

## **PRAYER**

*The Right Reverend David Thomson, Bishop of Huntingdon to say a prayer prior to the formal proceedings.*

A meeting of **HUNTINGDONSHIRE DISTRICT COUNCIL** will be held in the **CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **WEDNESDAY, 22 FEBRUARY 2012** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **A G E N D A**

	<b>Time Allocation</b>
<b>APOLOGIES</b>	<b>2 minutes</b>
<b>CHAIRMAN'S ANNOUNCEMENTS</b>	<b>5 minutes</b>
<b>1. MINUTES</b> (Pages 1 - 16)	<b>2 minutes</b>
To approve as a correct record the Minutes of the meeting held on 14th December 2011.	
<b>2. MEMBERS' INTERESTS</b>	<b>2 minutes</b>
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.	
<b>3. COUNCIL DEBATE</b>	<b>60 minutes</b>
<b>'The New Planning System'</b>	
The Executive Councillor for Strategic Planning and Housing, Councillor N J Guyatt, to introduce Dr M Bingham, Deputy Director, Department of Communities and Local Government who is to lead the debate on 'The New Planning System'.	
<b>4. MEDIUM TERM PLAN, BUDGET AND ASSOCIATED MATTERS</b> (Pages 17 - 88)	<b>30 minutes</b>
To consider the Cabinet's recommendations on the Medium Term Plan for 2013 - 2017, the 2012/13 budget, related Prudential Indicators and the Treasury Management Strategy (see also the Report of the Cabinet held on 16th February 2012) and in accordance with Section 30 (2) of the Local Government Finance Act 1992, to approve resolutions as to the levels of Council Tax in 2012/13 for the various parts of Huntingdonshire District. A report by the Head of Financial Services is enclosed (it is the expectation that the tables to the formal resolution will be circulated at the meeting).	

**5. PAY POLICY STATEMENT (Pages 89 - 98) 5 minutes**

In compliance with the requirements of Section 38 of the Localism Act 2011, the Deputy Executive Leader, Councillor N J Guyatt, to present the Pay Policy Statement 2012/13 to the Council for approval.

**6. REPORTS OF THE CABINET, PANELS AND COMMITTEE 20 minutes**

(a) Cabinet (Pages 99 - 102)

Report of the meeting to be held on 16th February 2012 to follow.

(b) Overview and Scrutiny Panel (Economic Well-Being) (Pages 103 - 110)

(c) Overview and Scrutiny Panel (Environmental Well-Being) (Pages 111 - 116)

(d) Overview and Scrutiny Panel (Social Well-Being) (Pages 117 - 122)

(e) Development Management Panel (Pages 123 - 124)

(f) Licensing and Protection Panel (Pages 125 - 126)

(g) Employment Panel (Pages 127 - 130)

**7. ORAL QUESTIONS 30 minutes**

In accordance with the Council Procedure Rules (Section 8.3) of the Council's Constitution, to receive oral questions from Members of the Council

Dated this 14th day of February 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 Ms C Deller, Democratic Services Manager, Tel No 01480 388007/e-mail: [Christine.Deller@huntingdonshire.gov.uk](mailto:Christine.Deller@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 Council.**

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

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

*Si vous voulez une traduction de ce document, veuillez nous contacter au 01480 388388 et nous ferons de notre mieux pour satisfaire à vos besoins.*

Jeigu norite gauti šio dokumento išverstą kopiją arba atspausdintą stambiu šriftu, prašau kreiptis į mus telefonu 01480 388388 ir mes pasistengsime jums padėti.

***Jeśli chcieliby Państwo otrzymać tłumaczenie tego dokumentu, wersję dużym drukiem lub wersję audio, prosimy skontaktować się z nami pod numerem 01480 388388, a my postaramy się uwzględnić Państwa potrzeby.***

Se quiser uma tradução desse documento, por favor, contate o número 01480 388388 e tentaremos acomodar as suas necessidades.

This page is intentionally left blank

# Agenda Item 1

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the COUNCIL held in the Civic Suite, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 14 December 2011.

PRESENT: Councillor J J Dutton – Chairman.

Councillors J D Ablewhite, S Akthar,  
M G Baker, Mrs M Banerjee, I C Bates,  
Mrs B E Boddington, P L E Bucknell, G J Bull,  
E R Butler, S Cawley, B S Chapman,  
K J Churchill, S J Criswell, I J Curtis,  
J W Davies, Mrs J A Dew, D B Dew,  
P J Downes, R S Farrer, P M D Godfrey,  
P Godley, J A Gray, S Greenall, N J Guyatt,  
A Hansard, G J Harlock, R Harrison, D Harty,  
R B Howe, C R Hyams, A R Jennings,  
Mrs P A Jordan, Mrs P J Longford,  
P G Mitchell, P D Reeve, Mrs D C Reynolds,  
T V Rogers, T D Sanderson, M F Shellens,  
P A Swales, R G Tuplin, D M Tysoe,  
P K Ursell, P R Ward, J S Watt, R J West and  
A H Williams.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors K M Baker, W T Clough, S M Van De Kerkhove and A J Mackender-Lawrence.

IN ATTENDANCE: Mr D L Hall.

### 42. PRAYER

The Reverend P Swindells opened the meeting with Prayer.

### 43. CHAIRMAN'S ANNOUNCEMENTS

#### (a) St. Ives Leisure Centre

On behalf of the Council, the Chairman commended the actions of the One Leisure Team at St. Ives Leisure Centre for their swift and professional action in responding to a life-threatening emergency at the Centre on 15th November 2011.

The Executive Councillor for Healthy and Active Communities, Councillor T D Sanderson endorsed the Chairman's remarks and added that the calmness and quick thinking displayed by the Team had undoubtedly saved a life.

#### (b) Chairman's Events

The Chairman thanked all those who had attended his Civic Carol Service which had taken place the previous evening

and reminded Members of the arrangements being made for the Holocaust Service which would be held on 24th January 2012 in St. Mary's Church, Huntingdon.

**44. MINUTES**

Subject to some amplification of the text at the top of Page 6 of the Minutes as described in an email distributed to all Members in advance of the meeting, the Minutes of the meeting of the Council held on 2nd November 2011 were approved as a correct record and signed by the Chairman.

**45. MEMBERS' INTERESTS**

Councillor P J Downes declared a personal interest in Minute No. 47 given the potential for consideration of grant funding to the voluntary sector under this item and his family relationship with an employee of the Citizens' Advice Bureau.

**46. SIX MONTHS REVIEW OF PERFORMANCE AND THE VISION FOR THE NEXT EIGHTEEN MONTHS - A COUNCIL DISCUSSION**

The Chairman reminded Members of the decision by the Council to suspend Council Procedure Rule 11 (Rules of Debate) to enable headline debates and "White Paper" proposals to be discussed by Members in an open manner. The Council therefore

**RESOLVED**

that Council Procedure Rule 11 (Rules of Debate) be suspended for the duration of the discussion on Minute No. 46 during which time the common law rules of debate be observed by Members and applied by the Chairman.

The Chairman invited Councillor J D Ablewhite as Executive Leader of the Council to lead the presentation by Cabinet Members. Councillor Ablewhite indicated that each of the Executive Councillors would highlight the achievements in their respective portfolio areas over the last six months before he would conclude the address with an indication of the Cabinet's priorities for the year ahead.

In terms of his overall approach, Councillor Ablewhite reminded the Council that he had appointed a smaller Cabinet with Portfolios based on cross-cutting issues. It also had been the Cabinet's principal priority to produce a balanced budget. Mention also was made of the recent re-structuring of senior management and the development of a positive working relationship with representatives of the Employees' Side which had assisted pay negotiations in 2011 and would facilitate progress of the pay review in the New Year. In recognising that the uncertainty of the last few months may have unsettled staff, Councillor Ablewhite was hopeful that improved communications would ensure that both Members and staff would be better informed of issues affecting the Council. Councillor Ablewhite continued by making reference to the Council's engagement with both the voluntary sector and town and parish Councils and that he had particularly focussed on facilitating growth in the local economy as a member of the Greater Cambridgeshire and Peterborough Partnership and the

Local Enterprise Partnership and by influencing decision making on the Enterprise Zone for Alconbury.

As Deputy Executive Leader and Executive Councillor for Strategic Planning and Housing, and in his role as lead Member for localism, Councillor N J Guyatt reminded Members that the Council's work in the regeneration of Oxmoor was ahead of its time and indicative of the approach envisaged by the Localism Act. By way of further examples, he also referred to the ongoing study into the operation of the Neighbourhood Forums, being undertaken by the Overview and Scrutiny Panel (Social Well-Being) and proposals to develop pilot meetings perhaps involving Yaxley, Eynesbury and Ramsey which would offer those communities the opportunity to discuss environmental, economic and social issues. Mention also was made of the Council's plans for a Huntingdonshire Conference to seek to energise the Strategic Partnership, revitalise the Council's relationships with its partners and inform a new Corporate Plan.

In terms of planning, Members were informed of the Council's commitment to joint working arrangements with District authorities in Cambridgeshire and Peterborough City to seek to address the significant infrastructure deficit. It was also his expectation that the Council would be required to review its core strategy in the light of the Government's new National Planning Policy Framework. Other issues currently under consideration by the Cabinet included the introduction of CIL from 1st April 2012. Councillor Guyatt commended the joint approach towards the delivery of the new Development Brief for RAF Brampton which had involved local Members and interest groups and ultimately resulted in a Brief acceptable to all parties. He was hopeful that, increasingly, this approach could be used in the conduct of the planning process and indicate the way in which the District Council intended to practice localism. In this connection, Councillor Guyatt announced his intention to offer training to all Town and Parish Councils on CIL and the new Planning Strategy.

Regarding the Council's Housing Strategy, Councillor Guyatt suggested that he would be meeting with all registered social landlords (RSLs) in the District to seek to find innovative ways to achieve funding to provide new housing. He was hopeful of encouraging RSL's to consider under-occupancy of their stock to try and accommodate families who needed larger homes. Lastly, Councillor Guyatt made reference to the disabled facility grants and underlined the Cabinet's continued commitment to meet demand for such grants in the future.

As Executive Councillor for Healthy and Active Communities, Councillor T D Sanderson described in detail the efforts being made by the One Leisure Team towards achieving a break-even position in terms of income and expenditure at Leisure Centres by 2014/2015. He was pleased to add that the Centres currently attracted 1.8m visitors plus school use and that workloads undertaken by those employees who had taken advantage of the voluntary redundancy scheme had been absorbed without adversely impacting upon the service. Councillor Sanderson reminded the Council of recent developments at the Centres including the new 3G pitch and changing rooms at St. Ivo Outdoor Centre which had been officially

opened by Howard Webb and was funded with the assistance of grant aid from the Football Foundation.

Councillor Sanderson confirmed that funding to enable the CCTV service to continue had been retained in the budget but that discussions still were being held with partners to find a way of securing a contribution towards its cost. He also confirmed the Council's commitment to the voluntary sector and the inclusion of the £175,000 in the budget for the purpose.

Given the number of changes to the management of health activities locally, Councillor Sanderson reported that he had recently had a positive meeting with Circle, shortly to be responsible for the management of Hinchingsbrooke Hospital and looked forward to establishing a future working partnership with that organisation and building links with the NHS Local Commissioning Groups.

In conclusion, Councillor Sanderson was pleased to report that the Food Safety Agency had granted funding to assist the migration by 1st April 2012 of the current Scores on the Doors Scheme to the National Food Hygiene Rating Scheme established by the Agency.

Councillor B S Chapman, Executive Councillor for Customer Services opened his report by informing the Council that 85% of visitors had been seen within 10 minutes of their arrival at Customer Services. Of these, 97.2% had indicated that they were satisfied with the service that they had received. Despite fewer advisers in the Call Centre, satisfaction with responses to calls was still high although waiting times had been extended. Councillor Chapman acknowledged that impending changes in the systems for revenues and benefits would have an impact on Customer Services.

In terms of the Call Centre, Councillor Chapman suggested that consideration might be given to the possible relocation of the service to District Council accommodation and that a decision could be made in this respect early in the New Year.

Members were made aware of the development of the "My Huntingdonshire" website which would enable users to access all information relevant to the post code registered. Councillor Chapman also presented information on the Virtualisation Project and made reference to the number of successful prosecutions achieved by the Benefits Fraud Section.

In terms of homelessness, Councillor Chapman reported on the increased number seeking housing advice which had increased from 877 in 2010 to 1,220 in 2011. Concluding his address, Councillor Chapman referred generally to difficulties in the Housing Sector and his expectation that tough challenges in this respect lay ahead.

Having recently assumed responsibility for the Environment, Councillor D M Tysoe indicated his intention to give a broad view of the services which fell within the portfolio. Councillor Tysoe began by reminding Members of the Council's recent excellent record for waste recycling and how, partnership with RECAP, would enable the Authority to do even better. He gave notice of an upcoming project which would seek to achieve further savings by optimising the routes



taken by vehicle rounds. Members were reminded of the aspirations of the Green House Project and advised that currently work was progressing in response to the Government's Green Deal. In terms of carbon cost savings, Councillor Tysoe reported that the Council was well on its way to achieving its fuel and carbon targets and was hopeful that the installation of solar panels at Eastfield House would accelerate this progress. In closing, Councillor Tysoe made reference to other environmental initiatives in which he had become involved and these were notably – flood prevention works at Alconbury, a heating scheme in St. Neots and projects associated with Chequers Court, the ring road and railway station in Huntingdon.

Mindful of his presentation on the draft budget later in the meeting, Councillor J A Gray, as Executive Councillor for Resources, spoke briefly about the progress of his portfolio since he had assumed responsibility for it from Councillor T V Rogers. Whilst significant steps had been taken to enable the Council to achieve a balanced budget, he urged Members not to become complacent because steps still would be required to address the deficit of £2.5m that remained.

Notwithstanding the budgetary position, Councillor Gray intimated that it was an exciting time for local government finance given the indication from Government that it was to devolve increased powers in respect of Council Tax and housing benefits. Councillor Gray drew attention to the importance, in current times, of the project "Making Assets Count" which was designed to make maximum use of public sector assets and in this respect he added that consideration was being given to more intensive use of Eastfield and Pathfinder House about which he hoped to make an announcement shortly.

On the conclusion of the presentations by the Executive Councillors, the Executive Leader, Councillor Ablewhite began to describe his view of the "direction of travel" and priorities of the Council over the next 12 months.

He envisaged four key building blocks –

- ◆ to seek further efficiency savings and increase income to protect valued services;
- ◆ to continue to build constructive relationships with public sector partners, town and parish councils, the business community, voluntary sector and the Council's key resource – its employees;
- ◆ to promote and enable sustainable growth whilst maintaining the qualities of the District; and
- ◆ to address disadvantage in all its forms – by meeting housing needs, enabling access to services and by providing work experience and training opportunities for young people.

He added that work on a new Corporate Plan would commence in the New Year and be informed by the Huntingdonshire Conference referred to by Councillor Guyatt. To conclude, Councillor Ablewhite directed the Council towards a power point presentation which illustrated the priorities towards which the Managing Directors would be working in 2012.

In the debate that followed, Councillor S J Criswell commended the

Cabinet for their presentation and urged them to consider how to find a way to allow the CCTV service to continue given its value to the community in preventing crime and anti-social behaviour. In addition, and whilst he recognised the need for savings to be made, he encouraged the Cabinet to support the conclusions of the Scrutiny Working Group which was considering the Voluntary Sector and reminded the Council that services provided by volunteers, in many cases, might otherwise fall upon the District Council. Councillor Criswell also welcomed the Cabinet's commitment to the continuation of disabled facilities grants.

In response to points raised by Councillor C R Hyams, the Executive Leader, Councillor Ablewhite reaffirmed his commitment both to negotiations with partners, including the Police, to seek to secure the continuation of the CCTV service and to ensure that the District Council had first nomination rights to new and vacant homes to ensure "Local Homes for Local People". Councillor R J West concurred with the views of the Executive Leader in terms of the valuable contribution made by Council employees and whilst mindful of the requirement for efficiency savings, urged him to do his utmost to maintain the excellent standards of service provided by staff.

In welcoming the information conveyed to the Council, Councillor P G Mitchell asked how this could be communicated to residents given the discontinuation of the District Wide magazine. The Executive Leader, Councillor Ablewhite informed the Council that a new Corporate Office had been created and that it would be their role, commencing in January 2012, to communicate both to employees, Members and district residents.

Councillor P J Downes, Leader of the Opposition commended the presentation but suggested that, in future, questions should follow each address by Executive Councillors. In particular, he welcomed the information conveyed on the Local Enterprise Zone, the Huntingdonshire Conference and the approach to future development briefs. He also welcomed the good working relationship between the Cabinet and the Overview and Scrutiny Panels. However, Councillor Downes expressed regret that the remainder of the LPSA funding had been directed, without consultation, towards broadband facilities in Cambridgeshire. In response, Councillor Ablewhite clarified that although it had been the decision of Cambridgeshire County Council to direct LPSA monies to broadband, the District Council had negotiated a payment of £100,000 which had been used to off-set any expenditure which might have been incurred by Groups in pursuing community projects.

