

A meeting of the **OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 8 SEPTEMBER 2011** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 1 - 6)

To approve as a correct the Minutes of the meeting held on 7th July 2011.

**Mrs C Bulman
388234**

2. MEMBERS' INTERESTS

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda Item. Please see Notes 1 and 2 below.

3. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN (Pages 7 - 12)

A copy of the current Forward Plan, which was published on 15th August 2011, is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**Mrs H Taylor
388006**

4. CALL CENTRE OPTIONS BEYOND 2012 (Pages 13 - 26)

To consider a report by the Head of Information Management Division regarding the options for the District Council's Call Centre prior to its consideration by the Cabinet.

**C Hall
388116
M Hinton
388196
J Barber
388105**

5. DISABLED FACILITIES GRANT BUDGET (Pages 27 - 32)

To consider and comment on a report by the Head of Housing Services prior to its submission to the Cabinet.

**S Plant
388240**

6. FINANCIAL FORECAST (Pages 33 - 56)

To consider and comment on a report by the Head of Financial Services prior to its submission to the Cabinet.

**S Couper
388103**

7. WORKPLAN STUDIES (Pages 57 - 64)

To consider with the aid of a report by the Head of Legal and Democratic Services the Panel's programme of studies.

**Mrs C Bulman
388234**

8. **OVERVIEW AND SCRUTINY (ECONOMIC WELL-BEING) - PROGRESS** (Pages 65 - 68)

To consider a report by the Head of Legal and Democratic Services.

**Mrs C Bulman
388234**

9. **SCRUTINY** (Pages 69 - 74)

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

Dated this 31st day of September
2011



Head of Paid Service

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 Claire Bulman, Democratic Services Officer, Tel 01480 388234 / email Claire.Bulman@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

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

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

Emergency Procedure

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

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Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in the CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN on Thursday, 7 July 2011.

PRESENT: Councillor D M Tysoe – Chairman.
Councillors G J Bull, E R Butler, S Greenall, R Harrison, P G Mitchell, M F Shellens and A H Williams.

Mrs H Roberts.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors R B Howe and A J Mackender-Lawrence and Mr R Hall

17. MINUTES

The Minutes of the meeting of the Panel held on 9th June 2011 were approved as a correct record and signed by the Chairman.

18. MEMBERS' INTERESTS

No declarations were received.

19. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN

The Panel considered and noted the current Forward Plan of Key Decisions (a copy of which is appended in the Minute Book) which had been prepared by the Executive Leader of the Council for the period 1st July to 31st October 2011. Members were advised that reports on the Financial Strategy and the options for the Call Centre after 2012, would be presented to their next meeting as a matter of course.

20. CABINET FEEDBACK - ONE LEISURE FINANCE / USE OF CONSULTANTS

The Panel received and noted a report from the Cabinet (a copy of which is appended in the Minute Book) outlining their deliberations on the Panel's studies into the financial performance of One Leisure and the Council's use of consultants. The Panel noted that the Executive Councillor for Organisational Development had been asked to review the Council's IT costs and that their recommendations would form the basis for improvements to the Council's current arrangements for the use of consultants.

With regard to the Panel's ongoing review of the financial performance of One Leisure, Councillor M F Shellens reported that he had recently received admission figures for the Council's Leisure

Centres, which had been produced on a 12 month rolling average and that he would make these available for consideration during the review.

21. TREASURY MANAGEMENT ANNUAL REPORT 2010/11

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

With the assistance of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel considered the Council's performance for the year ending 31st March 2011 in the investment of its reserves.

Having been acquainted with the Council's Strategies for both borrowing and investing funds in the current year, the Panel noted that the performance of the funds in a year when rates had remained very low had been good, with both the benchmark and the budgeted investment interest having been significantly exceeded.

In considering the contents of the report and having been reminded that, in December 2008, the Council borrowed £10M in advance of its need for the funds over a 50 year period, Members noted that the return from the investment of these monies had been greater than the cost of the monthly repayments. A Member inquired whether there was any scope to lend money to other authorities at a still higher rate; however, it was explained that it was unlikely that other authorities would pay more than the rates currently asked by the Public Works Loan Board.

Members were advised that the Council had needed to borrow on average £3M during the year to manage its cash flow. This reflected the fact that there were extreme fluctuations during the year, which resulted from the fact that the Council collected precepts on behalf of other local bodies and also had to pay out the levies to those authorities in addition to the payment of salaries and meeting the cost of capital expenditure on a monthly basis.

With regard to paragraph 3.1 of the report, Members queried why there had been a reduction in the average interest rates that had been paid on investments during the year. The Panel was informed that this was attributable to the fact that investments, which had been made at higher rates in previous years, had matured and only lower rates were now available.

The Panel discussed the Authority's Strategy for long-term borrowing and noted that the capital programme for the next 5 years assumed an expenditure of approximately £23M plus any slippages from individual years. The Head of Financial Services explained that provided the Council could demonstrate that it had the capacity to afford the repayments, there was no limit to the level of borrowing which could be undertaken by an individual Council. Having been advised that following the reduction of the Council's reserves over the last few years all investments were now being managed in-house, it was

RESOLVED

that the Treasury Management Annual Report 2010/11 be endorsed for submission to the Cabinet.

22. ELECTRONIC NEWSLETTER FOR RESIDENTS

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

The Panel received a joint presentation by the Council's Communications and Partnerships Manager and Senior Communications Officer on their proposals for future communications with residents in Huntingdonshire. Members were informed that following the public consultation on proposed budgetary savings in the previous year, a review of communication activities and their associated costs had been undertaken. As a consequence the final version of District-Wide, the Council's magazine had been published in May 2011.

The Senior Communications Officer outlined details and objectives of a proposal to produce an electronic newsletter on a quarterly basis. It was envisaged, assuming there were 5000 subscribers, that this would cost the Council £1095 per annum. Having also informed Members of the potential to prepare a limited number of printed versions twice a year, the Communications and Partnerships Manager expressed the view that the latter would not be a good use of the budget and other resources.

During discussion on the proposal, Members were advised that it would not generate advertising revenue. Councillor P G Mitchell queried whether it would be possible to reproduce the electronic version within parish magazines. Members agreed that this should be incorporated within the proposals. It was also suggested that parish council websites might be used to signpost residents to information about the District Council.

Councillor T V Rogers, Executive Councillor for Resources and Customer Services, drew attention to the forthcoming launch of the My Huntingdonshire website, which would provide a variety of information about the District. With this in mind, the Panel queried whether an electronic newsletter was necessary and suggested that, before a decision was taken to proceed, the Council should determine whether it was necessary to disseminate the information it would contain. In response the Panel was informed of the nature of the information which would be included within the newsletter and reminded that it was intended to review the proposal after 12 months. The review would have regard to the development of the My Huntingdonshire website.

The Panel discussed whether the use of e-communication would put an sections of society at a disadvantage. The Communications and Partnership Manager informed Members that data obtained in 2008 indicated that 30% of residents did not have access to email. In addition, following discussions with disadvantaged groups and the publication of articles in District-Wide, only one letter had been received in support of the retention of District-Wide. By comparison, there had been 700 requests to register an interest in receiving

Council information via the website.

Councillor G Bull enquired whether it would be possible to analyse subscribers to ensure that information was reaching more vulnerable groups. The Panel was advised that the newsletter would only be received by those who requested it; however, it would be possible to monitor use of the Council's website and the pages visited.

With regard to the production of a supplementary printed version of the newsletter twice per year, Members were generally of the opinion that this was unnecessary given the limited numbers it was intended to produce and the Communications and Partnerships Manager's view that this would not be a good use of Council resources.

In considering the use of an externally managed database to store the email addresses of residents who had registered their interest in receiving Council information, Members queried what implications this might have for data protection and for the Council if data were to go missing. They recommended that risk assessments were undertaken of the company that would be used and of the Council's equalities obligations.

Subject to the views they had expressed during the debate regarding the involvement of parish councils and risk management being taken into account, the Panel indicated their support in principle for the proposal to produce four electronic newsletters per annum over a 12 month trial period.

(Councillor M F Shellens indicated that he would not be voting on this matter).

23. CUSTOMER SERVICES QUARTERLY REPORT

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

The Panel gave consideration to the Customer Service Quarterly Performance Report for the period January to March 2011 (a copy of which is appended in the Minute Book) which outlined the levels of performance and standards achieved by the Service. Attention was drawn to the significant issues, which had emerged since the last report and the issues that the service would face in the forthcoming quarter. Members were advised that changes to the opening hours at the Ramsey and Yaxley Customer Service Centres had not yet come into effect and, therefore, it would not be possible to review the impact of these changes until June 2012.

In considering the contents of the report, the Panel noted that satisfaction levels continued to be maintained despite a reduction in staffing levels. In response to a question about queue performance in 2010/11 and the measures which had been taken to reduce waiting times, Members were advised that it was difficult to predict average queue times and that it was necessary to be flexible to respond to demand as it arose. A Member suggested that it might be useful for future reports to be reorganised such that those services with the most enquiries were featured at the top of the charts.

Arising from the report, the Panel queried whether any consideration had been given to providing services for other authorities. In response, the Executive Councillor for Resources Customer Services explained that he would shortly be examining the options available for the Call Centre when the existing IT and premises contracts expired in December 2012. A report on progress would be submitted to a future meeting.

The Panel discussed the high number of benefit enquiries that were still being received as a result of the current state of the economy. Members were advised that the Council currently was receiving a subsidy from the Department for Work and Pensions to help deal with the increased workload; however, it was uncertain whether this funding would continue after April 2012.

In response to a query regarding the opening hours of the Yaxley Customer Services Centre and whether they could be linked to the weekly bus service from the surrounding villages, the Head of Customer Services reported that she had sought local views on the matter and that she would give it consideration.

Other matters which were discussed included the Call Centre's business continuity arrangements and the flexibility of the staff arrangements within the service to respond to increased demand in a particular area. It was suggested that it might be useful to display information to customers about those times during which there was a high demand for the service. Having endorsed the format of the report and the proposal to report back in June 2012 on the effect of the changes at the Ramsey and Yaxley Centres, it was

RESOLVED

- (a) that the contents of the report be noted; and
- (b) the Executive Councillor for Resources and Customer Services be requested to give further consideration to the actions which could be taken should additional funding from the Department for Work and Pensions to deal with benefits enquiries not continue after April 2012.

24. ONE LEISURE FINANCE

With the assistance of a report by the One Leisure Finance Working Group (a copy of which is appended in the Minute Book) the Panel received an update on the deliberations of the Working Group, which had been established to review the performance of One Leisure and make recommendations on the service's future strategic direction.

25. OVERVIEW AND SCRUTINY ANNUAL REPORT 2010/11

The Panel received and noted the draft Overview and Scrutiny Annual Report for 2010/11 (a copy of which is appended in the Minute Book).

26. WORKPLAN STUDIES

The Panel received and noted a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute

Book) containing details of studies that were being undertaken by the Council's Overview and Scrutiny Panels. In so doing, comment was made about the study of CCTV provision and the need to give consideration to the future of the service at the earliest opportunity. The Scrutiny and Review Manager explained that the matter would be considered by the Panel for Environmental Well-Being at their meeting the following week and all members were welcome to attend. He undertook to circulate a copy of the relevant report.

In considering potential areas for future investigation, during discussion on the viability of the A14 it was suggested that a representative of the Highways Agency should be invited to a future meeting to discuss the Agency's contingency arrangements should it not be possible to use the A14 for an extended period of time. Having regard to Members' interest in the Council's support services, a scoping report on this subject was requested for consideration at a future meeting. Reports also were requested on the likely impact on the Council of the Government's Statement on Business Rates and on the implications for the local economy of the establishment of a Local Enterprise Zone on the former Alconbury Airfield.

27. OVERVIEW & SCRUTINY PANEL (ECONOMIC WELL-BEING) - PROGRESS

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) reviewing progress on matters that had previously been discussed by the Panel.

28. SCRUTINY

The Panel received and noted the latest edition of the Council's Decision Digest (a copy of which is appended in the Minute Book).

Chairman

FORWARD PLAN OF KEY DECISIONS

Prepared by
Date of Publication:
For Period:

Councillor J D Ablewhite Miss Effe Chrisostomou
11 August 2011
1 September 2011 to 31 December 2011

Membership of the Cabinet is as follows:-

Councillor J D Ablewhite	- Leader of the Council, with responsibility for Strategic Economic Development	3 Pettis Road St. Ives Huntingdon PE27 6SR Tel: 01480 466941 E-mail: Jason.Ablewhite@huntingdonshire.gov.uk
Councillor N J Guyatt	- Deputy Leader of the Council with responsibility for Strategic Planning and Housing	6 Church Lane Stibbington Cambs PE8 6LP Tel: 01780 782827 E-mail: Nick.Guyatt@huntingdonshire.gov.uk
Councillor B S Chapman	- Executive Councillor for Organisational Development	6 Kipling Place St. Neots Huntingdon PE19 7RG Tel: 01480 212540 E-mail: Barry.Chapman@huntingdonshire.gov.uk
Councillor J A Gray	- Executive Councillor for Environment	Shufflewick Cottage Station Row Tilbrook PE28 OJY Tel: 01480 861941 E-mail: JG@novae.com
Councillor T V Rogers	- Executive Councillor for Resources and Customer Services	Honeysuckle Cottage 34 Meadow Lane Earith Huntingdon PE28 3QE Tel: 01487 840477 E-mail: Terence.Rogers@huntingdonshire.gov.uk
Councillor T D Sanderson	- Executive Councillor for Healthy and Active Communities	29 Burmoor Close Stukeley Meadows Huntingdon PE29 6GE Tel: (01480) 412135 E-mail: to(M)Sanderson@huntingdonshire.gov.uk

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

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

Roy Reeves
Head of Administration

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

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Waste Collection Policies*** ∞	Cabinet	22 Sep 2011	None.	Eric Kendall, Head of Operations Tel No. 01480 388635 or email Eric.Kendall@huntingdonshire.gov.uk		J A Gray	Environmental Well-Being
Cambridgeshire Future Transport - Transport for Cambridgeshire***	Cabinet	22 Sep 2011	None.	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Update on emerging options and recommendations.	N J Guyatt	Environmental Well-Being
Nuisance Vehicles	Cabinet	22 Sep 2011	None.	Sonia Hansen, Development and Community Manager Tel No. 01480 388630 or email Sonia.Hansen@huntingdonshire.gov.uk		J A Gray	Environmental Well-Being

