

A meeting of the **OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)** will be held in **CVSO1.A, CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **THURSDAY, 2 FEBRUARY 2012** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 1 - 8)

To approve as a correct record the Minutes of the meeting held on 5th January 2012.

**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 9 - 12)

A copy of the current Forward Plan is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**Mrs H Taylor
388006**

4. EXCLUSION OF THE PUBLIC

To resolve:-

That the public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

5. FUNDING FOR CCTV (Pages 13 - 16)

To consider a report by the Head of Operations.

**E Kendall
388635**

6. RE-ADMITTANCE OF THE PUBLIC

To resolve:-

to readmit the public to the meeting.

7. BUDGET 2012/13 AND MEDIUM TERM PLAN 2013 TO 2017
(Pages 17 - 60)

To consider a report by the Head of Financial Services prior to its consideration by the Cabinet.

**S Couper
388103**

8. 2012/13 TREASURY MANAGEMENT STRATEGY (Pages 61 - 84)

To consider the draft Treasury Management Strategy and Prudential Indicators.

**S Couper
388103**

9. CUSTOMER SERVICES MONITORING REPORT (Pages 85 - 94)

To consider the monitoring report for the customer services team for the 12 months to December 2011.

**J Barber
388105**

10. CABINET FEEDBACK - ONE LEISURE FINANCE (Pages 95 - 96)

To consider a report by the Cabinet outlining their deliberations on the recommendations of the One Leisure Working Group.

**Mrs H Taylor
388006**

11. WORKPLAN STUDIES (Pages 97 - 100)

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**

12. OVERVIEW AND SCRUTINY (ECONOMIC WELL-BEING) - PROGRESS (Pages 101 - 106)

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

**Mrs C Bulman
388234**

13. SCRUTINY

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

Dated this 25 day of January 2012



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.

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

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

Emergency Procedure

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

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Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CIVIC SUITE CVSO.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 5 January 2012.

PRESENT: Councillor T V Rogers – Chairman.

Councillors G J Bull, E R Butler, S Greenall, Hall, R Harrison, P G Mitchell, Roberts, M F Shellens and A H Williams.

Mr R Hall and Mrs H Roberts.

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

69. MINUTES

The Minutes of the meeting held on 1st December 2011 were approved as a correct record and signed by the Chairman.

70. MEMBERS' INTERESTS

Councillor R Harrison declared a personal interest in Minute No. 80 as an employee of the Highways Agency.

71. 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). In so doing, the Chairman reported that the item on the Location of the Call Centre was likely to be considered by the Panel at their meeting in February 2012.

72. CABINET FEEDBACK - DRAFT BUDGET 2012/13 AND MTP

(Councillor N J Guyatt, Deputy Leader of the Council, was in attendance for this item).

The Panel received and noted a report from the Cabinet (a copy of which is appended in the Minute Book) on its response to their comments on the draft Budget 2012/2013 and the Medium Term Plan. In reply to a question about the latest figure for the New Homes Bonus, the Head of Financial Services reported that this was £37,000 higher than the projected figure. Having noted that the Cabinet had discussed the benefits and risks of increasing the Council's general reserves provision, the Deputy Leader explained it was intended to recommend to the full Council that it was set at £4M and that it would not be possible to achieve a higher level in the current year.

Councillor P G Mitchell commented on the supplementary capital estimate which had been approved to enable the Huntingdon multi-storey car park scheme to proceed and suggested that this warranted further investigation. Having noted that this was part of a long term plan for the development of the town which had previously been considered by the Panel, it was agreed that this was not required.

73. VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)

(Councillor T D Sanderson, Executive Councillor for Healthy and Active Communities, was in attendance for consideration of this item).

Consideration was given to a report by the Head of Environmental and Community Health Services (a copy of which is appended in the Minute Book) seeking an indicative budget for voluntary sector support for the 2013/14 financial year and outlining options for the distribution of the funds.

The Executive Councillor for Healthy and Active Communities drew attention to the main elements and recommendations within the report and, in particular, to the proposals to establish a mixed grant system as opposed to a commissioning approach for the allocation of future funds and to introduce a Community Chest for organisations who required small grants.

The Head of Environmental and Community Services explained that the District Council currently provided funding to six organisations: Huntingdonshire Citizens Advice Bureaux, Hunts Forum, Huntingdonshire Volunteer Centre, Shopmobility, St Barnabus Community Learning Centre and Disability Information Services Huntingdonshire. This was achieved through five-year Service Level Agreements which would expire in 2013. The report had been prepared to enable negotiations to commence with the voluntary organisations on future funding arrangements. The Overview and Scrutiny Panel (Social Well-Being) had discussed the report at a recent meeting and had endorsed the recommendations.

In considering the proposal to establish an indicative budget for 2013/14 of £273,000, Members questioned how this figure had been arrived at and where alternative savings would be made in the Council's Budget. Having been informed that the figure was based on the requirements of current service providers, Members questioned whether the methodology used was valid, particularly as an important part of the rationale for the change was that the existing beneficiaries of funding were not certain to receive it in the future.

A greater reduction in funding for the voluntary sector had originally been proposed. However, the Executive Councillor for Healthy and Active Communities explained that research had indicated that any reduction of more than 20% would have significant implications for the Council in terms of the additional demand for services it would create. In response to a question on the impact on voluntary sector organisations of a reduction of this size, the Head of Environmental and Community Services explained that most of the current recipients of funding had offered coping strategies that would enable them to continue to operate with no reduction in the level of services they provided. Following comment that it would have been useful to see a

comparison of the impact of varying levels of funding reduction on the voluntary sector, the Head of Environmental and Community Services undertook to circulate this information after the meeting.

With regard to the level of the indicative budget sought, Members questioned whether consideration had been given to requiring recipients of funding to obtain match funding. They also discussed the extent to which approval of the indicative budget would influence voluntary sector organisations' attempts to secure alternative methods of funding and investigate opportunities for shared accommodation. Comment having been made that a number of organisations had become too reliant on Council funding, Members queried whether the voluntary sector was responding to the changing economic climate and exploring opportunities, for example, to share services / facilities and raise funds. A suggestion was made that the indicative budget could alternatively be used to provide Council services directly and, therefore, replace some of the recent service reductions within the Council. The Council should clarify its priorities in this respect

The Panel discussed the proposed delivery methods for providing future financial support to the voluntary sector. Members established that as the Council was moving away from commissioning, a mix of distribution methods would not be used as is stated in the report. They then queried the rationale behind the proposal to return to the grant process and how the Council would ensure that the organisations met the objectives for which the grant was awarded. In response the Head of Environmental and Community Health Services explained that grants would be awarded for a maximum of three years and any performance issues could be addressed through the indicative budget for the following year. Applications for grants would be determined by the Executive Councillors for Resources and for Healthy and Active Communities.

The Panel discussed in detail the proposal to establish a Community Chest to create an accessible source of funds to help local community projects on a rolling programme throughout the year. The Head of Environmental and Community Services explained that the initiative had been devised in response to a number of requests for small sums of monies to help with local projects. A number of views were expressed as to whether Towns and Parishes should be able to apply to the Community Chest. Although some members were supportive of the approach, others suggested that these organisations already had the opportunity to obtain funding via their precepts. Another Member suggested that this opportunity could be valuable to smaller parishes who were often unable to raise funds for local projects. With regard to the administration of the process, it was suggested that, given the small sums involved, it should be straightforward and flexible. Having reiterated their concerns about how the indicative figure had been determined and where alternative savings would be made in the Council's Budget, it was

RESOLVED

that the Cabinet be recommended to

- a) suggest an indicative voluntary sector budget for

2013/14 of £273,000;

- b) agree to adopt a mix of methods of allocating funds, the method to involve a level of bureaucracy proportionate to the level of funding required, and
- c) agree to the establishment of a modest 'Community Chest' to create an 'accessible' source of funds to help very local community projects.

74. HOUSING BENEFIT CHANGES AND THE POTENTIAL IMPACT ON HUNTINGDONSHIRE

(Councillors B S Chapman, Executive Councillor for Customer Services, and N J Guyatt, Deputy Leader of the Council, were in attendance for this item).

The Panel gave consideration to a joint report by the Heads of Customer Services and of Housing Services (a copy of which is appended in the Minute Book) on the impact of changes to the Housing Benefit system on Huntingdonshire residents. The Executive Councillor for Customer Services reported that the changes largely affected the Local Housing Allowance paid to households that were assessed as being eligible for help with their rent in the private sector. The effect of the changes had resulted in a reduction of £370,000 per annum in the amount that was paid to existing benefit claimants. This equated to a reduction in benefit entitlement of between £3 and £70 per week and would start to take effect from January 2012, which could potentially result in households falling into rent arrears and facing the threat of eviction and/or homelessness. Having drawn attention to other changes which would be introduced in the period to April 2013 as part of the Government's welfare reform programme, Councillor Chapman invited Panel Members to comment on the information provided.

In considering the contents of the report, Members queried whether an assessment had been made of the local impact of the changes in housing benefit. The Panel was advised that it was difficult to assess the exact impact at this stage. Although the changes had been introduced in April 2011 there had been a nine-month protection period which was now due to come to an end and so the effects were just starting to emerge. The Council had written to those who were affected by the changes to advise them to seek advice at an early stage. It was also reported that there had already been a reduction in the number of available private sector properties for rent and Members commented on the increase in cost of rents that would result if this trend continued. Councillor M F Shellens suggested that it would be useful to receive regular reports on these matters.

In response to a question by a Member on whether the changes would have an impact on the cost to the Council of providing the homeless with temporary bed and breakfast accommodation, the Panel was advised that this was likely to be the case and that the Council was reliant on a small number of providers of this type of accommodation. The New Build Programme had helped the situation during the last few years but this would not be the case in the future. Discussions were currently ongoing with the Housing Associations to

identify alternatives to bed and breakfast accommodation.

Further on the use of bed and breakfast accommodation, the Panel was advised that the Council primarily dealt with two providers and that there were currently 11 households in this type of accommodation in the District. Having been advised of the cost of an average double room, the Panel was informed that the Council often had to take action at short notice and sought to do so in the best and most cost effective manner. Councillor S Greenall requested a breakdown of the average cost per night of this type of accommodation for 2010 and 2011.

There was no indication at this stage of the level of budget which was likely to be required to meet the expected increase in homelessness in the future. Consequently there was currently no provision within the 2012/13 Budget for an increase in homelessness, though reference was made to the impact of the various benefit changes in the text. Members queried whether the Council should seek to increase the budget estimate for homelessness at this stage; however, the Head of Financial Services explained that in the absence of an accurate estimate of the impact it was not practical to do so. Given that the Council was likely to increase its level of reserves, he was not unduly concerned about the situation for the forthcoming financial year. Having requested an update on this subject on a quarterly basis when there was likely to be a better indication of the impact on Huntingdonshire residents, it was

RESOLVED

- a) that the report now submitted be noted;
- b) that a further report drawing together the wider housing policy implications for the Council arising from the Government's Welfare Reform Bill be submitted to a future meeting of the Panel, and
- c) that further reports on rental levels and rent costs be submitted to the Panel on a quarterly basis.

75. EXCLUSION OF THE PUBLIC

RESOLVED

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

76. ONE LEISURE FINANCE

(Councillor T D Sanderson, Executive Councillor for Health and Active Communities, was in attendance for this item).

With the assistance of a report by the One Leisure Working Group (a copy of which is appended in the annex to the Minute Book) the Panel was acquainted with the outcome of the deliberations of the Working Group. The Working Group had been established to review the financial performance of One Leisure and to make recommendations

on the services' future strategic direction.

Attention was drawn to an update which was circulated at the meeting that incorporated the latest financial position as reflected in the Council's Medium Term Plan. In considering the revisions to the financial information, Members queried whether the revenue projection for 2012/13 was robust given that there was no proposal to increase prices in the current year. In response the Head of Financial Services stated that a cautious approach would be taken to maintenance and that income following developments at Huntingdon and St Neots had been higher than expected. It was also envisaged that income would further improve following planned development at One Leisure St Ives. The General Manager, One Leisure indicated that he was comfortable with the revised figures.

Mr R Hall drew attention to the section of the report on Alternative Delivery Models. He reported that the majority of Councils had moved away from in-house delivery. He referred to a report prepared by Improvement East in March 2011 which indicated that almost 75% of Councils in the East of England had externalised their leisure services. It also identified five preferred alternative models, which could be considered for the operation of the service. The Working Group had recommended that investigations should be undertaken to establish the most appropriate business model for the service.

Comment was made on the significant cost of the Council's crèche facilities. It was pointed out that the Working Group had looked at this area but had deliberately avoided micromanaging the service and the recommendations relating to the establishment of a business plan would cover such matters. Having noted that all the centres would be included in the business plan, the General Manager reported that it was unlikely that the centres at Ramsey and Sawtry would generate a profit in the longer term. Whereupon and subject to the incorporation of the revised figures into the report, it was

RESOLVED

that the Working Group's report and recommendations be endorsed for submission to the Cabinet.

77. RE-ADMITTANCE OF THE PUBLIC

RESOLVED

that the public be re-admitted to the meeting.

78. BROADBAND DELIVERY PROJECT

The Panel received a presentation by Mrs S Bedlow, Economic Development Manager, on the Broadband Delivery Project. The Panel was informed that the Government's objective through the Project was to establish the best superfast network in Europe by 2015 and that Local Enterprise Partnerships were required to draw up a Broadband Strategy for their areas. The Cambridgeshire and Peterborough Broadband Delivery Project had been allocated £6.75m for this purpose and had adopted the objectives of ensuring that 100% of businesses and 90% of homes had access to superfast

broadband by 2015. On a question which had been raised at a previous meeting, Members were provided with a definition of superfast broadband.

The Panel discussed a range of matters relating to the Project's objectives, including whether businesses required broadband speeds of 25 Mbps. Comment was also made that the target for businesses was unattainable as a growing number of businesses were now operating from home. In response, Mrs Bedlow explained that the Project was currently considering how it would define "business" for this purpose.

Members were advised that the Government's funding could only be used to provide broadband in areas not covered by commercial providers. Efforts were being made to encourage the market to meet demand; however, a number of commercial providers had been disappointed with the take up of high speed broadband. Members then discussed the mechanisms which would be used to establish demand and were informed that a comprehensive survey would be undertaken and a campaign website established. In response to a question on the implications of not taking part in the Project, the Economic Development Manager explained that research had demonstrated the benefits of superfast broadband in terms for productivity and economic growth and that failure to undertake the Project would result in the District being at a competitive disadvantage.

Following a question on the Alconbury Enterprise Zone, Mrs Bedlow reported the Government had announced that all Enterprise Zones would have superfast broadband. It was likely that the number of houses and businesses within the area would make it commercially viable and, therefore, demand would be met by the market.

The Chairman thanked Mrs Bedlow for her attendance at the meeting.

79. 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. In so doing, a Member queried when the guidance was expected on future provision requirements for gypsies and travellers.

With regard to the item on CCTV it was agreed that the Panel should receive an update on progress of negotiations with the Town Councils. Mrs H Roberts queried whether the review of waste collection and recycling policies would include the financial performance of the service. It was suggested that this information would be produced through the development of the RECAP Advanced Waste Partnership and could be submitted to the Panel. It was also suggested that the savings which had been achieved following the departure of a number of senior Officers could be considered as part of the report on the Budget at the Panel's next meeting.

80. 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 been previously been discussed by the Panel.

81. 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). In response to a question from a Panel Member, Councillor E R Butler reported that the 2010/11 Accounts would be signed off by the end of the month.

Having noted that there had been a number of recent changes to the Council's Risk Management Strategy, the Scrutiny and Review Manager undertook to provide Mrs H Roberts with a revised copy of the Strategy.

Chairman

FORWARD PLAN OF KEY DECISIONS

Prepared by
Date of Publication:
For Period:

Councillor J D Ablewhite
15 January 2012
1 February 2012 to 31 May 2012

Membership of the Cabinet is as follows:-

Councillor J D Ablewhite	- Executive 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 Executive 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 Resources	Shufflewick Cottage Station Row Tilbrook PE28 OJY Tel: 01480 861941 E-mail: Jonathan.Gray@huntingdonshire.gov.uk
Councillor D M Tysoe	- Executive Councillor for Environment	Grove Cottage Maltings Lane Ellington Huntingdon PE28 OAA Tel: 01480 388310 E-mail: Darren.Tysoe@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: Tom.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.

Colin Meadowcroft
Head of Legal and Democratic Services

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
Community Infrastructure Levy Governance Principles***	Cabinet	16 Feb 2012	CIL Evidence Base	Steve Ingram, Head of Planning Services Tel No. 01480 388400 or email Steve.Ingram@huntingdonshire.gov.uk		N J Guyatt	Environmental Well-Being
Roll Forward of Core Strategy - Local Plan Project Plan	Cabinet	16 Feb 2012	None.	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk		N J Guyatt	Environmental Well-Being
Budget and MTP	Cabinet	16 Feb 2012	Draft MTP, Previous Year's budget report, Various Annexes	Steve Couper, Head of Financial Services Tel No. 01480 388103 or email Steve.Couper@huntingdonshire.gov.uk	Overview and Scrutiny (Economic Well-Being). 2nd February 2012.	J A Gray	Overview and Scrutiny (Economic Well-Being)
Waste Collection Policies	Cabinet	16 Feb 2012	None.	Eric Kendall, Head of Operations Tel No. 01480 388635 or email Eric.Kendall@huntingdonshire.gov.uk		D Tysoe	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
Location of the Call Centre	Cabinet	16 Feb 2012	Previous Cabinet Papers	Julia Barber, Head of Customer Services Tel No 01480 388105 or email Julia.Barber@huntingdonshire.gov.uk		J A Gray	Economic Well-Being
Treasury Management Strategy and Prudential Indicators	Cabinet	16 Feb 2012	Previous year's Strategy	Steve Couper, Head of Financial Services Tel No. 01480 388103 or email Steve.Couper@huntingdonshire.gov.uk	Overview and Scrutiny (Economic Well-Being). 2nd February 2012.	J A Gray	Overview and Scrutiny (Economic Well-Being)
Funding for CCTV	Cabinet	16 Feb 2012	None.	Eric Kendall, Head of Operations Tel No. 01480 388635 or email Eric.Kendall@huntingdonshire.gov.uk		D Tysoe	Environmental Well-Being
Cambs Renewable Infrastructure Framework	Cabinet	22 Mar 2012	CCC - Cambs Renewable Infrastructure Framework Strategy	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Endorse as Council Policy	N J Guyatt D Tysoe	Environmental Well-Being
Cambs Community Energy Fund	Cabinet	22 Mar 2012	CCC - Community Energy Fund Strategy	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk	Endorse as Council Policy	N J Guyatt D Tysoe	Environmental Well-Being
Huntingdon West Master Plan	Cabinet	22 Mar 2012	Huntingdon West Action Plan	Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk		N J Guyatt	Environmental Well-Being
Cambridgeshire Future Transport - 'Transport for Cambridgeshire'	Cabinet	19 Apr 2012	Cambs Future Transport Programme	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

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
Community Infrastructure Levy (CIL)	Cabinet	19 Apr 2012	Examination in Public Report	Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 - or email Paul.Bland@huntingdonshire.gov.uk	Outcome of Examination and recommend adoption to Council	N J Guyatt	Environmental Well-Being
Planning for Sustainable Drainage Systems (SuDs)	Cabinet	19 Apr 2012	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
Bearscroft Farm Urban Design Framework***	Cabinet	17 May 2012	None.	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

Agenda Item 5

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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CABINET

16 FEBRUARY 2011

BUDGET 2012/13 AND MEDIUM TERM PLAN 2013 to 2017

(Report by the Head of Financial Services)

1 PURPOSE

- 1.1 The purpose of this report is to allow the Cabinet to determine its recommendations to Council on 22 February in relation to the Council's Budget and Council Tax for 2012/13, Medium Term Plan for 2013/17 and associated matters.