In response to other questions asked by Councillor Downes, Councillor T D Sanderson commented that he looked forward to the outcome of the Scrutiny Study on the Voluntary Sector but notwithstanding their conclusions, recognised the contribution made by the Citizens' Advice Bureau and other Groups.

Councillor D M Tysoe admitted that the reduction in tariffs for solar panels had taken him by surprise but that he was of the opinion that the District Council's scheme still was viable. Concerns expressed in respect of changes to the benefits systems and homelessness and the impact these would have on the Council were shared by

Councillor Chapman.

Councillor Mrs D C Reynolds referred to the new working relationship established with Circle implied by the Executive Councillor, T D Sanderson and requested that he raise the issue of the closure of Acer Ward at any future meeting he might have and encourage re-opening of the Ward to save patients and their families from travelling to Cambridge or Peterborough. Councillor Sanderson undertook to pass on the questioner's concerns.

Regarding the Council's budget and whilst applauding the progress which had been made, Councillor S Greenall was of the view that further reductions might be achieved and referred to the work that a Scrutiny Study Group was undertaking on the document centre. Councillor Greenall also made reference to the costs incurred in employing temporary staff and suggested that the budget head needed to be reviewed urgently given that a high proportion of the £369,000 budget had already been spent. In thanking the Councillor for his assistance, Councillor Ablewhite accepted that the employment of temporary staff was an issue which required to be looked into.

Councillor P D Reeve congratulated the Leader on the presentation by the Cabinet and referring specifically to the issue of homelessness endorsed the approach being taken towards securing appropriately sized accommodation for families. As relevant Executive Councillor, Councillor N J Guyatt confirmed that the District Council would continue to work in partnership with the RSLs to meet housing demand in required locations. On a similar subject, Councillor P M D Godfrey expressed concern regarding the Council's ability to deliver affordable homes in the light of new planning guidance. It was explained that Government Inspector's would have a greater role to play in this respect.

In response to a question from Councillor Mrs M Banerjee which suggested that the Council meeting should have a greater involvement in the regular audit of accounts, Councillor J A Gray was of the view that, as the Council would continue to receive excellent financial presentations, he would not wish to place a further demand on resources by producing additional detailed information which, in his view, was not essential.

Councillor Ablewhite thanked the Council for their contribution to the discussion and for their support in his first few months as Executive Leader.

#### **47. DRAFT BUDGET 2012/13 AND MEDIUM TERM PLAN**

By reference to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) Councillor J A Gray, Executive Councillor for Resources presented the draft Budget 2012/13 and Medium Term Plan 2013 - 2017. Councillor Gray paid tribute to his predecessor, Councillor T V Rogers who had previously held the portfolio with distinction. The Executive Councillor took the opportunity to remind Members that the Overview and Scrutiny Panel (Economic Well-Being) also had contributed to discussions on the draft Budget.

Further to Minute No 46, Councillor Gray reminded the Council of the significance progress which had been made towards achieving a balanced budget whilst at the same time protecting valuable services, by re-instating a proportion of the grant allocated to the voluntary sector, by retaining CCTV through discussion with other partners, by enabling people to continue to live in their own homes through a commitment to disabled facilities grants and by further investment in high quality leisure facilities. Notwithstanding these achievements, Councillor Gray reminded Members of the range of economic risks and uncertainties which would make decision-making very complex in the year ahead. In this light, the Council was reminded of the Government's decision to offer a one year reward grant equivalent to a 2.5% increase to an authority that chose not to raise its council tax level in 2012/13.

Councillor Gray re-affirmed his continued commitment to maintaining a financially healthy authority and a balanced budget so that the Council could continue to provide the public services expected of it.

Having carefully reviewed the contents of the report, Councillor Gray commended the recommendation of the Cabinet on the draft Budget 2012/13 and Medium Term Plan 2013 - 2017. The recommendation was duly seconded by Councillor J D Ablewhite.

In the debate that followed, and in response to a question by Councillor I C Bates, Councillor Gray confirmed that it was not the Council's intention to ring-fence the New Homes Bonus for use by a particular community but to use it as a source of funding to benefit the District as a whole.

Having thanked Councillor Gray for his kind words, Councillor Rogers questioned how the Cabinet would determine its priorities in the face of the challenges which lay ahead. Councillor Gray suggested that further acceptable savings had been identified and that he looked forward to discussing these options with the Overview and Scrutiny Panel (Economic Well-Being).

Having asked the Executive Councillor for Strategic Planning and Housing, Councillor N J Guyatt, to reply in writing to a question from Councillor M F Shellens relating to the average cost of dealing with a family presenting themselves as homeless, the extent of the homelessness budget and the number of homeless families able to be accommodated by the District, it was

#### RESOLVED

- (a) that the draft Budget and Medium Term Plan, appended to the report of the Head of Financial Services, be approved as the basis for the development of the Budget for 2012/13 and revised Medium Term Plan 2013 - 2017;
- (b) that the proposed Council Tax Freeze Grant be not accepted and no tax increase be agreed which would require the holding of a referendum; and

- (c) that the Council place on record its gratitude for the contribution made to the draft budget process and report by Councillors J A Gray and T V Rogers and Officers in the Financial Services Division.

**48. REPORTS OF THE CABINET, PANELS AND COMMITTEES**

**(a) Cabinet**

Councillor J D Ablewhite, Executive Leader and Chairman of the Cabinet presented the Report of the meetings of the Cabinet held on 17th November and 8th December 2011.

.....

Upon being put to the vote, the recommendation contained in Item No 34 was declared to be CARRIED.

.....

In connection with Item No 41, it was noted that the recommendation had been considered previously under Minute No 47.

.....

In connection with Item No 45 and in response to a question from Councillor P J Downes, Councillor Ablewhite thanked those Members and Officers who had contributed to the completion of the Urban Design Framework for RAF Brampton.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraphs, the Report of the meetings of the Cabinet held on 17th November and 8th December 2011 be received and adopted.

**(b) Standards Committee**

Mr D L Hall presented the Report of the meeting of the Standards Committee held on 1st December 2011.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Standards Committee held on 1st December 2011 be received and adopted.

**(c) Overview & Scrutiny Panel (Economic Well-Being)**

Councillor T V Rogers presented the Report of the meetings of the Overview & Scrutiny Panel (Economic Well-Being) held on 3rd November and 1st December 2011.

.....

In connection with Item No 31 and in response to a question from Councillor P J Downes regarding the pressure on resources in planning services to respond to applications for development in the Alconbury Enterprise Zone, the Executive Leader, Councillor Ablewhite acknowledged that the implications of this additional workload had been identified and would remain under review. Councillor Rogers added that the situation also would continue to be monitored by the Panel.

.....

Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview & Scrutiny Panel (Economic Well-Being) held on 3rd November and 1st December 2011 be received and adopted.

**(d) Overview & Scrutiny Panel (Environmental Well-Being)**

Councillor P M D Godfrey presented the Report of the meetings of the Overview & Scrutiny Panel (Environmental Well-Being) held on 1st November and 8th December 2011.

.....

Councillor Godfrey expressed his gratitude to the Members of the Panel for their contribution over the year and particularly thanked the Independent co opted Members on the Panel for their valuable input.

.....

In connection with Item No 28, Councillor R J West thanked Councillor Godfrey for the opportunity offered to both Councillor Mrs B E Boddington and himself to address the Panel on issues relating to Loves Farm, St Neots. In response, Councillor Godfrey was hopeful that the Working Group appointed to examine Members' concerns could provide advice that would prove helpful to the planning process in the future.

.....

Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview & Scrutiny Panel (Environmental Well - Being) held on 1st November and 8th December 2011 be received and adopted.

**(e) Overview & Scrutiny Panel (Social Well-Being)**

Councillor S J Criswell presented the Report of the meetings of the Overview & Scrutiny Panel (Social Well-Being) held on 1st November and 6th December 2011.

.....

In connection with Item No 33 and in response to a question from Councillor P L E Bucknell, Councillor Criswell suggested that it was premature to comment on the approach likely to be taken by the Police Commissioner towards community engagement. In terms of the current review of Neighbourhood Forums, the police had indicated a willingness to continue their involvement in community decision making through any model agreed by the District Council.

.....

Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview & Scrutiny Panel (Social Well-Being) held on 1st November and 6th December 2011 be received and adopted.

**(f) Development Management Panel**

Councillor D B Dew presented the Report of the meeting of the Development Management Panel held on 21st November 2011.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Development Management Panel held on 21st November 2011 be received and adopted.

**(g) Licensing & Protection Panel**

Councillor J W Davies presented the Report of the meeting of the Licensing & Protection Panel held on 26th October

2011.

.....

In connection with Item No 9, Councillor Davies reaffirmed the statement made by Councillor T D Sanderson earlier in the meeting that the Council had received grant funding totalling £16,000 from the Foods Standards Agency (FSA) to migrate from the Scores on the Doors food hygiene scheme to the one run by the FSA.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Licensing & Protection Panel held on 26th October 2011 be received and adopted.

**(h) Licensing Committee**

Councillor J W Davies presented the Report of the meeting of the Licensing Committee held on 26th October 2011.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Licensing Committee held on 26th October 2011 be received and adopted.

**(i) Corporate Governance Panel**

Councillor E R Butler presented the Report of the meetings of the Corporate Governance Panel held on 2nd November and 7th December 2011.

.....

Upon being put to the vote, the recommendations contained in Item No 11 were declared to be CARRIED.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraph, the Report of the meetings of the Corporate Governance Panel held on 2nd November and 7th December 2011 be received and adopted.



**(j) Employment Panel**

Councillor P A Swales presented the Report of the meeting of the Employment Panel held on 30th November 2011.

.....

Councillor Swales asked the Council to join him in congratulating Mr J Clark on his 36 years of service in local government and in sending best wishes to him for his retirement.

.....

In connection with Item No 11 and in response to a question from Councillor S Cawley, Councillor Swales undertook to look into the circumstances described by the questioner which involved both sick pay and payments to temporary staff.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Employment Panel held on 30th November 2011 be received and adopted.

**(k) Senior Officers Panel**

Councillor N J Guyatt presented the Report of the meeting of the Senior Officers' Panel held on 1st December 2011.

.....

Upon being put to the vote, the recommendations contained in Item No 7 were declared to be CARRIED.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraph, the Report of the meeting of the Senior Officers' Panel held on 1st December 2011 be received and adopted.

**49. MOTION ON NOTICE**

It was moved by the Group Leaders – Councillors J D Ablewhite, P J Downes and P D Reeve and Independent Member, Councillor R G Tuplin and duly seconded that -

'Notwithstanding the correspondence that has already been sent by Members of this Council to Ministers at the Department of Communities and Local Government, this Council calls on the Secretary of State to adopt a flexible approach in judging any proposed increase in council tax as 'excessive' so as to encourage responsible local decision - making within a broad framework of guidance from the DCLG eg by dropping a crude percentage criterion for all Councils and instead taking as a 'capping ceiling' the cash value of a government – determined increase in the average council tax levied by each tier of local government'

Upon being put to the vote, the Motion was declared to be CARRIED (unanimously).

## **50. ORAL QUESTIONS**

In accordance with the Council Procedure Rules (paragraph 8.3 of the Rules), the Chairman proceeded to conduct a period of oral questions addressed to Executive Councillors and Panel Chairmen as follows:-

### **Question from Councillor R S Farrer to the Executive Leader, Councillor J D Ablewhite**

In response to a question which suggested that local Members had not been kept informed of matters relating to Loves Farm, St Neots, Councillor Ablewhite assured the questioner that the advent of the Corporate Office would improve communication with Members in this respect

### **Question from Councillor Mrs M Banerjee to the Executive Leader, Councillor J D Ablewhite**

In response to a question regarding the Armed Forces Covenant, Councillor R Harrison, on behalf of Councillor Ablewhite, confirmed that although Cambridgeshire County Council had signed the covenant in principle, this commitment had not yet involved any financial obligation on their part.

### **Question from Councillor M F Shellens to the Deputy Executive Councillor and Executive Councillor for Strategic Planning and Housing, Councillor N J Guyatt**

In response to a series of questions requesting information on housing matters, Councillor Guyatt replied that there were currently 3541 on the housing waiting list, that only RSLs could apply to use those houses made empty due to management orders and that the Council had responded to government consultation on empty homes.

### **Question from Councillor S Greenall to the Executive Leader, Councillor J D Ablewhite**

In response to comments regarding the efficiency of the process for managing Members' post, Councillor Ablewhite assured the questioner that he would look into the matter.

**51. MEMBERSHIP OF CABINET, COMMITTEES AND PANELS**

On the recommendation of the Executive Leader, Councillor J D Ablewhite, it was

RESOLVED

that Councillor G J Harlock be appointed to the membership of the Corporate Governance Panel in the place of Councillor J A Gray.

The meeting ended at 10 pm.

Chairman

This page is intentionally left blank

---

## **Medium Term Plan, Budget and Associated Matters**

### **Report by the Head of Financial Services**

---

#### **1. PURPOSE**

- 1.1 The purpose of this report is to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the MTP, the 2012/13 budget and associated matters.
- 1.2 It also seeks Council's formal determination of the Council Tax for 2012/13.

#### **2. BACKGROUND**

- 2.1 On 16th February 2012 the Cabinet will discuss a report on the MTP and the 2012/13 budget (copy attached as Appendix A). They will take into account the comments from the Overview and Scrutiny Panel (Economic Well-Being) meeting (2nd February 2012) and the consultation meeting with members of the local business community (6th February 2012).
- 2.2 The Cabinet will also consider an associated report on the Council's Treasury Management Strategy for 2012/13 which is attached as Appendix B.
- 2.3 The Cabinet's recommendations on both reports will be circulated as soon as they are available.
- 2.4 The formal resolution for approving the Council Tax (Appendix C) consists of two parts. The first provides specific figures relating to this Council's income and expenditure.
- 2.5 The second part contains two tables. The first shows the Council Tax that each council or authority is setting for 2012/13 for each house valuation band. The second table aggregates these for each parish or town in the District so that the total Council Tax can be identified.
- 2.6 These tables are based on the assumption that the Cabinet, and subsequently the Council, will support the proposals in the budget report for the increase in Huntingdonshire's Council Tax for 2012/13. They also assume that the tax levels for the other councils and authorities will all be formally confirmed. Given the uncertainty around the decisions of the other Councils and authorities, **these tables will be circulated at the meeting.**

### **3. DECISIONS**

3.1 In the light of the Cabinet's recommendations, the Council is invited to -

- ◆ **approve the proposed Budget, MTP and Financial Plan;**
- ◆ **approve the Treasury Management Strategy and Prudential Indicators; and**
- ◆ **approve the Band D Council Tax of £128.51 for 2012/13 and the formal resolutions shown in Appendix C.**

### **BACKGROUND PAPERS**

Working Papers - Files in Financial Services

Contact Officer: Steve Couper, Head of Financial Services  
☎ 01480 388103

## APPENDIX A

### BUDGET 2012/13 AND MEDIUM TERM PLAN 2013 - 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 22nd 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
<b>NEW FORECAST</b>	<b>21,435</b>	<b>21,722</b>	<b>22,299</b>	<b>22,842</b>	<b>23,611</b>	<b>24,365</b>
<b>FUNDING</b>						
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0
<b>Remaining revenue reserves EOY</b>	<b>12,032</b>	<b>9,485</b>	<b>7,531</b>	<b>5,622</b>	<b>4,500</b>	<b>4,500</b>
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
<b>COUNCIL TAX LEVEL</b>	<b>£124.17</b>	<b>£128.51</b>	<b>£133.01</b>	<b>£137.66</b>	<b>£142.48</b>	<b>£147.47</b>
£ increase	<b>£0.00</b>	<b>£4.34</b>	<b>£4.50</b>	<b>£4.66</b>	<b>£4.82</b>	<b>£4.99</b>
<b>Unidentified Spending Reductions</b>	<b>0</b>	<b>0</b>	<b>-337</b>	<b>-550</b>	<b>-616</b>	<b>-891</b>
<b>Extra savings if higher risks</b>		<b>-100</b>	<b>-800</b>	<b>-1,000</b>	<b>-1,600</b>	<b>-2,100</b>
<b>DRAFT BUDGET</b>						
<b>Unidentified Spending Reductions</b>		<b>0</b>	<b>-500</b>	<b>-800</b>	<b>-1,338</b>	<b>-1,409</b>
<b>LAST YEAR</b>						
<b>Unidentified Spending Reductions</b>		<b>-751</b>	<b>-961</b>	<b>-1,524</b>	<b>-1,975</b>	<b>-2,028</b>



#### 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
<b>DRAFT excluding Unidentified Savings</b>	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
<b>TOTAL VARIATIONS</b>	73	26	-113	-232	0	25
<b>PROPOSED excl. Unidentified Savings</b>	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
<b>DRAFT</b>	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
<b>TOTAL VARIATIONS</b>	-184	-1,428	-77	118	164	168
<b>PROPOSED</b>	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.

