

A meeting of **HUNTINGDONSHIRE DISTRICT COUNCIL** will be held in the **CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **WEDNESDAY, 26 SEPTEMBER 2012** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

A G E N D A

	Time Allocation
PRAYER	5 minutes
The Reverend Andrew Milton, Team Rector for the Huntingdon Ministry, will open the meeting with prayer.	
APOLOGIES	2 minutes
CHAIRMAN'S ANNOUNCEMENTS	10 minutes
1. PETITION	10 minutes
Mrs Olive Main, Chairman of Stilton Parish Council will present a petition on behalf of 303 signatories on a subject considered to be of 'general concern affecting the District'. The petition statement is as follows:-	
'We the undersigned, residents of Stilton and District, petition Stagecoach UK Bus, Huntingdonshire District and Cambridgeshire County Council to provide a bus that maintains direct services south to Sawtry as well as north to Peterborough.'	
(NB: In the case of an ordinary petition (less than 500 signatures) the Council may respond to the petition at the meeting or refer it to the Cabinet, Committees, Panels, etc or the Council for debate or an alternative course of action.)	
2. MINUTES (Pages 1 - 12)	2 minutes
To approve as a correct record the Minutes of the meeting held on 4th July 2012.	
3. MEMBERS' INTERESTS	2 minutes
To receive from Members declarations as to disclosable pecuniary, non-disclosable pecuniary or non pecuniary interests in relation to any Agenda item. See Notes below.	
4. COUNCIL DEBATE	45 minutes
To invite the Executive Councillor for Customer Services, Councillor B S Chapman and the Managing Director (Resources) to lead a debate on Council Tax and other Welfare Reform - Response to changes.	
5. GREEN PAPER ITEM	15 minutes
Update on the 'Core Strategy' to be presented by the Deputy Leader and Executive Councillor for Planning and Housing Strategy.	

6. FINANCIAL FORECAST (Pages 13 - 26) 30 minutes

The Executive Councillor for Resources to present a report by the Head of Financial Services on the process leading towards approval of the Budget/Medium Term Plan 2013/14 at the meeting of the Council in February 2013.

7. REPORTS OF THE CABINET, PANELS AND COMMITTEES 20 minutes

(a) Overview and Scrutiny Panel (Economic Well-Being) (Pages 27 - 34)

(b) Overview and Scrutiny Panel (Environmental Well-Being) (Pages 35 - 42)

(c) Overview and Scrutiny Panel (Social Well-Being) (Pages 43 - 50)

(d) Cabinet (Pages 51 - 66)

(e) Standards Committee (Pages 67 - 70)

(f) Development Management Panel (Pages 71 - 72)

(g) Employment Panel (Pages 73 - 76)

8. 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 21 day of September 2012



Head of Paid Service

Notes

A. Disclosable Pecuniary Interests

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it*
 - (a) *relates to you, or*
 - (b) *is an interest of -*
 - (i) *your spouse or civil partner; or*
 - (ii) *a person with whom you are living as husband and wife; or*
 - (iii) *a person with whom you are living as if you were civil partners*

and you are aware that the other person has the interest.

- (3) *Disclosable pecuniary interests includes -*
 - (a) *any employment or profession carried out for profit or gain;*
 - (b) *any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
 - (c) *any current contracts with the Council;*
 - (d) *any beneficial interest in land/property within the Council's area;*
 - (e) *any licence for a month or longer to occupy land in the Council's area;*
 - (f) *any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
 - (g) *a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

B. Other Interests

- (4) *If a Member has a non-disclosable pecuniary interest or a non-pecuniary interest then you are required to declare that interest, but may remain to discuss and vote.*
- (5) *A Member has a non-disclosable pecuniary interest or a non-pecuniary interest where -*
 - (a) *a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
 - (b) *it relates to or is likely to affect any of the descriptions referred to above, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association*

and that interest is not a disclosable pecuniary interest.

Please contact Ms C Deller, Democratic Services Manager, Tel No 01480 388007/e-mail: 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 (*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.

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Agenda Item 2

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, 4 July 2012.

PRESENT: Councillor Mrs B E Boddington – Chairman.

Councillors J D Ablewhite, S Akthar,
M G Baker, K M Baker, Mrs M Banerjee,
I C Bates, P L E Bucknell, G J Bull,
E R Butler, R C Carter, S Cawley,
B S Chapman, K J Churchill, S J Criswell,
I J Curtis, J W Davies, D B Dew, P J Downes,
Mrs L A Duffy, R S Farrer, R Fuller,
D A Giles, J A Gray, S Greenall, N J Guyatt,
G J Harlock, R Harrison, D Harty, R B Howe,
Mrs P A Jordan, P Kadewere, Mrs L Kadic,
S M Van De Kerkhove, A J Mackender-
Lawrence, P G Mitchell, M C Oliver,
J W G Pethard, P D Reeve,
Mrs D C Reynolds, T D Sanderson,
M F Shellens, R G Tuplin, D M Tysoe,
R J West and A H Williams.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors W T Clough, A Hansard, C R Hyams, Mrs P J Longford and T V Rogers.

IN ATTENDANCE: Mr D L Hall.

14. PRAYER

The Reverend A Milton, Team Rector for the Huntingdon Ministry opened the meeting with Prayer.

15. CHAIRMAN'S ANNOUNCEMENTS

(a) New Councillor

The Chairman welcomed Councillor R Carter, newly elected Member for Earith Ward to his first meeting of the Council.

(b) Chairman's Events

Having reported on her attendance at various events since her election as Chairman, Councillor Mrs Boddington informed Members of her plans for a Civic Reception on 14th September at 7pm and a Charity Dinner at the George Hotel, Buckden on 8th October 2012.

(c) Members/Officers Cricket Match

The Chairman encouraged the Council to support the Annual Cricket Match between Members and Officers which was to

be held at 6pm on 12th July 2012 at St. Ivo Outdoor Centre.

(d) **Tabled Documents**

Members' attention was drawn to a leaflet on "Natural High", one of the Chairman's chosen charities which had been circulated for the Council's information. Councillor R G Tuplin, Chairman of the Member Development Group urged all Councillors to complete the annual skills analysis to help inform training and development sessions during the year.

16. MINUTES

The Minutes of the meeting of the Council held on 16th May 2012 were approved as a correct record and signed by the Chairman.

17. MEMBERS' INTERESTS

No interests were declared by the Members present.

18. BY-ELECTION: EARITH WARD

The Council noted that Mr R C Carter had been elected to the Office of District Councillor for Earith Ward at a by-election held on 21st June 2012. Councillor Carter thanked the Returning Officer and his staff for their contribution on the day of the election and looked forward to commencing his work as a District Councillor.

19. LEADERSHIP DIRECTION

By reference to a document which had been tabled (a copy of which is appended in the Minute Book) the Executive Leader, Councillor J D Ablewhite and Deputy Executive Leader, Councillor N J Guyatt presented to the Council, the proposed 'Leadership Direction' and 'Key Priorities' for the Council in the ensuing year.

Councillor Ablewhite explained that although the document reflected key themes and aims and would form a basis upon which to work, it could not cover all the services the District Council provided. He believed, however, that the strategic direction concentrated on those issues of most importance to local people, national priorities and local challenges arising from the social, economic and environmental context of the District.

With the assistance of power point, Councillor Ablewhite described the overall vision for Huntingdonshire and the individual themes in detail. The key themes included –

- ◆ strong local economy
- ◆ enable sustainable growth
- ◆ improve the quality of life in Huntingdonshire
- ◆ working with our communities; and
- ◆ the Council.

As an illustration of the way the Council was required to respond to national priorities, Councillor Guyatt addressed Members on the requirement to produce the new Local Plan within twelve months. To

meet this timescale, Councillor Guyatt explained that it was the intention to use the existing Plan as a basis for going forward and to respond to new challenges, such as employment and the successful delivery of the Alconbury Enterprise Zone.

As an example of the theme “working in other communities”, Councillor Guyatt described the steps being taken by the Council to consult with non-statutory consultees on the potential for new housing development and how 110 responses had been received thus far.

Members were urged to involve themselves in the consultation to help shape and develop the new Local Plan. Communities could, if they so wished, then begin to prepare their own neighbourhood plan which would be required to conform to the District Council’s Local Plan. Councillor Guyatt indicated that the new Local Plan would support, among other issues, low/medium growth in key service areas, improved infrastructure provision including the A14 and measures to improve and maintain the quality of life and a strong local economy. He intimated that the formal statutory consultation process would commence at the end of July.

In response to questions from Councillor R B Howe and R S Farrer, Councillor Guyatt confirmed that he would expect to be in a position to advise on the timescale for preparation of neighbourhood plans towards the end of the Local Plan process and that those Authorities without arrangements in place for developers to contribute to a Community Infrastructure Levy would ultimately experience a deficit in funding towards their infrastructure projects. The Executive Leader added that each District Authority was obliged to undertake the same process but that the Council had progressed further than other Authorities and hopefully would reap the consequential benefits of its prompt response.

Referring to Section 3 of the “Leadership Direction”, Councillor P J Downes expressed the view that the Leadership may have underestimated the difficulty which lay ahead in implementing benefit reforms in terms of the impact on the District and effect on the Council and suggested that the District Council would need to work hard to protect the most vulnerable.

Councillor P D Reeve welcomed the level of engagement which had been arranged on the proposed new Local Plan and indicated his appreciation for the support offered by the Head of Planning and Housing Strategy. He was hopeful that the new Local Plan would seek to impose minimal rather than maximum parking standards and establish a requirement for good quality family housing. In response to a further observation from Councillor M F Shellens on the inadequacy of car parking on the Kings Ripton Park Estate, Councillor Guyatt confirmed that whilst parking standards were under consideration, the District Council had no control over a householder’s decision to convert their garage for leisure or other use.

20. CABINET PROCEDURE RULES - DELEGATION BY THE EXECUTIVE LEADER

In accordance with the Procedure Rules contained in the Council’s

Constitution and by reference to a report by the Head of Paid Service and Managing Director (Communities, Partnership and Projects), the Executive Leader, Councillor J D Ablewhite presented the Cabinet Portfolios for the ensuing Municipal Year. Whereupon, it was

RESOLVED

that the report now submitted be noted.

21. FOOD SAFETY SERVICE PLAN 2012/13

By reference to a report by the Head of Environmental and Community Health Services (a copy of which is appended in the Minute Book) Councillor J W Davies, Chairman of the Licensing and Protection Panel reminded the Council that the Food Standards Agency required the Council to prepare a Food Safety Service Plan annually in accordance with an agreed framework. A full copy of the Food Safety Service Plan 2012/2013 had been made available in the Members' Room (an Executive Summary of which also is appended to the Minutes).

Members were reminded of the objectives of the Service Plan in terms of identifying resources, establishing a work programme and providing a means by which to measure and manage performance. In that context, Councillor Davies drew attention to the budget of £442,060 for 2012/2013 which represented a decrease of 6.18% over the previous financial year. In terms of specific performance, Councillor Davies reported that the service had developed and delivered an implementation plan for caterers and food producers to address the requirements of FSA guidance on e-coli 0157 and confirmed that grant assistance had been received from the FSA towards the launch of the National Food Hygiene Rating Scheme in place of the successful "Scores on the Doors" Scheme.

Mention also was made of the demands placed on the service by the Secret Garden Party and other large scale events, fairs, shows and heritage attractions and whilst these activities had been absorbed within existing budgets, it was acknowledged that they had an impact on the service given the increase in pro-active and reactive work which resulted often at weekends and during unsociable hours. In terms of enforcement action, Councillor Davies reported that during 2011/2012 there were four successful prosecutions instigated for un-hygienic premises and practices, 34 hygiene improvement notices issued and two remedial action notices served, two premises had been subject to voluntary closure and unfit food was voluntarily surrendered from two businesses following inspections. The service also responded to over 140 complaints about unfit food or un-hygienic food premises from local residents and 96 food alerts from the FSA.

In 2012/2013, Councillor Davies advised Members that the service would continue to give priority to the inspection of high risk food premises and the delivery of key projects to protect the health of individuals.

In response to concern expressed by Councillor P J Downes at the suggestion that fewer "high risk" outlets were being inspected and the number of businesses that this was likely to involve, Councillor Davies

assured the questioner that the service would do its best within the resources available but he undertook to respond in writing with precise details. Councillor Davies further assured Councillor Mrs Duffy that the service charged for the additional costs incurred from support of the Secret Garden Party. Whereupon, after noting the support for the Plan on the part of the Licensing and Protection Panel, the Council

RESOLVED

that the Food Safety Service Plan 2012/2013 be adopted.

22. REPORTS OF THE CABINET, PANELS AND COMMITTEE

(a) Standards

Mr D L Hall presented the Report of the meeting of the Standards Committee held on 21st June 2012.

.....

Having noted that recommendation (a) in Item No 1 of the Report of the Corporate Governance Panel had superseded recommendation (a) in the Report of the Committee, on being put to the vote, the remaining recommendations (b), (c) and (d) contained in Item No. 1 were declared to be CARRIED.

.....

On behalf of the Council, the Executive Leader, Councillor J D Ablewhite paid tribute to the contribution made by Mr Hall as Chairman of the Standards Committee and wished to place on record the District Council's sincere gratitude for his diligence and efforts in his position as Independent Member and Chairman of the Committee.

Councillor P J Downes endorsed the sentiments of the Executive Leader and commended Mr Hall for the thoughtful and measured way in which he had chaired meetings of the Committee and dealt sensitively with a number of difficult matters.

The Chairman, Councillor Mrs B E Boddington requested the Head of Legal & Democratic Services and Monitoring Officer to convey to all the Independent Members and Parish Council representatives on the Committee, the Council's appreciation for their contribution and support over recent years. Whereupon, it was

RESOLVED

that, subject to the foregoing paragraphs, the Report of the meeting of the Standards Committee held on 21st June 2012 be received and adopted.

(b) Overview and Scrutiny Panel (Economic Well-Being)

Councillor G J Bull presented the Report of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 14th June 2012.

.....
Referring to the absence of Councillor T V Rogers through ill health, Councillor Bull invited the Council to join him in wishing Councillor Rogers a speedy recovery.

.....
In connection with Item No. 3, Councillor P J Downes commended the Panel for the interest they had expressed in forthcoming changes to the housing benefits system.