2 BACKGROUND

- 2.1 Both the Financial Strategy in September and the Draft Budget in December were considered by Overview & Scrutiny and Cabinet before being approved by Council. Both reports highlighted a continuing high level of uncertainty on a number of issues, affecting the financial position of the Authority.

3 OVERVIEW

A combination of:

- expected progress in controlling payroll costs,
- a buoyant forecast for New Homes Bonus,
- continuing efficiency savings, and
- a Council Tax rise

result in a budget for 2012/13 that maintains a higher level of reserves and reductions in the service savings still to be identified for the future.

Government proposals for funding in 2012/13 are slightly higher (£37k) than expected. New Homes Bonus provides an increasingly significant element (£1.9M) of the Council's funding and this is expected to rise over the next few years to over £6M. Whilst of significant benefit it does increase the Council's reliance on the buoyancy of the house building industry.

Since December, some changes have been made to the Draft Budget. These include:

- greater savings on pay including the decision to have no pay increase again in April 2012.
- a £188k per year increase in the level of Voluntary Sector grants previously proposed.
- review of the risk provision and an increase in the minimum level of revenue reserves to £4.5M.

Uncertainty continues to be a major problem for Local Authorities whether as a result of the world, European or UK economies or Government proposed changes to their funding or responsibilities. It will be some years before there is any chance of greater certainty. Allowance for a risk provision has been made in the budget but higher end assumptions could result in extra costs of up to £2.1M by 2016/17.

The Government have offered a one year grant equivalent to 2.5% to any Council that does not raise its Council Tax for 2012/13. Huntingdonshire, together with a significant number of other Authorities, does not propose to accept this as there is a significant likelihood that it will simply result in the need to cut services when the grant ceases the following year.

The Government are proposing a limit on Council Tax increases of 3.5% with the requirement to get a majority result from a referendum for any higher level.

The Council's Tax Level for the current year is £124.17 per year for Band D properties with 66% of residents on lower bands paying a lower tax. This is significantly less than the District Council average of £168. Lower taxing Districts are at a severe disadvantage from percentage limits which have minimal cash value and the Leader has written to the Secretary of State proposing that future limits should reflect a cash value based on the District Council average.

In order to protect the services that local residents value, such as voluntary sector grants which result in significant support for some of the most vulnerable, and to ensure that our budgets take proper recognition of current uncertainties a Council Tax increase of £4.34 per year (8p per week) is proposed for a Band D property. This equates to a rise of 3.5% and equivalent increases in future years mean that the Council has a lower target of future savings to achieve. This reduces the chances of reductions in the services that local residents need and value.

The following table shows the key figures:

PROPOSED	FORECAST	BUDGET	MTP			
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000	£000
NEW FORECAST	21,435	21,722	22,299	22,842	23,611	24,365
FUNDING						
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0
Remaining revenue reserves EOY	12,032	9,485	7,531	5,622	4,500	4,500
New Homes Grant	-832	-1,913	-2,857	-3,704	-4,845	-6,095
Special Council Tax Grant 2011/12	-184	-184	-184	-184	0	0
Formula Grant (RSG)	-10,522	-9,288	-9,235	-8,630	-8,846	-9,067
Collection Fund Deficit	-105	-63	0	0	0	0
Council Tax	-7,383	-7,727	-8,068	-8,415	-8,797	-9,202
COUNCIL TAX LEVEL	£124.17	£128.51	£133.01	£137.66	£142.48	£147.47
£ increase	£0.00	£4.34	£4.50	£4.66	£4.82	£4.99
Unidentified Spending Reductions	0	0	-337	-550	-616	-891
Extra savings if higher risks		-100	-800	-1,000	-1,600	-2,100
DRAFT BUDGET						
Unidentified Spending Reductions		0	-500	-800	-1,338	-1,409
LAST YEAR						
Unidentified Spending Reductions		-751	-961	-1,524	-1,975	-2,028

4 CHANGES SINCE THE DRAFT BUDGET – SPENDING AND RISK PROVISION

4.1 The tables below shows the key changes that have been made to spending and the risk provision since the Draft Budget was considered in December. Annex A provides further detail.

REVENUE SPENDING	REVENUE					
	F'CAST	BUDGET	MTP			
	2011	2012	2013	2014	2015	2016
	2012	2013	2014	2015	2016	2017
	£000	£000	£000	£000	£000	£000
DRAFT excluding Unidentified Savings	21,362	21,696	22,749	23,624	24,227	25,231
Pay and Allowances		-295	-464	-509	-533	-638
Voluntary Sector Grants			188	188	188	188
Other Service Variations	241	394	330	103	137	142
Technical Variations	-168	-73	-168	-14	208	332
TOTAL VARIATIONS	73	26	-113	-232	0	25
PROPOSED excl. Unidentified Savings	21,435	21,722	22,636	23,392	24,227	25,256

CAPITAL SPENDING	NET CAPITAL					
	F'CAST	BUDGET	MTP			
	2011	2012	2013	2014	2015	2016
	2012	2013	2014	2015	2016	2017
	£000	£000	£000	£000	£000	£000
DRAFT	5,506	12,198	4,067	2,851	3,736	2,699
Other Service Variations	-1,225	-456	-75	112	152	152
Technical Variations	1,041	-972	-2	6	12	16
TOTAL VARIATIONS	-184	-1,428	-77	118	164	168
PROPOSED	5,322	10,770	3,990	2,969	3,900	2,867

4.2 The most significant adjustments relate to:

Pay and allowances – Over the last year there has been substantial consultation with staff on pay and pay systems which led to agreement for a pay freeze for April 2012. Over the coming year management will be working with staff to identify a revised pay system that will enable the Council to better control costs whilst ensuring the fair and attractive salaries necessary to recruit and retain quality staff.

Inevitably there is a need to include planning assumptions for future pay awards whilst stressing that these are only planning assumptions and must not be taken as an indication of the actual level of pay awards that will be negotiated and approved.

The 2013 financial planning assumption is based on cost of living

of 2%. Future years assumptions mirror the assumed Council Tax rise, both being influenced by general levels of inflation.

Voluntary Sector Grants – An extra £188k per year of grants, compared to the provision in the draft budget, has now been included.

Other Service and Technical Variations - These include provision for an A14 Inquiry, reduction in the saving from letting PFH space to reflect levels expected, review of the risk contingency and removal of the savings anticipated from PV panel installation pending assessment of how far market prices have fallen (reinstatement of one scheme is imminent under the Invest to Save procedure but will give a much lower saving).

5 CHANGES SINCE THE DRAFT BUDGET - FUNDING

- 5.1** The Council Tax base has now been finalised for 2012/13 and this provides an increase of 201 Band D properties on the assumption used in the Draft Budget.
- 5.2** The Government has proposed a New Homes Bonus of £1.913M which is £37k greater than previously forecast. There is no change proposed to the Formula Grant level.
- 5.3** There will be a surplus of £464k on the Collection Fund due to the Council's success in collecting the Council Tax. This is required to be shared pro rata across precepts and so £63k will be this Council's share.
- 5.4** Whilst any significant change is unlikely the final notification for Formula Grant and New Homes Bonus has not yet been received. If there is a minor change then adjustment to the use of reserves is the most practical approach.

6. RISKS AND SENSITIVITY

- 6.1** The most fundamental issue continues to be the economic impact of the various international financial issues. There are many conflicting views on the scale of the problems ahead for the UK and the eurozone. There may be further financial impacts on the UK and, if so, there could 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

6.2 Other issues include:

- Delivery of the items contained in identified savings
- Identification and delivery of unidentified savings in future years.
- Levels of pay awards, inflation and interest rates
- Ability to maintain income levels
- Grant changes for 2013/14 onwards
- Impact of growth in Business Rates
- Impact of slower home building on New Homes Bonus
- Loss of Formula Grant (or Localised Business Rates) to fund New Homes Bonus
- Costs of demographic growth
- Change in Pension Fund contributions
- Impact of changes to the benefits systems on homelessness levels and the ability to collect Council Tax.
- High priority service developments not already in the MTP and any unavoidable spending requirements not referred to in this report emerging (e.g. planning appeals)
- The potential for costs relating to “orphan” contaminated land sites
- Repayment of past land charge fees
- Low demand for office property in Huntingdon e.g. assumed sale of Castle Hill House.

6.3 Annex B provides some specific examples of potential impacts on the Council’s financial position. These have been used to establish a lower end figure for inclusion in the budget as the Risk Provision and a higher end figure to provide a feel for the potential extra level of risk that could emerge.

RISKS	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Proposed Range					
Lower End (Budgeted risk provision)	0.0	0.8	1.0	1.3	1.5
Higher End	0.1	1.6	2.0	2.9	3.6
Extra savings required if higher end assumptions correct	0.1	0.8	1.0	1.6	2.1

7.0 RESERVES

7.1 Overview and Scrutiny felt that it would be prudent to increase revenue reserves even further than the uplift from £3M to £4M proposed in the draft budget. The Proposed Budget/MTP is therefore based on not allowing reserves to fall below £4.5M.

7.2 It is very difficult to theoretically calculate the appropriate level of reserves but the following factors are all relevant:

- The new rules that require a positive referendum result before a Council can increase its tax level above the limit set by the Secretary of State has the potential to make it very difficult to replenish reserves once they are used. Reserves therefore need to be sufficient to allow a savings programme to be introduced to replenish reserves before they run out.
- The level of New Homes Bonus is forecast as £6.1M by 2016/17 and although a risk provision of £0.9M has been made there is still potential for significant variations depending on how quickly the world, European and UK economies recover.
- 2013/14 sees the planned move to the localisation of Business Rates to replace the current Formula Grant regime. There is potential for volatility in the new starting point as well as the variations thereafter.
- Individual items that could have significant revenue impacts include Planning Inquiries, higher than planned pay awards, significant rises in homelessness, reduced Government spending allocations to Local Government and falling income levels due to recession.

7.3 The graph at Annex C shows the levels of Reserves forecast to be held by District Councils at March 2012. It shows net spending (including parish precepts) compared with the level of reserves. Although there is a vast variety of results it demonstrates that, for our size and the likelihood that we have higher vulnerability, due to higher than average income levels and New Homes Bonus assumptions, £4.5M would not be excessive.

7.4 The position will be reviewed annually and the levels of reserves held by similar sized authorities will be monitored where possible. If, once some of the risks have stabilised, it were considered that reserves could be reduced then it would be possible to use the resources for one-off projects.

8.0 RESERVES AND THE ROBUSTNESS OF THE 2012/13 BUDGET

8.1 The Local Government Act 2003 requires the Managing Director (Resources), as the Council's Chief Financial Officer, to report to the Council on the robustness of the estimates and the adequacy of reserves when it considers its budget and the consequent Council Tax. His comments are contained in Annex D and confirm that the budget is adequately robust and that the level of revenue reserves is currently above the minimum level required.

9. COUNCIL TAX LEVELS

- 9.1 Huntingdonshire continues to have a very low level of Council Tax. In the current year the Council's £124.17 charge (Band D) was 20th lowest of the 201 District Councils which have an average of £168 and a maximum of £310.
- 9.2 The following table shows the current number of properties in each tax band and demonstrates that 66% of properties have tax levels lower than band D.

Tax Band	Percentage at band (rounded)	2011/12 Council Tax
A	16%	£82.78
B	26%	£96.58
C	24%	£110.37
D	16%	£124.17
E	12%	£151.76
F	5%	£179.36
G	2%	£206.95
H	<1%	£248.34

- 9.3 The Secretary of State has announced that Council Tax increases in excess of 3.5% will have to be supported by a positive referendum result as a replacement to the previous capping regime. This seems unfair to Council's with low tax levels as they will effectively be caught in a "poverty trap" of very small cash increases thus requiring higher levels of service reductions than in the high taxing Councils. The Leader has therefore written to the Secretary of State proposing that the referenda limit be based on a cash sum equivalent to a percentage of the average District Council level.
- 9.4 The Secretary of State has also offered a grant for just one year equivalent to a Council Tax rise of 2.5% for any Council that does not increase its Council Tax for 2012/13.
- 9.5 Overview & Scrutiny recommended that the Council should not accept the freeze grant as future referenda limits may prevent the Council ever being able to increase its Tax level to compensate for the freeze.
- 9.6 They also recommended that any decision to increase the Tax level more than 2.5% should consider the service reductions that could thus be avoided.
- 9.7 Paragraph 4.1 above illustrates one such particular saving, reducing the cut in grants to the voluntary sector, which will cost £188k. This alone represents a Council Tax increase of £3.13 or 2.5%.
- 9.8 The Council believes that local residents will wish to preserve these grants, recognise the Councils need to meet unavoidable

inflation (there will be no pay rises again in April) and preserve valued services as far as possible both this year and in future. In order to do this the plan is based on increasing Council Tax next year by £4.34 per year for a band D property (£3.86 for Band C and £3.38 for Band B). This represents a percentage increase of 2.6% of the average District Council tax level, and 3.5% of this Council's lower tax level.

9.9 The table below shows the proposals for subsequent years:

	2013/14	2014/15	2015/16	2016/17
Planned Tax Level	£133.01	£137.66	£142.48	£147.47
Cash Increase per year	£4.50	£4.65	£4.82	£4.99

10. PROPOSED BUDGET AND MTP

10.1 The table below shows the overall budget and funding for the next five years with an extended version being included in Annex E. The important points to note are that it has been possible to:

- stop relying on reserves to subsidise spending after 2015/16
- provide added security from higher reserve levels
- reduce the level of future savings still needing to be found.

PROPOSED	FORECAST	BUDGET	MTP			
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000	£000
NEW FORECAST	21,435	21,722	22,299	22,842	23,611	24,365
FUNDING						
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0
Remaining revenue reserves EOY	12,032	9,485	7,531	5,622	4,500	4,500
New Homes Grant	-832	-1,913	-2,857	-3,704	-4,845	-6,095
Special Council Tax Grant 2011/12	-184	-184	-184	-184	0	0
Formula Grant (RSG)	-10,522	-9,288	-9,235	-8,630	-8,846	-9,067
Collection Fund Deficit	-105	-63	0	0	0	0
Council Tax	-7,383	-7,727	-8,068	-8,415	-8,797	-9,202
COUNCIL TAX LEVEL	£124.17	£128.51	£133.01	£137.66	£142.48	£147.47
£ increase	£0.00	£4.34	£4.50	£4.66	£4.82	£4.99
Unidentified Spending Reductions	0	0	-337	-550	-616	-891
Extra savings if higher risks		-100	-800	-1,000	-1,600	-2,100

Unidentified Spending Reductions on lower risk basis						
DRAFT BUDGET		0	-500	-800	-1,338	-1,409
LAST YEAR'S BUDGET		-751	-961	-1,524	-1,975	-2,028

10.2 The following Annexs provide more detail:

- Annex F: Budget by service area including full recharges of support costs.
- Annex G: Summary of Budgets controllable by each senior manager.
- Annex H: Annex G expanded with individual services and highlighting service variations.

10.3 A colour coding is used in Annex G to denote those service developments that require further approvals before they can commence.

11. CONSULTATION AND COMMENTS

11.1 This report will be considered at a meeting of the Overview and Scrutiny (Economic Wellbeing) Panel on the 2 February and a consultation meeting with members of the business community on 6 February. Comments from both meetings will be reported to Cabinet.

12. PRUDENTIAL CODE

12.1 The Prudential Code sets various limits relating to the budget and this has been included as an annex to the Treasury Management Strategy elsewhere on the Cabinet's agenda.

13. CONCLUSIONS

13.1 Following discussion of the draft Budget and MTP figures in December a number of adjustments have been made. The most significant ones relate to:

- Additional savings on pay including no pay award in April 2012.
- Reinstating a major portion of the Voluntary Sector grants budget.
- Ensuring a reasonable risk provision and increased level of reserves given the major uncertainties facing the Council.

13.2 Increasing the Council Tax by £4.34 per year (8p per week), or 3.5%, for a Band D property and comparably in future years, together with the achievement of the major savings referred to in the draft report means the Council has a lower target for future savings to achieve. This reduces the chances of reductions in the services that local residents need and value.

13.3 The Council's Chief Financial Officer considers that the budget is robust and that there are adequate reserves.

14. RECOMMENDATIONS

The Cabinet is asked to:

Authorise the Managing Director (Resources) to make adjustments to revenue reserves to compensate for any minor variations that might arise from the final notification of New Homes Bonus or Formula Grant.

Recommend to February Council:

- Approval of the proposed MTP, budget and Financial Plan (Annexes E to H)
- A £4.34 per year increase in the Council Tax for 2012/13 i.e. a Band D charge of £128.51

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services
Working Papers - Files in Financial Services
Project Appraisals
2011/12 Revenue Budget and the 2012/16 MTP
Forecast Report
Draft Budget and MTP Report.

Contact Officer: Steve Couper

Head of Financial Services ☎ 01480 388103

ANNEXS

- A Total Spending Variations since Draft Budget Report
- B Risk Ranges
- C District Council Reserves
- D Robustness of the 2012/13 Budget
- E Overall Financial Summary to 2024/25
- F Proposed Budget – Full service cost basis after the apportionment of overheads
- G Proposed MTP – Controllable basis – Budget Holder Summary
- H Proposed MTP – Controllable basis. Those MTP schemes, where further approval is required before they can commence, are highlighted.