## **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
<b>Proposed Range</b>					
<b>Lower End (Budgeted risk provision)</b>	<b>0.0</b>	<b>0.8</b>	<b>1.0</b>	<b>1.3</b>	<b>1.5</b>
<b>Higher End</b>	<b>0.1</b>	<b>1.6</b>	<b>2.0</b>	<b>2.9</b>	<b>3.6</b>
<b>Extra savings required if higher end assumptions correct</b>	<b>0.1</b>	<b>0.8</b>	<b>1.0</b>	<b>1.6</b>	<b>2.1</b>

## 7. 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. 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 20<sup>th</sup> 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.

<b>Tax Band</b>	<b>Percentage at band (rounded)</b>	<b>2011/12 Council Tax</b>
A	16%	£82.78
B	26%	£96.58
C	24%	£110.37
<b>D</b>	<b>16%</b>	<b>£124.17</b>
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 Councils 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
<b>Planned Tax Level</b>	£133.01	£137.66	£142.48	£147.47
<b>Cash Increase per year</b>	£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
<b>NEW FORECAST</b>	<b>21,435</b>	<b>21,722</b>	<b>22,299</b>	<b>22,842</b>	<b>23,611</b>	<b>24,365</b>
<b>FUNDING</b>						
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0
<b>Remaining revenue reserves EOY</b>	<b>12,032</b>	<b>9,485</b>	<b>7,531</b>	<b>5,622</b>	<b>4,500</b>	<b>4,500</b>
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
<b>COUNCIL TAX LEVEL</b>	<b>£124.17</b>	<b>£128.51</b>	<b>£133.01</b>	<b>£137.66</b>	<b>£142.48</b>	<b>£147.47</b>
£ increase	<b>£0.00</b>	<b>£4.34</b>	<b>£4.50</b>	<b>£4.66</b>	<b>£4.82</b>	<b>£4.99</b>
<b>Unidentified Spending Reductions</b>	<b>0</b>	<b>0</b>	<b>-337</b>	<b>-550</b>	<b>-616</b>	<b>-891</b>
<b>Extra savings if higher risks</b>		<b>-100</b>	<b>-800</b>	<b>-1,000</b>	<b>-1,600</b>	<b>-2,100</b>

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

10.2 The following Annexes 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 2nd February and a consultation meeting with members of the business community on 6th 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 recommend to 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**

## **ANNEXES**

- 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							
<b>DRAFT before Unidentified Savings</b>	<b>21,362</b>	<b>21,696</b>	<b>22,749</b>	<b>23,624</b>	<b>24,227</b>	<b>25,231</b>	<b>5,506</b>	<b>12,198</b>	<b>4,067</b>	<b>2,851</b>	<b>3,736</b>	<b>2,699</b>
<b>Pay and Allowances</b>												
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						
<b>Voluntary Sector Grants</b>			188	188	188	188						
<b>Other Service Variations</b>	241	394	330	103	137	142	-1,225	-456	-75	112	152	152
<b>Technical Variations</b>	-168	-73	-168	-14	208	332	1,041	-972	-2	6	12	16
<b>TOTAL VARIATIONS</b>	73	26	-113	-232	0	25	-184	-1,428	-77	118	164	168
<b>PROPOSED before Unidentified Savings</b>	<b>21,435</b>	<b>21,722</b>	<b>22,636</b>	<b>23,392</b>	<b>24,227</b>	<b>25,256</b>	<b>5,322</b>	<b>10,770</b>	<b>3,990</b>	<b>2,969</b>	<b>3,900</b>	<b>2,867</b>
Less forecast unidentified savings			337	550	616	891						
<b>PROPOSED net of Unidentified Savings</b>	<b>21,435</b>	<b>21,722</b>	<b>22,229</b>	<b>22,842</b>	<b>23,611</b>	<b>24,365</b>	<b>5,322</b>	<b>10,770</b>	<b>3,990</b>	<b>2,969</b>	<b>3,900</b>	<b>2,867</b>

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
<b>Other Service Variations</b>												
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				-40	
St Neots District Heating Scheme												
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	63				
Town Centre Developments	86						-86					
Disabled Facilities Grants												
Community Infrastructure Levy - Preparations	97	-56	-70	-58	-69	-64	-715	-295	152	152	152	152
Community Infrastructure Levy - Preparations		25	50	50	50	50	23	25				
Wheeled Bins for New Properties							-99					
2011/12 Forecast Outturn	221											
	<b>241</b>	<b>394</b>	<b>330</b>	<b>103</b>	<b>137</b>	<b>142</b>	<b>-1,225</b>	<b>-456</b>	<b>-75</b>	<b>112</b>	<b>152</b>	<b>152</b>

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	
<b>Technical Variations</b>													
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							
	<b>-168</b>	<b>-73</b>	<b>-168</b>	<b>-14</b>	<b>208</b>	<b>332</b>	<b>1,041</b>	<b>-972</b>	<b>-2</b>	<b>6</b>	<b>12</b>	<b>16</b>	

## RISK RANGES

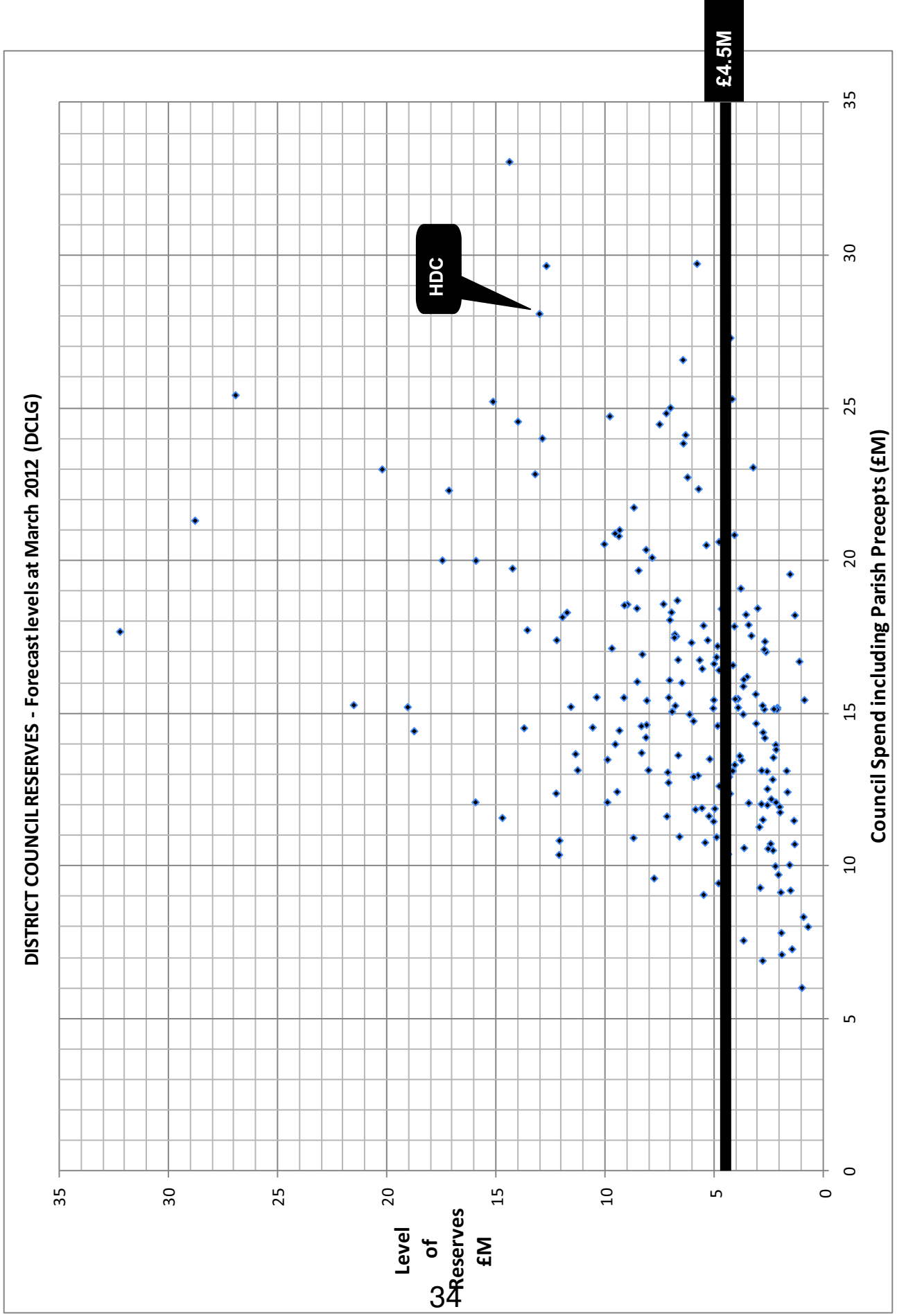
The Low end assumption is included in the Budget/MTP.

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



## **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		
<b>NEW FORECAST</b>	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		
<b>FUNDING</b>																
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0	0	0	0	0	0	0	0	0		
<b>Remaining revenue reserves EOY</b>	<b>12,032</b>	<b>9,485</b>	<b>7,531</b>	<b>5,622</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>		
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		
<b>COUNCIL TAX LEVEL</b>	<b>£124.17</b>	<b>£128.51</b>	<b>£133.01</b>	<b>£137.66</b>	<b>£142.48</b>	<b>£147.47</b>	<b>£152.63</b>	<b>£157.97</b>	<b>£163.50</b>	<b>£169.22</b>	<b>£175.15</b>	<b>£181.28</b>	<b>£187.62</b>	<b>£194.19</b>		
£ 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		

<b>DRAFT BUDGET</b>	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		
<b>Remaining revenue reserves EOY</b>	<b>11,837</b>	<b>9,116</b>	<b>7,001</b>	<b>4,813</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>		
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		

<b>LAST YEAR</b>	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		
<b>Remaining revenue reserves EOY</b>	<b>9,371</b>	<b>6,649</b>	<b>5,045</b>	<b>3,310</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>	<b>3,010</b>		
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
<b>Environmental Services</b>			
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
	<b>8,136</b>	<b>7,334</b>	<b>7,726</b>
<b>Planning</b>			
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
	<b>2,365</b>	<b>1,971</b>	<b>1,409</b>
<b>Community Services</b>			
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
	<b>6,791</b>	<b>5,880</b>	<b>5,626</b>
<b>Community Safety</b>			
Community Safety	908	583	404
	<b>908</b>	<b>583</b>	<b>404</b>
<b>Housing Services</b>			
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
	<b>4,516</b>	<b>5,467</b>	<b>5,313</b>
<b>Highways &amp; Transportation</b>			
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
	<b>462</b>	<b>1,358</b>	<b>772</b>
<b>Corporate Services</b>			
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
	<b>5,059</b>	<b>4,751</b>	<b>4,649</b>
<b>Other Expenditure</b>			
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
	<b>-5,622</b>	<b>-5,908</b>	<b>-4,177</b>
<b>Council Total</b>	<b>22,615</b>	<b>21,435</b>	<b>21,722</b>

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
<b>Environmental Services</b>				
Refuse Collection	Abandoned Vehicles	59	37	37
	Domestic Refuse	3,209	3,078	3173
	Trade Refuse	-15	-18	-8
		<b>3,253</b>	<b>3,096</b>	<b>3,202</b>
Recycling	Recycling	616	271	376
	Recycling Sites	-83	-84	-93
		<b>533</b>	<b>187</b>	<b>283</b>
Drainage & Sewers	Internal Drainage Boards	367	378	387
	Nightsoil Collection	11	7	11
	Watercourses	222	184	269
		<b>600</b>	<b>569</b>	<b>667</b>
Public Conveniences	Public Conveniences	53	56	57
		<b>53</b>	<b>56</b>	<b>57</b>
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
			<b>2,214</b>	<b>2,129</b>
Closed Churchyards	Closed Churchyards	9	9	6
		<b>9</b>	<b>9</b>	<b>6</b>
Street Cleaning & Litter	Littering	88	69	88
	Street Cleaning	1,386	1,221	1,300
		<b>1,474</b>	<b>1,290</b>	<b>1,388</b>
<b>Environmental Services</b>		<b>8,136</b>	<b>7,334</b>	<b>7,726</b>
<b>Planning</b>				
Development Management	Advice	652	574	605
	Application Processing	265	562	219
	Enforcement	276	222	226
		<b>1,193</b>	<b>1,358</b>	<b>1,050</b>
Building Control	Promotion & Enforcement	216	216	229
	Applications	-21	-41	-121
		<b>195</b>	<b>175</b>	<b>108</b>
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
		<b>1,332</b>	<b>1,059</b>	<b>1,228</b>

<b>SERVICE BUDGET</b>		<b>2011/12</b>		<b>2012/13</b>
		<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>
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
		<b>-364</b>	<b>-622</b>	<b>-977</b>
Planning Delivery Grant	Planning Grant Unallocated	<b>9</b>	<b>0</b>	<b>0</b>
	<b>Planning</b>	<b>2,365</b>	<b>1,970</b>	<b>1,409</b>
<b>Community Services</b>				
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
		<b>575</b>	<b>488</b>	<b>449</b>
Tourism	Tourism	100	0	0
		<b>100</b>	<b>0</b>	<b>0</b>
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
		<b>1,019</b>	<b>997</b>	<b>886</b>
Parks	Parks & Open Spaces	1,755	1,536	1,526
	Pavilions	68	66	67
	Unallocated Land Survey	2	2	0
		<b>1,825</b>	<b>1,604</b>	<b>1,593</b>
Leisure Policy	Arts Development	60	23	17
	Leisure Development	331	358	313
		<b>391</b>	<b>381</b>	<b>330</b>
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
		<b>2,856</b>	<b>2,385</b>	<b>2,347</b>
Community Facilities	Leisure Grants	4	4	0
	Priory Centre	21	21	21
		<b>25</b>	<b>25</b>	<b>21</b>
	<b>Community Services</b>	<b>6,791</b>	<b>5,880</b>	<b>5,626</b>

SERVICE BUDGET		2011/12		2012/13
		Budget	Forecast	Budget
		£000	£000	£000
<b>Community Safety</b>				
Community Safety	C C T V	558	322	171
	Community Safety	350	261	233
		<b>908</b>	<b>583</b>	<b>404</b>
	<b>Community Safety</b>	<b>908</b>	<b>583</b>	<b>404</b>
<b>Housing Services</b>				
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
		<b>884</b>	<b>977</b>	<b>905</b>
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
		<b>1,664</b>	<b>2,783</b>	<b>2,384</b>
Homelessness	Accommodation For Homeless	23	25	63
	Homelessness Management	312	257	404
	Homeless Prevention	148	76	185
	Hostel Support	104	104	106
		<b>587</b>	<b>462</b>	<b>758</b>
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
		<b>1,381</b>	<b>1,246</b>	<b>1,266</b>
	<b>Housing Services</b>	<b>4,516</b>	<b>5,468</b>	<b>5,313</b>
<b>Highways &amp; Transportation</b>				
Transportation Strategy	Cycling	26	29	31
	Transportation Management	195	226	245
	Transport Schemes	147	622	126
		<b>368</b>	<b>877</b>	<b>402</b>
Public Transport	Bus Shelters	123	85	97
	Bus Stations	78	98	109
	Concessionary Fares	28	21	15
		<b>229</b>	<b>204</b>	<b>221</b>
Highways Services	Street naming	129	118	145
		<b>129</b>	<b>118</b>	<b>145</b>
Car Parks	Car Park Assets	120	94	117
	Car Park Management	-752	-302	-515
	Car Park Policy	24	54	55
		<b>-608</b>	<b>-154</b>	<b>-343</b>
Environmental Improvements	Management	96	60	102
	Schemes	248	252	245
		<b>344</b>	<b>312</b>	<b>347</b>
	<b>Highways &amp; Transportation</b>	<b>462</b>	<b>1,357</b>	<b>772</b>

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

SUMMARY BUDGET Controllable basis		REVENUE												NET CAPITAL															
		Actual			Budget			Forecast			Budget			MTP			Budget			Forecast			Budget			MTP			
		2010	2011	2012	2011	2012	2013	2011	2012	2013	2012	2013	2014	2014	2015	2016	2011	2012	2013	2011	2012	2013	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	£000	£000	
Managing Directors and Corporate Office	1,168	1,002	896	454	406	406	406	403	403	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	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	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	2,188	2,133	2,133	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	4,254	4,216	4,216	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	376	171	171	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	2,531	2,492	2,492	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	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	5,444	5,826	5,826	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	1,906	1,876	1,876	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	-286	-279	-279	-279	-279	-279	-279	-279	3,706	251	4,329	697	422	672	535								
Non-Allocated Items		-1,411	-1,085	-375	379	929	1,899	2,631	2,631	2,631	2,631	2,631	2,631	2,631	-123	-186	-50	145	189	318	315								
<b>TOTAL BUDGET</b>	<b>22,818</b>	<b>22,615</b>	<b>21,435</b>	<b>21,722</b>	<b>22,299</b>	<b>22,842</b>	<b>23,611</b>	<b>24,365</b>	<b>24,365</b>	<b>24,365</b>	<b>24,365</b>	<b>24,365</b>	<b>24,365</b>	<b>24,365</b>	<b>11,933</b>	<b>5,322</b>	<b>10,770</b>	<b>3,990</b>	<b>2,969</b>	<b>3,900</b>	<b>2,867</b>								

