

A meeting of the **CABINET** will be held in the **CIVIC SUITE 0.1A PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 21 JULY 2011** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **APOLOGIES**

  
**Contact  
(01480)**

**1. MINUTES** (Pages 1 - 6)

To approve as a correct record the Minutes of the meeting of the Cabinet held on 23<sup>rd</sup> June 2011.

**Mrs H J Taylor  
388008**

**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 overleaf.

**3. REVENUE MONITORING: 2010/11 OUTTURN AND 2011/12 REVENUE BUDGET** (Pages 7 - 24)

To received a report by the Head of Financial Services.

**S Couper  
388103**

**4. CAPITAL MONITORING:2010/11 AND 2011/12 BUDGET** (Pages 25 - 32)

To receive a report by the Head of Financial Services.

**S Couper  
388103**

**5. TREASURY MANAGEMENT ANNUAL REPORT 2010/11** (Pages 33 - 44)

By way of a report by the Head of Financial Services, to receive the annual report on treasury management 2010/11.

**Mrs E Smith  
388157**

**6. CAMBRIDGESHIRE FUTURE TRANSPORT - "TRANSPORT FOR CAMBRIDGESHIRE"** (Pages 45 - 54)

Report of the Planning Services Manager

**P Bland  
388430**

**7. REPRESENTATION ON ORGANISATIONS**

To appoint representatives to the following :

- one Member to serve on the Nene & Ouse Community Transport Board of Trustees; and
- three Members to serve on the One Leisure Huntingdon Sports Centre Joint Committee.

**Mrs H J Taylor  
388008**

**8. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED

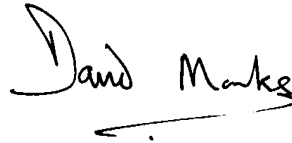
that the press and public be excluded from the meeting because the business to be transacted contains exempt information which relates to the financial or business affairs of the authority.

**9. DEVELOPMENT PROPOSALS FOR ONE LEISURE ST IVES**  
(Pages 55 - 96)

To consider a report by the Leisure Centres General Manager.

**S Bell**  
**388049**

Dated this 13 day of July 2011



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 H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntingdonshire.gov.uk /e-mail: 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 Cabinet.**

**Specific enquiries with regard to items on the Agenda should be directed**

towards the Contact Officer.

**Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.**

Agenda and enclosures can be viewed on the District Council's website – [www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk) (*under Councils and Democracy*).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

***Emergency Procedure***

*In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.*

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## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 23 June 2011.

PRESENT: Councillor N J Guyatt – Vice-Chairman in the Chair.

Councillors B S Chapman, B S Chapman, J A Gray, T V Rogers and T D Sanderson.

AN APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor J D Ablewhite.

### **14. MINUTES**

The Minutes of the meeting of the Cabinet held on 19th May 2011 were approved as a correct record and signed by the Chairman.

### **15. MEMBERS' INTERESTS**

No declarations were received.

### **16. CONSULTATION ON PLANNING FOR TRAVELLERS SITES BY THE LOCAL GOVERNMENT DEPARTMENT**

By way of a report by the Head of Planning Services (a copy of which is appended in the Minute Book) the Cabinet were invited to consider suggested responses to a series of questions posed in the Government's Planning for Traveller Sites' consultation paper.

Members were advised that the Government intends to replace the existing traveller planning circular with a new short, light-touch, single Planning Policy Statement for traveller sites and introduce measures to ensure "fair treatment" of those in traveller and settled communities.

In considering the deliberations reached by the Overview and Scrutiny Panel (Environmental Well-Being) on the consultation paper Executive Councillors have concurred with the Panel that sustainability would differ between travellers' sites and other housing sites as travellers are a transient community.

In discussing the means by which the Gypsy and Traveller Needs Assessment would be undertaken, Executive Councillors have been acquainted with the challenge faced by the Planning Authority to define and assess local need and the problems experienced in the past with the robust evidence based approach.

Having noted that the Deputy Leader intended to personally respond to the Secretary of State for Communities and Local Government on a number of related planning issues not covered by the consultation

paper, the Cabinet

RESOLVED

that the contents of the report be noted and the Council's response to the Government's proposals endorsed.

**17. LOCAL ENTERPRISE PARTNERSHIP - PROPOSED ENTERPRISE ZONE**

With the assistance of a report by the Managing Director (Communications, Partnerships and Projects) (a copy of which is appended in the Minute Book) Members were advised that the Greater Cambridge – Greater Peterborough Local Enterprise Partnership (LEP) had selected the Alconbury Airfield site as their preferred option for an enterprise zone.

In acknowledging the benefits of having an enterprise zone in the District, Members were reminded that the site would be competing alongside 32 other national LEPs all hoping to be awarded one of the 10 zones being established by the Government.

The Cabinet were advised that should the bid be successful then its delivery would be aided by the use of a Local Development Order for the site, this would incentivise development in a way that met a range of locally specific policy objectives.

Finally having expressed their thanks to staff for their efforts in preparing the bid, the Cabinet

RESOLVED

- (a) that the contents of the report be noted and the selection of the Alconbury Airfield site as the preferred option for the Greater Cambridge, Greater Peterborough Local Enterprise Partnership area be supported; and
- (b) that the principle of preparing a Local Development Order for the site be supported and the Head of Planning Services requested to report back to a future meeting on the Order's content.

**18. PRELIMINARY DRAFT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

By way of a report by the Head of Planning Services (a copy of which is appended in the Minute Book) the Cabinet was invited to consider the contents of a proposed Preliminary Draft Community Infrastructure Levy (CIL) Charging Schedule.

It was reported that the new scheme would put the Council in a more powerful position with regard to influencing where money from the CIL is spent. However, it would bring with it additional responsibilities including the establishment of an appropriate policy outlining the charges to be imposed, the process to be employed and monitoring and accountability mechanisms to ensure sound governance

arrangements. The draft schedule had been discussed by the Overview and Scrutiny Panel (Environmental Well-Being) arising from which had been suggested that a “plain English” version of the scheme be made available on the Council’s website.

In discussing the charging proposed, The Cabinet questioned the desirability of not charging for general industrial, storage and distribution. The Managing Director (Communities, Partnerships and Projects) advised Members that charges could only be set on the basis of viability and not policy and that the rates had been set after taking into account the viability of the business to pay the charge.

Having noted the timetable for consultation with the public, parish and town councils and other interested bodies and in agreeing that the Overview and Scrutiny Panel (Environmental Well-Being) be given the opportunity to review the comments received prior to the final documents approval by the Cabinet, it was

RESOLVED

- (a) that the preliminary draft Community Infrastructure Levy (CIL) Charging Schedule be approved for consultation purposes; and
- (b) that the Head of Planning Services be authorised, after consultation with the Executive Councillor for Strategic Planning and Housing, to make any minor consequential amendment to the text and supporting documentation.

## **19. HOMELESSNESS STRATEGY**

Further to Minute No. 10/56 and by way of a report by the Head of Housing Services (a copy of which is appended in the Minute Book) the Cabinet considered the content of the draft Homelessness Strategy.

In so doing, Members were reminded of the statutory requirement under the Homelessness Act, 2002 for local authorities to carry out a review of homelessness within their areas and to formulate and publish a homelessness strategy based on the results of that review.

Having noted the main aims and objectives of the strategy, the inclusion of the financial resources to meet the action plan and the responses received to a consultation exercise on the document

RESOLVED

that full Council be recommended to endorse the Homelessness Strategy.

## **20. SHARED HOME IMPROVEMENT AGENCY SERVICES**

With the assistance of a report by the Head of Housing Services (a copy of which is appended in the Minute Book) the Cabinet considered a proposal to establish a shared Home Improvement Agency (HIA) Service with Cambridge City and South Cambridgeshire

District Councils.

Having considered the issues involved in managing the service, the scope for achieving efficiency savings and in noting that the report would be considered by the Overview and Scrutiny Panel (Social Well-Being) on 5th July 2011, the Cabinet

RESOLVED

- (a) that the establishment of a Shared Home Improvement Agency with Cambridge City and South Cambridgeshire District Councils be approved in principle;
- (b) that the Managing Director (Communities, Partnerships and Projects) be authorised, after consultation with the Executive Councillor for Resources and Customer Services and the Managing Director (Resources) to approve the establishment of the shared service; and
- (c) that any comments received from the Scrutiny Panel (Social Well-Being) on the proposal be considered by the Executive Councillor for Resources and Customer Services.

## **21. ONE LEISURE FINANCE**

A report by the Overview and Scrutiny Panel (Social and Economic Well-Being) was submitted (a copy of which is appended in the Minute Book) which summarised the initial findings of the One Leisure Working Group established by the Panels to review the financial performance of One Leisure and to make recommendations on the services' future strategic direction.

Members were advised that although the study was in its early stages, certain issues regarding the rising cost of IT network and helpdesk services had been highlighted as requiring further discussion. Having acknowledged the various elements of the service provided by the IT division and its use in the day to day running of the leisure centres, the Cabinet

RESOLVED

that the contents of the report be noted and the Executive Councillor for Organisational Development be requested to undertake a review of the Council's IT costs, to include the basis upon which the IT Network Service is re-charged to users.

## **22. USE OF CONSULTANTS**

Consideration was given to a report by the Working Group appointed by the Overview and Scrutiny Panel (Economic Well-Being) to undertake a review and make recommendations on the Council's use of consultants including the criteria used in their appointment. A copy of the report is appended in the Minute Book.



In considering the content of the report and recommendations proposing improvements to the Council's current arrangements, the Cabinet defined the term consultant as being "someone who brings expertise into the organisation where it is lacking".

Having recognised that in some service areas the use of consultants was a necessity such as planning decision appeals, the Cabinet

**RESOLVED**

that the Managing Director (Resources), after consultation with the Executive Leader, Deputy Leader and the Chairman of the Overview and Scrutiny Panel (Economic Well-Being), be requested to oversee the implementation of the Panel's recommendations where practicable, and to report back thereon to a future meeting.

## **23. CONSULTATION PROCESSES**

A report by the Overview and Scrutiny Panel (Social Well-Being) was submitted (a copy of which is appended in the Minute Book) which summarised the findings of their study on the Council's consultation and engagement policies, procedures and practices.

The Cabinet were informed that the study had emerged following concerns raised by Members of the public over the perceived weaknesses in the procedures employed by the Council during recent consultation and in response to a number of adverse reactions from the public to decisions taken following public consultation exercises. In considering a series of recommendations for each area assessed, the Cabinet emphasised the need to consider them carefully given their potential impact on staff time and resources. Having referred to the benefits of working with neighbouring authorities to build a consultation database of information, the Cabinet

**RESOLVED**

that the contents of the report be noted and the Managing Director (Resources) requested to undertake investigations as to how the current consultation and engagement process could be improved and to report back thereon to the Cabinet and Overview and Scrutiny Panel (Social Well-Being).