TOTAL SPENDING VARIATIONS SINCE DRAFT BUDGET	REVENUE						NET CAPITAL					
	F'CAST		BUDGET		MTP		F'CAST		BUDGET		MTP	
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
DRAFT net of Unidentified Savings	21,362	21,696	22,249	22,824	22,889	23,822	5,506	12,198	4,067	2,851	3,736	2,699
Add back forecast unidentified savings		500	800	1,338	1,409							
DRAFT before Unidentified Savings	21,362	21,696	22,749	23,624	24,227	25,231	5,506	12,198	4,067	2,851	3,736	2,699
Pay and Allowances												
Pay & allowances Review adjustment	244	549	555	688	846	938						
Replaced by Pay Inflation adjustment	-244	-844	-1,019	-1,197	-1,379	-1,576						
net variation	0	-295	-464	-509	-533	-638						
Voluntary Sector Grants			188	188	188	188						
Other Service Variations	241	394	330	103	137	142	-1,225	-456	-75	112	152	152
Technical Variations	-168	-73	-168	-14	208	332	1,041	-972	-2	6	12	16
TOTAL VARIATIONS	73	26	-113	-232	0	25	-184	-1,428	-77	118	164	168
PROPOSED before Unidentified Savings	21,435	21,722	22,636	23,392	24,227	25,256	5,322	10,770	3,990	2,969	3,900	2,867
Less forecast unidentified savings			337	550	616	891						
PROPOSED net of Unidentified Savings	21,435	21,722	22,229	22,842	23,611	24,365	5,322	10,770	3,990	2,969	3,900	2,867

Scheme	REVENUE						NET CAPITAL					
	F'CAST	BUDGET		MTP			F'CAST	BUDGET		MTP		
	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000
Other Service Variations												
St Neots Development	-70	25										
Local Development Framework examinations		130	-10	-70	-25	-25						
A14 Inquiry		25	175									
RAF Alconbury Development	-90	90										
Customer Services - Staff savings			18	18	18	18						
Environment Strategy Funding							47					
PV Panels - Other locations	2	44	62	62	62	62	-174	-249			-187	
PV Panels - Eastfield House		20	20	19	19	19	-158					
St Neots District Heating Scheme											-40	
Rental of space in PFH		31	62	62	62	62						
New Industrial Units		28										
Recycling Gate Fees		10										
Reduce call centre hours		20	20	20	20	20						
Ramsey Rural Renewal	-5	2	3				-63					
Town Centre Developments	86						-86					
Disabled Facilities Grants								-295	152	152	152	152
Community Infrastructure Levy - Preparations	97	-56	-70	-58	-69	-64	23	25				
Community Infrastructure Levy - Preparations		25	50	50	50	50	-99					
Wheeled Bins for New Properties												
2011/12 Forecast Outturn	221											
	241	394	330	103	137	142	-1,225	-456	-75	112	152	152

Scheme	REVENUE						NET CAPITAL						
	F'CAST	BUDGET	MTP			F'CAST	BUDGET	MTP					
	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	
Technical Variations													
Interest	-3	-10	-119	-106	-116	-38							
MRP	0	-37	-81	-74	-64	-54							
VAT Partial Exemption							21	128					
Formula Grant reduction due to New Homes													
Bonus		-107											
Revenue staff charged to capital	-164						164						
Schemes carried forward							856						
Schemes brought forward								-1,100					
Savings expected in February Report		82											
Inflation - Capital							0	0					16
Inflation - Non-Pay base items	0	0	-15	-39	-74	-110							
Inflation - MTP Developments	0	0	38	75	150	208							
Inflation - Unidentified Savings price base			7	30	113	127							
Risk provision changes				100	200	200							
Rounding	-1				-1	-1							
	-168	-73	-168	-14	208	332	1,041	-972	-2	6	12	16	

RISK RANGES

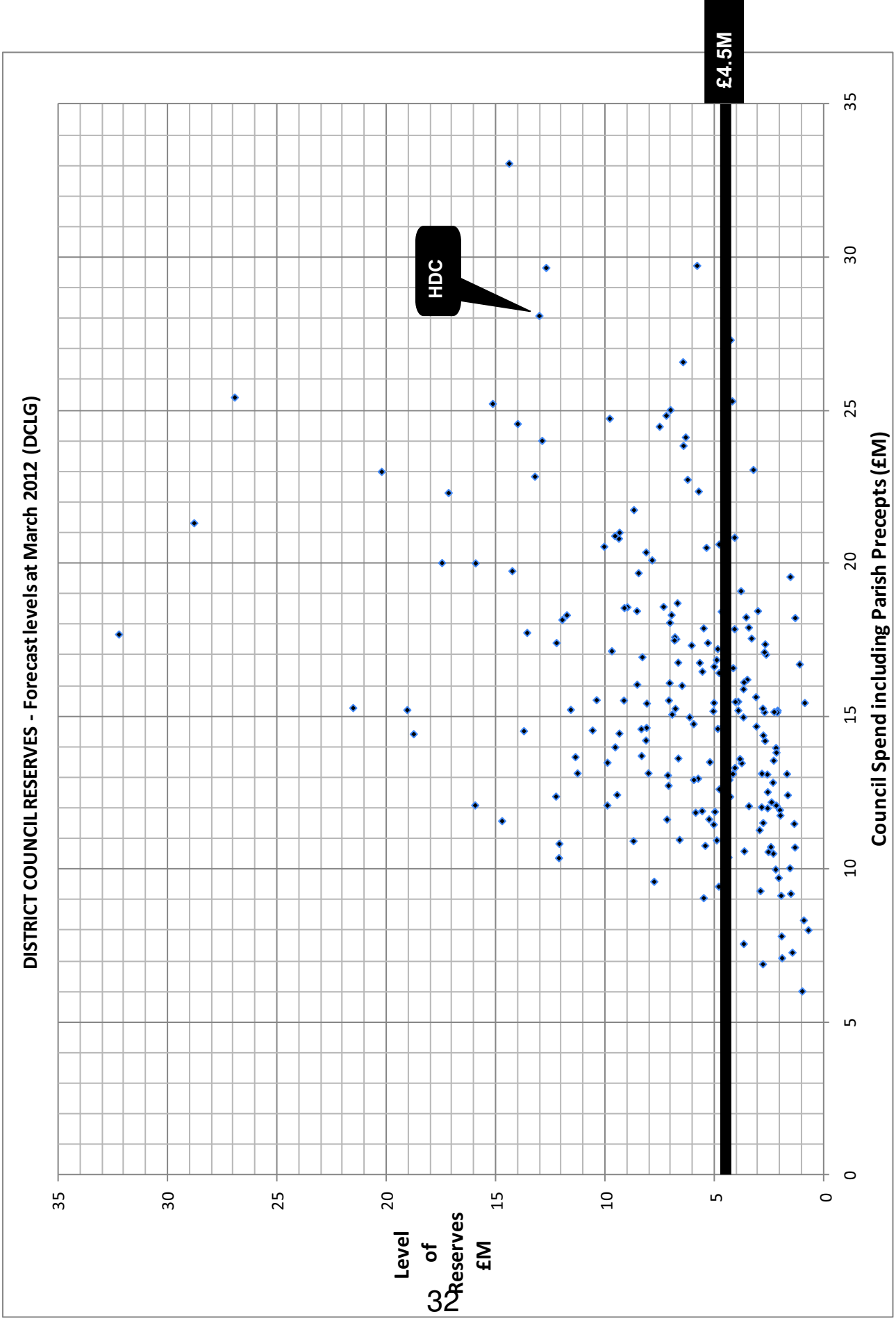
The Low end assumption is included in the Budget/MTP.

LOW END ASSUMPTION Risk Provision in MTP	Extra savings needed (+) ##:					HIGH END ASSUMPTION					Extra savings needed (+) ##:				
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Extra reduction in Government Grant in 2013/14															
2%		0.2	0.2	0.2	0.2		0.2	0.2	0.2	0.2		0.2	0.2	0.2	0.2
Extra reduction in Government Grant in 2015/6 and 2016/17															
							0.9% per year accumulated							0.1	0.2
Growth per year in funding from Business Rates growth															
1% per year			-0.1	-0.2	-0.3		2% per year					-0.2	-0.3	-0.5	
Reduction in New Homes Bonus grant due to slower housing completions from 2013/14															
10% lower		0.1	0.2	0.3	0.4		20% lower				0.2	0.4	0.6	0.6	0.8
Reduction in Government Grant due to insufficient New Homes Bonus funding															
All bodies share loss		0.2	0.3	0.4	0.5		Local Authorities share loss				0.3	0.5	0.6	0.6	0.8
Increase in net spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.															
0.425%		0.1	0.2	0.3	0.4		0.85%				0.2	0.4	0.6	0.6	0.8
Potential reduction in tax base from non-collectable Council Tax following localisation reductions															
Based on 8.4% of £900k		0.1	0.1	0.1	0.1		Based on 8.4% of £900k				0.1	0.1	0.1	0.1	0.1
Increase in pay award:															
							1% per year				0.2	0.4	0.7	0.9	
Loss of income in 2012/13 and 2013/14 excluding leisure															
							2.5%				0.2	0.2			
No leisure price increase															
							in 2013/14				0.2	0.2	0.2	0.2	0.2
Savings Items		0.0	0.7	0.9	1.1	1.3					0.2	1.6	2.0	2.8	3.5
							Savings Items								
							CCTV – further savings				-0.1	-0.1	-0.1	-0.1	-0.1
							Countryside savings					-0.1	-0.1	-0.1	-0.1
							Lower increase in car park charges					0.1	0.2	0.3	0.3
		0.0	0.1	0.1	0.2	0.2					-0.1	0.0	0.0	0.1	0.1
PROPOSED RANGE FROM . . .		0.0	0.8	1.0	1.3	1.5	TO . . .				0.1	1.6	2.0	2.9	3.6
							Extra cost of high end assumption				0.1	0.8	1.0	1.6	2.1

NOT INCLUDED IN EITHER ASSUMPTION	Extra savings needed (+) ##:					
	12/13	13/14	14/15	15/16	16/17	
	£M	£M	£M	£M	£M	£M
1% increase in non-pay inflation if fees and charges adjusted appropriately each year&&	0	0	0	0.1	0.1	0.1
2% change in Pension Fund contributions from 2013/14		0.3	0.3	0.3	0.3	0.3
1% increase in all interest rates from 2012/13 onwards		0.1	0.1	0.1	0.1	0.1
Increase Council Tax rise to 5% from 2013/14 onwards		-0.1	-0.2	-0.4	-0.5	-0.5

&& Excludes income items where above inflation increases already assumed

DISTRICT COUNCIL RESERVES



Council Spend including Parish Precepts (£M)

Level of Reserves £M

£4.5M

HDC

RESERVES AND THE ROBUSTNESS OF THE 2011/12 BUDGET

The Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the 2012/13 budget and the adequacy of reserves when you consider it and the consequent Council Tax.

Robustness

The Council has tended in recent years to underspend its budget. This demonstrates that it has budgeted prudently and that managers have taken a mature approach to budgetary control rather than simply spending any spare sums on low priority items. This is expected to continue but the scale may fall due to the requirement for budget savings and the uncertain size and duration of the current recession.

The Internal Audit and Risk Manager considers that our internal financial controls are working adequately. There is also a sound system of financial monitoring and identification of any necessary budget variations that feeds into the budget/MTP process.

The 2012/13 budget has been prepared using the budget for 2011/12 as a base, and amending it for known changes, particularly:

- Inflation but no provision for pay awards other than a non-consolidated performance provision – the most significant element.
- The impact of MTP schemes

There will always be some items that emerge after the budget has been prepared. These are normally met by compensating savings elsewhere in the budget, or, if necessary, the use of revenue reserves.

The most significant potential risks to the budget are:

- higher inflation
- further reductions in income due to the recession
- non-achievement of planned savings
- failure of a borrower
- an emergency (e.g. flooding)
- increased demands on housing services due to increased homelessness.

Reduced Income

A 1% loss of income from fees, rents and charges would amount to around £170k. The Council is budgeting to receive income of:

- Car Parks £1.8M
- Leisure Centres £6.5M
- Property £2.0M
- Planning and Building Control Fees £1.8M

Treasury Management

The maximum permitted with one counterparty is £8M but this is only possible where £3M of the sum is held in a liquidity account with that body. Liquidity Accounts allow recovery of investments on the same working day which substantially reduces the risk. Thus the practical limit is probably £5M which is limited to bodies with the highest credit rating or Building Societies with more than £2 billion in assets.

Emergencies

Certain types of eventuality are mitigated in other ways. Many significant risks are insured against, so losses are limited to the excesses payable. The Government's Bellwin Scheme meets a large proportion, over a threshold, of the costs of any significant peacetime emergencies (e.g. severe flooding).

Inflation

A ½% increase in general and pay inflation, assuming no compensating increase in fees and charges was possible, would result in a net cost of approximately £180k.

Interest Rates

A change in interest rates is not material.

Revenue Reserves

These are estimated to be £12m at April 2012 and reduce to £9.5m by March 2013 in order to support revenue spending. This is still significantly above what would be considered a safe minimum level when considering the 2012/13 budget in isolation but clearly not excessive given their planned use over the next few years.

Therefore, even if a number of unexpected additional costs emerged there would still be sufficient funding to cover the deficit for 2012/13.

Conclusion

Considering all these factors, I believe that the combination of a robust budget process and our current level of reserves should give Members no concerns over the Council's financial position for 2012/13.

However, it remains critical that due consideration is given to changes in funding levels from formula grant, the localisation of business rates, the localisation of Council Tax benefits and other changes to the benefits regime that may significantly affect the Council's budget in future years.

Terry Parker
Managing Director (Resources)

PROPOSED	FORECAST		MTP										FORECAST			
	2011/12	BUDGET	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		
NEW FORECAST	21,435	21,722	22,299	22,842	23,611	24,365	25,363	26,171	27,068	28,001	28,663	28,998	29,065	28,886		
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0	0	0	0	0	0	0	0	0		
Remaining revenue reserves EOY	12,032	9,485	7,531	5,622	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500		
New Homes Grant	-832	-1,913	-2,857	-3,704	-4,845	-6,095	-6,452	-6,594	-6,808	-7,042	-6,983	-6,591	-5,936	-5,027		
Special Council Tax Grant 2011/12	-184	-184	-184	-184	0	0	0	0	0	0	0	0	0	0		
Special Council Tax Grant 2012/13	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Formula Grant (RSG)	-10,522	-9,288	-9,235	-8,630	-8,846	-9,067	-9,294	-9,526	-9,764	-10,008	-10,259	-10,515	-10,777	-11,047		
Collection Fund Deficit	-105	-63	0	0	0	0	0	0	0	0	0	0	0	0		
Council Tax	-7,383	-7,727	-8,068	-8,415	-8,797	-9,202	-9,617	-10,051	-10,495	-10,950	-11,421	-11,892	-12,352	-12,811		
COUNCIL TAX LEVEL	£124.17	£128.51	£133.01	£137.66	£142.48	£147.47	£152.63	£157.97	£163.50	£169.22	£175.15	£181.28	£187.62	£194.19		
£ increase	£0.00	£4.34	£4.50	£4.66	£4.82	£4.99	£5.16	£5.34	£5.53	£5.72	£5.92	£6.13	£6.34	£6.57		
% increase	0	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%		
Unidentified Spending Adjustments	0	0	-337	-550	-616	-891	-846	-1,187	-1,330	-1,478	-1,785	-2,418	-2,970	-3,797		

DRAFT BUDGET	FORECAST		MTP										FORECAST			
2011/12	BUDGET	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			
Use of revenue reserves	-2,335	-2,721	-2,115	-2,188	-813	0	0	0	0	0	0	0	0	0		
Remaining revenue reserves EOY	11,837	9,116	7,001	4,813	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000		
Unidentified Spending Adjustments	0	0	-500	-800	-1,338	-1,409	-1,473	-1,987	-2,335	-2,666	-3,114	-3,775	-4,364	-5,172		

LAST YEAR	FORECAST		MTP										FORECAST			
2011/12	BUDGET	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			
Use of revenue reserves	-3,589	-2,722	-1,604	-1,735	-300	0	0	0	0	0	0	0	0	0		
Remaining revenue reserves EOY	9,371	6,649	5,045	3,310	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010		
Unidentified Spending Adjustments	-751	-751	-961	-1,524	-1,975	-2,028	-2,632	-3,215	-3,759	-4,071	-4,535	-5,121	-5,381	-5,776		

SERVICE BUDGET SUMMARY	2011/12		2012/13
	Original	Forecast	Budget
	£000	£000	£000
Environmental Services			
Refuse Collection	3,253	3,096	3,202
Recycling	533	188	283
Drainage & Sewers	600	569	667
Public Conveniences	53	56	57
Environmental Health	2,214	2,127	2,123
Closed Churchyards	9	9	6
Street Cleaning & Litter	1,474	1,290	1,388
	8,136	7,334	7,726
Planning			
Development Control	1,193	1,358	1,050
Building Control	195	175	108
Planning Policy & Conservation	1,332	1,059	1,228
Economic Development	-364	-621	-977
Planning Delivery Grant	9	0	0
	2,365	1,971	1,409
Community Services			
Countryside	575	488	449
Tourism	100	0	0
Community Initiatives	1,019	998	886
Parks	1,825	1,603	1,593
Leisure Policy	391	381	330
Leisure Centres	2,856	2,385	2,347
Community Facilities	25	25	21
	6,791	5,880	5,626
Community Safety			
Community Safety	908	583	404
	908	583	404
Housing Services			
Housing Services	884	976	905
Private Housing Support	1,664	2,784	2,384
Homelessness	587	462	758
Housing Benefits	1,381	1,245	1,266
	4,516	5,467	5,313
Highways & Transportation			
Transportation Strategy	368	878	402
Public Transport	229	204	221
Highways Services	129	118	145
Car Parks	-608	-154	-343
Environmental Improvements	344	312	347
	462	1,358	772
Corporate Services			
Local Taxation & Benefits	1,271	1,240	1,217
Corporate Management	1,490	1,390	1,193
Democratic Services	1,434	1,451	1,436
Central Services	612	400	506
Non Distributed Costs	252	270	297
	5,059	4,751	4,649
Other Expenditure			
Contingency	-90	-1	-134
Other Expenditure	-5,361	-5,708	-4,220
Investment Interest and Borrowing Costs	-93	-199	177
Unallocated Grants	-78	0	0
	-5,622	-5,908	-4,177
Council Total	22,615	21,435	21,722

The Service Based Budget includes direct expenditure plus the recharge of all support costs (e.g. HR, finance, legal and offices) plus depreciation on assets.