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Call Centre Post 2012 - Infrastructure, Scope, Partnering Arrangements and Location	Cabinet	22 Sep 2011	None.	Chris Hall, Head of Information Management Division Tel No. 01480 388116 or email Chris.Hall@huntingdonshire.gov.uk	Economic Well-Being	T V Rogers B Chapman	Economic Well-Being
Cambridgeshire Green Infrastructure Strategy	Cabinet	22 Sep 2011	Cambs County Council-Led Project	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388340 or email Paul.Bland@huntsdc.gov.uk	Endorse as Council Policy (subject to County Council progress).	N J Guyatt	Environmental Well-Being
Residential Travel Plan	Cabinet	22 Sep 2011	Cambs County Council-Led Project	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388340 or email Paul.Bland@huntsdc.gov.uk	Endorse as Council Policy (subject to County Council progress).	N J Guyatt	Environmental Well-Being
Financial Strategy	Cabinet	22 Sep 2011	Previous Year's Budget Report - Various Annexes	Steve Couper, Head of Financial Services Tel. 01480 388103 or email Steve.Couper@huntingdonshire.gov.uk	Overview and Scrutiny (Economic Well-being) – 8th September 2011	T V Rogers	Overview and Scrutiny (Economic Well-being)
Cambridgeshire Public Sector Asset Management Strategy***	Cabinet	20 Oct 2011	None.	Malcolm Sharp, Director of Environmental and Community Services Tel No. 01480 388300 or email Malcolm.Sharp@huntingdonshire.gov.uk		T V Rogers	Economic Well-Being
Green House Project Update***	Cabinet	20 Oct 2011	None.	Chris Jablonski, Environment Team Leader Tel No. 01480 388368 or email Chris.Jablonski@huntingdonshire.gov.uk		J A Gray	Environmental Well-Being

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Great Fen Supplementary Planning Document	Cabinet	20 Oct 2011	Great Fen SPD	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388340 or email Paul.Bland@huntsdc.gov.uk	Endorse as Council policy (further details required)	N J Guyatt	Environmental Well-Being
St. Ives West Urban Design Framework	Cabinet	20 Oct 2011	Agreed Urban Design Framework	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntsdc.gov.uk	Adopt as Council policy	N J Guyatt	Environmental Well-Being
Gypsy & Traveller Policy Issues	Cabinet	20 Oct 2011	New PPS on G & T Issues Cambs GTANA	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Consider latest policy issues.	N J guyatt	Environmental Well-Being
Developer Contributions Supplementary Planning Document	Cabinet	20 Oct 2011	Local Infrastructure Framework	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Endorse as Council policy.	N J Guyatt	Environmental Well-Being
Carbon Management Update***	Cabinet	17 Nov 2011	None.	Chris Jablonski, Environment Team Leader Tel No. 01480 388368 or email Chris.Jablonski@huntingdonshire.gov.uk		J A Gray	Environmental Well-Being
Planning for Sustainable Drainage Systems (SuDs)	Cabinet	17 Nov 2011	CCC SuDs Options Paper	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Consider options.	N J Guyatt	Environmental Well-Being

Subject/Matter for Decision	Decision/ recommendation to be made by	Date decision to be taken	Documents Available	How relevant Officer can be contacted	Consultation	Relevant Executive Councillor	Relevant Overview & Scrutiny Panel
Planning Proposals Development Plan Document	Cabinet	17 Nov 2011	Updated SHLAA, Employment Land Review, Updated Retail Study	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntsdc.gov.uk	Approve findings for consultations as preferred options.	N J Guyatt	Environmental Well-Being
RAF Brampton Urban Design Framework	Cabinet	17 Nov 2011	Agreed Urban Design Framework	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Adopt as Council Policy.	N J Guyatt	Environmental Well-Being
Draft MTP***	Cabinet	8 Dec 2011	None.	Steve Couper, Head of Financial Services Tel No. 01480 388103 or email Steve.Couper@huntingdonshire.gov.uk		T V Rogers	Economic Well-Being
Local Government Finance Act 1988 - Publication of Rural Settlement List***	Cabinet	8 Dec 2011	None.	J Barber, Head of Customer Services Tel No. 01480 388015 or email Julia.Barber@huntingdonshire.gov.uk		T V Rogers	Economic Well-Being

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CALL CENTRE OPTIONS BEYOND 2012 (Report by the Head of Information Management)

1. PURPOSE

The purpose of this report is to present recommendations regarding the options for the Call Centre beyond December 2012 for consideration by Cabinet on September 22nd, 2011.

2. INTRODUCTION

- 2.1. The main IT contracts for the Call Centre end in December 2012, the Speke House lease runs until June 2013. The Council has been looking at what is required to deal with this issue.
- 2.2. The Council set up the current Call Centre operation in 2005. The service is managed and staffed entirely by HDC personnel but the accommodation, core IT and telephony infrastructure is provided by Cambridgeshire County Council (CCC).
- 2.3. The Customer Relationship Management System (CRM) is Onyx One Serve – This system is used to record the details of customer contacts (via phone, web and eforms), maintaining customer records and history. The system is used to record and generate Service Requests for the back office to action as well as providing various management reports.
- 2.4. The telephony system is Avaya which is an Automated Call Distribution (ACD) system. This system provides all of the intelligent and automated routing, queuing, call recording, messaging and reporting functionality. The Council pay CCC a managed service and support fee for the current infrastructure.
- 2.5. The Call Centre occupies leased accommodation in Speke House (A CCC owned building that also houses their call centre, Cambs Direct) in St Ives.
- 2.6. A project to formally evaluate the Council's future options for the Call Centre was initiated in February 2011. The Project Board is chaired by Chris Hall, Head of IMD with Julia Barber, Head of Customer Services also a member.

3. OBJECTIVES

- 3.1. The primary objectives of the project are :
 - a. To evaluate the main options for HDC's Call Centre to enable decisions to be taken in advance of the expiry of the current contracts with CCC (Dec 2012 and June 2013).

- b. To consider the options on the basis of maintaining or improving high levels of service against overall value.
- c. Identify opportunities to find savings and reduce cost.
- d. To explore the benefits of sharing elements of the service provision and / or collaboration with existing and / or new LA partners.

These objectives have been applied to some specific areas:

- i. *Reviewing Technology (CRM and Telephony)*
- ii. *Call Centre Location*
- iii. *Staff options*
- iv. *Reviewing CCC's service offer*

4. OPTIONS

The table below highlights the main options that exist for the Call Centre and whether they have been evaluated (denoted by the ticks and crosses) and the reasoning:

	Share with CCC	HDC Provided	Share with FDC / SCDC	Camb Direct (CCC)
Staff	<input type="checkbox"/> Option N/A - CCC has its own Call Centre - Camb Direct. Only viable option to collaborate on staff is outsourcing to Camb Direct	<input checked="" type="checkbox"/> Existing position - All Call Centre staff employed directly by HDC	<input type="checkbox"/> Option not currently considered - SCDC part of Camb Direct and FDC have no known intention to share	<input checked="" type="checkbox"/> Option evaluated - Indicative figures received for Camb Direct to offer the service. If moving to Camb Direct the whole service would be outsourced
Telephony	<input checked="" type="checkbox"/> Existing position - HDC use CCC's Avaya ACD system	<input checked="" type="checkbox"/> Option evaluated - HDC could move to providing its own ACD system.	<input type="checkbox"/> Option not currently considered - Most viable options are either sharing with CCC as current or HDC only.	
CRM	<input checked="" type="checkbox"/> Existing position - HDC use CCC's Onyx CRM system	<input checked="" type="checkbox"/> Option evaluated - HDC could have its own CRM system.	<input checked="" type="checkbox"/> Option being considered - HDC could share procurement and / or a system with FDC / SCDC. More detail required to fully evaluate	
Location	<input checked="" type="checkbox"/> Existing position - HDC lease space in Speke House	<input checked="" type="checkbox"/> Option evaluated - HDC could potentially move to HDC accommodation at PFH / EFH.	<input type="checkbox"/> Option not currently considered – SCDC decision to set up its own operation at Cambourne post Dec 2012. FDC has no known plans to move from its current approach.	

5. KEY FINDINGS AND CONCLUSIONS

The table below summarises the key conclusions for the different options that have been evaluated those that are not in scope are greyed out. More explanation and detail is provided from 5.1 onwards.

	Share with CCC	HDC	Share with FDC / SCDC	Cambs Direct (CCC)
Staff	<p>✘ N/A - Not considered a viable option. CCC has a much bigger operation with Cambs Direct and we provide different services.</p>	<p>☑ HDC has an excellent Call Centre and should retain its own staff.</p> <p>? See section 5.4 for more detail. The potential for efficiencies and improvements through the co-location of staff is limited. The resourcing of the CSC and the Call Centre can be considered separately to decisions regarding contracts with CCC.</p>	<p>✘ N/A - Option not currently considered - SCDC part of Cambs Direct and planning to set up its own operation. FDC have no known intention to share.</p>	<p>☑ Outsourcing to Cambs Direct may provide savings however confidence is low in the indicative costs provided by CCC.</p> <p>✘ Outsourcing to Cambs Direct could mean risking the current levels of excellent service passing control to CCC.</p> <p>✘ SCDC have decided to pull out of Cambs Direct to set up its own operation - This must attach severe risk to any move for HDC to go this way.</p>
Telephony	<p>☑ HDC currently uses CCC's Avaya ACD (Automated Call Distribution) telephony system and is very satisfied with it. The Avaya system is a "best in class" solution and the charge from CCC is considered to be good value (largely driven by CCC's economies of scale).</p> <p>☑ Due to CPSN data link HDC should be able to utilise the system regardless of location</p>	<p>✘ To procure and implement an HDC system will be costly (Capital of £40k+), incur risk and is unlikely to provide the call centre with a system that is either as good or cheaper than CCC's Avaya.</p>	<p>✘ N/A – Option not considered viable.</p>	
CRM	<p>See section 5.6 for details. In summary:</p> <p>☑ The current system (Onyx) has worked satisfactorily for the Call Centre.</p>	<p>See section 5.6 for details. In summary:</p> <p>☑ The business case to move to a new HDC CRM is</p>	<p>See section 5.6 for details. In summary:</p> <p>☑ SCDC have decided to end their agreement with</p>	

	Share with CCC	HDC	Share with FDC / SCDC	Camb Direct (CCC)
	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> CCC have indicated the running costs are likely to reduce. <input checked="" type="checkbox"/> There are issues with the current model of sharing Onyx with CCC (Integration, constraints on configuration, not really used outside of the Call Centre). <input checked="" type="checkbox"/> The revenue costs are considered high (£87k pa currently and £56k pa indicative in the future). <input checked="" type="checkbox"/> CCC have no firm plans to review / replace Onyx although it is inevitable they will have to do this at some point. <input checked="" type="checkbox"/> There are now better products available which could provide greater value to HDC as a whole. 	<ul style="list-style-type: none"> positive with an estimated £50k saving per year. <input checked="" type="checkbox"/> There are now better products available which could provide greater value to HDC as a whole. <input checked="" type="checkbox"/> Constraints imposed by the current arrangements with CCC would be removed. <input checked="" type="checkbox"/> Any procurement and implementation project will carry complexity and risk. 	<ul style="list-style-type: none"> Camb Direct with CCC and set up their own Call Centre. Indications are that collaboration on procurement and/or sharing a system is possible. <input checked="" type="checkbox"/> FDC are also reviewing its CRM options. The option to collaborate is possible. <input checked="" type="checkbox"/> The requirements and timescales of SCDC and / or FDC may not link to HDC's. <input checked="" type="checkbox"/> The business case for sharing systems is not yet clear. HDC has already encountered some issues sharing with CCC. <input checked="" type="checkbox"/> Working with partners can bring additional complexity, effort and risk. 	
Location	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Speke House provides good accommodation and facilities at a competitive rate. <input checked="" type="checkbox"/> Speke House provides additional disaster recovery resilience and contingency. <input checked="" type="checkbox"/> CCC have indicated options for continued use beyond June 2013 will be available. <input checked="" type="checkbox"/> Option to stay at Speke for further 5 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The most appropriate HDC location to accommodate the Call Centre is EFH. <input checked="" type="checkbox"/> Moving the Call Centre to PFH may provide some additional but limited scope to get efficiencies from the co-location of Call Centre and CSC staff. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> N/A - Option not currently considered – SCDC decision to set up its own operation at Cambourne post Dec 2012. FDC has no known plans to move from its current approach. 	

	Share with CCC	HDC	Share with FDC / SCDC	Cambs Direct (CCC)
	<p>years will be at worst same cost as option to move to HDC with lower risks.</p> <p>✘ Although not considered a viable strategy the dynamic interchanging of CSC and Call Centre staff would not be possible.</p>	<p>✘ Moving the Call Centre to PFH / EFH could risk sub-let income of £30k to £50k.</p> <p>✘ Moving the Call Centre to an HDC location will incur cost, complexity and risk. Staff turnover is likely to increase significantly in the short term.</p> <p>? Further clarity will be needed around the impact of the County wide MAC (Making Assets Count) project</p>		

The following lists in more detail the key findings and conclusions from the work to date by category:

5.1. Service

The HDC Call Centre continues to provide an excellent service (as endorsed by the Government's Customer Service Excellence Award and feedback from customers) and the Council retains a high degree of control over service delivery through the current model. Any future changes to the Call Centre should take into consideration the success and efficiency of the current operation against the need to generate savings.

5.2. Costs / Savings

- a. From the details established to date there is a high likelihood that savings against the Call Centre's current revenue costs will be achievable. Indicative savings are estimated in the range of **£30k pa to £50k+pa**. The savings potential is driven by CCC's own plans to reduce costs (from changes to current supplier contracts and staffing) and the option for HDC to provide its own CRM (reducing the reliance on CCC to provide support services and levy a managed service fee).
- b. Indicative costs from CCC suggest that moving the provision of our Call Centre services to Cambs Direct (and no longer having HDC staff deliver the service) could extend the savings further. However the accuracy of these indicative costs is not considered to be high (CCC acknowledge this as more detail is required). In light of points 5.1 and 5.7 this option has to be considered a high risk and not a preferred option.