.....
Whereupon, it was

RESOLVED

that the Report of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 14th June 2012 be received and adopted.

(c) Overview and Scrutiny Panel (Environmental Well-Being)

Councillor D Harty presented the Report of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 19th June 2012.

.....
Whereupon, it was

RESOLVED

that the Report of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 19th June 2012 be received and adopted.

(d) Overview and Scrutiny Panel (Social Well-Being)

Councillor S J Criswell presented the Report of the meeting of the Overview and Scrutiny Panel (Social Well-Being) held on 12th June 2012.

.....
In connection with Item No. 2 and in response to a question from Councillor M F Shellens regarding the costs incurred by the Council on measures to prevent homelessness in comparison with expenditure involved in dealing with it, Councillor Criswell undertook to ensure that this question

would be considered at a future Panel meeting perhaps in conjunction with Panel discussions on the housing strategy.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Overview and Scrutiny Panel (Social Well-Being) held on 12th June 2012 be received and adopted.

(e) Cabinet

Councillor J D Ablewhite, Executive Leader of the Council and Chairman of the Cabinet presented the Report of the meetings of the Cabinet held on 17th May and 21st June 2012.

.....

In connection with Item No. 1 and upon being moved by Councillor Ablewhite and seconded by Councillor N J Guyatt, it was

RESOLVED

that the Treasury Management Annual Report 2011/2012 and the amended Appendix B of the Treasury Management Strategy for 2012/2013 reproduced as Document 2 be received and approved.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraph, the Report of the meetings held on 17th May and 21st June 2012 be received and adopted.

(f) Development Management Panel

Councillor D B Dew presented the Report of the meetings of the Development Management Panel held on 21st May and 18th June 2012.

.....

Whereupon, it was

RESOLVED

that the Report of the meetings of the Development

Management Panel held on 21st May and 18th June 2012 be received and adopted.

(g) Licensing and Protection Panel

Councillor J W Davies presented the Report of the meeting of the Licensing and Protection Panel held on 20th June 2012.

.....

Whereupon, it was

RESOLVED

that, with the exception of Item No. 6 which had been repeated in the text of the Report, the Report of the meeting of the Licensing and Protection Panel held on 20th June 2012 be received and adopted.

(h) Licensing Committee

Councillor J W Davies presented the Report of the meeting of the Licensing Committee held on 20th June 2012.

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Whereupon, it was

RESOLVED

that the Report of the meeting of the Licensing Committee held on 20th June 2012 be received and adopted.

(i) Employment Panel

Councillor S Cawley presented the Report of the meeting of the Employment Panel held on 20th June 2012.

.....

In connection with Item No. 6, the Executive Leader, Councillor J D Ablewhite asked Members to join him in sending the Council's best wishes to employees who were retiring and in particular to place on record their gratitude for the contribution made to the District Council's housing service by Mr S Plant, former Head of Housing Services who was retiring after 36 years of local government service.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Employment

Panel held on 20th June 2012 be received and adopted.

(j) Corporate Governance Panel

Councillor E R Butler presented the Report of the Corporate Governance Panel held on 26th June 2012.

.....
Having been reminded that recommendations (d), (e) and (k) had previously been dealt with by the Standards Committee, recommendations (a), (b), (c), (f), (g), (h), (i), (j) and (l) contained in Item No 1 were declared to be CARRIED.

.....
In connection with Item No 5, Councillor Butler assured the Council that the 2010/11 Final Accounts had been approved for publication and the 2011/12 accounts submitted to audit on time. Councillor Butler thanked the Managing Director (Resources) and his staff for their efforts in overcoming the difficulties with publication of the 2010/11 accounts.

.....
Whereupon, it was

RESOLVED

that, subject to the foregoing paragraphs, the Report of the meeting of the Corporate Governance Panel held on 26th June 2012 be received and adopted.

23. REPRESENTATION OF POLITICAL GROUPS ON DISTRICT COUNCIL PANELS, ETC

Further to Minute No 11 of the Minutes of the meeting of the Council held on 16th May 2012, consideration was given to a report by the Head of Legal & Democratic Services (a copy of which is appended in the Minute Book) in response to a request to review the representation of political groups and independent Members on the District Council given the outcome of the recent by election in Earith Ward and the consequential change to the membership of a political group on the Council.

In accordance with Section 15 of the Local Government and Housing Act 1989 and Part II of the Local Government Act 2000, it was

RESOLVED

that the allocation of seats on Panels to political groups and non aligned Members be determined as set out in the report now submitted.

24. 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 I J Curtis to the Executive Councillor for Environment, Councillor D M Tysoe

In response to a question regarding recycling bins, Councillor Tysoe acknowledged that there were anomalies in the current scheme which he envisaged would be resolved following a review of the policy on collection which was to be discussed by the Overview & Scrutiny Panel (Environmental Well-Being) shortly.

Question from Councillor M F Shellens to the Executive Councillor for Customer Services, Councillor B S Chapman

In response to a question regarding the likely financial impact on the Council of the reform of welfare and council tax support and the probability of an increased incidence of arrears and court actions, Councillor Chapman assured the questioner that a project team was looking at the consequences of the changes to seek to minimise the impact of the reform and avoid, as far as possible, an increase in the number of residents likely to default in their payment of council tax and rent.

Question from Councillor P J Downes to the Executive Leader and Chairman of the Cabinet, Councillor J D Ablewhite

In response to a question suggesting the existence of a criteria for the allocation of Council's resources, Councillor Ablewhite assured the questioner that funds were directed to whichever part of the District was in most need and that the distribution of resource was not based upon the political allegiance of the ward Councillor.

Question from Councillor P D Reeve to the Executive Leader and Chairman of the Cabinet, Councillor J D Ablewhite

In response to a question which expressed concern regarding progress on the establishment of future transport policy for Cambridgeshire and the impact this might have for Huntingdonshire, Councillor Ablewhite assured the Council that he took every opportunity to make representations in this respect at meetings of District and County Leaders and with Partners to seek to secure the best arrangements for the District.

Question from Councillor M G Baker to the Deputy Executive Leader and Executive Councillor for Planning & Housing Strategy, Councillor N J Guyatt

In response to a question regarding the up and coming expiry of temporary planning permission for a traveller's site in Ellington Ward, Councillor Guyatt replied that responsibility for enforcement action would lie with the District Council in the event that an application for permanent planning permission was not forthcoming.

Question from Councillor S Greenall to the Executive Councillor for Resources, Councillor J A Gray

In response to a question regarding the use of offshore accounts, Councillor Gray replied that he was not aware that allowances or salaries due to any Member or employee were paid into offshore accounts to mitigate the levy of income tax either in the past or currently but that he would make enquiries to verify this fact and respond to the questioner in writing after the meeting.

Question from Councillor R S Farrer to the Deputy Executive Leader and Executive Councillor for Planning & Housing Strategy, Councillor N J Guyatt

In response to a question relating to the progress of the review of Car Parking charges, Councillor Guyatt reported that a revised policy currently was in preparation drawing on the responses made by Members to a survey undertaken earlier in the year and that the draft policy would be subject to further consultation.

Question from Councillor Mrs M Banerjee to the Executive Councillor for Customer Services, Councillor B S Chapman

In response to a question regarding the readiness of the District Council to respond to the implications of the Housing Welfare Act when it takes effect from 1st April 2013, Councillor Chapman confirmed that a great deal of preparatory work had already been undertaken to identify the most vulnerable and that the District Council would be ready to support those residents in most need.

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With the permission of the Chairman, Councillor P Kadewere invited Members to participate in the annual event entitled 'Unity For Community' which was to be held at the Huntingdonshire Regional College on 14th July 2012 between 11 am - 3 pm.

25. MEMBERSHIP OF CABINET, COMMITTEES AND PANELS

Further to Minute No 22(a), resolution (b) and following the recent by election in Earith Ward, it was moved, seconded and

RESOLVED

- (a) that Councillor R C Carter be appointed to the vacancy in the membership of the Overview & Scrutiny Panel (Social Well Being); and
- (b) that Councillors K Baker, Mrs B E Boddington, P J Downes, Mrs L Duffy, G J Harlock, A Hansard and T D Sanderson be appointed as members of the Standards Committee.

The meeting ended at 8.25 pm.

Chairman

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Financial Forecast

Report by the Head of Financial Services

1. PURPOSE

1.1 This report is the start of the process leading to the formal approval of the 2013/14 budget and Medium Term Plan (MTP) next February. It provides Members with updates on:

- ◆ the financial plans approved in February,
- ◆ progress on identifying and delivering savings
- ◆ areas where there are new or continuing uncertainties.

1.2 The report also seeks approval for the basis on which the Minimum Revenue Provision (MRP) will be calculated (see Annex B).

2. SUMMARY

2.1 The forecast only takes account of some specific changes, mainly flowing from last year's outturn. Other items will be refined or decisions made over the coming months while a range of items should become much clearer at the end of the calendar year e.g. government funding, New Homes Bonus for 2013/14.

2.2 The table below compares the use of reserves and unidentified savings required in the approved MTP with what might now be possible. It is though, very important that the results are treated with caution for the reasons above.

IMPACT OF CHANGES	BUDGET	MTP			
	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
CURRENT MTP					
Use of revenue reserves	-2,547	-1,954	-1,909	-1,122	0
Remaining revenue reserves EOY	9,485	7,531	5,622	4,500	4,500
Unidentified Spending Reductions	0	-337	-550	-616	-891
DRAFT FORECAST					
Use of revenue reserves	-3,032	-1,954	-1,909	-1,122	0
Remaining revenue reserves EOY	10,431	8,477	6,568	5,446	5,446
Unidentified Spending Reductions	0	-166	-285	-398	-595

2.3 What these figures do clearly establish is that, for the areas adjusted, the net benefit is a clear improvement in the Council's financial position but that work must still continue on identifying additional savings.

3. STARTING POINT

3.1 The budget/MTP report approved in February contained the following key points which form the starting point for this year's process.

BUDGET/MTP	FORECAST	BUDGET	MTP			
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000	£000
FORECAST SPENDING	21,435	21,722	22,299	22,842	23,611	24,365
FUNDING						
Use of revenue reserves	-2,409	-2,547	-1,954	-1,909	-1,122	0
Remaining revenue reserves EOY	12,032	9,485	7,531	5,622	4,500	4,500
New Homes Bonus	-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 Adjustment	-105	-63	0	0	0	0
Council Tax	-7,383	-7,727	-8,068	-8,415	-8,797	-9,202
COUNCIL TAX LEVEL	£124.17	£128.51	£133.01	£137.66	£142.48	£147.47
£ increase	£0.00	£4.34	£4.50	£4.66	£4.82	£4.99
Unidentified Spending Reductions	0	0	-337	-550	-616	-891
EXTRA savings if higher risks		-100	-800	-1,000	-1,600	-2,100

3.2 Thus, based on the lower risk assumptions, **£0.9M** of additional savings were forecast to be required by 2016/17 or as much as **£3M** if the higher risk assumptions turn out to be valid.

4. UPDATE

4.1 There are some specific areas where the position can be updated but much uncertainty remains in a number of areas and these are dealt with later in this report.

4.2 2011/12 Outturn

The forecast outturn used for the MTP was £21.4M requiring £2.4M to be used from general reserves which would leave £12M available to create a permanent provision of £4.5M with the remainder being used as a temporary buffer to allow savings to be identified and implemented over the next 4 years (lower risk assumptions).

The actual outturn was £20.1M and £1.0M was used from reserves leaving £13.5M available but this also has to fund a slightly higher level of delayed projects.

The additional reserves provide additional flexibility as we enter a period of significant uncertainty. However, Overview and Scrutiny (Economic Well-Being) believe there may be arguments for higher levels of reserves and have set up a working group to discuss this. If

a higher minimum level were to be agreed, any necessary savings would need to be implemented more speedily.

Capital expenditure was £5.4M net, slightly above the £5.3M assumed in the MTP and this has an impact on the MRP, the sum that the Council has to fund from revenue to provide for repayment of borrowing. The impact is actually a reduction of £82k in the current year due to a higher level of capital receipts, which is used first to fund the shorter life assets.

4.3 **Progress on planned savings**

Brief comments on individual savings are provided by category:

POSSIBILITY OF OVER ACHIEVEMENT

Back Office Reorganisation

Expected to exceed target but amount is dependent on the solution adopted for managing Estates.

Pay Review

The MTP is based on a 3.5% increase per year to cover cost of living and any increments. There is no assumption of any savings from the current pay review. It is anticipated that there will be some but it is too early to make any assumptions on the value or timing.

UNCERTAIN

Document Centre

Further savings from 2014/15 onwards not yet certain.

Building Efficiency Improvements (Salix Grant)

Uncertain until schemes identified for future years

Rental of office space in PFH

Likelihood of achieving part of the extra £44k required but some uncertainty on timing and attainment of the whole sum.

Environmental and Community Health

Savings target of £75 from 2013/14. Detail of full sum not yet determined.

Doubtful Debts Provision

Proposed gradual reduction in future years. Will depend on experience.

New Industrial Units

The forecast increase in income (£28k) in 2013/14 is uncertain.

One Leisure

Ramsey LC Development is dependent on the detail and formal approval of a business case. **Leisure Overperformance** relies on maintaining income levels and it is too soon in the year to make a reliable forecast on this.

DELAYED

Refuse Round reorganisation

Deferred to February giving an extra cost in 2012/13 of £65k.

Huntingdon Multi-storey Car Park

There has been slippage, so initial savings in capital costs but then delay before enhanced car park income comes on stream.

St Ivo Leisure Centre

The scheme has been delayed which will defer the net benefit that the project is forecast to provide.

UNLIKELY TO MEET TARGET

Car Parking

This year's increase unlikely to be achieved until at least January 2013 at an extra cost of over £110k. This will have a knock-on impact to the timing of further required increases for which there is some provision in the risk contingency. The MTP is based on a 10% increase per year up to and including 2015/16 (over £150k per year) and the strategy for achieving this is not finalised.

Countryside

Extra £50k from 2013/14 unlikely to be achieved.

Allowances

Potential shortfall of £42k per year.

Licensing

Additional fees from 2013/14 unlikely to be achieved due to savings in running costs and fees statutorily limited to break-even.