**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

	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
<b>Management Units</b>																		
<b>Policy People &amp; Partnerships</b>																		
<b>MTP Variations</b>																		
# Central Services - Reorganisation (part)																		
<b>TOTAL</b>	1,170	1,212	995	980	980	980	980	980	980	980	980	980	980	980	980	980	980	980
<b>Internal Services</b>																		
<b>Human Resources</b>																		
<b>MTP Variations</b>																		
# Central Services - Reorganisation (part)																		
<b>TOTAL</b>	172	202	235	251	251	251	251	251	251	251	251	251	251	251	251	251	251	251
<b>Former Legal and Democratic Planning</b>																		
<b>Economic Development (Estates)</b>																		
<b>MTP Variation</b>																		
239 New Industrial Units																		
657 Creative Industries Centre, St Neots																		
509 Industrial Estate Repairs																		
<b>TOTAL</b>	-1,386	-1,529	-1,408	-1,569	-1,597	-1,597	-1,597	-1,597	-1,600	-1,600	-1,600	-1,600	-1,600	-1,600	-1,600	-1,600	-1,600	-1,600
	1,168	1,002	896	454	406	406	406	406	403	403	403	403	403	403	403	403	403	403
<b>Head of Legal &amp; Democratic Services</b>																		
<b>Environmental Services</b>																		
<b>Environmental Health (Licensing)</b>																		
<b>MTP Variations</b>																		
# Licensing - efficiency and higher charges																		
<b>TOTAL</b>	-262	-267	-268	-281	-288	-288	-295	-302	-302	-302	-302	-302	-302	-302	-302	-302	-302	-302
<b>Corporate Services</b>																		
<b>Corporate Management</b>																		
<b>TOTAL</b>		2	9	2	2	2	2	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
<b>Housing Services</b>															
<b>MTP Variations</b>															
702 Mobile Home Park, Eynesbury		3			3	3	3	3		-73					
<b>TOTAL</b>	-23	-5	-11	-2	-2	-2	-2	-2		-73					
<b>Private housing support</b>															
<b>MTP Variation</b>															
947 Mortgage Fall-out		32			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				
<b>TOTAL</b>	-51	29	28	61	61	61	61	61	900	998	1,635	1,376	1,387	1,429	1,208
<b>Homelessness</b>															
<b>MTP Variations</b>															
945 Priority Needs Scheme (End of temporary Savings)				31		33	33	33							
## Homelessness Grant					85	85	85	85							
<b>TOTAL</b>	209	173	129	236	323	323	323	323							
<b>Management Units</b>															
<b>MTP Variations</b>															
993 Maintain Service Level (Advice and Homelessness)				35		-55	-55	-55							
# Housing staff efficiency savings				-55											
<b>TOTAL</b>	1,045	1,095	1,056	1,005	970	970	970	970	900	925	1,635	1,376	1,387	1,429	1,208
<b>TOTAL</b>	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





# 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
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Planning</b>																	
Markets																	
TOTAL	-122	-165	-120	-167	-167	-167	-167	-167	-167								
<b>Community safety</b>																	
CCTV																	
MTP Variations																	
865 CCTV - Camera replacements																	
# Reduce CCTV to a basic service				-43	-43	-43	-43	-43	-43								
# Mothball CCTV				-100	-100	-100	-100	-100	-100								
TOTAL	430	365	356	219	219	219	219	219	219	20	27	28	28	28	28	28	28
<b>Community Services</b>																	
Countryside																	
MTP Variations																	
# Countryside - reduce staff and increase income				-48	-98	-98	-98	-98	-98								
TOTAL	357	384	379	311	261	261	261	261	261								
<b>Parks</b>																	
MTP Variations																	
854 Play Equipment & Safety Surface Renewal																	
TOTAL	-29	11	12	13	13	13	13	13	13	50	70	20	20	20	20	20	20
<b>Highways &amp; Transportation</b>																	
Car parks																	
MTP Variations																	
480 Implementation of car park strategy				-10	-20	-30	-40	-40	-84								
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	-1,295								
<b>Corporate Services</b>																	
Central services (emergency planning)																	
TOTAL	29	30	13	32	32	32	32	32	32								

# BUDGET Controllable basis

Management Units	Actual 2010 2011 £000	REVENUE						NET CAPITAL								
		Budget			MTP			Forecast		Budget		MTP				
		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	2017 £000
<b>Management Units</b>																
<b>Operations</b>																
<b>MTP Variations</b>																
# Operations Division Reorganisation					-54	-54										
<b>TOTAL</b>	1,410	1,409	1,307	1,258	1,258	1,258	1,258	1,258								
<b>Internal services</b>																
<b>MTP Variations</b>																
991 Agency Worker Regulations (part)			1	6	6	6	6	6								
# Reduced grounds maintenance standards				-150	-150	-150	-150	-150								
<b>TOTAL</b>	827	917	821	770	770	770	770	770	770	770						
<b>Other internal services (vehicles &amp; plant)</b>																
<b>MTP Variations</b>																
886 Vehicle fleet replacements.											551	742	792	1,046	908	942
<b>TOTAL</b>	25	14	14	14	14	14	14	14	14	14	551	742	792	1,046	908	942
	<b>4,517</b>	<b>4,946</b>	<b>4,501</b>	<b>4,298</b>	<b>4,261</b>	<b>4,257</b>	<b>4,254</b>	<b>4,216</b>	<b>4,216</b>	<b>4,216</b>	<b>758</b>	<b>989</b>	<b>1,015</b>	<b>1,275</b>	<b>1,143</b>	<b>1,409</b>
<b>Head of Planning Services</b>																
<b>Planning</b>																
<b>Development control</b>																
<b>MTP Variations</b>																
904 Community Infrastructure Levy - Preparations			97	-61	-130	-193	-229	-249								
904A Community Infrastructure Levy - Ongoing				25	50	50	50	50								
997 RAF Alconbury Development			-40	140												
999 Woolley Hill Wind Farm, Appeal Costs			60													
<b>TOTAL</b>	-556	-948	-663	-993	-1,177	-1,240	-1,276	-1,296	-1,296	-1,296	23	23	25	25	25	25



# BUDGET Controllable basis

	REVENUE												NET CAPITAL																		
	Actual			Budget			Forecast			MTP			Budget			Forecast			MTP												
	2010	2011	2012	2011	2012	2013	2013	2014	2015	2016	2017	2016	2017	2011	2012	2013	2014	2015	2016	2017	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	£000	£000				
<b>Planning policy and conservation</b>																															
<b>MTP Variations</b>																															
903																															
			68			-90	-230	-225	-225	-225																					
358				-5		-2	-5	-5	-5	-5																					
			25			175																									
909							-20	-20	-20	-20																					
	141	410	387	505	495	157	162	162	162	162																					
<b>Economic Development</b>																															
<b>MTP Variations</b>																															
401																															
224																															
850																															
998																															
	2	163	27	25	2	2	2	2	2	2																					
	4,945	222	982	2,136	-700	-700	-700	-700	-700	-700																					
<b>Transportation Strategy</b>																															
<b>MTP Variation</b>																															
871																															
351																															
363																															
977																															
	76	95	96	98	98	98	98	98	98	98																					
<b>Public transport incl. concessionary fares</b>																															
<b>MTP Variations</b>																															
818																															
	598	10	17	10	10	10	10	10	10	10																					
	26	22	22	20	20	20	20	20	20	20																					
	4,723	12	210	80	902	2136	-700	-700	-700	-700																					
	4,945	222	982	2,136	-700	-700	-700	-700	-700	-700																					



# 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)																			
<b>MTP Variations</b>																			
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 proportion)																			
987 PV Panels - Other locations																			
989 St Neots District Heating Scheme																			
<b>TOTAL</b>	84	83	78	68	45	39	34	34	34	34	-5	-5	-5	-5	-5	-5	-5	-5	
Closed Churchyards																			
<b>TOTAL</b>	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
<b>Building Control</b>																			
<b>TOTAL</b>	-456	-530	-458	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	-581	
<b>Community initiatives</b>																			
<b>TOTAL</b>	6	6																	
<b>Public transport</b>																			
<b>MTP Variations</b>																			
625 Huntingdon Bus Station																			
<b>TOTAL</b>	126	101	84	106	106	106	106	106	106	106	106	106	106	106	106	106	106	106	
<b>Highways Services (street naming)</b>																			
<b>MTP Variations</b>																			
844 Street naming and numbering																			
<b>TOTAL</b>	25	45	25	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	



# 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	2013 £000	2014 £000	2015 £000	2016 £000	
<b>Planning</b>																
Economic Development (NNDR relief)																
<b>TOTAL</b>	44	29	23	30	30	30	30	30	30							
<b>Housing Services</b>																
<b>Housing benefits</b>																
<b>MTP Variations</b>																
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							
<b>TOTAL</b>	-757	-592	-701	-571	-518	-518	-518	-518	-518						52	
<b>Corporate Services</b>																
<b>Local Taxation &amp; Benefits</b>																
<b>MTP Variations</b>																
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							
<b>TOTAL</b>	-994	-942	-967	-948	-820	-820	-820	-820	-820							
<b>Internal Services</b>																
<b>Call Centre</b>																
<b>MTP Variations</b>																
# Reduce call centre hours				-24	-24	-24	-24	-24	-24							
981 Call Centre CRM Replacement				-71	-71	-71	-71	-71	-71						20	136
983 Automated Telephone Payments				-7	-14	-14	-14	-14	-14						39	
<b>TOTAL</b>	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	
<b>Other expenditure</b>																	
<b>MTP Variations</b>																	
Interest																	
<b>TOTAL</b>	-337	-93	-117	177	566	936	1,199	1,473									
<b>Other expenditure</b>																	
<b>MTP Variations</b>																	
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									
<b>TOTAL</b>	251	722	1,379	1,644	1,960	2,242	2,415	2,523	182	203	162	53	34	96			
<b>Area based grant</b>																	
<b>TOTAL</b>	-95	-78															
<b>Financial Services</b>																	
<b>MTP Variations</b>																	
Procurement Support to ECDC				5	5	5	5	5									
Further Financial Services savings				-24	-24	-24	-24	-24									
<b>TOTAL</b>	1,141	1,189	1,142	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125			
<b>Insurance</b>																	
<b>TOTAL</b>	373	395	220	405	405	405	405	405	405	405	405	405	405	405			
<b>Financial services</b>																	
<b>TOTAL</b>	82	90	58	87	87	87	87	87	87	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	96			

# BUDGET Controllable basis

	REVENUE											NET CAPITAL						
	Actual	Budget			MTP				Budget	Forecast		Budget	MTP					
		2010	2011	2012	2013	2014	2015	2016		2011	2012		2011	2012	2013	2014	2015	2016
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>Head of IMD</b>																		
<b>Internal Services</b>																		
<b>Helpdesk &amp; Network Services</b>																		
	<b>MTP Variations</b>																	
958				75	75	75	75											
893				-130														
959				-6														
#				-19	-19	-19	-19	-129	-129	-59	-59							
#				-75	-75	-40	-40	-75	-75	-84	-84							
892				11	11	11	11	11	11	11	11	12	12					
970																		
976				-15														
##																		
	<b>TOTAL</b>	988	1,013	1,007	874	862	937	902	902	902	902	322	566	322	57	57	157	377
<b>Web &amp; Business Systems</b>																		
	<b>MTP Variations</b>																	
913				-3	-3	-3	-3	-3	-3	-3	-3							
#				-3	-5	-10	-10	-5	-10	-10	-10	310	450	322	57	57	100	277
	<b>TOTAL</b>	284	254	271	267	265	260	260	260	260	260	322	566	322	57	57	157	377
<b>Corporate Systems</b>																		
	<b>TOTAL</b>																	
	<b>TOTAL</b>	264	242	237	237	237	237	237	237	237	237	265	587	265	195	195	352	572
<b>Business Analysis &amp; Project Management</b>																		
	<b>MTP Variations</b>																	
891				-4	-4	-28	-28	-4	-28	-58	-58	225	159	220	195	195	195	195
900				-21	-21	-21	-21	-21	-21	-21	-21	40	30	23				
#				-2	-5	-10	-10	-5	-10	-10	-10							
495													42					
	<b>TOTAL</b>	391	402	371	356	353	324	324	324	294	294	265	797	243	195	195	352	572
<b>Head of IMD</b>																		
	<b>TOTAL</b>																	
	<b>TOTAL</b>	193	192	184	183	183	183	183	183	183	183	587	797	565	252	252	352	572
	<b>TOTAL</b>	2,120	2,103	2,070	1,917	1,900	1,941	1,906	1,906	1,876	1,876	587	797	565	252	252	352	572



## BUDGET Controllable basis

	REVENUE									NET CAPITAL					
	Actual	Budget			MTP			Budget	Forecast		Budget	MTP			
	2010 2011 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2011 2012 £000	2011 2012 £000	2012 2013 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	
<b>General Manager, Leisure</b>															
<b>Community Services</b>															
	<b>Leisure Centres</b>														
	<b>MTP Variations</b>														
857		-149	-149	-149	-149	-209	-209	60						250	
858		-11	-11	-11	-11	-11	-11								
896		-176	-427	-541	-563	-561	-561	2,500	200	3,080					
922		-42	-42	-42	-42	-42	-42	676	-197	612	422	422	422	535	
861								10	15						
22								60	60						
957															
956		20	-22	-22	-22	-22	-22	400		77	275				
		-1	78	55	40	46	46								
		-25	-50	-50	-50	-50	-50								
#		90	-190	-300	-400	-400	-400								
		-200													
1000		-20	-40	-40	-40	-40	-40								
1005		150	150	150	150	150	150								
<b>TOTAL</b>	<b>681</b>	<b>820</b>	<b>335</b>	<b>289</b>	<b>-51</b>	<b>-298</b>	<b>-494</b>	<b>3,706</b>	<b>251</b>	<b>4,329</b>	<b>697</b>	<b>422</b>	<b>672</b>	<b>535</b>	
<b>Management units</b>															
	<b>199</b>	<b>210</b>	<b>208</b>	<b>208</b>	<b>208</b>	<b>208</b>	<b>208</b>								
<b>TOTAL</b>	<b>880</b>	<b>1,030</b>	<b>543</b>	<b>497</b>	<b>157</b>	<b>-90</b>	<b>-286</b>	<b>3,706</b>	<b>251</b>	<b>4,329</b>	<b>697</b>	<b>422</b>	<b>672</b>	<b>535</b>	

## BUDGET Controllable basis

### Non-Allocated Items

	REVENUE												NET CAPITAL					
	Actual 2010 2011 £000	Budget			MTP			Budget 2011 2012 £000	Forecast		Budget		Budget 2011 2012 £000	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
<b>Recharges to non-revenue accounts</b>																		
<b>MTP Variations</b>																		
Revenue staff charged to capital																		
Rule change re Capital Overheads																		
<b>TOTAL</b>		-848	-862	-561	-561	-561	-561	-561		214	50	50	50	50	50	50		
<b>Risk Provision</b>																		
<b>MTP Variations</b>																		
Risk Provision				792	997	1,329	1,579											
<b>TOTAL</b>				792	997	1,329	1,579											
<b>Other items</b>																		
<b>MTP Variations</b>																		
Reorganisation - Senior managers				-306	-470	-470	-470	-470										
Pay & allowances Review		244		525	225	225	225	225										
Central Services - Reorganisation (part)				163	163	113	113	113										
Business Continuity Review		10		10														
Cover for Staff Side Representatives		25		50	50	25	25	25										
E-Marketplace				-25	-28	-28	-28	-28										
Capital Inflation				-370	405	1,014	1,744	2,498										
Revenue Inflation		-244		-337	-550	-616	-891											
Spending Adjustments still to be identified																		
Schemes brought forward																		
Schemes carried forward																		
2011/12 Outturn		221																
Roundings		-1		-3	-3	-3	-1											
<b>TOTAL</b>		-563	-223	186	148	493	1,132	1,613		-400	-100	95	139	268	265	265		
		-1,411	-1,085	-375	379	929	1,899	2,631		-186	-50	145	189	318	315	315		
<b>TOTAL BUDGET</b>	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	2,867		

**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 C) 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; and
  - b) The Treasury Management Strategy 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
<b>Total</b>	<b>24</b>	<b>2.6</b>
Short term Debt	0	0
Long term Debt	10	3.9
<b>Total</b>	<b>10</b>	<b>3.9</b>
<b>Net Investments</b>	<b>14</b>	<b>1.7</b>

### 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
<b>SUMS AVAILABLE TO FUND CAPITAL EXPENDITURE</b>						
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) ❶ <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
<b>FUNDING REQUIRED</b>						
<b>Capital Expenditure</b>						
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
<b>Carried Forward</b>	<b>23.4</b>	<b>33.8</b>	<b>37.4</b>	<b>40.0</b>	<b>43.5</b>	<b>46.0</b>
Fixed Term Investment (EOY) ❷	10.0	5.0				
<b>Total Required Funding</b>	<b>33.4</b>	<b>38.8</b>	<b>37.4</b>	<b>40.0</b>	<b>43.5</b>	<b>46.0</b>
<b>NEED FOR FURTHER BORROWING</b>						
<i>Excluding Cash flow benefit</i>						
<b>MUST BORROW</b>	<b>6.9</b>	<b>14.0</b>	<b>13.4</b>	<b>16.6</b>	<b>19.6</b>	<b>20.3</b>
<b>MAY BORROW</b>	<b>36.0</b>	<b>41.0</b>	<b>38.4</b>	<b>41.3</b>	<b>44.3</b>	<b>47.5</b>
<i>Including average Cash flow benefit</i>						
<b>MUST BORROW</b>	<b>0.0</b>	<b>4.4</b>	<b>3.8</b>	<b>7.0</b>	<b>10.0</b>	<b>10.7</b>

### Notes

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

❷ 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 £51M (up to the £41M "may borrow" limit plus the £10M already borrowed)
- an allowance for other long-term liabilities, such as finance leases (£5M).