5.3. Location

- a. The Council's Estates Manager has advised that the current terms of HDC's lease for Speke House are highly competitive. HDC currently pay £20k pa for rental and approx £20k for services (utilities, parking etc.)
- b. CCC has indicated space at Speke House will remain available to HDC beyond the current lease and they are willing to discuss both an extension and changes to the current arrangements (CCC has indicated that the terms of our current lease are unlikely to alter significantly).
- c. Moving the Call Centre to HDC accommodation in Huntingdon will incur elements of cost, complexity and risk. The main components being:
 - **Telephony** - The need to retain or replace CCC's ACD system.
 - **Staff** - Implications for the retention of staff (especially part time staff who live in St Ives) and service disruption. The indications are that **20% to 25%** of the Call Centre's current team may choose to leave rather than commute.
 - **DR** - Reduction in Disaster Recovery options (Speke House has back up generators and gives greater resilience through multiple town locations).
 - **Risk** - The overall resources, costs and risks associated with undertaking the project required to deliver the move.

- **Sub-let** - The opportunity cost of reducing the sub-let potential of HDC space (Work by the Facilities Team has indicated that office space above the Civic Suite, Pathfinder House (PFH) has a sub let value of **£30k pa to £50k pa**).
- d. The Facilities team believe Eastfield House (EFH) would be the most appropriate HDC location for the Call Centre if it were to move, however subletting space at PFH and other plans could mean there is no suitable space at EFH. Further clarity will be needed around the impact of the County wide MAC (Making Assets Count) project, the approach to use of HDC owned space versus income opportunities and the future shape of the organisation.
- e. A table in Appendix 2 summarises the estimated net costs of the main options. When all of the factors are taken into account the 5 year costs and risks make remaining at Speke House the preferable option.

5.4. Customer Service Staff Resource Models

There is a view that co-locating the Call Centre with our Customer Service Centre will generate management / staff efficiencies. Some Authorities do operate in this way (and many others have multiple sites including dedicated Call Centres) however the following should be noted:

- a. A change in approach to management within Customer Services is not considered to be exclusive to the Call Centre and Customer Service Centre being co-located. Speke House is only 5/6 miles from PFH and EFH (Considered as the best HDC alternative to Speke) is 2 miles from PFH.
- b. Through accurately forecasting calls, good staff planning and using part time staff the Call Centre is already efficient with little spare capacity. In addition the current make up of skills sets, preferences and training / knowledge is not uniform across the Call Centre and CSC staff. The opportunity to create efficiencies through interchanging staff dynamically on the same site is therefore considered limited.
- c. The opportunity for greater cross training / movement of staff between the channels could still be beneficial, (As recently demonstrated for maternity cover). Practice from elsewhere (for example East Riding) does suggest the option to use face to face staff as an additional (but planned) resource for taking calls could be explored and has no dependency on co-location.
- d. Changes to the approach for staffing and managing both face to face and phone contacts are not dependent upon the co-location of these services. It is not constrained by the contracts and timescales for agreements with CCC.

5.5. Technology - Telephony

- a. The HDC Call Centre currently uses CCC's Avaya ACD (Automated Call Distribution) telephony system and is very satisfied with it. The Avaya system is a "best in class" solution and the charge from CCC is considered to be good value (largely driven by CCC's economies of scale).

- b. Moving away from this system to procure and implement an HDC system will be costly (Capital of **£40k+**), incur risk and is unlikely to provide the call centre with a system that is either as good or cheaper than CCC's Avaya.
- c. The agreement for this should be extended in line with the term for Speke House. Approval should be given to the Project Team (supported by Legal / Estates and Facilities as required), to initiate negotiations with CCC.

5.6. Technology - CRM

- a. Surprisingly CCC has no plans to review the CRM market place and is committed to retaining the Onyx system with a planned upgrade to version 7.1 during 2011/12. To date CCC and therefore also HDC have only limited information about the features and any benefits of the new version. While there are no confirmed plans it does seem inevitable that CCC will have to review their options at some point in the future. Recently (Aug 2011) contact from CCC has indicated their position maybe subject to change – although HDC has no official confirmation of this.
- b. HDC's use of the CCC hosted Onyx system has been a mainly satisfactory arrangement for the last 6 years and supports the Call Centre functionally. However there are a number of issues:
 - Integration with other HDC systems and datasets – Through a combination of Onyx residing on CCC's network and the Onyx architecture this has proved to be an area that is both costly and difficult to achieve. In addition gaining full access directly to HDC systems has also proved difficult.
 - Configuration and changes to the system are wholly controlled by CCC. While HDC pay for CCC to undertake this on our behalf, the constraints that exist and overall value is open to question. CCC has indicated these costs are likely to reduce (From **£87k pa to £56k pa**).
 - Our LLPG interface to Onyx for daily property record updates has recently ceased with no firm plans to rectify this (an area of investment in the past). This is due to a change in LLPG file format which CCC / Consona (Onyx vendor) do not view as a priority.
 - The revenue costs of £87k pa are considered high - they include a managed service fee as well as funding for a post in CCC's Business Support Team.
 - It is used very little by Services and other customer service channels (Face to face, no web or self service options).
 - Reporting and access to HDC data in the CRM. The current arrangements could be significantly improved.
- c. The conclusions of the evaluation of the CRM market place for local government undertaken with South Cambs District Council (SCDC) and Fenland District Council (FDC) are listed below:
 - There are significantly better products than the current version of Onyx we are using. The current system is used nearly exclusively by the Call Centre, it is believed an alternative CRM from the review could be utilised far more corporately (inc other customer service channels) and would provide a better strategic fit for HDC's IT infrastructure and resources.

- This combined with bringing the CRM under greater HDC control (i.e. no longer taking the service from CCC), could also result in a more agile, easier integrated and better utilised system.
- The future estimated costs of the options based upon indicative costs from CRM vendors and CCC are summarised below (A more detailed breakdown is provided in Appendix 1). The estimated return on investment from switching systems and the potential for ongoing revenue savings presents a sound business case. An MTP proposal has been drafted on this basis and is included in Appendix 3. This shows an annual saving of - **£50k pa**.

Option	Cap (£k)	Rev (£k pa)	Total 5 years (£k)	Future Revenue Saving £k pa
Current Costs for CCC Onyx	0	87	435	0
Future Costs for CCC Onyx	0	56	280	-30
Preferred CRM option from Market Review	156	16	236	-71

- d. After working together with FDC and SCDC to review the CRM market place, all three Councils (on the basis of those representing them) believe there is some potential to explore further whether or not the options of joint procurement, or some degree of sharing a CRM system are mutually beneficial.
- e. PC hardware, support and data connectivity at Speke House – At the moment the PCs and direct support for them is provided by CCC (£9k pa). There is a data link to HDC which gives limited access to HDC’s network and systems. Data connectivity options between HDC and CCC locations will be improved by the introduction of CPSN¹ during 2012. The option to retain the current arrangements or replace the PC hardware (and support) and bring them directly onto the HDC network requires further investigation.
- f. As part of any future procurement the various routes / options will need to be evaluated alongside discussions with partners. The overall timescales and associated risks will need to be considered. The option to retain the use of CCC’s CRM would remain open until that process has concluded.

5.7. Developments at South Cambs District Council

- a. SCDC’s Cabinet have approved (July 2011) that they end their current arrangements with Cambs Direct and set up their own contact centre (at the end of their contract in Dec 2012). It is not known exactly what the full implications of this will be for CCC and if there will be any consequently, for HDC – but if CCC are losing a client, there may be a risk this loss of income will be passed onto HDC.

¹ (CPSN –A County wide data and communications network linking public sector buildings, offices, schools etc)

6. RECOMMENDATIONS

Cabinet are asked to approve the following recommendations:

6.1. Staff

- a. The Council should retain an HDC operated and staffed Call Centre beyond Dec 2012.

6.2. Location

- a. Approval is given to the Project Team (supported by Legal / Estates and Facilities as required), to initiate negotiations with CCC regarding a 3 year extension to the lease of space / facilities at Speke House. This process should be planned to conclude no later than June 2012.

6.3. CRM Technology

- a. The Project Team commence a formal procurement process for a replacement CRM system. The timescale for the completion of this process is estimated as January 2012.
- b. The Project Team continue discussions with SCDC and FDC regarding any possible collaboration on procurement or sharing of technology (To be considered with recommendation 6.3 a).
- c. The Project Team continue to communicate and monitor CCC's position prior to any final decision.
- d. On the basis that the cost of the future CRM system is anticipated to be at worst cost neutral (and more likely will generate a saving), Cabinet is requested to delegate the final decision on future CRM options to COMT and the Executive Councillor for Customer Services.

6.4. Telephony System

- a. It is recommended that the Call Centre retains and extends agreements for the use of CCC's Avaya ACD system.

BACKGROUND INFORMATION AND CONTACTS

Matt Hinton – Team Leader, BA and Projects Team, IMD, ☎ Ext 8196

Chris Hall – Head of IMD, ☎ Ext 8116

Julia Barber – Head of Customer Services, ☎ Ext 8105

APPENDIX 1 - CRM INDICATIVE PRICE COMPARISON - SOFT MARKET REVIEW MAY / JUNE 2011, HDC / FDC / SCDC

	Option 1 £k	Option 2 £k	Option 3 £k	Option 4 £k	Future CCC Onyx v7 ² £k	Current CCC Onyx £k
Front Office Licensing - 50 license	28.5	54	36	25	0	0
Back Office - 35 licenses	13	4	0	0	0	0
Licensing Sub Total	41.5	58	36	25		
Mail / SMS	4	13	0	10	0	0
Web	2.5	30	n/a	5.4	na	na
Integration - Typical per system	4	5		3		
Scripting tool	0	33	0	0	0	0
Campaigns	0	n/a	n/a	3.5	na	na
Reporting	0	25	0	5	0	0
Total software and modules	52	164	36	52	0	0
Estimated HDC Network Costs etc	10	10	10	10	0	0
Estimated HDC Resource Costs	20	20	20	20	0	0
Total HDC - £k	30	30	30	30	0	0
Training	8	45	0	0	0	0
Implementation Services	66	60	7	33	0	0
Services Sub Total	74	105	7	33	0	0
TOTAL - IMPLEMENTATION (less support)	156	299	73	115	0	0
Direct Support - revenue £k pa	12	38	12	10.5	56	87
Additional HDC Support - revenue £k pa	4	4	4	4	0	0

^{2 2} While no cost has been included we are awaiting a response from CCC ref the future IT network hardware refresh costs for our continuing use of Onyx. It is quite likely HDC will need to contribute financially to this if extending the current arrangements.

TOTAL - 5 years (Implementation + support 5 yrs)	236	508	153	187	280	435
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APPENDIX 2 CALL CENTRE LOCATION OPTIONS – INDICATIVE COSTS

OPTION	REVENUE COSTS		CAPITAL COSTS								NET £k (5 years)	RISK (0 to 5)
	SPACE £k pa (2)	TELEPHONY SYSTEM REV £k pa	TELEPHONY - CAP £k	ADDITIONAL STAFF RECRUITMENT £k (RESULT OF INCREASED TURNOVER)	MOVE / ASSEMBLE FURNITURE £k (1)	TRAINING ROOM FACILITIES £k (Access to dedicated ACD, handsets and PCs)	ADDITIONAL SPACE MODIFICATIONS £k	NETWORK SET UP / CONFIG ETC £k (4)	HDC PROJECT MGT / SERVICES £k			
SPEKE HOUSE - EXISTING TELEPHONY	40	8	0	0	0	0	0	0	0	0	240	1
HDC PFH - EXISTING TELEPHONY (3)	30	11	17	8	7	6	Cost tbc	Cost tbc	6	6	249	4
HDC EFH - EXISTING TELEPHONY (3)	30	11	17	8	7	6	Cost tbc	Cost tbc	6	6	249	3
HDC PFH - NEW HDC TELEPHONY	30	8	36	8	7	6	Cost tbc	Cost tbc	12	12	259	5
HDC EFH - NEW HDC TELEPHONY	30	8	36	8	7	6	Cost tbc	Cost tbc	12	12	259	4

1 - Estimate validated by Facilities as reasonable, actual cost tbc. This assumes current call centre furniture can be reused.

2 - Speke House actual costs (£20K for rental & £20k for services inc access to training facilities and parking spaces) for HDC opportunity cost of lower range sublet value estimate used (Advised by Accountancy as most appropriate figure).