SERVICE BUDGET		2011/12		2012/13
		Budget	Forecast	Budget
		£000	£000	£000
Environmental Services				
Refuse Collection	Abandoned Vehicles	59	37	37
	Domestic Refuse	3,209	3,078	3173
	Trade Refuse	-15	-18	-8
		3,253	3,096	3,202
Recycling	Recycling	616	271	376
	Recycling Sites	-83	-84	-93
		533	187	283
Drainage & Sewers	Internal Drainage Boards	367	378	387
	Nightsoil Collection	11	7	11
	Watercourses	222	184	269
		600	569	667
Public Conveniences	Public Conveniences	53	56	57
		53	56	57
Environmental Health	Air Quality	141	128	127
	Animal Welfare	153	148	152
	Contaminated Land	142	106	108
	Health & Safety	239	194	205
	Energy Efficiency	374	404	404
	Environmental Health General	12	12	-18
	Food Safety	471	460	486
	Health Promotion	31	37	43
	Licences	43	46	4
	Nuisances	254	286	291
	Pest Control	144	101	111
	Private Sector Housing	195	200	203
	Travellers	15	7	7
			2,214	2,129
Closed Churchyards	Closed Churchyards	9	9	6
		9	9	6
Street Cleaning & Litter	Littering	88	69	88
	Street Cleaning	1,386	1,221	1,300
		1,474	1,290	1,388
Environmental Services		8,136	7,334	7,726
Planning				
Development Management	Advice	652	574	605
	Application Processing	265	562	219
	Enforcement	276	222	226
		1,193	1,358	1,050
Building Control	Promotion & Enforcement	216	216	229
	Applications	-21	-41	-121
		195	175	108
Planning Policy & Conservation	A14 Inquiry	0	0	25
	Conservation & Listed Buildings	156	129	143
	Local Plan	718	525	672
	Planning Projects/Implementation	250	221	211
	Trees	208	184	177
		1,332	1,059	1,228

SERVICE BUDGET		2011/12		2012/13
		Budget	Forecast	Budget
		£000	£000	£000
Economic Development	Business & Enterprise Support	308	357	328
	Markets	-44	6	-45
	NNDR Discretionary Relief	29	23	30
	Property Development and Management	-964	-1,179	-1,349
	Town Centre Management	307	171	59
		-364	-622	-977
Planning Delivery Grant	Planning Grant Unallocated	9	0	0
	Planning	2,365	1,970	1,409
Community Services				
Countryside	Barford Road Pocket Park			
	Countryside Management	189	114	132
	Hinchingbrooke Country Park	244	216	198
	Paxton Pits	112	121	102
	Miscellaneous Countryside sites	30	37	17
		575	488	449
Tourism	Tourism	100	0	0
		100	0	0
Community Initiatives	Community Projects	170	150	117
	Community Initiatives Mgt	266	408	344
	Equal Opportunities	75	56	57
	Sustainable Communities	75	0	0
	Miscellaneous Grants	433	383	368
		1,019	997	886
Parks	Parks & Open Spaces	1,755	1,536	1,526
	Pavilions	68	66	67
	Unallocated Land Survey	2	2	0
		1,825	1,604	1,593
Leisure Policy	Arts Development	60	23	17
	Leisure Development	331	358	313
		391	381	330
Leisure Centres	One Leisure Huntingdon	621	561	599
	One Leisure Ramsey	405	414	403
	One Leisure Sawtry	460	382	416
	One Leisure St Ives	726	592	500
	One Leisure St Neots	627	400	378
	Leisure Centres Overall	17	36	51
		2,856	2,385	2,347
Community Facilities	Leisure Grants	4	4	0
	Priory Centre	21	21	21
		25	25	21
	Community Services	6,791	5,880	5,626

SERVICE BUDGET		2011/12		2012/13
		Budget	Forecast	Budget
		£000	£000	£000
Community Safety				
Community Safety	C C T V	558	322	171
	Community Safety	350	261	233
		908	583	404
	Community Safety	908	583	404
Housing Services				
Housing Services	Choice Based Lettings	23	15	30
	Housing Advice	311	344	284
	Housing Strategy	193	157	149
	Waiting List	274	240	328
	Other housing services	83	221	114
		884	977	905
Private Housing Support	Home Improvement Agency	106	79	67
	Housing Associations	356	202	160
	Housing Surveys	27	28	25
	Renovation/Improvement Grants	1,150	2,449	2,107
	Safer homes scheme	25	25	25
		1,664	2,783	2,384
Homelessness	Accommodation For Homeless	23	25	63
	Homelessness Management	312	257	404
	Homeless Prevention	148	76	185
	Hostel Support	104	104	106
		587	462	758
Housing Benefits	Housing Benefits Admin	1,512	1,407	1,402
	Rent Allowance Local Scheme	14	14	14
	Rent Allowance National Scheme	-285	-335	-293
	Temporary Accommodation Support	140	160	143
		1,381	1,246	1,266
	Housing Services	4,516	5,468	5,313
Highways & Transportation				
Transportation Strategy	Cycling	26	29	31
	Transportation Management	195	226	245
	Transport Schemes	147	622	126
		368	877	402
Public Transport	Bus Shelters	123	85	97
	Bus Stations	78	98	109
	Concessionary Fares	28	21	15
		229	204	221
Highways Services	Street naming	129	118	145
		129	118	145
Car Parks	Car Park Assets	120	94	117
	Car Park Management	-752	-302	-515
	Car Park Policy	24	54	55
		-608	-154	-343
Environmental Improvements	Management	96	60	102
	Schemes	248	252	245
		344	312	347
	Highways & Transportation	462	1,357	772

SERVICE BUDGET		2011/12		2012/13
		Budget	Forecast	Budget
		£000	£000	£000
Corporate Services				
Local Taxation & Benefits	Council Tax	995	950	941
	Council Tax Benefits	288	302	297
	N N D R Administration	-12	-12	-21
		1,271	1,240	1,217
Corporate Management	Chief Executive & Management Team	641	560	421
	External Audit	158	173	164
	Public Accountability	574	538	482
	Treasury Management	117	118	126
		1,490	1,389	1,193
Democratic Services	Corporate Committees	522	563	546
	Member Allowances & Support	912	888	890
		1,434	1,451	1,436
Central Services	Elections	531	385	441
	Emergency Planning	90	58	92
	Land Charges	-9	-44	-27
		612	399	506
Non Distributed Costs	Pensions	218	188	225
	ICT services to other organisations	34	22	11
	Unused Capacity of assets	0	59	61
		252	269	297
	Corporate Services	5,059	4,748	4,649
Other Expenditure				
Contingency	Other Contingencies	-90	-1	-134
		-90	-1	-134
Other Expenditure	Capital Charges Reversed	-5,497	-6,973	-6,183
	Deferred Expenditure	0	-222	0
	MRP (Provision for repaying borrowing)	682	618	718
	Items still to be allocated or recharged to Services	-586	108	320
	Pensions Lump Sum	0	660	896
	Other Expenditure	40	101	29
		-5,361	-5,708	-4,220
Investment Interest and borrowing costs	Interest Paid	523	440	793
	Interest Received	-616	-639	-616
		-93	-199	177
Unallocated grants	Area Based Grant	-78	0	0
		-78	0	0
	Other Expenditure	-5,622	-5,908	-4,177
COUNCIL TOTAL		22,615	21,435	21,722

SUMMARY BUDGET Controllable basis		REVENUE										NET CAPITAL																		
		Budget			Forecast			Budget			MTP			Budget			Forecast			Budget			MTP							
		2010	2011	2012	2011	2012	2013	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Managing Directors and Corporate Office	1,168	1,002	896	454	406	406	403	403	403	403	403	16	8																	
Head of Legal & Democratic Services	1,962	2,020	1,713	1,779	1,683	1,743	1,717	1,717	1,717	1,717	1,717	123	13	140	109	11	253	85												
Head of Housing Services	1,180	1,292	1,202	1,300	1,352	1,352	1,352	1,352	1,352	1,352	1,352	900	925	1,635	1,376	1,387	1,429	1,208												
Head of Environmental and Community Services	2,384	2,437	2,317	2,249	2,142	2,140	2,133	2,133	2,133	2,133	2,133	56	88	-15																
Head of Operations	4,517	4,946	4,501	4,298	4,261	4,257	4,216	4,216	4,216	4,216	4,216	758	989	1,015	1,275	1,143	1,409	780												
Head of Planning Services	2,428	1,829	1,965	1,583	1,287	793	171	171	171	171	171	5,871	1,795	4,857	1,136	-700	-700	-700												
Head of Environmental Management	2,777	2,971	2,588	2,609	2,542	2,536	2,492	2,492	2,492	2,492	2,492	-167	328	-1,989	1,053	231	71	72												
Head of Customer Services	1,800	1,962	1,817	1,760	1,834	1,827	1,827	1,827	1,827	1,827	1,827	24	111	136																
Head of Financial Services	1,602	2,434	2,908	3,651	4,356	5,008	5,826	5,826	5,826	5,826	5,826	182	203	147	53	34	96													
Head of IMD	2,120	2,103	2,070	1,917	1,900	1,941	1,876	1,876	1,876	1,876	1,876	587	797	565	252	252	352	572												
General Manager, Leisure	880	1,030	543	497	157	-90	-279	-279	-279	-279	-279	3,706	251	4,329	697	422	672	535												
Non-Allocated Items		-1,411	-1,085	-375	379	929	2,631	2,631	2,631	2,631	2,631	-123	-186	-50	145	189	315													
TOTAL BUDGET	22,818	22,615	21,435	21,722	22,299	22,842	23,611	24,365	24,365	24,365	24,365	11,933	5,322	10,770	3,990	2,969	3,900	2,867												

CONTROLLABLE BUDGET

The Controllable budget disaggregates the Service Budget so that each element is allocated to the Head of Service or, in a few cases, Managing Director responsible for managing and controlling the spending. For example: Leisure Centres in the Service budget includes support services such as HR and accountancy whilst in the Controllable Budget these support service costs are shown under the Head of Service that controls them.

The Controllable Budget is the fundamental focus of budgetary control within the authority.

It shows the individual variations included in the MTP allocated to each budget area and colour codes those schemes where further approval is required before they can commence.

Approval required by:

COMT and then Cabinet
Head of Service following consultation with MDs and Executive Councillors for Service and Finance.
COMT
Head of Service for any unshaded items

BUDGET Controllable basis

		REVENUE										NET CAPITAL								
		Actual		Budget		Forecast		Budget		MTP		Budget		Forecast		MTP				
		2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000				
Management Units																				
	Policy People & Partnerships																			
	MTP Variations																			
#	Central Services - Reorganisation (part)			-208	-208	-208	-208	-208	-208	-208	-208	-208	-208	-208	-208	-208				
	TOTAL	1,170	1,212	995	980	980	980	980	980	980	980	980	980	980	980					
Internal Services																				
	Human Resources																			
	MTP Variations																			
#	Central Services - Reorganisation (part)			-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5				
	TOTAL	172	202	235	251	251	251	251	251	251	251	251	251	251	251					
Former Legal and Democratic Planning																				
	Economic Development (Estates)																			
	MTP Variation																			
239	New Industrial Units																			
657	Creative Industries Centre, St Neots																			
509	Industrial Estate Repairs																			
	TOTAL	-1,386	-1,529	-1,408	-1,569	-1,597	-1,597	-1,597	-1,597	-1,597	-1,597	-1,600	-1,600	-1,600	-1,600					
	TOTAL	1,168	1,002	896	454	406	406	406	406	406	403	403	403	403	403					
Head of Legal & Democratic Services																				
	Environmental Services																			
	Environmental Health (Licensing)																			
	MTP Variations																			
#	Licensing - efficiency and higher charges			-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7				
	TOTAL	-262	-267	-268	-281	-288	-288	-288	-288	-288	-295	-302	-302	-302	-302					
	Corporate Services																			
	Corporate Management																			
	TOTAL		2	9	2	2	2	2	2	2	2	2	2	2	2					

BUDGET Controllable basis

Head of Housing Services

	Actual 2010 2011 £000	REVENUE						NET CAPITAL							
		Budget		Forecast		MTP		Budget		Forecast		MTP			
		2011 £000	2012 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000
Housing Services															
MTP Variations															
702 Mobile Home Park, Eynesbury				3		3	3	3							
TOTAL	-23	-5	-11	-2	-2	-2	-2	-2							-73
Private housing support															
MTP Variation															
947 Mortgage Fall-out			32	43	43	43	43	43							-549
866 Disabled Facilities Grants									800	1,314	1,298	1,276	1,276	1,276	1,108
867 Repairs Assistance									100	100	100	100	100	100	100
932 Decent Homes - Thermal Efficiency & Category 1 H&S														11	53
869 Social Housing Grant										133	237				
TOTAL	-51	29	28	61	61	61	61	61	900	998	1,635	1,376	1,387	1,429	1,208
Homelessness															
MTP Variations															
945 Priority Needs Scheme (End of temporary Savings)				31	33	33	33	33							
## Homelessness Grant					85	85	85	85							
TOTAL	209	173	129	236	323	323	323	323							
Housing															
MTP Variations															
993 Maintain Service Level (Advice and Homelessness)				35	-55	-55	-55	-55							
# Housing staff efficiency savings															
TOTAL	1,045	1,095	1,056	1,005	970	970	970	970	900	925	1,635	1,376	1,387	1,429	1,208
	1,180	1,292	1,202	1,300	1,352	1,352	1,352	1,352	900	925	1,635	1,376	1,387	1,429	1,208
Management Units															

BUDGET Controllable basis

Head of Environmental and Community Services

	Actual 2010 2011 £000	REVENUE										NET CAPITAL						
		Budget			Forecast			MTP				Budget		MTP				
		2011 £000	2012 £000	2013 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000
Environmental Services																		
Environmental Health																		
MTP Variations																		
911 House Condition Survey								55										
927 Air Quality Monitoring Equipment																		30
TOTAL	195	200	191	166	196	196	196	251	196	196	30							
Planning Policy & Conservation																		
MTP Variations																		
953 Parish Planning																		
TOTAL	8	8	8	8	8	8	8	1	8	8	1							
Community initiatives																		
MTP Variation																		
423 Community Information Project																		11
992 Ramsey Library Development																		40
952 Loves Farm Community Centre																		37
863 Community Facilities Grants																		-45
TOTAL	407	409	387	368	313	313	313	313	313	313	56	88	-45					
Leisure policy																		
MTP Variation																		
845 Physical Activity Initiatives for Adults																		
TOTAL	232	213	250	202	195	193	193	193	193	193								
Community safety																		
Community Safety																		
TOTAL	46	114	58	32	32	32	32	32	32	32								

BUDGET Controllable basis

	Actual 2010 2011 £000	REVENUE						NET CAPITAL							
		Budget		Forecast		MTP		Budget		Forecast		MTP			
		2011 £000	2012 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000
Internal Services															
Health and Safety															
MTP Variation															
# Central Services - Reorganisation (part)					33	33	33	33	33	33	33	33	33	33	33
TOTAL					33	33	33	33	33	33	33	33	33	33	33
Management Units															
MTP Variation															
# Environmental & Community Health savings						-75	-75	-75	-75	-75	-75	-75	-75	-75	-75
TOTAL	1,504	1,493	1,423	1,440	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365
	2,384	2,437	2,317	2,249	2,142	2,140	2,188	2,188	2,188	2,188	2,188	2,188	2,188	2,133	-15
Head of Operations															
Environmental Services															
Refuse collection & Recycling															
MTP Variations															
969 Recycling Gate Fees				-147	-106	-100	-93	-87							
948 Provision for Bin Replacements									31	50	33	38	48	340	75
979 Wheeled Bins for New Properties									126	107	143	143	139	79	65
991 Agency Worker Regulations (part)			20	85	85	85	85	85							
# Increased charges for bulky waste			20	20	20	20	20	20							
# Reduce refuse collection by one round			-82	-82	-100	-100	-100	-100							
TOTAL	1,737	2,188	1,898	2,027	2,050	2,056	2,063	2,069	157	157	176	181	187	419	140
Drainage and sewers															
TOTAL	6	11	7	11	11	11	11	11							
Street cleaning and litter															
MTP Variations															
991 Agency Worker Regulations (part)			9	38	38	38	38	38							
TOTAL	910	1,002	943	1,031	1,031	1,031	1,031	1,031							

BUDGET Controllable basis

	REVENUE												NET CAPITAL					
	Actual	Budget			Forecast	MTP			Budget	Forecast			Budget	MTP				
		2010	2011	2012		2013	2014	2015		2016	2011	2012		2013	2014	2015	2016	2017
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000			
Planning																		
Markets																		
TOTAL	-122	-165	-120	-167	-167	-167	-167	-167										
Community safety																		
CCTV																		
MTP Variations																		
865 CCTV - Camera replacements																		
# Reduce CCTV to a basic service				-43	-43	-43	-43	-43										
# Mothball CCTV				-100	-100	-100	-100	-100										
TOTAL	430	365	356	219	219	219	219	219	219	219	219	219	219	219	219	219		
Community Services																		
Countryside																		
MTP Variations																		
# Countryside - reduce staff and increase income				-48	-98	-98	-98	-98										
TOTAL	357	384	379	311	261	261	261	261	261	261	261	261	261	261	261	261		
Parks																		
MTP Variations																		
854 Play Equipment & Safety Surface Renewal																		
TOTAL	-29	11	12	13	13	13	13	13	13	13	13	13	13	13	13	13		
Highways & Transportation																		
Car parks																		
MTP Variations																		
480 Implementation of car park strategy				-10	-20	-30	-40	-40										
1004 St Neots and Hinchbrooke Car Park income			20	20	20	20	20	20										
TOTAL	-1,063	-1,220	-1,129	-1,221	-1,231	-1,241	-1,251	-1,251	-1,251	-1,251	-1,251	-1,251	-1,251	-1,251	-1,251	-1,251		
Corporate Services																		
Central services (emergency planning)																		
TOTAL	29	30	13	32	32	32	32	32	32	32	32	32	32	32	32	32		

BUDGET Controllable basis

	REVENUE												NET CAPITAL															
	Actual			Budget			Forecast			MTP			Budget			Forecast			MTP									
	2010	2011	2012	2011	2012	2013	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2017			
£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			
Planning policy and conservation																												
MTP Variations																												
903			68		-90	-230		-225	-225																			
358			-5		-2	-5		-5	-5																			
909			25		175																							
			141	410	387	505	495	157	162	162																		
Economic Development																												
MTP Variations																												
401																												
224				86																								
850																												
998			5	25																								
			2	163	27	2	2	2	2	2																		
			4,945	222	982	2,136	902	2136	-700	-700																		
Transportation Strategy																												
MTP Variation																												
871																												
351																												
363																												
977																												
			76	95	96	98	98	98	98	98																		
Public transport incl. concessionary fares																												
MTP Variations																												
818																												
			598	10	17	10	10	10	10	10																		

BUDGET Controllable basis

	Actual 2010 2011 £000	REVENUE										NET CAPITAL							
		Budget			Forecast			MTP				Budget			MTP				
		2011 £000	2012 £000	2013 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	
Environmental Health (energy efficiency)																			
MTP Variations																			
879 Environment Strategy Funding																			
880 Sustainable Homes Retrofit																			
882 Energy and Water Efficiency																			
918 Building Efficiency Improvements (Salix Grant)																			
918 Building Effic. Imps (Potential LC prportion)																			
987 PV Panels - Other locations																			
989 St Neots District Heating Scheme																			
TOTAL	84	83	78	68	45	39	34	34	34	34	-5	-5	-5	-5	-5	-5	-5	-5	
Closed Churchyards																			
TOTAL	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
Building Control																			
TOTAL	-456	-530	-458	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	
Community initiatives																			
TOTAL	6	6																	
Public transport																			
MTP Variations																			
625 Huntingdon Bus Station																			
TOTAL	126	101	84	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	
Highways Services (street naming)																			
MTP Variations																			
844 Street naming and numbering																			
TOTAL	25	45	25	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	

BUDGET Controllable basis

		REVENUE										NET CAPITAL					
Actual	2010	2011	2012	2013	2014	2015	2016	2017	2011	2012	2013	2014	2015	2016	2017		
																£000	£000
		Budget	Forecast	Budget	MTP	MTP	MTP	MTP	Budget	Forecast	Budget	MTP	MTP	MTP	MTP		
		2011	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016	2017		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Car parks (assets)																	
	MTP Variations																
461	Car Park Repairs								86	86	60	60	31	31			
166	St Neots - Cambridge Road Car Park								80		89						
	TOTAL	46	45	45	46	46	46	46	166	86	149	60	60	31			
Environmental Improvements																	
	MTP Variations																
703	Heart of Oxmoor										-1,366						
	TOTAL	130	42	4	43	43	43	43	43		-1,366						
Management units																	
	MTP Variations																
831	Technical Services Restructuring								-39								
	TOTAL	1,557	1,698	1,423	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419			
H D C Offices																	
	MTP Variations																
890	Headquarters								2		-900	-830					
986	Major repairs and replacements												50				
#	Rental of space in PFH																
	TOTAL	781	1,012	910	976	932	932	932	2		-900	-830	50				
Internal Services																	
	Pool Cars																
	TOTAL	17	19	16	20	20	20	20									
	TOTAL	2,777	2,971	2,588	2,609	2,542	2,536	2,492	-167	328	-1,989	1,053	231	71	72		

