillor for Finance and Customer Services

Councillor L M Simpson, Deputy Leader of the Council and Vice-Chairman of the Cabinet.

38. MINUTES

RESOLVED

subject to the inclusion of the words “(Councillor M F Shellens abstained from voting on this item)” after the resolution relating to Minute No. 34, the Minutes of the meeting of the Panel held on 9th September 2010 were approved as a correct record and signed by the Chairman.

39. MEMBERS' INTERESTS

No declarations were received.

40. 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 1st October 2010 to 31st January 2011. Members noted that the draft MTP would be presented to the Panel for consideration as a matter of

course.

41. 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.

42. HUNTINGDON TOWN CENTRE RE-DEVELOPMENT

(Councillor K Churchill, Executive Councillor for Resources and Policy and Councillor Mrs D C Reynolds, Executive Councillor Leisure and Law, Property and Governance were in attendance for this item.)

The Panel considered a report by the Chief Officers Management Team (a copy of which is appended in the Minute Book) on proposals to redevelop Huntingdon Town Centre. Members were advised that the local economy was driven by the market towns through service, employment and retail provision. Although Huntingdon was regarded as the District's economic linchpin its retail footprint (CACI) ranking had recently declined. It was noted that retailers had raised particular concerns about the low levels of trade occurring on Saturdays. The Panel were informed that the existing units in the town were too small to attract the higher quality retailers that residents required yet, owing to its location, there would be little difficulty in attracting this kind of retailer to Huntingdon.

It was felt that there was a need to protect and develop the local retail market, particularly as Huntingdonshire had significant exposure to the potential contraction of the public sector given that it provided approximately one third of local employment. The retail sector was known to create jobs. Attention was drawn to the fact that as well as protecting existing jobs, the proposals could create a significant number of new jobs. While Members acknowledged that the required construction works would create employment, concerns were raised that the works could have an adverse impact on trade levels. In this respect the Panel recommended that the Council should seek to influence the sequence of developments in order to minimise disruption to trade.

It was noted that work on developing Huntingdon had been ongoing for approximately ten years and that the implementation of the proposals could not commence without the involvement and input of the District Council. Having examined at length the financing arrangements for the proposals, the Panel felt that a formal analysis of the risks involved should be undertaken, following which contingency plans should be devised. Members were keen that the proposals should succeed and, following extensive discussions, they outlined a number of concerns about them as they stood and made suggestions to mitigate risks to the Council.

RESOLVED

that the Cabinet be advised of the Panel's views on the redevelopment of Huntingdon Town Centre.

43. RE-ADMITTANCE OF THE PUBLIC

RESOLVED

that the press and public be re-admitted to the meeting.

44. NEW HEADQUARTERS AND OTHER ACCOMMODATION CLOSE REPORT

(Councillor L M Simpson, Deputy Leader of the Council and Vice-Chairman of the Cabinet was in attendance for this item.)

Consideration was given to a report by the New Accommodation Project Co-ordinator (a copy of which is appended in the Minute Book) reviewing the New Headquarters and Other Accommodation project and identifying lessons learnt which would be transferable to the inception, development and delivery of future projects.

In response to a question by a Member, the Panel was advised that it was planned to sell Castle Hill House and the site originally proposed for Building 'A' once the property market showed signs of recovery. Following a further question, it was noted that although there was no demand at present for the sub-letting of part of Pathfinder House, if this was required in the future, then the offices could easily be subdivided.

Having congratulated the New Accommodation Project Co-ordinator on the successful completion of the New Headquarters and Other Accommodation project, it was

Resolved

that the report be received and noted.

(Councillor M F Shellens abstained from voting on this item).

45. ONE LEISURE FINANCIAL PERFORMANCE 2009/10

(Councillor Mrs D C Reynolds, Executive Councillor Leisure and Law, Property and Governance was in attendance for this item.)

The Panel considered a report by the General Manager, One Leisure (a copy of which is appended in the Minute Book) on the overall financial performance of One Leisure in 2009/10. Members were informed that the report reflected an improvement in the forecast financial position but that the Council's forthcoming budgetary decisions could have an impact on the forecast. It was noted that ongoing efforts were made to reduce costs and that staffing structures were constantly under review.

Members discussed the information presented. They indicated that more detailed financial reports would be of value and would assist when considering future proposals and recommendations. In particular, it was suggested that a distinction needed to be made between those areas of activity that competed with the private sector and others that had a purely "social" benefit, such a swimming, which

were subsidised by the Council. The Director of Commerce and Technology advised the Panel that One Leisure represented the largest and most complex division within the Council and that the Council's accounting systems were not able to produce information on individual activities. It would, however, be possible to present the information that had been requested.

In response to a question, Members were informed that each Centre had a five year business plan for both the "social" and financial aspects of their operations, which was constantly updated. There also existed an overall business plan for One Leisure.

Members requested further information, which separated out "social" services provided by One Leisure from those services that competed with the private sector. The information should contain key business indicators and include reference business plans, the calculation of recharges and a breakdown of the staff structure at the Leisure Centres. The Panel also requested an annual report on the performance of One Leisure.

46. LEISURE CENTRES HOSPITALITY PERFORMANCE AND FUTURE PLANS

(Councillor Mrs D C Reynolds, Executive Councillor Leisure and Law, Property and Governance was in attendance for this item.)

The Panel considered a report by the General Manager, One Leisure (a copy of which is appended in the Minute Book) on the financial performance of the hospitality section of One Leisure. Overall trends in hospitality had improved in recent years and in 2010/11 a profit of £45k was projected. However, the bars continued to make a loss. Members emphasised that both the bars and Impressions were competing with the private sector and as such should be run as businesses with clear business plans. The Director of Commerce and Technology advised that action had already been taken to address the current situation and that further measures would follow.

The Panel questioned whether the Leisure Centres should have bars given that one of their objectives was to improve the health of the local population. In response, Members were advised that there was continued demand for alcohol and sweets at the Leisure Centres, though there was growing demand for healthier options. The Centres presently endeavoured to catered for both tastes. Members felt that an assessment of the degree to which the bars attracted customers to the leisure centres would assist their discussions when they received the detailed reports from the General Manager, One Leisure that had been requested under Minute No. 45 ante.

47. 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. In the context of the study on the impact of the Licensing Act, Members accepted the Alcohol Harm Reduction Co-ordinator's offer to attend a future meeting of the Panel to discuss the Alcohol

Harm Reduction Strategy.

Having noted that the Overview and Scrutiny Panels' previous comments on Performance Management would be resubmitted to the Cabinet's next meeting, it was agreed that the Chairman of the Panel should attend the meeting to present the report and respond to questions. It was also noted that arising from the Panel's recommendations on the Financial Strategy a meeting would be held with Town and Parish Councillors on 1st November 2010.

48. 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. Members were advised that the review of performance development for employees was ongoing and the outcome would be submitted to the Panel in due course.

The Panel requested a report on the implications for Huntingdonshire of the abolishment of the East of England Development Agency and its replacement by Local Enterprise Partnerships. It was also suggested that the implications of the Government's decision not to proceed with improvements to the A14 for the local economy should be considered at a future meeting of the Panel.

49. SCRUTINY

The Panel received and noted the latest edition of the Council's Decision Digest. In light of recent Government announcements regarding the future of the Standards Committee, the Panel questioned whether the appointment of Parish Council representatives to the Committee was necessary. The Overview and Scrutiny Manager undertook to circulate a response after the meeting.

Chairman

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FORWARD PLAN OF KEY DECISIONS

Prepared by
Date of Publication:
For Period:

Councillor I C Bates
14 October 2010
1 November 2010 to 28 February 2011

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: Ian.Bates@huntsdc.gov.uk
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: Mike.Simpson@huntsdc.gov.uk
Councillor K J Churchill	- Executive Councillor for Resources and Policy	51 Gordon Road Little Paxton St Neots PE19 6NJ Tel: 01480 352040 E-mail: Ken.Churchill@huntsdc.gov.uk
Councillor D B Dew	- Executive Councillor for Planning Strategy and Transport	4 Weir Road Hemingford Grey Huntingdon PE28 9EH Tel: 01480 469814 E-mail: Douglas.Dew@huntsdc.gov.uk
Councillor J A Gray	- Executive Councillor for Environment and Information Technology	Shufflewick Cottage Station Row Tilbrook PE28 OJY Tel: 01480 861941 E-mail: JG@novae.com

Councillor C R Hyams	- Executive Councillor for Operational and Countryside Services	22 Bluegate Godmanchester Huntingdon Cambs PE29 2EZ Tel: 01480 388968 E-mail: Colin.Hyams@huntsdc.gov.uk
Councillor A Hansard	- Executive Councillor for Housing and Public Health	78 Potton Road Eynesbury St Neots PE19 2NN Tel: 01480 388942 E-mail: Andrew.Hansard@huntsdc.gov.uk
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: Deborah.Reynolds@huntsdc.gov.uk
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: Terence.Rogers@huntsdc.gov.uk

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 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
Cambridgeshire Local Investment Plan	Cabinet	18 Nov 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
Homelessness Strategy	Cabinet	18 Nov 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
St Neots East Urban Design Framework	Cabinet	18 Nov 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
Environment Strategy Review	Cabinet	18 Nov 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
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 Hill 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
Home Improvement Agency Review - Future Delivery Model Consultation	Cabinet	16 Dec 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
One Leisure, St. Ives - Proposal for Development	Cabinet	16 Dec 2010	None	Simon Bell, General Manager, One Leisure Tel No. 01480 388049 or e-mail Simon.Bell@huntsdc.gov.uk		Mrs D C Reynolds	Social Well-Being
Local Transport Plan (LTP3)	Cabinet	16 Dec 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
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
Open Space Strategy***	Cabinet	17 Feb 2011	Open Space Strategy	Mr Howard Thackray, Policy and Strategic Services Manager Tel No 01480 388035 or e-mail Howard.Thackray@huntsdc.gov.uk	Planned with Town and Parish Councils	C Hyams	Social Well-Being
Cambridgeshire Green Infrastructure Strategy***	Cabinet	17 Feb 2011	Cambs County Council led project	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or e-mail Paul.Bland@huntsdc.gov.uk	Endorse as Council policy (further details required).	D B Dew	Environmental Well-Being
Residential Travel Plan***	Cabinet	17 Feb 2011	Cambs County Council led project	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or e-mail Paul.Bland@huntsdc.gov.uk	Endorse as Council policy (further details required).	D B Dew	Environmental Well-Being
Budget and MTP***	Cabinet	17 Feb 2011	Draft MTP 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

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
Treasury Management Strategy and Prudential Indicators***	Cabinet	17 Feb 2011	Previous year's strategy	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

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CABINET

18 NOVEMBER 2010

**DRAFT BUDGET 2011/12 AND MTP 2012/2016
(Report by the Chief Officers' Management Team)**

1 INTRODUCTION

- 1.1 This report provides a draft budget and medium term financial plan based upon the Government's preference for no Council Tax increase next year with compensation being provided by a 2.5% government reward grant for 4 years. As far as possible it takes account of the Comprehensive Spending Review (CSR) to the extent that details have been disclosed.
- 1.2 This report will be considered by Overview and Scrutiny on the 11 November so that Cabinet can take account of their comments when deciding on its recommendation to Council on the 15 December.

2 SUMMARY

- 2.1 The changes to services proposed are expected to generate revenue savings of £6.4m per year by 2014/5. In addition it is proposed to reduce our capital programme over five years by £5.3m. Further savings are still required and may be resolved through additional Government funding from initiatives such as the New Homes Bonus or by identifying or accelerating further savings proposals. The position will be clearer by the time the final draft budget is produced in December.
- 2.2 The proposals take account of the results of the public consultation exercise involving residents, town and parish councils, local businesses and organisations and employees. They represent a substantial saving and will maintain Huntingdonshire as one of the lowest tax setting districts in England.
- 2.3 The national economic situation means that services which are undoubtedly valued by some are now unaffordable in the context of reductions in government funding and the desire to maintain a low council tax.
- 2.4 Central government has set out in its Comprehensive Spending Review an indication of the level of funding that Councils will, in total, receive over the next four years. This is a similar timescale to that previously set by this Council to rebalance its own budget. The proposals concentrate on changes to service plans over this timescale and whilst some are based on firm plans that can be implemented in the short term, others are an expression of intent

to make changes, the timing and detail of which are still to be determined.