3 - Estimate based upon indicative figures from CCC and assumes data / network connectivity via CPSN link is in place. (CPSN –A County wide data and communications network provided by Virgin Media linking public sector buildings, offices, schools etc)

4 - Note - PC refresh costs / build, assumes cost will be net £0 as if staying or moving will need to be undertaken

APPENDIX 3 DRAFT MTP

NEW SCHEME OR VARIATION IN COST		REF									
Bid Title	Call Centre - CRM Replacement										
Lead Head of Service	Julia Barber										
Brief Description of Bid clarify whether new scheme or variation on an existing bid	New Scheme - Detailed report going to COMT (Aug), O & S (Sept 8th) and Cabinet (Sept 22nd). Recommendation to procure HDC replacement for current use of CCC Onyx CRM. All costs are indicative at this stage, and require a formal procurement process to occur - this may change the profile										
PROPOSED START YEAR	HIGH PRIORITY, UNAVOIDABLE or SAVING	FULL YEAR IMPACT (VARIATION)									
2012	HIGH PRIORITY / SAVING	-52									
IF UNAVOIDABLE, WHY?											
IF HIGH PRIORITY or SAVING, WHAT IS THE IMPACT ON THE COUNCIL'S PRIORITIES?											
Which Priority Area(s)?	What measure(s) will be affected?	What impact do you expect this scheme to have on the measure(s) & in what timescale?									
Alternatives What alternatives have you considered to achieve similar outcomes and why are they not as cost effective?	Soft market review has happened, this has included getting updated costs from CCC for the continuation of the current service with them. The recommended option of pursuing formal procurement is, at this stage, thought likely to create the greatest saving										
Key Assumptions made Including the period for any non-permanent revenue bids, usage, charging policy, staffing etc.											
Risk Assessment What are the risks and likelihood of the impact quoted above or the financial assessment not being achieved?	The costs we have are from indicative soft market testing, and will be firmed up by commencing formal procurement and revisiting the business case once this is complete. We will still be able to stop the procurement at that point and continue our relationship with CCC should this not yield the anticipated savings.										
EXTRA COST OR SAVING (£000)											
	Pre 2011/12	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Post 2016/17	Total		
Gross Capital Cost	0	20	136	0	0	0	0	0	156		
Capital Income	0	0	0	0	0	0	0	0	0		
Net Capital Variation	0	20	136	0	0	0	0	0	156		
of whichinflation									0		
cap fees									0		
other	0	20	136	0	0	0	0	0	156		
Expenditure		0	-20	-158	-158	-158	-158	-87			
Income		0	0	0	0	0	0	0			
Net Revenue Variation	0	0	-20	-158	-158	-158	-158	-87			
of whichinflation											
cap fees											
other		0	-20	-158	-158	-158	-158	-87			
Memo overall impact FYE**									-52		
TOTAL COST OF PROPOSED SCHEME (£000)											
Sources of External funding											
Conditional Scheme can only go ahead if received											
Possible											
Considered and discounted											
ALL INCOME NEEDS "-" SIGN	Pre 2011/12	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Post 2016/17	Total	LIFE years	
	Cash prices		Ouzurn 2012/13								
CAPITAL EXPENDITURE											
Land									0		
New Buildings									0		
Improvements to Buildings									0		
New infrastructure									0		
Improvements to Infrastructure									0		
Vehicles									0		
Equipment/Computer Hardware			10						10	5	
Software		20	126						146	5	
	0	20	136	0	0	0	0	0	156	5	
CAPITAL INCOME											
Earmarked Capital Receipt									0		
Grant or contribution									0		
	0	0	0	0	0	0	0	0	0		
NET CAPITAL	0	20	136	0	0	0	0	0	156	5	
REVENUE											
Expenditure				-71	-71	-71	-71				
Income											
NET REVENUE	0	0	0	-71	-71	-71	-71	0			
Memo overall impact FYE**										35	

**OVERVIEW & SCRUTINY PANEL
(ECONOMIC WELL BEING)**

08 SEPTEMBER 2011

CABINET

22 SEPTEMBER 2011

**DISABLED FACILITIES GRANT BUDGET
(Report by the Head of Housing Services)**

1. PURPOSE OF REPORT

- 1.1 This report informs Cabinet that the demand for disabled facilities grants (DFGs) will exceed the 2011/12 budget provision. It explores the reasons for this and provides options for dealing with the situation.

2. BACKGROUND INFORMATION

- 2.1 The Council must award a DFG for work to achieve one or more of a set of purposes defined by statute. DFGs are awarded on the recommendation of an occupational therapist (OT) and funds aids and adaptations like ramps, stair lifts and level access showers. Occasionally the works required are more involved and may result in an extension to a property, if this is the best solution. DFGs enable elderly and disabled people to live independently and therefore contribute towards their quality of life. The Council must be satisfied that a DFG is necessary and appropriate and that to carry it out is reasonable and practicable. The Council is expected and required to set a budget that can cope with the likely level of demand placed upon it.
- 2.2 A local authority must inform the applicant in writing of the outcome of an application as soon as reasonably practicable and not later than six months after the date of the application.
- 2.3 When demand exceeds available budget authorities are able to defer payment of approved cases for up to 12 months but this cannot be used to limit demand or reduce expenditure. When money becomes available these approved cases are first in line to be paid followed by all the other cases for that financial year. This approach does not solve the problem it merely defers the problem.

3. REASONS FOR INCREASED DEMAND/COST

- 3.1 The waiting time for OT assessment for HDC residents compared to other districts has been longer. Over the last 3 years the OT service has put extra resources into Huntingdonshire. This has resulted in higher referral rates. The waiting time has been broadly equitable with other districts since May 2011. It was anticipated that the volume of referrals would reduce once equity had been achieved but this has not been the case so far. The OT service has reported a general increase in demand.

Year	Number of OT referrals	Average per month
2009-10	347	28.92
2010-11	404 (+57)	33.67
2011-12	134 (April to July)	33.5

3.2 There were 135 enquiries outstanding from last year at the end of December 2010. These jobs, because of the lead time to prepare, have carried over for funding in the current year. In addition, the referrals in the current year from the OT service have, so far, continued at the higher rate of the previous year.

3.3 Grants Approved.

Year	Grant Approvals	Average number per month
2009-10	188	15.66
2010-11	320 (+132)	26.66 (+11)
2011-12	98 (April to 30 August)	19.6

APPROVED GRANTS			
	2009/10	2010/11	2011/12 (to 30 August)
Number			
Adult	167	300	85
Child	21	20	13
Total	188	320	98
Total cost	£	£	£
Adult	790,293	1,507,862	502,321
Child	231,424	298,982	223,238
Total	1,021,717	1,806,844	725,559
Average cost	£	£	£
Adult	4,732	5,026	5,910
Child	11,020	14,949	17,172
All	5,435	5,646	7,404

*Grants approved in the year will not equal spend in year due to works/payments overlapping financial years.

3.4 There has been a general increase in the number of referrals including higher value works such as conversions and extensions to homes (see tables at 3.3 and 3.10). Some of the approvals last year are a cost to this year's budget.

3.5 The Child OT service has reported that their considerable backlog of complex cases has now been addressed due to increased staffing resources. They are now visiting children's cases within their 18 week target.

3.6 They have commented that the nature of children's disability has changed over the years, and continues to change. The advances in medical care mean that children are surviving now who would have previously died, a portion of these children are surviving with very profound and complex disability.

3.7 The OT service has said that it is difficult to predict workflows because whilst there is no longer a long waiting list of children who have waited up to two years there is an increasing number of severely disabled children surviving in to childhood and with a more complex pattern of disability.

- 3.8 An additional influence on increased costs has been the introduction of new building regulation since last October which has increased the thermal insulation requirements of extensions and conversions. Builders have stated that over the last year there has been a significant increase in material costs and plumbing materials eg copper pipes and fittings etc have doubled in price.

APPROVED WORKS EXTENSIONS/CONVERSIONS			
	2009/10	2010/11	2011/12 (to 30 August)
Number			
Adult	3	9	5
Child	5	10	7
Total	8	19	12
Total cost			
Adult	71,924	196,654	129,866
Child	105,565	235,715	168,338
All	177,489	432,369	298,204
Average cost			
Adult	23,975	21,850	25,973
Child	21,113	23,571	24,048
All	22,186	22,756	24,850

- 3.9 It is difficult to predict the average cost of child cases because they are tailored to the individual's sometimes complex needs in comparison to adult adaptations that in general relate more to standard jobs such as access to bathing facilities.

APPROVED OTHER WORKS			
	2009/10	2010/11	2011/12 (to 30 August)
Number			
Adult	164	291	88
Child	16	10	6
Total	180	301	94
Total cost			
Adult	718,369	1,311,208	372,455
Child	125,859	63,267	54,900
All	844,228	1,374,475	427,355
Average cost			
Adult	4,380	4,506	4,232
Child	7,866	6,327	9,150
All	4,690	4,566	4,546

- 3.10 There is insufficient budget 2011/12 to progress the following cases. Not all of these works are capable of completion during 2011/12.

APPLICATIONS ALREADY RECEIVED (AWAITING APPROVAL)			
	Extensions/conversions	Other	Total
Number			
Adult	12	75	87
Child	7	13	20
Total	19	88	107
	£	£	£
Total cost			
Adult	300,000	537,950	837,950
Child	170,000	87,500	257,500
All	470,000	625,450	1,095,450
Average cost			
Adult	25,000	7,173	9,632
Child	24,286	6,731	12,875
All	24,737	7,107	10,237

4. FUNDING REQUIREMENT 2011/12

- 4.1 The funding requirement of demand capable of being completed/commenced and requiring payment during 2011/12 is as follows:

	Number of cases 2011/12	Funding Requirement £000	
Budget			1,217
Spend at 24 August		528	
Approved and committed		619	
Sub total		1,147	1,147
Remaining budget			70
Applications capable of completion (already in the system but not approved*)		626	
New applications expected Sept - December** (at 20 approvals per month)	80	560	
Sub total		1,186	1,186
Budget shortfall			1,116

*Approximate cost - builders quotes not received.

**applications take approximately 3 months to process so those received between January and March will be funded from the following year's budget. The mix between large and small jobs is unknown. It is assumed that there will be considerably less extensions/conversions for child cases. The average number of grant approvals has been assumed to be 20 per month. An average grant of £7k has been used for estimation purposes.

5. OPTIONS

- 5.1 The table below shows the increase in capital investment and revenue impact for different service levels that could be provided (delays in applicants receiving adaptations to their homes).

Delay in Completion of Adaptation Months	Extra Cost	
	Capital £000	2012/13 Revenue Impact £000
0	1,116	104
3		78
6		52

- 5.2 If the additional budget required is to be delayed by six months this could be included as part of an MTP process for additional resources for 2012/13.

6. CONCLUSIONS

- 6.1 The combination of increased demand/referrals for DFGs and the increased cost of DFGs means that 2011/12 budget is insufficient if the Council wishes to continue its current approach of dealing with DFGs without delay, recognising that any delay in providing DFGs would have a detrimental impact on the quality of life of those requiring adaptations to their home.
- 6.2 To maintain the current level of service, an increase of £1.116m would be required to the 2011/12 budget. These Grants are funded over 10 years and so the additional revenue cost will be £104k in 2012/13 but rising to around £134k for the remaining nine years. This would enable the Council to fund the backlog of DFG applications in addition to those that will be received during the year until December.
- 6.3 Investigations are ongoing to establish the likely demand going forward. It is likely that an increased budget provision will be required in future years and this will form part of the MTP review in the autumn.
- 6.4 Any delay in approvals is likely to result in complaints and adverse media.
- 6.5 The approval of a supplementary estimate will be a key decision.

7. RECOMMENDATION

- 7.1 It is recommended that Cabinet determine the service standard to be provided, by reference to the table at paragraph 5.1, and approve the applicable supplementary capital estimate.

BACKGROUND INFORMATION

Nil

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FINANCIAL FORECAST (Report by the Head of Financial Services)

1 PURPOSE

- 1.1 This report is the start of the process leading to the formal approval of the 2012/13 budget and Medium Term Plan (MTP) next February. It provides Members with an update on :
- the financial plans approved in February,
 - progress on identifying and delivering savings
 - areas where there are new or continuing uncertainties.

This provides the starting point for the draft budget in December which will consider changes to service delivery and Council Tax levels.

- 1.2 It also seeks approval for the basis on which the Minimum Revenue will be calculated (see Annex E).

2 BACKGROUND

- 2.1 The Council's financial plan (approved by Council in February) is based on funding a deficit budget from reserves to provide time to implement a phased savings plan. The **highlighted lines** in the table below show the savings required and the reliance on reserves to enable that phasing.

Overall Summary	Forecast	Budget	MTP			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M
Net Spending before savings	23.5	25.6	26.4	27.4	28.7	29.5
Proposed Savings	-0.4	-3.0	-4.3	-5.5	-5.7	-6.6
Savings still required		0.0	-0.8	-1.0	-1.5	-2.0
Net Spending after Savings	23.1	22.6	21.3	21.0	21.5	20.9
Funded by:						
New Homes Grant		-0.8	-1.5	-2.1	-2.7	-3.4
Formula Grant (RSG)	-12.9	-10.5	-9.3	-9.2	-8.7	-8.9
Special Council Tax Grant		-0.2	-0.2	-0.2	-0.2	0.0
Council Tax	-7.2	-7.5	-7.6	-7.9	-8.1	-8.4
SHORTFALL Met from Reserves	3.0	3.6	2.7	1.6	1.7	0.3
Council Tax	£124.17	£124.17	£127.27	£130.46	£133.72	£137.06
<i>Increase</i>		£0.00	£3.10	£3.18	£3.26	£3.34
Remaining Reserves EOY	13.0	9.4	6.6	5.0	3.3	3.0

- 2.2 The key issues considered in this report are:
- The impact of the 2010/11 outturn.
 - Progress in delivering the identified savings

- Updating and where possible assessing the risks identified in the report and the new ones that have subsequently emerged.
- Identifying the savings still required
- Considering future levels of Council Tax increase

3 SUMMARY

The financial result for 2010/11 was beneficial allowing a reduction in the deficit that had to be funded from reserves.

Savings:

- Good progress has been achieved on many of the items with the potential for some to over achieve.
- Some will not be achieved.
- Some are still dependent on Member debate and confirmation.

The plans that this Council has made and is continuing to make for house building are likely to give a major increase in New Homes Bonus.

There are many significant uncertainties in Government Funding including:

- Grant levels for 2013/14
- Localisation of Business Rates
- Reductions in General Grant to fund New Homes Bonus
- Localisation of Council Tax benefits
- Changes to the responsibilities for Housing Benefit

There are many other uncertainties including the future economic situation and the achievement of some of the existing savings proposals.

It therefore appears, at least at this stage of the financial cycle, that the Council should target savings within the following range:

UNIDENTIFIED SAVINGS	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Current plan	0.8	1.0	1.5	2.0	2.0
Proposed Range					
Lower End	0.5	1.2	1.2	1.2	1.1
Higher End	1.3	3.6	4.1	5.5	6.0

4 2010/11 OUTTURN

- 4.1 Last year (2010/11) the Council managed to keep its spending £1M below forecast due to holding posts vacant wherever possible in order to be ready to deliver targeted savings for the current year, successful revaluation appeals and other, mainly one-off, savings partially offset by lower planning fees. £1.6M was used from the Special Reserve to fund redundancies leaving a balance of £0.3M. £1.9M was taken from general reserves to fund the spending deficit leaving Revenue Reserves (including the £0.6M delayed spending reserve) of £14.2M at 1st April 2011.
- 4.2 Capital expenditure of £7.1M was £0.4M higher than forecast due mainly to lower slippage than expected. Due to the mix of assets finally funded the Minimum Revenue Provision (statutory requirement to provide for repaying debt) will be £64k lower than forecast but this may turn out to be off-set by higher figures for future years when the detailed review of the capital programme is carried out in the autumn.