BUDGET Controllable basis

Head of Customer Services

	Actual 2010 2011 £000	REVENUE						NET CAPITAL										
		Budget		Forecast		MTP		Budget		Forecast		MTP						
		2011 £000	2012 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2011 £000	2012 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	
Planning																		
Economic Development (NNDR relief)																		
TOTAL	44	29	23	30	30	30	30	30	30									
Housing Services																		
Housing benefits																		
MTP Variations																		
813 Reduction in Benefits Admin Grant (Part)				35	35	35	35	35	35									
984 E Forms																	52	
996 Loss of Fraud Team Funding (Part)					53	53	53	53	53									
TOTAL	-757	-592	-701	-571	-518	-518	-518	-518	-518								52	
Corporate Services																		
Local Taxation & Benefits																		
MTP Variations																		
996 Loss of Fraud Team Funding (Part)					22	22	22	22	22									
813 Reduction in Benefits Admin Grant (Part)				16	16	16	16	16	16									
982 Reduction in NDR administration grant			17	17	17	17	17	17	17									
994 Localisation of Council Tax Benefit (Reductions)					76	76	76	76	76									
995 Localisation of Council Tax Benefit (Admin Subsidy)					30	30	30	30	30									
TOTAL	-994	-942	-967	-948	-820	-820	-820	-820	-820									
Internal Services																		
Call Centre																		
MTP Variations																		
# Reduce call centre hours				-24	-24	-24	-24	-24	-24									
981 Call Centre CRM Replacement					-71	-71	-71	-71	-71								136	
983 Automated Telephone Payments				-7	-14	-14	-14	-14	-14								39	
TOTAL	575	641	578	600	522	522	522	522	522								59	136

BUDGET Controllable basis

	REVENUE											NET CAPITAL					
	Actual	Budget			Forecast			MTP		Budget		Forecast		Budget		MTP	
		2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	
Other expenditure																	
Interest and borrowing costs																	
MTP Varaitons																	
Interest																	
TOTAL	-337	-93	-117	177	566	936	1,199	1,473									
Other expenditure																	
MTP Varaitons																	
Pensions Fixed Sum				236	479	718	758	758									
VAT Partial Exemption				3	6	6	6	6									
Doubtful Debts Provision				-10	-20	-30	-40	-40									
Variation in MRP				37	117	170	313	421									
TOTAL	251	722	1,379	1,644	1,960	2,242	2,415	2,523									
Area based grant																	
TOTAL	-95	-78															
Financial Services																	
MTP Varaitons																	
Procurement Support to ECDC				5	5	5	5	5									
Further Financial Services savings				-24	-24	-24	-24	-24									
TOTAL	1,141	1,189	1,142	1,125	1,125	1,125	1,125	1,125									
Insurance																	
TOTAL	373	395	220	405	405	405	405	405									
Financial services																	
TOTAL	82	90	58	87	87	87	87	87									
	1,602	2,434	2,908	3,651	4,356	5,008	5,444	5,826									
									182	203	147	53	34	34	96	96	

BUDGET Controllable basis

General Manager, Leisure

Community Services

Leisure Centres

MTP Variations

	REVENUE						NET CAPITAL								
	Actual	Budget	Forecast	Budget	MTP		Budget	Forecast	Budget	MTP					
	2010	2011	2011	2012	2013	2014	2011	2011	2012	2013	2014	2014	2015	2016	2017
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
857				-149	-149	-149	60								
858				-11	-11	-11								250	
896															
922				-176	-427	-541	2,500	200	3,080	612	422	422	422	422	535
861				-42	-42	-42	676	-197							
22							10	15							
957							60	60							
956				20	-22	-22	400		77	275					
				-1	78	55									
				-25	-50	-50									
#				90	-190	-300									
				-200											
1000				-20	-40	-40			560						
1005				150	150	150									
	681	820	335	289	-51	-298	3,706	251	4,329	697	422	422	672	535	

Leisure

TOTAL

Management units

Leisure

TOTAL

880

1,030

543

497

157

-90

-286

208

208

208

208

-279

208

251

4,329

697

422

672

535

BUDGET Controllable basis

Non-Allocated Items

	REVENUE												NET CAPITAL					
	Actual 2010 2011 £000	Budget			MTP			Budget 2011 2012 £000	Forecast		Budget		MTP					
		2011 £000	2012 £000	2013 £000	2013 £000	2014 £000	2015 £000		2016 £000	2017 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	
Recharges to non-revenue accounts																		
MTP Variations																		
Revenue staff charged to capital																		
Rule change re Capital Overheads																		
TOTAL																		
Risk Provision																		
MTP Variations																		
Risk Provision																		
TOTAL																		
Other items																		
MTP Variations																		
Reorganisation - Senior managers																		
Pay & allowances Review																		
Central Services - Reorganisation (part)																		
Business Continuity Review																		
Cover for Staff Side Representatives																		
E-Marketplace																		
Capital Inflation																		
Revenue Inflation																		
Spending Adjustments still to be identified																		
Schemes brought forward																		
Schemes carried forward																		
2011/12 Outturn																		
Roundings																		
TOTAL																		
TOTAL BUDGET	22,818	22,615	21,435	21,722	22,299	22,842	23,611	24,365	11,933	5,322	10,770	3,990	2,969	3,900	2,867			

**OVERVIEW AND SCRUTINY
CABINET**

**2 February 2012
16 February 2012**

**2012/13 TREASURY MANAGEMENT STRATEGY
(Report by the Head of Financial Services)**

1. PURPOSE

- 1.1** Annex A gives the requirements of the Council's Code of Financial Management in relation to Treasury Management. It requires compliance with CIPFA guidance and also that it reflects any Government advice. CIPFA have issued a revised version of their code and the Department for Communities and Local Government (DCLG) guidance expects priority to be given to the security (protecting any invested sums from loss) and liquidity of investments (keeping enough cash readily available) rather than just the interest earned.
- 1.2** When the Government removed its limits on capital expenditure levels some years ago it introduced the concept of a Prudential Code which focussed attention on relevant indicators to demonstrate that the Council's capital expenditure plans are affordable and effectively managed. These Prudential Indicators are an annex to the Treasury Management Strategy.
- 1.3** The proposed Policy (Annex B) and 2011/12 Strategy (Annex B) comply with the CIPFA and DCLG guidance.
- 1.4** The member Treasury Management Advisory Group have discussed the Policy and Strategy and their comments have been incorporated. Overview and Scrutiny will consider the report on the 2 February and their comments will be available to the Cabinet. Council is then required to formally approve the Policy, Strategy and Prudential Indicators.

2. RECOMMENDATION

- 2.1** Cabinet is requested to recommend to Council that it approves
- a) The Treasury Management Policy in Annex B.
 - b) The Treasury Management and Prudential Indicators for 2012/13 in Annex C.

BACKGROUND PAPERS:

Background files in Accountancy Section: Treasury Management Reports
Reports on the 2012/13 Budget and Medium Term Plan to Cabinet and
Council

CIPFA's Treasury Management in the Public Services Code of Practice 2011
edition

ODPM Guidance on Local Government Investments March 2004
CLG Guidance on Local Government Investments March 2010

Contact Officer:

Steve Couper Head of Financial Services (01480) 388103

Code of Financial Management (extract)

Treasury Management

All Treasury Management activities will be undertaken in accordance with the Council's annual Treasury Management Strategy, which includes its policies, objectives, approach to risk management and its prudential indicators. The Strategy will comply with the Code of Practice for Treasury Management and the Prudential Code for Capital Finance, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and reflect any published Government advice..

The Council shall have overall responsibility for Treasury Management and will formally approve the annual Treasury Management Strategy and receive an annual and mid-year report on treasury management activities.

The Cabinet will be responsible for the implementation and regular monitoring of treasury management activity and the Treasury Management Advisory Group (previously CRAG), which consists of three Cabinet members will act as an informal liaison group with the officers responsible for treasury management.

The Overview and Scrutiny (Economic Well-being) Panel will be responsible for the scrutiny of treasury management.

The execution and administration of treasury management is delegated to the Head of Financial Services who will establish treasury management practices for the operation of the function which will ensure compliance with the Strategy and create appropriate systems of monitoring and control.

TREASURY MANAGEMENT POLICY STATEMENT

Definition

The Council defines its treasury management activities as:

- the management of the Council's investments, cash flows, banking, money market and capital market transactions.
- the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Risk management

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

Value for money

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Borrowing policy

The Council needs to balance a number of elements in its borrowing policy for funding capital expenditure:

- Utilising a mixture of borrowing periods to reduce the overall impact of changes in interest rates.
- Creating certainty by fixing borrowing for longer periods.
- Minimising the long term cost of any borrowing.
- Ensuring that short term costs are as low as possible.
- Using the Council's own reserves on a temporary basis

Clearly some of these elements can give contradictory answers and the decision on each borrowing decision will need to be based on balancing these elements, taking account of existing borrowing.

The Council will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.

Investment policy

All investment decisions need to follow a risk assessment which takes account of the need to protect the principal sums invested from loss, ensuring adequate liquidity so that funds are available to fund expenditure when

needed, and the generation of investment income to support the provision of local authority services. Adequate weighting must be given to data reflecting the security of the investment.

Governance

The Council will have regard to the Communities and Local Government Guidance on Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

TREASURY MANAGEMENT STRATEGY 2012/13

Treasury Management is:

- Ensuring the Council has sufficient cash to meet its day-to-day obligations
- Borrowing when necessary to fund capital expenditure, including borrowing in anticipation when rates are considered to be low
- Investing any surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest.

This Strategy explains how Treasury Management will be carried out in Huntingdonshire. It meets the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice (2011) and the Government's Guidance on Local Government Investments (2010)

BACKGROUND

The bank base rate fell to 0.5% in March 2009 and has remained at that level ever since. The UK economy is continuing its weak recovery from the 2008/09 recession, with GDP growth forecast to be around just 1.0% in 2011 and likely to remain sluggish throughout much of 2012. Government spending cuts, rising unemployment and uncertain export markets are conspiring to keep demand low, and a "double dip" recession cannot be ruled out. Consumer price inflation, which peaked at 5.2% in September 2011, is expected to fall sharply as one-off factors like 2010's VAT increase and fuel price rises fall out of the annual comparison.

In these circumstances, the Bank of England is unlikely to raise the bank rate for several months, and additional quantitative easing is seen by many as being more likely than rate increases in the near future. However, once a more robust recovery appears to be taking root, the Bank may prefer to gradually raise interest rates earlier, rather than waiting too late and needing to make a sharp correction.

The Eurozone sovereign debt crisis remains a major driver of market sentiment and with the UK seen a safe haven, gilt yields and hence PWLB rates have fallen markedly this year. Assuming that there is some resolution to the crisis, long-term rates are likely to climb back to more normal levels in 2012/13.

A second UK recession or a European sovereign default would see short and long term interest rates remaining lower for longer, while a faster economic recovery and a bold solution to the Eurozone crisis would likely see rates rise more quickly.

For the purpose of the Council's Medium Term Plan the following interest rates have been assumed but it is recognised that all assumptions about the speed with which rates will begin to rise is problematic.

	2012/13	2013/14	2014/15	2015/16	2016/17
	%	%	%	%	%
Temporary investments	1.10	1.90	2.00	2.50	2.50
PWLB 40 year borrowing (EOY)	4.65	4.85	5.10	5.30	5.50
Temporary borrowing	0.85	1.50	1.75	2.25	2.50

Against the background of low interest rates and reducing revenue and capital balances the Council has sought to maximise the returns from its investments whilst minimising the risks of investing with a borrower that is, or may become, unable to repay. It therefore adopted a strategy for 2011/12 that did not concentrate its investments with the Government's Debt Management Office which are effectively risk-free, as they are backed by the Government, but with a significantly below base interest rate, and instead concentrated on highly rated institutions and the larger Building Societies. At the same time investments in "liquidity accounts" which offer repayment the same day were maximised to further reduce risk.

The 2011/12 Strategy allowed for borrowing in anticipation of need to fund capital expenditure although that option has not so far been used this year.

CURRENT POSITION

Investment Portfolio

The Council's position as at 31 December 2011 was:

INVESTMENTS	Principal Amount £m	Average Interest Rate %
Investments - maturing 2011/12	14	1.3
Investments - maturing later	10	4.4
Total	24	2.6
Short term Debt	0	0
Long term Debt	10	3.9
Total	10	3.9
Net Investments	14	1.7

Budget implications

The budget for net interest received in 2011/12 was £93K; as a result of slippage in the capital programme and underspendings in the revenue budget, the forecast outturn is £202K. The budget for net interest received in 2012/13 is £11K.

THE COUNCIL'S FINANCIAL STRATEGY

The table below shows the expected levels of reserves and the need for borrowing to fund capital expenditure over the MTP period.

If the Council's own reserves are used to temporarily finance capital expenditure there could be a need to borrow a further £14M by March 2013. There will be periods where this need will be off-set by the daily and weekly cash flow fluctuations whereby Council Tax and Government Grant is received in advance of precept payments being due to the County Council, Police Authority and Fire Authority.

MAY borrow figures are based on our agreement with our previous external auditors that it would be legitimate to borrow in advance to fund our 5 year published capital programme if market circumstances indicated that this was likely to be in the long term interests of the Council.

	2011/ 2012 £M	2012/ 2013 £M	2013/ 2014 £M	2014/ 2015 £M	2015/ 2016 £M	2016/ 2017 £M
SUMS AVAILABLE TO FUND CAPITAL EXPENDITURE						
Existing long term borrowing <i>available long term</i>	10.0	10.0	10.0	10.0	10.0	10.0
Revenue Reserves (EOY)	12.0	9.4	7.5	5.6	4.5	4.5
Provision for repaying loans (EOY)	0.9	1.8	2.9	4.2	5.8	7.6
Earmarked Reserves (EOY) ① <i>available on a year by year basis</i>	3.6	3.6	3.6	3.6	3.6	3.6
	16.5	14.8	14.0	13.4	13.9	15.7
Cash Flow benefit average <i>fluctuates from day to day</i>	9.6	9.6	9.6	9.6	9.6	9.6
FUNDING REQUIRED						
Capital Expenditure						
Brought Forward	18.5	23.4	33.8	37.4	40.0	43.5
Capital Expenditure in Year	4.9	10.4	3.6	2.6	3.5	2.5
Carried Forward	23.4	33.8	37.4	40.0	43.5	46.0
Fixed Term Investment (EOY)②	10.0	5.0				
Total Required Funding	33.4	38.8	37.4	40.0	43.5	46.0
NEED FOR FURTHER BORROWING						
<i>Excluding Cash flow benefit</i>						
MUST BORROW	6.9	14.0	13.4	16.6	19.6	20.3
MAY BORROW	36.0	41.0	38.4	41.3	44.3	47.5
<i>Including average Cash flow benefit</i>						
MUST BORROW	0.0	4.4	3.8	7.0	10.0	10.7

Notes

① includes specific earmarked reserves (e.g. S106 and R&R Funds)

② takes account of fact that the £5m of the £10M borrowed in anticipation is invested until December 2012 and £5M to December 2013.

BORROWING - CASH FLOW

In addition to the fundamental movements described above there are day-to-day impacts due to the flow of funds into and out of the Council. For instance, the dates on which the County Council is paid its portion of the council tax will be different to the days the money is physically received from Council Tax payers. These cash flows will sometimes leave the Council with several million pounds to borrow or to invest overnight or for a few weeks pending the next payroll or precept date.

Authorities are permitted to borrow short term for this purpose and funds are obtained from whoever is quoting the lowest rate for the period required. If rates are particularly high on a particular day then the sum may be borrowed overnight to see if rates are lower the following day for the remainder of the period required.

BORROWING – CAPITAL – MUST borrow

The amount of capital borrowing up until March 2013 (i.e. up to an estimated £14M) will be dependent upon the actual levels of revenue spending which will determine the level of the Council's own reserves that can be used and the level of capital spending which will determine the total sum required. The period of borrowing will reflect the current and anticipated interest rate profile. If short term interest rates began to rise consideration would be given to whether long term rates were attractive enough to support long term borrowing. If rates remain low it is much more difficult to justify long term borrowing.

BORROWING – CAPITAL – MAY borrow

The MAY borrow limits assume that no use is made of reserves for funding and also that it has become attractive to fund the 5 year capital programme in advance. Deciding to go beyond the MUST borrow level would require longer term borrowing rates to be at levels that appeared to be attractive when compared with rates that were expected over the remainder of that period. It would also need to take account of the difference between the borrowing rates and the, currently, much lower investment rates that would be received pending the use of the money for funding capital from sufficiently secure counterparties. A risk assessment will be carried out before undertaking any advance borrowing.

For example, if long term rates fell to 3.5% we would seriously consider increasing borrowing whilst if long term rates were 5.5% only the MUST borrow limits would be followed.

Currently low short-term rates reduce the likelihood of advance borrowing as the revenue budget would have to 'take the hit' of the borrowing rates being higher than the temporary investment rate in the short to medium term.

However, history has shown that violent fluctuations can happen and so there needs to be the freedom to act if circumstances significantly change.

BORROWING - PROFILE

It is best practice to pool all funds and model future cash flow before determining the amounts that should be borrowed or invested and for how long. In doing this account will be taken of the provision that the Council is required to build up each to fund the repayment of debt.

The Council will be balancing two different aspects when deciding on the period it will borrow for:

- **Stability.** Avoid the risk of market movements affecting the borrowing cost adversely. To do this the logical option is to borrow the money for as long as needed.
- **Lowest Cost.** Minimise the overall cost of borrowing which, at the present time, might result in very short borrowing because of the very low interest rates available. However, future rates may rise significantly meaning that it was better to have paid more initially and borrowed longer.

The logical result is to spread the risk by borrowing for a range of periods. However, given the Council's current financial position it may be that, until interest rates have returned to normal relativities or there is sufficient certainty that they will do so, the Council should use its revenue reserves and/or borrow short term for rates that are currently under 1%.

Any long term borrowing will tend to be from the Public Works Loans Board (PWLB) which is a Government Agency providing funds to local authorities at interest rates linked to the cost of central government borrowing. Commercial bodies have become less involved since the financial crisis and their products were generally for shorter periods and often include embedded options. The most common was a LOBO, where the lender retains an option to increase the interest rate after a number of years and the borrower has the right to repay if the new rate is not acceptable.

The Council will need to approve a prudential indicator for the 'authorised limit for external debt'; which combines:

- temporary borrowing for cash flow purposes (£20M)
- long-term borrowing to fund capital expenditure of £46M (up to the £36M "may borrow" limit plus the £10M already borrowed)
- an allowance for other long-term liabilities, such as finance leases (£5M).

A maximum of **£71M** is therefore recommended.

INVESTMENTS - CATEGORIES

The guidance on Local Authority Investments categorises investments as 'specified' and 'non-specified'.

Specified investments are expected to offer relatively high security and/or liquidity. They must be:

- in sterling (avoiding exchange rate fluctuations) **and**,
- due to be repaid within 12 months (minimising capital value fluctuations on gilts and CDs and minimising the period within which a counterparty might get into difficulty) **and**,
- **not** defined as capital expenditure in the capital finance regulations 2003 (e.g. equities and corporate bonds though there is current consultation on removing bonds from the capital constraint)) **and**,
- with a body that the Council considers is of high credit quality or with the UK Government or a local authority. (minimising the counterparty risk), this includes Money Market Funds where the Council has set minimum criteria.

These include time-deposits for up to 1 year with building societies and banks which the Council deems to have a high credit quality (see below), but it should be noted that early repayment, before the due date is rarely possible and may require a release fee.

No investment that counts as Capital expenditure will be undertaken as it effectively transfers revenue funds into capital when the investment is repaid which has significant impacts on the Council's financial flexibility.

Non-specified investments include longer deposits and other types of investment e.g. corporate bonds and equities.

The Council may use the following non-specified investments:

- Time Deposits of longer than 12 months with banks and building societies
- UK government bonds, supranational bank bonds, loans to other local authorities over 12 months to maturity
- Corporate Bonds over 12 months to maturity, if returns are clearly better than time deposits, but such investments will only be made following a risk assessment and consultation on the proposed limits, procedures and credit ratings with the Treasury Management Advisory Group. Use would be limited to Bonds that could be held to maturity thus avoiding fluctuations in capital value.