## **24. PERFORMANCE MANAGEMENT**

The Cabinet received and noted a report by the Head of People, Performance and Partnerships (a copy of which is appended in the Minute Book) which reviewed the Council's performance against the targets within the Corporate Plan. The report which included data and narrative on the achievement against targets for each of the Council's priority objectives had been considered also by the Overview and Scrutiny Panels whose comments were relayed to the Cabinet.

## **25. SENIOR OFFICERS' PANEL - CABINET NOTIFICATION**

Councillor N J Guyatt reported on the outcome of a review of the senior management structure undertaken by the Senior Officers' Panel. In view of the impending retirement of the Chief Executive on 31<sup>st</sup> August 2011, the Panel had recommended that two new posts of Managing Director (Resources) and Managing Director (Communities, Partnerships and Projects) be established for a fixed period to March 2012, subject to a review of the progress of the new arrangements by the Executive Leader in October 2011.. Having been acquainted with the requirement of paragraph 4 (e) of the Officer Employment Procedure Rules, the Cabinet confirmed that there was no material or well founded objection to the Panel's proposals.

## **26. REPRESENTATION ON ORGANISATIONS 2011/12**

Consideration was given to a report by Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) regarding the Council's representation on a variety of organisations/partnerships, it was

### **RESOLVED**

- (a) that, with the exception of the following, nominations be made to the organisations as set out in the Appendix to the report now submitted:

Councillor R West – Cambridgeshire's Older People's Partnership Board;

Councillor P M D Godfrey – Recycling in Cambridgeshire and Peterborough Board; and

- (b) that, in the event that changes are required by the Council's representative in the course of the year, the Head of Legal and Democratic Services, after consultation with the Deputy Leader and Vice-Chairman of the Cabinet be authorised to nominate alternative representatives as necessary.

Chairman

**2010/11 OUTTURN AND  
2011/12 REVENUE BUDGET MONITORING  
(Report by the Head of Financial Services)**

## 1 INTRODUCTION

- 1.1 The 2010/11 accounts have now been completed and submitted for audit. This report compares the total outturn with the original budget and the forecast assumed in the current MTP (Para. 2). It also compares this in more detail – firstly at controllable level by Senior Manager with explanations of the main variations (Annex A) and then at service level (Annex B).
- 1.2 It also considers the initial variations in the current year's budget.
- 1.3 Finally it reports on the amounts collected and debts written off in the first quarter of 2011/12.

## 2 GENERAL FUND OUTTURN 2010/11

- 2.1 The table below shows a comparison of the original budget, the forecast used to produce the MTP and the actual outturn for the year.

	Original Budget £000	Forecast for MTP £000	Outturn £000
Approved budget	24,848	24,848	24,848
Delayed spending from 2009/10	274	370	370
Variations		-1,699	-1,167
Projects delayed to 2011/12	-274	-370	-559
<b>Net spending</b>	<b>24,848</b>	<b>23,149</b>	<b>23,492</b>
Government support	-12,940	-12,940	-12,940
Council tax	-7,273	-7,273	-7,273
Collection fund adjustment	35	35	35
<b>Reserves</b>			
Use of delayed projects reserve	-274	-370	-370
Contribution to delayed projects reserve	274	370	559
Special reserve	0	0	-1,554
General reserves	-4,670	-2,971	-1,949
<b>Total reserves</b>	<b>-4,670</b>	<b>-2,971</b>	<b>-3,314</b>
<b>Total</b>	<b>-24,848</b>	<b>-23,149</b>	<b>-23,492</b>

- 2.2 The outturn of £23.5m was £1.4M below the original budget. This included the deferral to the current year of items amounting to £0.6M and the spending of £1.6m on redundancies which is

funded from the Special Reserve. As a result £1.9M will be taken from the general fund reserve to meet the budget deficit.

- 2.3** A major part of this saving is due to service managers recognising the financial issues facing the Council and holding posts vacant wherever possible in order to be ready to deliver targeted savings for the current year. £0.6M was due to approved projects not happening as quickly as planned due to circumstances beyond our control but this will simply slip to the current year rather than create a real saving. The main savings result from NNDR revaluation appeals (-£0.2M), reduced operating costs for One Leisure (-£0.3M), concessionary Fares (-£0.2M), staff vacancies (-£0.3M), interest (-£0.1M), recycling gate fees (-£0.2M) and the A14 Enquiry (-£0.2M). There were some additional costs including development management fees (+£0.3M) and government grants (+£0.3M).
- 2.4** For the future, the key element is the variation from the assumed use of reserves on which the MTP was based as this highlights the future impact on the Council. The MTP was based on a £3M use of revenue reserves to meet the budget deficit and so the Council will now have an extra £1M in its reserves.
- 2.5** Cabinet have received monitoring reports at regular intervals throughout the year. The last was in April and forecast a £2.5M use of reserves. The table in Annex C shows the £0.6M of net savings that have emerged since that time.
- 2.6** Variations can, and will, emerge right up until the accounts are finalised each year but there should be few significant items that could not have been more effectively forecast. The scale of variations that emerged this year, particularly in the light of our financial situation, are too high and discussions have taken place at the Senior Management Group (Managing Directors and Heads of Service) to stress the need for managers to give higher priority to the accurate forecasting of the outturn throughout the year.
- 2.7** However, the reduced need to use reserves is clearly of significant benefit to the Council as it allows some extra flexibility in the speed with which the future savings target of £2M per year will have to be achieved. The Financial Strategy report in September will report on the progress with which already identified savings are being achieved and progress in finding the extra savings.

### **3. REVENUE MONITORING 2011/12**

- 3.1** Only limited budget monitoring takes place in April and May due to the priority to complete the final accounts, the need to wait for adjustments for debtors and creditors to be dealt with in the new financial year and the difficulty of making assumptions on very limited evidence.

3.2 This first monitoring therefore concentrates on the impact of items that occurred last year plus a few significant ones that are already emerging in the current year.

3.3 The following table provides an initial view of the forecast:

REVENUE BUDGETARY CONTROL 2011/12	Original Budget	Forecast outturn	Variation
	£000	£000	£000
<b>Approved budget</b>	<b>22,615</b>	<b>22,615</b>	<b>0</b>
<b>Delayed spending from 2010/11</b>	<b>370</b>	<b>559</b>	<b>189</b>
<b>Delayed spending to 2012/13</b>	<b>-370</b>	<b>-370</b>	<b>0</b>
<b>Variations</b>			
Pay and Allowances Review #		80	80
Bulky Waste income #		20	20
Customer Services changes #		40	40
Software Licences extra provision #		20	20
Planning employee costs **		-172	-172
One Leisure St Neots fitness suite		-147	-147
Delay in increase in car park fees		124	124
Reduction in number of Cabinet members		-28	-28
NNDR revaluations		-20	-20
Neighbourhood forum partnership contribution		-18	-18
Home improvement agency fee income		-17	-17
Operations division staffing		-17	-17
Insurance retendering		-70	-70
Provision for debt repayment (MRP)		-64	-64
<b>Total variations</b>		<b>-269</b>	<b>-269</b>
<b>Forecast net spending</b>	<b>22,615</b>	<b>22,535</b>	<b>-80</b>
<b>Financed from</b>			
Government support	-11,538	-11,538	0
Collection fund adjustment	-105	-105	0
Council tax	-7,383	-7,383	0
<b>General Reserves</b>			
Use of delayed projects reserve	-370	-559	-189
Contribution to delayed projects reserve	370	370	0
General reserves	-3,589	-3,320	269
<b>Total use of reserves</b>	<b>-3,589</b>	<b>-3,459</b>	<b>80</b>
<b>Total</b>	<b>-22,615</b>	<b>-22,535</b>	<b>80</b>

# Potential variations or slower achievement of savings items

\*\* Subject to assumed workloads

#### 4. Collection of debts

4.1 Annex D reports on sums collected and debts written off in the last quarter.

## **5. CONCLUSION**

- 5.1** General Reserves fell by £1.9M to £13.6M and £1.6M of the special reserve was used to fund the costs of voluntary redundancies.
- 5.2** This was £1M less than assumed in the MTP and will provide increased flexibility for the speed with which further savings will have to be delivered.
- 5.3** Some variations to the original budget have emerged but the net impact is beneficial and will result in a reduction to £3.3M in the need to fund the deficit from general revenue reserves. At this stage of the year these should be treated with caution and a more complete picture should be emerging by September.

## **6. RECOMMENDATION**

- 6.1** The Cabinet is requested to note:
- the outturn for 2010/11.
  - the variations identified so far for the current year.
  - the position on debts collected and written-off in the first quarter of this financial year.

## **BACKGROUND INFORMATION**

- 1 2009/10 and 2010/11 Budget Files
- 2 2009/10 Closedown Files

### **Contact Officers:**

**Steve Couper**, Head of Financial Services, ☎ (01480) 388103

**Eleanor Smith**, Accountancy Manager, ☎ (01480) 388157

		Original Budget £000	Updated Budget £000	Outturn £000	Outturn variation from updated £000	
<b>CHIEF EXECUTIVE</b>						
<b>Corporate Services</b>						
	Corporate Management	278	268	266	-2	
<b>CHIEF EXECUTIVE</b>		<b>278</b>	<b>268</b>	<b>266</b>	<b>-2</b>	
<b>DIRECTOR OF CENTRAL SERVICES</b>						
<b>Internal Services</b>		176	177	173	-4	
<b>HEAD OF ADMINISTRATION</b>						
<b>Environmental Services</b>						
	Environmental Health	-212	-224	-262	-38	Fee volumes Hackney Carriage/Private hire (-£20k), Premises (-£14k)
<b>Corporate Services</b>						
	Democratic Representation	601	581	501	-80	Neighbourhood forum contributions & timing differences (-£20k), Committee support & training (-£15k), Expenses (-£23k), Allowances not taken (-£22k)
	Central Services	22	-50	-48	2	Contribution to overheads recovered from Electoral Commission & County (-£23k), Fee volumes less than budget
<b>Internal Services</b>						
	Internal Services	587	588	489	-99	Printing maintenance contract savings and volume changes (-£47k), Paper (-£26k), Staffing (-£11k), Post handling maintenance (-£7k)
	Management Units	854	839	803	-36	Overtime (-£10k), Publications (-£9k), Sundries (-£8k), Security (-£5k)
		<b>1,852</b>	<b>1,734</b>	<b>1,483</b>	<b>-251</b>	
<b>HEAD OF LAW, PROPERTY AND GOVERNANCE</b>						
<b>Planning</b>						
	Economic Development	-1,403	-1,389	-1,386	3	
<b>Internal Services</b>						
	Management Units	520	479	479	0	
		<b>-883</b>	<b>-910</b>	<b>-907</b>	<b>3</b>	