5. SAVINGS

- 5.1 Annex A shows the list of savings identified last year and the latest view on their certainty.
- 5.2 **For the purpose of the initial forecast it is assumed that these items will all be achieved, including the “mothballing” of CCTV, the increase in car park fees and the reduction in grants to the voluntary sector. However two scenarios for partial non-achievement are included in Section 10 “risks and unknowns” and Annex D.**
- 5.3 It is obviously very important that, where items are not yet definite, the necessary decisions are made as soon as possible so that the amount that needs to be added to the target for “savings not yet identified” can be determined so work can commence to identify alternative proposals.
- 5.4 Annex D considers the impact of some of the savings not being achieved and the potential for the target for some items (e.g. pay and allowances) being exceeded.

6. GOVERNMENT FUNDING

- 6.1 There are a range of Government Grants that fund part of the Council’s expenditure and they include:
- **Council Tax and Housing Benefits Grant (£40.6M)** – a generally full reimbursement of the sums paid out to applicants but with a number of technical complexities.

The government has announced its intention to transfer the processing of Housing Benefits from Local Authorities to the DWP. This will be a phased transfer of existing cases between 2013 and 2017. No new claims will be taken by Authorities from October 2013.

The fraud function will cease from April 2013 but though the Council would need to retain an element of this work it is possible that the reduction in the Government admin subsidy will not recognise this. The worst case scenario is that the funding of the residual team would fall on the Council at a cost in the region of £75k per year.

Other potential financial impacts include further disproportionate losses in administration subsidy, redundancy costs, increased costs of collecting overpayment debts and increased fraud between 2013 and 2017 on existing case load.

The Government have also issued a consultation on the Localisation of Council Tax Benefits from April 2012 which is designed to “help more people back into work, maintain protections for pensioners and save the taxpayer up to £480 million a year”. Effectively the Council’s Government funding would reduce by £900k per year, from £9M to £8.1M, on the basis that the Council would set up its own scheme which preserved the benefits levels for certain government defined vulnerable groups but significantly reduced payments to other applicants as part of the Government’s philosophy of encouraging them to return to work or better paid work.

If these changes do not succeed, the likelihood is that the Council would be unable to collect the £900k of council tax previously met from benefits. This would reduce the tax base thus sharing the loss over all bodies that levy a Council Tax in Huntingdonshire. This Council’s share would be 8.4% or £76k.

- **Council Tax Reward Grant** – a fixed grant of £184k per year for 4 years from 2011/12. This is equivalent to 2.5% of Council Tax income, to reward any Council, like Huntingdonshire, that did not raise their Council Tax this year.
- **New Homes Reward Grant** (£0.8M rising to £5.9M by 2016/17) – Introduced from this year to reward those Councils that achieve Housing Growth by giving a payment equivalent to the growth in the taxbase at the national average Council Tax for 6 years. The scheme is intended to be permanent so the sum will rise as each new year of growth is added until year 7 when the first year will drop out to be replaced by the figure for year 7. There will be an

added sum of £350 for each of the homes that will be social rented. 20% of the sum earned is deducted by the Government and paid direct to the County Council.

The New Homes Reward Grant is a very significant grant for this Council. The approved plan includes a forecast of £4M per year by 2016/17. The Council's latest planning projections for the phasing and scale of housing growth suggest this sum could be even higher at £5.9M. Whilst approval of the Enterprise Zone will potentially result in additional extra housing in the medium term the whole profile is dependent upon public demand for the houses. AS such, this will be an area for critical review at every stage of our future financial planning.

Whilst no allowance is made here for the off-setting reductions in national Formula Grant totals that the Government has recognised will be required, allowance has been made in Section 10 “risks and unknowns” and Annex D.

NEW HOMES GRANT	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Current Approved MTP Grant Receivable	0.8	1.5	2.1	2.7	3.4	4.0
This Forecast Grant Receivable	0.8	1.7	2.7	3.5	4.7	5.9
VARIATION (- = LOSS)		0.2	0.6	0.8	1.3	1.9

- **Formula Grant** (£10.5M falling to £8.6M by 2016/17) – This is intended to equalise needs and resources and also fund any additional tasks that have been transferred to local authorities over time. It uses a very complex formula based on regression analysis and can be extremely volatile when the formulae are changed. As a result it incorporates a damping factor that ensures that any authority that has a loss of grant greater than a Government determined percentage will have that extra loss protected at the cost of those authorities that should have gained. The resulting amount is artificially split between “Revenue Support Grant” and the redistribution of nationally pooled business rates.

The final Formula Grant figure for 2011/12 and the indicative figure for 2012/13 includes protection of £1.176M and £1.054M respectively due to the true grant figure requiring a reduction in excess of the Government limit. All things being equal, the protection will be phased out over time worsening the position compared to the current plan.

FORMULA GRANT	11/12	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M	£M
Current Approved MTP						
Grant Receivable	10.5	9.3	9.2	8.7	8.9	9.1
This Forecast						
2010/11 True Grant	9.3					
Forecast reduction CSR 2010 %		-12.0%	-1.0%	-6.0%		
Forecast increase thereafter					+2.5%	+2.5%
Forecast True Grant		8.2	8.2	7.7	7.9	8.1
Protection	1.2	1.1	0.9	0.8	0.7	0.6
Grant Receivable	10.5	9.3	9.1	8.5	8.5	8.6
			-0.1	-0.2	-0.3	-0.5

Notes:

- *Formula Grant includes Revenue Support Grant and NNDR which are in aggregate distributed in line with the grant formula.*
- *% reductions are from the Comprehensive Spending Review 2010.*
- *It is assumed that the protection will reduce annually.*
- *Excludes any assessment of the reduction in Formula Grant that the Government will need to make to fund the shortfall in funding for the New Homes Bonus.*

6.2 The Government has now commenced consultation on a scheme to replace Formula Grant from April 2013 with each authority being able to keep a proportion of the Business Rates they collect with the starting point linked to the figures used in the 2012/13 Formula Grant. Their concept is that this would encourage authorities to prioritise economic development because they would be allowed to keep a proportion of the growth in Business Rates in their area. There are currently a significant number of unknowns including:

- How the 2012/13 Formula Grant will be adjusted for inflation, demographic change, new responsibilities, planned reduction in local government funding, shortfall on New Homes Bonus etc. etc.
- The proportion of any growth the Council would be allowed to keep.
- Whether it would rise by RPI in line with the increase in Business Rates each year. In any year RPI may be above or below the actual inflation impacting on local authorities.
- How any new responsibilities would be funded.
- How often the system would need to be “re-set” because of demographic change and significantly varying levels of growth or decline and what the new figures would be based on (surely not the existing grant formula).
- How any growth in enterprise zones would be allocated to individual authorities by the LEP.

6.3 A number of papers are expected to be issued during August and these may begin to provide some of the answers but in the meantime there is clearly a trade off to be considered between potential growth in business rates and reductions in the total sums

that the Government intends to allocate to Local Authorities and the added diversion of sums to the New Homes Bonus.

7. CAPITAL

- 7.1 In recent years the Council has maintained a significant capital programme. However as a result of the emerging financial pressures and the conclusion of the Pathfinder House and Depot projects the capital programme is now much diminished.
- 7.2 In the light of the reduced programme it is proposed to reduce the contingency for future years as shown below. The 2016/17 contingency will be replaced by individual bids when the draft MTP is produced in the autumn but for the purpose of the forecast it is assumed that it also will be reduced by £1M.

Net Capital Programme	11/12 £000	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	17/18 £000	18/19 £000	19/20 £000
Current Approved MTP									
Based on bids	11.9	3.3	3.0	2.4	2.8				
Contingency for future years						4.1	4.1	4.3	4.4
Proposed Contingency						3.1	3.2	3.3	3.4

Estimated outturn prices

8. ASSUMPTIONS

- 8.1 At this initial stage of the MTP process further changes to net spending are limited in number. They include:
- revisions to interest rates and the amounts that interest is earned on due to last year's outturn and any changes included in this report.
 - inflation and interest rate adjustments.
 - latest forecast of the current years outturn
 - a few items significant items that warrant changes at this stage.
- 8.2 Elsewhere on your agenda is a report relating to likely extra costs on Disabled Facilities Grants. This was too late to include in the forecast model and so an assumption has been included in the "Risks and Unknowns" section.
- 8.3 Annex B provides further information.

9. INITIAL SAVINGS REQUIREMENT

9.1 The table below is based on:

- the changes already explained (i.e. those where it is deemed possible to make a reasonable assessment of the financial impact),
- a 2.5% annual increase in Council Tax from 2012/13 onwards,
- the full achievement of the identified savings in Annex A

SHORTFALL	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Net Spending before unidentified savings	-22.2	-21.7	-22.6	-22.6	-23.2
Funded by:					
Government Grants	-11.2	-11.9	-12.2	-13.2	-14.5
Council Tax	-7.6	-7.9	-8.1	-8.4	-8.7
Reserves	-3.4	-1.8	-2.2	0.8	0.0
Unidentified Savings		-0.2	-0.2	-0.2	0.0

Further detail and additional years in Annex C

10. RISKS AND UNKNOWNNS

10.1 However this level does not take account of a significant number of items where the impact cannot be reasonably forecast and which will have a direct impact on net spending or funding and hence the unidentified savings target.

10.2 The most fundamental issue continues to be assessing the economic impact of the various international financial issues. There are many number conflicting views on whether there are major problems ahead for the UK, "euroland" or the USA. Some commentators believe that there will be further financial impacts on the UK and, if so, there would be impacts on the Council due to:

- Lower income from planning fees, building control fees and leisure charges.
- Lower New Homes Bonus
- More applicants for housing and council tax benefit
- Higher homelessness.
- Reductions in Government Grant.

10.3 The final detail of the Government's proposals resulting from the Hutton review of public sector pensions is still awaited. There are clear indications that changes will emerge that will reduce the cost

from options such as introducing increases to employee contribution rates, basing pensions on career averages and altering the age at which pensions become payable. Some benefit has implicitly already been taken in the Actuary's approach last year but it is not yet possible to gauge how much further benefit there might be and in what time-scale.

10.4 Other issues include:

- Council confirmation and decisions on the items contained in the savings list (Annex A)
- Levels of pay awards, inflation and interest rates
- Ability to maintain income levels
- Grant changes for 2013/14
- Impact of growth in Business Rates
- Certainty of assumptions on New Homes Bonus and loss of Formula Grant (or its replacement) to fund it.
- Costs of demographic growth
- Extra cost of Disabled Facilities Grants
- Change in Pension Fund contributions
- Ability to achieve the turnover allowance
- Impact of changes to the benefits systems.
- Future capital programmes have items with shorter asset lives resulting in higher revenue cost for repaying borrowing.
- The potential for costs relating to "orphan" contaminated land sites.
- High priority service developments not already in the MTP and any unavoidable spending requirements not referred to in this report emerging.
- Repayment of past land charge fees.

10.5 Annex D attempts to quantify a lower and higher end assumption of the costs of these items in order to give a range for the level of savings that still need to be identified.

11. REVISED SAVINGS RANGE

11.1 Based on the details in Annex D the revised range of savings still to be identified is shown below:

UNIDENTIFIED SAVINGS	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Proposed Range					
• Lower End	0.5	1.2	1.2	1.2	1.1
• Higher End	1.3	3.6	4.1	5.5	6.0

12. COUNCIL TAX OPTIONS

12.1 The Council currently raises £7.4m through Council Tax by charging the average band D tax payer £124.17. It is the 20th lowest of the 201 District Councils which have an average of £168 and a maximum of £310.

12.2 The current financial plan is based on keeping the annual Council Tax increase down to 2.5% per year. The Government intend to replace the previous capping regime with a system whereby the Council can increase the Council Tax by any sum but this would then be limited to a pre-announced Government limit if they were subsequently unable to achieve a majority in a local referendum.

12.3 Obviously the most critical element is the timing of the announcement and the size of the Government Limit. Clearly, if it were in excess of 2.5%, the Council could consider a higher increase. Alternatively it may be considered at some stage that Taxpayers would rather pay a higher increase to preserve services they would otherwise lose. To attempt this there would need to be very strong indications of general public support before the costs and administrative effort of undertaking a referendum were considered to be worthwhile.

12.4 Some examples of the reductions in savings resulting from further increases in the Council Tax level are shown below:

5% tax increase in 2012/13, an extra 2.5% (£3.10 **per year** on a band D property), would avoid £0.2M of savings.

5% tax increase for the next 5 years (Band D Council Tax at the end of £158.48) would avoid £1.1M of savings.

An increase next year to £168, the current District Council average, followed by 2.5% per year, would avoid £2.8M of savings.

13. TIMETABLE FOR BUDGET APPROVAL

13.1 The key dates in the process are shown below:

September	Forecast
8	Overview & Scrutiny
22	Cabinet
28	Council
December	Draft Budget and MTP
1	Overview & Scrutiny
8	Cabinet
14	Council
February	Final Budget, MTP and Council Tax Level for 2012/13
2	Overview & Scrutiny
16	Cabinet
22	Council

14. CONCLUSIONS

14.1 The significant levels of uncertainty about various issues means that, at least for this stage of the budget process, it is necessary to consider a range for the level of extra savings that will be required.

14.2 If higher levels of Council Tax increase were considered to be appropriate then the level of savings would reduce as illustrated in para. 12.4 above.

14.3 It is important that the Council focuses on the items that it can influence and the most significant aspects are:

- Confirmation and clarification of those items in Annex A which are still uncertain.
- Consideration of the planning assumption for future Council Tax increases
- Identification of a list of further acceptable savings that can be ready to introduce at short notice depending on the resolution of some of the unknown items.

14.4 Cabinet are required to approve the basis for calculating the Minimum Revenue Provision each year. The recommended basis is shown at Annex E.