INVESTMENTS – HIGH CREDIT QUALITY

The term 'high credit quality' is used in the CLG guidance to encourage local authorities to monitor other measures of an institution's creditworthiness rather than just relying on credit ratings

CIPFA has issued guidance on possible sources of additional information in order to assess the credit worthiness of counterparties which are referred to below.

Whilst the Council will take some account of such additional information the main criteria for judging credit quality will be:

- Short term credit ratings (Definitions in Appendix A)
- Long-term credit ratings for any investment over 1 year. (Appendix A)
- The top 25 Building Societies by asset size irrespective of any credit rating they may hold subject to the comments below. Building societies have a much higher proportion of their funds covered by retail savings so are less at the risk of market volatility and their regulatory framework and insolvency regime means that the Council's deposits would be paid out before retail depositors. Experience in recent years includes a number of examples of the takeovers of weak societies by strong ones. However any Building Society with a rating of less than BBB will not be used and use will be suspended of Building Society with a "rating watch" warning pending consideration of further information of the potential impact.
- Reacting immediately to any "rating watch" warnings or informal comments from our advisors in relation to market concerns. Use of counterparties subject to such warnings/advice will be suspended pending consideration of further information of the potential impact.
- Credit Default Swap prices obtained from our advisors.
- The credit rating of the country of the institution. This must be AA or above.

Financial statements and the financial press will not be systematically reviewed because the resources required are not available and it is expected that our advisors will make informal comments if they become aware of any significant items that affect our counterparty list. They also review our counterparty list every month.

INVESTMENTS – SPREADING THE RISK

Credit quality can never be absolutely guaranteed so to further mitigate risks there is a need to spread investments in a number of ways:

- By counterparty, including any institutions that are linked in the same group
- By Country

These limits need to be a practical balance between safety and administrative efficiency and need to cope with the uncertainty of the amount of borrowing in anticipation. A table is therefore included in Appendix B which shows the limits for different levels of forward borrowing.

INVESTMENTS – PERIODS

Once a time deposit is made there is no requirement for the borrower to repay until the end of the agreed period. Thus a borrower who has a high credit rating on the investment day could be in serious financial difficulties in the future. As a result significant use is made of liquidity accounts which currently give an attractive interest rate but also allow repayment of our investment the same day.

The Council will register with a selection of money market funds with AAA

ratings which also allow same-day withdrawal of funds. These will be used as appropriate taking account of comparative security and yields.

INVESTMENTS - MANAGEMENT

Taking account of the Credit Quality and Spreading the Risk sections above Appendix B outlines the criteria and limits for making investments.

There may be limited occasions, based on detailed cash flow forecasts, where some investments of more than a year might be made that do not relate to borrowing in anticipation.

Risk of counterparty failure can also be minimised by shortening the period of any time deposit. At the current time, partly reflecting the current interest rate structure, time deposits are generally kept below one month. The criteria also differentiates the duration of investments based on credit rating e.g. the maximum duration of investments with building societies with no rating will be 1 month.

Advantage is also being taken of liquidity accounts which are offering competitive rates for money on call i.e. it can be called back the same or next day if there was any concern about the institution.

POLICY ON USING FINANCIAL DERIVATIVES

Local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. lenders option/borrowers option (LOBO) loans).

The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. It is unlikely that the Council will utilise standalone financial derivatives.

Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy. The Council is only likely to make limited use of embedded derivatives e.g. LOBOs

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

ADVISORS

The Council appointed Sterling Consultancy Services as Treasury Management Advisors in January 2008 (following retendering they were reappointed in January 2011), however responsibility for final decision making remains with the Council and its officers

The Advisor carries out the following role:

- advice on investment decisions,
- notification of credit ratings and changes,
- general information on credit quality and informal comment on particular institutions,
- advice on borrowing and opportunities to borrow early
- economic data and interest rate forecasts
- advice and guidance on relevant policies, strategies and reports,
- accounting advice,
- reports on treasury performance,
- training courses.

The quality of the service is controlled by regular contact between the Advisors and officers.

MANAGEMENT

The Head of Financial Services and his staff will manage and monitor investments and borrowing.

The Treasury Management Advisory Group (TMAG) consists of four members; they are kept informed of relevant issues and consulted on any significant issues.

The Council uses a cash flow model which is updated daily to forecast future cash flow movements to determine the maximum length for which any investment could be considered. The length of any investment would take account of actual and forecast interest rates over the loan period to ensure it optimises the Council's position. The Council is unlikely to invest for more than a year unless further advance borrowing is undertaken.

REPORTING AND SCRUTINY

The CIPFA Code requires that the body responsible for approving the budget also receives at least two reports during the year on treasury management. Therefore the Council will receive a six month report on the performance of

the funds and an annual report on the performance for the year.

The Code also requires the Council to identify the body that will be responsible for the scrutiny of treasury management to ensure that it receives the appropriate focus. This is the Economic Well-being Overview & Scrutiny Panel.

TRAINING

The needs of the Council's treasury management staff for training are assessed every six months as part of the staff appraisal process and additionally when the responsibilities of individual staff change. As the result of the voluntary redundancy of a Senior Accountant in September 2011 and a reorganisation of the Accountancy Section, a Principal Accountant has been given the responsibility for day-to-day management of the treasury function. He has attended a number of courses provided by Sterling Consultancy Services

The Code requires that Members charged with the governance of Treasury Management and those responsible for scrutiny have the necessary skills relevant to their responsibilities. Member training will be provided as necessary.

CHANGES TO THE STRATEGY

The strategy is not intended to be a strait-jacket but a definition of the upper limit of the level of risk that it is prudent for the Council to take in maximising the return on its net investments. Any changes that are broadly consistent with this Strategy and either reduce or only minimally increase the level of risk, are delegated to the Head of Financial Services, after consultation with the Treasury Management Advisory Group, where of any significance. All other changes to the strategy must be approved by the full Council.

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

The Council's Treasury Management and Prudential Indicators are attached at Appendix C. They are based on data included in the budget report and this Strategy. They set various limits that allow officers to monitor its achievement. These indicators must be approved by the Council and can only be amended by the Council.

The indicators are based on allowing the ability to borrow in advance if this becomes attractive. If it does not, the Council is likely to be significantly within many of the limits.

Definition of Credit Ratings

	Rating	Definition	Examples of counterparties
Short term (Fitch)	F1	Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.	Royal Bank of Scotland/NatWest (F1) Coventry Building Society
	F2	Good intrinsic capacity for timely payment of financial commitments.	Co-operative Bank
	F3	The intrinsic capacity for timely payment of financial commitments is adequate.	Skipton Building Society
Long-term (Fitch)	AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of default risk . They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	United Kingdom
	AA	Very high credit quality. 'AA' ratings denote expectations of very low default risk . They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	HSBC Bank
	AA-		Standard Chartered Bank
	A	High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.	Coventry Building Society
	A-		Leeds Building Society

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

IN-HOUSE FUND MANAGEMENT (IF NO FURTHER ADVANCE BORROWING)

Duration of investments	No investment shall be longer than 5 years. Maximum duration for a Building Society with no rating is 1 month.																
Types of investments	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds Money market funds UK Government bonds and Supranational Bank bonds.																
Credit Ratings	Building Societies All Building Societies with ratings of BBB or above. Building Societies with no ratings. Money Market Funds AAA credit rating Local Authorities or UK Government No rating required Non-Building Societies Short term rating F1 by Fitch or equivalent. Long-term rating of AA- by Fitch or equivalent if the investment is longer than 1 year.																
Maximum limits per counterparty (group), country or non-specified category	<table> <tr> <td>F1+ or have a legal position that guarantees repayment for the period of the investment</td> <td>£5M</td> </tr> <tr> <td>F1</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets over £2bn in top 25 (Currently 10)</td> <td>£5M</td> </tr> <tr> <td>Building Society with assets over £1bn if in top 25 (Currently 3)</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets under £1bn in top 25</td> <td>£3M</td> </tr> <tr> <td>Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment or a Building Society.</td> <td>£5M</td> </tr> <tr> <td>BUT total invested with counterparty/group shall not exceed</td> <td>£8M</td> </tr> <tr> <td>Money market fund AAA Credit rating</td> <td>£4m</td> </tr> </table> <p>Limit for Non-specified investments</p> <ul style="list-style-type: none"> - £10M in time deposits more than one year - £5M in corporate bonds - £10M in any other types. - £15M in total <p>Country limits</p> <ul style="list-style-type: none"> - UK - unlimited - £5M in a country outside the EU - £10M in a country within the EU (excluding UK) - £20M in EU countries combined (excluding UK) <p>No investment will be made in country with a sovereign rating of less than AA.</p> <p>These limits will be applied when considering any new investment from 23 February 2012. Lower limits may be set during the course of the year or for later years to avoid too high a proportion of the Council's funds being with any counterparty.</p>	F1+ or have a legal position that guarantees repayment for the period of the investment	£5M	F1	£4M	Building Society with assets over £2bn in top 25 (Currently 10)	£5M	Building Society with assets over £1bn if in top 25 (Currently 3)	£4M	Building Society with assets under £1bn in top 25	£3M	Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment or a Building Society.	£5M	BUT total invested with counterparty/group shall not exceed	£8M	Money market fund AAA Credit rating	£4m
F1+ or have a legal position that guarantees repayment for the period of the investment	£5M																
F1	£4M																
Building Society with assets over £2bn in top 25 (Currently 10)	£5M																
Building Society with assets over £1bn if in top 25 (Currently 3)	£4M																
Building Society with assets under £1bn in top 25	£3M																
Liquidity (Call) Account with a credit rating of F1+ or with a legal position that guarantees repayment or a Building Society.	£5M																
BUT total invested with counterparty/group shall not exceed	£8M																
Money market fund AAA Credit rating	£4m																
Benchmark	LGC 7 day rate																

INVESTMENT LIMITS FOR INCREASES IN ADVANCE BORROWING

	Level of Borrowing in Anticipation		Rating Constraints	
	from	£5M	£11M	
	to	£10M	£20M	
SPECIFIED INVESTMENTS				
BUILDING SOCIETIES				
Assets over £2bn	£5M	£5M		
Assets over £1bn	£4M	£4M		
Rest of top 25 by assets	£3M	£3M		
BANKS & OTHER INSTITUTIONS				
F1+ or legal status	£5M	£5M	AA- if more than 1 year	
F1	£4M	£4M	AA- if more than 1 year	
LIQUIDITY ACCOUNTS				
Limit in liquidity account	£5M	£6M	F1+or legal status	
Limit with any other investments in institution	£8M	£9M		
NON-SPECIFIED INVESTMENTS				
Time Deposits over 1 year in total	£20M	£30M		
Corporate Bonds in total	£5M	£8M	Not yet determined	
Total	£20M	£30M		
TERRITORIAL LIMITS				
UK	Unlimited			
EU (excluding UK)	£20M	£20M		
EU Country (other than UK)	£10M	£10M		
Any other Country	£5M	£5M		

**CIPFA Prudential Code for Capital Finance in Local Authorities
Prudential Indicators and Treasury Management Indicators for 2012/13**

1. Actual and Estimated Capital Expenditure

	2010/11 Actual £000	2011/12 Forecast £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
Gross	9.2	9.1	19.5	6.9	4.1
Net	7.5	4.9	10.4	3.6	2.6

2. The proportion of the budget financed from government grants and council tax that is spent on interest and the provision for debt repayment.

The negative figure in 2010/11 reflects that the Authority was a net investor and that the net interest earned exceeded the provision for the repayment of debt.

2010/11 Actual	2011/12 Forecast	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
-0.3%	1.9%	4.1%	6.1%	7.8%

3. The impact of schemes with capital expenditure on the level of council tax

This calculation highlights the hypothetical impact on the level of Council Tax from changes from the previously approved MTP due to capital schemes (including their associated revenue implications).

The actual change in Council Tax will be significantly different due to revenue variations, spending adjustments and the use of revenue reserves.

	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Variation	-£3.41	+£3.80	-£1.92
Cumulative	-£3.41	+£0.39	-£1.53

4. The capital financing requirement.

This represents the estimated need for the Authority to borrow to finance capital expenditure less the estimated provision for redemption of debt (the MRP) with no allowance for funding in advance.

31/3/11 Actual £M	2011/12 Forecast £M	2012/13 Estimate £M	2013/14 Estimate £M	2014/15 Estimate £M	2015/16 Estimate £M	2016/17 Estimate £M
18.2	22.5	32.0	34.5	35.8	37.7	38.4

5. Net borrowing and the capital financing requirement

In order to ensure that, over the medium term, net borrowing will only be for a capital purpose, the Authority should make sure that net external borrowing (borrowing less investments) does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

The Council will explain the degree of borrowing and investment in its half-year and annual reports together with the reason for the movements so that Members can be assured that there is no borrowing for revenue purposes other than in the short term.

5a. Gross and Net Debt

This indicator (a new requirement this year) is intended to highlight the level of advance borrowing by limiting the variation between gross debt (borrowing) and net debt (borrowing less investments). The more borrowing in advance the higher the gross debt but there is no change in net debt because the borrowed sums will be invested pending them being needed to finance capital expenditure. Thus net debt as a proportion of gross debt falls as borrowing in advance occurs.

Unfortunately the position is complicated by the significant variations that the Council has to contend with relating to day-to-day cash flow which can cause major fluctuations in this proportion.

Guidance has not been issued on the practical use of this indicator and so there seems little point in setting one this year.

To achieve the equivalent result all advance borrowing will be reported to the Treasury Management Advisory Group and highlighted in the mid-year and end of year reports.

6. The actual external long-term borrowing at 31 March 2011 £10m

7. The authorised limit for external debt.

This is the maximum limit for borrowing and is based on a worst-case scenario. It reflects the Treasury Management Strategy which allows the Authority to borrow in advance to fund future capital expenditure.

	2011/12 Limit £M	2012/13 Limit £M	2013/14 Estimate £M	2014/15 Estimate £M
Short term	20	20	20	20
Long Term assuming maximum borrowing in advance	40	51	48	51
Other long-term liabilities (leases)	5	5	5	5
Total	65	76	73	76

8. The operational boundary for external debt.

This reflects a less extreme position. Although the figure can be exceeded without further approval it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded. The short term and long term element will be monitored separately.

	2012/13 Limit £M	2013/14 Limit £M	2014/15 Limit £M
Short term	15	15	15
Long term	41	38	41
Other long-term liabilities (leases)	5	5	5
Total	61	58	61

9. Adoption of the CIPFA Code

The Council has adopted the 2011 edition of the CIPFA Treasury Management Code of Practice.

TREASURY MANAGEMENT INDICATORS

10. Exposure to interest rate risk as a proportion of net investments. This indicator is set to control the Council's exposure to interest rate risk. Investments of less than 12 months count as variable rate.

If the Council does not borrow in advance it is quite possible that all investments, except for the current fixed investment of £5M to December 2013, will be of less than a year's duration and hence count as "variable rate".

Conversely, if the Council does borrow in advance there could be periods where the Council's cash flow requires short term borrowing and so all investments are longer than one year.

Accordingly, to ensure the necessary flexibility the indicators all need to be 100% except for the 2012/13 variable rate which is reduced to 85% to reflect the £5M investment due for repayment in December 2013.

	2012/13	2013/14	2014/15
Upper limit on fixed rate exposure	100%	100%	100%
Upper limit on variable rate exposure	90%	100%	100%

11. Borrowing Repayment Profile

The proportion of borrowing in place during 2012/13 that will mature in successive periods. This indicator is set to control the Council's exposure to refinancing risk.

The Council has £10M long term borrowing but the uncertainty on whether any forward borrowing will take place and the potential for short term borrowing to be the most attractive option results in the limits set out below.

Funding capital schemes	Upper limit	Lower limit
Under 12 months	86%	0%
12 months and within 24 months	86%	0%
24 months and within 5 years	86%	0%
5 years and within 10 years	86%	0%
10 years and above	100%	14%

12. Investment Repayment Profile

Limit on the value of investments that cannot be redeemed within 364 days i.e. by the end of each financial year. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. These limits need to allow for borrowing in advance.

The uncertainty about borrowing in advance results in higher limits than would otherwise be required.

	2012/13 £M	2013/14 £M	2014/15 £M
Limit on investments over 364 days as at 31 March each year.	32.0	25.0	24.7

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COMT

23 JANUARY 2012

OVERVIEW & SCRUTINY (ECONOMIC WELL BEING) 2 FEBRUARY 2012

CUSTOMER SERVICES MONITORING REPORT REPORT BY HEAD OF CUSTOMER SERVICES

1 Introduction

1.1 This is the monitoring report for the Customer Services team for the 12 months to December 2011. The latest quarterly report (sent to COMT) is at Appendix A.

2 Significant issues since last report

2.1 We have continued the redundancy and redeployment exercise for staffing at Ramsey & Yaxley and continued to develop services as part of the Council's budgetary review. As a result we have;

- Agreed two further redundancies
- Renewed the cash handling contract following a procurement exercise
- Progressed the Automated Telephone Payments procurement and testing.

2.2 As expected, we have seen a reduction in service level at all our sites. Details can be seen in the graphs at Appendix A. However, customer satisfaction remains high, but is showing a slight downward trend.

2.3 Cabinet and this Panel considered the future of the Call Centre at their September 2011 meetings. As a result, the following were agreed;

- Call Centre staff continue to be employed by HDC
- The contract for the Call Centre software (Avaya) be renewed
- A procurement exercise be undertaken to consider the replacement of the Call Centre Customer Relationship Management (CRM) software
- A further report be submitted to consider the Call Centre location.

2.4 DWP have announced funding of £84k for 2012/13. This is to be split between Housing Benefits and Customer Services.

2.5 Employee satisfaction survey shows satisfaction level of 97%.

3 Forthcoming issues

3.1 Following the ending of the recruitment freeze, we have several new staff who need to be trained. This can take between three and six months, and will impact on service levels, but in the long term will lead to service improvements.

3.2 The Automated Telephone Payments system is due to go live in February 2012. This will free up advisor time to handle more complex queries at the call centre

4 Statistics

4.1 Customer numbers for the past 12 months

The Call Centre was offered 153,929 calls and 13,462 emails.
The Customer Service Centres processed 68,366 enquiries.

4.2 Customer Satisfaction levels

Call Centre Customer Satisfaction for was 97.5%, down from 98.1%.
Customer Service Centre satisfaction was 97.5%, down from 98.8%.

5 Recommendation

The Panel is asked to note the contents of this report

Contact officer – Julia Barber, Head of Customer Services. 01480 388105

Appendix A – customer services quarterly report October – December 2011

Quarterly Customer Service report for the period October to December 2011

Information about Demand

- Employee satisfaction survey completed in December/January, showing a satisfaction level of 97% at both the Call Centre and Customer Service centre, exceeding 75% target.
- Customer Satisfaction has remained high, averaging 97.5% over the quarter at the Call Centre despite strains on our service level.
- The customer service centres achieved a high satisfaction score, with also 97.5% of customers surveyed being satisfied or very satisfied with the service.
- The Call Centre missed its speed of answer target by 4% during the quarter largely due to staff vacancies, sickness, new starter training, covering the satellite CSCs and holidays.
- Over the Quarter, the Call Centre lost 6.2% of contracted hours to sickness, 4.1% to vacancies and 11.2% to holiday.
- The Huntingdon CSC exceeded service level over the quarter as a whole, but on occasions had customers waiting over an hour and missed service level on 14 individual days.
- Over the Quarter the CSC lost 88.5 days to sickness and 68.5 days leave. The CSC also has a 2.5 FTE vacancy.
- The Yaxley and Ramsey CSCs were on reduced opening times for much of the quarter due to the dedicated CSC advisor leaving HDC. Both CSCs have tended to be open 1 day a week at each office, as the Call Centre is not able to provide cover for four days a week.