		Original Budget £000	Updated Budget £000	Outturn £000	Outturn variation from updated £000	
<b>HEAD OF PEOPLE, PERFORMANCE AND PARTNERSHIPS</b>						
<b>Planning</b>						
<b>Community Services</b>	Economic Development	146	141	130	-11	Projects delayed by third parties and budgets c/f (-£11k)
	Tourism	43	55	33	-22	Promotion timed for start of guided bus (-£10k), Projects delayed by third party and budget c/f (-£9k)
	Community Initiatives	-2	34	-29	-63	Unapplied grant IFRS change budget c/f (-£52k)
<b>Corporate Services</b>	Corporate Management	120	113	104	-9	
	Non-Distributed Costs	250	250	231	-19	Technical budget over provision will be reviewed
<b>Internal Services</b>	Management Units	1,186	1,190	1,170	-20	More accurate allocation of postage (-£10k), Sundries (-£5k), Staffing (-£5k)
	Other	200	203	172	-31	Corporate training (-£23k), Health & Safety timing of training (-£9k)
		<b>1,943</b>	<b>1,986</b>	<b>1,811</b>	<b>-175</b>	
<b>DIRECTORATE OF CENTRAL SERVICES</b>		<b>3,088</b>	<b>2,987</b>	<b>2,560</b>	<b>-427</b>	
<b>DIRECTOR OF COMMERCE AND TECHNOLOGY</b>						
<b>Internal Services</b>		129	125	134	9	
<b>HEAD OF FINANCIAL SERVICES</b>						
<b>Highways &amp; Transportation</b>	Environmental Improvements	5	12	3	-9	
<b>Corporate Services</b>	Corporate Management	207	203	184	-19	Change in External Audit provider (-£20k)



		Original Budget £000	Updated Budget £000	Outturn £000	Outturn variation from updated £000	
<b>Other Expenditure</b>	Contingency	-486	210	0	-210	The contingency for turnover was achieved Redundancy costs (-£1551K) Deferred expenditure shown in service lines (+£370K) Minimum revenue provision (-£61) Increase in grant received (-£19k) Improved cash flow due in part to slippage in capital programme
	Non-distributed costs	0	3	1,554	1,551	
	Other Expenditure	143	-63	251	314	
	Area Based Grant	-76	-76	-95	-19	
	Investment Interest	93	-215	-337	-122	
<b>Internal Services</b>	Management Units	1,231	1,245	1,141	-104	Staffing (-£70k), Hired staff (-£7k)Computer Audit(-£11k) Extra income(-£5k) Saving on insurance premium (-£13k)
	Insurances	390	386	373	-13	
	Other	160	87	82	-5	
		1,667	1,792	3,156	1,364	
<b>HEAD OF INFORMATION MANAGEMENT</b>						
<b>Internal Services</b>	Telecommunications	102			0	Prolonged contract negotiations associated virtualisation capital scheme (-£17k) of which budget c/f(-£7k), Standby & Overtime (£5k), Equipment disposal (-£3k) Deferred, prolonged contract negotiations associated virtualisation capital scheme budget c/f (-£24k)  Surplus on external trading not budgeted.
	Helpdesk	436	426	401	-25	
	Network Services	522	611	587	-24	
	Development Team	232	306	301	-5	
	Information Manager	261	257	264	7	
	Business Analysis	409	391	391	0	
	Head of IMD	201	187	193	6	
	Other			-17	-17	
		2,163	2,178	2,120	-58	

		Original Budget	Updated Budget	Outturn	Outturn variation from updated	
		£000	£000	£000	£000	
<b>HEAD OF CUSTOMER SERVICES</b>						
<b>Planning</b>						
	Economic Development	29	47	44	-3	
<b>Housing Services</b>						
	Housing Benefits	-632	-693	-757	-64	Legal Fees (-£10k), Temporary Accommodation Subsidy - Software error spotted & corrected (-£17k), minor changes to Caseload, Errors & Overpayments (-£37k)
<b>Corporate Services</b>						
	Local Taxation & Benefits	-825	-962	-994	-32	Court costs recovered (-£17k), minor changes to CT Benefits Caseloads, Errors & Overpayments (-£9K)
<b>Internal Services</b>						
	Call Centre and Customer Services	1,364	1,345	1,249	-96	Relief cover (-£21k), Other staff (-£18k), Unapplied grant carried c/f (-£40k), Reduced postage costs (-£3k)
	Management Units	2,234	2,287	2,258	-29	Expenditure funded from Subsidy c/f to 2011/12 (-£30k)
		<b>2,170</b>	<b>2,024</b>	<b>1,800</b>	<b>-224</b>	
<b>GENERAL MANAGER, LEISURE</b>						
<b>Community Services</b>						
	One Leisure Huntingdon	137	215	156	-59	NNDR refund (-£24k), Irrecoverable Vat (-£13k), Maintenance expenditure slipped to 2011/12 (-£11k), Savings on other operational costs (-£11k)
	One Leisure Ramsey	224	214	114	-100	NNDR refund (-£24k), Equipment expenditure slipped to 2011/12 (-£8k), Savings on other operational costs (-£68k)
	One Leisure Sawtry	236	224	169	-55	NNDR refund (-£11k), Equipment expenditure slipped to 2011/12 (-£4k), Savings on other operational costs (-£40k)
	One Leisure St Ives	111	142	9	-133	NNDR refund (-£52k), Irrecoverable Vat (-£6k), Lower income (+£97) Savings on operational costs (-£172k)
	One Leisure St Neots	267	284	187	-97	NNDR refund (-£15k), Higher income from redevelopment (-£39k), Savings on Operational Expenditure (-£43k)
	Leisure Centres Overall	1		46	46	Savings budget (+£33k) held against this budget head realised at the different sites above.
<b>Internal Services</b>						
	Management Units	212	201	199	-2	
		<b>1,188</b>	<b>1,280</b>	<b>880</b>	<b>-400</b>	
<b>DIRECTORATE OF COMMERCE AND TECHNOLOGY</b>		<b>7,317</b>	<b>7,399</b>	<b>8,090</b>	<b>691</b>	

		Original Budget	Updated Budget	Outturn	Outturn variation from updated	
		£000	£000	£000	£000	
<b>DIRECTOR OF ENVIRONMENTAL and COMMUNITY SERVICES</b>						
<b>Internal Services</b>	Management unit	172	172	170	-2	
<b>HEAD OF ENVIRONMENTAL MANAGEMENT</b>						
<b>Environmental Services</b>						
	Drainage & Sewers	415	400	425	25	Watercourses maintenance (+£10k), IDB Levy (+£16k)
	Public conveniences			31	31	Toilets not closed as expected (+£31k)
	Environmental Health	150	164	84	-80	ESCO Project (-£35k), General Environmental Projects (-£22k), Energy & Water Efficiency Project (-£22k), Green House Project (-£3k)
	Closed Churchyards	5	5	5	0	
<b>Planning</b>						
	Building Control	-527	-524	-456	68	Lower fee income - linked to reserve
<b>Community Services</b>						
	Community Initiatives Parks	6	6	6	0	
<b>Highways &amp; Transportation</b>						
	Public Transport	87	131	126	-5	Bus Shelter maintenance (-£5k)
	Street Naming	34	34	25	-9	Name plates (-£19K), developers not charged (+£10K)
	Car Parks Assets	44	44	46	2	
	Environmental Improvements	41	129	130	1	
<b>Internal Services</b>						
	Management Units	1,581	1,582	1,557	-25	Training (-£11k), Transport (-£5k), Equipment & Stationery (-£12k)
	Offices and Depot	967	770	679	-91	NNDR (-£55k), Electricity (-£42k), Pay & Overtime (-£14k),
	Pool Cars	19	19	17	-2	Saving On Fuel Costs
		<b>2,822</b>	<b>2,760</b>	<b>2,675</b>	<b>-85</b>	

		Original Budget £000	Updated Budget £000	Outturn £000	Outturn variation from updated £000	
<b>HEAD OF ENVIRONMENTAL AND COMMUNITY HEALTH SERVICES</b>						
<b>Environmental Services</b>						
	Environmental Health	269	240	195	-45	Contaminated Land survey (-£10k), Costs recovered (-£10k), Extra Income (-£9k), Pest Control equipment and fuel (-£6k), Air Quality equipment and services (-£7k)
<b>Community Initiatives</b>						
	Grants	383	384	374	-10	
	Arts Development	99	99	68	-31	Service ended ahead of schedule
	Leisure Development	217	246	164	-82	Expenditure covered by external grants c/f to 2011/12 (-£50k), Other service savings (-£32k)
	Other	20	20	33	13	
<b>Community Safety</b>						
	Community Safety	116	91	46	-45	Grant made early in 2009/10 (-£33k), Equipment (-£9k)
<b>Internal Services</b>						
	Management Units	1,599	1,566	1,504	-62	Car allowances (-£9k), Subscriptions (-£2k), Printing & Stationery (-£12k), Training (-£9k), Overtime (-£10k), Student saving (-£8k), Vacancies & part-time working (-£12k)
		<b>2,703</b>	<b>2,646</b>	<b>2,384</b>	<b>-262</b>	
<b>HEAD OF HOUSING SERVICES</b>						
<b>Housing Services</b>						
		30	13	-23	-36	Mobile Home Park additional income (-£9k) & lower costs (-£7k), Choice Based Lettings (-£20k)
Housing Services						
Private Housing Support		-1	-3	-51	-48	Home Improvement Agency lower net operational costs (-£46)
		220	241	209	-32	Lower bad debt provision required (-£22k), Lower cost of temporary housing scheme with King Street Housing (-£9k)
Homelessness						
<b>Internal Services</b>						
	Management Units	1,120	1,079	1,045	-34	Lower car mileage/allowances costs (-£12k), Savings on Postage, Stationery, Subscriptions, Telephones etc (-£18k)
		<b>1,369</b>	<b>1,330</b>	<b>1,180</b>	<b>-150</b>	

		Original Budget	Updated Budget	Outturn	Outturn variation from updated	
		£000	£000	£000	£000	
<b>HEAD OF OPERATIONS</b>						
<b>Environmental Services</b>						
	Refuse Collection	2,061	2,046	1,994	-52	Overtime (-£22k), vehicle maintenance (-£18k), advertising (-£14k)
	Recycling	-69	-84	-257	-173	Gate fees (-£164k)
	Drainage & Sewers	10	10	6	-4	
	Street Cleaning & Litter	982	960	910	-50	Vehicle maintenance (-£25k), staff (-£17k), chewing gum removal (-£13k)
<b>Planning</b>						
	Markets	-161	-155	-122	33	Income from general trade (+£38k)
<b>Community Safety</b>						
	C C T V	502	483	430	-53	Staff costs (-£13k); Equipment rental/maintenance (-£21k); Sitework (-£7k); Fuel (-£5k); Vehicle Parts (-£7k)
<b>Community Services</b>						
	Countryside	496	395	357	-38	Budget transfer to Capital Scheme (-£18k), NNDR Refund (-£40k)
	Parks	4	7	-29	-36	Extra income (-£17k), Pavilions NNDR refund (-£18k)
<b>Highways &amp; Transportation</b>						
	Car Parks	-1,206	-1,117	-1,063	54	Income for new chargeable car parks (+£89k), NNDR revaluations (-£37k)
<b>Corporate Services</b>						
	Emergency Planning	29	29	29	0	
<b>Internal Services</b>						
	Operations Management Units	1,565	1,473	1,410	-63	Staff costs (-£40k), vehicle maintenance (-£20k)
	Grounds Maintenance	871	842	827	-15	Parish & Town Council income (-£18k)
	Other	29	29	25	-4	
		<b>5,113</b>	<b>4,918</b>	<b>4,517</b>	<b>-401</b>	