4.4 Council Tax increase limits

The MTP is based on Council Tax rises of 3.5% per year. There is no certainty that the Secretary of State will maintain the Referendum Limit at this level.

It will maximise the Council's ability to preserve services if the tax increase is set at the referendum limit each year.

4.5 Inflation and Interest Rates

The inflation calculation has been adjusted for the actual split of items included in the 2012/13 detailed budget. This creates reductions due to a lower proportion of staff related costs. Interest rates have also been reviewed.

4.6 2012/13 Forecast

The Forecast is currently £22,206k against a budget of £21,722k. Variations include the impact of the delay in the Government approving increases in planning fees (assumed April but will now be much later in the year), delays in finalising the rescheduling of refuse/recycling rounds and delays in introducing the 2012/13 increases in parking fees.

There are also clear signs of increasing volumes of people with housing and financial difficulties which will need further extra spending to ensure they receive an adequate service.

5. RISKS

5.1 Annex A gives a full list of the risks identified in February together with the items where provision was included in the budget. This section provides any later information that has subsequently emerged.

New Homes Bonus

The most significant assumption within the MTP is the continued major growth in New Homes Bonus as shown below:

NEW HOMES BONUS	FORECAST	BUDGET	MTP			
	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
New Homes Bonus	-832	-1,913	-2,857	-3,704	-4,845	-6,095

The increase for 2013/14 is based on a net increase in properties of 747 Band D equivalent properties of which 216 are "affordable". After 8 months the increase was around 500 so if the trend continues the forecast bonus should be achieved. We are reliant on the DCLG for the data on "affordable" increases so it is not possible to forecast the position on that element at this stage but last year 416 were achieved.

The risk contingency for non-achievement (£0.1M) may not be needed for 2013/14 but there will continue to be uncertainty as to the size in the offsetting reduction in formula grant until December. The risk contingency allows £0.2M for this.

The increase in new homes will also increase service pressures e.g. refuse and recycling and collection of council tax. A risk contingency is included for this.

Localisation of Business Rates

Further information has been published by the Government that makes it clear that the Council would only get a small share of any increase in NNDR collected. This could be mitigated by entering into a pooling arrangement with the County Council and other Districts but there is insufficient data, at present, to reliably calculate the impact. Pooling would not be beneficial if there were reductions in Business Rates and it is very difficult to forecast future levels of growth given the existence of the Enterprise Zone (which is excluded from the calculation) and the impact of eurozone volatility.

There are significant concerns that the base from which the new system will commence will be lower than assumed in the MTP, even after taking account of the risk provision.

There is no reliable data on which to forecast future variations in business rates and hence the Council's funding from this source.

Localisation of Council Tax Benefits and Changes in Council Tax allowances

The information so far released makes it clear that the Council (and precepting bodies) will have to fund the impact of the Government reduction in funding. This is due to four factors:

- ◆ Reduced benefits means that residents with limited means will have to pay a larger share of their Council Tax. This will be challenging for many of them and so it would be foolhardy to assume that these increases will all be collectable.
- ◆ The cost of extra staffing to maximise the collection of the extra sums.
- ◆ Potential loss of the element of Government subsidy provided to administer the current national scheme though this may be covered by "new burdens" funding,
- ◆ Loss of the reward grant for identifying overpayments.

In order to offset the impact of the Benefit changes for this Council and precepting bodies it is proposed that the Council takes advantage of the Government's localisation of the decisions on certain allowances against Council Tax. The main item is the 6 month Council Tax relief for empty properties and the proposal will be to significantly reduce this period.

Assuming that the Council can agree a scheme that broadly

balances the impact on Council Tax levels there will still be a net cost for this Council in relation to the extra costs of collection and the loss of reward grant that might amount to £150k per year.

The Council must consult on the changes and will need to formally approve its scheme in December.

Municipal Mutual Insurance (MMI)

In the early 1990's MMI (a local authority owned mutual company) ran into financial difficulties and technically became insolvent in 1992. Local authorities moved their insurance to other providers and a scheme of arrangement was entered into whereby any subsequent claims, relating to the insurance periods up until they ceased trading, that exceeded the reserves held would have to be met pro rata by the authorities (as creditors of MMI).

There has been a recent Supreme Court decision relating to mesothelioma which determined that the insurance liability relates to the period where the claimant came into contact with the asbestos rather than when they were initially diagnosed. This will increase the level of liability for MMI and hence the proportion of claims that relevant Local Authorities will not be able to recover.

Historically the potential liability has been covered by a "contingent liability" note in the accounts but, due to the Court decision, an initial sum of £200k was provided in the draft 2011/12 accounts.

There will be a potential need to provide further sums but the amounts and timing are not yet clear.

6. ADDITIONAL SAVINGS

- 6.1 Cabinet Members are discussing additional savings areas with officers to ensure that the Council will have a sound plan to achieve a balanced budget whilst maintaining an acceptable minimum level of reserves.
- 6.2 An update on these will be included in the draft budget/MTP in December, with those being required for 2013/14 being formally agreed in the final report in February.

7. CONCLUSION

- 7.1 Savings in 2011/12 have provided extra flexibility which is welcomed, particularly due to the major areas of uncertainty that currently exist. Adjustments have also been made to inflation and interest rates.
- 7.2 The base funding from the Government, the detail of the Localisation of the Business Rates, the detail of the Localisation of Council Tax Benefits, changes to Council Tax allowances and the New Homes Bonus for 2013/14 will emerge later in the year before the budget is finalised. Officers are also working on reviewing all of the MTP bids

and their existing budgets so that there will be increased clarity in the draft Budget/MTP report in December.

- 7.3 Given the remaining significant uncertainties and the continued requirement for further savings, as shown in paragraph 2.2, it is important for the Cabinet and officers to maintain their search for further cost reductions.

8. RECOMMENDATION

Council is requested to endorse the recommendations of the Cabinet and

- ◆ **Approve** the annuity basis for the calculation of Minimum Revenue Provision as outlined in Annex B.
- ◆ **Note** the significant level of outstanding risks and that a number of significant items should be resolved or partially resolved before the budget is formally approved in February.

ACCESS TO INFORMATION ACT 1985

Source Documents:

1. Working papers in Financial Services
2. 2011/12 Outturn Report to Cabinet, 2012/13 Revenue Budget and MTP.

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

ANNEXES

- A Risks and Risk Provision
(extract from 2012/13 Budget and MTP Report)**
- B Basis for calculating MRP**

RISKS

The most fundamental issue continues to be the economic impact of the various international financial issues. There continues to be major uncertainty on the scale of the problems ahead for the UK and the eurozone. If there are financial impacts on the UK this may result in problems for 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

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.

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

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

&& Excludes income items where above inflation increases already assumed

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ANNUAL MINIMUM REVENUE PROVISION POLICY 2011/12

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

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

There are three options for the calculation of the MRP:

Equal annual installments

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

Depreciation basis

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

Annuity basis

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

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

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Overview & Scrutiny Panel (Economic Well-Being)

**Report of the meetings held on 12th July and
6th September 2012**

Matters for Information

**6. CUSTOMER SERVICES –
REVIEW OF CHANGES AT RAMSEY & YAXLEY**

The Panel has reviewed the impact of the Council's previous decision to reduce the opening hours at the Ramsey and Yaxley Customer Services Centres 12 months after the new arrangements were introduced. Although it has been a difficult year for the service and there had been an initial increase in the number of complaints received, Members have been pleased to note that these have now reduced as customers have become used to the new opening hours and alternative ways to access services. The number of partner sessions at both facilities has been maintained.

The Panel has discussed the future of the Yaxley Customer Service Centre given that the lease for the current premises is due to expire in July 2013. Members have been advised that discussions have been ongoing to develop a 'community hub' within the village and that the Customer Services Manager intends to review the available accommodation options during the course of the financial year with a view to making further budgetary reductions. It has been suggested that the removal of the local bus service to Huntingdon may generate an increase in demand for services at this location.

Having congratulated the Head of Customer Services on the implementation of the changes without any significant impact on customer satisfaction levels, the Panel has agreed that the Customer Service Centres at Ramsey and Yaxley should continue to operate for two days per week at each location. Any further developments will be reported as part of the normal six monthly monitoring arrangements.

7. CUSTOMER SERVICES QUARTERLY MONITORING REPORT

The Panel has considered the Customer Service Quarterly Performance Report for the period January to March 2012. The report sets out the standards of service that have been achieved and the

issues the service has to face in the forthcoming quarter. Members have been pleased to note that customer satisfaction levels have remained high during the quarter.

8. PRIVATE SECTOR RENT LEVELS

Further to Item No. 40 of the Report to the meeting of the Council held on 22nd February 2012, the Panel has received an update on private sector rent levels in Huntingdonshire. Members have been advised that there is currently no evidence to suggest that landlords have been adjusting their rents downwards as a result of changes to the Housing Benefit System and that the situation in Huntingdonshire is similar to that being experienced by other Councils across the Country.

Having acknowledged that many of the effects of the changes in Housing Benefit have not yet materialised and that it is important to continue to monitor the situation in the current economic climate, the Panel has agreed to receive further monitoring reports on a biannual basis.

9. LEADERSHIP DIRECTION

The Panel has considered the content of the Council's Leadership Direction which has been prepared by the Executive and Deputy Executive Leader to set out their intended direction of travel and key milestones for the Council. In doing so, Members have commented on a number of the themes and aims within the document.

10. USE OF CONSULTANTS

The Panel has received an update outlining the progress which has been made on implementing their previous recommendations following completion of the study into the Council's use of consultants. Members have been pleased to note that the majority of the recommendations have been accepted in some form.

The Panel has been provided with details of the Council's expenditure on consultants and hired and temporary staff during 2011/12. Members have sought clarification and requested further information on a number of items of expenditure. The Head of Financial Services has been asked to prepare a similar report, including a breakdown of revenue and capital charges, for submission to the Panel on an annual basis.

11. LOCALISATION OF BUSINESS RATES

The Panel has been provided with details of Government plans for the localisation of business rates, which will come into effect in April 2013. Information has also been presented on the opportunities for local authorities to combine to pool their business rates income and the benefits which the Government envisage that this will present.

Members have noted that business rate income from the Enterprise Zone has not been included in the proposals. This income will be distributed throughout the Local Enterprise Partnership area.

The Panel has discussed the proposals for pooling business rate income and specific aspects of the proposals that will need to be taken into account. Members have noted that pooling will operate on the principle that none of the authorities that are party to the agreement will be in a worse-off position than they would otherwise have been. There will have to be agreement on what to do with any remaining money, which will require negotiation with the other authorities. Where there is growth, there are clear benefits of pooling; however, it cannot be assumed that income from business rates will not go down and if this occurs it could result in a significant overall reduction in the Council's income levels. Members have also been informed that the County Council has modelled a number of different scenarios to identify the range of effects of pooling.

In noting that there will be an opportunity to withdraw from any pooling arrangements once the draft Local Government Finance Report has been published, the Panel has recommended that the Council's interest in pooling with the County Council and other Cambridgeshire Districts should be expressed to the Department for Communities and Local Government. This is on the understanding that the governance arrangements will be based on no authority losing out from the pooling arrangement.

Members have subsequently been informed that a further report will be submitted to the Cabinet meeting under the Special Urgency provisions set out in the Council's Constitution on 13th September 2012 seeking their endorsement of a proposal for business rates pooling. The Panel has been reminded that the Council will still be able to opt out of the agreement later in the year if it wishes to do so.

12. THE RATIONALE FOR RESERVES

Councillor M F Shellens has presented a briefing paper to the Panel to facilitate a discussion on the Council's approach to the setting of its reserves. As a consequence, the Panel has agreed to establish a Working Group to identify the combination of co-incident risks against which the Council wishes to insure by having reserves. Councillors R B Howe, P G Mitchell, T V Rogers and M F Shellens have been appointed to the Working Group.

Members have suggested that it would be useful to obtain further information from other authorities to determine whether the Council is over or under reserved for an authority of its size.

The Working Group has met in early September and expects to report on its findings to the next meeting.

13. FINANCIAL FORECAST

In conjunction with the Cabinet, the Panel has been acquainted with the present position in relation to the Council's financial forecast and details of the progress made to-date in the achievement of planned savings. Although the financial forecast reveals that at present the Council is in a better position than had been anticipated, the Panel has acknowledged that the risks and unknown factors facing the Council are of a greater magnitude this year than they have been in previous years. Members have also recognised that future Government grant levels present a further risk given the success the Council has had in obtaining income from the New Homes Bonus. A number of these factors will have been resolved by the time the Council sets its budget in February and Members have been advised that further work is being undertaken by the Cabinet to identify further efficiencies to ensure that the Council will have a sound plan to achieve a balanced budget whilst maintaining an acceptable minimal level of reserves.

The Panel has discussed the Council's approach to borrowing and the effect of repayments on the revenue budget. The view has been expressed that cumulative borrowing will increase in the medium term and the repayments will have an effect on the Council's revenue budget. It has equally been argued that borrowing should be undertaken if it is for appropriate capital purposes and that, in this case, the Council needs to retain the flexibility to borrow when the most advantageous terms are available. Members have concluded that the Panel needs to debate what the Council's approach should be and has established a Working Group to identify the terms of this debate. A report will then be received on the Council's current and future borrowing and its assets.

Members also have a particular interest in the Council's level of reserves, having formed a working group to examine this matter and the Council's provisions in this respect (Item No.12 refers). For the purposes of the Financial Forecast, the Working Group does not recommend that the minimum level of reserves is increased and this view has been endorsed by the Panel. The Panel has also been advised of the Council's potential liability arising from the insolvency of Municipal Mutual Insurance (MMI) in 1992 and has noted that the External Auditors are of the opinion that the current provision in the Accounts for this purpose should be reduced.

In terms of the risks and uncertainties listed within the Forecast, a Panel Member has raised a number of specific questions, which have been responded to at the meeting. This has drawn attention to the increasing volumes of people with housing and financial difficulties, and to ensure they receive an adequate service extra spending will be required. In concluding their discussions, the Panel has supported the recommendation that the annuity basis is used for the calculation of Minimum Revenue Provision.

14. THE TECHNICAL REFORM OF COUNCIL TAX

The Panel has received an update on the Government's proposals to reform Council Tax from 1st April 2013, which will enable the Council to use certain discretionary powers.