- 2.5 The proposals prioritise maintaining a low Council Tax whilst re balancing our budget within four years, by which time our revenue reserves will be at a minimal level. Our proposals focus expenditure on the maintenance of services in key areas, although even in these areas substantial savings through efficiency and other cost reductions are also sought. Key areas include:
- Waste collection and recycling
 - Support for vulnerable people, including benefits and housing advice
 - Support for healthy lifestyles
 - Strategic planning and growth
 - Licensing, elections and regulatory functions
- 2.6 The capital programme will be scaled back. Those programmes that could be justified at a time when the Council had access to unrestricted capital reserves will be reduced or ended. Significant strategic investments required to support the development and economic wellbeing of the district and our towns, and those where an economic financial return can be obtained, are maintained in full.
- 2.7 Savings resulting from reductions in the number of senior staff and consequent reorganisations are expected to save £300k in the first 12 months. Over the course of the 4 year saving plan further reductions in senior staffing are expected to bring this total to more than £700k per year. These savings are dependent upon further reorganisations and the development of more shared working.
- 2.8 Over the period it is planned to negotiate a series of changes to pay, pay systems and allowances which are targeted to save £350k per year.
- 2.9 The impact on staff generally has not yet been determined but has been estimated. In many areas proposals will be produced over the coming months and will be subject to staff consultation. However in total we expect that the budget savings will require a reduction in headcount of 124 full time equivalents (FTE) over 4 years. This amounts to about 1 in 7 staff and will be achieved firstly through voluntary redundancy and natural wastage, but is also likely to result in some compulsory redundancies during the period. Details are given in Annex C.
- 2.10 Detailed proposals for government funding have not yet been made available to us. The new homes bonus, changes to funding of the concessionary bus fares scheme and funding arrangements for housing benefits and council tax in particular may result in further substantial changes.

3. GOVERNMENT GRANT

3.1 The Financial Forecast Report, considered in September, assumed that Government Grants:

- would fall in cash terms by 25% over 5 years
- that there would be some loss from formula changes
- that the loss re concessionary fares would not be larger than our spending saving

The Comprehensive Spending Review (CSR) has provided information on the **overall** impact on local authorities. It refers to a real terms cut of 28% over 4 years. Whilst this is equivalent to a cash reduction of around 20%, the reward grant for not raising Council Tax next year has to be funded from within this sum. The Government have also front-ended the cuts so that the **average** Council will suffer a reduction of 11% in its funding for the coming year. The tables below shows how our new forecast, based on CSR figures, requires us to make savings much earlier than previously expected:

Government Grant * - % change	Budget	MTP			
	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M
Cash reduction assumed in Forecast	-5%	-5%	-5%	-5%	-5%
CSR overall reduction	-11%	-6%	-1%	-6%	+2.5%#

assumed that there will be an inflationary increase after this spending round.

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

Government Grant* - Cash change	Budget	Budget	MTP			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M
Current Approved MTP (February)	12.9	12.4	12.6	12.6	12.9	13.3
Forecast (September)	12.9	11.7	11.3	10.7	10.2	9.7
This Draft	12.9	11.1	10.5	10.4	9.7	10.0

3.2 **There are two areas of concern in this assumption.** Firstly there is a major risk that the Sparse proposal on Concessionary Fares (see below) will not be supported by the Government and secondly there is a clear expectation by commentators and the LGA that District Councils will do worse than the average position due to the protections promised on education and social services.

3.3 Since the original concessionary bus fares grant consultation document was published the section on concessionary fares has proven to be badly explained, very controversial and flawed. As a result, the DCLG revised the exemplifications. In so doing, it became clear that the figures quoted were not, as is the norm, the proposed reduction in grant to reflect the saving in expenditure but the **net impact** on the authority. The proposals were based on a major redistribution to metropolitan and London authorities (i.e. of the grant taken from Huntingdonshire and the other

Cambridgeshire Districts only a portion would be given to the County Council to fund concessionary fares). The net loss to Huntingdonshire would be between £0.6M and £1.4M depending on the option chosen. All other Cambridgeshire Districts (except Cambridge City) would also lose out significantly. Annex D illustrates the position for one set of the 24 combinations that are being considered.

- 3.4 As a result of lobbying from Sparse (a pressure group for rural authorities) a further option which reduces each Districts grant by their spending on Concessionary Fares and transfers it straight to their County has been circulated by DCLG but it is clear that the civil servants, responsible for the grant formula, are unenthusiastic because it gives them technical difficulties. The LGA response to the consultation strongly expresses their view that the impact should be neutral for District Councils.
- 3.5 On a more positive note, the Government is proposing a “New Homes Bonus” for authorities that support the growth agenda. Consultation will take place in November but it is expected that a portion of the Council Tax from new dwellings will be added to Government Grant for a fixed number of years. Unfortunately, this will predominantly be a re-allocation of grant and so will be damped, thus reducing the impact.

4 COUNCIL TAX OPTIONS

- 4.1 The Government’s preference is for Councils to freeze Council Tax for the coming year. This option has been incorporated into the plan and brings with it a reward grant of 2.5% of our 2010/11 Council Tax for four years.
- 4.2 The option to raise Council Tax is also modelled. This is based on a figure that the majority of those recently surveyed said they would accept if it meant that there would be greater protection of services. The majority of households in the District are in Council Tax band C or below and so a 2011/12 Council Tax of £147.57 is modelled which is based on a 40p per week increase for a band C property. This would still leave the Council’s tax level in the bottom third of District Councils.
- 4.3 Should the Council decide, and be permitted, to raise council tax it would defer and reduce the level of spending cuts required.
- 4.4 In each case it is then assumed that rises would subsequently be 2.5% a year.
- 4.5 Any significant increase in Council Tax could potentially be capped by the Secretary of State.

- 4.6 From 2012/13 onwards it is proposed by the Government that Council Tax increases, in excess of a limit set by the Secretary of State, will require public support from a referendum which would be costly, a significant administrative burden and universally, have an uncertain outcome.

5 INFLATION AND INTEREST RATES

- 4.7 Revisions to interest rates and the amounts that interest is earned on due to last year's outturn have been made which also reflect the Government announcement as part of the CSR that PWLB borrowing rates would immediately rise by 0.85%. Further refinements to the forecasting model have also been made to improve accuracy.
- 4.8 A much more detailed calculation of the MRP (statutory provision for repaying debt) has been introduced and the higher proportion of short life assets (e.g. vehicles and IT) increases the revenue impact of the capital programme.
- 4.9 Inflation has been revised on fuel and utilities and the assumption on increases to the employer's pension contribution % has been limited to reflect the Government's intention to make public sector pension schemes more affordable. As the savings requirement, like service spending, is expressed at 2010/11 prices there are some significant inflation adjustments when the phasing and magnitude of savings varies.
- 4.10 The results of these changes are shown in the Budget Summaries at Annex E.

6 PROPOSED SPENDING CHANGES

- 6.1 This section sets out the impact on each service of the proposed spending cuts. In order to put these into perspective it sets out the current budget (2010/11) and staffing levels. Budget figures exclude capital charges and the recharges of overheads.
- 6.2 Overview and Scrutiny members, in particular, have expressed interest in the degree to which the services we are involved in providing are statutory services. To this end a matrix has previously been made available which provided a detailed analysis of the complex relationships between discretionary, non-discretionary and regulatory services. While the Council is required to make significant savings over the coming years it is not envisaged that this will require service reductions to minimum statutory levels and discretion will be available to consider the means and level of provision across the range of services currently provided. The comments below aim to give a more

subjective view of the extent to which we have discretion over staffing numbers.

6.3 Revenue Items

REVENUE ITEMS	
Current budget & staffing	Proposed changes to service

Operations Division - £5.1M

<p>Refuse/ Recycling £1.9m of which pay cost is £1.7m 66 FTE None of these posts are wholly statutory.</p>	<p>Except for increased charges for the collection of bulky waste, generating £20k p.a., no service level changes are proposed in this area.</p> <p>Efficiency savings are targeted. A reduction of one collection round would save £100k. This may follow the purchase of round scheduling software (an example of shared working with Cambridge City and East Cambridgeshire DC).</p> <p>It is also planned to absorb growth in housing numbers anticipated at 500 p.a.</p>
<p>Markets Net income £0.1m</p>	<p>No service level changes are proposed in this area, although a £5k saving on consultant fees are proposed.</p>
<p>Street Cleansing £1.0m of which pay cost is £0.7m 29.4 FTE None of these posts are wholly statutory.</p>	<p>No service level changes are proposed in this area.</p>
<p>CCTV £0.5m of which pay cost is £278k 13.9 None of these posts are statutory</p>	<p>The budget is based on reducing CCTV staffing from April 2011, providing a basic service during 2011/2 and mothballing the service from April 2012. This could result in CCTV cameras being switched off from April 2012. The CCTV van will be disposed of and no staff would be retained.</p> <p>A basic service could be maintained for an annual cost of £300k.</p>
<p>Countryside £0.5m, of which £574k is pay cost 21.6 FTE None of these posts are statutory</p>	<p>Savings of £263k p.a. are proposed by reducing staff, ending the educational / events programme, reducing our commitment to maintenance and the Rights of Way programme and concentrating of income generating activities. Some of these responsibilities</p>

	may be taken up by volunteer groups. Further savings of £100k p.a. are targeted from 2014. This is subject to identifying further responsibilities that can be taken up by volunteer groups and trusts.
Car Parks Net Income £1.1m, of which £183k is pay cost 8.1 FTE None of these posts are statutory	Car park fees are currently only budgeted to rise with inflation. A larger rise could be considered if off street parking opportunities were managed in a manner consistent with any proposed rise. For this reason the plan assumes an additional £500k of income from 2014 resulting from a doubling of charges.
Grounds Maintenance £0.9m, of which £0.8m is pay cost 28 FTE None of these posts are statutory	A reduction of £150k is proposed. This is linked to restructuring and moving to a more integrated workforce throughout Operations. However there will also be some reductions in service (i.e. reducing the number of grass cuts).
Vehicle Maintenance £0.2m, of which £147k is pay cost 4 FTE None of these posts are statutory	No service level changes are proposed in this area.
Management Unit £1.3m, of which £1.2m is pay cost 28.5 FTE None of these posts are wholly statutory	Efficiencies of £250k are targeted in this area.

Environmental Management Services – £2.9M

Internal Drainage Boards £0.34M	This is a statutory charge placed upon the Council.
Watercourses £0.06M	No service level changes are proposed.
Public conveniences £0.03M	This budget is maintained pending discussions with Huntingdon Town Council.
Environmental Initiatives £0.15M	Savings of £50k pa are targeted.
Building Control Income £0.5M	We see no prospect of increasing revenues.
Highways & Transportation £0.2m	No service level changes are proposed.
Management Units £1.6M, of which £1.4m is pay cost 32.2 FTE. None of these	Historically some of the £0.4m pay cost relating to design and architecture services has been capitalised. £0.5m of the pay cost relates to building control.

posts are statutory although some statutory work is undertaken.	Staff reductions will be introduced in line with the reduction in the capital programme. We will continue to pursue opportunities for sharing building control services.
Facilities Management £0.9M, of which £164k is pay cost 5.8 FTE. None of these posts are statutory.	Staff reductions across the Council, and the introduction of hot desking following the promotion of home working and flexible working should release office space for letting. This may generate an income of £150k p.a.

Planning Services – £3.1M

Development Management income £0.9M	The budget assumes the same level of income but this is dependent upon economic activity. Charges for planning advice, currently free, may generate £40k p.a. additional income.
Planning Policy & Conservation £0.9M	A one off addition to the budget to fund work on the A14 has now been deleted from the budget.
Transportation £0.1M	
Concessionary Fares £0.7M	This will transfer to county.
Management Units £2.3M, of which £2.2m is pay cost 50.4 FTE, None of these posts are statutory although a significant amount of statutory work is undertaken.	Reductions in planning policy and development management posts will save £125k pa, whilst reductions in support staff, transport schemes and staff will save a further £95k pa from April 2012.

Environmental and Community Health Services – £2.7M

Environmental Health £0.2M	No changes are proposed.
Arts Development £0.1M	Proposals included in last years budget, which have now been implemented, will reduce this budget to nil for the coming year, although two community schemes will be maintained.
Leisure Development £0.2M	This matched funding will be reviewed when external grants come to an end in 2013.
Community safety £0.1m	The loss of external grants will see this service reduced by £50k.
Grants £0.4m	Cuts in grant funding will be phased in from 2012/3 which will leave around £75k pa after 2014/5.