Information about achieving our priorities

- Staff vacancies have been filled at the Call Centre, and a senior advisor will return to the Call Centre from the Huntingdon CSC at the end of January 2012.
- Vacancies at CSC have been advertised and the recruitment process started
- Automated payments may help take the pressure off peak payment days, due to go live February 2012.
- Continually reviewing staff sickness in line with HDC sickness absence policy.
- Continue to work with back office services to improve communication and to identify potential call/visit peaks.
- The vacancy at the satellite office has been advertised and the recruitment process started

Risks

- There is continued risk at the Call Centre due to average call lengths above 150sec which has had a significant impact on the number of calls waiting to be answered which increases the pressure within the call centre.
- Staff morale may decline due to HDC pay negotiations, any increase in sickness & willingness to work additional hours will impact the both the call centres and CSC performance.

Budget Position – 2011/12

Customer Service budgets are as a whole on target with efficiencies highlighted with the accountant on a monthly basis and being used for unplanned expenditure.

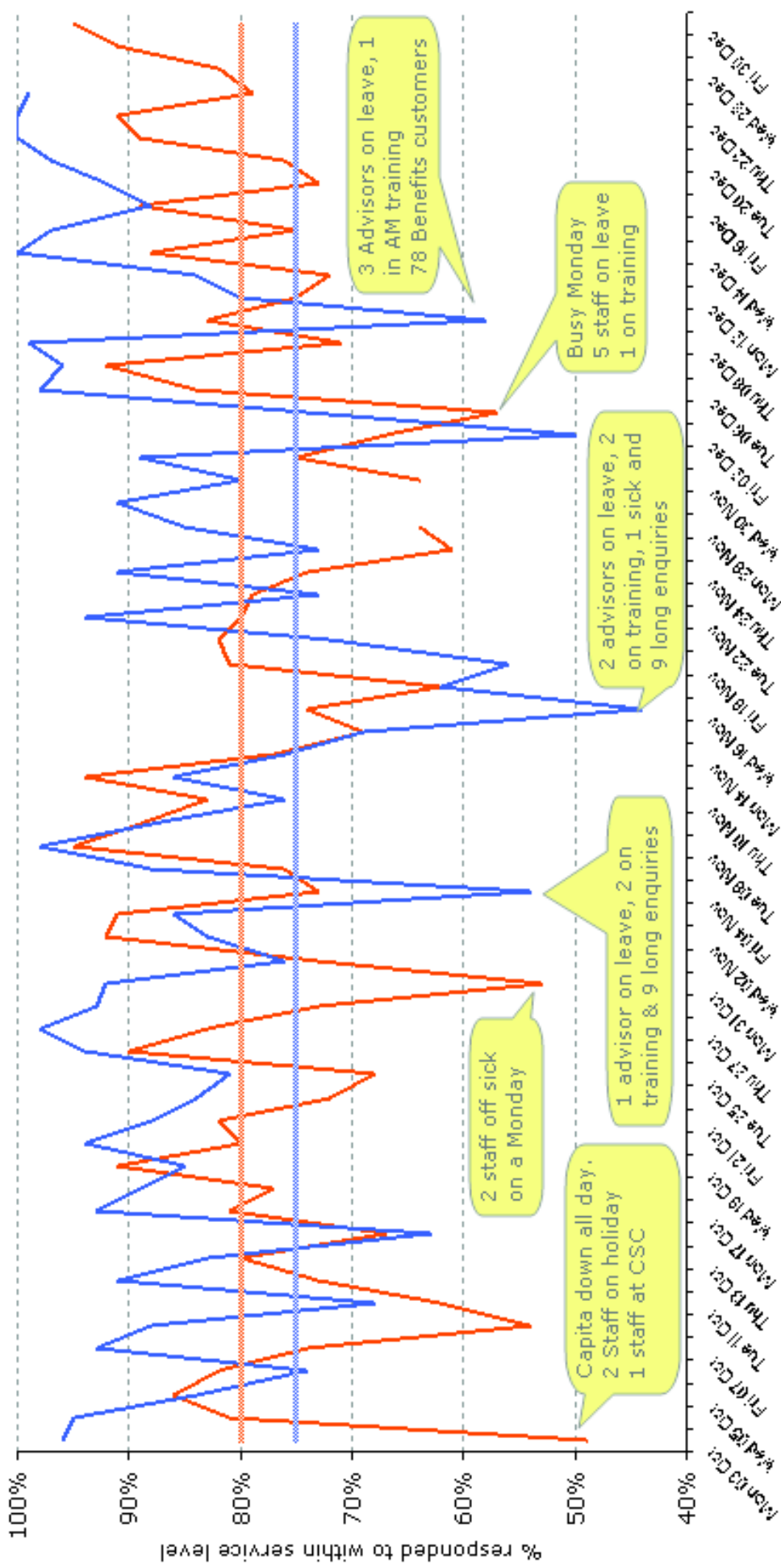
Notes

I can verify the accuracy of the data used in the compilation of the performance report and the data has been collected in accordance with the procedures identified in our data measure template, where appropriate.

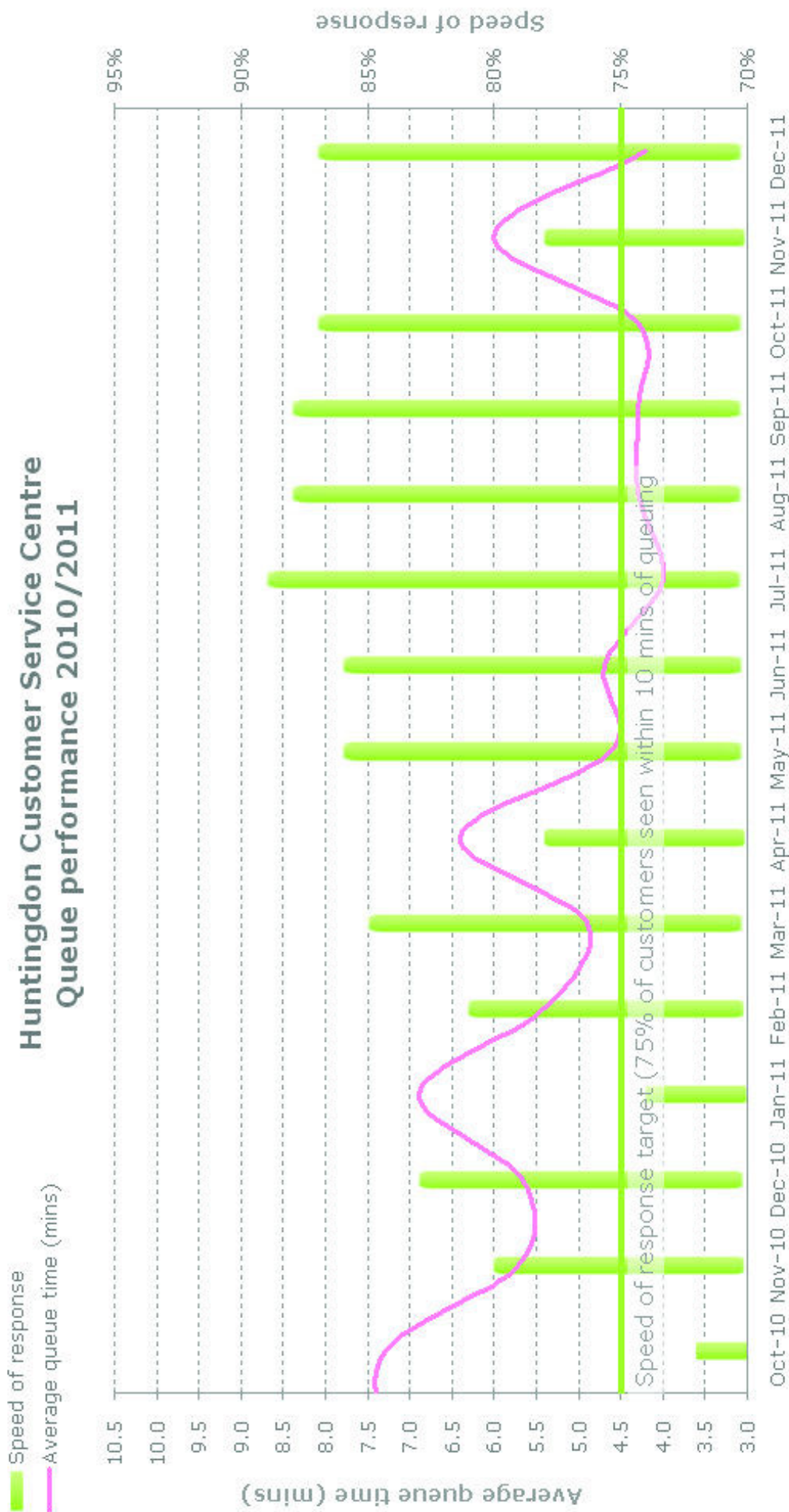
Note: In the following pages the term 'enquiry' refers to the information or service requested by the customer. Some customers may make more than one enquiry in a single visit.

Daily speed of response Oct to Dec 2011

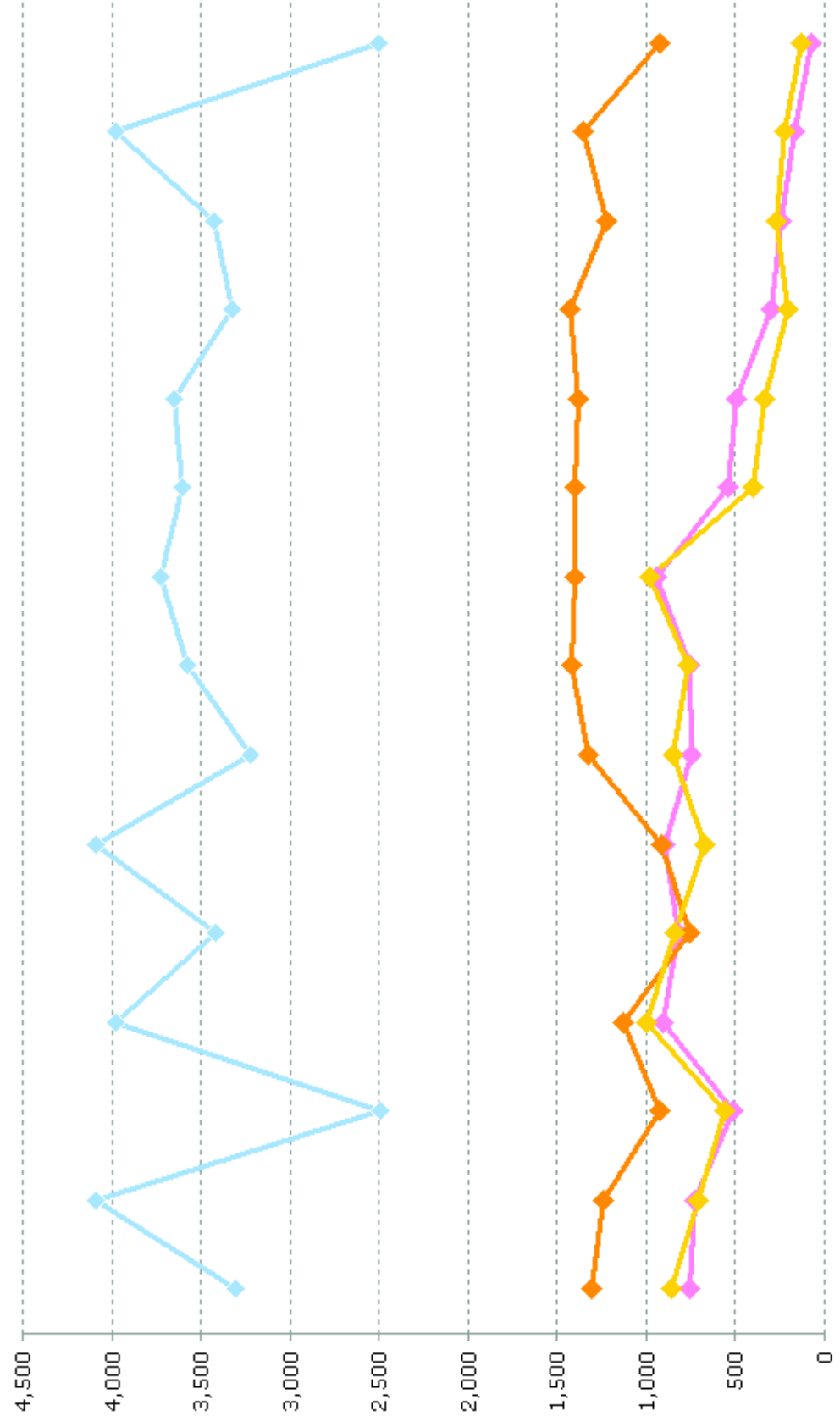
- Call Centre (CC)
- Huntingdon CSC (HCSC)
- CC target
- HCSC target



Huntingdon Customer Service Centre Queue performance 2010/2011



Customer Service Centres' enquiries per month

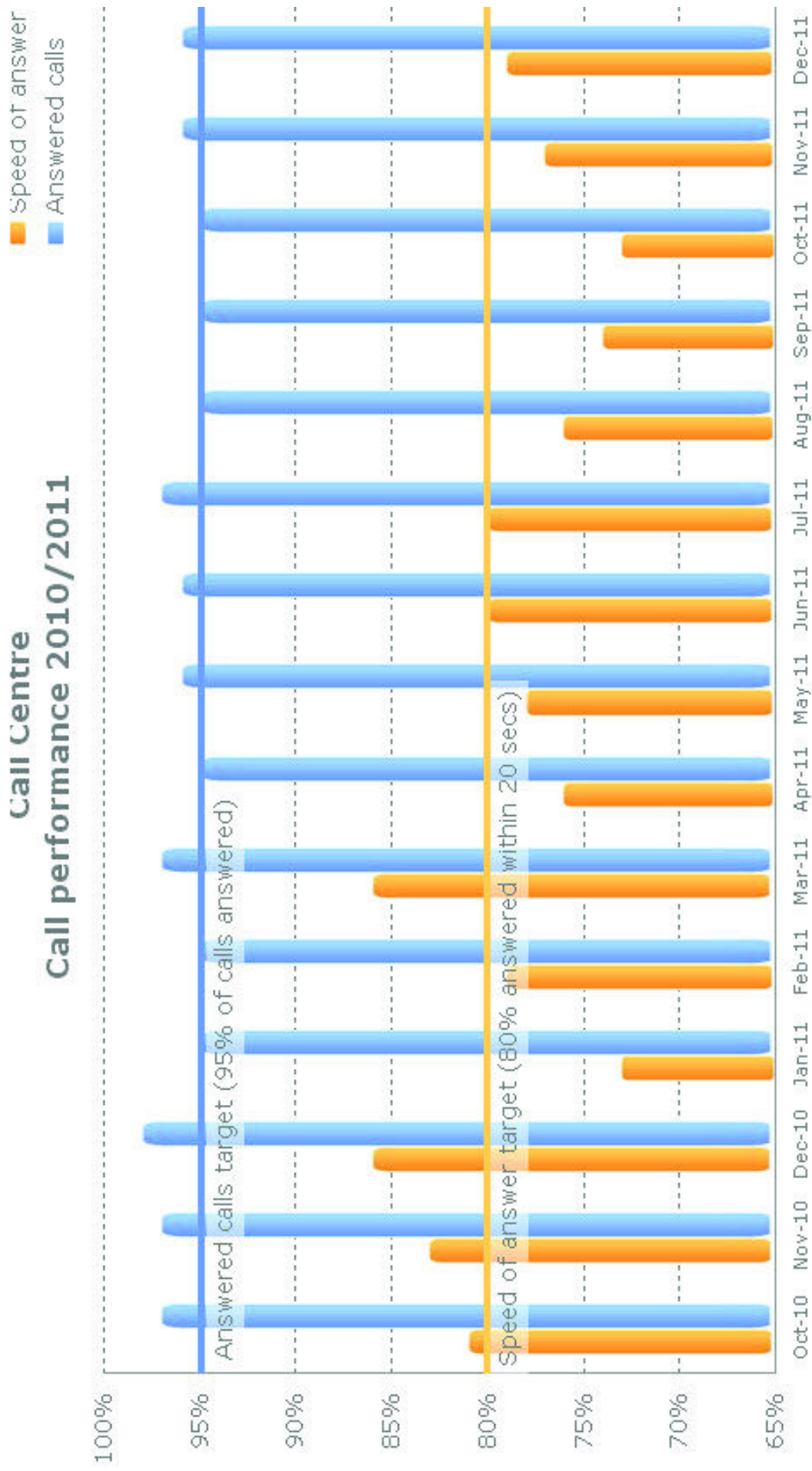


	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Huntingdon CSC	3308	4,090	2491	3,980	3,420	4,092	3,225	3,578	3,723	3,607	3,654	3,319	3,428	3,975	2,506
Ramsey CIC	760	728	509	907	822	892	743	754	939	546	496	298	240	169	72
St Neots CSC	1309	1,245	923	1,127	758	916	1,325	1,418	1,402	1,404	1,384	1,431	1,226	1,355	927
Yaxley CIC	857	705	562	996	839	668	852	763	979	403	334	204	271	225	134