Members have reviewed proposals for a number of changes to Council Tax discounts and exemptions, which will generate extra income for the Council and will be used to reduce the impact on the Council of forthcoming changes to Council Tax Support. Having considered the three types of discounts/exemptions and noting that those affected will include individuals who inherit property and private landlords, the Panel has expressed their support for the proposals to:-

- ◆ grant unoccupied and unfurnished (Class C) properties 100% discount for 1 month and 0% thereafter;
- ◆ reduce Second Home Discount to 0%;
- ◆ grant uninhabitable properties (Class A) 100% discount for a maximum of 12 months;
- ◆ levy Empty Homes Premium after two years at 50% in addition to the 100% charge currently made;
- ◆ continue to require monthly instalments to be made on the 15th day of each month; and
- ◆ continue to work in Partnership with other Cambridgeshire local authorities to publish the 48 page Council Tax Booklet.

With regard to the proposal to reduce the exemption for unoccupied and substantially furnished properties from six months to one month, the Panel has been assured that testing has been undertaken to maximise the cost effectiveness of the change.

The Panel has also discussed the social consequences of the proposals and has concluded that overall they will result in houses being occupied more quickly. This has been endorsed by the Chairman of the Social-Well Being Panel.

15. COUNCIL TAX SUPPORT FROM 1st APRIL 2013

The Panel has received an update on progress being made towards the implementation of a new local Council Tax Support Scheme for the District, which must be in place by 31 January 2013. The Local Government Finance Bill stipulates that before adopting a scheme, the Council must consult their major precepting authorities, publish a draft scheme and carry out a consultation exercise with stakeholders and interested parties.

The Panel has noted that the District Council current awards approximately £8.1m (net of adjustments) in Council Tax Benefit; however, the Government will reduce the funding it provides to Councils to meet the cost of Council Tax support. Whilst some of those

who could have been affected are protected from any reduction in the support they receive, the Panel has concurred with the view that the whole reduction should not be passed on to the remaining recipients of support and that the Council should make up part of the difference. Members are also of the view that when changes are being developed and implemented, the Council should make clear that the Government has imposed the reduction and that the Council will not benefit from any savings.

Having been advised of the responses, which have been received as part of the current consultation to-date, Members have commented on the fact that the consultation has not targeted all Council Tax payers. It has been suggested that it might have been more widely distributed. Although it is important that those affected are consulted to enable the Council to complete an impact assessment, these comments will be taken into account when the responses are analysed.

On behalf of the Social Well-Being Panel, Councillor S Criswell has expressed the view that the Council is minimising the effects of the changes as far as possible and that if the Council made up the whole of the shortfall it would have to find an extra £1m in savings. The Council will need to take a decision on behalf of all Council Tax payers on the basis of the consultation responses received.

Finally, Members have suggested that the Council might assist those affected to move to properties in a lower Council Tax band and they have been assured that the facility for some payers to pay their Council Tax over twelve months will not cause the Council any cash flow problems.

Other Matters of Interest

16. 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 and have noted those items which will be presented to its future meetings. Members have requested that reports on the 'Community Right to Challenge' and 'Risk Based Verification in Housing Benefit' are submitted to their next meeting.

17. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) – PROGRESS

The Panel has reviewed its ongoing studies at each of its meetings. Members have noted that the Corporate Governance Panel has established a Working Group to consider fraud prevention and the resulting report will be submitted to the Panel in due course. Councillor

P G Mitchell has also provided an update on his recent attendance at a meeting of the Great Fen Project.

18. SCRUTINY

The Panel has considered the latest edition of the Decision Digest and discussed matters contained therein. An update has been provided on the current position with regard to the finalisation of the Council's 2010/11 Accounts.

T V Rogers
Chairman

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Overview & Scrutiny Panel (Environmental Well-Being)

**Report of the meetings held on 10th July and
11th September 2012**

Matters for Information

4. LEADERSHIP DIRECTION

The Panel has considered the content of the Leadership Direction which has been prepared by the Executive and Deputy Executive Leader to set out their direction of travel and key milestones over the next few years.

A Member has suggested that residents should be given the opportunity to influence the direction so that it reflects needs identified by the community.

5. BEARSCROFT FARM, URBAN DESIGN FRAMEWORK

The Panel has reviewed the draft Urban Design Framework (UDF) for land at Bearscroft Farm, Godmanchester. The UDF is intended to provide constructive guidance to future developers of the area to the maximum advantage and minimum disadvantage to local residents. A Member has expressed the view that Godmanchester does not have the infrastructure to serve a large scale development. Furthermore, the A1198 could be negatively affected by the proposed development. Members have been advised that the UDF has been the subject of consultation which has enabled residents to have an input into the design of development.

During consideration of the options within the UDF, several Members have expressed a preference for Idea 5 which proposes that a new road is constructed around the southern edge of the development. This will allow for a greater developed area and enable the football pitch and other green spaces to be completely integrated with the rest of the development. Members have expressed concerns at the UDFs lack of provision of a secondary school and highlighted the need to ensure there is a safe route for pupils to take to their chosen school.

Having requested that the views expressed are taken into account, the Panel has recommended the Cabinet to authorise the Executive Councillor for Strategic Planning and Housing, in conjunction with the Chairman of the Development Management Panel and the Head of Planning and Housing Strategy to finalise and approve the Draft Urban Design Framework for Bearscroft Farm, Godmanchester to

inform Council policy and development management decisions on potential planning applications.

6. GROWING AWARENESS – PLAN FOR OUR ENVIRONMENT

The Panel has considered the Council's plan for making continual, measurable progress in reducing its own resource use and for stimulating environmental improvements in the wider district. The Panel has also reviewed the Council's progress against targets so far, and noted that energy usage has decreased by 18% across the Council's portfolio.

Members have been acquainted with details of the Green Deal, which is due to be launched in the coming months. As Councils will be best placed to promote the scheme, Members have stressed the importance of ensuring that the Council provides the best value options for householders. The Panel has also recommended that, as far as possible, local traders should be used to deliver installations.

Attention has been drawn to the fact that the Council has not achieved its target of a 9.5% reduction in the cubic metres of water consumed in Council buildings. Members have been assured that this will become a priority of the Environment Team and will continue to be carefully monitored. Specific reference has also been made to the increase in the percentage of Council employees travelling to work by car and the slow progress made in reducing the amount of waste recycled from the Council's Headquarters. This has highlighted that continual efforts need to be made to reinforce the activities designed to achieve targets and this will be done. In particular, reference has been made to the need to promote the Council's home working policy and its travel plan.

7. WASTE COLLECTION POLICIES

The Panel has reviewed the Council's waste collection policies, which have been updated. The policies have been co-ordinated and some changes have been suggested. They are intended to provide clarity to residents as to the type and extent of service that they can expect. Members have welcomed the fact that the Council's waste collection policies are now available in a single document.

The Panel has endorsed the proposal to provide paper sacks for food/green waste to properties currently receiving weekly bag collections. This will mean that they can be collected fortnightly to fit in with the normal collection rounds. This will save on additional vehicles and crew having to collect every other week.

Members have supported the proposal to collect non-hazardous clinical waste with the normal grey bin collection, which will result in further savings. The Panel has recommended that the Council should provide and publicise guidance on how items, which are prohibited from wheeled bins and sacks, should be disposed of. With regard to Policy 22, which prohibits stickers on wheeled bins, Members have expressed the view that stickers could provide an

opportunity to combine messages, such as local speed restrictions. This approach is taken by South Cambridgeshire District Council and is supported by the Police. Having noted that a pilot initiative is taking place in Huntingdonshire, the Panel has recommended that, subject to feedback from the local community, this practice should be adopted in Huntingdonshire.

The Panel has discussed the feasibility of removing the purple stickers on wheeled bins, which identify residents whom require assistance. Members have raised concerns that this practice identifies vulnerable residents and could potentially create a crime hazard.

8. NEW HUNTINGDONSHIRE LOCAL PLAN CONSULTATION AND ENGAGEMENT PROCESS

The Panel has discussed the consultation and engagement process for the preparation of the new Huntingdonshire Local Plan to 2036. Members have been advised that the Local Plan presents them with an opportunity to influence how land will be allocated and have noted the steps in the consultation and plan making process.

As part of the process, all Members are encouraged to discuss their Ward's requirements with the Deputy Executive Leader. Parish Councils will also be engaged. It has been suggested that the Peterborough Evening Telegraph should be utilised for the dissemination of proposals, as this will ensure that the whole of the District is covered. This suggestion has been accepted.

9. PLANNING IMPLICATIONS OF THE ENTERPRISE ZONE

The Panel has received a presentation by Mr P Mumford, Special Projects Manager (Alconbury), on the planning implications of the Enterprise Zone. Urban and Civic, the site owners, are currently undertaking consultation exercises as part of their pre-application work. The consultation process for development at the site will be extensive and exceed the standard consultation requirements.

Having noted that the site's rail link permission has been extended to 2015, the Panel has questioned whether the provision of an additional station would have an impact on the Huntingdon Railway Station. In response, they have been advised that Network Rail are keen to expand and it is expected that a rail link at Alconbury will be an additional facility.

Members have been advised that the Local Enterprise Partnership will be looking to provide 'Transformational Employment' at the site. Subsequently, there is a possibility that commuting patterns across the District will change as traffic towards Cambridge and London could be reduced. Traffic management on and near the site will be a key factor in ensuring its success. Work with the Highways Agency in this respect is already taking place.

The Panel has been informed that Urban and Civic has a strong record of delivering high quality developments in the South of England and the Enterprise Zone at Alconbury should be no exception to this. Members will receive more information once development has commenced.

10. FIXED PENALTY NOTICES FOR ENVIRONMENTAL CRIME

The Panel has received a report seeking approval for a change in the fine level for Fixed Penalty Notices issued under sections 46 and 47 of the Environment Protection Act. The change is required by an Amendment Order. Given that the Council offers a reduced fine for swift payment, combined with the fact that section 46 notices have rarely been issued and no section 47 notices have been issued by the Council, the Panel has recommended that the change is made.

11. NEW GUIDANCE FOR LOCAL AUTHORITIES ON THE HOME ENERGY CONSERVATION ACT 1995 (HECA) AND DELIVERY OF THE GREEN DEAL IN HUNTINGDONSHIRE

The Panel has acquainted with new guidance for local authorities on the Home Energy Conservation Act 1995 and the delivery of the Green Deal in Huntingdonshire.

Having regard to the Green Deal, Members have expressed the view that safeguards should be put in place to guarantee the standard of work by providers. They have stressed that the Council has a good reputation which could be tarnished by poor work. Furthermore, the Panel has emphasised that the Council's partner companies should employ acceptable sales practices. Members have been assured that these matters will be addressed through a procurement exercise to identify partners, which will realise a single scheme for Cambridgeshire with acceptable sales methods and effective products.

The Panel has recommended that the Council works in partnership with Green Deal providers and community partners to deliver and facilitate delivery of the Green Deal. The Council's role in this arrangement will be to provide leads for potential customers to be followed up by providers. The Council will benefit through the receipt of referral fees. It is estimated that this could produce an income in the order of £150k per annum.

Members have recommended that once the scheme starts to operate, details of accredited partners are published on the Council's website. It has also been suggested that feedback on providers is sought and monitored to ensure satisfactory standards are maintained. This will ensure members of the public receive satisfactory services and protect the Council's reputation.

12. JOINT STRATEGIC PLANNING

The Panel has recommended the Cabinet to endorse the Joint Statement on the Development Strategy for Cambridgeshire and Peterborough by the local authorities.

Members have questioned the Statement's claim that 'major developments, essential regeneration and infrastructure provision in Cambridgeshire's market towns continue to make positive progress' and questioned the evidence base for this assertion. However, they have recognised that the purpose of the Statement is to balance future infrastructure requirements to allow developments to take place.

Having regard to the joint working arrangements, a Member has emphasised that historically Huntingdonshire District Council has delivered its objectives while some neighbouring authorities have failed to do so. In response, the Panel has been assured that joint working will endeavour to understand why this has occurred. The intention is to prevent undue development being forced upon this Council by ensuring that the right development targets are set for each authority.

The Panel has welcomed the joint strategic planning arrangements as a basis for enabling the Cambridgeshire and Peterborough authorities to continue to work together at a strategic level across administrative boundaries and to plan effectively for growth.

13. DESIGN PRINCIPLES FOR FUTURE DEVELOPMENTS

The Panel has received the interim report of its Working Group which has been established to examine concerns raised over the Loves Farm development in St Neots and to make recommendations to inform future developments. The Panel has been advised that a further meeting will be arranged between the Working Group and the Council's Urban Design, Trees and Landscape Team Leader to discuss aspects of the Design Guide in more detail.

The Panel's attention has been drawn to the fact that the Building for Life Assessments, undertaken by the Working Group during a site visit to Loves Farm, have established that the site has been developed to a silver (good) standard.

Members have been assured that lessons have been learnt from the Loves Farm development, specifically the importance of phasing and road construction. Having regard to road adoption, Members have been advised that the District Council is hoping to engage more effectively with the County Council to ensure that roads on future developments are of an acceptable standard to residents. Further to this, it has been confirmed that standards relating to car parking allocations have changed. The Planning Service Manager (Policy) has reported that the new Local Plan will define standards for parking spaces and house sizes. However, the Secretary of State has recently announced an urgent review into local and national

standards with a view to rationalising them, which could affect the Council's ability to influence such matters.

Owing to their importance for the Council's planning function, the Panel has received an update on recent Government announcements on temporary changes to the planning system.

14. THE CONTRIBUTION OF AGRICULTURE TO THE ENVIRONMENT AND ECONOMY IN THE CONTEXT OF PLANNING POLICIES

The Panel has received the findings to date of its Working Group which has been established to examine how agriculture and its environmental work is reflected in the Council's policy framework. Given its significance to the local, regional and national economy, the Working Group has formed the view that these issues should have greater prominence in the Council's policies.

The Planning Service Manager (Policy) has advised Members that the new Local Plan will address some of the issues raised by the Working Group, specifically the protection of high quality agricultural land. Further to this, Planning Officers will be looking at 'enabled exceptions' whereby communities will be able to safeguard their own sustainability via community development.