<p>Management Units £1.6M Pay cost totals £2m across the service FTE 31.2, None of these posts are statutory although some statutory work is undertaken.</p>	<p>Staff savings of £275k pa are targeted. This will result in less health and safety advice being given and reduced capacity to investigate nuisance, noise, pollution and drainage incidents.</p>
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Housing Services – £1.4M

<p>Homelessness £0.2M</p>	<p>No service level changes are proposed.</p>
<p>Management Units 1.1M. Pay cost totals £1.2m across the service FTE 30.4 None of these posts are statutory although some statutory work is undertaken.</p>	<p>Staff savings of £100k are targeted. A slower response time will result for some enquiries and specialist advice.</p>

Financial Services – £2.0M

<p>External Audit £0.1M</p>	<p>External audit fees are currently set according to a scale of charges determined by the Audit Commission.</p>
<p>VAT partial exemption £0.1m</p>	<p>This is a statutory calculation.</p>
<p>Net interest cost £0.1M</p>	<p>Interest is largely a function of borrowing and will continue to grow.</p>
<p>Insurance Premiums £0.4M</p>	
<p>Management Units £1.2M, of which pay cost is £1.1m FTE 24.2 None of these posts are statutory although some statutory work is undertaken.</p>	<p>Efficiency savings of £120,000 are targeted. Some savings are obtained by sharing our staff with other authorities.</p>

Customer Services – £2.2M

<p>Income £1.6m</p>	<p>Currently an additional £56k of subsidy is being received. We believe that HB subsidy will be reduced by central government and that an announcement to this effect is likely around 10/11/10.</p>
<p>Management Units £2.5M of which pay cost is £1.9m FTE 63.5 None of these posts are statutory although some statutory</p>	<p>Efficiency savings of £100k are targeted some of which result from increasing benefits claims work over the internet.</p>

work is undertaken.	
Call Centre £0.6M of which pay cost is £0.4m FTE 14.7 None of these posts are statutory although some statutory work is undertaken.	Reduce opening hours at the Call Centre by 2 hours each day (Open from 9am – 5pm) will save £20k pa Following the renegotiation of system support contracts savings of £30k are expected.
Customer Service Centres £0.7M of which pay cost is £0.6m FTE 18.4 None of these posts are statutory although some statutory work is undertaken.	Closing Ramsey, Yaxley, St Ives and St Neots CSC's are targeted to save £200k. Reducing opening hours at Huntingdon CSC by 30 minutes each day (Open from 9am – 4.30pm) may save £14k pa.

Leisure Services – £1.1M

Huntingdon Leisure Centre £0.2M	Staffing efficiencies of around £300k are targeted. This will involve reducing opening hours in some centres at some times. A redevelopment of the St Ives indoor centre along the lines of the improvements in Huntingdon and St Neots is being designed with a view to generating £400k additional income net of costs. Once the above changes have been introduced investigations will commence to transfer responsibility for running, maintaining and developing the leisure business to a trust.
Ramsey Leisure Centre £0.2M	
Sawtry Leisure Centre £0.2M	
St Ivo Leisure Centre £0.1M	
St Neots Leisure Centre £0.2M	
Management Units £0.2M Total pay cost across the leisure centres amounts to £4.6m. FTE 200 None of these posts are statutory.	

IMD Services – £2.2M

Helpdesk £0.5M of which pay cost is £0.3m	Staff reductions and other efficiency savings are targeted to amount to £200k over the 4 year plan. These require moving to a virtual server and desktop system. £80k will also be generated through the sharing of our staff with other authorities. Additional staff reductions will result from a reduction in the capital programme.
Network Services £0.6M of which pay cost is £0.2m	
Development Team £0.3M of which pay cost is £0.2m	
Information Management £0.3M of which pay cost is £0.2m	
Business Analysis £0.4M of which pay cost is £0.4m	

Head of IMD £0.2M of which pay cost is £0.2m FTE 32.4 across the service. None of these posts are statutory although some statutory work is undertaken.	
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People, Performance & Partnership – £2.0m

Economic Development £0.2M	Halving, then stopping grant to Town Centre Partnerships, with subsequent reductions in employee time is targeted to save £100k. The council will be less able to support the vibrancy of town centres.
Communications and Marketing £0.1M	Moving District Wide to electronic only is targeted to save £50k and Hunts Matters will cease at a saving of £10k.
HR – Pensions, Payroll, etc £0.3m	
Management Units £1.4M, of which pay cost is £1.1m FTE 27.1 None of these posts are statutory but some statutory work is undertaken.	Staff reductions and other savings are targeted to amount to £100k over the 4 year plan period

Law, Property & Governance - -£0.9M

Property income £1.4M	Review Strategy and Portfolio to maintain income levels.
Management Unit £0.5M of which pay cost is £0.5m FTE 9.2 One of these posts is statutory and others also undertake significant statutory work.	Staff reductions and other savings are targeted to amount to £100k over the 4 year plan period

Democratic & Central Services – £1.8M

Corporate Committees & Subscriptions £0.1M	These budgets should be subject to review by a members working group.
Member Allowances & Support £0.5M	
Elections £0.2M	
Land Charges income £0.2	Government proposals may reduce this income.
Licences income £0.2	Increased charges for certain licenses may generate £35k, whilst efficiency savings are targeted to saving £15k.

Document Centre £0.6M of which pay cost is £0.3m FTE 12.4 None of these posts are statutory	Additional income from undertaking work/collaboration with other organisations and/or reduction in costs of design, printing and despatch are targeted to save £75k.
Management Units £0.9M of which pay cost is £0.8m FTE 20.9 None of these posts are statutory although a significant amount of statutory work is undertaken.	Staff reductions and other savings are targeted to amount to £100k over the 4 year plan period

The table below summarise the impact of the full list of changes which are detailed in annexes A & B.

Service Variations	REVENUE	10/11	11/12	12/13	13/14	14/15	15/16
		£000	£000	£000	£000	£000	£000
Extra Cost & Rephasing (Annex A)		139	383	405	373	340	363
Savings (Annex B)		-397	-2,280	-3,867	-4,906	-5,901	-6,442
Capital to Revenue		52	0	0	0	0	0
Revenue to Capital		-286	0	0	0	0	0
Technical #		-232	282	275	268	258	198
Total Variations		-724	-1,615	-3,187	-4,265	-5,303	-5,881

includes an increase of £250k due to the removal of the assumption that extra unbudgeted un-earmarked grants will be received each year. This is extremely unlikely now that the Government has drastically cut or removed various funding regimes.

6.4 Capital Programme

Proposals on the capital programme are outlined below and follow the order of listing and descriptions as used in the Budget/MTP approved by Council in February 2010.

CAPITAL ITEMS	
Service	Comments and proposed changes
Public conveniences	No expenditure is planned.
Huntingdon Town Centre, including car park	A one off strategic project aimed at improving retailing and car parking in Huntingdon has recently been endorsed by the Cabinet.
Huntingdon Marina	The previously planned project budgeted at £62k has been deleted from the plan.
Play Equipment	The previous budget of £60k to 70k pa has been reduced to £50k for 2011/2 and £20k pa thereafter. This budget will be used on play areas which are deemed to be of significance for the district generally rather than the immediate locality. Towns and Parish Councils will be requested to fund the maintenance and development of smaller parks unless s106 funding is obtained.

Leisure centres	Substantial investment is required in St Ives if this centre is to improve its profitability. Investment in this centre is subject to a business plan demonstrating that the investment is entirely self funding.
Community Facilities grants	The previous budget of £60k to £70k pa has been deleted from the plan in favour of requesting towns and parishes to fund this work.
Lighting	The previous budget of £23k pa has been deleted from the plan.
CCTV	The previous budget of £80k pa has been deleted from the plan. This deletion is based upon the mothballing of all CCTV operations.
Disabled Facilities Grants (DFGs)	These grants are a statutory obligation and depend upon the level of demand.
Housing Repairs assistance	The previous annual budget of £190k pa has been cut to £100k pa. This will reduce the number of unoccupied dwellings that can be brought back into use.
Social housing grants	The annual budget of £500k has been deleted from the plan.
Transport	Previous budgets totally £300k for the local transport plans, safe cycling routes, St Neots and Ramsey transport strategies, accessibility improvements and signs have all been deleted from the plan.
Public transport	Previous budgets for bus shelters and redevelopment of the Huntingdon Bus Station have all been deleted from the plan.
Car parks	The previous budgets for maintenance of the car parks and the construction of a new multi-storey car park in Huntingdon have been maintained in this plan.
Environmental improvements & strategy	The one off project relating to St Ives Town Centre (phase II) has been deleted from the plan. Previous budgets totally £220k for small scale, village residential and AJC related projects have all been deleted from the plan.
Vehicle fleet	The timing of the purchase of replacement refuse and grounds maintenance vehicles has been reviewed. Rephasing these purchases has led to a reduction of £ 750k in capital expenditure over four years.
IT	This budget relates to hardware, desktop systems and business systems.

The table below summarise the impact of the full list of changes which are detailed in annexes A & B.

Service Variations	CAPITAL	10/11	11/12	12/13	13/14	14/15	15/16
		£000	£000	£000	£000	£000	£000
Extra Cost & Rephasing (Annex A)		-327	7,627	-1,205	-286	-845	-2,526
Savings (Annex B)		-1,107	-3,769	-72	-2,011	-1,598	-87
Net Nil			45	-45			
Capital to Revenue		-52	0	0	0	0	0
Revenue to Capital		286	0	0	0	0	0
Technical		-1,233	-157	807	13	-6	-266
Total Variations		-2,433	3,746	-515	-2,284	-2,449	-2,879

Annex F shows the resulting Capital Programme.

7 OVERALL POSITION

7.1 The following tables summarise the overall position for both Council Tax options and highlight the levels of savings still required. Annex E shows these tables in additional detail and extended to the whole Forecast period.

Government Preference	Forecast	Budget	MTP			
	10/11	11/12	12/13	13/14	14/15	15/16
	£M	£M	£M	£M	£M	£M
Net Spending before savings	24.5	25.2	26.4	27.5	28.4	29.1
Proposed savings (Annex B)	-0.4	-2.3	-3.9	-4.9	-5.9	-6.4
Savings still required		-0.5	-1.6	-2.6	-3.6	-4.3
Net Spending after Savings	24.1	22.4	20.9	20.0	19.0	18.3
Funded by:						
Government support	-12.9	-11.1	-10.5	-10.4	-9.7	-10.0
Special Grant		-0.2	-0.2	-0.2	-0.2	0.0
Council Tax	-7.2	-7.4	-7.6	-7.8	-8.1	-8.4
SHORTFALL						
Met from Reserves	3.9	3.7	2.7	1.6	1.0	0.0
Council Tax	£124.17	£124.17	£127.27	£130.46	£133.72	£137.06
Increase		£0.00	£3.10	£3.18	£3.26	£3.34
Remaining Reserves EOY	12.0	8.3	5.6	4.0	3.0	3.0

40p per week rise	Forecast	Budget	MTP			
	10/11	11/12	12/13	13/14	14/15	15/16
	£M	£M	£M	£M	£M	£M
Net Spending	24.5	25.2	26.4	27.6	28.6	29.3
Proposed savings (Annex B)	-0.4	-2.3	-3.9	-4.9	-5.9	-6.4
Provision for retained services	0.0	0.3	0.5	0.5	0.5	0.5
Savings still required	0.0	0.0	-0.9	-1.9	-2.4	-3.4
Net Spending after Savings	24.1	23.2	22.2	21.3	20.8	19.9
Funded by:						
Government support	-12.9	-11.1	-10.5	-10.4	-9.7	-10.0
Council Tax	-7.2	-8.8	-9.0	-9.3	-9.6	-9.9
SHORTFALL						
Met from Reserves	-3.9	-3.3	-2.7	-1.6	-1.4	0.0
Council Tax	£124.17	£147.57	£151.26	£155.04	£158.92	£162.89
Increase		£23.40	£3.69	£3.78	£3.88	£3.97
Remaining Reserves EOY	12.0	8.7	6.0	4.4	3.0	3.0

7.2 A decision to increase the Council Tax by 40p per week in 2011/12 would defer and reduce the level of spending cuts required.