		Original Budget £000	Updated Budget £000	Outturn £000	Outturn variation from updated £000	
<b>HEAD OF PLANNING SERVICES</b>						
<b>Planning</b>	Development Management	-996	-961	-556	405	Lower fee income (+£273k), Higher cost of appeals (+£99k), Higher preparation costs for CIL (+£60k) -£356k MTP Schemes re-phased (LDF) or deleted (A14), Additional costs recovered from Cambs Horizons (-£146k), Expenditure c/f to 2011/12 (-£81k), CIL budget virod to Development Management (-£30k) Budget c/f to 2011/12 (Huntingdon Town Centre Development)  Concessionary Fares subsidy (-£150k)  Training budget c/f (-£15k), Salary , NI & Pensions savings (-£80k)
	Planning Policy & Conservation	654	801	141	-660	
	Economic Development	86	86	0	-86	
	Planning Delivery Grant	35	2	0	-2	
<b>Highways &amp; Transportation</b>	Transportation Strategy	94	81	76	-5	
	Public Transport	747	747	598	-149	
	Car Parks	89	0	0	0	
<b>Internal Services</b>	Management Units	2,377	2,258	2,152	-106	
	Other	9	12	17	5	
		3,095	3,026	2,428	-598	
<b>NEW ACCOMMODATION PROJECT MANAGER</b>		190	117	102	-15	
<b>DIRECTORATE OF ENVIRONMENTAL AND COMMUNITY SERVICES</b>		15,464	14,969	13,456	-1,513	
<b>TOTAL DIRECT AND INDIRECT SERVICES</b>		26,147	25,623	24,372	-1,251	
Less recharges to non-revenue accounts		-1,299	-1,055	-880	175	
<b>COUNCIL TOTAL</b>		24,848	24,568	23,492	-1,076	

		Original Budget	Updated Budget	Outturn	Outturn variation from updated	
		£000	£000	£000	£000	
<b>FUNDED FROM</b>						
Government Support		-12,940	-12,940	-12,940	0	
Council Tax		-7,273	-7,273	-7,273	0	
Collection Fund		35	35	35	0	
Project Timing Reserve b/f		-274	-370	-370	0	
Project Timing Reserve c/f		274	250	559	309	Increase in deferred projects to 11/12
Special Funding Reserve		0	0	-1,554	-1,554	Use of Special reserve to fund redundancy costs
Reserves		-4,670	-4,270	-1,949	2,321	
		<b>-24,848</b>	<b>-24,568</b>	<b>-23,492</b>	<b>1,076</b>	

<b>Service variations 2010/11</b>	<b>Original Budget</b>	<b>Updated Budget</b>	<b>Outturn</b>	<b>Outturn variation from updated</b>	<b>Reasons for major variations</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Environmental Services</b>					
Refuse Collection	3,373	3,280	3,224	-56	Lower gate fees
Recycling	281	303	117	-186	
Drainage & Sewers	562	543	575	32	Income higher, supplies lower, but Green House project Impairment
Public Conveniences	18	45	72	27	
Environmental Health	2,545	2,476	2,611	135	
Closed Churchyards	11	7	8	1	
Street Cleaning & Litter	1,368	1,412	1,333	-79	
Nightsoil Collection	10	11	7	-4	
	<b>8,168</b>	<b>8,077</b>	<b>7,947</b>	<b>-130</b>	
<b>Planning</b>					
Development Control	1,197	1,183	1,545	362	Fee income lower, appeal and CIL costs higher
Building Control	165	163	189	26	Extra contribution from Cambs Horizons, no A14 Inquiry, projects delayed to 2011/12
Planning Policy & Conservation	1,533	1,694	989	-705	
Markets	-50	-34	-5	29	Impairment
Economic Development	-551	-525	223	748	
Planning Government Grants	35	2	0	-2	
	<b>2,329</b>	<b>2,483</b>	<b>2,941</b>	<b>458</b>	
<b>Community Services</b>					
Countryside	631	585	665	80	Income up, capital charges lower, Grounds Maintenance team costs lower Arts service wound-up ahead of schedule and Sport & Active Lifestyles expenditure re-phased to 2011/12
Tourism	142	124	89	-35	
Community Initiatives	799	994	915	-79	
Parks	1,746	1,797	1,656	-141	
Leisure Policy	468	523	407	-116	
Leisure Centres	2,887	3,123	7,817	4,694	Major impairment losses, partially off-set by NNDR refunds and operational savings
Community Facilities	141	80	46	-34	
	<b>6,814</b>	<b>7,226</b>	<b>11,595</b>	<b>4369</b>	



<b>Service variations 2010/11</b>	<b>Original Budget</b>	<b>Updated Budget</b>	<b>Outturn</b>	<b>Outturn variation from updated</b>	<b>Reasons for major variations</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Community Safety</b>	<b>1,031</b>	<b>1,049</b>	<b>953</b>	<b>-96</b>	
<b>Housing Services</b>					
Housing Services	960	886	905	19	
Private Housing Support	2,301	2,402	1,872	-530	Lower Capital Charges
Homelessness	538	626	573	-53	
Housing Benefits	1,191	1,348	1,262	-86	Higher subsidy on homeless benefit payments
	<b>4,990</b>	<b>5,262</b>	<b>4,612</b>	<b>-650</b>	
<b>Highways &amp; Transportation</b>					
Transportation Strategy	1,234	1,199	473	-726	Capital charges reduced and schemes delayed
Public Transport	963	993	834	-159	Concessionary fares subsidy lower
Car Parks	-525	-540	-438	102	Delays to new chargeable car parks income
Environmental Improvements	421	515	517	2	
Street Naming	96	136	121	-15	
	<b>2,189</b>	<b>2,303</b>	<b>1,507</b>	<b>-796</b>	
<b>Corporate Services</b>					
Local Taxation & Benefits	1,225	1,227	1,154	-73	
Corporate Management	1,743	1,648	1,575	-73	
Democratic Services	1,432	1,543	1,412	-131	Internal recharges, member & civic expenses,
Non Distributed Costs	250	253	1,785	1,532	Redundancy costs met from special reserve
Democratic & Central Services	549	565	545	-20	
Other Operating Inc & Expend	0	3	1	-2	
	<b>5,199</b>	<b>5,239</b>	<b>6,472</b>	<b>1,233</b>	
<b>Other Expenditure</b>					
Contingency	-484	210	0	-210	Turnover contingency achieved
Other Expenditure	-5,409	-6,991	-12,104	-5,113	Impairment of buildings
Investment Interest	97	-214	-336	-122	Improved cashflow and better returns
Area Based Grants	-76	-76	-95	-19	
	<b>-5,872</b>	<b>-7,071</b>	<b>-12,535</b>	<b>-5,464</b>	
<b>TOTAL</b>	<b>24,848</b>	<b>24,568</b>	<b>23,492</b>	<b>-1,076</b>	

<b>REVENUE BUDGETARY CONTROL</b>	<b>Variations £000</b>
<b>Variations since April Cabinet report</b>	
Recycling (lower residual waste and vehicle maintenance costs and higher recycling credits)	-65
Development control (lower fee income and higher CIL start-up costs)	63
Planning policy and conservation (recovery of costs from Cambridgeshire Horizons)	-164
Economic development - delayed projects	-64
Community initiatives – grant *	-50
Leisure policy grants *	-50
Leisure centres - savings on operational costs	-77
Community safety - grant *	-33
Private housing support - home improvement agency	-40
Management units	-204
Turnover contingency - staff savings met	-56
Various	-179
	<b>-919</b>
<b>Redundancies</b>	
2010/11	441
2011/12	1,113
	<b>1,554</b>
<b>Total Variation</b>	<b>635</b>

**NOTES**

The items marked \* have been treated as income and expenditure in 2010/11 because of a change to accounting rules which brought items into the accounts as part of the accounts closedown process. Grants of £133k were received in 2010/11 and would in previous years have been carried forward to match the expenditure in future years.

The accounting rules state that where expenditure is committed such as for redundancies in 2011/12 the costs have to be brought into the current year accounts. There is no impact on general reserves because the funding of all redundancies is from the special reserve.

## AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

	1 April 2011 to 30 June 2011			
	Collected	Amounts written off		
		up to £5k	over £5k	TOTAL
Type of Debt	£000	£000	£000	£000
Council Tax	24,011	23.0	0.0	23.0
NNDR	18,385	21.3	16.5	37.8
Sundry Debtors	1,759	45.0	36.5	81.5
Excess Charges	40	5.6	0.0	5.6

**Collected**

The total amount of payments received, less customer refunds and transfers to other debts.

**Amounts written off**

Whilst these amounts have been written-off in this financial year, much of the original debt would have been raised in previous financial years.

**Authority to write off debts**

The Head of Customer Services is authorised to write-off debts of up to £5,000 (or more, after consultation with the relevant Executive Councillor) if she is satisfied that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs. The Head of Financial Services deputises in her absence.

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CABINET

21 JULY 2011

**CAPITAL PROGRAMME MONITORING  
2010/11 OUTTURN and 2011/12 BUDGET  
(Report by the Head of Financial Services)**

**1. PURPOSE**

1.1 This report gives the outturn position for 2010/11 and highlights the variations from the original Capital Programme approved in February 2010 adjusted for any member or officer decisions already taken in accordance with the Code of Financial Management. It then adjusts the 2011/12 Capital Programme for the resulting deferrals and any variations that are already forecast.

**2. OUTTURN 2010/11**

2.1 The following tables show the outturn compared with the original Capital Programme (February 2010) and the revised Capital Programme which was used to produce the current year's budget and MTP.

<b>Capital Programme 2010/11</b>	<b>Gross Budget</b>	<b>External Contributions</b>	<b>Net Budget</b>
Comparison with Original budget (February 2010)	£000	£000	£000
<b>Original 2010/11 Budget</b>	<b>17,629</b>	<b>7,819</b>	<b>9,810</b>
Adjust for actual brought forward from 2009/10	3,615	909	2,706
	<b>21,244</b>	<b>8,728</b>	<b>12,516</b>
Forecast Cost Variations (Annex A)	-2,527	-1,420	-1,107
Capital from Revenue Variations (Annex B)	134	-184	318
Forecast Timing Changes (Annex C)	-9,294	-5,088	-4,206
<b>Outturn</b>	<b>9,557</b>	<b>2,036</b>	<b>7,521</b>

Comparison with Revised Budget used in MTP (February 2011)		
<b>Revised 2010/11 Budget</b>		<b>7,133</b>
Add back provision for slippage		1,444
Actual further Slippage		-1,095
Additional cost variations		-51
Additional Capital/Revenue variations		84
Roundings		6
<b>Outturn</b>		<b>7,521</b>

2.2 The table below shows how the expenditure was financed. Capital Reserves are now depleted and capital spending is funded from borrowing and any in-year Capital Receipts.