In light of the response by the Head of Planning & Housing Strategy to the Working Group's recommendations, it has been agreed that the Working Group will meet with Planning Officers to discuss the issues raised and agree a way forward for the study.

Other Matters of Interest

15. WORKPLAN

The Panel has been acquainted with the programmes of studies being undertaken by the other Overview and Scrutiny Panels.

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

Councillor D A Giles has highlighted his concerns over Japanese Knotweed growing in Eaton Socon, some of which relates to Council-owned land and has implications for the waste collection service. In response, the Scrutiny Review Manager has produced a scoping report on this matter in order for the Panel to assess whether a study is required.

Councillor J W Davies has advised Members that there has been a delay in the production of the Tree Strategy, principally due to the voluntary redundancy of administrative support staff within the Tree and Landscape Planning Team. It is anticipated that the Strategy will

be completed by the end of 2012, at which time consultation will take place.

Councillor M G Baker has reported that the Waste Collection Working Group has made good progress with its aim to educate residents as to what items can be placed in which bin.

Councillor Mrs M Banerjee has informed the Panel that two meetings have been held with Anglian Water and the Environment Agency regarding ongoing drainage problems within the District. The Panel has been pleased to note that County Council Officers will continue to meet with representatives from Anglian Water in order to resolve these issues.

17. SCRUTINY

The Panel has considered the latest edition of the Decision Digest and discussed various matters contained therein. Councillor J W Davies has explained the reason behind the Licensing and Protection Panel's decision to return the responsibility for licensing pavement cafés to the County Council and the Scrutiny and Review Manager has clarified the current position in relation to voluntary sector funding.

D Harty
Chairman

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Overview and Scrutiny Panel (Social Well-Being)

**Report of the meetings held on 3rd July and
4th September 2012**

Matters for Information

7. UPDATE ON REDESIGN OF MENTAL HEALTH SERVICES

The Panel has received an update on the redesign of mental health services across Cambridgeshire and Peterborough from representatives of Cambridgeshire and Peterborough Foundation Trust, NHS Cambridgeshire and Peterborough and Hunts Health. This has included a breakdown of the steps that are to be taken to address each of the points raised during the earlier consultation on the changes.

Members have discussed the travel implications of the service redesign and queried whether the transitional arrangements are operating as effectively as had been intended. There are some issues still to resolve; however, efforts are being made to work closely with service users and carers in this respect. Evidence from a GP in the Ramsey area on the experiences of his patients, suggests that half of them prefer the care in the community approach, whilst the others have been affected to some extent by the travel requirements of the new service design. Members are aware that patients' views differ according to their own personal circumstances. Patients and their visitors can now be reimbursed for their travel costs. Precise details of the scheme have been circulated to Members outside of the meeting.

The Crisis Resolution Home Treatment Team plays a significant part in the overall structure of mental health services and there are no plans to cease this service in the future. It will primarily deal with cases that do not require an immediate response. Any calls for service taken by the Advice and Referral Centre that require a 4 hour response time will be directed to the Team.

The Panel has received information relating to the Advice and Referral Centre, including the purpose of establishing the Centre, the key issues to be addressed and the current status of its establishment. The Advice and Referral Centre will be available to patients, carers and their families from January/February 2013 onwards. Referral routes will be largely as they are at present. However, the public will be able to access services through the dedicated website which has been set up specifically for this purpose.

The website contains a comprehensive directory of all Primary Care Trust services. It will be staffed with both reception staff and gateway workers. The latter will undergo a comprehensive training programme and acquire extensive knowledge and experience within the mental health field.

The Panel has discussed the availability of other community services such as Caresco, the population growth projections for Cambridgeshire together with the subsequent impact upon demand for services and the operation of the transitional arrangements.

The Panel will continue to monitor this matter. The invited representatives will be asked to attend a future meeting for this purpose.

8. VOLUNTARY SECTOR FUNDING 2013/14 ONWARDS

The Panel has been acquainted with details of the new scheme for the allocation of funding to support the voluntary sector in Huntingdonshire. The future funding model will be a grant based system which is intended to be more flexible than the previous commissioning model.

There is a proposal that financial support is tapered to encourage voluntary organisations to match fund any grant that they receive from the Council over a three year period. This will mean the budget set by the Council will stretch further. The Panel has expressed reservations over this because it prescriptive on the voluntary organisations' part. It has been suggested that the Council should explore alternative ways of supporting the voluntary sector such as assisting organisations behind the scenes in their search for match funding opportunities. The Deputy Executive Leader has concurred with these comments and indicated that it will be up to each individual organisation to determine how they wish to match-fund their activities and achieve additional value for money.

It has been stressed to Members that the success or otherwise of any applications that are received will be determined by the criteria against which applications are assessed. The application process will be open to the whole of the voluntary sector and not just those organisations that currently hold commissioning agreements with the Council. Executive Councillors T D Sanderson and J A Gray will be responsible for determining grant applications.

At the Panel's September meeting, Members have received a report from the Cabinet outlining its deliberations and decision on this matter.

9. JOINT STRATEGIC NEEDS ASSESSMENT – AWARENESS RAISING

The Panel has received the Phase 6 Summary Report for the Cambridgeshire Joint Strategic Needs Assessment. The report has played an integral part in the development of the draft

Cambridgeshire Health and Wellbeing Strategy and identifies key information about the health and wellbeing needs of the Cambridgeshire population, together with information about local health inequalities for specific population groups. Of particular interest to Members are the findings relating to road deaths and statutory homelessness in Huntingdonshire.

10. DRAFT CAMBRIDGESHIRE HEALTH AND WELLBEING STRATEGY 2012-17 – CONSULTATION RESPONSE

Dr L Robin, Director of Public Health for NHS Cambridgeshire, has attended the Panel's meeting in July to present the draft Cambridgeshire Health and Wellbeing Strategy 2012-17, which is currently subject to consultation by NHS Cambridgeshire. It is a statutory requirement that the Health and Wellbeing Strategy is in place by April 2013; however, it is intended to publish the Cambridgeshire Strategy in October 2012. The purpose of the consultation is to seek views on the priorities the Shadow Health and Wellbeing Board and Network believe will improve the Health and Wellbeing of local people. The Strategy also contains details of how Partners will work together effectively to achieve the priorities.

Dr L Robin has delivered a presentation on the background to the work and membership of the Shadow Health and Wellbeing Board and Network. She has drawn Members' attention to the Strategy's vision and principles and mention has also been made of the tools utilised to assist with the development of the Strategy, which include the Cambridgeshire Joint Strategic Needs Assessment, existing local strategies and a stakeholder event. The stakeholder event had been held to identify the current priorities of local partnerships and organisations together with the findings of a recently completed Community Impact Assessment.

The Panel has received a detailed explanation of each of the proposed priorities, which are as follows:-

- ◆ ensure a positive start to life for children;
- ◆ support older people to be safe, independent and well;
- ◆ encourage healthy lifestyles and behaviours in all actions and activities whilst respecting people's personal choices;
- ◆ create a safe environment and help to build strong communities, wellbeing and mental health; and
- ◆ create a sustainable environment in which communities can flourish.

Once the Strategy is ready for publication, work will commence on developing an action plan for the delivery of the agreed outcomes.

In discussing the proposals, comment has been made on the need for enhanced levels of community involvement on health and wellbeing matters, particularly in light of the forthcoming transfer of public health services to County Councils. It has further been suggested that local

GP surgeries and health providers should more actively engage with their local communities.

With regard to it's involvement in infrastructure planning for large scale housing developments, it has been reported that NHS Cambridgeshire contributes to the planning process in two ways: through its own public health planning arrangements and through a nominated estates lead at NHS Cambridgeshire. It has been confirmed that during the planning phase consideration is always given to the health facilities available within neighbouring communities and that a significant increase in the population would be needed to justify the establishment of a new GP practice.

During discussion on the methods of communication that NHS Cambridgeshire employs to generate awareness of the consultation, Members have noted that details of it are circulated to all Town and Parish Councils, local GP surgeries and libraries. Further discussion on the availability of resources to deliver against the Strategy's priorities, has established that the Health and Wellbeing Board has been mindful of the financial constraints placed upon Partner organisations and the Strategy is not intended to need additional resources. The Strategy will be refreshed at some point during its life.

As the consultation period lasted until 17th September 2012, Councillors S J Criswell, M Oliver and J Pethard, together with Mr R Coxhead, have been appointed onto a Working Group to formulate the Panel's response to the Strategy for consideration at the Panel's September meeting.

The Panel has endorsed the Working Group's response, which has been supported by the Cabinet. It includes comments made by Officers from Housing Services and Environmental and Community Health Services.

**11. NEIGHBOURHOOD FORUMS –
PROPOSALS TO ESTABLISH LOCAL JOINT COMMITTEES IN
HUNTINGDONSHIRE – CONSULTATION RESPONSES**

The outcome of a consultation on the proposed establishment of Local Joint Committees in Huntingdonshire has been reported to the Panel. The Working Group appointed to undertake the review has responded to each of the points made in the consultation responses received.

Matters discussed by the Panel include how communities' views would be represented at meetings, the likely administrative and Officer costs associated with the proposals and a suggestion that a review of the Local Joint Committees is undertaken after 12 months.

A meeting between the District and County Councils has been held on 6th July 2012 to discuss the proposals in advance of its consideration by the Cabinet in July. The Cabinet subsequently has agreed that a pilot scheme should be trialled in the Norman Cross

County Division for a twelve month period. The Executive Deputy Leader has also been tasked with reviewing urgently the format of the existing Neighbourhood Forums. Furthermore, the Panel has been requested to undertake a review of the pilot scheme.

12. HOUSING BENEFIT CHANGES AND THE POTENTIAL IMPACT ON HUNTINGDONSHIRE

The Panel has continued to monitor the effect of Government changes to the Housing Benefits system arising from the Welfare Reform Act. Members have suggested that the Council should make clear that the changes are Government led and that they will not benefit the Council.

There appears to be general acceptance amongst claimants that they will experience a reduction in their Housing Benefit. There has been little contact from claimants on the changes to date. Customers falling into arrears as a result of the reforms are encouraged to contact the Council immediately for assistance and efforts continue to be made to contact those who are now reaching the end of their transitional protection arrangements.

13. REVIEW OF COUNCIL'S LETTINGS POLICY

The Panel has been presented with an opportunity to comment on the Council's draft Lettings Policy, which is undergoing consultation with Members, current housing register applicants and a wide range of stakeholder organisations. The review of the Policy has been prompted by the Localism Act and Welfare Reform Act. All partners within the sub-regional Home-Link Choice Based Lettings scheme are similarly consulting on their own Lettings Policies. It has been necessary to review these policies together to ensure that a consistent approach is adopted across the sub-region.

Members' attention has been drawn to the changes introduced by the Localism Act and welfare reforms together with proposed revisions to the Policy. It will be a challenge to prioritise between households with similar levels of need. There will be further difficulties if additional categories are introduced.

The most significant proposal is that relating to occupancy levels. Households with spare bedrooms will be regarded as under-occupying their homes. However, consideration will be given to the age and sex of children in the household. Same sex children will be expected to share bedrooms. Work has commenced in conjunction with housing providers to identify affected households and to put in place an incentive scheme to assist with moving costs.

The Panel has discussed the impact that the proposals will have upon homelessness, environmental health regulations relating to the sharing of rooms and the methods utilised to generate awareness of the consultation.

At the request of Members, it has been agreed that an Executive Summary will be incorporated within the Lettings Policy document.

14. ANNUAL REPORT ON ORGANISATIONS SUPPORTED BY GRANTS THROUGH SERVICE LEVEL AGREEMENTS 2011-12

A report on the performance of voluntary organisations in receipt of funding from the Council through service level agreements has been received and noted by the Panel. All organisations that have a service level agreement with the Council are monitored against a set of agreed performance indicators and other organisational criteria on a quarterly basis. These agreements are due to end in March 2013.

Members' attention has been drawn to the five indicators where the performance targets set by the Council have not been achieved in the previous year and the reasons for the performance reported. The Panel has expressed their overall satisfaction with the performance of the voluntary organisations referred to in the report.

Evidence of need and demand is a matter that will be addressed next year, when the Council transfers from the present commissioning model to a grants based system. Organisations that apply for grant funding to the Council will be asked to demonstrate how their services are able to meet demand. However, Members are mindful of the need to keep to a minimum the demands placed on voluntary organisations by the Council.

15. DOMESTIC ABUSE JOINT MEMBER LED REVIEW: FINAL REPORT

The findings of a joint Member-led review on domestic abuse by Cambridgeshire County Council and Huntingdonshire and Fenland District Councils have been reported to the Panel. Attention has been drawn to various statistics which have been collated as evidence to assist with the study. Members have been encouraged to note that the County Council's Cabinet has fully or partially accepted all the recommendations, with the exception of one which relates to the stricter regulation of incidents categorised as "Level 3" by appropriately trained staff. This issue is currently under review by the Lead Member, Councillor Ms S Hoy.

One of the main outcomes of the investigation is that the County Council now collects data on domestic abuse in a consistent way. This data can be used to influence its budget setting process.

The Panel has discussed the under-reporting of domestic abuse incidents and expressed the view that communication in this respect should be improved. It has also been acknowledged that across Cambridgeshire, authorities and partner agencies have in place different systems and data collection practices. It is felt that they should be harmonised to facilitate understanding of this matter and joint working. Some progress has however been made to improve these systems.

The report will be considered at the next meeting of the Huntingdonshire Community Safety Partnership. The Partnership's comments will be submitted to a future Panel meeting.

16. LEADERSHIP DIRECTION

The Panel has considered the content of the Council's Leadership Direction which has been prepared by the Executive and Deputy Executive Leader to set out their intended direction of travel and key milestones for the Council. The Corporate Plan Working Group is currently working with Officers to produce the Council Delivery Plan, which will sit beneath the Leadership Direction. A performance monitoring reporting system has yet to be developed but it is intended that the Overview and Scrutiny Panels will play a part in monitoring the Council's performance.

The Panel has discussed the outcome of the recent Employee Opinion Survey and are concerned at some of the findings. Councillors S J Criswell and R J West have undertaken to raise these matters at the next Corporate Plan Working Group meeting.

17. CAMBRIDGESHIRE ADULTS, WELLBEING AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE

At each of its meetings a brief update has been delivered by Councillor R J West on matters currently being considered by the Cambridgeshire Adults, Wellbeing and Health Overview and Scrutiny Committee.