8 UNCERTAINTIES

8.1 A number of significant uncertainties remain and only some of them will be resolved before the Council has to approve the final budget and MTP in February.

8.2 The main items that will be resolved are:

- Government Grant including the impact of concessionary fares. **(Potentially adverse)**
- New reward grant for housing development **(Beneficial but damping will reduce benefit)**
- Details of the National Insurance changes **(Possibly slightly beneficial)**
- Pension Fund revaluation and impact on contributions **(probably neutral in shorter term)**
- Impact of reduction in LPSA and Area Based grants **(some allowance already made)**
- Reduction in Benefits subsidy **(Potentially adverse)**

8.3 The main items that are unlikely to be resolved are:

- The degree and speed of changes to the Pension scheme
- The speed of economic recovery including the impact on inflation, interest rates, unemployment and homelessness.
- The impact of lower levels of staff turnover.

- 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.
- Difficulty delivering the savings already identified or the spending targets inherent in this plan.
- Repayment of past land charge fees.
- Increased bad debts on Council Tax collection resulting from new responsibilities on Council Tax benefit from 2013/14.

9 CONCLUSIONS

- 9.1 The public consultation results provide the Council with valuable information to address the balance between the preservation of valued services and the level of Council Tax increase.
- 9.2 Any significant increase in Council Tax could potentially be capped and so the level of savings required for 2011/12, in the “40p increase” option, have been based on this worst case scenario.
- 9.3 There remain a number of unknowns, some of which will be resolved by the final budget report, but, whatever the outcome and whatever the decision on the Council Tax increase, significant savings are required that require decisions now so that the necessary preparations can be made.
- 9.4 Council Tax increases in excess of the Secretary of States limit from 2012/13 onwards will require public support from a referendum which will be costly and universally problematic.
- 9.5 There is a need to determine the balance between Council Tax rises and service cuts to ensure an appropriate level and economic prosperity for the people of Huntingdonshire.

10 RECOMMENDATIONS

Cabinet is:

Requested to recommend to Council:

- A draft budget and MTP.
- A preferred option on Council Tax increases.

Recommended to authorise the Directors, after consultation with the appropriate Executive Councillor(s), to prepare and implement plans for changes and reductions in services to achieve targeted savings plans for 2011/12 and future years.

ANNEXES

- A Extra Cost Proposals**
- B Savings Proposals**
- C Staffing reductions**
- D Concessionary Fares Exemplification**
- E Financial Summaries**
- F Draft Capital Programme**

ACCESS TO INFORMATION ACT 1985

Source Documents:

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

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EXTRA COSTS & REPHASING		REVENUE						NET CAPITAL						CAPITAL GRANTS & CONTRIBUTIONS					
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
EXTRA COSTS																			
HIGH PRIORITY																			
	Wheeled Bins for New Properties							125	126	143	143	139	79						
	Transfer of Conveniences to other Councils	25	20	20	20	20	20												
	Ramsey Library Development		12	12	12	12	12	120											-120
	Ramsey Community Information Centre		10	10	10	10	10												
	Parish Planning		7	7	7	7													
	Arts Development Service	-39	-52	13	13	13	13												
867	Repairs Assistance																		100
974	Decent Homes – Thermal Efficiency Improvements									64									
945	Priority Needs Scheme		-42	17	19	19	19												
844	Street naming and numbering	10	10	15	15	15	15												
850	Huntingdon West Development (HGF)							9	4,250	-1,279	-430	-750	-1,800	-209	2,027	2,500	430	750	1,800
MAINTENANCE																			
886	Vehicle fleet replacements.																		1,059
970	Telephony and ICT Network Renewal																		100
891	Business Systems																		200
380	Replacement Printing Equip.																		208
895	Multi-functional Devices																		41
891	Business Systems		24					-20	17	-10	30	15							
976	ICT Replacements and Server Virtualisation																		187
861	Leisure Centres – Future maintenance																		522

EXTRA COSTS & REPHASING (cont.)		REVENUE						NET CAPITAL						CAPITAL GRANTS & CONTRIBUTIONS					
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
UNAVOIDABLE																			
924	Additional Car Park Charges (net)	55	35	35	35	35	35												
866	Disabled Facilities Grants											950							350
892	Government Connect		11	22	22	22	22	84	12										
890	Headquarters							-60						-34					
911	House Condition Survey						55												
480	Implementation of car park strategy		14	38	48	58	24												
824	Land Charges – Extra net cost	34	48	48	48	48	48												
	Loss of Car Park Income due to VAT change	8	30	30	30	30	30												
971	Reduction in glass sales	34	34	40	40	40	40												
897	St Ivo – Outdoor energy generation (deletion)	12	12	12	12	12	12	-127											
TECHNICAL																			
	Future Capital Provision (outturn prices)												-4,682						
918	Building Effic. Imps (Potential LC proportion)		13	17			1		50	29	38	39	31						
REPHASING																			
	Rephasing	-335	532	69	42	-1	7	-458	3,172	-152	-67	-288	479	-1,275	408	172	2	2	0
	Creation/use of reserve	335	-335																
TOTAL		139	383	405	373	340	363	-327	7,627	-1,205	-286	-845	-2,526	-1,638	2,435	2,672	432	752	2,150

Summary appraisals and rephasing forms can be accessed on the Council's web site under "2010 MTP Review" except for technical items and those shown with a # which are explained in this report.

ANNEX B

SAVINGS		REVENUE						NET CAPITAL						CAPITAL GRANTS & CONTRIBUTIONS					
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
#	Reorganisation - Senior managers		-260	-400	-730	-730	-730												
#	Pay & allowances Review		-375	-375	-300	-350	-350												
#	Increased charges for bulky waste		-20	-20	-20	-20	-20												
#	Reduce refuse collection by one round		0	-100	-100	-100	-100												
969	Recycling Gate Fees	-194	-18																
965	Consultants (markets)		-5	-5	-5	-5	-5												
966	CCTV Van - remove satellite system		-8	-8	-8	-8	-8												
967	Reduction in CCTV Cameras		-15	-15	-15	-15	-15												
#	Reduce CCTV to a basic service		-129	-172	-172	-172	-172												
#	Mothball CCTV		0	-300	-300	-300	-300												
#	Countryside - reduce staff and increase income		-113	-213	-263	-263	-263												
#	Transfer Countryside to a trust		0	0	0	-100	-100												
#	Increase in car park charges		0	0	0	-500	-500												
931	St Ives Guided Bus impact on car park income	-40																	
#	Reduced grounds maintenance standards		0	-150	-150	-150	-150												
#	Operations Division Reorganisation		-100	-250	-250	-250	-250												
879	Environment Strategy Funding		-20	-20	-20	-20	35												
#	Small scale environmental improvements staff saving		0	-25	-50	-50	-50												
#	Rental of space in PFH		0	-75	-150	-150	-150												
#	A14 improvements - assumed cancellation		-100	0	0	0	0												
	Planning Enforcement - staff savings	-38	-77	-77	-77	-77	-77												
#	Planning efficiencies		-48	-48	-48	-48	-48												
#	Transport efficiencies		0	-95	-95	-95	-95												
#	Community Grants reductions		-10	-51	-234	-309	-309												
#	Environmental Health staff savings		-120	-193	-193	-193	-193												
#	Community team savings				-75	-75	-75												

SAVINGS (cont.)		REVENUE						NET CAPITAL						CAPITAL GRANTS & CONTRIBUTIONS					
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
#	Town Centre Partnerships - reduced funding		-40	-80	-100	-100	-100												
#	District wide - E version only		-50	-50	-50	-50	-50												
951	Hunts. Matters - cease production	-8	-10	-10	-10	-10	-10												
968	Increased licensing income	-35	-35	-35	-35	-35	-35												
#	Licensing - efficiency and higher charges		0	-20	-30	-40	-50												
#	Document Centre - efficiency and external work		0	-25	-50	-50	-75												
825	Members Allowances Review	-2				-6	4												
#	Central Services - Reorganisation		-200	-250	-250	-300	-300												
853	Huntingdon Town Hall	-10																	
923	Extra Car Parking, Huntingdon Town Centre		20	-18	21	19	-62		-2,166	2,166								1,300	
976	ICT Replacements and Server Virtualisation	10	10	10	10	10	10	-27	58	-60	-60	-60							
380	Replacement Printing Equip.							-92		70									
895	Multi-functional Devices							-2	2	3	1	2							
948	Provision for Bin Replacements							-114	-101	-118	-157	-204	56						
886	Vehicle fleet replacements.							197	-217	-442	64	-101							
973	Housing Capital Grant (non-earmarked)							-64						64					
625	Huntingdon Bus Station							-890	190	150					-150	-150			
864	Crime and Disorder - Lighting improvements							-20	2				25						
365	Huntingdon Marina Improvements								-62										
854	Play Equipment & Safety Surface Renewal								-5	-48	-37	-33	-48						
863	Community Facilities Grants								-69	-69	-69	-69							
864	Crime and Disorder - Lighting improvements								-25	-24	-25	-25	-25						
867	Repairs Assistance								-90	-90	-90	-90							
869	Social Housing Grant								-500	-500	-500	-500							
865	CCTV - Camera replacements								-81	-81	-75	-82							
870	Local Transport Plan								-83	-83	-83	-89							
871	Safe Cycle Routes								-194	-93	-93	-95	-95						

SAVINGS (cont.)		REVENUE						NET CAPITAL						CAPITAL GRANTS & CONTRIBUTIONS					
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
872	St Neots Transport Strategy Phase 2								-90	-90	-80								
873	Accessibility Improvement /Signs in footpaths and car parks								-35	-30	-30	-30							
363	Ramsey Transport Strategy								-80	-41									
899	Bus Shelters - extra provision								-41	-42	-42								
52	St Ives Town Centre 2 - Completion								-20	-425	-509								
876	Small Scale - District Wide Partnership								-79	-79	-80	-60		-10	-10	-10	-10	-10	
877	AJC Small scale improvements								-86	-86	-86	-86							
878	Village Residential Areas								-57	-60	-60	-76			-10	-10	-10		
302	New Public Conveniences							-100						-150					
	total	-397	-2,280	-3,867	-4,906	-5,901	-6,442	-1,107	-3,769	-72	-2,011	-1,598	-87	54	-310	1,130	-20	-20	0

Summary appraisals and rephasing forms can be accessed on the Council's web site under "2010 MTP Review" except for technical items and those shown with a # which are explained in this report.

STAFFING

Reductions in staffing levels are expected over the four year savings plan period.

	Current staffing FTE*	Indicative reduction FTE*
Directors and Heads of Service	16	7
Leisure	225	36
Finance	24	2
Customer Services	97	11
IMD	32	5
Commerce & Technology	378	54
Operations	200	33
Environmental Management Services	31	4
Planning Services	50	6
Environmental & Community Health	31	7
Housing	30	3
Environment & Community Services	342	53
Administration	33	4
Law & Estates	9	3
Policy, Performance & People	27	3
Central services	70	10
Total	806	124

* Full Time Equivalent

Where no service levels changes are proposed in a particular area, changes may still be introduced as a result of efficiency proposals, reorganisations or reconfigurations of our services or other investigations into the value of our services. The proposals require only limited further savings to be identified for the coming budget year. However further savings of £1.6m rising to £3.6m p.a. are required for the years 2012/3 – 2014/5 before the budget is balanced.