A maximum of **£76M** 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 <b>lowest expectation of default risk</b> . 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 <b>expectations of very low default risk</b> . 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	<b>High credit quality.</b> '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)

<b>Duration of investments</b>	No investment shall be longer than 5 years. Maximum duration for a Building Society with no rating is 1 month.																
<b>Types of investments</b>	Fixed term Deposits Deposits at call, two or seven day notice Corporate bonds Money market funds UK Government bonds and Supranational Bank bonds.																
<b>Credit Ratings</b>	<p><b>Building Societies</b> All Building Societies with ratings of BBB or above. Building Societies with no ratings.</p> <p><b>Money Market Funds</b> AAA credit rating</p> <p><b>Local Authorities or UK Government</b> No rating required</p> <p><b>Non-Building Societies</b> Short term rating F1 by Fitch or equivalent. Long-term rating of AA- by Fitch or equivalent if the investment is longer than 1 year.</p>																
<b>Maximum limits per counterparty (group), country or non-specified category</b>	<table> <tr> <td>F1+ or have a legal position that guarantees repayment for the period of the investment</td> <td>£5M</td> </tr> <tr> <td>F1</td> <td>£4M</td> </tr> <tr> <td>Building Society with assets over £2bn in top 25 (Currently 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><b>Limit for Non-specified investments</b></p> <ul style="list-style-type: none"> <li>- £10M in time deposits more than one year</li> <li>- £5M in corporate bonds</li> <li>- £10M in any other types.</li> <li>- £15M in total</li> </ul> <p><b>Country limits</b></p> <ul style="list-style-type: none"> <li>- UK - unlimited</li> <li>- £5M in a country outside the EU</li> <li>- £10M in a country within the EU (excluding UK)</li> <li>- £20M in EU countries combined (excluding UK)</li> </ul> <p>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																
<b>Benchmark</b>	LGC 7 day rate																



**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
<b>Gross</b>	<b>9.2</b>	<b>9.1</b>	<b>19.5</b>	<b>6.9</b>	<b>4.1</b>
<b>Net</b>	<b>7.5</b>	<b>4.9</b>	<b>10.4</b>	<b>3.6</b>	<b>2.6</b>

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
<b>-0.3%</b>	<b>1.9%</b>	<b>4.1%</b>	<b>6.1%</b>	<b>7.8%</b>

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
<b>Variation</b>	<b>-£3.41</b>	<b>+£3.80</b>	<b>-£1.92</b>
<b>Cumulative</b>	<b>-£3.41</b>	<b>+£0.39</b>	<b>-£1.53</b>

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
<b>Total</b>	<b>65</b>	<b>76</b>	<b>73</b>	<b>76</b>

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
<b>Total</b>	<b>61</b>	<b>58</b>	<b>61</b>

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	<b>100%</b>	<b>100%</b>	<b>100%</b>
Upper limit on variable rate exposure	<b>90%</b>	<b>100%</b>	<b>100%</b>

## 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
<b>Under 12 months</b>	<b>86%</b>	<b>0%</b>
<b>12 months and within 24 months</b>	<b>86%</b>	<b>0%</b>
<b>24 months and within 5 years</b>	<b>86%</b>	<b>0%</b>
<b>5 years and within 10 years</b>	<b>86%</b>	<b>0%</b>
<b>10 years and above</b>	<b>100%</b>	<b>14%</b>

## 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.	<b>32.0</b>	<b>25.0</b>	<b>24.7</b>



## FORMAL 2012/13 COUNCIL TAX RESOLUTIONS

- a) That the Council note the Council Tax Base for the whole Council area and individual Towns and Parishes (Annex A) as approved by the Chief Officers' Management Team on the 5 December 2011 under delegated powers.  
**The tax base (T) which is the amount anticipated from a District Council Tax of £1 is** **£60,125**
- b) That the following amounts be calculated by the Council for 2012/13 in accordance with the requirements of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (the Act) :-
- |       |  |                    |
|-------|--|--------------------|
| (i)   | the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act<br><b>Gross revenue expenditure including benefits, Town/Parish Precepts</b>  | <b>£86,444,605</b> |
| (ii)  | the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act<br><b>Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund.</b>   | <b>£74,010,336</b> |
| (iii) | the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above in accordance with Section 31A (4) of the Act<br><b><i>This is the "Council Tax Requirement" including Parish/Town Precepts (item i minus item ii). It is the cash sum to be funded from District, Town and Parish Council Taxes.</i></b> | <b>£12,434,269</b> |
| (iv)  | the Council Tax requirement for 2012/13 divided by the tax base (T) in accordance with Section 31B (1) of the Act<br><b>District plus average Town/Parish Council Tax (item iii divided by District taxbase)</b>   | <b>£206.81</b>     |
| (v)   | the aggregate of all "Special Items" referred to in Section 34(1) of the Act.<br><b>The total value of Parish/Town precepts included in i and iii above.</b>   | <b>£4,707,605</b>  |
| (vi)  | the Basic Amount of Council Tax for 2012/13 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act.<br><b>The District Council's Band D Tax for 2012/13.</b>   | <b>£128.51</b>     |

- (vii) the basic amounts of Council Tax for 2012/13 for those parts of the District to which one or more special items (Parish/Town precepts) relate in accordance with Section 34 (3) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount in column "band D" set out in Table 1 attached.
  - (viii) the amounts to be taken into account for 2012/13 in respect of categories of dwellings listed in particular valuation bands in accordance with Section 36 (1) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount for each of the valuation bands in the columns "bands A to H" set out in Table 1 attached.
- (c) That the amounts of precept issued to the Council by Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority for each of the categories of dwellings listed in different valuation bands in accordance with Section 40 of the Act shown in Table 1 attached be noted.
- (d) That, having regard to the calculations above, the Council, in accordance with Section 30 (2) of the Act, hereby sets the figures shown in Table 2 as the amounts of Council Tax for 2012/13 for each of the categories of dwelling shown. ***This is the total Council Tax to be collected, incorporating the requirements of all of the relevant bodies, for each town or parish area.***

## TAXBASE 2012/13

	£
Abbotsley	249
Abbots Ripton	127
Alconbury	561
Alconbury Weston	276
Alwalton	125
Barham & Woolley	26
Bluntisham	750
Brampton	1,820
Brington & Molesworth	136
Broughton	87
Buckden	1,170
Buckworth	50
Bury	610
Bythorn & Keyston	137
Catworth	144
Chesterton	59
Colne	360
Conington	73
Covington	43
Denton & Caldecote	25
Diddington	28
Earith	580
Easton	72
Ellington	233
Elton	294
Farcet	580
Fenstanton	1,170
Folksworth & Washingley	342
Glatton	132
Godmanchester	2,455
Grafham	237
Great & Little Gidding	122
Great Gransden	458
Great Paxton	370
Great Staughton	325
Haddon	25
Hail Weston	235
Hamerton & Steeple Gidding	53
Hemingford Abbots	333
Hemingford Grey	1,195
Hilton	452
Holme	239
Holywell-cum-Needingworth	985
Houghton & Wyton	805
Huntingdon	7,465
Kimbolton & Stonely	600
Kings Ripton	83
Leighton Bromswold	85

Little Paxton	1,340
Morborne	10
Offord Cluny & Offord D'Arcy	510
Old Hurst	98
Old Weston	90
Perry	262
Pidley-cum-Fenton	152
Ramsey	2,930
St Ives	5,840
St Neots	10,820
Sawtry	1,725
Sibson-cum-Stibbington	215
Somersham	1,395
Southoe & Midloe	158
Spaldwick	235
Stilton	795
Stow Longa	64
The Stukeleys	415
Tilbrook	111
Toseland	38
Upton & Coppingford	87
Upwood & The Raveleys	430
Warboys	1,375
Waresley-cum-Tetworth	146
Water Newton	40
Winwick	40
Wistow	216
Woodhurst	152
Woodwalton	85
Wyton-on-the-Hill	425
Yaxley	3,000
Yelling	145
<b>DISTRICT COUNCIL TOTAL</b>	<b>60,125</b>

---

## **Pay Policy Statement**

### **Report by the Corporate Team Manager**

---

#### **1. INTRODUCTION**

- 1.1 The Localism Act 2011 requires each local authority to produce a Pay Policy Statement for 2012/13 and for each financial year after that. The Statement must be agreed by full Council by 31st March 2012. It must set out the authority's policies relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees and the relationship between the remuneration of chief officers and of other employees.
- 1.2 The Statement must include policies on chief officers' remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

#### **2. PAY POLICY STATEMENT FOR 2012/13**

- 2.1 The Pay Policy Statement attached at Appendix A sets out the Council's current policies and standard practices and should satisfy the requirements of the Localism Act 2011. Much of the information required is already published by the Council on its website.
- 2.2 Once adopted, the Pay Policy Statement will be publicised on the Council's website along with the data on senior salaries that is already published under the Code of Recommended Practice for Local Authorities on Data Transparency 2011.
- 2.3 A draft version of the Statement was shared with Employment Panel.

#### **3. RECOMMENDATIONS**

- 3.1 **The Council are asked to approve the Pay Policy Statement for 2012/13.**

#### **BACKGROUND INFORMATION**

[Localism Act 2011](#) and [draft guidance under section 40 of the Localism Act](#)

**Contact Officer:** Daniel Buckridge  
☎ 01480 388065

This page is intentionally left blank

## PAY POLICY STATEMENT 2012/13

This Pay Policy Statement forms part of Huntingdonshire District Council's pay and reward strategy and provides information about the Council's policies relating to the pay and reward of chief officers and other employees, as required by sections 38-43 of the Localism Act 2011.

This Statement is available on the Council's website and contains hyperlinks to associated documents. The Council's website also includes separately published data on pay and reward for senior Officers which can be accessed from this link: <http://www.huntingdonshire.gov.uk/Councils%20and%20Democracy/Council/Council%20Finance/Pages/Chief%20Officer%20Salaries%20and%20Expenses.aspx>

### **Terms and conditions of employment – decision making**

Terms and conditions for employees are a non-executive function and responsibilities for decisions on these matters are delegated by full Council to Employment Panel and Senior Officers Panel. Information about these Panels and our staff consultative body is listed below.

#### **Employment Panel:**

The Employment Panel is a committee of Councillors appointed by Full Council to consider matters to do with the general terms and conditions of employment. Its membership is representative of the political balance of the Council. The Panel meets four times per year and is supported by the Managing Director (Resources) and other officers as required. Full constitutional arrangements can be found in the Council's Constitution, which can be accessed from this link: <http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Document/Democratic%20Services%20documents/Constitution.pdf>.

#### **Senior Officers Panel:**

The Senior Officers Panel is a committee of Councillors appointed by Full Council to consider matters to do with the appointment and termination of office of senior staff. The Panel meets as required and is currently chaired by the Deputy Leader. Full constitutional arrangements can be found in the Council's Constitution.

#### **Employee Liaison Advisory Group (ELAG):**

The Council places great emphasis on the value of strong employee consultation and engagement. The majority of staff are not in a trade union. The Council has established a staff consultative body which consists of up to 15 volunteer staff elected by staff – ELAG Staff Side (ESS). The Managing Director (Resources) works with ESS representatives to address matters of staff interest and concern and to establish an agenda which is discussed during formal meetings with Members who are drawn from the Employment Panel. ESS is the body that

undertakes collective bargaining and consultation on a formal basis. The Council also recognises that approximately 25% of the contracted workforce are members of Unison and maintains close contacts with this union as required. Terms of Reference for ELAG can be accessed from this link:

<http://applications.huntsdc.gov.uk/moderngov/documents/s31400/Employment%20Panel%20-%2025.05.10%20-%20Terms%20of%20reference%20and%20constitution%20of%20the%20Employee%20Liaison%20Advisory%20Group%20final1.docAPPENDIX.pdf>

### **The Council's senior managers**

The Council's employees are managed by two Managing Directors. The position of Head of Paid Service is held by the Managing Director (Communities, Partnerships and Projects). The Managing Director (Resources) holds the positions of Returning Officer, Electoral Registration Officer and s151 Officer.

For the purposes of this Statement only, the Council has determined that the definition of the term "chief officer" in section 43 of the Localism Act includes the Managing Director posts plus nine Heads of Service, the One Leisure General Manager and the Corporate Team Manager who all report directly to the Managing Directors.

### **Basic salary**

The current salary scales for the Managing Directors, Heads of Service and Corporate Team Manager are shown in the table below.

<b>Post</b>	<b>Grade</b>	<b>Minimum Grade Point</b>	<b>Maximum Grade Point</b>
Managing Directors (x2)	1	£98,514	£147,768
Heads of Service (x5)	3	£51,802	£77,705
Heads of Service (x4)	4	£44,929	£67,393
One Leisure General Manager (x1)	5	£38,981	£58,477
Corporate Team Manager (x1)	6	£33,701	£50,554

### **Car allowances**

The Managing Directors are both eligible for a car allowance which currently pays £8,570 per year. Heads of Service and the One Leisure General Manager are eligible for a car allowance valued at £6,232. The values of these allowances are adjusted every three years in line with the Retail Price Index.

Until October 2011, those eligible for a car allowance were given the option of having a lease car in lieu of this allowance. While this option has been withdrawn, some chief officers will retain their lease cars until the expiry of the lease.



### **Payment of professional fees**

Professional fees for employees, including chief officers, are paid in accordance with the Council's policy for the payment of professional fees at section 3.2 of this document:

<http://applications.huntsdc.gov.uk/moderngov/documents/s803/Professional%20Fees.pdf>

### **Other allowances**

The 'sanctionable pay' system previously in place for some Operational staff (mainly those working in refuse/recycling, grounds maintenance and street cleansing) will be replaced by the Attendance Allowance from 1st April 2012. This is a payment of £150 per month which will be reduced if an employee accrues more than 5 working days of unauthorised absence in the previous 12 months. This allowance is not payable to any chief officers.

A range of other allowances may be paid for employees undertaking specific duties and these are due to be reviewed in 2012/13. These include the Open Contact Allowance which is paid to a small number of employees, including the Managing Directors and one Head of Service. An Open Attendance Allowance is paid to a small number of employees, including one Head of Service.

The Managing Directors both receive £25 per month as an Open Contact Allowance.

Short-term honorarium payments may be made for acting up or additional duties.

### **Expenses**

The Council's expenses rates were endorsed by Employment Panel on 21st September 2011 and mileage and subsistence costs are aligned to the HMRC benchmark rates.

### **Election fees**

The Managing Director (Resources) holds the positions of Returning Officer and Electoral Registration Officer. The salary for this post is inclusive of fees in respect of District Council elections. Additional fees may be payable for other elections, with fees for certain functions set by Statutory Instrument.

Other employees, including chief officers within the scope of this Statement, may receive additional payment for specific election duties according to scales set by the Returning Officer but derived from guidance from the Electoral Commission and similar guidance.

### **Salaries on recruitment/appointment**

Salaries on appointment to all posts, including chief officer posts, are determined by their line managers, in accordance with the Council's 'Framework for Salaries on Appointment, Promotion, Transfer or Acting-Up'.

This states that the commencing salary will be determined using the following criteria:

- ◆ qualifications obtained,
- ◆ skills, competence and experience relevant to the job, either directly or indirectly,
- ◆ current salary and benefits package,
- ◆ comparisons with existing employees' salaries where relevant,
- ◆ the relevant local and national salaries market for that type of job (permanent and temporary posts),
- ◆ appointment at or below grade mid-point where the market allows, and
- ◆ any other factor considered relevant by the Head of Service or Managing Director (Resources).