13. RECOMMENDATIONS

Cabinet is requested to:

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

Note the contents of this report

Make appropriate comments and recommendations to Council on this year's budget process

ACCESS TO INFORMATION ACT 1985

Source Documents:

1. Working papers in Financial Services
2. Financial Forecast (September 2010), 2010/11 Outturn, 2011/12 Revenue Budget and the 2012/16 MTP

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ANNEXS

- A Identified Savings List**
- B Assumptions**
- C Summary Forecast**
- D Unidentified Savings Range**
- E Basis for calculating MRP**

IDENTIFIED SAVINGS

Scheme	SAVINGS												NOTES	
	REVENUE						NET CAPITAL							
	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000		2016 £000
Reorganisation - Senior managers	-260	-400	-730	-730	-730	-730								This year will be achieved and approximately £300k in a full year based on confirmed changes. Consultation is underway on the first stage of a proposal to restructure PPP which if approved would more than achieve the 2012/13 target but leave further savings required for 2013/14. The second phase of PPP restructuring would further reduce the further savings required. Consultation has commenced on staff allowances, the 2011/12 pay award and changes to the grade structures. The 2011/12 target will not be achieved by about £110k but if the other proposals are approved then the target for subsequent years will be significantly exceeded.
Pay & allowances Review	-375	-375	-300	-350	-350	-350								Achieved
Reduced pay award 2010	-156	-156	-156	-156	-156	-156								Dependent upon turnover.
Turnover savings	-114	-114	-114	-114	-114	-114								
Increased charges for bulky waste	-20	-20	-20	-20	-20	-20								Not expected to be achieved as take up of service is reducing.
Reduce refuse collection by one round	0	-100	-100	-100	-100	-100								Round optimisation work being carried out this year but it may be more practical to defer introduction until June which would reduce next year's saving.
Recycling Gate Fees	-18													Expected to be achieved
Consultants (markets)	-5	-5	-5	-5	-5	-5								Expected to be achieved
CCTV Van - remove satellite system	-8	-8	-8	-8	-8	-8								Van sold and service ceased
Reduction in CCTV Cameras	-15	-15	-15	-15	-15	-15								No of cameras reduced and saving achieved.
Reduce CCTV to a basic service	-129	-172	-172	-172	-172	-172								Expected to be achieved
Mothball CCTV	0	-300	-300	-300	-300	-300								Service under review - range of options to be considered later in the year
Countryside - reduce staff and increase income	-101	-149	-199	-199	-199	-199								Expected to be achieved
Transfer Countryside to a trust	0	0	0	-100	-100	-100								No work undertaken as not due until 2014/15
Reduced grounds maintenance standards	0	-150	-150	-150	-150	-150								Expected to be achieved
Operations Division Reorganisation	-196	-250	-250	-250	-250	-250								Expected to be achieved

SAVINGS		REVENUE						NET CAPITAL						NOTES	
		2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015		2016
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000
Scheme															
Environment Strategy Funding	-20	-20	-20	-20	35									Already achieved	
Small scale environmental improvements staff saving	0	-25	-50	-50	-50									Included in error - will not be achieved	
Rental of space in PFH	0	-75	-150	-150	-150									Problematic - no current interest	
A14 improvements - assumed cancellation	-100	0	0	0	0									Already achieved - but requirements will re-emerge when a new A14 scheme does come forward.	
Planning Enforcement - staff savings	-77	-77	-77	-77	-77									Already achieved.	
Planning efficiencies	-48	-48	-48	-48	-48									Already achieved.	
Increase in car park charges	0	-150	-300	-300	-500									This is in addition to the three yearly inflation increases of 10% this year and in 2014/15. This year's increase will not be fully achieved because of delays in implementing the updated orders. Future years projected savings will be dependent upon formal agreement of, and then successful delivery of, an updated car parking management plan.	
Transport efficiencies	0	-95	-95	-95	-95									Already achieved - but needs to be re-titled as Planning efficiencies.	
Community Grants reductions		-51	-294	-294	-294									£51k expected to be achieved 12/13; 2013 onwards subject to Member decision Feb 2012 (Study in hand)	
Environmental Health staff savings	-201	-201	-201	-201	-201									Already achieved	
Environmental & Community Health savings		-75	-75	-75	-75									Some already achieved, target amount likely to be achieved by 2013/14	
Housing staff efficiency savings	-45	-100	-100	-100	-100									Expected to be achieved (part is subject to staff consultation)	
Homelessness Grant	-85	-85												Expected to be achieved	
Transfer of some housing calls to call centre	-11	-11	-11	-11	-11									Budget adjustment made	
Internal Audit saving	-24	-24	-24	-24	-24									Achieved	
Internal Audit saving	-23	-23	-23	-23	-23									Achieved	
Procurement Support to ECDC	-7	-5	-5	-5	-5									Likely	
E-Marketplace	-20	-20	-20	-20	-20		5							Achieved and more anticipated.	
Further Financial Services savings	-24	-48	-48	-48	-48									Approved voluntary redundancy	

SAVINGS		REVENUE						NET CAPITAL						NOTES
		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	
Lower reduction in Benefits Admin Grant	-67	-56	-56	-56	-56	-56								Subject to DWP decisions. Best information available.
Customer Services - Staff savings	-80	-90	-115	-115	-115	-115								Will only achieve about £40k in 2011/12
Reduce call centre hours		-20	-20	-20	-20	-20								Will be reviewed at June 2012 O&S committee
Reduce call centre system costs	0	-10	-30	-30	-30	-30								On target to achieve £60k savings from 2013/14
Reduce Yaxley Customer Service Centre costs	-35	-35	-55	-55	-55	-55								Hours have been reduced at Ramsey and Yaxley but not to the extent originally envisaged. Other savings have been identified to compensate and will be reflected in the draft budget in the autumn.
Reduce Ramsey Customer Service Centre costs	-30	-42	-42	-37	-37	-37								St Ives CSC closed at end of May. Saving expected.
Reduce St Ives Customer Service Centre costs	-28	-28	-43	-43	-43	-43								Too early to assess.
Reduce hours at Huntingdon Customer Service Centre	0	0	-7	-14	-14	-14								
Leisure Reception Automation	-15	-15	-15	-15	-15	-15	60							Achieved
Leisure Savings	-90	-280	-390	-490	-490	-490								Net saving in current year is expected to be achieved. Future years are dependent upon the St Ivo development proceeding as soon as possible. Cabinet have agreed it can proceed to tender stage before making a final decision.
Transfer Leisure Centres to a Trust	0	0	0	0	0	-400								Requires detailed assessment and political confirmation.
Network Saving	-32	-53	-53	-53	-53	-53								Expected to be achieved
Help Desk Saving	-75	-75												Achieved for 11/12 and should be achieved in 12/13, however, additional software Licences may be required for home workers c20k.
IMD Staff savings	-17	-23	-36	-36	-36	-101								Expected to be achieved
IMD Contract Savings	-35	-35	-110	-35	-75	-75								These savings should be achievable
IMD Shared Service Income	-10	-15	-20	-30	-30	-30								Income in 2011/12 higher than forecast (expect c 30k), remaining years on target.
IMD Infrastructure Savings		-15	-15	-15	-15	-15								Still to be confirmed but expect extra £16k per year saving but requires a one-off payment of £72k (capital).
Town Centre Partnerships - reduced funding	-40	-80	-100	-100	-100	-100								On target to be achieved
District wide - E version only	-50	-50	-50	-50	-50	-50								On target to be achieved
Hunts. Matters - cease production	-10	-10	-10	-10	-10	-10								Achieved

SAVINGS	REVENUE												NET CAPITAL						NOTES								
	2011		2012		2013		2014		2015		2016		2010		2011		2012			2013		2014		2015		2016	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
Increased licensing income	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	Achieved
Licensing - efficiency and higher charges	-7	-14	-21	-28	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	-35	Expected to achieve subject to volumes holding up and above inflation increases in later years remaining unchallenged
Document Centre - efficiency and external work	-33	-40	-50	-60	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	-75	Expected to achieve early years based on maintenance savings. Less certainty in later years as external work still modest
Members Allowances Review				-6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	Expected to achieve.
Members Allowances	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	Achieved – does not take account of any changes arising from smaller cabinet and any other consequential changes.
Subscriptions	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	Achieved-Assuming no payment to any successor to East of England Regional Assembly
Central Services - Reorganisation	-170	-220	-220	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	-270	Achieved
Extra Car Parking, Huntingdon Town Centre	20	-18	21	19	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	-62	Values and phasing subject to review dependent on final development agreements.
CCTV - Camera replacements																											Awaiting decision on future of CCTV before committing any expenditure.
ICT Replacements and Server Virtualisation	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	Expected
Replacement Printing Equip.																											Expected
Multi-functional Devices																											Expected
Provision for Bin Replacements																											Expected
Vehicle fleet replacements.																											Expected
Housing Capital Grant (non-earmarked)																											Expected

Scheme	REVENUE						NET CAPITAL						NOTES	
	2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015		2016
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000
Huntingdon Bus Station							-890	190	150					Expected
Crime and Disorder - Lighting improvements							-20	2				25		Expected
Huntingdon Marina Improvements								-62						Expected
Play Equipment & Safety Surface Renewal								-5	-48	-37	-33	-48		Expected
Community Facilities Grants								-69	-69	-69	-69	-69		Expected
Crime and Disorder - Lighting improvements								-25	-24	-25	-25	-25		Expected
Repairs Assistance								-90	-90	-90	-90	-90		Expected
Social Housing Grant								-500	-500	-500	-500	-500		Expected
Local Transport Plan								-83	-83	-83	-89			Expected
Safe Cycle Routes								-194	-93	-93	-95	-95		Expected
St Neots Transport Strategy Phase 2								-90	-90	-80				Expected
Accessibility Improvement /Signs in footpaths and car parks								-35	-30	-30	-30			Expected
Huntingdon Transport Strategy								-90	-90	-90				Expected
St Ives Transport Strategy								-80	-80	-80				Expected
Ramsey Transport Strategy								-80	-41	-45				Expected
Bus Shelters - extra provision								-41	-42	-42				Expected
St Ives Town Centre 2 - Completion								-20	-425	-509				Expected
Small Scale - District Wide Partnership								-79	-79	-80	-60			Expected
AJC Small scale improvements								-86	-86	-86	-86	-90		Expected
Village Residential Areas								-57	-60	-60	-76			Expected
New Public Conveniences								-100						Expected
total	-2,955	-4,285	-5,456	-5,728	-6,571	-1,107	-3,939	-242	-2,226	-1,598	-836			

ASSUMPTIONS

INFLATION	for Apr 2012	for Apr 2013	for Apr 2014	for Apr 2015	for Apr 2016
<i>Performance Pay</i>	2.0%	2.0%	2.0%	2.0%	2.0%
<i>Pay award</i>	1.0%	2.5%	2.5%	2.5%	2.5%
<i>Prices</i>	2.5%	2.5%	2.5%	2.5%	2.5%
<i>electricity</i>	3.7%	13.2%	6.0%	13.2%	6.0%
<i>gas</i>	0.0%	1.8%	3.4%	6.5%	12.7%
<i>fuel</i>	8.5%	5.0%	5.0%	5.0%	5.0%
<i>car park charges \$\$</i>			10.0%		
<i>planning fees</i>	15.0%	2.5%	2.5%	2.5%	2.5%
<i>Pension rate</i>	17.8%	17.8%	17.8%	17.8%	17.8%

\$\$ in addition to increases in MTP

Utility inflation will be reviewed at draft budget stage

INTEREST RATES

	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Temporary Borrowing and Investments	1.00%	1.60%	2.60%	3.60%	4.50%	4.50%
PWLB 40 year borrowing	5.50%	5.60%	5.70%	5.60%	5.40%	5.30%

Provision has been made for lump sum pension payments to cover the underfunding of the Pension Fund as opposed to having higher employers' contributions as agreed in last year's MTP. There is an off-setting fall in the inflation provision.

A forecast of £150k per year for One Leisure's out-performance of their savings targets has been included.

A saving of around £100k per year has been achieved from a recent Insurance retendering exercise and is included in the plan.

There is potential for slippage on certain MTP schemes including the St. Ivo Leisure Centre development and the new Multi-storey car park in Huntingdon and these will be assessed in detail at the draft budget stage.

FORECAST	BUDGET		MTP				FORECAST							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2009/10 BUDGET/MTP	22,615	21,348	20,998	21,452	20,949	21,793	22,027	22,647	23,284	23,937	24,610	25,301	26,010	26,740
Variations:														
Interest	-53	-114	-141	-168	-70	-83	-128	-170	-210	-247	-279	-308	-332	-353
Provision for Loan Repayments (MRP)	-64	-69	-79	-93	-106	-40	-118	-207	-232	-319	-409	-492	-565	-657
Inflation	-660	-488	-1,004	-1,313	-1,440	-1,749	-1,623	-1,459	-1,427	-1,343	-1,328	-1,386	-1,553	-1,836
Unidentified Savings	0	751	811	1,374	1,784	2,027	2,511	2,580	2,565	2,594	2,419	2,064	1,536	884
MTP Variations	310	746	989	1,228	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268
total	-467	826	576	1,029	1,437	1,423	1,910	2,012	1,965	1,954	1,671	1,146	354	-694
NEW FORECAST	22,148	22,174	21,574	22,481	22,386	23,216	23,937	24,659	25,249	25,891	26,281	26,447	26,364	26,046
FUNDING														
Use of revenue reserves	-3,122	-3,363	-1,753	-2,162	-772	0	0	0	0	0	0	0	0	0
Remaining revenue reserves EOY	11,050	7,687	5,934	3,772	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
New Homes Grant	-832	-1,712	-2,673	-3,521	-4,662	-5,912	-6,268	-6,611	-6,808	-7,042	-6,983	-6,591	-5,936	-5,027
Special Council Tax Grant	-184	-184	-184	-184	0	0	0	0	0	0	0	0	0	0
Formula Grant (RSG)	-10,522	-9,288	-9,086	-8,476	-8,548	-8,624	-8,706	-8,792	-8,883	-8,981	-9,109	-9,336	-9,569	-9,809
Collection Fund Deficit	-105	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	-7,383	-7,627	-7,878	-8,137	-8,404	-8,679	-8,963	-9,256	-9,557	-9,868	-10,189	-10,519	-10,860	-11,210
COUNCIL TAX LEVEL	£124.17	£127.27	£130.46	£133.72	£137.06	£140.49	£144.00	£147.60	£151.29	£155.07	£158.95	£162.92	£166.99	£171.17
% increase	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
£ increase	£0.00	£3.10	£3.18	£3.26	£3.34	£3.43	£3.51	£3.60	£3.69	£3.78	£3.88	£3.97	£4.07	£4.17
Forecast Capital Spending	11,933	3,321	3,005	2,441	2,777	3,101	3,231	3,272	3,417	3,566	3,718	3,875	4,035	4,200
Accumulated net "Borrowing" EOY	29,168	31,131	32,536	33,091	33,721	34,400	35,077	35,567	35,928	36,258	36,575	36,889	37,244	37,639
Net Interest and Borrowing Costs	472	1,132	1,673	2,193	2,614	2,935	3,098	3,353	3,645	3,841	4,021	4,195	4,329	4,470
- as % of total net spending	2%	5%	8%	10%	12%	13%	13%	14%	14%	15%	15%	16%	16%	17%
Unidentified Spending Adjustments still required	0	0	-150	-150	-191	-1	-121	-635	-1,194	-1,477	-2,116	-3,057	-3,845	-4,892

IMPORTANT – These spending adjustments are before allowing for Risks and Unknowns – See Section 11.1 & Annex D for the proposed range.