CONCESSIONARY FARES IMPACT

Concessionary Travel (Based on Option CONCF3 after damping)						
	Option CONCF5 (£ million)	Option CONCF6 (£ million)	Option CONCF7 (£ million)	Option CONCF8 (£ million)	Option CONCF9 (£ million)	Option CONCF10 (£ million)
London and Mets Gain	60.560	68.919	74.355	78.417	89.616	121.143
Shire areas Loss	-60.560	-68.919	-74.355	-78.418	-89.616	-121.143
Cambridgeshire's share of Shire area loss						
Cambridge City	0.028	0.028	0.035	0.035	0.026	0.026
East Cambridgeshire	-0.339	-0.339	-0.333	-0.333	-0.339	-0.339
Fenland	-0.612	-0.612	-0.603	-0.603	-0.612	-0.612
Huntingdonshire loss	-0.619	-0.619	-0.644	-0.644	-0.618	-0.618
South Cambridgeshire	-0.376	-0.376	-0.368	-0.368	-0.376	-0.376
Peterborough	-0.548	-0.587	-0.501	-0.506	-0.518	-0.565
County Council	-0.586	-0.697	-1.320	-1.601	-0.829	-1.205
Cambridgeshire area loss	-3.052	-3.201	-3.734	-4.020	-3.266	-3.689

FINANCIAL SUMMARY Government Preference	FORECAST	BUDGET	MTP				FORECAST									
	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	
2009/10 BUDGET/MTP	24,848	23,660	23,127	22,278	21,342	21,811	22,408	23,021	23,651	24,099	24,765	25,449	26,153	26,875	27,818	
Variations:																
Interest	-100	-287	-392	-188	-339	-490	-630	-751	-881	-1,013	-1,144	-1,276	-1,410	-1,543	-1,675	
Provision for Loan Repayments (MRP)	-61	166	365	505	651	774	821	854	985	1,085	1,140	1,173	1,176	1,113	1,057	
Inflation	0	22	18	58	77	-214	-361	-483	-541	-469	-518	-463	-494	-450	-511	
Unidentified Savings	0	482	1,016	1,596	2,556	2,347	2,680	2,774	2,721	2,792	2,883	2,794	2,892	2,947	2,911	
MTP Variations #	-578	-1,615	-3,187	-4,265	-5,303	-5,881	-6,046	-6,004	-5,968	-5,954	-6,000	-5,946	-5,965	-5,953	-5,953	
total	-739	-1,232	-2,180	-2,294	-2,359	-3,464	-3,535	-3,609	-3,683	-3,560	-3,638	-3,719	-3,802	-3,885	-4,171	
NEW FORECAST	24,109	22,428	20,947	19,984	18,983	18,347	18,873	19,412	19,968	20,539	21,127	21,730	22,351	22,990	23,647	
FUNDING																
Use of revenue reserves	-3,931	-3,718	-2,714	-1,604	-964	0	0	0	0	0	0	0	0	0	0	
Remaining revenue reserves EOY	12,000	8,282	5,568	3,964	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Special CT Grant	0	-184	-184	-184	-184	0	0	0	0	0	0	0	0	0	0	
Government Support	-12,939	-11,129	-10,461	-10,357	-9,735	-9,979	-10,228	-10,484	-10,746	-11,015	-11,290	-11,572	-11,862	-12,158	-12,462	
Collection Fund Deficit	35	-53	0	0	0	0	0	0	0	0	0	0	0	0	0	
Council Tax	-7,274	-7,344	-7,588	-7,840	-8,100	-8,368	-8,644	-8,929	-9,222	-9,525	-9,837	-10,159	-10,490	-10,832	-11,185	
COUNCIL TAX LEVEL	£124.17	£124.17	£127.27	£130.46	£133.72	£137.06	£140.49	£144.00	£147.60	£151.29	£155.07	£158.95	£162.92	£166.99	£171.17	
% increase		0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
£ increase		£0.00	£3.10	£3.18	£3.26	£3.34	£3.43	£3.51	£3.60	£3.69	£3.78	£3.88	£3.97	£4.07	£4.17	

Forecast Capital Spending	7,377	11,689	3,321	3,005	2,441	2,777	4,101	4,131	4,272	4,417	4,566	4,718	4,875	5,035	5,200
Accumulated "Borrowing" EOY net of MRP	17,961	28,610	30,504	31,830	32,297	32,829	34,477	35,948	37,244	38,386	39,410	40,328	41,159	41,957	42,704
Net Interest and Borrowing Costs															
- total	-57	608	1,346	2,078	2,521	2,836	3,096	3,378	3,762	4,118	4,438	4,744	5,029	5,261	5,515
- as % of total net spending	0%	3%	6%	10%	13%	15%	16%	17%	19%	20%	21%	22%	23%	23%	23%
Unidentified Spending Adjustments still required	0	-518	-1,584	-2,604	-3,563	-4,316	-4,514	-4,796	-5,341	-5,834	-6,122	-6,540	-7,099	-7,333	-7,683

includes current year forecast adjustment and rephasing reserve adjustment

FINANCIAL SUMMARY 40p per week rise	FORECAST	BUDGET	MTP				FORECAST								
	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
2009/10 BUDGET/MTP	24,848	23,660	23,127	22,278	21,342	21,811	22,408	23,021	23,651	24,099	24,765	25,449	26,153	26,875	27,818
Variations:															
Interest	-100	-289	-404	-203	-348	-490	-630	-751	-881	-1,013	-1,144	-1,276	-1,410	-1,543	-1,675
Provision for Loan Repayments (MRP)	-61	166	365	505	651	774	821	854	985	1,085	1,140	1,173	1,176	1,113	1,057
Inflation	0	22	45	130	242	-37	-132	-208	-214	-82	-80	41	67	172	183
Unidentified Savings	0	1,000	1,747	2,330	3,680	3,245	3,580	3,683	3,633	3,700	3,799	3,705	3,807	3,867	3,825
MTP Variations #	-578	-1,365	-2,687	-3,765	-4,803	-5,381	-5,546	-5,504	-5,468	-5,454	-5,500	-5,446	-5,465	-5,453	-5,453
total	-739	-466	-934	-1,004	-578	-1,888	-1,906	-1,926	-1,945	-1,765	-1,784	-1,804	-1,825	-1,844	-2,063
NEW FORECAST	24,109	23,194	22,193	21,274	20,764	19,923	20,502	21,095	21,706	22,334	22,981	23,645	24,328	25,031	25,755
FUNDING															
Use of revenue reserves	-3,931	-3,284	-2,714	-1,600	-1,402	0	0	0	0	0	0	0	0	0	0
Remaining revenue reserves EOY	12,000	8,716	6,002	4,402	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Special CT Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Government Support	-12,939	-11,129	-10,461	-10,357	-9,735	-9,979	-10,228	-10,484	-10,746	-11,015	-11,290	-11,572	-11,862	-12,158	-12,462
Collection Fund Deficit	35	-53	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	-7,274	-8,728	-9,018	-9,318	-9,626	-9,945	-10,273	-10,611	-10,960	-11,320	-11,691	-12,073	-12,467	-12,873	-13,292
COUNCIL TAX LEVEL	£124.17	£147.57	£151.26	£155.04	£158.92	£162.89	£166.96	£171.14	£175.41	£179.80	£184.29	£188.90	£193.62	£198.47	£203.43
% increase		18.85%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
£ increase		£23.40	£3.69	£3.78	£3.88	£3.97	£4.07	£4.17	£4.28	£4.39	£4.49	£4.61	£4.72	£4.84	£4.96

Forecast Capital Spending	7,377	11,689	3,321	3,005	2,441	2,777	4,101	4,131	4,272	4,417	4,566	4,718	4,875	5,035	5,200
Accumulated "Borrowing" EOY net of MRP	17,961	28,610	30,504	31,830	32,297	32,829	34,477	35,948	37,244	38,386	39,410	40,328	41,159	41,957	42,704
Net Interest and Borrowing Costs															
- total	-57	606	1,334	2,062	2,512	2,836	3,096	3,378	3,762	4,118	4,438	4,744	5,029	5,261	5,515
- as % of total net spending	0%	3%	6%	10%	12%	14%	15%	16%	17%	18%	19%	20%	21%	21%	21%
Unidentified Spending Adjustments still required	0	0	-853	-1,870	-2,439	-3,418	-3,614	-3,887	-4,429	-4,926	-5,206	-5,629	-6,184	-6,413	-6,769

includes current year forecast adjustment, rephasing reserve adjustment and allowance for retained services of £250k in 2011/12 and £500k thereafter

DRAFT CAPITAL PROGRAMME		NET CAPITAL EXPENDITURE						CAPITAL GRANTS & CONTRIBUTIONS					
		Revised	Budget	MTP				Revised	Budget	MTP			
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Refuse and Recycling												
948	Provision for Bin Replacements	30	31	33	38	48	340						
	Wheeled Bins for New Properties	125	126	143	143	139	79						
	Drainage & Sewers												
	Alconbury Householder Flood Mitigation							428					
	Environmental Health												
927	Air Quality Monitoring Equipment	25		30				7					
	Economic Development												
401	Huntingdon Town Centre Development	1	12										
224	Town Centre Developments	5	210	80									
239	New Industrial Units	825											
358	Ramsey Rural Renewal	63											
509	Industrial Estate Repairs	10	16										
850	Huntingdon West Development (HGF)	9	4,723	1,279	-430	-750	1,800	1,791	2,027	2,500	430	750	1,800
	Community Initiatives												
423	Community Information Project		11										
	Ramsey Library Development	110											
952	Loves Farm Community Centre		45	-45						345			
	Parks and Open Spaces												
808	Huntingdon Riverside	41											
854	Play Equipment & Safety Surface Renewal	155	50	20	20	20	20	45					
855	St Neots Green Corridor (HGF)	102						130					
	Leisure Centres												
857	St Neots LC Development	1,754	60				316	240					
896	St Ivo LC - Football Improvements	-86						1,500					
922	St Ivo LC Redevelopment		2,500										
861	Future maintenance	940	676	382	382	382	522	422		140	140	140	
22	CCTV Improvements	5	10										
957	Reception Automation		60										
956	Replacement Fitness Equipment	200	400		275								
	Community Facilities												
863	Community Facilities Grants	40											
	Community Safety												
864	Crime and Disorder - Lighting improvements	4											
865	CCTV - Camera replacements	159											

DRAFT CAPITAL PROGRAMME		NET CAPITAL EXPENDITURE						CAPITAL GRANTS & CONTRIBUTIONS						
		Revised	Budget	MTP				Revised	Budget	MTP				
		2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	
Bid No.	Scheme	2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015	2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Private Housing Support													
866	Disabled Facilities Grants	1,000	800	800	800	800	950	452	600	400	400	400	400	350
867	Repairs Assistance	160	100	100	100	100	100							
932	Decent Homes - Thermal Efficiency and Category 1 H&S							92	101					
973	Housing Capital Grant (non-earmarked)	-64						64						
974	Decent Homes - Thermal Efficiency Improvements			64										
869	Social Housing Grant	547												
	Housing Benefits													
626	Wireless Working (Benefits and Revenues)		24											
	Transportation Strategy													
870	Local Transport Plan	73												
871	Safe Cycle Routes	100												
872	St Neots Transport Strategy Phase 2	94												
873	Accessibility Improvement /Signs in footpaths and car parks	20												
351	St Neots Pedestrian Bridges	530												
874	Huntingdon Transport Strategy	52												
362	St Ives Transport Strategy	126												
363	Ramsey Transport Strategy	6												
	Perry Cycle Scheme							60	190					
	Public Transport													
818	Railway Stations - Improvements	20	26											
899	Bus Shelters - extra provision	43												
625	Huntingdon Bus Station		40											
	Car Parks													
166	St Neots - Cambridge Road Car Park	9	80											
461	Car Park Repairs		86	60	60	31								
923	Extra Car Parking, Huntingdon Town Centre	380	900	2,450						1,550				
924	Additional Car Park Charges (net)	31												
	Environmental Improvements													
52	St Ives Town Centre 2 - Completion	12												
876	Small Scale - District Wide Partnership	78												
877	AJC Small scale improvements	86												
878	Village Residential Areas	74												
703	Heart of Oxmoor	-1,366		-169				1,366		169				
920	East of Sapley - Preliminary Costs			-15										
	Environmental Strategy													
879	Environment Strategy Funding	77	55	55	55	55								
880	Sustainable Homes Retrofit	226	-485					60	485					
918	Building Efficiency Improvements (Salix Grant)	45	55	58	77	78	62	46	30					

DRAFT CAPITAL PROGRAMME		NET CAPITAL EXPENDITURE						CAPITAL GRANTS & CONTRIBUTIONS					
		Revised	Budget	MTP				Revised	Budget	MTP			
		2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000
Bid No.	Scheme												
	Operations Division												
886	Vehicle fleet replacements.	415	551	807	921	908	1,059						
	Offices												
890	Headquarters	9	2	-	1,810			150		1,810			
	IT related												
494	Voice and data infrastructure	2											
893	VoIP Telephony for Leisure Centres	67											
970	Telephony and ICT Network Renewal						100						
892	Government Connect	104	12										
	ICT Replacements	280	310	192	192	192	187						
495	Corporate EDM	25											
891	Business Systems	198	225	230	190	195	200						
842	Resourcelink - Recruitment Module	10											
900	Working Smarter	80	40										
634	Customer First	22											
	Other												
380	Replacement Printing Equip.	138		70			208						
894	Replacement Equipment Document Centre	6	78		30	54							
895	Multi-functional Devices	13	45	41	21	45	41						
919	E-Marketplace	5											
	Technical												
	Capital Inflation			57	145	177	247						
	Revenue staff charged to capital	100	50	50	50	50	50						
	Rule change re Capital Overheads	-117	-117	-117	-117	-117							
	Schemes brought forward		1,200	1,500	500	500	500						
	Schemes carried forward	-1,200	-1,500	-500	-500	-500	-500						
	VAT Partial Exemption	344	182	34	53	34	96						
	TOTAL	7,377	11,689	3,321	3,005	2,441	2,777	6,853	3,433	6,914	970	1,290	2,150

OVERVIEW AND SCRUTINY (ECONOMIC
WELL-BEING)
CABINET
COUNCIL

11 NOVEMBER 2010

18 NOVEMBER 2010

15 DECEMBER 2010

**TREASURY MANAGEMENT
REVIEW OF PERFORMANCE
(Report by the Head of Financial Services)**

1. INTRODUCTION

- 1.1 In February the Council adopted the latest edition of the *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the full Council to approve a treasury management strategy before the start of each financial year and to receive a mid-year report and an annual report after the end of the year. This is the first mid-year report presented under this Code and covers the period 1st April to 30th September 2010.
- 1.2 In addition, the DCLG *Guidance on Local Government Investments* recommends that local authorities review their investment strategy in the light of any changes in internal or external circumstances.
- 1.3 This report meets the requirements of both sets of guidance by reviewing the strategy, updating the Council on the performance of investments, and identifying any concerns over the credit-worthiness of counterparties.

