

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CVSO1.A, CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 2 February 2012.

PRESENT: Councillor T V Rogers – Chairman.

Councillors G J Bull, S Greenall, R Harrison,  
R B Howe, A J Mackender-Lawrence,  
P G Mitchell, and M F Shellens.

Mr R Hall and Mrs H Roberts.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler and A H Williams.

### **82. MINUTES**

The Minutes of the meeting held on 5<sup>th</sup> January 2012 were approved as a correct record and signed by the Chairman.

### **83. MEMBERS' INTERESTS**

Councillor R Harrison declared a personal interest in Minute No. 88 as an employee of the Highways Agency.

### **84. 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). It was noted that the reports on "Community Infrastructure Levy Governance Principles" and the "Location of the Call Centre" would be considered by the Panel at its meeting in March 2012.

### **85. EXCLUSION OF THE PUBLIC**

RESOLVED

that the public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs relating to the authority.

### **86. FUNDING FOR CCTV**

With the assistance of a report by the Head of Operations (a copy of which is appended in the Minute Book) the Panel received an update on the future operation of the CCTV Service. By way of background, the Executive Councillor reminded the Panel that the Cabinet had previously agreed in principle a budget of £222k to provide a reduced hours CCTV service.

Having been acquainted with the progress of negotiations with partner organisations on how they might contribute towards the cost of the service and the terms of the agreements that might be reached with them, the Panel discussed the implications of changes to the service. Members requested the Overview and Scrutiny Panel (Social Well-Being) to monitor the effect of the changes. They also discussed the options available to provide cover in the CCTV Control Room during periods when staff were absent.

With regard to the terms on which contributions might be received from partner organisations, the Panel was informed that they might be affected by the establishment of a Business Improvement District. Members requested a briefing on the Business Improvement District at a future meeting.

In response to a question regarding the progress which was being made to outsource the CCTV service, the Head of Operations explained that work was ongoing but it was too early to report to Members at this stage. Members were also advised that those Councils who had already outsourced their service had not seen a significant saving in their CCTV Budgets.

**RESOLVED**

- (a) that the contents of the report be noted;
- (b) that the Panel should reiterate its support for the future of the CCTV service and the inclusion of £222k in the District Council's Budget; and
- (c) that the Overview & Scrutiny Panel (Social Well-Being) be invited to give further consideration to the implications of potential changes arising from future budget arrangements / service plans.

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

**RESOLVED**

that the public be re-admitted to the meeting.

**88. BUDGET 2012/13 AND MEDIUM TERM PLAN 2013 TO 2017**

*(Councillor J A Gray, Executive Councillor for Resources, was in attendance for this item).*

With the aid of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel reviewed the Medium Term Plan (MTP) 2013 – 2017) and the Budget and level of Council Tax for 2012/13 in advance of their consideration by Cabinet and final determination by the Council.

By way of introduction to the report, the Executive Councillor for

Resources drew attention to the changes which had been made to the Budget and MTP since the Panel's deliberations in December 2011. He also drew attention to the proposal to increase Council Tax in 2012/13 and the rationale behind this.

Members were advised that, further to their previous discussions, it was now possible to set the level of reserves at £4.5M. Their attention was drawn to the graph at Annex C to the report, which contained forecasts of the level of reserves that would be held by District Councils at March 2012. It was suggested that the graph could be updated and reviewed in September 2012 as part of the financial forecast. Councillor Gray then reiterated that although efficiency savings had been higher than anticipated in the current year, the Cabinet was not complacent and was mindful of the need to achieve further savings throughout the year ahead.

The Managing Director (Resources) outlined the context within which the draft Budget and MTP had been prepared and the Head of Financial Services provided a detailed explanation of the content of the report. Having welcomed the inclusion of a number of their previous recommendations, the Panel proceeded to examine each section of the report.

During discussion on the spending variations that had been identified since the draft budget had been prepared, a Member asked whether it was possible to breakdown the figure of £221,000 which had been allocated to the heading 2011/12 Forecast Outturn. In response, the Head of Financial Services explained that further details could be found in the revenue and capital monitoring reports which were prepared for the Cabinet on a quarterly basis and that copies of the reports could be provided to Members on request. With regard to the significant savings which had been generated by the agreement with employees that they would accept a pay freeze in April 2012, the Panel expressed their appreciation of employees' contribution towards improving the Council's budget position.