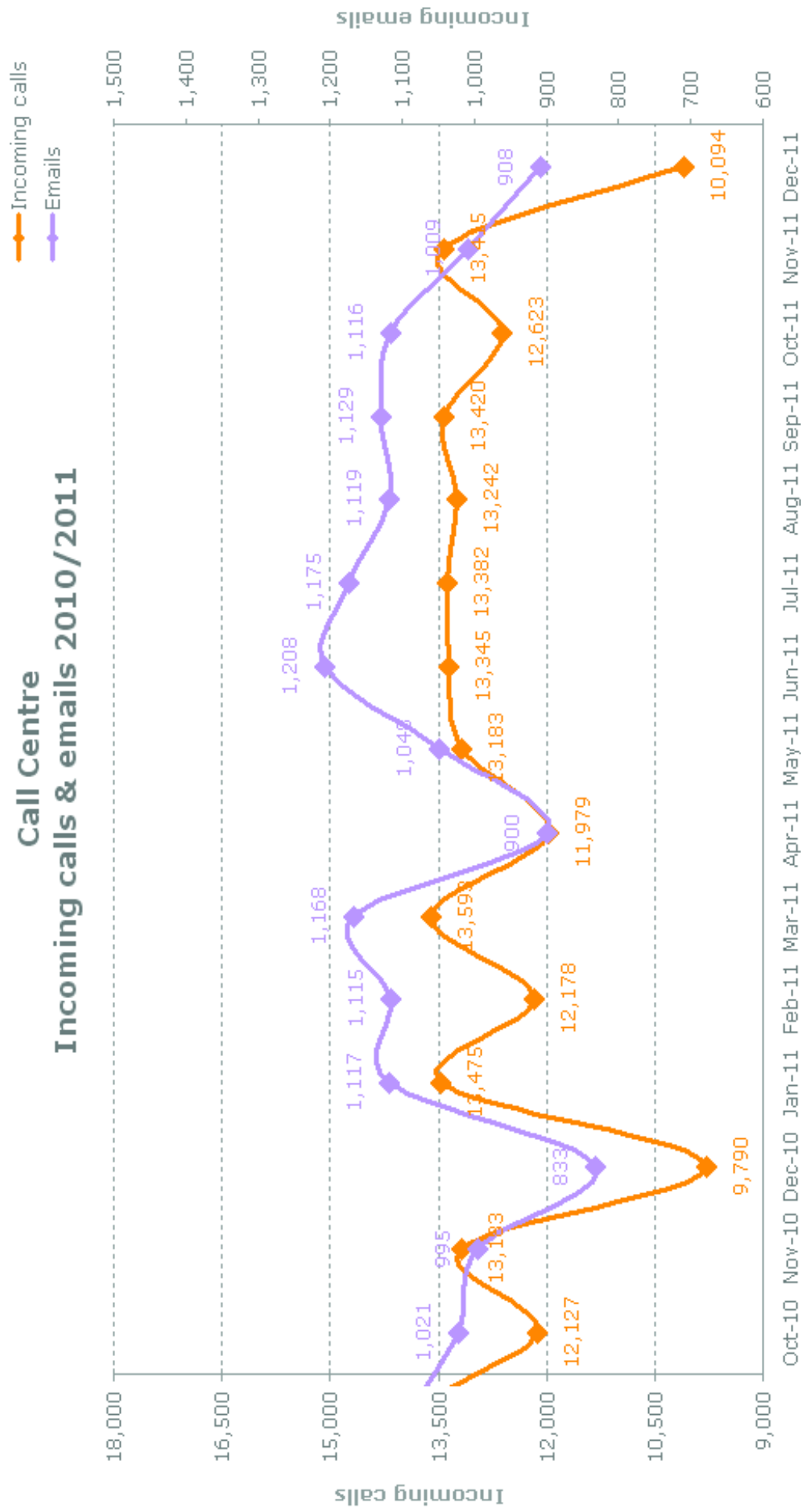
Customer Service Centre Enquiries

Service	Enquiry type	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Benefits	Casual caller	29	21	21	16	22	29	48	12	9	8	24	4	2	6	4	4
	Customer handled	2,212	2,091	2,261	1,529	2,210	2,218	2,596	2,170	2,218	2,309	2,191	2,384	2,218	2,082	2,267	1,590
	Unspecified																
Payment Debt	Casual caller	40	23	42	52	65	11	7	28	59	17	4	6	3	4	7	2
	Customer handled	1,510	1,422	1,610	1,252	1,589	540	422	1,495	1,515	1,101	1,004	863	909	1,004	1,085	726
	Unspecified																
Housing	Casual caller	95	56	59	57	71	63	44	57	56	79	33	44	27	22	4	5
	Customer handled	1,019	867	946	551	1,012	916	1,043	816	900	987	897	881	820	785	826	519
	Unspecified																
Other Enquiry	Casual caller	37	30	20	18	35	19	11	22	14	29	11	12	1	5	0	6
	Customer handled	510	475	695	373	521	573	778	416	552	490	431	373	269	290	356	264
	Unspecified																
Council Tax	Casual caller	1	1	0	3	5	2	1	2	1	1	2	4	0	1	2	
	Customer handled	477	468	449	217	434	288	320	344	343	287	264	277	291	283	446	179
	Unspecified																
Planning	Casual caller					20	29	15									
	Customer handled	151	154	179	80	176	148	231	127	142	190	219	263	220	213	173	94
	Unspecified																
Equipment use	Casual caller	438	401	353	255	399	383	347	380	399	480	214	98	44	34	37	28
	Customer handled	221	152	162	116	166	138	128	137	139	146	137	148	80	112	107	31
	Unspecified																
Partner External	Casual caller	163	194	103	101	133	149	114	102	151	214	52	40	18	14	76	39
	Customer handled	113	79	92	74	117	85	143	99	119	98	76	72	62	70	69	20
	Unspecified																
Public transport	Casual caller	36	30	38	20	33	19	42	101	40	31	9	25	12	6	4	1
	Customer handled	266	273	282	203	334	278	305	192	200	167	160	157	108	85	111	50
	Unspecified																
Vehicle	Casual caller		2		1	1	1	3	1					2	4	1	1
	Customer handled	105	65	72	55	102	92	69	62	84	59	79	53	74	73	60	44
	Unspecified																
Streetscene	Casual caller	67	52	49	61	60	46	32	30	23	7	4	1	2	1	0	0
	Customer handled	207	217	205	128	189	174	195	142	159	77	43	36	48	20	27	11
	Unspecified																
Employment	Casual caller	42	29	14	12	44	26	17	18	25	40	17	13	2	0	1	1
	Customer handled	76	41	55	25	58	61	40	61	42	72	47	51	19	10	17	6
	Unspecified																
Tourism	Casual caller	15	11	9	10	8	12	14	6	10	13	6	5	0		3	
	Customer handled	85	51	55	31	48	49	54	42	54	51	23	31	2	23	20	7
	Unspecified																
Older Person	Casual caller				1			1									
	Customer handled	16	25	33	25	44	22	22	20	20	35	17	7	3	6	16	6
	Unspecified																
Younger Person	Casual caller	4	2					1							2		
	Customer handled	23	12	6	6	25	21	18	16	11	24	10	12	4	5	2	4
	Unspecified																
Leisure	Casual caller	4	2	0	1	11	2	2		3			1	1	2		
	Customer handled	22	9	14	3	23	13	11	14	12	15	6	5	8	6	3	1
	Unspecified																
Grand Total	Casual caller	971	854	703	613	914	810	663	756	790	935	356	255	116	98	139	87
	Customer handled	7,013	6,401	7,116	4,668	7,048	5,616	6,375	6,153	6,510	6,108	5,604	5,613	5,135	5,067	5,585	3,552
	Unspecified																
HCSC Back Office Processes									5,765	7,180	7,094	6,452	6,605	6,647	6,902	6,819	5,123

Call Centre Call performance 2010/2011



Call Centre Incoming calls & emails 2010/2011



Call Centre Enquiries

Complaints	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Last 12 mths	
Streetscene	34	24	28	33	28	14	26	33	15	23	25	21	20	20	19	4	4	4	2	212
Other Enquiry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Formal Complaint	4	4	7	7	4	4	2	3	2	3	1	2	5	2	5	19	19	19	18	81
Total	38	28	35	40	32	18	28	36	17	26	26	23	25	22	24	23	23	23	20	293

Information requests	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Last 12 mths	
Streetscene	618	493	633	532	493	568	644	496	635	857	688	711	567	488	527	541	624	844	844	7,622
Other Enquiry	1,106	850	961	938	923	749	917	1,057	1,221	944	976	913	938	952	1,009	952	998	998	648	11,525
Housing	457	367	490	449	388	252	437	455	484	451	467	503	444	444	410	429	395	395	224	5,143
Council Tax	227	141	235	149	317	176	376	306	450	270	399	323	457	267	379	348	329	329	173	4,077
Benefits	124	118	115	91	106	106	85	77	102	101	118	138	174	158	165	226	168	168	109	1,621
Planning	189	169	200	153	175	97	156	160	241	186	242	210	169	189	255	223	216	216	104	2,351
Electoral registration	34	101	253	286	215	49	85	79	301	351	198	52	34	169	155	209	228	228	63	1,924
Payment Debt	58	48	62	74	107	47	78	71	91	79	85	66	67	67	81	80	66	66	55	886
Environmental health	252	163	93	94	75	48	67	54	92	87	142	193	195	181	95	83	61	61	38	1,288
Energy efficiency	24	12	26	15	19	16	11	11	16	12	10	32	14	12	17	21	7	6	6	169
Tourism	41	59	39	36	56	19	25	22	19	21	33	25	14	22	26	20	3	2	2	232
Public transport	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change of details	0	4	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Formal Complaint	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3,130	2,525	3,107	2,817	2,876	2,127	2,881	2,788	3,652	3,359	3,358	3,166	3,073	2,949	3,119	3,132	3,095	2,266	2,266	36,838

Service requests	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Last 12 mths
Payment Debt	1,985	1,664	2,003	1,701	2,179	1,616	2,060	1,111	1,173	1,708	2,196	1,947	2,217	1,920	2,264	1,961	2,152	1,803	22,512
Streetscene	1,398	1,230	1,332	1,015	1,013	922	1,245	1,089	1,255	1,020	1,130	1,204	1,190	1,265	1,161	1,061	1,017	947	13,584
Change of details	158	152	153	148	158	224	246	267	333	267	334	348	336	385	375	372	345	266	3,874
Housing	139	115	130	93	83	45	161	132	121	96	121	121	121	90	104	92	98	60	1,317
Council Tax	73	40	70	55	107	34	89	34	70	88	133	68	109	56	82	56	75	51	911
Environmental health	303	220	106	85	87	56	55	48	65	45	54	165	215	163	64	54	42	36	1,006
Electoral registration	42	18	2	17	23	16	19	13	116	80	28	17	8	74	38	25	137	17	572
Planning	24	14	14	9	6	3	15	18	28	19	20	24	40	42	41	38	26	15	326
Other Enquiry	27	49	32	36	47	36	55	32	22	7	6	6	15	7	6	2	0	1	159
Tourism	21	20	13	11	7	3	22	15	8	0	0	0	0	0	0	0	0	0	45
Formal Complaint	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4,170	3,522	3,855	3,170	3,710	2,955	3,967	2,759	3,191	3,330	4,022	3,900	4,251	4,002	4,135	3,661	3,892	3,196	44,306
Grand total	7,338	6,075	6,997	6,027	6,618	5,100	6,876	5,583	6,860	6,715	7,406	7,089	7,349	6,973	7,278	6,816	7,010	5,482	81,437

OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)

2nd February 2012

ONE LEISURE FINANCE - FEEDBACK (Report by the Cabinet)

1. INTRODUCTION

- 1.1 At its meeting on 19th January 2012, the Cabinet considered a report by the Overview and Scrutiny Panel (Economic Well-Being) on the findings of a study by the Panel's Working Group into the financial performance of One Leisure.

2. BACKGROUND

- 2.1 The Overview and Scrutiny Panel established a Working Group to review the level the financial performance of One Leisure and make recommendations on the services' future strategic direction.

3. DELIBERATIONS

- 3.1 In considering the Panel's recommendations, the Cabinet were acquainted with the key findings of the group in relation to overheads and recharging, crèche facilities, general admissions, pricing, business planning and alternative methods of service delivery.
- 3.2 The Cabinet acknowledges the need to build capital costs into the overall One Leisure financial model and to develop a methodology for the quantification of "social value".
- 3.2 Having thanked the Working Group and the Overview and Scrutiny Panel for their input, the Cabinet has accepted and approved the recommendations submitted and have requested that the Working Group assist the Executive Councillor for Healthy and Active Communities with the development of a methodology for the quantification of "social value".

3. CONCLUSIONS

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

**Contact Officer: Mrs H Taylor, Senior Democratic Services Officer
(01480) 388008.**

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OVERVIEW AND SCRUTINY PANELS

(ECONOMIC WELL-BEING)
(SOCIAL WELL-BEING)
(ENVIRONMENTAL WELL-BEING)

2nd FEBRUARY 2012
7th FEBRUARY 2012
9th FEBRUARY 2012

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

1. INTRODUCTION

1.1 The purpose of this report is to inform Members 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 Overview and Scrutiny remits. Details of ongoing studies being undertaken by the two other Panels are set out in the attached Appendix.

2.3 Members are reminded that if they have a specific interest in any study area which is not being considered by their Panel there are opportunities for involvement in all the studies being undertaken.

3. RECOMMENDATION

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

BACKGROUND DOCUMENTS

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

Contact Officers: Miss H Ali, Democratic Services Officer
01480 388006

Mrs J Walker, Trainee Democratic Services Officer
01480 387049

Mrs C Bulman, Democratic Services Officer
01480 388234

ONGOING STUDIES

STUDY	OBJECTIVES	PANEL	STATUS	TYPE
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. Expected March/April 2012.	To be determined.
CCTV Provision within the District	To review the impact of the Council's proposal to cease the CCTV service with effect from April 2012.	Social Well-Being	Further report expected in February 2012.	Whole Panel Study.
Voluntary Sector	To seek alternative ways of supporting the Voluntary Sector from 2013/14 onwards and to assess the social value of the services that they provide within the District.	Social Well-Being	Working Group's conclusions endorsed by the Panel in December 2011. Working Group worked in conjunction with the Head of Environmental and Community Health Services and the Executive Councillor for Healthy and Active Communities to seek an indicative budget for voluntary sector support in 2013/14.	Working Group

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 reported to September meeting. It is hoped that the Strategy will be available for the Working Group to view in April 2012.	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	First meeting of the Working Group to be held in February.	Working Group.
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. Final report expected in April 2012.	To be determined.
Review of Neighbourhood Forums in Huntingdonshire	To undertake a review of the Neighbourhood Forums in Huntingdonshire.	Social Well-Being	Update on meeting of the Working Group held on 19th January 2012 to be delivered to Panel in February. Members of the Working Group met with the Huntingdonshire Area Commander for the Police at this meeting.	Working Group

Maintenance of Water Courses	To receive a presentation on the maintenance arrangements in place for Water Courses within the District.	Environmental Well-Being	The County Council's Flood and Water Manager will attend the February meeting to present on flood risk management activities. SUDs report due in April 2012.	To be determined.
Waste Collection and Recycling Policies	To investigate the Council's waste collection and recycling policies.	Environmental Well-Being	Waste Collection Policies being prepared by Eric Kendall to be presented to the Working Group for comment prior to submission to the Panel. Due to the work being done on the Advanced Waste Partnership the Panel has decided to postpone this study, it will be re-evaluated at a later date.	Working Group
Design Principles for Future Developments	To examine issues that have arisen at Loves Farm, St Neots and to make recommendations to inform future developments.	Environmental Well-Being	First meeting of the Working Group held on 6 th January 2012. Members will be having an overview on the Loves Farm development from the Head of Planning Services on 26 th January.	Working Group.

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.	Report appears elsewhere on the agenda.	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.	14/06/12
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.		The District Council will receive £84k for 2012/13. This is a reduction compared to this year (£91k). This is expected to be used for extra assessment officers and for extra customer services staff. We will take people on temporary contracts.	
08/09/11	Asked the Head of Customer Services to submit a further report on the location of the Call Centre to a future meeting.	Report to be submitted to a future meeting.	Report due in March 2012.	08/03/12
	<u>Corporate Plan Working Group</u>			
18/05/11	Councillors D M Tysoe and S Greenall have been appointed to the Corporate Plan Working Group.	Quarterly performance reports to be submitted to all Overview and Scrutiny Panels.	Performance Management / Monitoring is currently under review.	05/12
06/10/11	Councillor T V Rogers appointed to replace Councillor D M Tysoe.			

Panel Date	Decision	Action	Response	Date For Future Action
02/11/11	<p><u>Scrutiny of Partnerships</u></p> <p>Following a review of the Strategic Partnership, the Overview & Scrutiny Chairmen and Vice Chairman agreed that responsibilities should be divided as follows:-</p> <p>Social Well Being</p> <ul style="list-style-type: none"> ❖ Community Safety ❖ Children & Young People ❖ Health & Well-Being <p>Environmental Well Being</p> <ul style="list-style-type: none"> ❖ Growth & Infrastructure <p>Economic Well Being</p> <ul style="list-style-type: none"> ❖ Local Enterprise Partnership 		The Panel has already received two presentations on the Local Enterprise Partnership. A presentation on the Local Enterprise Zone was given to the Panel's November meeting.	
05/01/12	<p><u>Leisure Centres</u></p> <p>Working Group's report approved for submission to the Cabinet meeting on 19th January 2012.</p>		<p>Feedback from the Cabinet appears elsewhere on the agenda.</p> <p>Working Group will meet again shortly. Dates are currently being canvassed.</p>	
06/10/11	<p><u>Cambridgeshire Public Sector Asset Management Strategy</u></p> <p>Requested a report outlining the progress made on the Huntingdonshire projects in six months time.</p>		Further report / presentation to be submitted to a future meeting.	05/04/12

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
07/07/11	<p><u>A14 Improvements</u></p> <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>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>	Invitation sent to Highways Agency.	<p>Awaiting confirmation that a representative will attend. Members may wish to discuss the way forward.</p> <p>As part of the Chancellor's Autumn Statement in November 2011, the 'A14 Challenge' was announced, together with a £20M package of short-term measures. The Challenge will look at alternative options to tackle the issues considered as part of the previous scheme and the Department for Transport is seeking to present a more cost-effective package of measures, including funding options, by Summer 2012. However, it is likely that any options emerging will only be considered by Government as part of its 2015 Spending Review. The £20M short-term measures will look at targeted options that can be delivered prior to 2015 to provide immediate relief at congestion hot spots between Spittals Interchange, Huntingdon and Girton Interchange, Cambridge as well as other relief measures on this section.</p>	

Panel Date	Decision	Action	Response	Date For Future Action
			Members may wish to consider the way forward.	
07/07/11	<p><u>District Council Support Services</u></p> <p>Agreed to establish a Working Group to review the Document Centre and its costs to form a view on its efficiency and cost effectiveness.</p> <p>Councillors Bull, Greenall, Howe, Mackender-Lawrence, Rogers and Williams volunteered for the Group.</p>		<p>First meeting of working group held on 15th December 2011.</p> <p>Working Group has formed two sub groups to consider:-</p> <p>a) the financial cost of the service; and b) the operation of the service</p> <p>Meetings of the sub groups were held in early January 2012. Operations Group to meet again on 2nd February 2012.</p>	
07/07/11	<p><u>Changes to Business Rates</u></p> <p>Requested further information with regard to the likely impact on the Council from the Government's Statement on Business Rates.</p>		Information to be made available when it was appropriate.	06/12
03/11/11	<p><u>Community Infrastructure Levy</u></p> <p>Informal Discussion held at the conclusion of the meeting. Agreed that Managing Director (CPP) would report back when it was appropriate.</p>		Report to be submitted to a future meeting to provide an update on any progress with CIL and future governance and spending arrangements.	08/03/12
05/01/12	<p><u>CCTV</u></p> <p>Agreed that the Panel should give further consideration to the issue of CCTV and the contributions from Town Councils.</p>		A report on CCTV appears elsewhere on the agenda.	02/02/12

Panel Date	Decision	Action	Response	Date For Future Action
05/01/12	<p><u>Waste Collection and Recycling Policies</u></p> <p>Queried whether the review of Waste Collection and Recycling Policies would include the financial performance of the service.</p>		<p>A report on round optimisation is expected to be forthcoming in April.</p> <p>The first of the RECAP Advanced partnership business cases will be discussed at the RECAP Board meeting at the end of March – this is expected to be reported to Overview & Scrutiny after May 2012.</p>	<p>05/04/12</p> <p>14/06/12</p>
05/01/12	<p><u>Housing Benefit Changes</u></p> <p>Agreed to receive a further report drawing together the wider housing policy implications for the Council arising from the Government's Welfare Reform Bill be submitted to a future meeting of the Panel.</p> <p>Requested that a report on rental rates and rent costs are submitted to the Panel on a quarterly basis.</p>		<p>Report due in April 2012.</p>	<p>TBC</p> <p>05/04/12</p>
01/12/11	<p><u>Great Fen Project</u></p> <p>Councillor P G Mitchell suggested that it would be useful to see the details of the Commercial Plan which was being developed for the Great Fen Project.</p>		<p>Report to be circulated when it was available.</p>	

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