2. TREASURY MANAGEMENT ACTIVITY

- 2.1. In December 2008, £10M was borrowed for 50 years to fund, in advance, part of the future capital programme thus taking advantage of very attractive long term rates available at the time. This sum was then invested for the remainder of the, then, MTP period pending its use for funding capital projects. Since that time long term rates have risen whilst short term rates have continued to be very low. Given the Council's financial challenges over the next few years it is therefore appropriate, for the present, to use the Council's own revenue reserves, supplemented by mostly short term borrowing, to temporarily fund the capital programme pending the return to a more "normal" interest rate structure.
- 2.2 Therefore, during the last 6 months most activity has been managing short term fluctuations in cash flow by borrowing or investing for short periods. However £7.5M has been invested for up to 9 months to take advantage of higher interest rates.
- 2.3 Much of the activity has been in liquidity accounts where the funds are accessible without notice, thus providing more security than term deposits, but also providing a good (in relative terms!) rate of return. For example, £3m was invested with Cambridge Building Society in August at 1.25% which was comparable to a nine month fixed rate deposit.
- 2.4 There have also been deficits at some points which have required the Council to borrow temporarily from other Local Authorities at low rates and

for less than a month.

2.5 The following table summarises the transactions during the period:

	£m
Investments	
- as at 31 st March 2010	20.4
- matured in period	-64.8
- arranged in period	73.4
- as at 30 th Sept 2010	29.0
Borrowing	
- as at 31 st March 2010	-14.6
- matured/repaid in period	34.2
- arranged in period	-31.2
- as at 30 th Sept 2010	-11.6
Net investments at 31st March 2010	5.8
Net investments at 30th September 2010	17.4

2.6 The rise in net investments from April to September reflects the fact that the Council Tax is predominantly collected in 10 monthly instalments from April to January thus giving an improving cash flow from mid-April to mid-January each year.

2.7 On 30 September 2010 the Council had investments of £29M and borrowing of £11.6M. Annex A gives the details.

2.8 There are no current concerns about any of the investment counterparties.

3. PERFORMANCE SUMMARY

3.1 CDCM

In September 2010 the last investment managed by CDCM matured; this ended a relationship with this Fund Manager which goes back more than 10 years. The Council has benefited from the investments because they were made when rates were higher than at present. The return on these investments until September is 2.57% compared with the benchmark of 0.35%

3.2 In-house funds

The in-house portfolio historically comprised of a mixture of short-term investments and temporary borrowing to manage cash flow but now temporarily includes the borrowing and investment of the £10m advance borrowing from the PWLB. A performance of 1.41% compared with the benchmark of 0.2% has been achieved in the half-year

PERFORMANCE FOR THE 6 MONTHS APRIL 2010 – SEPTEMBER 2010					
	Performance (for half year)	Benchmark (for half year)	Variation from benchmark	Managed Funds	
				1 April 10	30 Sept 10
CDCM *	2.59%	0.35%*	+2.23%	£5.0m	0
In-house – investments net of borrowing **	1.16%	0.20%**	+0.96%	£0.8m	£17.4m
Net Investments				£5.8m	£17.4m

* 3 month LIBID

** 7 day rate

4. PERFORMANCE AGAINST BUDGET IN 2010/11

- 4.1 The latest forecast outturn is an increase in investment interest on the net budget (investment interest less borrowing costs) of £130k. The original budget was £199k

5. TREASURY MANAGEMENT STRATEGY

- 5.1 All treasury management activity undertaken during the period complied with the approved strategy, the *CIPFA Code of Practice*, and the relevant legislative provisions
- 5.2 There are no recommendations about changing the Strategy given the current and expected continuation of the interest rate structure that existed when it was approved and the existing emphasis on the security of counterparties.

6. COST OF BORROWING

- 6.1 As part of the Comprehensive Spending Review the Government announced an increase in the PWLB rates. Previously the rates to Local Authorities were 15 basis points (0.15%) above the cost of government borrowing (gilts); this margin was increased to an average of 100 basis points (1%) above the price of gilts which has resulted in a permanent increase in the cost of borrowing.
- 6.2 The impact on the revenue budget from the future increase in borrowing costs is partially offset by reduced minimum revenue provision (MRP).
- 6.3 Your Officers are working with the Council's Treasury Management Advisors to investigate opportunities for long-term borrowing from the market rather than PWLB.

7. TREASURY MANAGEMENT INDICATORS

- 7.1 The Council measures its exposures to treasury management risks using the following indicators. Council is asked to note the following indicators as at 30th September 2010.

7.2 Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The exposure to fixed and variable rate interest rates is based on the amount of net borrowing.

	Limit £000	Actual		
		Borrowing £000	Investment £000	Net £000
Upper limit on fixed rate exposures (>12 months)	35,100	10,000	-10,000	0
Upper limit on variable rate exposures:				
Fixed rates but < 12months		1,500	-16,500	-15,000
Variable		100	-2,500	-2,400
	3,775	1,600	-19,000	-17,400

The limits set by the Council in February 2010 were based on the understanding that investment or borrowing at a fixed rate, even if for a short duration, was still treated as fixed rate. It has now been clarified that arrangements of less than 12 months count as variable rate.

In the circumstances it is proposed to change the limits as follows in order to maximise the flexibility to react to the perceived direction of change in interest rates in the short, medium and long term.

	Limit £000
Upper limit on fixed rate exposures >12 months	+/- 35,100
Upper limit on variable rate exposures	+/- 35,100

7.3 Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The maturity structure of fixed rate borrowing was:

Cash flow borrowing	Upper Limit	Lower Limit	Actual
Under 12 months	100%	100%	100%
Above 12 months	0%	0%	0%

Borrowing to fund capital schemes	Upper Limit	Lower Limit	Actual
Under 12 months	25%	0%	0%
12 months and within 24 months	25%	0%	0%
24 months and within five years	25%	0%	0%
Five years and within 10 years	50%	0%	0%
10 years and above	100%	0%	100%

7.4 Investment repayment profile – limit on the value of investments that cannot be redeemed within 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

The total principal sums invested to final maturities beyond the period end were:

	2010/11 £000	2011/12 £000	2012/13 £000
Limit on principal invested beyond year end	42,700	31,400	25,300
Actual principal invested beyond year end	10,000	10,000	5,000

8. RECOMMENDATIONS

8.1 Cabinet is requested to recommend to Council that it notes this report

BACKGROUND PAPERS

Working papers in Financial Services

CONTACT OFFICER

Steve Couper – Head of Financial Services Tel. 01480 388103

ANNEX A

Investments as at 30 September 2010

		£000	Investment date	Rate %	Repayment date
Term Deposits					
Royal Bank of Scotland	Temporary investment of PWLB borrowing	5,000	19/12/08	4.04	19/12/12
Skipton Building Society		5,000	19/12/08	4.85	19/12/13
Nottingham Building Society		2,500	24/2/10	2.22 #	23/2/11
Lloyds TSB		2,500	24/2/10	1.80	24/2/11
Lloyds TSB		2,500	17/5/10	1.40	17/2/11
Kent Reliance Building Society		2,500	16/8/10	1.30	17/3/11
Newcastle Building Society		2,500	16/8/10	1.38	17/3/11
Liquidity Accounts					
Cambridge Building Society		3,000	16/8/10	1.25	call
Alliance Leicester		800	1/9/10	0.80	call
NatWest		2,750	1/9/10	0.80	call
TOTAL		29,050			

Rate fixed for 3 months

Borrowing as at 30 September 2010

	£000	Borrowing date	Rate %	Repayment date
Long Term				
PWLB	5,000	19/12/08	3.91	19/12/57
PWLB	5,000	19/12/08	3.90	19/12/58
Short Term				
Thurrock Borough Council	800	28/9/10	0.52	15/10/10
Caerphilly County Borough Council	700	8/9/10	0.28	28/10/10
Brampton Parish Council *	100	1/4/10	0.50	
TOTAL	11,600			

* From the scheme whereby Parish Councils can deposit funds with the District

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

**2ND NOVEMBER 2010
9TH NOVEMBER 2010
11TH NOVEMBER 2010**

PERFORMANCE MANAGEMENT (Report by the Cabinet)

1. INTRODUCTION

- 1.1 At its meeting on 21st October 2010, the Cabinet reconsidered a report by the Overview and Scrutiny Panels on their deliberations and proposals in response to the Council's performance against its priority objectives.
- 1.2 Councillors J D Ablewhite, S J Criswell and P M D Godfrey were in attendance at the meeting to present the report and answer questions on the conclusions that had been reached.

2. THE CABINET'S DELIBERATIONS AND DECISIONS

- 2.1 Executive Members' attention has been drawn to the comments of the Corporate Plan Working Group concerning expenditure on the employment of external consultants and the need to address the strategic and future direction and development of the Council.
- 2.3 The Cabinet has noted the Panels' views in respect of external consultants. In so doing, the Cabinet has referred the matter back to the Corporate Plan Working Group for further review to include the criteria used in the appointment of consultants and an assessment of the cost and value gained from using them. Executive Members have invited Panel Chairmen to attend a future meeting to present the conclusions reached by the Working Group.
- 2.4 In referring to the Panels' recommendation concerning the Council's search for financial savings, the Cabinet has informed Panel Chairmen that contributions have been and currently are being sought from a variety of sources including all Members, employees, local businesses and the public.
- 2.5 The Cabinet has responded to the Panels' views on reviewing the Corporate Plan. A review of the Council's priorities, aims and objectives and consequent service provision and levels is currently underway generally and specifically in terms of the work being undertaken to prepare budgets for 2011/12 and future years. The Cabinet has indicated that the views of the Corporate Plan Working Group, the Overview and Scrutiny Panels and those expressed during the consultation exercises will be taken into account as part of the review process.
- 2.6 Finally, the Cabinet has informed Panel Chairmen that a review of the Council's policy framework and performance management systems is underway and will take account of Government announcements on national performance arrangements. The review is intended to incorporate measures to improve the understanding and transparency of the Council's performance and activities. It has also been noted that the Redundancy Policy and Voluntary Release Scheme recently adopted by the Employment Panel

contains clear guidance on the criteria to be used in determining proposals or applications for the release of employees.

3. CONCLUSION

- 3.1 Members of the Overview and Scrutiny Panels are invited to note the contents of this report.

BACKGROUND PAPERS

Cabinet Minutes and Reports of the meeting held on 16th September and 21st October 2010.