Other Matters of Interest

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

The Panel has reviewed its programme of studies at each of its meetings. Councillors S J Criswell and R J West have been appointed to assist Mr R Coxhead with the One Leisure (Social Value) Sub-Group study. Brief updates have been received on recent meetings of this Working Group and of the Equality Working Group.

19. WORK PLAN STUDIES

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

20. LOCAL GOVERNMENT ACT 2000: FORWARD PLAN

The Panel has been acquainted with the current Forward Plan of Key Decisions at each of its meetings. The item entitled "Gambling Act 2005 – Revised Statement of Principles" has been circulated electronically to Members for information purposes. Reports on the

Town and Parish Council Charter and the Housing Strategy – to include Tenancy Strategy will be presented to the Panel in October 2012.

21. SCRUTINY

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

S J Criswell
Chairman

Cabinet

**Report of the meeting held on 19th July and
13th September 2012**

Matter for Decision

5. FINANCIAL FORECAST

In conjunction with the Overview and Scrutiny Panel (Economic Well-Being) (Item No.13 of their Report refers) and by way of a report by the Head of Financial Services, reproduced separately on the Council agenda, the Cabinet has been acquainted with the present position in relation to the Council's financial forecast for the period up to 2016/17.

The Cabinet has been informed of potential variations in a number of sources of income and other factors that could affect the Council's financial position. Executive Councillors were advised that there remains a number of uncertainties which might impact upon the forecast including the level of Government base funding, the detail of the Localisation of the Business Rates and Council Tax Benefits, changes to Council Tax allowances and the New Homes Bonus for 2013/14.

In considering the views of the Overview and Scrutiny Panel (Economic Well-Being), Executive Councillors noted that Working Groups had been established by the Panel to review the Council's current and future borrowing and examine the Council's level of reserves.

Having approved the annuity basis for the calculation of Minimum Revenue Provision and in requesting Officers to review the level and predictions for New Homes Bonus on a quarterly basis, the Cabinet

RECOMMEND

that the Council approves the contents of the report now submitted.

**6. NEIGHBOURHOOD FORUMS –
PROPOSED ESTABLISHMENT OF LOCAL JOINT COMMITTEES
IN HUNTINGDONSHIRE – CONSULTATION RESPONSES**

The Cabinet has noted the conclusion of a review of the Neighbourhood Forums in Huntingdonshire by the Overview and Scrutiny Panel (Social Well-Being) (Item No.11 of their Report refers).

In considering the content of the report, Executive Councillors have been reminded that the Panel had undertaken a comprehensive consultation on the proposed establishment of Local Joint Committees (LJC's) in Huntingdonshire. The Cabinet has considered the composition of the LJC's in the light of the issues raised by the respondents and the views of the Panel. In adopting a constitution proposed for the operation of the LJC's, the Cabinet has endorsed the suggestion of a pilot in the Norman Cross County division for a twelve month period. Executive Councillors felt that trialling in a small area rather than the suggested nine LJC's areas would be more manageable. Members have requested that the County Council and relevant Parish Councils involved in the Norman Cross Pilot Scheme be asked to adopt the proposed constitution as part of the pilot scheme.

In discussing arrangements for the existing Neighbourhood Forums, the Cabinet has authorised the Executive Deputy Leader to review their format as a matter of urgency with a view to them continuing during the trial in those areas that have expressed a wish that they remain.

Having thanked the Panel for their efforts in producing a thorough and comprehensive report, the Cabinet has requested them to undertake a review of the pilot scheme during its twelve months period of operation.

**7. NEW HUNTINGDONSHIRE LOCAL PLAN CONSULTATION AND
ENGAGEMENT PROCESS**

In conjunction with the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.8 of their Report refers), the Cabinet has noted the progress made to date on preparing the new Huntingdonshire Local Plan, responses received to the initial non-statutory local plan issues and options consultation and the next steps in the consultation plan making process.

Whilst welcoming an extended strategy and policy consultation period, the Cabinet has authorised Officers to proceed to the Strategy and Consultation Stage, using appropriate material, the content of which will be agreed by the Head of Planning and Housing Strategy after consultation with the Executive Councillor for Strategic Planning and Housing.

8. VOLUNTARY SECTOR FUNDING 2013 – 2014 ONWARDS

Having regard to the views of the Overview and Scrutiny Panel (Social Well-Being) (Item No.8 of their Report refers), the Cabinet has reviewed the allocation of funding to support the voluntary sector in Huntingdonshire.

In endorsing a new grant based system, rather than the old commissioning model, the Cabinet has supported a move to a three year period for funding of voluntary sector organisations.

The Cabinet also has supported the proposal that future financial support be tapered to ensure voluntary organisations find match funding for any grant that they receive from the Council in the final year of the three-year period. Furthermore, the Cabinet felt that match funding should be extended to applications to the Community Chest subject to the amount requested being of a value which would attract such funds.

At the same time, Executive Councillors have discussed the allocation of community chest funds. In that respect, they reiterated that the process should be straightforward and that the level of funding set at a maximum of £5,000 per application. Members noted that those in receipt of funding via the Community Chest and not be eligible for reconsideration for a period of two years.

With regard to the determination of grant applications, the Cabinet has confirmed that this responsibility will remain with the Executive Members for Healthy and Active Communities and Resources.

Having noted that the new funding process would be open to the whole voluntary sector, the Cabinet requested that provision be made to allow some applicants to make presentations in support of their submissions.

9. LOCALISATION OF BUSINESS RATES

In conjunction with the Overview and Scrutiny Panel (Economic Well-Being) (Item No.11 of their Report refers), the Cabinet has been acquainted with the background to the introduction of a rates retention scheme designed to encourage councils to be self-sufficient and to help them support local jobs, growth and protect the most vulnerable places. The proposals focus on the distribution of business rate income rather than changes to the system of business rate taxation. Members noted that it was not intended to change the resources available to authorities in 2013/14 but it would, over time, result in a higher proportion of resources going to growth areas.

Executive Councillors' attention was drawn to an option in the scheme for local authorities to come together to form local pools for business rates income. In expressing an interest in forming a pool with the County Council and other Cambridgeshire Districts, the Cabinet stressed that any arrangements should be based on ensuring

that no authority loses out from pooling and to provide for the opportunity to review the decision later in the year.

Subsequently, an expression of interest on behalf of the Cambridgeshire authorities was submitted to the Government by Cambridgeshire County Council and work has progressed to agree management proposals for the scheme. In discussing the benefit sharing arrangement, Executive Councillors were advised that each authority will receive a sum equivalent to what they would have received if there had been no pooling. The residue will then be allocated with 50% to a Strategic Investment Fund to support future business rate growth and the remainder split between the authorities based on the size of the area's population. Having noted that all partners will be able to review the scheme annually, the Cabinet has endorsed a proposed scheme for Cambridgeshire and has requested the Managing Directors, after consultation with the Executive Leader, to make any minor consequential amendments to the scheme as necessary.

On this occasion, to assist Members with the debate on "Council tax and other welfare reform" referred to in Item No. 4 on the Council Agenda, a copy of the localisation of business rates report by the Head of Financial Services is appended as a background paper.

10. REVENUE MONITORING 2011/12 OUTTURN AND 2012/13 REVENUE BUDGET

The Cabinet has noted the final outturn of revenue expenditure for 2011/2012 and the variations already identified in the current year. Executive Councillors were advised that as a result of under-spending, the Council has been successful in saving an additional £2.5m in reserves. The reduction was mainly due to service managers implementing saving plans and holding posts wholly or partly vacant where feasible.

11. CAPITAL MONITORING: 2011/12 OUTTURN AND 2012/13 BUDGET

The Cabinet has been acquainted with variations in the Capital Programme in the current year.

12. WASTE COLLECTION POLICIES

Having regard to the views of the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.7 of their Report refers), the Cabinet has endorsed the content of the Waste Collection Policies document which brings together the Council's 29 policies relating to waste into a single document.

In discussing the document, the Cabinet has noted the views of the Overview and Scrutiny Panel particularly over the prohibition of stickers on bins and Executive Councillors have reiterated that they were not in favour of notices being attached to bins. On the issue of

purple stickers, the Cabinet was of the opinion that there was no evidence that this identifies vulnerable residents and referred to developments and technology which would soon enable collection crews to identify such properties using equipment in their cabs.

**13. GROWING AWARENESS –
A PLAN FOR OUR ENVIRONMENT TO 2011/12**

Along with the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.6 of their Report refers), the Cabinet has considered the annual review of the Council's Environment Strategy for Huntingdonshire – "Growing Awareness - A Plan for Our Environment" . The strategy sets out a framework for the Council to make continual, measurable progress in reducing its own resource use and in stimulating environmental improvements for the wider district.

Attention having been drawn to the impact the strategy has had in reducing energy usage across the Council's portfolio by 18%, the Cabinet supported the role of the strategy as the main means for the Council to monitor and improve its own environmental performance, whilst encouraging improved practice in the District.

14. RISK REGISTER

In considering the progress being made to identify and manage corporate risks, the Cabinet has approved the actions proposed to deal with six risks identified as very high or red in the risk register. In so doing, the Executive Councillors have stressed measures to be taken should be met from within existing resources.

15. POLICE AND CRIME PANEL

The Cabinet has supported the establishment of a Cambridgeshire Police and Crime Panel as a joint committee made up of representatives from the seven Cambridgeshire Local Authorities plus one co-optee. The Cabinet has appointed the Executive Leader as the District Council's representative on the Panel with the Chairman of the Overview and Scrutiny Panel (Social Well-Being) as his substitute. The Panel will have an important role in scrutinising the work of the new Police and Crime Commissioner.

With regard to the Panel arrangements and associated terms of reference, the Cabinet has endorsed their substance and have authorised the Head of Legal and Democratic Services to finalise the precise wording as necessary.

16. DESIGN PRINCIPLES FOR FUTURE DEVELOPMENTS

The Cabinet has considered the findings of a review by a Working Group appointed by the Overview and Scrutiny Panel (Environmental Well-Being) to examine concerns raised over the Loves Farm development in St Neots and to make recommendations to inform future developments. The Panel's interest in the subject had been

prompted by concerns of residents living on the development over access routes to and within the site, the density of housing and prevalence of affordable housing. Members were advised that as part of the review and in order to obtain an objective assessment from a planning perspective, the Working Group had completed a building for life assessment which rated the site as a silver standard.

In considering the contents of the report, Executive Councillors' attention was drawn to the steps being undertaken to deal with the residents' concerns. In that respect, Members have noted four principal actions that will be introduced as part of the next phase of the development including better co-operation with the Highways Authority and the Environment Agency, improved targeted design policies in the New Local Plan and extra engagement with residents in neighbouring areas. Members also have been informed that issues associated with the current Design Guide will be addressed in the new Local Plan.

17. THE TECHNICAL REFORM OF COUNCIL TAX

In conjunction with the Overview and Scrutiny Panel (Economic Well-Being) (Item No.14 of their Report refers), the Cabinet has noted the Government's proposals to reform Council Tax with effect from 1st April 2013 and the consequential implications for the District Council.

Executive Councillors were advised that the Government intends to give local authorities the discretion to set the level and period of charge for unfurnished domestic properties, second homes and uninhabitable properties. Furthermore, a billing authority will have the option to levy an empty premium on properties left vacant for over two years.

In discussing the financial implications of any change in policy in future years, Members recognised the importance of establishing a base to prepare financial forecasts and a draft budget. With this in mind and subject to the enactment of the relevant legislation the Cabinet has agreed, in principle, to the following changes to Council Tax Policy:

- ◆ unoccupied and unfurnished (Class C) properties be granted a 100% discount for one month and then 0% thereafter;
- ◆ second home discount be reduced to 0%;
- ◆ uninhabitable properties (Class A) be granted 100% discount for a maximum of twelve months (no change
- ◆ empty homes premium be levied after two years at 50% in addition to the 100% charge currently made; and
- ◆ monthly instalments continue to be due on the 15th day of each month (extended to those who request 12 monthly instalments) but Managers be permitted to include an additional later instalment date purely as an incentive for those opting to pay by direct debit.

At the same time, the Cabinet has supported the publication of a Cambridgeshire Council Tax booklet and the Council's continued involvement in this area of joint working.

18. COUNCIL TAX SUPPORT FROM 1st APRIL 2013

In conjunction with the Overview and Scrutiny Panel (Economic Well-Being) (Item No.15 of their Report refers), the Cabinet has been acquainted with progress being made towards the implementation of a local Council Tax Support Scheme which will replace the current Council Tax Benefit Scheme from 1st April 2013.

Executive Councillors were advised that under the new arrangements the Council will be subjected to a reduction in funding of at least 10% which will have an impact on the £8.1m awarded in Council Tax Benefit per annum to around 9,400 claimants. Members were informed that pensioners and the most vulnerable claimants which includes those in receipt of the Severe Disability or Disabled Child Premium, must be protected from any changes and receive the same amount of support that they would under the current scheme. With this in mind, the Cabinet has concurred with the Overview and Scrutiny Panel that the funding shortfall should not be passed onto the remaining recipients of support and that the Council should make up part of the difference. Members noted that the Council will be in a position to offset some of the costs by generating extra income under the new Council Tax Support Scheme.

Attention has been drawn to a consultation exercise being undertaken on the new arrangements which has targeted those affected by the changes and stakeholders. In that respect, Executive Councillors have recognised that not all Council Tax payers will be consulted and have concurred with the Panel that this should be taken into account when all the responses are analysed.

19. JOINT STATEMENT ON THE DEVELOPMENT STRATEGY FOR CAMBRIDGESHIRE AND PETERBOROUGH BY THE LOCAL AUTHORITIES

Along with the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.12 of their Report refers), the Cabinet has endorsed the contents of a Joint Statement on the Development Strategy for Cambridgeshire and Peterborough. The strategy will provide a basis for the authorities to continue to work together at a strategic level across administrative boundaries and to plan effectively for growth. The first Joint Statement was developed in 2010, this updated version reflects important changes to the planning system and now incorporates Peterborough Unitary Authority as well as the Cambridgeshire Authorities. Its development has been led by the Cambridgeshire & Peterborough Joint Strategic Planning Unit whose work is overseen by a Member Group consisting of three members from each authority.