**Funding**

**£000**

<b>Gross Spending</b>	<b>9,557</b>
External Grants and Contributions	-2,036
Net Spending	7,521
<b>FINANCING</b>	
Borrowing	7,269
Capital Receipts	252

**2.3** Annex A shows all the cost variations and schemes that have been identified with increased costs are shown below:

Cost Increases	2010/11 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
Public Conveniences	12	0	12
Alconbury/Alconbury Weston Flood Works	19	0	19
Creative Enterprise Centre, St Neots	12	0	12
Transportation Schemes	10	0	10
Headquarters	110	0	110

**2.4** The Public Conveniences work at South Street, St Neots was incurred in preparation of the sale of the site. This is likely to be recovered when the site is sold.

**2.5** The Alconbury Flood works project is a scheme being project managed by the District Council and fully funded by the Environment Agency except for input from the Council's existing staff. This has amounted to £19k in 2010/11.

**2.6** Final extra costs at the Creative Enterprise Centre after the drainage problems on site, reported last year, amounted to £12k.

**2.7** Some of the Market Town Transport Schemes and Cycle Route Schemes, which were deleted from the Capital Programme for 2011/12, incurred minor overspends amounting to £10k in total.

**2.8** The extra cost of the Headquarters project was reported as not being the final figure in last year's outturn report, and was still not finalised in February. The final figures were confirmed by our Project Managers (Lambert Smith Hampton) in April and have resulted in an additional cost of £110k (about 0.5% of the total build cost). It covers those elements of the scheme that were subject to final detailed agreement to achieve completion of the project. These were elements that, whilst predominantly accounted for in the overall project cost, inevitably required final adjustments before completion and included landscaping and post occupation items.

**2.9** These extra costs can be met from the identified savings of £214k.

### 3. MONITORING OF THE 2011/12 CAPITAL PROGRAMME

3.1 The Budget approved in February 2011 started with £11.9m and forecast schemes brought forward of £1.4m and £1.5m carried forward to 2012/13. Subsequent adjustments are shown below:-

Capital Programme	2011/12 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
<b>Approved Total Budget (February 2011)</b>	<b>15,366</b>	<b>3,433</b>	<b>11,933</b>
Actual brought forward from 2010/11	6,284	5,189	1,095
Less provision	-1,444	0	-1,444
	<b>20,206</b>	<b>8,622</b>	<b>11,584</b>
<b>Forecast Cost Variations</b>			
Building Efficiency Improvements	-17	0	-17
<b>Current Forecast (See Annex D)</b>	<b>20,189</b>	<b>8,622</b>	<b>11,567</b>

3.2 The revenue impact on the MTP of the 2010/11 outturn and subsequent variations is shown below.

Revenue Impact	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
	£000	£000	£000	£000	£000
Timing Changes 2010/11 to 2011/12	-62				
Cost Variations	-3	-4	-4	-4	-4
Timing Changes 2011/12 to 2012/13	0	0			
Revenue/Capital Transfers	4	4	4	4	4
<b>TOTAL FORECAST VARIATION</b>	<b>-61</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*N.B. This table does not include an assessment of the change in revenue impact of the provision for debt repayment (MRP) for 2012/13 onwards at this stage. It will be assessed for the Financial Strategy report in September.*

### 4. RECOMMENDATIONS

4.1 It is **RECOMMENDED** that Cabinet note the contents of this report.

#### BACKGROUND PAPERS

Capital programme and monitoring working papers.  
Previous Cabinet reports on capital expenditure.

Contact Officer – Steve Couper ☎ 01480 388103

Cost Variations	2010/11 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
	£000	£000	£000
<b>New Bids – approved February 2011</b>			
Alconbury / Alconbury Weston Flood Works	428	428	0
Perry Cycleway	60	60	0
	<b>488</b>	<b>488</b>	<b>0</b>
<b>Variations – approved February 2011</b>			
Air Quality Monitoring Equipment	3	7	-4
Public Conveniences	-249	-150	-99
Wheeled Bins for Recycling	11	0	11
Mobile Home Park	0	-168	168
Sustainable Homes	60	60	0
Housing Private Sector Grants	-30	0	-30
Disabled Facilities Grants	-48	-48	0
Decent Homes Grant	-88	-24	-64
Crime and Disorder Lighting	-50	0	-50
Ramsey Library Development	0	-120	120
St Neots Green Corridor	130	130	0
One Leisure – St Ives – Outdoor Energy Generation	-127	0	-127
Play Equipment & Safety Surface Renewal	108	108	0
Headquarters	90	0	90
Replacement Printing Equipment	-106	0	-106
Multi-Functional Devices	-18	0	-18
Replacement Scanning Equip – Customer Services	-36	0	-36
Business Systems	-50	0	-50
Server Virtualisation & Network Storage	-77	0	-77
ICT for New Accommodation	-31	0	-31
Government Connect	104	0	104
ICT Replacement	-175	0	-175
Vehicles and Plant	-35	0	-35
Huntingdon Marina Improvements	-62	0	-62
Heart of Oxmoor	0	-294	294
Huntingdon West Development	-1,400	-1,409	9
Huntingdon Bus Station	-888	0	-888
	<b>-2,964</b>	<b>-1,908</b>	<b>-1,056</b>
<b>Variations since February</b>			
St Ives Town Centre – Phase 2	-12	0	-12
Ramsey Library Development	-70	0	-70
Creative Enterprise Centre St Neots	12	0	12
Alconbury / Alconbury Weston Flood Works	19	0	19
Public Conveniences	12	0	12
Play Equipment & Safety Surface Renewal	-27	0	-27
Headquarters	110	0	110
VAT Exempt Capital	-60	0	-60
Business Systems	-28	0	-28
Leisure Centre's VOIP	-17	0	-17
Various Transportation Schemes	10	0	10
	<b>-51</b>	<b>0</b>	<b>-51</b>
	<b>-2,527</b>	<b>-1,420</b>	<b>-1,107</b>



## ANNEX B

Capital/Revenue Variations	2010/11 Capital Expenditure		
	Gross Budget	External Contributions	Net Budget
<b>CAPITAL/REVENUE VARIATIONS</b>			
Wheeled Bins for Recycling	-13	0	-13
St Neots Green Corridor	102	0	102
Huntingdon Riverside Improvements	31	0	31
Headquarters	7	-184	191
Server Virtualisation	7	0	7
E-Forms	59	0	59
Elections System	-19	0	-19
Huntingdon Bus Station	24	0	24
Transportation Grant	13	0	13
Elections Equipment	16	0	16
Revenue Staff Charged to Capital	119	0	119
<i>Abortive Costs from Previous Years</i>			
St Ives Town Centre Improvements – Ph 2	-88	0	-88
Elections Replacement System	-33	0	-33
Huntingdon Marina improvements	-46	0	-46
Huntingdon Bus Station	-45	0	-45
	<b>134</b>	<b>-184</b>	<b>318</b>
	<b>-2,522</b>	<b>-1,604</b>	<b>-918</b>

**ANNEX C**

Timing Changes to 2011/12 and beyond	2010/11 Capital Expenditure			2011/12 ##
	Gross Budget	External Contributions	Net Budget	Net Budget
	£000	£000	£000	£000
Elections Equipment	-16	0	-16	16
Building Efficiency Improvements (Salix Grant)	-57	-65	8	37
Public Conveniences	-150	-150	0	0
Environment Strategy Funding	-47	0	-47	47
Sustainable Homes	15	0	15	0
Wheeled Bins for Recycling	-99	0	-99	99
Disabled Facilities Grants	35	0	35	-35
Social Housing Grant	-370	0	-370	370
Decent Homes Grant	0	-64	64	-64
CCTV – Camera Replacements	-159	0	-159	159
Community Information Project	-11	0	-11	0
Ramsey Library Development	-40	0	-40	40
Loves Farm Community Centre	8	0	8	-8
One Leisure – St Ives - Redevelopment	-2,500	0	-2,500	0
One Leisure – St Ives – Outdoor Football Imps	-1,223	-1,500	277	-277
One Leisure – St Neots - Development	0	0	0	-60
One Leisure – Ramsey – Fitness Equipment	-190	0	-190	0
One Leisure – CCTV Improvements	-15	0	-15	5
One Leisure – St Ives – Impressions Equipment	-37	0	-37	37
One Leisure – Future Maintenance	-958	-321	-637	637
Community Facilities Grants	18	0	18	20
Play Equipment & Safety Surface Renewal	-99	0	-99	60
Headquarters	0	-150	150	-150
Replacement Printing Equipment	-70	0	-70	0
Multi-Functional Devices	-21	0	-21	13
Replacement Document Centre Equipment	-29	0	-29	1
Business Systems	-101	0	-101	101
Working Smarter	-53	0	-53	13
Wireless Working (Benefits and Revenues)	-24	0	-24	0
Server Virtualisation and Network Storage	-74	0	-74	74
Government Connect	-74	0	-74	74
VOIP Telephony for Leisure Centres	-30	0	-30	30
ICT Replacement	-108	0	-108	108
E-Forms	-52	0	-52	52
Vehicles and Plant	-180	0	-180	180
Town Centre Developments	-21	0	-21	5
Ramsey Rural Renewal	-62	0	-62	62
Industrial Estate Repairs	-8	0	-8	-8
Huntingdon Town Centre Development	2	0	2	0
Heart of Oxmoor	0	-1,535	1,535	-1,366
Huntingdon West Development	-1,303	-1,303	0	0
Huntingdon Bus Station New Layout	-21	0	-21	21
St Neots Cambridge Road Car Park	-89	0	-89	9
Huntingdon Town Centre, Extra Car Parking	-90	0	-90	90
Safe Cycle Routes	-262	0	-262	68
St Neots Pedestrian Bridges	-501	0	-501	501
Ramsey Transport Strategy	-40	0	-40	5
Railway Stations Improvements	-42	0	-42	16
Perry Cycleway	36	0	36	-36
VAT Partial Exemption	-182	0	-182	149
	<b>-9,294</b>	<b>-5,088</b>	<b>-4,206</b>	<b>1,095</b>