Contact Officer: Miss H Ali, Democratic Services Officer
☎ (01480) 388006
✉ Habbiba.Ali@huntsdc.gov.uk

Panel Date	Decision	Action	Response	Date For Future Action
15/07/10	<u>Grant Aid</u> Annual Report on organisations supported by grants through Service Level Agreements received by Panel.		Next report due July 2011.	07/11
13/05/09	<u>Customer Services Monitoring Report</u> 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 Latest report circulated in October 2010.	13/01/11
13/05/09	<u>Licensing Act – Impact On Night-time Economy</u> 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. Presentation on Cambridgeshire Alcohol Harm Reduction Strategy to be arranged.	TBC 13/01/11

Panel Date	Decision	Action	Response	Date For Future Action
19/05/10	<p><u>Corporate Plan Working Group</u></p> <p>Councillors J Ablewhite and GSE Thorpe have been appointed to the Corporate Plan Working Group.</p>	Quarterly performance reports to be submitted to all Overview and Scrutiny Panels.	Meeting of Corporate Plan Working Group to be held on Monday 29 th November 2011. Next Report due December 2011	09/12/10
12/11/09	<p><u>Local Government Act 2000 – Forward Plan</u></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
09/09/10	Asset Management Plan – Annual Report		Report to be submitted to December meeting.	09/12/10
10/6/10	<p><u>Visitor Development & Town Centre Vibrancy</u></p> <p>Received a presentation by the Head of People, Performance & 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 future meeting.	TBC

Panel Date	Decision	Action	Response	Date For Future Action
10/6/10	<p><u>Performance Management</u> Requested further information on the seven bids in the current year which had not been successful in attracting external funding to establish whether there were any common reasons why bids had failed.</p>		<p>Reasons for lack of success:-</p> <ul style="list-style-type: none"> ▪ Not meeting the funding programme objectives ▪ The funding programme being oversubscribed ▪ The bid being superseded by another bid covering a wider geographical area ▪ Match funding for the project was ineligible. 	
10/6/10	Requested a further report on the financial performance and future plans of the Leisure Centres Hospitality Service.		Requested an assessment of the degree to which bars attracted customers to the Leisure Centres.	13/01/11
	Requested a future report on the overall financial performance of the Leisure Centres and their employment structure.		Request for more detailed financial information. Requested further information which separated out the "social" services provided by One Leisure from those services which competed with the Private Sector. The information should contain key business indicators and include business reference plans, the calculation of re-charges and a breakdown of the staff structure at Leisure Centres.	13/01/11
09/09/10	<p>Endorsed a number of recommendations to the Cabinet designed to enhance the Council's approach to its strategic budget planning and performance management.</p> <p>Endorsed a recommendation to the Cabinet to reduce the amount the Council spends on employing external consultants by £1.5m in the current financial year.</p>		<p>Requested an Annual Report on the Performance of One-Leisure.</p> <p>Report considered by Cabinet at their meeting on 21st October 2010. See agenda item 6.</p> <p>Report considered by Cabinet at their meeting on 21st October 2010. See agenda item 6.</p>	TBC

Panel Date	Decision	Action	Response	Date For Future Action
15/0710	<p><u>Scrutiny of Partnerships</u></p> <p>Agreed to consider the Economic Prosperity & Skills Performance Report at a future meeting.</p>			TBC
03/06/10	<p><u>Proposed Amendments to the Huntingdonshire District Council Budget 2010/11</u></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>Officers to investigate ways of altering the format of Council publications to reduce cost.</p>	Briefing note currently being prepared.	Report to be presented to a future meeting.	TBC
	<p><u>Workplan Studies</u></p> <ol style="list-style-type: none"> 1. The employees Performance Development Review process 2. The implications for Huntingdonshire of the abolition of the East of England Development Agency and its replacement with Local Enterprise Partnerships. 3. Implications of the Government's decision not to proceed with improvements to the A14 for the local economy. 		<p>Review ongoing and expected to conclude in February 2010.</p> <p>Report requested from Head of People, Performance & Partnerships.</p> <p>Report requested from Head of People, Performance & Partnerships.</p>	<p>TBC</p> <p>09/12/10</p> <p>09/12/10</p>

Panel Date	Decision	Action	Response	Date For Future Action
09/09/10	<p><u>Financial Forecast</u></p> <p>Requested more detailed information with regard to the Council's Statutory obligations and the number of employees undertaking wholly non-statutory functions.</p> <p>Agreed to emphasise to the Cabinet the need for a clear vision and strategic approach to any spending reductions / variations.</p> <p>Requested details of the Council's Asset Register.</p>		<p>Information on statutory / non statutory obligations circulated to Members.</p> <p>See item on Performance Management.</p> <p>Information circulated to Members.</p>	
09/09/10	<p><u>Huntingdon Town Centre Re-Development</u></p> <p>Endorsed a number of recommendations for submission to the Cabinet,</p>		<p>Cabinet approved the recommendations as per the Cabinet report submitted.</p> <p>Acknowledged the comments made by the Overview & Scrutiny Panel with regards to the financial risk implications of the proposals. Agreed that it would be preferable for the County Council to be party to meeting the funding gap pending the receipt of Section 106 monies.</p>	

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

2ND NOVEMBER 2010
9TH NOVEMBER 2010
11TH NOVEMBER 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

STUDY	OBJECTIVES	PANEL	STATUS	TYPE
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 with a view to determining whether the approach taken to consultation is suitable and consistent across the authority.	Social Well-Being	Panel has begun to scope this study and requested for background information to be circulated. Invitation to be extended to the Policy and Strategic Services Manager to attend a future meeting.	Whole Panel Study
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 of alcohol-specific hospital admissions for under 18s and the availability of any available qualitative data on alcohol consumption in rural areas. Presentation on the Cardiff System to be given to January meeting.	Whole Panel Study

Gypsy & Traveller Welfare	To be determined pending receipt of background information on existing gypsy and traveller sites already established within the District.	Social Well-Being	Report requested for submission to a future meeting. Following consultation with the Chairman, agreed that the report would be deferred until further notice.	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 th July, 5 th August, 2 nd September, 7 th and 22 nd October 2010.	Working Group.
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	Requested further information for submission to future meeting.	Whole Panel Study.
Proposals to replace EEDA with EDRPs.	To establish the implications of these proposals.	Economic Well-Being	Report requested for submission to a future meeting,	To be determined.
A14 improvements.	To review the implications to the local economy of the decision not to proceed with the A14 improvements.	Economic Well-Being	Report requested for submission to a future meeting,	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. Work is expected to conclude in February 2011.	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.

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Decision Digest

Edition 108

Monthly summary of the decisions taken at meetings of the Council, Cabinet, Overview & Scrutiny and other Panels for the period 1st to 29th October 2010.

FLOODING IN ST IVES

The Overview and Scrutiny Panel (Environmental Well-Being) has been updated with the ongoing problems being encountered by residents in St Audrey's Lane, Warren Road and Pig Lane in St Ives arising from the flooding of the foul sewerage system. The matter had first been raised in February 2008 when a petition signed by 26 people had been presented to a meeting of the Panel. Attention was also drawn by Councillor J W Davies to the problems being experienced by residents in West Street, St Ives as a result of unpleasant odours emanating from the sewers, together with his concerns about the capacity of the pumping station at Broadleas to deal with the impact of new developments in the area.

Having regard to the ongoing discussions with Anglian Water which had yet to produce a satisfactory conclusion to these issues, the Panel has agreed to establish a local drainage liaison group to offer local Members the opportunity to meet with Anglian Water and other relevant agencies to try and establish a way forward in tackling the problems. Councillor P M D Godfrey has been appointed as the lead member of this Group which will meet on an ad hoc basis.

As there may be similar problems experienced in other Wards within the District, it has also been agreed that concerns raised by other Members should be addressed to Councillor P M

D Godfrey in the first instance who will decide whether a local liaison group for that area may be an appropriate way of addressing the issues raised.

STUDY: CONSULTATION PROCESSES

The Overview and Scrutiny Panel (Social Well-Being) has begun planning its study on the Council's consultation processes. The Council's Consultation and Engagement Strategy and associated guidance has been received together with a list of consultations already undertaken by the Council.

Matters that were discussed included the role of pressure groups during consultations, public perceptions of consultation exercises and the need to publicise and communicate more effectively consultation expectations. Other matters that were discussed included the structure of questions posed within consultation documents, the role of Councillors in their decision making, effective use of the Neighbourhood Forums, the prescriptive nature of some consultations, the need to analyse data on a Ward specific basis and the format of District Wide. Comment was also made that rigorous assessments should be undertaken prior to commencement of a consultation and the need to ensure that they have been effectively reviewed.

HUNTINGDONSHIRE STRATEGIC PARTNERSHIP: CHILDREN AND

YOUNG PEOPLES THEMATIC GROUP

The Overview and Scrutiny Panel (Social Well-Being) has received details of the Children and Young Peoples Thematic Group of the Huntingdonshire Strategic Partnership (HSP), including its objectives, terms of reference, membership and current matters being considered. Members have further noted the Thematic Group's achievements to date and risks identified that might prevent its objectives from being achieved.

It was suggested that some priority should be accorded to reviewing the Council's role in shaping new residential developments, given that there is a perceived shortfall in the availability of facilities for some sectors of new and developing communities. Further background information has been requested for circulation to Panel Members and an invitation will be extended to the relevant Executive Member to attend a future meeting. Details of a Member-led review being undertaken by Cambridgeshire County Council's Children and Young Peoples Services Committee on integrating children and young people's services and social infrastructure provision into the County's new communities will be circulated to Panel Members for background purposes.

NHS CONSULTATION: PHARMACEUTICAL SERVICES IN CAMBRIDGESHIRE

Members of the Overview and Scrutiny Panel (Social Well-Being) have made a series of comments on a consultation being undertaken by NHS Cambridgeshire on pharmaceutical services in Cambridgeshire.

The Panel has queried the design of the consultation and its distribution and suggested that future NHS

consultations should elicit information on where respondents live in order to better understand local needs. The purpose of the consultation is to inform the Primary Care Trust's Pharmaceutical Needs Assessment which is required to be completed by 1st February 2011.

CAMBRIDGESHIRE ADULTS WELL-BEING AND HEALTH SCRUTINY COMMITTEE

An update on matters currently being considered by the Cambridgeshire Adults Well-Being and Health Scrutiny Committee has been received. This included the Government's proposals to reform the NHS as outlined within the "Equity and Excellence: Liberating the NHS" White Paper, adult support services, training on dementia for care home staff and membership of the neonatal intensive care joint committee.

LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN

The Overview and Scrutiny Panel (Social Well-Being) has requested sight of the Cambridgeshire Local Investment Plan prior to its consideration by the Cabinet.

DEMOCRATIC STRUCTURE REVIEW – 12 MONTHS ON

The Cabinet has been acquainted with the findings of a review by the Democratic Structure Working Party on the impact of changes made to the Council's democratic structure since its implementation in September 2009. The findings revealed Member support for the changes introduced by the Council and the Cabinet has subsequently recommended to Council that no change should be made to its current democratic structure. The Cabinet has also agreed to retain the Working Party in its current format to consider and report, on an ad hoc

basis, on legislative and other changes that may have an impact upon the Council's democratic structure.

EXECUTIVE LEADER AND CABINET FORM OF EXECUTIVE

Having considered the implications for the Council of its decision to change its executive arrangements, the Cabinet has recommended that the Council should change its form of Executive with effect from 8th May 2011 to an Executive Leader and Cabinet model and to approve the consequential changes to the Constitution listed in the Annex to the report.

PERFORMANCE MANAGEMENT

The Cabinet has reconsidered a report by the Overview and Scrutiny Panels on their deliberations and proposals in response to the Council's performance against its priority objectives. The Council's expenditure on the employment of external consultants has been referred back to the Corporate Plan Working Group for further review to include the criteria used in the appointment of consultants and an assessment of the cost and value gained from using them. It was noted that contributions from opposition groups, all Members, employees, local businesses and the public currently are being sought in identifying financial savings for the Council and a review of the Council's priorities, aims and objectives is being undertaken. The review will impact upon consequent service provision and levels and is being considered in the context of budget preparations for 2011/12 and future years. The views of the Corporate Plan Working Group, the Overview and Scrutiny Panels and those expressed during the consultation exercises will be taken into account as part of the review process.

CAPITAL PROGRAMME MONITORING – 2010/11 BUDGET

The Cabinet has been acquainted with variations in the capital programme in the current year and has discussed cost variations and timing changes for 2011/12. Clarification has been received on the appropriate level of borrowing compared to revenue.