20. NEW GUIDANCE FOR LOCAL AUTHORITIES ON THE HOME ENERGY CONSERVATION ACT 1995 (HECA) AND DELIVERY OF THE GREEN DEAL IN HUNTINGDONSHIRE

Further to Item No.11 of the Report of the Overview and Scrutiny Panel (Environmental Well-Being), the Cabinet has considered the content of guidance produced by the Secretary of State for Energy and Climate Change. The guidance requires all local authorities with housing responsibility to prepare reports by 31st March 2013 setting out plans to implement practical, cost effective energy conservation measures to achieve significant improvements in the energy efficiency of residential accommodation in their areas.

In discussing energy efficiency measures, the Cabinet's attention has been drawn to the Government's flagship environmental initiative the "Green Deal". This new initiative will provide householders with up-front loan finance for installing cost effective energy efficiency measures in their homes and will be available for commercial and public buildings. Executive Councillors were advised that about 70% of Huntingdonshire's housing stock was likely to have some potential for green deal measures. In noting the benefits of working in partnership with commercial Green Deal providers and community partners to facilitate and deliver a local scheme, the Cabinet has authorised Officers to develop an outline business case for an action plan to deliver the procurement of a joint local authority Green Deal offering for Cambridgeshire. When completed the outline business case will be presented to Members for consideration including a full appraisal of the work streams and resources required to procure and deliver a Green Deal scheme for Cambridgeshire.

21. FIXED PENALTY NOTICES FOR ENVIRONMENTAL CRIME

The Cabinet has approved a charge for fixed penalty notices of £80 reduced to £60 if paid within 10 days for Section 46 and 47 offences under the Environmental Protection Act 1990 relating to the failure to place waste in the prescribed receptacle for household and commercial waste.

22. DRAFT CAMBRIDGESHIRE HEALTH AND WELLBEING STRATEGY 2012-17 CONSULTATION RESPONSE

Further to Item No.10 of the Report of the Overview and Scrutiny Panel (Social Well Being) the Cabinet has endorsed the contents of a suggested response on behalf of the Council to a consultation paper issued by NHS Cambridgeshire on the draft Cambridgeshire Health and Well-being Strategy 2012-17. The paper outlined the terms of the proposed priorities identified by the Shadow Health and Wellbeing Board and Network as being important for local people and summarised how Partners will work together effectively to address them.

J D Ablewhite
Chairman

APPENDIX

LOCALISATION OF BUSINESS RATES (Report by the Head of Financial Services)

1. PURPOSE

- 1.1 A commitment to review local government finance was part of the Coalition Agreement when the Government came to office. Reform of the system of business rates, with some element of the rates being retained by local authorities rather than all rates being retained centrally and redistributed as a part of Formula Grant is the first part of that reform.
- 1.2 Following consultation, the Government published its plans for the rates retention scheme in December 2011 with the scheme coming into effect in April 2013.
- 1.3 The scheme includes an option for local authorities to come together to form local pools for business rates income. If they wish to do this the authorities must express an interest by 27 July though final confirmation is not required until later in the year.
- 1.4 This report explains how the both the retention system and pooling will work, based on information received to date, and seeks Cabinet approval to the Council “expressing an interest” in pooling with the County Council and other Cambridgeshire districts.

2. THE BASIS OF THE NEW SYSTEM

- 2.1 The proposals focus on the distribution of business rate income, rather than changes to the system of business rate taxation. Businesses will see no difference in the way they pay tax or the way the tax is set. Rate setting powers will remain under the control of central government and the revaluation process will be unchanged.
- 2.2 The overall position will be that each authority will receive in 2013/14 the level of funding from Business Rates and Grant that the Government would have provided if there had been no change to the system. These sums are not yet known and the Government will have to take account of a range of economic pressures in arriving at these figures. There is certainly concern that these could be lower than previously forecast.
- 2.3 Of the Business Rates collected by each “collection authority” (i.e. District Councils in Cambridgeshire) the first 50% will be passed to the Government, 10% will go to the County, 1.25% to the Fire Authority and the remaining 38.75% goes initially to the District Council as its “**Business Rates baseline**”. Thus, if it were not for the levy, see 2.6 below, the District Council would gain 38.75% of any increase in Business rates and lose 38.75% of any reduction in Business Rates.

Total Business Rates Collected by District	100.00%
Proportion to Government	50.00%
Proportion to County and Fire	11.25%
Proportion to "collection authority" = Business Rates Baseline	38.75%

- 2.4 However, the Government will then decide how much funding an authority should receive and how much of this should be funded from grant and how much from retained Business Rates (the "**Spending Baseline**"). If the **Spending Baseline** is higher than the **Business Rates Baseline** then the authority will receive a **Top Up** from the Government from the Business Rates pool (most if not all County Councils will be **Top Up** authorities). Conversely if the **Spending Baseline** is lower than the **Business Rates Baseline** then the authority will pay a **Tariff** to the Business Rates pool (most Districts will be **Tariff** authorities).

authority	FUNDING			Business Rates Base Line	Top Up from Gov't	Tariff To Gov't
	From Grant and Business Rates	From Grant	From Business Rates Spending Base Line			
A	£9M	£4M	£5M	£23M		£18M
B	£30M	£8M	£22M	£20M	£2M	

- 2.5 The **Top Ups** and **Tariffs** will automatically increase for inflation. This gives **Top Up** authorities a guaranteed increase in part of their resources and means that a **Tariff** authority will lose resources if there is any reduction in the **volume** of Business Rates (the Business rate poundage itself rises by the rate of inflation).
- 2.6 In addition there will be a **Levy** on what the Government refers to as "disproportionate growth" which will be used to provide a safety net for those authorities experiencing reductions. The levy rate is based on the relationship between the **Business Rates Base Line** and the **Spending Base Line**. The result is that for each 1% extra in Business Rates a **Tariff** Authority will only receive 1% of their **Spending Baseline**.

$$\text{Levy} = 1 - (\text{Spending Base Line} / \text{Business Rates Base Line})$$

authority	Spending Base Line	Business Rates Base Line	Levy
A	£5M	£23M	78%

- 2.7 Thus if a District Council's Business Rates were to increase it would not keep 38.75% because it would have to pay 78% of this to the Government as a **Levy** leaving it with just 8.3%. However if its Business Rates were to fall it would lose 38.75% unless protected by the Safety Net (see below).

IMPACT ON DISTRICT COUNCIL A		
Real terms change in Business Rates Collected	+£3M	-£3M
Business Rates Base Line	£23M	£23M
Spending Base Line	£5M	£5M
Levy rate	78%	78%
Impact on District Council	+£250k	-£1,163K

- 2.8 If an authority's income drops below the safety net threshold, the authority will receive safety net payments to take income back up to that threshold level. The Government proposes to set the safety net threshold between 7.5% and 10% below the authority's **Spending Baseline**. For example, a 10% safety net threshold would mean that no authority would see more than a 10% drop in their retained income from business rates. However, even a 7.5% loss could have severe implications for any authority.

SAFETY NETS	
Spending Base Line	£5M
Maximum loss if Safety net:	
7.5%	£375k
10%	£500k

- 2.9 Local authorities may combine to form Business Rate pools. Where local authorities enter into pooling arrangement individual **Top Ups** and **Tariffs** will be combined as will **Levy** arrangements. Authorities in pooling arrangements will need to agree how they will share risks and potential rewards between the individual.
- 2.10 The Government share of Business rates, referred to above, will be fixed at 50% until any reset of the system. It is intended that this share will remain unaltered for seven years to 2020 in order to provide authorities with the certainty that they need to plan and budget. Longer term, the Government remains committed to its aspiration for 10 year reset periods though it would still retain flexibility for more frequent resets in exceptional circumstances.
- 2.11 Business Rate growth in Enterprise Zones is dealt with separately and allocated via the LEP. Large pre-agreed Tax Increment Financing Schemes (TIFS) are excluded from the reset mechanism and the levy. These will be where an authority intends to invest significant sums to support economic development and obtains DCLG consent to keeping the extra Business Rates to fund the borrowing costs of the investment.
- 2.12 Business rates income from new renewable energy projects will be retained in full by the Council that approves the planning application which will normally be the District Council.

3. POOLING

- 3.1 The Government considers that pooling offers opportunities for encouraging joint working, sharing the benefits from economic growth investment across a wider area, managing volatility in Business Rate income levels and potentially supporting the delivery of further economic growth.
- 3.2 Pooling combines the Tariffs/Top Ups of individual authorities within the pooling area and treats the area as a single authority (although individual authorities would still be notified of their Tariffs/Top Ups). A single levy rate applies to the sum of the pool's income and growth levels. Similarly, safety net eligibility is also calculated at aggregate pool level.
- 3.3 Pool members will determine their own governance arrangements including how to distribute resources amongst pool members; for example, authorities could decide that each member will receive at least the same amount as they would have if a pool had not been in place, and additional resources could be distributed in whatever way they wished.
- 3.4 Authorities need to inform the Government if they are interested in Pooling by 27 July. The government intends to allow authorities the chance to withdraw from pooling arrangements once the draft Local Government Finance Report is published (if the request is made within 28 days of the draft report being published).
- 3.5 Apart from the perceived benefits of pooling referred to in 3.1 above there can be financial benefits. If one, or more, Tariff authorities combine with a Top Up authority the net result is that a lower Levy rate results and so a greater share of any growth in Business Rates will be retained locally. At a recent meeting of the Cambridgeshire Public Services Board there was support from all authorities for the principle of pooling on a countywide basis.
- 3.6 The County Council have modelled a range of scenarios using the Society of County Treasurer's model and consider that there is a net benefit as long as there is not an overall reduction in the pooled Business Rates of more than 0.25%.
- 3.7 The table below provides the assumptions on Spending Baselines that the County Council have derived from their model. It shows that the levy rate changes from a range of 0% to 89% without pooling to 36% with pooling. Because the levy rate is applied to the Business Rates Baseline where only 20% is allocated to the County Council the reductions to 36% for the Districts exceeds the impact of the County rising to 36%.

Authority	Business Rates Baseline (£m)	Spending Baseline (£m)	Tariff (-) Top-up (+) (£m)	Levy Rate No Pool	Levy Rate With Pool
Cambridgeshire	25.950	61.740	+35.791	0%	36%
Cambridge City	34.958	4.689	-30.269	87%	36%
East Cambridgeshire	6.957	2.747	-4.210	61%	36%
Fenland	8.812	3.897	-4.915	56%	36%
Huntingdonshire	23.202	5.166	-18.036	78%	36%
South Cambridgeshire	26.626	2.951	-23.675	89%	36%
Total	126.505	81.191	-45.314		36%

3.8 Using these figures the following tables illustrate the impact of 2% real terms growth for one year with or without pooling. They show that the total growth in rates retained within a Pool would be £1.7M as opposed to £1M without pooling.

2% GROWTH NO POOLING	Gross Business Rates Increase	Less Gov't Share	County/Fire Transfer	Business Rates Baseline	Less Levy	Growth retained	Levy Rate
	£m	£m	£m	£m	£m	£m	£m
Fire			0.065	0.065	0.000	0.065	0%
Cambridgeshire			0.519	0.519	0.000	0.519	0%
Cambridge City	1.804	-0.902	-0.203	0.699	-0.608	0.091	87%
East Cambridgeshire	0.359	-0.180	-0.040	0.139	-0.085	0.054	61%
Fenland	0.455	-0.227	-0.051	0.176	-0.099	0.078	56%
Huntingdonshire	1.198	-0.599	-0.135	0.464	-0.362	0.102	78%
South Cambridgeshire	1.374	-0.687	-0.155	0.533	-0.474	0.059	89%
Total	5.190	-2.595	0.000	2.595	-1.628	0.967	

2% GROWTH WITH POOLING	Gross Business Rates Increase	Less Gov't Share	County/Fire Transfer	Business Rates Baseline	Less Levy	Growth retained	Levy Rate
	£m	£m	£m	£m	£m	£m	£m
Fire			0.065	0.065	-0.023	0.042	36%
Cambridgeshire			0.519	0.519	-0.187	0.332	36%
Cambridge City	1.804	-0.902	-0.203	0.699	-0.252	0.447	36%
East Cambridgeshire	0.359	-0.180	-0.040	0.139	-0.050	0.089	36%
Fenland	0.455	-0.227	-0.051	0.176	-0.063	0.113	36%
Huntingdonshire	1.198	-0.599	-0.135	0.464	-0.167	0.297	36%
South Cambridgeshire	1.374	-0.687	-0.155	0.533	-0.192	0.341	36%
Total	5.190	-2.595	0.000	2.595	-0.934	1.661	

- 3.9 The County modelling includes a significant number of further assumptions and suggests higher benefits but the benefit illustrated above would still be a significant and welcome benefit.
- 3.10 Before the deadline for withdrawal (potentially November) the following points would need to be determined:
- The basis for allocating any gain (or loss) from pooling
 - The likelihood of Business Rates growth in 2013/14.
 - The financial benefit incorporating the final details of the scheme modelled for a range of potential growth and reduction scenarios.

This would allow each authority to make their final decision as to whether to withdraw from the Pooling at that stage.

4. CONCLUSION

- 4.1 Businesses should see no changes from the proposed changes unless it is via a greater local authority interest in business growth.
- 4.2 The localisation of business is not intended to change the resources available to authorities in 2013/14 but it will, over time, result in a higher proportion of resources going to growth areas.
- 4.3 It is extremely difficult to forecast what the Council's level of Business Rate growth will be especially as the Enterprise Zone is excluded.
- 4.4 A Levy system results in District Councils only getting a small share of any growth in Business Rates.
- 4.5 Safety nets exist but are not expected to apply until an authority has lost 7.5% or more of its Spending Baseline.
- 4.6 Based on current knowledge, Pooling will provide a benefit where one, or more, Tariff authorities pool with a Top Up authority in a growth situation.
- 4.7 Any pooling arrangement should be based on ensuring that no authority loses as a result of pooling.
- 4.8 Interest in pooling must be notified by 27 July but withdrawal will then be allowed up until a date to be specified.