Councillor M F Shellens queried whether it was premature to include budgetary provision for the A14 inquiry, but was advised that the inquiry was likely to commence in March. Having noted that, owing to the Council's success in collecting Council Tax, there would be a surplus of £464k on the Collection Fund, the Panel congratulated the Head of Customer Services on the performance of the Council Tax team.

The Panel discussed the additional £188,000 which had been allocated for Voluntary Sector Grants in 2012/13 and the process that would be put into place to distribute this money. The Executive Councillor stated that the Cabinet wished to ensure that the District Council obtained value for money from voluntary sector organisations and that they would be required to prepared a business case to secure funding. Councillor B S Chapman reported that he, along with the Executive Leader, was in the process of arranging a meeting with the Huntingdonshire Citizens Advice Bureaux to discuss opportunities for securing efficiency savings in its operation. A suggestion having been made that Members should be informed of the next steps that would be taken to finalise future arrangements between the Council and the voluntary sector, it was agreed that the

Social Well-Being Panel should be invited to examine in detail the policies and mechanisms that were proposed for this purpose.

In considering the "Risks and Sensitivities" that were identified in the report, Councillor M F Shellens suggested that it might be prudent for the Council to consider its strategic approach if its financial position and the economy generally were better than expected. While there could be a danger of creating expectations that could not be met if such plans were developed, it was suggested that there was value in planning for the full range of changes that might affect the Council's financial position in the future. However, a number of members commented that the District Council faced a number of challenges and it was, therefore, right to maintain a degree of caution. The Head of Financial Services suggested that this matter might be considered further as part of the discussions on the financial forecast in September 2012.

The Panel welcomed the Cabinet's decision to increase revenue reserves to £4.5M and noted that this would remain a live issue for some time. Members were of the opinion that the Council should seek to increase its reserves and that, if it was reasonable, reserves should be increased to £5M. In doing this, Members acknowledged that these sums would not be used to provide services. However, the Panel's view which was partly informed by the fact that it was only possible to use reserves for one-off projects. Members recommended that the Council's level of reserves and its position in terms of reserves compared with overall spending relative to other district council's was regularly reviewed.

In considering the contents of the graph at Annex C showing the level of reserves forecast to be held by District Councils at March 2012, comment was made that it was difficult to establish how the graph would change in future years; however, over time it would be a useful monitoring tool. Members were advised that the figures for council spending included parish precepts and there would be very few local authorities who collected as many precepts as Huntingdonshire District Council.

Members unanimously agreed that Council Tax should be increased by £4.34 per year for a band D property in 2012/13. The level of increase would generate approximately £100k and it was noted that this might, for example, contribute towards the indicative budget for the voluntary sector, which was approved at the Cabinet's last meeting, instead of requiring alternative savings to be found.

Consideration was then given to the proposed Budget and MTP. Following reference to a recent example, which had emerged during the study on support services, comment was made on the need to ensure that previously identified savings were rigorously applied to ensure each section's budget was accurate at the start of the year. The Head of Financial Services explained that issues such as the one referred to would normally identified as part of routine budget discussions with Activity Managers; however, he undertook to convey this message to the Financial Service Team.

While the 2012/13 Budget contained no unidentified savings,

Members reiterated the view that the feasibility of achieving some future years' savings in 2012/13 should be investigated.

Members welcomed the inclusion in the report a summary of budgets controllable by each senior manager. Reference was made to the reduction in the revenue budget for the Head of Planning Services over the MTP period and Members were advised that this reflected the transfer of car parking to Operations. With regard to the inclusion of interest within the revenue budget for the Head of Financial Services, it was suggested that it might be better to list this figure as a separate item. As the Council's reserves reduced and its borrowings increased, Members were of the opinion that it was important to identify clearly interest costs. With this in mind it was suggested that interest rates and other such "corporate" items should be identified separately. The Executive Councillor was invited to review the presentation of corporate items in future reports.

In considering the budgets by service area, a question was raised regarding the reduction in the recycling budget for 2012/13. The Head of Financial Services explained that this was a result of a change to the way in which the Council was charged for recycled material. Whereupon, and having noted that it was no longer necessary to require the Managing Director (Resources) to make adjustments to revenue reserves, it was

#### RESOLVED

- (a) that the Panel's comments be conveyed to the Cabinet for their consideration; and
- (b) that the Cabinet be informed of the Panel's support for
  - ❖ the proposed MTP, Budget and Financial Plan as submitted; and
  - ❖ a £4.34 per year increase in the Council Tax for 2012/13.