FINANCIAL MONITORING – REVENUE BUDGET 2010/11

The Cabinet has noted the expected revenue budget variations already identified in the current year. Whilst welcoming a forecast reduction of £966,000 in the overall budget, the Cabinet's attention has been drawn to a number of uncertainties surrounding the actual expenditure incurred by the Council in respect of concessionary fares.

LAND ADJOINING 4 KINGSBROOK, ST IVES

The Cabinet has approved the disposal of Council owned land at Kingsbrook, St Ives and has authorised the Director of Central Services, or in his absence, the Head of Law, Property and Governance, after consultation with the Executive Councillor for Leisure and Law, Property and Governance, to approve future land sale transactions up to the value of £50,000.

HUNTINGDON TOWN CENTRE RE-DEVELOPMENT

The Overview and Scrutiny Panel (Economic Well-Being) has considered a report on proposals to redevelop Huntingdon Town Centre. Members have been advised that the local economy is driven by the market towns through service, employment and retail provision. Although Huntingdon is regarded as the District's economic lynch pin, its retail footprint (CACI)

ranking has recently declined. It has been noted that retailers have raised particular concerns about low levels of trade occurring on Saturdays. Existing units in the town are too small to attract the higher quality retailers that residents require yet, owing to its location, there would be little difficulty in attracting this kind of retailer to Huntingdon.

The Panel has acknowledged that there is a need to protect and develop the local retail market, particularly as Huntingdonshire has significant exposure to the potential contraction of the public sector given that it provides approximately one-third of local employment. As well as protecting existing jobs, the proposals could create a significant number of new jobs. While Members have recognised that the required construction works will create employment, concerns have been raised that the works could have an adverse impact on trade levels. In this respect, the Panel has recommended that the Council should seek to influence the sequence of developments in order to minimise disruptions to trade.

Having examined at length the financing arrangements for the proposals, the Panel is of the view that a formal analysis of the risks involved should be undertaken and contingency plans then devised. Members are keen that the proposals should succeed and following extensive discussions, they have outlined a number of concerns about them as they stand and made suggestions to mitigate risks to the Council.

Details of the economic benefits arising from the proposed redevelopment have been noted by the Cabinet. Updates were delivered on a number of matters, including negotiations concerning land ownership, funding of the Huntingdon West Relief Road and the financial and

commercial risks arising from the proposals. Funding arrangements for the new link road have been discussed and the view expressed by Executive Members is that it would be preferable for the County Council to be party to meeting the funding gap pending the receipt of Section 106 monies.

The Cabinet has authorised the Director of Environmental & Community Services to negotiate and conclude development agreements with Sainsbury's, Churchmanor Estates and Cambridgeshire County Council, after consultation with the Executive Councillor for Resources and Policy, on the basis of heads of terms currently being considered and to agree funding arrangements for the Huntingdon West Relief Road until the future Section 106 receipts have been received. Additionally, the Cabinet has agreed to the release of Medium Term Plan funding for the construction of the multi-storey car park and the Huntingdon West Relief Road.

URBAN DESIGN FRAMEWORK: ST NEOTS EASTERN EXPANSION

The Development Management Panel has received a presentation on the content of the proposed Urban Design Framework for the successful development of land east of the railway line, St Neots. An exhibition on the development is currently on display in the Priory Centre, St Neots. The site comprises 227 hectares of Greenfield land with capacity for up to 4000 new dwellings, community facilities, schools, shops, recreation and open spaces' and employment land. The Panel have made a number of observations about the proposals which are to be conveyed to the Cabinet. Principally, these related to potential traffic congestion in Little Paxton and Priory Hill, the need for completion of the scheme for the dualling of the A428, the need for an additional secondary and community

facility and the importance of integration with the existing town centre. The Panel was also concerned that the proposed District centre should not have a detrimental effect upon the vibrancy and vitality of the town centre and that the overall size of the development be carefully managed.

In supporting the proposed design parameters and objectives of the Urban Design Framework, the Panel were mindful, firstly, that they would still have the opportunity to consider the Master Plan and detailed development applications in due course and secondly that the S106 contributions generated by the size of the development would ultimately deliver the infrastructure required to ensure its success.

TREE REPLACEMENT NOTICE

Under Section 207 of the Town and Country Planning Act 1990, the Head of Planning Services has been authorised to issue a Tree Replacement Notice to the owner of a property in Hemingford Grey to secure the planting of a scots pine in place of a cedar which had been felled under a previous Tree Preservation Order (TPO). The Notice is required to ensure compliance with the original TPO and to maintain the visual amenity of the area.

For the future, the Development Management Panel has authorised the Head of Planning Services, or in his absence, the Planning Service Manager (Policy) to serve such notices under Section 207 of the Act in appropriate circumstances.

APPEAL DECISIONS

As part of their regular review of the outcome of appeals against refusal of planning permission, the Development Management Panel has noted that the applicant in the case of an application

for development at RAF Upwood, Ramsey Road, Bury has applied for judicial review of the decision made by the Secretary of State for Communities and Local Government.

NEW HEADQUARTERS AND OTHER ACCOMMODATION CLOSE REPORT

The Overview and Scrutiny Panel (Economic Well-Being) has considered a report reviewing the new headquarters and other accommodation project, which identifies lessons learnt that would be transferable to the inception, development and delivery of future projects. The Panel has been advised that there are plans to sell Castle Hill House and the site originally proposed for "Building A" once the property market shows signs of recovery. Members have also noted that although there is no demand at present for the sub-letting of part of Pathfinder House, if this is necessary in future then this could easily be sub-divided.

ONE LEISURE FINANCIAL PERFORMANCE 2009/10

The financial performance of One Leisure for 2009/10 has been reviewed by the Overview and Scrutiny Panel (Economic Well-Being). There has been an improvement in the forecast financial position but the Council's forthcoming budgetary decisions could have an impact on the forecast. Efforts are made on an ongoing basis to reduce costs and staffing structures are constantly under review.

Members have indicated that the preparation of more detailed financial reports would be of value and could assist when considering future proposals and recommendations. In particular, it has been suggested that a distinction needs to be made between those areas of activity that compete with the private sector and others that

have a purely "social" benefit, such as swimming, which are subsidised by the Council. The Panel has noted that each centre has a five year business plan for both "social" and financial aspects of their operations, which are constantly updated. There is also an overall business plan for One Leisure. Members have requested further information differentiating between the "social" services provided by One Leisure from those services that compete with the private sector. This is to include key business indicators, reference to the business plan, the calculation of re-charges and a breakdown of the staff structure at the leisure centres. The Panel has also requested an annual report on the performance of One Leisure.

LEISURE CENTRES' HOSPITALITY, PERFORMANCE AND FUTURE PLANS

The Overview and Scrutiny Panel (Economic Well-Being) has received a report on the financial performance of the Hospitality Section of One Leisure. Overall trends in hospitality have improved in recent years and in 2010/11 a profit of £45,000 is projected. However, the bars continue to make a loss. Members have emphasised that both the bars and Impressions are competing with the private sector and as such should be run as businesses with clear business plans. The Panel has questioned whether the leisure centres should have bars given that one of their objectives is to improve the health of the local population. In response, Members have been advised that there is a continued demand for alcohol and confectionary at the leisure centres, though there is a growing demand for healthier options. However, the centres endeavour to meet both needs. Members believe that an assessment of the degree to which the bars attract customers to the leisure centres will assist their discussions

when they receive further detailed reports on the overall performance of One Leisure.

OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) - PROGRESS

In the context of their study on the impact of the Licensing Act, the Overview and Scrutiny Panel (Economic Well-Being) has accepted the Alcohol Harm Reduction Co-ordinator's offer to attend a future meeting to discuss the Alcohol Harm Reduction Strategy.

WORK PLAN STUDIES

The Overview and Scrutiny Panel (Economic Well-Being) has requested a report on the implications for Huntingdonshire of the abolishment of the East of England Development Agency and its replacement by Local Enterprise Partnerships. Members have also suggested that the implications for the local economy of the Government's decision not to proceed with improvements to the A14 should be considered at a future Panel meeting.

LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1982

The Licensing and Protection Panel has recommended to the Council to adopt an amendment to schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982. The amendment, if adopted, will allow the Council to regulate lap dancing clubs and similar types of activity as "sexual entertainment venues".

The Council has already adopted the relevant parts of the Act that requires the licensing of sex shops and sex cinemas in the District. Although there are currently no sexual entertainment

venues in Huntingdonshire, failure to adopt the amendment would result in an inability to regulate any new venture that may be established.

ENVIRONMENTAL PROTECTION ACT 1990

The Licensing and Protection Panel has been updated on progress with pollution control issues associated with an area of land within the District.

Declaration of the land as contaminated has so far been unnecessary and it is hoped that such action can be obviated by future developments.

EQUALITY ACT 2010 – TAXIS AND PRIVATE HIRE VEHICLES

The Licensing and Protection Panel has been advised of the implications for the licensing of taxis and private hire vehicles necessitated by the Equality Act 2010. The Act embodies many of the taxi and private hire provisions previously contained in the Disability Discrimination Act 1995 but also includes some important changes that came into effect on 1st October 2010.

Such changes include a duty to assist passengers in wheelchairs at no additional charge, the carriage of guide dogs and assistance dogs and the issue of exemption certificates to drivers exempt from such tasks on medical grounds.

Due to the Council's previous decision to delimit taxi numbers for applicants with wheelchair accessible vehicles, a further requirement lifting the control of numbers of such vehicles will not affect the Council.

LICENSES, REGISTRATIONS AND PERMITS 2010

The Licensing and Protection Panel has noted a report listing the current

number of licences, registrations and permits administered by the Licensing Section and the number of new applications that have been processed during the period 1st October and 30th September 2010.

The Panel has also been apprised of the inspections and investigations that have taken place and the measures taken against two public houses that were causing problems for their local communities.

LICENSING ACT 2003 – STATEMENT OF LICENSING POLICY

Following a consultation a revised statement of licensing policy has been endorsed by the Licensing Committee pending its submission to Cabinet and approval by Council in December.

The revised statement has been modelled on the existing document which came into effect on 7th January 2008 for a period of three years. It has been amended to have regard to updated guidance issued by the Secretary of State and legislative changes that have taken place in the intervening period. These changes include a mandatory code of practice for retailers, the provision for elected members to become interested parties for the purpose of making representations and applying for reviews and re-classification of lap dancing clubs so that they require a sex establishment licence and new mandatory conditions relating to the supply of alcohol.

RE-BALANCING THE LICENSING ACT 2003

Details of a consultation paper on proposals to re-balance the Licensing Act and the legislative changes that are likely to result as a consequence, have been considered by the Licensing Committee.

The coalition government is of the view that the problems of irresponsible sales and drinking habits have not been resolved by the changes introduced by the Licensing Act and that there is insufficient flexibility in the system for licenses to be reviewed or for discretion on the part of the licensing authorities. The changes are expected to give a greater opportunity for local communities to ask for a review of the minority of premises where alcohol consumption, crime and disorder or public nuisance is cause for concern.

A response to the consultation has been endorsed by the Chairman and the Vice-Chairman of the Committee.

SECRET GARDEN PARTY

The Licensing Committee has received a report on the outcome of the Secret Garden Party festival held in Abbots Ripton between 22nd and 26th July 2010.

The festival, for which organisers were granted a licence in perpetuity in January, attracted 26,000 people with licensable activities taking place throughout the event period. There is now no formal opportunity for the licence conditions to be revisited unless an application for review is made by one of the responsible authorities or an interested person, or a change to the licence conditions is applied for by the licence holder. Officers from the Democratic and Central Services and Environmental and Community Health Divisions were on site for most of the event's duration to ensure that licence conditions were adhered to.

Pre and post event meetings have been held with the event organisers and other relevant organisations. A significant Police presence at the event was funded by the organisers but the popularity of the festival is thought to

have attracted a small minority who target such events by way of thefts and illegal entry. Although a large number of people required medical care, both Hinchingbrooke Hospital staff and event paramedics were satisfied with the arrangements made on site to care for those in need of assistance. The issues identified at the post event safety advisory group meeting will be addressed by the organisers in association with the Licensing Section and other responsible authorities in advance of the 2011 event.

Although no letters of complaint have been received from local residents, some concerns were expressed by parish councils which are currently subject to investigation.

The event, which is well known on the festival calendar, continues to be well managed and is enjoyed by both local people and visitors to the District.