5. RECOMMENDATION

5.1 Cabinet is recommended to:

- **Note the planned basis for the localisation of Business Rates.**
- **Express to the DCLG the Council's interest in pooling with the County Council and other Cambridgeshire Districts on the understanding that the governance arrangements will be based on no authority losing from pooling and noting that there will be the opportunity to review that decision later in the year.**

ACCESS TO INFORMATION ACT 1985

Government proposals and PSB report held by Head of Financial Services.

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

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Standards Committee

Report of the meeting held on 6th September 2012

Matter for Decision

7. APPOINTMENT OF INDEPENDENT PERSONS

In Item No 1 of the Report to the last meeting of the Council held on 4th July 2012, the Committee reported that it had authorised the Head of Legal & Democratic Services and the Monitoring Officer to commence the process for the appointment of Independent Persons (one permanent Lead Member and one able to act in reserve) in accordance with Chapter 7 of the Localism Act 2011. Independent persons must be appointed after public advertisement, application and interview.

A Panel comprising the Chairman and Vice Chairman of the Committee, Councillors A Hansard and Mrs B E Boddington respectively and Councillor T D Sanderson was appointed by the Committee to interview applicants for the posts and to recommend to the Council the candidates they consider should be appointed. In common with other District Councils in Cambridgeshire, the Committee has noted that the positions will attract allowances of £1000 and £500 for the Lead and Deputy respectively plus reimbursement for travel and subsistence expenses. The Independent Person is consulted before a decision is made on an investigated complaint and usually on receipt of the initial complaint. The Independent Person may also be consulted on other standards matters, including by a Councillor who is the subject of an allegation. The Independent Person may also attend meetings of the Committee but only as a non-voting co optee.

As interviews for the posts of Independent Persons are to be held after the Agenda for the Council meeting has been despatched, the Chairman of the Interviewing Panel will advise the Council of the outcome.

RECOMMEND

that the Council be requested to appoint those candidates recommended by the Interviewing Panel for the posts of Lead and Deputy Independent Persons.

8. APPOINTMENT OF PARISH COUNCIL REPRESENTATIVES

Members may recall that the Council agreed to invite Parish Councils to nominate two parish councillors to be co opted as non voting Members of the new Standards Committee (Item No 1(c) of the Report of the last meeting refers). The Committee has now considered how these town and parish council representatives should be recruited bearing in mind how important it is that these representatives should have the trust of town and parish Councils in the authority's area. Given also the experience and knowledge held by the former town and parish council representatives, the Committee considered that it would be reasonable to –

- ◆ invite the former town and parish council representatives to express an interest in the two posts;
- ◆ invite the views of CPALC on the appointment process and, if appropriate, to seek the two nominations required through their membership; and
- ◆ invite all Parish Councils to request their Members to express an interest in the positions.

The Committee has agreed that an allowance of £231 per annum should continue to be payable to the new parish representatives together with the reimbursement of any travelling and subsistence expenses incurred in attending meetings and training events. Following receipt of expressions of interest from the various sources, the Monitoring Officer has been authorised to appoint the two new representatives after consultation with the Chairman of the Committee.

9. PROPOSED CHANGES TO TERMS OF REFERENCE

As the timescale for the adoption of the new Code of Conduct and consequential arrangements was so short, there was little opportunity to consider how a new Standards Committee might operate in the future. The Committee now has considered its terms of reference and suggested several amendments to reflect the way in which it is envisaged the Committee might operate in the future.

Minor amendments are required to Article 9 in the Constitution relating to the Standards Committee largely to take account of the changes in legislation. The Committee has also concluded that a Sub Committee comprising three Members should be appointed from amongst its number when it is necessary to hear complaints of misconduct by Councillors and that this Sub Committee also should meet to consider urgent requests for dispensation from District Councillors. The Head of Legal & Democratic Services & Monitoring Officer has been authorised to convene meetings of the Sub Committee when necessary and has previously been authorised by the Council to vary the Constitution to take account of changes to

standards arrangements after consultation with the Chairmen of the Committee and the Corporate Governance Panel.

10. NEW STANDARDS REGIME - PROGRESS

The Monitoring Officer has reported on the arrangements which have been made to ensure that the District Council has complied with the requirements of the Localism Act 2011 since the Council adopted a new Code of Conduct at its last meeting in July. This has involved the issue of guidance to District Members and Town and Parish Councils on the adoption of a new Code and the completion of declaration of interest forms and advice notes to Parish Clerks on the granting of dispensations. Action also has been taken to encourage interest in the posts of Lead and Deputy Independent Members (see Item No 7 ante).

Under the former Model Code of Conduct, specific circumstances were prescribed when a Member could exclude themselves from having to declare a prejudicial interest and leave the room when business arose in connection with that interest. As there were no similar exclusions in the recent Regulations, the Committee has granted a dispensation for the period ending 30th April 2016 to enable all Members to speak and vote in the following circumstances where it is considered that they would have a disclosable pecuniary interest –

- ◆ setting the Council Tax and budget under the Local Government Finance Act 1992; and
- ◆ setting the allowances, payments or indemnity given to Members.

11. MONITORING OFFICER PROTOCOL AND FLOWCHART

Subject to review of the arrangements after twelve months operation, the Committee has approved a final version of the protocol and flow chart to be used by the Monitoring Officer when responding to allegations of misconduct by a Member of the District Council or Parish Council in the District. The Committee has also reaffirmed its view that the new protocol should include a requirement for complaints made about Parish Councillors to be referred, in the first instance, to the relevant Parish Council for local resolution and only considered by the Monitoring Officer once these measures have been exhausted or if such a course of action is not practicable. The Committee also confirmed that there shall be no right of appeal against the outcome of a complaint referred to a Hearings Panel.

12. PROPOSED TRAINING PROGRAMME

It remains the role of the Committee to give advice and training on matters relating to the Code of Conduct. In view of the recent changes in legislation and the issue of new Regulations on the declaration of pecuniary interests, the Committee has endorsed proposals for a programme of training sessions to be held in the Autumn at various locations in the District for Town and Parish

Councils and for several drop in sessions to be held in advance of scheduled meetings of District Council Panels and Committees in the current cycle.

A Hansard
Chairman

Development Management Panel

**Report of the meetings held on 16th July, 20th August
and 17th September 2012**

Matters for Information

**6. BEARSCROFT FARM, GODMANCHESTER:
DRAFT URBAN DESIGN FRAMEWORK**

The Panel has had the opportunity to comment, as a consultee, on the Draft Urban Development Framework for land at Bearscroft Farm, Godmanchester. The Panel was aware that the principle for development at Bearscroft Farm had been established in the Huntingdonshire Core Strategy and that it was the purpose of the UDF to describe the principal planning and design factors that prospective developers of the site should seek to address in delivering a sustainable urban extension to the east and south east of Godmanchester. An outline planning application has already been received for development at the location.

After detailed discussion, the Panel made the following observations to be taken forward as the Panel's formal submission on the UDF to the Cabinet –

- ◆ the likelihood of the developers being able to fund both a new primary school and realignment of the A1198;
- ◆ the viability of the proposed development given the infrastructure provision which might be required;
- ◆ the preference for the re-routing of the A1198 to ensure that the proposed development was sustainable and integral to Godmanchester;
- ◆ the importance of “trigger points” within a planning consent to ensure that the proposed new primary school and road improvements were delivered by the developers at an early stage to address any concerns that appropriate infrastructure would not be provided;
- ◆ the size of the proposed development and the ability of the existing road network to absorb the additional traffic likely to be generated;
- ◆ an opportunity for the Section 106 Agreement Advisory Group to contribute to the debate given the potential for use of a Section 106 Agreement to secure infrastructure requirements from the developer;
- ◆ the critical requirement for improvements to the A14; and

- ◆ the impact of the additional traffic likely to be generated by the development on the medieval bridge in Huntingdon.

**7. DEVELOPMENT MANAGEMENT PROGRESS REPORT:
1ST APRIL – 30TH JUNE 2012**

During their regular quarterly review of the activities of the Development Management Service, the Panel has drawn attention to the lower percentage of major applications determined in the period 1st April – 30th June in comparison with the previous quarter. However, it was noted that the reasons for this was in large part the attempt, on the part of developers, to conclude outstanding applications involving Section 106 Agreements in advance of the commencement of the CIL charging regime on 1st April.

8. DEVELOPMENT APPLICATIONS

Over three meetings, the Panel has considered a total of sixteen applications and of these eleven have been approved, three refused and one deferred to enable the Panel and Ward Councillors to undertake an accompanied visit to a site at Hamerton Zoo Park, Steeple Gidding where an application has been received to install two wind turbines and ancillary equipment. Having expressed their views on proposed development at Nordic House, Old Great North Road, Sawtry, the Panel has authorised the Head of Planning and Housing Strategy to determine the application, subject to conditions, on the expiry of the neighbour consultation period. The Panel also was pleased to approve a proposal, subject to conditions, which will provide a sports pavilion adjacent to the village hall on the playing field in Little Paxton. This will accommodate changing facilities and an opportunity to serve refreshments to local football and cricket clubs.

D B Dew
Chairman

Employment Panel

Report of the meeting held on 19th September 2012

Matters for Information

8. MANAGING ABSENCE & ATTENDANCE WITHIN THE DISTRICT COUNCIL

Further to Item No. 2 of their previous Report to Council, the Panel has received a presentation by Ms J Maulder, HR Business Partner on the management of absence and attendance within the Authority.

It is well recognised that the effective management of absence is key to the wellbeing and cost of an organisation. During 2011/12, the average sickness per employee was 8.5 days and the Panel has noted that this was reasonable compared to other local authorities within the area and remains well below the average for local government. Having received information on the national picture, the Panel also been acquainted with details of the Council's existing absence management process, the challenges which face Managers in dealing with sickness within their teams and the support provided from human resources to assist them.

In response to the questions raised as part of the presentation, the Panel has received information on the way in which the Human Resources Team has dealt with stress related absence and has noted that further work would be undertaken shortly by LGSS to review the existing caseload. Members also have requested that future reports should include information on the number of individuals who were hitting the prescribed trigger points within the absence monitoring process.

9. EMPLOYMENT REPORT

The Panel received a quarterly report on the Human Resource matters impacting on the performance of the organisation. On this occasion, the report 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.

Having congratulated LGSS on the quality of the report, Members have suggested that, in future, it would be useful to be able to make comparisons with other public sector organisations. In this respect further information has been requested on employee turnover and the number of days lost to sickness per quarter.

Members also commented on stress related absences and the need to manage information to ease any perception of uncertainty amongst employees. The Panel also have noted that the various services will experience different types of absence depending on the nature of their work.

In terms of sickness absence and having received clarification on a number of aspects, the Panel has endorsed a series of measures which have been designed to improve the Council's existing absence policies and procedures. It was hoped that a review of the District Council's Sickness Absence Policy would be undertaken shortly and considered by the Panel at a future meeting.

The Chairman has congratulated LGSS on their recent showcase event to demonstrate the training and development opportunities which were to be made available to District Council employees.

10. ARRANGEMENTS FOR CORPORATE HEALTH & SAFETY

In order to fulfil the Council's statutory responsibilities and to ensure consistency in health and safety across the organisation, the Panel has adopted a new set of arrangements for ensuring the health and safety of District Council employees which will be incorporated within the Council's existing Health and Safety Policy. These arrangements set out the way in which specific issues are to be dealt with and collate individual service based standards into a single document, which will be easier to access and maintain. It was envisaged that performance standards will be developed for the specific arrangements detailed in the policy in due course.

Having regard to the disadvantages which had been highlighted in terms of the potential isolation of those individuals who were regularly working from home, the Panel was assured that these employees were receiving adequate support. Members also have noted that there are measures in place to ensure that employees were informed of the best ways to use Visual Display Equipment.

Having noted a request from Employees' Side representatives that a representative should be appointed to the Council's Safety Advisory Group to help with consultation on health and safety matters, it has been suggested that this request could be considered as part of a review of the operation of the Employment Panel and Employee Liaison Advisory Group.

11. EMPLOYEE OPINION SURVEY RESULTS

The responses to an opinion survey undertaken during April 2012 to find out how employees felt about working for the Council have been

presented to the Panel. Where possible, the findings have been used as benchmarks for comparisons with survey results in previous years.

In considering the results, Members were mindful that the effect of recent reductions in local government funding, the general economic climate and a number of significant changes within the Council would have had an impact on the survey outcome. Their attention having been drawn to the responses by Management to the issues highlighted, the Panel has noted that the findings will now be used by the Senior Management Group in conjunction with LGSS and Team Managers to develop local action plans. In order to ensure that those issues highlighted by employees are addressed the survey will now be run on an annual basis.

In considering the results of the survey, Councillor P J Downes has expressed his concern that only 75% of employees felt that they were treated with dignity and respect at work by District Councillors. The Panel noted that arrangements were being made for a meeting of Group Leaders to discuss the matter further. Members also have commented on the need to address some of the longer term issues which had been identified by the survey.

The Panel also has discussed the views expressed by employees on the adequacy of information available to them on the Council and, having been reminded of the context in which the survey was undertaken, has made a number of comments concerning the need to supply key concise information to staff. Having commented that it was difficult for Members to interpret the general information which had been presented to them, the Panel noted that this had been analysed by Division for use by Heads of Service.

A copy of the full report is available from the Corporate Office on request.

12. RETIREMENT OF EMPLOYEES – ACKNOWLEDGEMENTS

The Panel has placed on record its recognition of, and gratitude for, the excellent contributions made by the following employees during their employment in the local government service and conveyed its best wishes to them for a long and happy retirement.

Name	Division	Local Government Service
Mr A Bradshaw	Operations Division	4 years
Mr D Bacon	Environmental Management	15 years
Mr D Hartley	One Leisure, St Ives	17 years
Mr M Smith	Operations Division	7 years
Mr R Philcox	Operations Division	5 years

Mrs P Prior

Environmental Management

10 years

13. 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 progress being made on the Council's Pay Review project. Members have been informed that Phase 1 had now been completed and 38 core posts (which equated to 218 staff) within the organisation had been evaluated and moderated using a revised Job Evaluation Scheme. Phase 2 is expected to start shortly and the outcome will enable work to commence on the modelling of a new District Council pay structure early in the New Year.

The Panel also has authorised the Managing Director (Resources) after consultation with the Chairman of the Panel and the Executive Leader to agree and offer a pay award to District Council employees in the 2013/14 financial year.

S Cawley
Chairman