**## The 2011/12 column shows the additional variations that were not already included in the current approved MTP.**

## ANNEX D

<b>FORECAST CAPITAL SPENDING 2011/12</b>	<b>Gross Budget</b>	<b>External Contributions</b>	<b>Net Budget</b>
	£000	£000	£000
Elections Equipment	16	0	16
Building Efficiency Improvements (Salix Grant)	141	66	75
Alconbury/Alconbury Weston Flood Mitigation Works	178	178	0
Public Conveniences	150	150	0
Environment Strategy Funding	102	0	102
Sustainable Homes	0	485	-485
Wheeled Bins for Recycling	256	0	256
Repairs Assistance Grants	100	0	100
Disabled Facilities Grants	1,365	600	765
Social Housing Grant	370	0	370
Decent Homes Grant	180	244	-64
CCTV – Camera Replacements	159	0	159
Community Information Project	11	0	11
Ramsey Library Development	40	0	40
Loves Farm Community Centre	37	0	37
One Leisure – St Ives - Redevelopment	2,500	0	2,500
One Leisure – St Ives – Outdoor Football Imps	1,223	1,500	-277
One Leisure – Replace Fitness Equipment (Ram/Saw)	400	0	400
One Leisure – Reception Automation (Ram/Saw)	60	0	60
One Leisure – CCTV Improvements	15	0	15
One Leisure – St Ives – Impressions Equipment	37	0	37
One Leisure – Future Maintenance	1,631	318	1,313
Community Facilities Grants	20	0	20
Play Equipment & Safety Surface Renewal	110	0	110
Headquarters	2	150	-148
Multi-Functional Devices	58	0	58
Replacement Document Centre Equipment	79	0	79
Business Systems	326	0	326
Working Smarter	53	0	53
Wireless Working (Benefits and Revenues)	24	0	24
Server Virtualisation and Network Storage	197	0	197
Government Connect	86	0	86
VOIP Telephony for Leisure Centres	30	0	30
ICT Replacement	295	0	295
E-Forms	52	0	52
Vehicles and Plant	731	0	731
Town Centre Developments	215	0	215
Ramsey Rural Renewal	62	0	62
Industrial Estate Repairs	8	0	8
Huntingdon Town Centre Development	12	0	12
Heart of Oxmoor	0	1,366	-1,366
Huntingdon West Development	8,038	3,315	4,723
Huntingdon Bus Station New Layout	61	0	61
St Neots Cambridge Road Car Park	89	0	89
Car Park Repairs	86	0	86
Huntingdon Town Centre, Extra Car Parking	990	0	990
Safe Cycle Routes	68	0	68
St Neots Pedestrian Bridges	501	0	501
Ramsey Transport Strategy	5	0	5
Railway Stations Improvements	42	0	42
Perry Cycleway	214	250	-36
VAT Partial Exemption	331	0	331
Recharges Revenue/Capital	-67	0	-67
Provision for carry forward to 2012/13	-1,500	0	-1,500
	<b>20,189</b>	<b>8,622</b>	<b>11,567</b>

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CABINET

21 JULY 2011

## TREASURY MANAGEMENT ANNUAL REPORT 2010/11 (Report by the Head of Financial Services)

### 1. INTRODUCTION

- 1.1 Council approves the Treasury Management strategy for the forthcoming year when it approves the budget and MTP each February. It also receives a mid-year report and an annual report after the end of the financial year. The Council's Strategy also requires scrutiny of the Treasury Management function to be carried out by the Economic Well-being Scrutiny Panel.
- 1.2 The Council approved the 2010/11 treasury management strategy at its meeting on 17th February 2010. The key points were:
  - to invest any available funds in a manner that balanced low risk of default by the borrower with a fair rate of interest.
  - to ensure it had sufficient cash to meet its day-to-day obligation
  - to borrow when necessary to fund capital expenditure and to borrow in advance if rates were considered to be low.

### 2. ECONOMIC REVIEW

- 2.1 The absence of a quick economic recovery led to rising government budget deficits, especially in the European periphery, and prompted some concern among bond investors and credit rating agencies. This loss of confidence in the ability of some governments to repay their debts saw bond yields rise and the markets effectively closed to certain countries. Greece, Ireland and Portugal were all forced to seek financial assistance from the European Union and the International Monetary Fund.
- 2.2 The UK's deteriorating financial position was also a concern. The UK had the highest budget deficit in the EU in 2009/10 and the economic outlook was weak. However, the new Conservative-Liberal Democrat coalition government outlined what was perceived by investors and credit rating agencies to be a credible fiscal consolidation plan. With financial problems continuing elsewhere in Europe, the UK was perceived to be a relative "safe haven", and strong appetite for UK government debt kept gilt yield low.
- 2.3 While the UK government focused on tightening fiscal policy, the Bank of England maintained loose monetary policy. Bank Rate remained at 0.5% throughout the financial year, despite inflation rising to over double the 2% target as the price of raw materials increased. With inflation expected to reach 5% during 2011, heightening the risk that raised inflation expectations would feed into wages and prices, three members of the

Monetary Policy Committee voted for a rise in Bank rate in February. The remaining six members, however, were more concerned that higher interest rates could choke off the economic recovery, which was already showing signs of slowing in response to fiscal tightening. The MPC remains divided on when to raise the Bank Rate.

### 3. PERFORMANCE OF FUNDS

3.1 The following table summarises the treasury management transactions undertaken during the 2010/11 financial year:

	Principal Amount £m	Interest Rate %
<b>Investments</b>		
at 31 <sup>st</sup> March 2010	20.0	3.75
<b>less</b> matured in year	-152.8	
<b>plus</b> arranged in year	+148.3	
at 31 <sup>st</sup> March 2011	15.5	3.50
<b>Average Investments</b>	<b>28.3</b>	<b>2.64</b>
<b>Borrowing</b>		
at 31 <sup>st</sup> March 2010	14.6	2.82
<b>less</b> repaid in year	-42.6	
<b>plus</b> arranged in year	-41.1	
at 31 <sup>st</sup> March 2011	13.1	3.13
<b>Average Borrowing</b>	<b>13.0</b>	<b>3.07</b>

3.2 As the Council's reserves have fallen over the last few years the number of fund managers have reduced leaving just CDCM at the start of the year with £5M. They had also been given notice in March 2009 and as investments reached their maturity all funds were managed in-house. At the end of September the fund was closed when the last investment reached maturity. In-house investments started the year at £15M and were £15.5M at the end of the year. The table below shows the returns by fund manager. Whilst the benchmark for in-house funds is officially the 7 day rate, a split has also been shown to indicate a comparison for the medium term element against the 3 month rate as used for CDCM:

PERFORMANCE FOR THE YEAR APRIL 2010 – MARCH 2011				
	Average Investment £M	Performance %	Benchmark %	Variation from benchmark %
<b>CDCM</b>	<b>3.9</b>	<b>5.1</b>	<b>0.6**</b>	<b>+4.5</b>
<b>In-house</b>	<b>24.4</b>	<b>2.7</b>	<b>0.4^^</b>	<b>+2.3</b>
medium term	10.0	4.4	0.6**	+3.8
short-term for cash flow	14.4	1.5	0.4^^	+1.1

\*\* 3 month LIBID    ^^ 7 day rate

- 3.3 This very good performance was due to many of the investments being locked into higher rates before the year started together with the use of liquidity accounts with major banks and building societies which gave added safety from instant access together with interest rates comfortably in excess of the benchmark.
- 3.4 The actual net investment interest (after deduction of interest payable on loans) was £337k compared with a budget of £207k due to the higher than estimated interest rates and higher levels of reserves.

#### **4. STRATEGY – BORROWING**

- 4.1 Long-term borrowing. The strategy allowed for ‘must borrow’ to finance that part of the capital programme that could not be met from internal funds. There was also a provision for ‘may borrow’ which allowed borrowing in anticipation of need, based on whether longer term rates seemed low compared with future likely levels. No long-term borrowing was carried out as the rates were not deemed to be low enough and there were sufficient internal funds to finance the capital spending in the year.
- 4.2 Short-term borrowing. The Authority needed to borrow short-term during the year to manage its cash flow; it averaged £3.0m

#### **5. STRATEGY - INVESTMENTS**

- 5.1 The Council’s strategy for 2010/11 was based on using CDCM managing a reducing value of time deposits with the remainder managed in-house.
- 5.2 The in-house investments could be of two types: time deposits and liquidity (call) accounts with banks with a high credit rating and the top 25 building societies by asset value. The strategy included limits on the size of investments with each organisation and country limits. The mandates for CDCM and in-house funds are shown in Annex B
- 5.3 The strategy was reviewed during the course of the year with the Treasury Management Advisory Group due to the merger of a number of building societies and concerns about the financial stability of some European countries where the Authority had previously placed funds, for example Ireland.
- 5.4 The review concluded that the Authority should continue to invest in banks and building societies based on the approved strategy, but if the Council borrowed in anticipation of need leading to a temporary increase in funds to be invested, the policy should be reviewed

#### **6. RISK MANAGEMENT**

- 6.1 The Council’s primary objectives for the management of its investments are to give priority to the security and liquidity of its funds before seeking the best rate of return.

- 6.2 **Security** is managed by investing short-term with highly-rated banks, building societies and local authorities in the UK. The Authority receives regular updates from its advisors, Sterling Consultancy Services, sometimes daily, on changes to the credit rating of counterparties. This allows the Council to amend its counterparty list and not invest where there is concern about the credit rating.
- 6.3 **Liquidity.** The majority of the funds are time deposits which cannot be traded and this means that they will not be returned until the end of the agreed period. However the Council has also made use of liquidity accounts which have a rate or interest above base rate and provide instant access to funds.
- 6.4 Overall, liquidity is managed by producing cash flow forecasts that help set the limit on the duration of the investments in time deposits. The projections tended to be cautious which sometimes resulted in funds being available before they were needed with any surplus easily being invested on a temporary basis.
- 6.5 **Return on investments.** Security and liquidity take precedence over the return on investments, which has resulted in investments during 2010/11 generally being of short duration at lower rates of interest.
- 6.6 When the Authority borrowed £10M in advance in December 2008 it invested the funds in the meantime, at marginally higher interest rates thus protecting the Council from any short term loss of interest.

## **7. COMPLIANCE WITH REGULATIONS AND CODES**

- 7.1 All the treasury management activity undertaken during the financial year complied with the approved strategy, the CIPFA Code of Practice, and the relevant legislation
- 7.2 The Code requires the Council to approve Treasury Management and Prudential Indicators. Those for 2010/11 were approved at the Council meeting on 17<sup>th</sup> February 2010. Annex C shows the relevant indicators and the actual results.

## **8. PARISH AND TOWN COUNCILS**

- 8.1 The Council was made aware of the difficulty of some Parish and Town Councils in achieving any returns on their cash deposits and in January 2010 introduced a scheme whereby Parish and Town Councils could invest funds with this Council. Once received they simply form part of the Council's investment portfolio. The terms of the scheme are shown in Annex D.



8.2 To date only one investment has been received of £100k from Brampton Parish Council

## **9 CONCLUSION**

9.1 The performance of the funds in a year when rates stayed very low was pleasing, significantly exceeding both the benchmark and the budgeted investment interest.

9.2 In a year of uncertainty in the financial markets all of the Council's investments were repaid in full and on time.

9.3 The Authority has carried out its treasury management activities with due regard to minimising risk, and in accordance with legislation. During the year it reviewed its strategy in the light of external events in the markets.