The 'Framework for Salaries on Appointment, Promotion, Transfer or Acting-Up' can be found at the following link:

[http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Document s/Personnel%20documents/starting\\_salaries\\_framework.pdf](http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Document s/Personnel%20documents/starting_salaries_framework.pdf)

Salaries on appointment to the Managing Director posts are currently set within the scale for Grade 1 employees. The Managing Directors were appointed on a salary of £125,000 with effect from 1st June 2011. Salaries for the Managing Directors have been fixed until 31st May 2013.

As required by guidance under section 40 of the Localism Act, full Council will be offered the opportunity to vote from 1st April 2012 before large salary packages in excess of £100,000 are offered in respect of new appointments. This is likely to only apply to appointments to posts on Grade 1 but will include any posts where salary packages (including salary, bonuses, fees, allowances and any benefits in kind) exceed £100,000. This £100,000 threshold will be amended if Government guidance changes.

### **Salary progression**

Employees' salaries may be advanced within their grade in accordance with the Council's 'Framework for Salaries on Appointment, Promotion, Transfer or Acting-Up'. This framework also sets out how salaries will be determined on promotion, regrading of current post to a higher grade, transfer or acting up (payment of honoraria).

Employees on fixed spot salaries such as those on short fixed-term contracts, those receiving sanctionable pay (to be replaced by Attendance Allowance from

1st April 2012) are not eligible for incremental progression but there is limited progression within some of these posts. Where different levels of pay are set dependent on qualifications, it is possible to move to a higher level by obtaining a specific qualification. Otherwise progression may be possible where an employee changes post or takes on additional responsibility such as a team leader role.

In addition, all employees may be awarded a cost of living pay award each year. This cost of living award is determined by the Employment Panel following negotiations with staff representatives. For 2012/13, the cost of living award is nil.

In recognition of the difficult financial situation that the Council is in, it has also been agreed with staff representatives that no incremental pay rises will be awarded as a result of the 2012 appraisals.

### **Bonus pay and performance-related pay**

For 2012/13, it has been agreed that staff normally eligible for incremental pay awards will be eligible for non-consolidated bonuses of up to £500. The value of the bonus will depend upon each individual's appraisal score. The majority of employees are on the incremental progression scheme, including the Heads of Service, OneLeisure General Manager and the Corporate Team Manager.

### **Severance payments**

Severance payments are made in accordance with the Council's Redundancy Policy and are the same for all staff. The Redundancy Policy can be accessed at this [link:](http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/redundancy_policy.pdf)  
[http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/redundancy\\_policy.pdf](http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/redundancy_policy.pdf)

In the rare event that an employee or ex-employee claims or threatens to claim additional compensation as a result of loss of employment or any other reason, the Council will have due regard to making any appropriate payments where it is in the Council's best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risks and liabilities to the Council, including legal costs, disruption to services, impact on employee relations and management time. No such payments were made to any chief officer in the last year.

### **Pension and pension entitlements**

The employees within the scope of this Statement are entitled to join the Local Government Pension Scheme (LGPS). Employees contribute between 5.5% and 7.5% of their salary while the Council currently contributes 17.8% in respect of ongoing service. Members of the LGPS earning £81,101 or more contribute 7.5% of their salary.

### **Relationship to lowest paid employees**

This Statement defines other employees, including “lowest-paid employees”, as all other contracted employees of the Council. This excludes those employed on a casual or variable hours basis as they do not work under any terms and conditions other than receiving an hourly rate of pay and annual leave at the minimum level under the Working Time Regulations and there is no obligation on the Council to provide work, no guarantee of regular work and no obligation for the individual to accept any work offered. It is therefore considered that these employees are a totally separate entity and their remuneration should not be compared with contracted employees.

The current highest total salary paid by the Council including allowances is £133,870 to the Managing Directors. The maximum basic salary that could be paid is £147,768 at the top of Grade 1. Adding this to the allowances currently paid to the Managing Directors, the maximum total salary that could be paid by the Council is £156,638.

The Hutton Review of Fair Pay in the Public Sector recommends that public sector organisations should publish pay multiples which should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind. Pay multiples comparing the current highest total salary and the maximum total salary against mean, median and lowest salaries are listed below.

The mean basic FTE salary paid by the Council for posts filled by contracted employees at 31st December 2011 was £24,333. The ratio between the mean salary and the current highest salary is 1:5.5. The ratio between the mean salary and the maximum possible salary is 1:6.4.

The median basic FTE salary paid by the Council for posts filled by contracted employees at 31st December 2011 was £20,380. The ratio between the median salary and the current highest salary is 1:6.6. The ratio between the median salary and the maximum possible salary is 1:7.7.

The lowest pay point on our salary scales for contracted employees is £12,441, which is the minimum FTE starting salary for employees on grades 13, 14 and 15. There are lower salary points on our scales for employees aged under 18 appointed to certain posts but there are currently no contracted employees in this age group.

The ratio between the lowest salary and the current highest salary is 1:10.8. The ratio between the lowest salary and the maximum possible salary is 1:12.6.

The Hutton Review of Fair Pay in the public sector analysed whether a 20 to 1 pay multiple might be justified as promoting fairness in public sector pay. Hutton’s Final Report concluded that this was not justified but that all public service organisations should publish their top to median pay multiples each year to allow

the public to hold them to account. The Government has agreed with this type of approach.

In line with Hutton's recommendations, the Council does not have a policy to maintain or achieve a specific pay ratio between the highest and lowest paid employees but it will publish its pay multiples each year.

#### **Re-engagement of ex Huntingdonshire District Council staff**

All permanent or fixed term posts are advertised in accordance with the Council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the Council's procurement policies and the provisions for services.

The Council will not engage an ex chief officer of Huntingdonshire District Council (as defined in this Statement) outside of these arrangements.

#### **Receipt of Local Government Pension Scheme (LGPS) pension while employed**

Employees aged 55 or over who are members of the LGPS may apply to take flexible retirement where working hours or pay grade are reduced and pension benefits accrued prior to this point may be drawn down.

Applications from all officers, including chief officers, will be considered on merit and only agreed where there is no detrimental effect on the service. It is the Council's policy not to accept any such applications if there is a cost to the Council unless a business case can be made on economic grounds.

#### **Review**

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each financial year. If it should be necessary to amend this 2012/13 Statement during the year that it applies, an appropriate resolution will be made by Full Council. Our next Statement is scheduled for 2013/14 and will be submitted to Full Council for approval by 31st March 2013.

**February 2012**

This page is intentionally left blank

---

## **Cabinet**

### **Report of the meeting held on 19th January 2012**

---

---

#### **Matters for Information**

---

#### **46. FINANCIAL MONITORING – REVENUE BUDGET 2011/12**

The Cabinet has noted the expected revenue budget variations already identified in the current year, together with the payments written-off in the year for Council Tax and National Non-Domestic Rates.

Members were advised that the expected revenue expenditure outturn is now £21.4m which represents a reduction in the budget deficit of £1.2m. The reduction is mainly due to one-off items and service managers implementing service plans.

#### **47. MONITORING OF THE CAPITAL PROGRAMME 2011/12**

The Cabinet has been acquainted with variations to the approved programme in the current year and the consequential estimated revenue impact.

#### **48. VOLUNTARY SECTOR REVIEW**

In conjunction with the Overview and Scrutiny Panels (Economic Well-Being) and (Social Well-Being) (Item Nos 39 and 50 respectively of their Reports refers) the Cabinet has considered a proposal to establish an indicative voluntary sector budget for 2013/14 and to introduce a mixed grant system for the allocation of future funds.

In discussing the delivery methods available for providing financial support, Executive Councillors were conscious that one solution may not fit all circumstances and different levels of assessment should be applied. In that respect, the Cabinet has supported the adoption of a mix of methods for the allocation of financial support to the voluntary sector to involve a level of bureaucracy proportionate to the level of funding required. Having recognised the importance of supporting local organisations who require a small injection of revenue up to £5,000, the Cabinet has approved the establishment of a modest “community chest”. In discussing the governance arrangements for the latter, Members agreed that any application form should be straightforward and that the funding be made available to applicants throughout the year.

With regard to the overall budget allocation, the Cabinet has approved an indicative voluntary sector budget of £273,000 for 2013/14, considerably less severe than previously anticipated in the 2013/14 budget. In recognising that this will result in the voluntary sector receiving a 28% reduction in funding, the Cabinet stressed that all organisations had to respond to the changing economic climate and that the Council still remained committed to supporting the voluntary sector.

**49. ADVANCED WASTE PARTNERSHIP**

Further to Item No.37 of the Overview and Scrutiny Panel (Environmental Well-Being) the Cabinet has approved the content of a Partnership Charter for the Cambridgeshire and Peterborough Waste Partnership which aims to enhance current partnership working.

Executive Councillors were reminded of the success of RECAP in delivering benefits to individual authorities, including the District Council, by working in partnership on various waste reduction projects. In discussing plans for advanced partnership working, including a joint trade waste and a bulky waste service, Members requested that individual business cases for any advanced waste project be considered by the Overview and Scrutiny Panel (Environmental Well-Being) prior to any decision being made to proceed.

**50. CAMBRIDGESHIRE GREEN INFRASTRUCTURE STRATEGY**

Having been acquainted with the views of the Overview and Scrutiny Panel (Environmental Well-Being) (Item No. 36 of their Report refers) on the Cambridgeshire Green Infrastructure Strategy, the Cabinet has agreed to adopt the document as supporting evidence for planning purposes.

The first Green Infrastructure Strategy for the Cambridge Sub-Region was developed in 2006. The new strategy has been produced by Cambridgeshire Horizons to provide a robust evidence base for funding of green infrastructure through a community infrastructure levy and other sources of funding.

**51. COMMUNITY INFRASTRUCTURE LEVY –  
DRAFT CHARGING SCHEDULE – SUBMISSION DOCUMENT**

Further to Item No. 38 of their Report to the meeting of the Council held on 14th December 2011 and having been acquainted with the responses received from the final round of consultations on the Huntingdonshire Community Infrastructure Levy - Charging Schedule, the Cabinet has approved the Schedule's content and that of a Statement of Modifications for submission for Examination. Executive Councillors were advised that the modification has arisen as a result of comments made on the 'healthy levy rate' which has now been reduced from £140 to £65 per square metre.



In discussing the timetable for submission, the Cabinet has authorised the Head of Planning Services, after consultation with the Executive Councillor for Strategic Planning and Housing, to make any minor amendments to the final document.

**52. NEIGHBOURHOOD FORUM WORKING GROUP**

The Cabinet has been acquainted with details of a new web based site called “Shape My Place” which has been established by Cambridgeshire County Council. The initiative seeks to promote community engagement by enabling local public bodies to establish dialogue with local residents.

Executive Councillors were advised that the initiative has been successfully run as a pilot in Fenland and is supported by Cambridgeshire Constabulary and Cambridgeshire Fire and Rescue Service. Having considered the scheme’s potential benefits and noting its likely costs, the Cabinet has agreed to adopt the “Shape My Place” Initiative in Huntingdonshire.

**53. EU PROJECT – MOBILISING LOCAL ENERGY INVESTMENTS**

The Cabinet has approved, in principle, the Council’s participation in Cambridgeshire’s Intelligent Energy Europe (IEE) Project which has been awarded funding totalling €1.2m for the delivery of energy efficiency and energy generation schemes across Cambridgeshire. The application was made jointly by five Cambridgeshire Local Authorities and Cambridge University to the European Commission’s Executive Agency for Competitiveness and Innovation.

Having been advised that the project provides an opportunity for the District Council to receive €157,000 towards the cost of developing two significant business drive energy infrastructure projects in the District, the Cabinet has authorised Officers to proceed with the documentation required. However, given the current economic climate and any unknown factors, it has been recommended that a decision to draw down the European funding will only be taken when the Council is certain that the two projects will deliver.

**54. CAMBRIDGESHIRE HORIZONS – PROPOSED CHANGES TO COMPANY ARTICLES AND MEMORANDUM**

The Cabinet has approved proposed amendments to the Articles of Memorandum of Cambridgeshire Horizons. The Company is currently winding down its operations and the changes are necessary to deal with the payment of monies previously advanced by them. At the same time, the Cabinet has authorised the Council to enter into a Memorandum of Understanding which will outline the basis on which returning monies are apportioned and the priority in which they are paid.

**55. ONE LEISURE FINANCE**

*(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)*

Having been acquainted with the outcome of the deliberations of the Working Group which had been established to review the financial performance of One Leisure and to make recommendations on the services' future direction, the Cabinet has:

- ◆ approved performance targets for income, controllable costs and net controllable costs;
- ◆ requested the General Manager, One Leisure to draft a business plan for the start of 2012/13 through which performance targets are to be achieved and to produce separate accounts for account reporting purposes and for managing the controllable budget; This business plan is to be presented to the Cabinet and Overview and Scrutiny Panel (Economic Well-Being) for review by June 2012;
- ◆ agreed that performance targets be reported to the Panel on a quarterly basis;
- ◆ agreed not to introduce a differential pricing scheme for non-residents of the District;
- ◆ approved the retention of the One Leisure Working Group in its current form to investigate which business model One Leisure should employ; and
- ◆ requested the One Leisure Working Group to assist the Executive Councillor for Healthy and Active Communities with the development of a methodology for the quantification of "social value".

J D Ablewhite  
Chairman

---

## **Overview & Scrutiny Panel (Economic Well-Being)**

**Report of the meetings held on 5th January and  
2nd February 2012**

---

---

### **Matters for Information**

---

#### **39. VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)**

In conjunction with the Overview and Scrutiny Panel for Social Well-Being, the Panel has considered a proposal to establish an indicative budget of £273,000 for voluntary sector support for 2013/14 and alternative delivery methods for providing financial support to the voluntary sector.

Although the majority of Members are of the opinion that the indicative budget should be approved, questions have been raised about how the figure of £273,000 has been arrived at and where alternative savings will be made in the Council's Budget. In particular, Members have questioned whether it is valid to base the figure on feedback from those voluntary organisations that currently have service level agreements with the Council when an important part of the rationale for the change is that existing beneficiaries of funding are not certain to receive it in the future. Members have also queried whether any consideration has been given to requiring recipients of grants to obtain match funding and to what extent approval of the indicative budget will influence the voluntary sector organisations' attempts to find alternative sources of funding and investigate opportunities for shared accommodation. A suggestion has also been made that the Council should consider whether the proposed funding should alternatively be used to provide District Council services directly and, therefore, make up for some of the recent reductions within the Council.

Having determined that the methodology for providing future financial support to the voluntary sector represents a move away from commissioning, the Panel has queried the rationale behind returning to a grant process and the means by which the Council will ensure that voluntary organisations meet the objectives for which grants have been awarded. The Head of Environmental and Community Health Services has explained that grants will be awarded for a maximum of

three years and performance will be influenced through the indicative budget for each year.

The Panel has discussed in detail a proposal to establish a Community Chest to create an accessible source of funds to help local community projects throughout the year. Whilst the majority of Members agree with the proposal, in the absence of further information as to how the process might operate, it has been difficult for them to give full support to it. A variety of views have been expressed as to whether Towns and Parishes should be able to apply to the Community Chest and Members have also suggested that, given the small sums involved, the administration of the process should be straightforward and flexible.

On the basis that the Cabinet is informed of Members' reservations about how the indicative figure has been arrived at and where alternative savings will be made in the Council's Budget, the Panel has recommended the Cabinet to:

- ◆ approve an indicative voluntary sector budget for 2013/14 of £273,000;
- ◆ adopt a mix of methods for allocating funds, the method to involve a level of bureaucracy proportionate to the level of funding required; and
- ◆ establish a modest 'Community Chest' to create an 'accessible' source of funds to help very local community projects.

#### **40. HOUSING BENEFIT CHANGES AND THE POTENTIAL IMPACT ON HUNTINGDONSHIRE**

In conjunction with an earlier Report of the Overview and Scrutiny Panel for Social Well-Being, the Panel has received an update on the changes to the Housing Benefit System which are being introduced as part of the Government's Welfare Reform Programme and the potential impact they may have on some residents of Huntingdonshire. Members have been advised that the changes will result in a reduction of £370k per annum in the amount being paid in Housing Benefit and that households will face a reduction in their entitlement of between £3 and £70 per week, depending upon their particular circumstances.

Having considered the information provided, Members have queried whether an assessment has been made of the local impact of the changes. They have been advised that it is difficult to assess the exact impact at this stage. Although the changes had been introduced in April 2011 there has been a nine-month protection period which is now due to come to an end and so the effects are just starting to emerge.

The changes are likely to have an impact on the cost to the Council of providing the homeless with temporary bed and breakfast

accommodation. The New Build Programme has helped the situation during the last few years but this will not be the case in the future. Discussions are currently taking place with the Housing Associations to identify alternatives to bed and breakfast accommodation. The Council is reliant on two providers of this type of accommodation. The Council often has to take action at short notice and there are currently 11 households in this type of accommodation in the District. Having been advised of the cost of an average double room, the Panel has been informed that this is done in the best and most cost effective manner possible.