REVISED UNIDENTIFIED SAVINGS RANGE

Paragraph 9 and Annex C of the Report are based on those issues where it is reasonably straightforward to make an assessment of the financial impact of the items.

Section 11 highlights the many items where this is not possible and so the following two tables propose revised savings levels based on a low end and high end view of these difficult to assess items.

LOW END ASSUMPTION	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
Initial level (Section 9 and Annex C of the report)	0.0	0.2	0.2	0.2	0.0
1% increase in pay award in 2012/13 @@	0.2	0.2	0.2	0.2	0.2
2% extra reduction in Government Grant in 2013/14		0.2	0.2	0.2	0.2
0.4% growth per year in Business Rates from 2014/15			-0.2	-0.4	-0.6
10% Reduction in New Homes Bonus grant due to slower housing completions	0.1	0.2	0.3	0.4	0.5
Reduction in Government Grant equivalent to 10% of New Homes Bonus increase from 2013/14		0.1	0.2	0.2	0.3
0.425% increase in net spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.	0.1	0.2	0.3	0.4	0.5
Extra £1M for disabled facilities grants this year and £0.5M in future years	0.1	0.2	0.2	0.3	0.4
	0.5	1.1	1.2	1.3	1.5
Savings Items					
Over achievement on Pay & allowances Review \$\$		-0.4	-0.5	-0.6	-0.7
Over achievement on Reorganisation \$\$	-0.2				
Minimalist CCTV - save 2/3rds	0.1	0.1	0.1	0.1	0.1
Community Grants reductions – save 2/3rds		0.1	0.1	0.1	0.1
Minor savings items	0.1	0.1	0.1	0.1	0.1
	0.0	-0.1	-0.2	-0.3	-0.4
Low end assumption	0.5	1.2	1.2	1.2	1.1

\$\$ Subject to staff consultation

@@ If RPI does not fall and there is thus a need for higher than the budgeted 2.5% pay awards this could logically be funded from higher than 2.5% Council Tax increases.

HIGHER END ASSUMPTION	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
Initial level (Section 9 and Annex C of the report)	0.0	0.2	0.2	0.2	0.0
1% increase in pay award every year @@	0.2	0.5	0.7	1.0	1.3
3% loss in Leisure Centre fees and charges from 12/13	0.2	0.2	0.2	0.2	0.2
4% extra reduction in Government Grant in 2013/14		0.4	0.4	0.4	0.4
0.4% growth per year in Business Rates from 2014/15			-0.2	-0.4	-0.6
30% Reduction in New Homes Bonus grant due to slower housing completions	0.3	0.6	0.8	1.2	1.5
Reduction in Government Grant equivalent to 15% of New Homes Bonus increase from 2013/14		0.1	0.2	0.3	0.4
0.85% increase in net spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.	0.2	0.4	0.6	0.9	1.1
Removal of turnover allowance due to lower turnover and employee numbers		0.3	0.3	0.3	0.3
Residual cost of fraud team if not funded by Government		0.1	0.1	0.1	0.1
Potential reduction in tax base from non-collectable Council Tax following localisation reductions	0.1	0.1	0.1	0.1	0.1
Extra £1M for disabled facilities grants this year and £0.5M in future years	0.1	0.2	0.2	0.3	0.4
	1.1	2.9	3.4	4.4	5.2
Savings Items					
Over achievement on Pay & allowances Review \$\$		-0.3	-0.4	-0.5	-0.6
Over achievement on Reorganisation \$\$	-0.2				
Basic CCTV save 1/3rd	0.2	0.2	0.2	0.2	0.2
Transfer Countryside to a trust - save none			0.1	0.1	0.1
Rental of space in PFH - save half		0.1	0.1	0.1	0.1
Increase in car park charges - save half	0.1	0.2	0.2	0.3	0.3
Community Grants reductions - save 1/3rd		0.2	0.2	0.2	0.2
Transfer Leisure Centres to a Trust – save none				0.4	0.4
Minor savings items	0.1	0.1	0.1	0.1	0.1
	0.2	0.5	0.5	0.9	0.8
Higher end assumption	1.3	3.6	4.1	5.5	6.0

@@ Assumes RPI does not fall and thus a need for higher than the budgeted 2.5% pay awards. This should logically be funded from higher than 2.5% Council Tax increases.

NOT INCLUDED IN EITHER ASSUMPTION	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
1% increase in non-pay inflation rate if fees and charges adjusted appropriately each year&&				0.1	0.1
2% increase in Pension Fund contributions in 2013/14		0.4	0.4	0.4	0.4
1% increase in all interest rates from 2011/12 onwards	0.1	0.1	0.0	0.1	0.1

&& Excludes income items where above inflation increases already assumed

Reorganisation	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
Target Saving	-0.4	-0.7	-0.7	-0.7	-0.7
Achieved	-0.3	-0.3	-0.3	-0.3	-0.3
PPP phases 1 and 2 \$\$	-0.3	-0.3	-0.3	-0.3	-0.3
Still required	-0.2	0.1	0.1	0.1	0.1

\$\$ Excludes any protection and redundancy costs

ANNUAL MINIMUM REVENUE PROVISION POLICY 2011/12

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

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

There are three options for the calculation of the MRP:

Equal annual installments

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

Depreciation basis

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

Annuity basis

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

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

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

6th SEPTEMBER 2011
8th SEPTEMBER 2011
13th SEPTEMBER 2011

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

1. INTRODUCTION

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

2. STUDIES

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

Social Well-Being

Environmental and Community Health
Housing
One Leisure
Legal and Democratic Services (part)
People, Performance and Partnerships (part)

Environmental Well-Being

Operations
Environmental Management
Planning Services

Economic Well-Being

Information Management
Financial Services
Customer Services
Legal and Democratic Services (part)
People, Performance and Partnerships (part)

- 2.3 Details of ongoing studies are set out in the attached Appendix.
- 2.4 Members are reminded that if they have a specific interest in any study area which is not being considered by their Panel there are opportunities for involvement in all the studies being undertaken.

3. RECOMMENDATION

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

BACKGROUND DOCUMENTS

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

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01480 388006**

**Mrs A Jerrom, Member Development Officer
01480 388009**

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

ONGOING STUDIES

STUDY	OBJECTIVES	PANEL	STATUS	TYPE
Visitor Development & Town Centre Vibrancy	To consider issues relating to Visitor Development & Town Centre Vibrancy.	Economic Well-Being	Further information requested on the cost of the tourism service and the benefits it brings to both the Council and to the District. This study is on hold until circumstances change.	Whole Panel Study
Consultation Processes	To review the Council's current consultation processes with a view to determining whether the approach taken to consultation is suitable and consistent across the authority.	Social Well-Being	Final report submitted to the Cabinet in June 2011. The Managing Director (Resources) to undertake investigations as to how the current process can be improved and to report to the Overview and Scrutiny Panel (Social Well-Being) and Executive Councillors on the outcomes.	Working Group
Gypsy & Traveller Welfare	To examine existing gypsy and traveller sites in the District with a view to informing any future Planning Policy on sites.	Social Well-Being	Report requested for submission to a future meeting. Following consultation with the Chairman, agreed that the study would proceed once Government guidance has been issued on future provision requirements.	To be determined.
Health Implications of the Night Time Economy	To follow up the previous study undertaken by the former Overview and	Social Well-Being	Social Well-Being Panel to consider whether to incorporate this study into	To be determined.

	Scrutiny (Service Support).		their work programme. Further information to be submitted to a future Panel meeting.	
Leisure Centre Financial Performance and Employment Structure	<p>To review the overall financial performance and monitoring arrangements. To consider the current / future business structure.</p> <p>To consider whether an increase in income might be made by charging non-residents of the District a higher rate to use the Council's leisure centres.</p>	Economic Well-Being and Social Well-Being	<p>Meetings of the Working Group held on 3rd March, 28th April, 23rd June and 1st September 2011.</p> <p>Interim report submitted to Cabinet on 23rd June 2011. Cabinet requested the Executive Councillor for Organisational Development to review the Council's IT costs, including the basis upon which the IT network service is re-charged to users.</p>	Working Group
Cambridgeshire Local Investment Plan	To review the implications of the Investment Plan upon local housing, to include the potential shortfalls in the delivery of affordable housing within the District, identify what housing is due to come forward and to include reference to the underlying links between housing and planning.	Social Well-Being	Report to be considered at Panel's October 2011 meeting.	Whole Panel Study.
CCTV Provision within the District	To review the impact of the Council's proposal to cease the CCTV service with effect from April 2012.	Environmental Well-Being and Social Well-Being	Members received an update at their July meeting. Further information is expected in the Autumn.	Whole Panel Study.

Voluntary Sector	To seek alternative ways of supporting the Voluntary Sector from 2013/14 onwards.	Social Well-Being	Working Group meeting held on 23 rd August 2011 with the District Council's Community Health Manager. Site visits to be undertaken in September.	Working Group
A14 improvements.	To review the implications to the local economy of the decision not to proceed with the A14 improvements.	Economic Well-Being	Agreed to invite a representative of the Highways Agency to a future meeting to discuss their plans in the event of an interruption to traffic flow.	Whole Panel Study.
Tree Strategy	To form a strategy in conjunction with the Tree Officers for the retention and planting of trees.	Environmental Well-Being	Working Group met on 27 July 2011. Draft Tree Strategy circulated to officers for comment. Councillor Davies to report to meeting.	Working Group.
Land Use for Agricultural Purpose in the context of planning policies and its contribution to the local economy.	To review the lack of promotion and protection of land for this purpose.	Environmental Well-Being	Scoping report to be submitted to a meeting in the Autumn.	To be determined.
Rural Transport	To review the provision of transportation in rural areas.	Environmental Well-Being	Transport for Cambridgeshire report received in July 2011. Comments conveyed to Cabinet.	To be determined.
Rural Crime	To be determined.	Social Well-Being Panel	Under consideration by the County Council's Safer and Stronger Communities Scrutiny Committee.	Joint Authority Working Group.

Review of Neighbourhood Forums in Huntingdonshire	To undertake a review of the Neighbourhood Forums in Huntingdonshire.	Social Well-Being	Suggested by the Cabinet at its meeting held on 19 th May 2011. Background report to be considered by Panel in September.	To be determined.
Homelessness	To consider the emerging issue of homelessness and the Council's capacity to deal with the matter.	Social Well-Being	Background report to be submitted to a future Panel meeting.	To be determined.
Maintenance of Water Courses	To receive a presentation on the maintenance arrangements in place for Water Courses within the District.	Environmental Well-Being	Presentation to be delivered at a future meeting.	To be determined.
Waste Collection and Recycling Policies	To investigate the Council's waste collection and recycling policies.	Environmental Well-Being	Scoping report to be submitted to a future meeting.	To be determined.
District Council Support Services	To review the District Council's support services.	Economic Well-Being	Scoping report to be submitted to a future meeting in the Autumn.	To be determined.
Development of the Alconbury Airfield site.	To consider the implications for the local economy from the establishment of a local enterprise zone on the former Alconbury Airfield site.	Economic Well-Being	To be determined.	To be determined.

POSSIBLE FUTURE STUDIES

The Employees Performance Development Review Process	To review the current process.	Economic Well-Being	Amendments to the Performance Related Pay System are being considered as part of the current years pay negotiations and the consultation on pay structure.	To be determined.
Housing Register	To review the availability of larger houses for letting the Council's housing register.	Social Well-Being	To consider a request by the Economic Well-Being Panel to investigate this issue.	To be determined.
Business Rates	To consider the implications to the Authority from changes to Business Rates.	Economic Well-Being	Report to be prepared when further information is available.	To be determined.

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Panel Date	Decision	Action	Response	Date For Future Action
<u>Customer Services</u>				
13/05/09	Quarterly performance reports to be circulated informally to the Panel twice per year and formally twice per year.	Latest report considered in July 2011.	Next report due February 2012.	02/02/12
10/02/11	Head of Customer Services to submit a report after a 12 month period reviewing the impact of the changes to Customer Services.	Report to be considered in June 2012.	Report due in June 2012.	06/12
07/07/11	Asked Executive Councillor for Resources and Customer Services to give further consideration to the actions which could be taken in the absence of any additional funding being made available from the Department of Work & Pensions in April 2012.			
<u>Leisure Centres</u>				
13/01/11	Presentation received at January 2011 Panel meeting. Agreed to establish a working group with representatives of the Social Well-Being Panel.	Councillors J J Dutton, S Greenall, Mrs D Reynolds, D M Tysoe, Mr R Coxhead and Mr R Hall appointed to working group.	Meetings held on 3 rd March, 28 th April, 23 rd June and 1 st September 2011. Next meeting to be held on 13 th October 2011.	
10/02/11	Agreed to extend remit to review whether an increase in income might be made by charging non-residents of the District a higher rate to use the Council's Leisure Centres.		Interim report submitted to Cabinet meeting on 23 rd June 2011. Executive Councillor for Organisational Development to review the Council's IT costs, including the basis upon which the IT network service is re-charged to users.	
07/07/11	Councillor M F Shellens reported that he had recently received admission figures which had been produced on a 12 month rolling average which he would make available for the review.			