## **10 RECOMMENDATION**

10.1 It is recommended that Cabinet note this report.

## **BACKGROUND INFORMATION**

2010/1 cash management files and working papers  
Reports to the Cabinet and Treasury Management Advisory Group  
CIPFA Code on Treasury Management

## **CONTACT OFFICER**

Mrs Eleanor Smith      Accountancy Manager      Tel. 01480 388157

## BORROWING AND INVESTMENTS AT 31 MARCH 2011

	RATING		DATE INVESTED/ BORROWED	AMOUNT		INTEREST RATE %	REPAYMENT DATE	YEAR OF MATURITY
				£M	£M			
<b>BORROWING</b>								
<b>Short term</b>								
Coventry Building Society			22-Mar-11	-3.0		0.620	15-Apr-11	2011/12
Brampton Parish Council			01-Mar-10	-0.1		0.500		
					- 3.1			
<b>Long term</b>								
PWLB			19-Dec-08	- 5.0		3.910	19-Dec-57	2057/58
PWLB			19-Dec-08	- 5.0		3.900	19-Dec-58	2058/59
					-10.0			
<b>TOTAL BORROWING</b>					<b>- 13.1</b>			
<b>INVESTMENTS</b>								
<b>IN-HOUSE</b>								
<b>Short term</b>								
Natwest Liquidity AC	F1+	P1		0.5		0.800		2011/12
Bank of Scotland	F1+	P1	11-Mar-11	5.0		1.930	08-Feb-12	2011/12
					5.5			
<b>Medium term</b>								
Royal Bank of Scotland	F1+	P1	19-Dec-08	5.0		4.040	19-Dec-12	2012/13
Skipton BS	F2	P2	19-Dec-08	5.0		4.850	19-Dec-13	2013/14
					10.0			
<b>TOTAL - INVESTMENTS</b>					<b>15.5</b>			
<b>NET INVESTMENTS</b>					<b>2.4</b>			

**IN-HOUSE FUND MANAGEMENT 2010/11  
(IF NO FURTHER BORROWING IN ANTICIPATION)**

<b>Duration of investments</b>	No investment shall be longer than 5 years.														
<b>Types of investments</b>	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds														
<b>Credit Ratings</b>	Short term rating F1 by Fitch or equivalent Long-term rating of AA- by Fitch or equivalent if the investment is longer than 1 year (excluding Building Societies)														
<b>Maximum limits per counterparty (group), country or non-specified category</b>	<table> <tr> <td>F1+ or have a legal position that guarantees repayment for the period of the investment</td> <td>£5M</td> </tr> <tr> <td>F1</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets over £2bn in top 25 (Currently 13)</td> <td>£5M</td> </tr> <tr> <td>Building Society with assets over £1bn if in top 25 (Currently 3)</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets under £1bn in top 25</td> <td>£3M</td> </tr> <tr> <td>Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment.</td> <td>£5M</td> </tr> <tr> <td>BUT total invest with counterparty/group shall not exceed</td> <td>£8M</td> </tr> </table> <p><b>Limit for Non-specified investments</b></p> <ul style="list-style-type: none"> <li>- £10M in time deposits more than one year</li> <li>- £5M in corporate bonds</li> <li>- £10M in total</li> </ul> <p><b>Country limits</b></p> <p>-----UK Unlimited</p> <ul style="list-style-type: none"> <li>- £6M in a country outside the EU</li> <li>- £10M in a country within the EU (excluding UK)</li> <li>- £20M in EU countries combined (excluding UK)</li> </ul> <p>These limits will be applied when considering any new investment from 17 February 2010. Lower limits may be set during the course of the year or for later years to avoid too high a proportion of the Council's funds being with any one counterparty.</p>	F1+ or have a legal position that guarantees repayment for the period of the investment	£5M	F1	£4M	Building Society with assets over £2bn in top 25 (Currently 13)	£5M	Building Society with assets over £1bn if in top 25 (Currently 3)	£4M	Building Society with assets under £1bn in top 25	£3M	Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment.	£5M	BUT total invest with counterparty/group shall not exceed	£8M
F1+ or have a legal position that guarantees repayment for the period of the investment	£5M														
F1	£4M														
Building Society with assets over £2bn in top 25 (Currently 13)	£5M														
Building Society with assets over £1bn if in top 25 (Currently 3)	£4M														
Building Society with assets under £1bn in top 25	£3M														
Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment.	£5M														
BUT total invest with counterparty/group shall not exceed	£8M														
<b>Benchmark</b>	LGC 7 day rate														

**Prudential Indicators for 2010/11 relating to Treasury Management  
Comparison of actual results with limits**

**EXTERNAL DEBT****The authorised limit for external debt.**

This is the maximum limit for borrowing and is based on a worst-case scenario. This limit, and the operational boundary below, were set to allow up to £36.5m of borrowing in anticipation of need.

2010/11 Limit £000	2010/11 Actual £000
60,100	19,300

**The operational boundary for external debt.**

This reflects a less extreme position. Although the figure can be exceeded without further approval it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded.

2010/11 Limit £000	2010/11 Actual £000
55,100	19,300

Both of these actual results reflect the fact that long term rates were not considered low enough to borrow in anticipation of need

**TREASURY MANAGEMENT****Exposure to investments with fixed interest and variable interest.**

These limits are given as a percentage of total investments.

	2010/11 Limit	2010/11 Actual
Upper limit on fixed rate exposure	100%	100%
Upper limit on variable rate exposure	50%	0%

The Council had no variable rate investments in the year

### Borrowing Repayment Profile

The proportion of 2010/11 borrowing that matured in successive periods.

<b>Cash flow borrowing</b>	Upper limit	<b>Actual</b>	Lower limit
Under 12 months	100%	<b>100%</b>	100%
12 months and within 24 months	0%	0%	0%
24 months and within 5 years	0%	0%	0%
5 years and within 10 years	0%	0%	0%
10 years and above	0%	0%	0%

<b>Funding capital schemes</b>	Upper limit	<b>Actual</b>	Lower limit
Under 12 months	25%	0%	0%
12 months and within 24 months	25%	0%	0%
24 months and within 5 years	25%	0%	0%
5 years and within 10 years	50%	0%	0%
10 years and above	100%	<b>100%</b>	0%

### Investment Repayment Profile

Limit on the value of investments that cannot be redeemed within 364 days.

2010/11 Limit £000	<b>2010/11 Actual - maximum in year £000</b>	<b>2010/11 Actual as at 31/3/11 £000</b>
36,000	<b>10,000</b>	<b>10,000</b>

**DEPOSIT OF PARISH AND TOWN COUNCIL FUNDS WITH  
HUNTINGDONSHIRE DISTRICT COUNCIL**

The terms of the scheme

**Minimum sum**

£25,000.

**Period**

Either a fixed term of not less than 3 months

OR

A minimum of 3 months with a minimum of 30 days notice for repayment after 3 months

**Rate**

Prevailing Bank Base Rate during the period of the investment

**Payment of Interest**

Paid annually on 31 March or on repayment whichever is the earliest

**Transmission**

Funds must be received electronically and repaid in same way

**Agreement**

The Parish or Town Council will be sent an email confirming receipt of the deposit and confirming the terms.

**Changes to these terms**

The District Council reserves the right to vary or cancel this offer but this will not affect any investment already completed.

**TREASURY MANAGEMENT ANNUAL REPORT 2010/11  
(Report by the Overview and Scrutiny Panel (Economic Well-Being))**

**1. INTRODUCTION**

- 1.1 In accordance with the CIPFA Code of Practice, the Economic Well-Being Panel has formal responsibility for scrutinising the Council's Treasury Management. At its meeting held on 7<sup>th</sup> July 2011, the Overview and Scrutiny Panel (Economic Well-Being) considered a report by the Head of Financial Services on the Council's performance for the year ending 31<sup>st</sup> March 2011 in the investment of its Capital receipts. As part of this, the Panel has also been acquainted with the Council's Strategies for both borrowing and investing funds in the current year. The following paragraphs contain a summary of the Panel's discussions on the report.

**2. THE PANEL'S DISCUSSIONS**

- 2.1 The Panel has noted that the performance of the funds in a year when rates have stayed very low has been very good, with both the benchmark and the budgeted investment interest having been significantly exceeded.
- 2.2 The Panel has been reminded that, in December 2008, the Council invested £10M in advance of its need for the funds over a 50 year period. Members have been pleased to note that the return from the investment of these monies until they are required has been greater than the cost of the monthly repayments. As a result, a Member has asked whether there is any scope to lend money to other authorities at a still higher rate. However, owing to the current preference for minimising risk, it is unlikely that other authorities will pay more than the rates currently asked by the Public Works Loan Board.
- 2.3 The Council has needed to borrow on average £3m during the year to manage its cash flow. The Panel has acknowledged that there are extreme fluctuations during the year which result from the fact that the Council collects precepts on behalf of other local bodies but also has to pay out their levies to those authorities in addition to the monthly payment of salaries and meeting the cost of capital expenditure on a monthly basis.
- 2.4 With regard to paragraph 3.1 of the report, Members have noted the reduction in the average interest rates that have been paid on investments during the year. This has been attributed to the fact that investments, which have been made at higher rates in previous years, have matured and only lower rates are now available.
- 2.5 The Panel has discussed the Authority's Strategy for long-term borrowing, which allows for 'must borrow' to finance that part of the capital programme that cannot be met from internal funds and 'may borrow' which allows borrowing in anticipation of need. Members have noted that the capital programme for the next 5 years assumes an expenditure of approximately £23M plus any slippages from individual years. Provided that the Council can demonstrate that it has the capacity to afford the repayments, there is no limit to the level of borrowing which can be undertaken by an individual Council.

- 2.6 Members have been advised that, as the Council's reserves have fallen over the last few years, the number of fund managers required has reduced, leaving just CDCM at the start of the year. At the end of September the fund was closed when the last investment reached maturity and all investments (£15.5M) are now managed in-house.
- 2.7 Arising from their deliberations, the Panel has concluded that it is satisfied with the performance reported by the Head of Financial Services and with the Council's strategies for borrowing and investing funds.

### **3. RECOMMENDATION**

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Economic Well-Being) as set out above when considering this item.

**Contact Officer: A Roberts, Scrutiny and Review Manager**  
**☎ 01480 388015**



CABINET

21<sup>ST</sup> JULY 2011

## **CAMBRIDGESHIRE FUTURE TRANSPORT INITIATIVE (Report by Head of Planning Services)**

### **1. INTRODUCTION**

1.1 Following an announcement by the County Council at the beginning of 2011, that by April 2015, all public transport subsidies would end across Cambridgeshire, partners have been looking at alternative ways of meeting county-wide transport needs.

1.2 A Transport Summit was held at March Town Hall in February 2011, and broad agreement was reached amongst those involved in the delivery of passenger transport and with an interest in transport outcomes, to work collaboratively to see what could be achieved working across organisational boundaries. Following the Summit, the partners agreed an ambition to join up resources, priorities, people and journeys, together with transport operators to achieve wider community benefits through a more efficient, effective and co-ordinated approach to passenger transport.

1.3 In total around £34m is spent annually on passenger transport in Cambridgeshire, including:

- ◆ Statutory home to school transport
- ◆ Special Educational Needs transport
- ◆ Social Services transport including adults with learning disabilities and Looked After Children
- ◆ Concessionary Travel Scheme
- ◆ Subsidised bus services
- ◆ Community Transport
- ◆ Health transport

The County Council provides by far the largest resource - around £30 million, although health is also significant (£4.6 million) and contributions of around £0.5 million are provided by the City and District councils. The current Hunts DC budget for Rural Transport support in 2011/12 is £83.5K.