The Panel has noted that as there is no reliable way of quantifying the expected increase in homelessness in the future there is currently no provision within the 2012/13 Budget for this purpose. Members have suggested that the Council should increase the budget for homelessness but they have been advised by the Head of Financial Services that in the absence of an accurate estimate of the impact it is not practical to do so.

Reports on the wider housing policy implications arising from further proposals in the Welfare Reform Bill and on rental levels and rental costs will be presented to the Panel in due course.

#### **41. ONE LEISURE WORKING GROUP**

The Panel has received a report by its Working Group which had been established to review and make recommendations on the financial performance of One Leisure and its future strategic direction. The study has evolved following a presentation in early 2011 on the performance of the Council's Leisure Centres and the issues which will need to be addressed in the forthcoming months and the result is that a number of recommendations have been produced.

Members have discussed the service's revenue projection for 2012/13, which includes a proposal not to increase prices in the current year. To achieve the projection a cautious approach will be taken to maintenance. In addition, income following developments at Huntingdon and St Neots is higher than expected. It is envisaged that income will further improve following planned development at One Leisure St Ives. The General Manager, One Leisure has indicated that he was comfortable with the revised figures.

With regard to the service's business model, the Panel has been informed that the majority of Councils have moved away from in-house delivery. A report prepared by Improvement East in March 2011 indicates that almost 75% of Councils in the East of England have externalised their leisure services. It also identifies five preferred alternative business models. The Working Group had recommended that investigations should be undertaken to establish the most appropriate business model for the service.

The development of a business plan will cover detailed operational matters. All the centres will be included in the business plan but it is unlikely that the centres at Ramsey and Sawtry will generate a profit in the longer term.

Having endorsed the Working Group's findings, the Cabinet has been recommended (subject to the incorporation of revised financial information within the report) to

- ◆ set detailed One Leisure performance targets for income, controllable costs and net controllable costs;
- ◆ request the General Manager to draft a business plan for the start of 2012/13 through which the performance targets are to be achieved and produce separate accounts for accounting reporting purposes and managing the controllable budget by June 2012;
- ◆ agree that performance against the targets should be reported to Overview and Scrutiny on a quarterly basis;
- ◆ not introduce differential pricing for non-residents of the District;
- ◆ authorise the Working Group to continue its investigations into which business model One Leisure should employ; and
- ◆ develop a methodology for the quantification of "social value".

A report on the Cabinet's decision to accept the recommendations has subsequently been considered by the Panel. The Working Group will meet again shortly to continue its investigations.

## **42. BROADBAND DELIVERY PROJECT**

The Panel has received a presentation by the Economic Development Manager on how the Government's Broadband Delivery Project is being implemented locally. Local Enterprise Partnerships are required to draw up a Broadband Strategy for their geographical area on how it will help the Government to achieve its objective to establish the best superfast network in Europe by 2015.

The Cambridgeshire and Peterborough Delivery Project has been allocated £6.75M by Broadband UK. This will be used to provide 100% of businesses and 90% of homes with access to superfast broadband by 2015. Members have been provided with a definition of Superfast Broadband.

Following the presentation, the Panel has discussed and made a number of comments on the Project. It has been established that the Government's funding can only be used to provide broadband in areas not covered by commercial providers and that the District would be placed at a competitive disadvantage if it was not involved with the initiative.

The Government has announced that all enterprise zones, including that planned for Alconbury, will have superfast broadband. Given the

number of houses and businesses within the area it is expected that this will be commercially viable and, therefore, demand will be met by the market.

#### **43. FUNDING FOR CCTV**

*(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972)*

In conjunction with the Overview and Scrutiny Panel for Social Well-Being (Item No. 53 of their Report refers), the Panel has received an update on the future operation of the CCTV service. As part of their deliberations, Members have been reminded that the Cabinet has agreed, in principle, a budget of £222k to provide a reduced hours CCTV service.

The Panel has been acquainted with progress of negotiations with partner organisations on how they might contribute towards the cost of the service and the terms of the agreements that might be reached with them. Having discussed the implications of the future budget and operation of the service, the Panel has asked the Overview and Scrutiny Panel (Social Well-Being) to give further consideration to these matters.

Members have noted that investigations are continuing into whether there would be any benefit in outsourcing the service. However, it has been reported that those Councils who have already outsourced their service have not seen a significant saving in their CCTV Budget.

The Panel has requested a presentation on the Business Improvement District for Huntingdon at a future meeting.

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

The Panel has reviewed the Medium Term Plan (MTP) 2013 -2017 and the Budget and level of Council Tax for 2012/13, which are included in a separate item elsewhere on the Agenda for the Council meeting. In doing so, the Panel has thanked the Cabinet for its positive response to its previous recommendations on the draft Budget and MTP.

In considering the proposed level of Council Tax for 2012/13, the Panel has unanimously expressed support for the recommendations within the report. The recommendation that Council Tax is increased by £4.34 for a band D property is in line with the Panel's previously expressed views and Members have acknowledged that the increase for the majority of Council Tax payers will be lower than this figure.

The Panel previously has recommended that the Council should identify what services might be retained for any additional income.

The proposed increase in Council Tax will generate £100k. Members have suggested that that this might, for example, contribute towards the indicative budget for the voluntary sector, which was approved at the Cabinet's last meeting, instead of finding alternative savings.

On the subject of funding for the voluntary sector, the Panel has asked that Overview and Scrutiny be informed of the next steps that will be taken to finalise future arrangements between the sector and the Council. The Social Well-Being Panel has been asked to examine in detail the proposed policies and mechanisms for the distribution of the funds.

The Panel has discussed at length the Council's future levels of reserves. Members are of the opinion that the Council should seek to increase its reserves and have restated their position that if it is reasonable to do so reserves should be increased to £5M. This position is partly informed by the fact that it is only possible to use reserves for one-off projects. It is acknowledged that the sums put into reserves will not be used to provide services. The Panel has recommended that the Council's level of reserves and its position in terms of reserves compared with overall spending relative to other District Councils should be regularly reviewed.

Having noted that the 2012/13 Budget contains no unidentified savings, the Panel has restated its view that the feasibility of achieving some future years' savings in 2012/13 should be investigated. With reference to a recent example from their study on support services, the Panel has reiterated the need to ensure that previously identified savings are rigorously applied to each section's budget to ensure they are accurate at the start of the year. The Head of Financial Services has undertaken to reinforce this message to the Financial Services Team.

The Panel has discussed whether it is necessary for the Council to consider its strategic approach if its financial position and the economy generally are better than is represented in the report by the Head of Financial Services. While there may be a danger of creating expectations that cannot be met if such plans are developed, it is argued that there is value in preparing for the full range of future changes. The Panel will revisit this matter in September when the forecast is produced.

As the Council's reserves reduce and its borrowings increase, it will be more important to identify clearly interest costs. With this in mind the Panel has suggested that interest figures and other such "corporate" items should be included separately in the Summary Budget.

Finally, the Panel has commended employees for their contribution to improving the Council's financial position. In particular, Members have expressed their appreciation of:



- ◆ the high rates of Council Tax collection that have been achieved;
- ◆ the decision by employees to accept no pay increase again in April 2012;
- ◆ the continuation of the trend for the budget to be underspent rather than for any spare sums to be used on low priority items; and
- ◆ the work undertaken by the Financial Services section to prepare the MTP, Budget and Financial Plan.

At the conclusion of their deliberations, the Panel has requested the Cabinet to submit the proposed MTP, Budget and Financial Plan to the Council for adoption and to recommend that the Council Tax for 2012/13 be increased by £4.34 per year (a Band D charge of £128.51).

#### **45. 2012/13 TREASURY MANAGEMENT STRATEGY**

In accordance with its responsibility for scrutinising Treasury Management, the Panel has reviewed and endorsed the Treasury Management Policy and Strategy for 2012/13 and the Prudential Indicators for submission to the Cabinet and Council.

#### **46. CUSTOMER SERVICES MONITORING REPORT**

The Panel has considered the Customer Service Quarterly Performance Report for the period October to December 2011, on the levels and standards of service that have been achieved. In response to a comment on the service's 'speed of response' Members have been informed that a recruitment freeze has meant that a number of posts have been held vacant, which has had an impact on performance. However, customer satisfaction remains high. In the circumstances, the Panel has commended the performance of the Customer Services managers.

Following a dip in performance on a particular day because of a failure of an IT system, the Panel has been assured that the business continuity arrangements for the service includes reference to suppliers and that all IMD contracts are covered by service recovery standards. It has been suggested that it might benefit customers and help to spread demand if information about those times during which there is high demand for service is displayed in customer service areas.

The Panel has been pleased to note the results of a recent survey which records employee satisfaction levels at both the Call Centre and the Customer Services Centre at 97%. Despite the challenges faced by the service, this represents a significant increase since the previous survey was conducted. Generally, the service's targets take

account of the need to achieve budgetary savings and reflect a reduction in staffing levels.

A further report will be considered by the Panel in six months time.

---

### **Other Matters of Interest**

---

#### **47. WORK PLAN STUDIES**

The Panel has received details of studies being undertaken by the other Overview and Scrutiny Panels. An update has been received on developments relating to travellers' sites.

#### **48. OVERVIEW AND SCRUTINY (ECONOMIC WELL-BEING) – PROGRESS**

The Panel has reviewed its ongoing studies at each of its meetings. Members have confirmed that they would like to continue to receive regular updates on improvements to the A14. The Scrutiny and Review Manager has been asked to consider how investigations might be undertaken into local HGV Weight Restrictions.

#### **49. LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN**

The Panel has been acquainted with details of the current Forward Plan of Key Decisions at each of its meetings. Members have noted that the reports on "Community Infrastructure Levy Governance Principles" and the "Location of the Call Centre" will be submitted to future meetings.

#### **50. SCRUTINY**

The Panel has considered the latest editions of the Decision Digest and discussed matters contained therein. In so doing, Members have noted the position in relation to the completion of the 2010/11 Accounts

T V Rogers  
Chairman

---

## **Overview & Scrutiny Panel (Environmental Well-Being)**

**Report of the meetings held on 10th January and  
9th February 2012**

---

---

### **Matters for Information**

---

#### **39. CAMBRIDGESHIRE GREEN INFRASTRUCTURE STRATEGY**

The Panel has considered the terms of a revised Cambridgeshire Green Infrastructure Strategy, which is intended for use as supporting evidence for planning purposes. The Strategy has been supported by the Green Infrastructure Forum and, in light of the demise of Cambridgeshire Horizons, the Panel has suggested that the accountability and reporting lines of the Green Infrastructure Forum should be clarified.

The Strategy is an update of the first Green Infrastructure Strategy for the Cambridge sub-region, which had been developed in 2006. The "Strategic Network" of green infrastructure has been divided into different geographical areas. The areas identified in Huntingdonshire are Huntingdonshire Fens and Woods (including the Great Fen) and Great Ouse. The Strategy will be part of the evidence base informing the Council's future work on updating its development Strategy for the period to 2036. Another important purpose of the Strategy will be to form a piece of evidence to help local communities identify local green spaces and to set realistic and meaningful objectives in neighbourhood plans.

The Chairman has raised concerns over the Strategy's lack of reference to the local agricultural industry and highlighted the fact that food security is of local, national and international concern. As such it ought to be given higher priority and be reflected to a greater extent in the Council's policy framework. Having concurred with these views, the Panel has recommended the Cabinet, bearing in mind the primacy of the agricultural sector and its importance to the local and national economy, to endorse the Cambridgeshire Green Infrastructure Strategy as supporting evidence for planning purposes.

#### **40. ADVANCED WASTE PARTNERSHIP**

Members have considered proposals to move the Cambridgeshire and Peterborough Waste Partnership (RECAP) to the next level of partnership working. It is hoped that this will enable the partner authorities to gain the maximum advantage collectively from working together.

The Panel has acknowledged that the work of RECAP represents an excellent example of County-wide partnership working which delivers significant benefits to Cambridgeshire. Members have supported the proposal to formalise relationships with neighbouring authorities in order to deliver further benefits to residents. Before any costs are incurred by the Council individual business cases will be brought to Members for comment and approval.

Members have highlighted the fact that the Council's waste collection service has high satisfaction levels and is delivered at a relatively low cost per household. Consequently, the Panel has questioned whether the Council's performance levels will be compromised if there is greater joint working. In response, Members have been advised that joint working should lead to greater savings and improve the trade waste function, which will be of benefit to the business community.

The Panel has referred to the possibility of using waste to generate electricity and has noted that this may be considered in the future. Having questioned whether it is viable to separate waste at the Waterbeach Waste Facility, it has been established that at present the plant is unable to cope with changes in the calorific value of the waste being processed and so this would be costly.

Owing to their involvement in reviewing the business cases for advanced waste projects, a planned visit by the Waste Collection Working Group to the Waterbeach Waste Facility has been extended to all Members of the Panel in order that they might familiarise themselves with its operation and see first hand its potential for service development.

The Panel has recommended the Cabinet to adopt the RECAP Advanced Partnership Working Charter. The outline business cases for advanced waste projects will be reviewed before a decision is made to proceed any further.

#### **41. FLOOD RISK MANAGEMENT ACTIVITIES**

The Panel previously has examined the Council's responsibilities for the maintenance of watercourses in the District. Following on from this a presentation has been received by Cambridgeshire County Council's Flood and Water Manager on flood risk management activities. She has explained that the Cambridgeshire Flood Risk Management Strategy is the product of a series of reviews and Acts that have been passed following nationwide flooding in 2007. The Cambridgeshire Flood Risk Management Partnership is made up of local District Councils, Cambridgeshire County Council, Cambridgeshire Constabulary, Anglian Water, the Environment Agency, Middle Level Commissioners and three of 63 local Internal Drainage Boards (IDBs). The Strategy contains five objectives one of which is 'to ensure appropriate development in Cambridgeshire'.

The Strategy considers the impacts of climate change and specifies how Cambridgeshire County Council will exercise a strategic

oversight role over flood risk management. As part of this, the County Council has to maintain a register of assets for flood risk management, adopt, approve and maintain Sustainable Drainage Systems in new developments, regulate flows of ordinary watercourses outside IDBs and plan for, and manage any flood emergencies. It also investigates instances of flooding in order to establish responsibility and find solutions to problems.

Although particular examples have been discussed, it is clear that every case is different and it is difficult to make generalisations. The Panel has recognised the need for continued research into the causes of flooding. Equally, ownership of watercourses and land and infrastructure adjoining them can be very complex. The register of assets for flood risk management is, therefore, an important development.

The new arrangements strongly emphasise joint working and the partner organisations have concurrent powers. In this case, the Panel has queried whether this might disperse responsibility. However, under the legal framework that has been established, a single authority usually has statutory responsibilities for particular aspects of flood management with others having permissive powers. The District Council largely has permissive powers.

#### **42. ROLL FORWARD OF CORE STRATEGY – LOCAL PLAN PROJECT PLAN**

The Panel has considered a new Local Development Scheme (LDS), which outlines the timetable for the preparation and delivery of the new Local Plan. The LDS contains the proposed scope, coverage and production timetable of the new Local Plan. Members have acknowledged that the process leading to the adoption of the new Local Plan will require significant levels of additional resources. Although the Council's Development Plans Team will take the lead in preparing all Development Plan Documents, monitoring reports and the statement of community involvement, specialist consultants will be required for certain aspects of the Plan's production, which will prove costly. There is already provision in the budget for this purpose.

Having noted that the Plan should be "prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements", the Panel has reiterated its previously expressed concerns regarding the Council's lack of influence over the implementation of infrastructure works.

Members have drawn attention to the difficulties that the Planning Service may face while the new plan is being developed owing to the uncertain policy position that will exist, particularly as the Government has not finalised its position on planning. Although there is a need to complete the process expeditiously, Members doubt whether the Council's partners will be able to complete the work required of them sufficiently quickly to enable the timetable in the LDS to be met.

Members have been advised that contingency plans have been developed in relation to travellers' sites and wind farms that will be used until the necessary policies have been adopted.

The Panel has recommended the Cabinet to approve the new LDS for publication and commencement on 24th February 2012.

**43. MONITORING OF SECTION 106 AGREEMENTS**

The Panel has been provided with an update on the receipt and expenditure by the Council of money negotiated under Section 106 Agreements. As significant progress has been made in advancing older agreements, Members have decided that in future they will monitor Section 106 Agreements on a biannual rather than quarterly basis.

**44. CAMBRIDGESHIRE FUTURE TRANSPORT STUDY**

The Chairman has advised the Panel of a joint scrutiny review of the Cambridgeshire Future Transport Project, which had been planned by the County Council and District Councils within Cambridgeshire. Owing to uncertainty over the future of the Project, it has been decided to defer appointing a representative to the review group.

---

**Other Matters of Interest**

---

**45. LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN**

The Panel has been acquainted with the contents of the current Forward Plan of Key Decisions at each of its meetings. Although a report on Community Infrastructure Levy Governance Principles will be submitted to the Overview and Scrutiny Panel (Economic Well-Being), Members of the Environmental Well-Being Panel will be invited to the meeting when this item is considered.