In concluding this discussion, the Panel expressed their appreciation of the work undertaken by the Financial Services section to prepare the MTP, budget and Financial Plan.

#### **89. 2012/13 TREASURY MANAGEMENT STRATEGY**

*(Councillor J A Gray, Executive Councillor for Resources, was in attendance for this item).*

In accordance with its responsibility for scrutinising Treasury Management and with the assistance of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel reviewed the Treasury Management Policy for 2012/13 and the Treasury Management Strategy and Prudential Indicators for the same period.

Members were advised that the Treasury Management Policy and Strategy formed part of the Council's governance arrangements. The Head of Financial Services explained that the Policy Statement was not significantly different from that prepared for the previous year and reminded the Panel that the Treasury Management Advisory Group met to discuss issues relating to Treasury Management on a regular basis. In considering the contents of the Policy Statement, Members' attention was drawn to the Council's Investment Policy which stated that all investment decisions must take into account a number of factors, including the security of the investment.

In reviewing the 2012/13 Strategy, Members were informed that in January 2011 the Treasury Management Advisory Group had agreed to retain the Council's existing Treasury Management Advisors and their advice was used by officers on a regular basis. Attention was then drawn to the expected levels of reserves and the need for borrowing to fund capital expenditure over the MTP period. The 'May Borrow' figures had been produced following agreement with the Council's previous external auditors that it was legitimate to borrow in advance to fund the five year published programme. Having endorsed the criteria and limits for making investments and the proposed Prudential and Treasury Management Indicators for 2012/13, it was

#### RESOLVED

that the Cabinet be recommended to endorse the Treasury Management Policy and the Treasury Management Strategy and Prudential Indicators for 2012/13 for submission to the Council.

### **90. CUSTOMER SERVICES MONITORING REPORT**

The Panel gave consideration to the Customer Service Quarterly Performance Report for the period October to December 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.

In response to a question regarding the service's speed of response, the Head of Customer Services explained that a recruitment freeze meant that a number of posts had been held vacant, which had affected performance. Having been informed that customer satisfaction levels remained high, 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.

Following lower than targeted performance at the Call Centre on a particular day because of the failure of an IT system, a question was asked about the business continuity arrangements for the service. In response, the Head of Customer Services informed Members that the business continuity arrangements for the service included reference to suppliers of IT systems and that all IMD contracts were covered by service recovery standards.

Having noted that that the results of a recent employee satisfaction survey had demonstrated a satisfaction level of 97% compared to a target of 75%, a Member queried whether the target was realistic. The Head of Customer Services reported that targets had been set to reflect the need to achieve budgetary savings and reduced staffing levels. A reduction in public transport enquiries was the result of the fact that the administration of free bus passes had now been transferred to the County Council. Having noted that there would be a further report in six months time, it was

RESOLVED

that the contents of the report be noted.

**91. CABINET FEEDBACK - ONE LEISURE FINANCE**

The Panel received and noted a report from the Cabinet (a copy of which is appended in the Minute Book) outlining their response to the findings of the Panel's study into the financial performance of One Leisure. The Vice Chairman reported that a further meeting of the Working Group had been arranged to discuss the development of a methodology for the quantification of "social value" and alternative business models for the One Leisure service.

RESOLVED

that the contents of the report be noted.

**92. WORKPLAN STUDIES**

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) containing details of studies that were being undertaken by the Overview and Scrutiny Panels for Social and Environmental Well-Being. The Scrutiny and Review Manager reported that an update had been circulated outlining developments relating to travellers' sites.

**93. OVERVIEW AND SCRUTINY (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. Members indicated that they wished to continue to receive updates on the A14 Improvements. An update was then provided by the Chairman on the activities of the working group which had been established to review the District Council's Document Centre.

Councillor M F Shellens raised the issue of the enforcement of HGV weight limits. Whilst this was not a matter which fell within the remit of the Economic Well-Being Panel, the Scrutiny and Review Manager undertook to establish how investigations might be undertaken into this matter.

**94. SCRUTINY**

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

Chairman