### **2. BACKGROUND**

2.1 A cross-authority member led Governance group is overseeing this work and includes the County Council, NHS Cambridgeshire, Cambridgeshire ACRE, with Hunts DC also represented on this Group. It is supported by a Solutions group of representatives from across all sectors, including transport operators, who have developed

a possible delivery model with support from consultants, Blue Marble and funding from Improvement East. Again, Hunts DC officers have been involved in this work. The key design principles emerging are:

- The creation of a single point of focus and contact for all county-wide passenger transport policies and outcomes
- separate out decision-making on county-wide universal outcomes from local tailored priorities
- create local consortia that are owned by communities and are legally accountable for delivering county-wide outcomes (including statutory requirements)
- create a light-touch joint strategic commissioning entity that brings together resources from the funding bodies; this entity to be focused on wider community outcomes such as access to jobs, skills, services, shopping, health and leisure
- determination of local transport priorities to become the responsibility of the local consortia
- local consortia to be granted incentives to financially generate other improved service accessibility and transport innovations, particularly from any savings that result from the new arrangements when compared to those that exist at present

2.2 The actual nature of the local transport consortia is yet to be finalised but current work is piloting a small number of 'Pathfinder Projects' that should allow different approaches to be tested. The three work-streams being pursued are:

1. Testing the local transport consortium approach through:
  - a) An internal grass roots review of all transport services in the northern part of Cambridgeshire, including linkages to neighbouring counties such as Lincolnshire and Norfolk, and;
  - b) an external review of transport in the west of Cambridgeshire to determine potential benefits of moving to a social enterprise model, again including linkage to other parts of the County as well as cross-boundary including Northants and Peterborough
2. Testing of private enterprise micro-franchises for possible services anywhere across Cambridgeshire where needed to provide additional capacity in locations of greatest need and to complement and support existing provision
3. Testing how a joint strategic commissioning body, 'Transport for Cambridgeshire', could provide the focus for a new governance model and county-wide support functions, including:
  - the governance model needed to support alignment of statutory priorities and budgets
  - supporting development and commissioning of transport enterprises

- single point of customer contact and shared support, including procurement

2.3 Work is ongoing to develop the strategic business case for this new approach to try and determine the potential benefits of the model and the results of the Pathfinder work.

2.4 Health partners from the Primary Care Trust (PCT) are members of the project. However, as this work has implications beyond the life of the PCT, work will be undertaken to ensure that GP Commissioners (or their final equivalent) are engaged in future discussions, agreements and final decisions on the overall Business Case.

### 3. THE WAY FORWARD

3.1 It is anticipated that one or more of the Pathfinders will go live by the end of the year and that roll out of local transport consortia will take place over the next few years. Meanwhile, work will be undertaken to develop the strategic business case for future consideration.

3.2 Following consideration by all the partners across the County, work is programmed to continue as set out below and will be coordinated through the Governance Group

Aug- Sep 2011	<p>Refine Pathfinder pilots and develop the concept of 'Transport for Cambridgeshire' with partners.</p> <p>Development of a single point of customer contact.</p> <p>Test market appetite for and pre-piloting of a micro-franchise Pathfinder.</p> <p>Continue work on developing local transport consortia Pathfinders</p> <p><b>County Council Cabinet (27 Sept. 2011) to seek final approval for Pathfinders and micro-franchise trial</b></p>
Oct- March 2011	<p>Launch Pathfinders – in Fenland/North Cambs and Hunts/West Cambs and countywide micro-franchise scheme.</p> <p>Early 2012 - Final Business Cases and partner decisions on roll out.</p>
April 2012	Roll out across Cambridgeshire

3.3 The Governance Group considers that bold steps are needed in moving this work forward so that real change in passenger transport can be delivered as soon as possible. As Passenger Transport Authority for Cambridgeshire, the County Council Cabinet is being asked on 5<sup>th</sup> July 2011 to approve the following recommendations for further development:

- a) The principle of establishing a ‘Transport for Cambridgeshire’ partnership to oversee the Cambridgeshire Future Transport project and enter into discussions with partners to develop this concept further.
- b) Invite the passenger transport funding partners in Cambridgeshire to enter into discussions regarding the sharing of their passenger transport budgets to deliver more effective transport services
- c) Develop Pathfinder projects for local passenger transport consortia as set out in this report.
- d) Invite expression of interest from businesses and organisations wishing to contribute to the provision of local passenger transport.

#### **4. IMPLICATIONS**

4.1 The following bullet points set out details of implications identified to date:

- Supporting and protecting vulnerable people when they need it most - The new model would allow the partnership to explore the potential to innovate and improve service accessibility through a more integrated and efficient approach to delivering transport in line with statutory and discretionary policies
- Helping people live healthy and independent lives in their communities - It is anticipated that Cambridgeshire Future Transport will be able to deliver wider community outcomes through identifying practical, achievable and sustainable solutions that will achieve greater value for money.
- Developing the local economy for the benefit of all - The new model aims to stimulate market innovation and response as well as open opportunities to create new joint community ventures. The model should enable the partnership to support enterprise, accelerate improvements and deliver more services in addition to those of a statutory nature through incentivising local providers to offer responsive and efficient services.

4.2 The key principles of the model will mean local consortia will be owned by communities and will be legally accountable for delivering county wide outcomes (including statutory requirements).The joint strategic commissioning entity will bring together resources from the funding bodies to provide procurement and business support for local consortia; this entity will be focused on wider community outcomes such as access to jobs, skills, services, shopping, health and leisure.

4.3 In terms of resource and performance implications, the proposals are dependant on the outcomes of the Business case and the 'sharing' of relevant County transport budgets as well as those of the NHS, Districts and City, and others. Support from Improvement East has facilitated the progress of the work and the successful recruitment of a Co-ordinator on a one-year contract means that the momentum of the project can be maintained. Overall the project is designed to deliver substantial savings in transport budgets.

4.4 There are Statutory, Risk and Legal implications as follows;

- A 'Transport for Cambridgeshire' partnership would signal a new approach to shared delivery across sectors and provide a basis for coordinating the Pathfinders and sharing resources
- The voluntary sector and neighbouring authorities have also been engaged throughout the development of the model
- The model will encompass Statutory countywide policies including Special Educational Needs children, Looked after Children, Home to School, Concessionary fares and Non-emergency Passenger Transport policies.
- It will be necessary to fully understand any statutory transport provision for which policy does not exist in order to avoid ambiguities and uncertainties among the Local Transport Consortia or other transport delivery bodies (for example, within existing arrangements, many precedents evolved over time which are not enshrined in formal County policy)
- The model will also cover discretionary countywide policies such as support for community transport, subsidised bus routes and times and any extension to statutory provision.

4.4 In terms of engagement and consultation, this will take place with service users and communities as part of the ongoing work on a Community Impact Assessment under the auspices of the Governance group in order to identify the potential impacts of any changes to policies, services and functions. The opportunities and potential arising from a new delivery model will also need to be integrated into the wider consultation planned, which will be seeking views on the principles of making cuts to bus subsidies and the impact of this on specific routes.

## **5.0 THE IMPLICATIONS FOR THE DISTRICT COUNCIL**

5.1 As outlined in this report, we have been actively involved in this work to date at a Governance and Solutions level and have been supporting the aims and objectives of this work in seeking to secure better overall levels of accessibility and transport service provision for the residents of Huntingdonshire.

5.2 As this work moves forward, it is important that our engagement and the eventual outcomes align with our own Community Objectives as contained within our Council Plan - 2011 to 2015. This is particularly cross-cutting across a number of themes, including;

- Help vulnerable and disadvantaged people to live independently
- Working in partnership to support strong communities
- Encourage new jobs, homes and facilities to meet our needs
- Safeguard the environment and successfully manage the impacts of growth

- 5.3 For many years, the Council has financially supported Community transport based services across the District in terms of the types of key services that are run in order to meet crucial day to day needs of residents as well as providing grant funding to support vehicle replacement, support for back office functions and the support and development of these charity-based organisations. It is therefore vital that the work associated with this project strengthens and supports these bodies, rather than undermine them.
- 5.4 Under the new arrangements if they come to fruition, this situation should be reinforced and provide improved, locally based and tailored key services to meet local needs. Our current budget to contribute to these forms of initiative is £83.5K per annum and under these suggested arrangements from 2012/13 onwards, we would agree to align this budget with other partners as part of the wider scheme objectives.
- 5.5 It is however important to note that in agreeing to align this budget, the District Council would still seek to ensure that a suitable mechanism is in place to protect our local interests and needs and to also ensure that current services delivered through Service Level Agreements are either maintained or replaced by new arrangements in order to ensure, as far as practicably possible, that no service provision currently provided is lost as a result of these new emerging arrangements.

## 6. RECOMMENDATION

It is RECOMMENDED to;

- a) Note and support the on-going development of the Cambridgeshire Future Transport Initiative and the Governance and Solutions Groups work in tandem with our own Community Priorities contained within our 'Council Plan – 2011 to 2015' and;**
- b) Agree the principle of aligning the current District Council Rural Transport budget with other Cambridgeshire partners within the Future Transport Initiative in order to deliver more effective transport services, subject to the protection of existing services or their replacement as part of the overall project.**

## BACKGROUND INFORMATION

Governance and Solutions Groups papers  
Council Plan – 2011 to 2015

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**CAMBRIDGESHIRE FUTURE TRANSPORT INITIATIVE  
(Report by the Overview and Scrutiny Panel (Environmental Well-Being))**

**1. INTRODUCTION**

- 1.1 At its meeting held on 12th July 2011, the Overview and Scrutiny Panel (Environmental Well-Being) considered the report by the Head of Planning Services on the Cambridgeshire future transport initiative. This report summarises the Panel's discussions.

**2. THE PANEL'S DISCUSSIONS**

- 2.1 The Panel has reviewed proposals for alternative ways of meeting county-wide transport needs following an announcement by the County Council that all public transport subsidies across Cambridgeshire would end by April 2015. A broad agreement has been reached amongst those partners involved in the delivery of passenger transport to work collaboratively in order to investigate what wider community benefits could be achieved through a more efficient, effective and co-ordinated approach by working across organisational boundaries, joining up resources, priorities, people and journeys, together with transport operators. The work is being overseen by a cross-authority member led Governance group comprising the County Council, NHS Cambridgeshire, Cambridgeshire Acre with representation from Huntingdonshire District Council and support from consultants.
- 2.2 Members have discussed the implications for the Council, which currently supports comprehensive and highly regarded community transport based services across the District within a budget of £83.5k per annum. Under the new arrangements from 2012/13 onwards this budget would be aligned with other partners as part of the wider scheme objectives. Whilst members expressed their support for moves to create a more efficient service they were keen to support the requirement that the Council's engagement and the eventual outcomes align with the community objectives contained within the Council Plan. The Panel has stressed the importance of safeguarding the Council's interests in community transport which often provides a lifeline to rural communities and was keen to highlight the need to guarantee added value and robustness to the service before Council funds are committed.

**3. RECOMMENDATION**

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Environmental Well-Being) as set out above when considering this item.

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