**46. WORKPLAN**

The Panel has reviewed the programme of studies being undertaken by the other Overview and Scrutiny Panels.

**47. OVERVIEW AND SCRUTINY PANEL  
(ENVIRONMENTAL WELL-BEING) PROGRESS**

Further to their discussions on the Advanced Waste Partnership, the Panel has agreed that developments relating to RECAP are likely to overtake the work of the Waste Collection Working Group and consequently it has been decided that the study should be postponed until further notice.

Following their deliberations on the Cambridgeshire Green Infrastructure Strategy, the Panel has highlighted the need to

consider environmental and agricultural issues in tandem. As a result of this, the Panel has established a Working Group to look at ways in which the local agricultural industry might be properly reflected in the new Local Plan.

**48. SCRUTINY**

The Panel has considered the latest edition of the Decision Digest and discussed the matters contained therein. The latest position on funding for the voluntary sector has been noted.

P M D Godfrey  
Chairman

This page is intentionally left blank



---

## **Overview and Scrutiny Panel (Social Well-Being)**

**Report of the meetings held on 3rd January and  
7th February 2012**

---

---

### **Matters for Information**

---

**48. NHS CONSULTATION – PROPOSED REDESIGN OF MENTAL  
HEALTH SERVICES ACROSS CAMBRIDGESHIRE AND  
PETERBOROUGH**

Following a presentation by representatives of NHS Cambridgeshire at the January meeting and having received a number of representations from service users, their carers and family members, the Panel has submitted a response to NHS Cambridgeshire's consultation on its proposals to redesign mental health services across Cambridgeshire and Peterborough. The Panel has unanimously expressed the view that the mental health facility in Acer Ward at Hinchingsbrooke Hospital should not be closed.

In reaching its conclusions, the Panel has questioned the clinical rationale for closing the Ward, expressed concerns over the travel implications of the proposals and queried whether better outcomes will be achieved by transferring the service to other sites. Members are not satisfied that sufficient evidence has been provided that better outcomes will be achieved for the residents in Hinchingsbrooke Hospital's catchment area if the changes are implemented. The case for the closure of Acer Ward, therefore, has not been justified. It is also held that the proposals do not adequately take into account anticipated population growth projections in Cambridgeshire and Peterborough. Furthermore, relocating the inpatient service will have a detrimental effect on the health and well-being of both patients and their visitors, which could have an impact on patients' rehabilitation.

At the January meeting, the Chairman had been tasked with meeting with Circle Healthcare to discuss options to preserve the mental health facility within Hinchingsbrooke. This meeting took place on 13th January 2012, when NHS Cambridgeshire representatives and the Executive Councillor for Healthy and Active Communities were present. Circle have confirmed that they will submit their own response to the consultation but this will be from an operational perspective to ensure that a robust model is in place at the Hospital when dealing with mental health patients. NHS Cambridgeshire offered a briefing session to all Members on the proposals and this took place on 1st February 2012.

Given the strength of the views expressed, representatives of NHS Cambridgeshire have attended the Panel's February meeting and responded to each of the concerns that have been raised. The Panel are still not satisfied that the case for the closure has been justified and Members have reiterated the view that an acute facility in Hinchingsbrooke Hospital forms an integral part of the redesign of mental health services across Cambridgeshire and Peterborough. The Panel is supportive of the proposals to strengthen and further enhance the primary community services available to mental health patients, their carers and their families and in particular, have welcomed the decision made by NHS Cambridgeshire to relocate the Crisis Resolution Home Team in Huntingdon with effect from 1st February 2012. In addition, the Panel has sought assurances that, if Acer Ward is closed, a budget will be established on an ongoing basis to assist patients travelling to and from the alternative wards. NHS Cambridgeshire have been formally notified of the Panel's views.

#### **49. VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)**

In conjunction with the Overview and Scrutiny Panel for Economic Well-Being (Item No. 39 their Report refers), the Panel has discussed a proposal to establish an indicative voluntary sector budget for 2013/14 of £273,000 and to establish a mixed grant system for the future allocation of funds. The proposal has been developed in conjunction with and is supported by the Panel's Voluntary Sector Working Group.

Having received assurances that sound governance arrangements will be in place when determining applications for grant funding, the Panel has recommended the Cabinet to agree:

- ◆ an indicative voluntary sector budget of £273,000 for the 2013/14 financial year;
- ◆ to the adoption of a mixed method of allocating funds with the method to involve a level of bureaucracy proportionate to the level of funding required; and
- ◆ to the establishment of a modest "Community Chest" to create an accessible source of funds to help local community projects.

#### **50. CAMBRIDGESHIRE LOCAL INVESTMENT PLAN**

The Panel has been apprised of changes to the level of funding available to the Homes and Communities Agency (HCA) and the implications of them for the Cambridgeshire Local Investment Plan (CLIP). A reduction in funding has prompted the HCA to review the way in which it allocates funds. The funds will now be delivered through Registered Providers (formerly known as Housing Associations) who will be expected to deliver a portfolio of schemes in return for a lump sum of HCA investment.

A new "Affordable Rent" scheme has been introduced as part of the changes whereby rents are charged at up to 80% of market level

rents. Those Registered Providers who have a HCA funded programme are expected to convert a percentage of their existing stock from social rents to affordable rents to generate more income.

The Panel has discussed whether the CLIP will be effective in releasing planned developments, whether it will affect the delivery of affordable housing and the process by which the Council's priorities are captured and incorporated into the priority setting process for planned developments within the District.

**51. HUNTINGDONSHIRE STRATEGIC PARTNERSHIP: HEALTH AND WELL-BEING THEMATIC GROUP**

The Panel has received a presentation on the Huntingdonshire Health and Well-Being Group. The priorities for Huntingdonshire are based on evidence of need, which has been identified through the Joint Strategic Needs Assessment. They appear in the Huntingdonshire Sustainable Community Strategy and the Health Inequalities Strategy. Attention has been drawn to the Group's Action Plan, membership and its strategic links to other key groups including the Huntingdonshire Children and Young Peoples Partnership, the Huntingdonshire Community Safety Partnership and local Clinical Commissioning Groups. New strategic governance arrangements are in the process of being developed through a County Health and Well-Being Board. A Shadow Board has been established to oversee the transition.

The Panel has discussed the role of the District Lead Members' Forum for health and well-being and acknowledged the rapidly changing and complex environment in which the Group is operating. Members have requested sight of the draft Joint Health and Wellbeing Strategy before it is adopted and confirmed their wish to review the Group's performance against its Action Plan at future meetings.

**52. FUNDING FOR CCTV**

*(The following item was considered as a confidential item under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972.)*

In conjunction with the Overview and Scrutiny Panel for Economic Well-Being (Item No. 43 of their Report refers), the Panel has received an update on the future funding and operation of the CCTV service. Members have discussed the effect of the changes on employees and the role of the Police. They have accepted a suggestion by the Economic Well-Being Panel that they should monitor the impact of any changes arising from future budget decisions. The Panel has requested a report back from the Head of Operations on the service changes in 2012/13.

**53. MONITORING OF SECTION 106 AGREEMENTS (PLANNING OBLIGATIONS)**

The Panel has received an update on the receipt and expenditure by the Council of money negotiated under Section 106 Agreements. Members have welcomed the progress that has been made over the previous year to implement various schemes that had been negotiated a number of years ago. An update has also been received on the development of an intranet site which will give Members access to S106 documents and provide updates on schemes.

**54. ONE LEISURE WORKING GROUP**

In conjunction with the Overview and Scrutiny Panel for Economic Well-Being (Item No. 41 their Report refers), the Panel has been acquainted with the outcome of the deliberations of the Working Group, which had been established to review the financial performance of One Leisure and to make recommendations on the services' future direction.

A comment has been made that the One Leisure service should adopt a more business-like approach to its operations, with more challenging targets being set to reduce the cost of the service to the Council. In the context of the Council's current budgetary position, and the fact that the Council is not statutorily required to provide leisure services and that the service is only utilised by a small proportion of the District's residents, it has been suggested that One Leisure should increase its prices. However, it has been pointed out that there are areas within the One Leisure service that are successful at generating income and that it is planned to investigate whether the service should employ a new business model.

The Cabinet has subsequently accepted the study's recommendations. The Working Group will also now assist the Executive Councillor for Healthy and Active Communities with the development of a new business model for One Leisure and a methodology for the quantification of "social value".

**55. NEIGHBOURHOOD FORUMS WORKING GROUP**

The Panel has received a brief update on the progress made at recent meetings of the Neighbourhood Forums Working Group. Based on responses received to consultation undertaken by the Panel in September 2011, revised Forum boundaries have been developed, though it is likely that they will require further work to promote the Localism agenda. Draft constitutional terms for the new Forums and the elected Member representation for each area are currently under review. The Working Group has met with the Huntingdonshire Area Commander for the Police and preliminary discussions have been held with Cambridgeshire County Council on developing a model for the Forums, which will be rolled out throughout the County.

**56. CAMBRIDGESHIRE ADULTS WELL-BEING AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE**

The Panel has been informed of the matters discussed at recent meetings of the Cambridgeshire Adults Wellbeing and Health Overview and Scrutiny Committee.

---

**Other Matters of Interest**

---

**57. OVERVIEW AND SCRUTINY PANEL (SOCIAL WELL-BEING) - PROGRESS**

The Panel has reviewed its programme of studies at each of its meetings. Starting next year, work to scrutinise the budgets of those services falling within the remit of the Panel will be undertaken as part of the existing budget setting process. Before then, the final report of the Cambridgeshire Safer and Stronger Overview and Scrutiny Committee's study into domestic abuse will be delivered to Members and representatives of Circle Healthcare will be in attendance at the Panel's April meeting to discuss their plans for Hinchingsbrooke Hospital. In addition, the Panel has requested sight of the draft performance framework through the Corporate Plan Working Group before they are adopted.

**58. WORK PLAN STUDIES**

The Panel has received details of studies being undertaken by the other Overview and Scrutiny Panels.

**59. LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN**

The Panel has been acquainted with the current Forward Plan of Key Decisions at each of its meetings.

**60. SCRUTINY**

The Panel has considered the latest editions of the Decision Digest and discussed matters contained therein.

S J Criswell  
Chairman

This page is intentionally left blank

---

## **Development Management Panel**

**Report of the meetings held on 19th December 2011  
and 16th January 2012**

---

---

### **Matter for Information**

---

#### **15. DEVELOPMENT APPLICATIONS**

Over two meetings, the Panel has considered 16 applications for proposed development and of these 14 have been approved and two refused. Although the majority of the applications related to minor domestic or commercial development, two had wider implications for the District for different reasons.

Following representations made by District and Town Councillors and a local resident and having taken these carefully into consideration, the Panel has approved an application for the development of a six screen cinema complex, restaurant buildings, car park and public plaza off Huntingdon Street, St Neots.

On balance, the Panel were of the view that the significant contribution the cinema would make to the improvement of leisure facilities in St Neots and the contribution to the promotion of the vitality and economic well-being of the town outweighed their concerns with the proposal. A Section 106 Agreement will secure funds towards the upgrading of the urban traffic control system in the town centre and conditions will secure, amongst other matters, the provision of a car park management plan.

Given the outstanding need for permanent gypsy and traveller pitches in the District and as the site in question complied with the criteria established by Circular 01/2006 – Planning for Gypsy and Traveller Caravan Sites and CS6 of the Huntingdonshire Core Strategy 2009, the Panel also has approved, subject to conditions, an application for the permanent change of use of land from agricultural paddock to provide four additional gypsy/traveller pitches and hard standings on a site called Five Acres Field, on the B1040 mid way between St Ives and Somersham.

D B Dew  
Chairman

This page is intentionally left blank



---

## **Licensing and Protection Panel**

**Report of the meeting held on 25th January 2012**

---

---

### **Matters for Information**

---

#### **14. IMPORTED FOOD CONTROL LEGISLATION - DELEGATIONS**

The Panel has authorised the Head of Environmental and Community Health Services to appoint suitably qualified officers to enforce new Regulations in respect of the importation of food, feeds, animals and animal products from other EU states, and to initiate prosecutions under the same, after consultation with the Chairman and Vice Chairman of the Licensing and Protection Panel.

#### **15. LICENSING AND PROTECTION APPLICATIONS SUB-GROUP - MEMBERSHIP**

The Panel has agreed to continue the present procedure for membership of the Licensing and Protection Applications Sub - Group following consideration of a report suggesting that the Sub - Group, which is established on an ad-hoc basis to deal with applications for licences which cannot be delegated to officers, should be reduced from four members with a quorum of three to three members with a quorum of three.

Members agreed that by continuing with the current procedure the possibility of non quorate meetings would be avoided and more members of the Panel would be provided with an opportunity to gain experience of the procedure.

J W Davies  
Chairman

This page is intentionally left blank

---

## Employment Panel

### Report of the meeting held on 8th February 2012

---

---

#### Matters for Information

---

#### 18. EMPLOYMENT REPORT

*(The figures relating to sickness absence were considered as a confidential item under paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.)*

The Panel has considered a range of information relating to the management of the Council's workforce and the workload of the Human Resources Team. This has included the latest position and trends relating to:-

- ◆ employee numbers;
- ◆ salary costs;
- ◆ employee turnover;
- ◆ retention of new starters;
- ◆ sickness absence reporting; and
- ◆ the Human Resources caseload.

In considering the information which was provided, the Panel has discussed in detail the statistics relating to sickness absence. Members have noted that the annual average days sickness per FTE employee has reduced from 8.5 to 8.4 days in the year to 31st December 2011 and remains well below the average for local government. The Panel also has noted that the Human Resources Team has modified the categories in which sickness was recorded which should produce a better picture of the reasons for sickness absence in the next quarterly report. Members have emphasised the need for Heads of Service and Activity Managers to record information accurately so that appropriate interventions can be introduced.

In considering the statistics for sickness in the category 'stress, depression, mental health and fatigue', Members have noted that a number of Mental Health Awareness sessions had been arranged for employees. The Panel has discussed the need to engage managers in these type of programmes and have been reminded that all Heads of Service have a Key Performance Indicator for staff management.

The Panel has discussed whether there was a need to establish a corporate performance indicator for sickness management. Although the need for targets was discussed, the Panel agreed that it was sufficient to report and monitor trends at a future meeting.

A copy of the full report is available from Democratic Services on request and has been published on the District Council's website.

**19. REVIEW OF EMPLOYEE CAR LOAN SCHEME**

Following recent review, the Panel has endorsed a number of changes to the existing Car Loan Scheme. The changes will ensure that individual employees are not encouraged to borrow more than is affordable and will simplify the administration of the scheme, by bringing interest rates into line with those used by the HMRC.

Having noted concerns as to the whether the Council should continue to offer the option of a car loan scheme to its staff, the Panel has agreed that the longer term retention of the scheme should be considered as part of the discussions with employees on the review of pay and the pay structure.

**20. RETIREMENT OF EMPLOYEES – ACKNOWLEDGEMENT**

The Panel has placed on record its recognition of, and gratitude for, the excellent contribution made by Mr T Newland, Refuse and Recycling Loader during his 22 years employment in the local government service and conveyed its best wishes to him for a long and happy retirement.

**21. PAY POLICY STATEMENT**

*(The following item was considered as a confidential item under paragraphs 1 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972.)*

With the assistance of a report by the Corporate Team Manager (the report is reproduced as Item No.6 on the Council Agenda) the Panel has given preliminary consideration the content of a proposed Statement of Pay Policy for 2012/13. The Pay Policy Statement provides information about the Council's policies relating to the pay and reward of chief officers and other employees, as required by sections 38 – 43 of the Localism Act 2011.

In considering the content of the statement, Members have sought clarification on a number of matters and commented on the presentation of some of the information within the report. Having identified that there still were several matters which required further clarification, the Executive Leader requested that there be no further discussion at the meeting. An updated paper would be circulated to the Panel before the statement was submitted to the Council for final approval.

**22. PAY REVIEW PROJECT**

*(The following item was considered as a confidential item under paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.)*

The Panel has received an update on the discussions with Employees' Side representatives in advance of the review of the Council's pay grades and bands.

In considering the principles and objectives which had been agreed for the project, Members have made a number of further comments and suggestions for consideration during the review. Further updates on progress will be submitted to future meetings.

**23. UPDATE ON HR REVIEW OF HR SERVICES**

*(The following item was considered as a confidential item under paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.)*

The Panel has received an update on current discussions regarding the future of the District Council's Human Resources and Payroll function. Members have been informed that there was still a significant amount of work to be undertaken to determine whether the Council wished to pursue a proposal to outsource the function. Officers are making strenuous efforts to enable the Cabinet to reach a conclusion at their meeting on 22nd March 2012, although it was noted that this is a matter not to be rushed and consequently may be addressed by a later Cabinet meeting.

P A Swales  
Chairman

This page is intentionally left blank