Panel Date	Decision	Action	Response	Date For Future Action
14/04/11	<p><u>Huntingdon Multi-Storey Car Park</u></p> <p>Councillor M F Shellens and Mr R Hall reported on their investigations into the business case for the multi-storey car park in Huntingdon.</p> <p>Suggested that the Council should introduce a more detailed methodology for the assessment of the projects that it is considering, to include provision for social benefit and risk assessment. A report has been requested on terms for the methodology for this purpose.</p>	Report to be submitted to a future meeting in the Autumn.		06/10/11
	<p><u>The Financial Implications of the Council's future housing responsibilities</u></p> <p>Suggested as a potential area for study.</p>		Copy of Cambridgeshire Local Investment Plan to be provided to Councillor M Shellens when available.	
18/05/11	<p><u>Corporate Plan Working Group</u></p> <p>Councillors D M Tysoe and S Greenall have been appointed to the Corporate Plan Working Group.</p>	Quarterly performance reports to be submitted to all Overview and Scrutiny Panels.	Performance Management Monitoring is currently under review. Further information to be forthcoming.	TBC
15/07/10	<p><u>Scrutiny of Partnerships</u></p> <p>Agreed to consider the Economic Prosperity & Skills Performance Report at a future meeting.</p>		Future of Strategic Partnership is currently under consideration. Further information to be provided shortly.	TBC

Panel Date	Decision	Action	Response	Date For Future Action
10/02/11	<p><u>A14 Improvements</u></p> <p>Received an update on the steps that are being taken to pursue this matter with the Government. Panel to receive further updates on progress.</p>		<p>In terms of the wider A14 improvements to replace the cancelled scheme, the Governance Group held their first meeting on 5th July. The DfT has not convened a meeting of the Project Board, of which HDC will be part. It is our understanding that the DfT still plan to make their final recommendations in Summer 2012. However there have been local discussions between the County Council and relevant Districts, inc. HDC, about short-term measures that could be considered. It is understood that there is some available funding (amount unknown) at DfT level that would need to be spent by March 2012 and that the County Council, at very short-notice, has been asked to submit a range of schemes that could be delivered within that timeframe relating to the A14.</p>	
07/11/11	<p>Agreed that a representative of the Highways Agency should be invited to a future meeting to discuss their plans in the event of an interruption to traffic flow.</p>	<p>Invitation sent to Highways Agency.</p>	<p>Awaiting confirmation that a representative will attend.</p>	<p>TBC</p>
07/07/11	<p><u>District Council Support Services</u></p> <p>Requested a scoping report for consideration at a future meeting.</p>	<p>Report to be submitted to a future meeting in the Autumn.</p>		<p>06/10/11</p>

Panel Date	Decision	Action	Response	Date For Future Action
10/6/10	<p><u>Visitor Development & Town Centre Vibrancy</u></p> <p>Received a presentation by the Head of People, Performance & Partnerships and the Sustainable Economic Development Manager.</p>			
10/06/10	Requested a further report outlining the cost of the service and the benefits it brings to both the Council and the District.	Report to be submitted to a future meeting.	This study is currently on hold until circumstances change.	TBC
10/09/09	<p><u>Employees Performance Development Review process</u></p> <p>Agreed to include the Employees Performance Development Review process in their work programme for the forthcoming year.</p>		Amendments to Performance Related Pay System are being considered as part of the current year's pay negotiations and the review of pay.	
07/07/11	<p><u>Proposal for Enterprise Zone</u></p> <p>Requested further information with regard to the implications to the local economy from the establishment of a local enterprise zone at the former Alconbury Airfield site.</p>		Presentation to be given to November meeting.	03/11/11
07/07/11	<p><u>Changes to Business Rates</u></p> <p>Requested further information with regard to the Government's Statement on Business Rates.</p>		Information to be made available when it was appropriate.	TBC

Decision Digest

Edition 116

Monthly summary of the decisions taken at meetings of the Council, Cabinet, Overview & Scrutiny and other Panels for the period 24th June to 29th July 2011.

TREASURY MANAGEMENT ANNUAL REPORT 2010/11

In accordance with the CIPFA Code of Practice, the Overview & Scrutiny Panel (Economic Well-Being) has considered the Council's performance for the year ending 31st 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 Panel was pleased to note that the performance of the funds in a year when rates have stayed low has been very good, with both the benchmark and the budgeted investment interest having been significantly exceeded.

Members discussed a number of issues including the management of the Council's cash flow, the potential to lend monies to other authorities and the reduction in the average interest rates that have been paid on investments during the year.

The Panel has also discussed the Authority's Strategy for long-term borrowing and noted that the capital programme for the next 5 years assumes expenditure of approximately £23M plus any slippages from individual years. Following the reduction of the Council's reserves over the last few years, all investments are now being managed in-house.

Subsequently, the Cabinet has noted the views of the Overview and Scrutiny Panel and recommended the report to Council.

ELECTRONIC NEWSLETTER FOR RESIDENTS

The Overview & Scrutiny Panel (Economic Well-Being) has received a presentation on future proposals for communicating with residents in Huntingdonshire. These include the production of an electronic newsletter on a quarterly basis at a cost of £1095 per annum.

Having indicated their support in principle to the electronic proposal for a twelve month trial period, Members queried whether it would be possible to reproduce the electronic version within other parish magazines. It has also been suggested that the Council could utilise Parish Council websites to signpost residents to relevant information.

Discussion has ensued on a number of issues including the use of an externally managed database to store the email addresses of residents who had registered their interest in receiving council information and whether e-communication would disadvantage a particular section of society. Members were keen to ensure that a thorough risk assessment had been undertaken of the company involved to ensure that the Council did not fall foul of any anti-discrimination legislation.

Lastly, Members were of the opinion that it would be unnecessary to produce a supplementary printed version of the newsletter.

CUSTOMER SERVICES QUARTERLY REPORT

The Overview & Scrutiny Panel (Economic Well-Being) has considered the quarterly performance report for Customer Services. As changes to the opening hours at the Ramsey and Yaxley Centres had not yet come into effect, Members noted that it would not be possible to review the impact of these changes until June 2012.

Customer satisfaction levels continued to be maintained despite a reduction in staffing levels. Members discussed a number of issues including the business continuity arrangements for the Call Centre, the opening hours of the Yaxley Customer Service Centre and whether any consideration had been given to providing a service for other authorities.

Having regard to the increasing number of benefit enquiries being received in the current economic climate, the Panel has noted that it was uncertain at this stage as to whether the subsidy from the Department for Work and Pensions for housing benefit would continue after April 2012. With this in mind, the Panel has asked the Executive Councillor to give further consideration to the actions which could be taken in the absence of the receipt of any further funding.

ONE LEISURE FINANCE

In conjunction with the Overview and Scrutiny Panel for Social Well-Being, the Economic Well-Being Panel has received an update on the work of the Group which had been established to review the performance of One Leisure

and to make recommendations on the service's future strategic direction.

OVERVIEW AND SCRUTINY ANNUAL REPORT 2010/11

The Overview & Scrutiny Panels have reviewed the contents of their draft Annual Report for 2010/11. The Report summarises the Panels' activities over the past year and contains illustrations of their impact and the results that they have achieved.

SHARED HOME IMPROVEMENT AGENCY SERVICES

Details of a proposal to establish a shared Home Improvement Agency Service with Cambridge City and South Cambridgeshire District Councils was considered by the Overview and Scrutiny Panel (Social Well-Being).

Owing to a number of concerns raised by Members, the Panel has requested the attendance of the Managing Director (Communities, Partnerships and Projects), the Head of Housing Services and the Executive Councillor for Resources and Customer Services to attend the Panel's September 2011 meeting. Concerns related to the potential redundancies which might result, the impact of an increased travel requirement on staff, the effect of a merger on the ability to deliver a consistent service using best practice.

ANNUAL REPORT ON ORGANISATIONS SUPPORTED BY GRANTS VIA SERVICE LEVEL AGREEMENTS 2010-11

The performance of voluntary organisations in receipt of funding from the Council through service level agreements was received and noted by the Overview and Scrutiny Panel (Social Well-Being). All organisations are monitored against a set of agreed

performance indicators and other organisational criteria on a quarterly basis.

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

It was reported to Members of the Overview and Scrutiny Panel (Social Well-Being) that Circle had not yet assumed responsibility for the management of Hinchingsbrook Hospital. Circle's intention to report to the Panel in September will therefore be deferred to another meeting.

REVENUE BUDGET AND CAPITAL MONITORING: 2010/11 OUTTURN AND 2011/12 BUDGET

The Cabinet has noted the final outturn for revenue and expenditure in 2010/11 and variations already identified in the current year. Executive Councillors were pleased to note that as a result of under spending the Council has been successful in saving an additional £1 million in reserves.

Executive Councillors also have been apprised of variations in the capital programme in the current year and adjustments in the 2011/12 budget.

UPDATE ON SURFACE WATER FLOODING ISSUES

The Overview and Scrutiny (Environmental Well-being) Panel has again requested a response from Anglian Water to long term surface water flooding issues in St Ives.

CAMBRIDGESHIRE FUTURE TRANSPORT "TRANSPORT FOR CAMBRIDGESHIRE"

Having considered a report outlining plans for a collaborative approach to future countywide transport provision

through the Cambridgeshire Future Transport Initiative, the Overview and Scrutiny (Environmental Well-being) Panel has highlighted to Cabinet the importance of safeguarding the Council's interests in community transport.

The Panel has in principle supported a suggestion that the District Council's rural transport budget is aligned with other Cambridgeshire partners in order to provide a more efficient and cost effective service. However Members do not want to see Council funds committed without the service being protected, or replaced as part of the project, as these often provide a lifeline to rural communities.

Subsequently, the Cabinet has supported the on-going development of the Initiative and the work of a cross authority Member led Governance and Solutions Group as they support the Council's objectives.

CCTV PROVISION

The Overview and Scrutiny (Environmental Well-Being) Panel has been acquainted with progress of negotiations to secure financial support for the Council's CCTV service.

The Panel has taken into account the views of fellow Councillors on the value of CCTV. A petition from residents in St Ives requesting the installation of an additional camera in the Town will be considered at the next meeting.

The Panel had been disappointed to hear that, despite the considerable use made of the service by them, the Police have declined to contribute to the running costs of CCTV. Whilst acknowledging the need for the Council to make savings, the Panel has requested that all avenues are explored in order to maintain the service.

MONITORING OF SECTION 106 AGREEMENTS

Having been provided with an update on the receipt and expenditure by the Council of money negotiated under Section 106 Agreements, the Overview and Scrutiny (Environmental Well-Being) Panel has been given assurance that there is no possibility of payments being allowed to expire.

REPRESENTATION ON ORGANISATIONS.

The Cabinet has appointed Councillor P L E Bucknell to serve on the Nene & Ouse Community Transport Board of Trustees and Councillors S Cawley, J J Dutton and T D Sanderson to the One Leisure Huntingdon Sports Centre Joint Committee.

LEISURE CENTRE MANAGEMENT AGREEMENTS

The Cabinet has been advised that the five secondary schools linked to the leisure centres sites have committed themselves to achieving Academy status. As a consequence the ownership of the school sites will transfer from the County to the appropriate schools/colleges and the associated management agreements will need to be renegotiated. With this in mind, the Cabinet has authorised the Head of Legal and Democratic Services, after consultation with the Executive Councillor for Health and Active Communities, to negotiate and finalise the draft heads of terms for the leisure centres and to enter into lease and new management agreements as necessary.

DEVELOPMENT OF ONE LEISURE, ST IVES

The Cabinet has considered four potential options to re-model the St Ives

Leisure Centre. The proposals have been designed to reduce One Leisure's net operating costs and to increase admissions and participation levels to meet both Government and Council health agenda targets.

Executive Councillors were conscious that the current rifle range facility had not been incorporated into the remodelling proposals. In that respect, the Cabinet has noted that the range returns a minimal amount of income and that the Rifle and Pistol Club was not in a position to make a significant contribution to the cost of providing a smaller facility within the development.

Having considered the views of the Overview and Scrutiny Panels (Economic Well Being and Social Well Being) the Cabinet has supported Option B for the redevelopment of the Centre and has requested the Leisure Centres General Manager to issue tenders in respect of this. Following the final tender evaluation a further report will be submitted to Cabinet to include an assessment of the business case for the proposal.

PUBLIC RIGHT OF WAY – HUNTINGDON

Part of Public Footpath No 9 crosses the proposed development site for the new food store, petrol filling station and other retail and residential units on land between John Street and George Street in Huntingdon. The Development Management Panel has agreed that an order be made under Section 257 of the Town & Country Planning Act 1990 to stop up that part of the footpath which will be obstructed by the new development on the understanding that an alternative footway will be created as part of the development of Huntingdon West and in place before the existing route is stopped up.

DEVELOPMENT MANAGEMENT APPLICATIONS

At its July meeting, the Development Management Panel determined eight applications and of these seven were approved and one refused. An application for a new dwelling off the Great Whyte in Ramsey was deferred to enable further consultation with the applicant to secure an amended scheme which preferably could comprise a single storey dwelling using materials which would reflect the location of the development in a conservation area.

An application resulting in the permanent use of land as a residential caravan site for gypsy families at 5 Acres Field, St Ives Road, Woodhurst also was approved.

APPLICATION FOR DISPENSATION

The Standards Committee has approved an application for dispensation received from St Ives Town Council which would enable four newly elected Councillors to speak and vote on matters relating to the Corn Exchange should these arise at meetings of the Town Council. The remaining Members of the Council had previously been granted dispensation for the same purpose. The Town Council would be unable to deal with business relating to the Corn Exchange unless these dispensations were in place because of the interests that Members would be required to declare.

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