

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Thursday, 6 December 2012.

PRESENT: Councillor T V Rogers – Chairman.

Councillors G J Bull, Mrs L A Duffy,
S Greenall, R Harrison, R B Howe,
P G Mitchell, M F Shellens and A H Williams.

Messrs R Eacott and R Hall.

APOLOGY: An Apology for absence from the meeting was submitted on behalf of Councillor E R Butler.

63. WELCOME AND INTRODUCTIONS

The Chairman welcomed Mr Russell Eacott, newly appointed co-opted Member, to his first meeting of the Panel.

64. MINUTES

The Minutes of the meeting held on 8th November 2012, were approved as a correct record and signed by the Chairman.

65. MEMBERS' INTERESTS

No declarations were received.

66. NOTICE OF EXECUTIVE DECISIONS

The Panel considered and noted the current Notice of Executive Decisions (a copy of which is appended in the Minute Book). Members noted that the Business Plan for One Leisure would be presented to their next meeting.

With regard to the item on National Non Domestic Rates Approval and in light of the current situation, the Panel noted that the full Council would be asked to delegate approval to the Managing Director (Resources) to calculate and certify the completion of the NNDR1 form which provided an estimate of the Council's business rate income for the forthcoming financial year. Members were content with this approach.

67. EXCLUSION OF THE PUBLIC

RESOLVED

that the public be excluded from the meeting because the

business to be transacted relates to the financial or business affairs of a particular person (including the authority holding that information).

68. DISPOSAL OF LAND, ST MARY'S STREET, HUNTINGDON

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

With the assistance of a report by the Head of Environmental Management (a copy of which is appended in the Annex to the Minute Book) the Panel considered details of an offer for Council owned land fronting St Mary's Street, Huntingdon. The Executive Councillor for Resources outlined the factors that would need to be taken into consideration when deciding whether to accept an offer for the property and his own view of the current offer.

In considering the offer which had been made, the Panel discussed the value placed on the land in the Asset Register and in the Council's Accounts, the valuation of the site and the alternatives to accepting the present offer. A suggestion was made that the Council might reduce its homelessness costs by building its own accommodation on site and in this regard Members were acquainted with the initiatives that were already planned to reduce the Authority's reliance on bed and breakfast accommodation.

Given that a significant upturn in the commercial property market was unlikely in the short term, the Panel was of the opinion that the offer should be accepted, albeit at a level above that outlined in the report now submitted and that the Council should seek to secure a lease back of part of the new premises to accommodate individuals who were homeless during the negotiations.

RESOLVED

that the Cabinet be recommended to authorise the Managing Director (Communities, Partnerships and Projects), after consultation with the Executive Councillor, to accept an offer from the prospective purchaser on the terms proposed by the Panel.

69. RE-ADMITTANCE OF THE PUBLIC

RESOLVED

that the public be re-admitted to the meeting.

70. UPDATE 2013 / 14 BUDGET & MTP

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

With the assistance of a report by the Head of Financial Services (a copy of which is appended in the Minute Book), the Panel considered an update on the 2013/14 Budget and MTP. By way of introduction the Chairman reported that he had presented the conclusions reached by the Panel at the recent informal meeting to the Executive

Leaders Strategy Group on 3rd December. As a consequence, he had received an assurance that the presentation of financial information would be discussed with the Panel at the conclusion of the current budget cycle. In terms of the priority areas for potential savings, Members were advised that the Cabinet was developing its own range of options for savings, many of which were similar to those which had been identified by the Panel. In this regard, the Executive Leader and the Executive Councillor for Resources would be meeting shortly to establish a package of potential savings measures for further consideration.

The Head of Financial Services provided a detailed presentation on the contents of the report, which included information on service budgets, Council Tax subsidy, retention of business rates, the New Homes Bonus, the Council tax level, inflation and interest rates and the key risks associated with the current budgetary situation. Having been reminded that the Council had agreed to support in principle the pooling of business rates, the Panel discussed the consequences of not adopting this approach. Members were advised that further work would be undertaken before a decision was taken for next year and they were reminded of the principles upon which the pooling arrangement would operate. It was dependent upon all Cambridgeshire authorities agreeing to enter into the pool. If it was decided not to proceed in the forthcoming financial year, it would still be possible to do so in future years.

In terms of the predictions that had been made for future housing completions, Members enquired whether the data took into account the potential for a slow down in house building over the course of the next few years. The Head of Financial Services explained that a paper on future projections had recently been received from the Planning section and, once this had been worked through in more detail, further information could be brought to a future meeting. Having emphasised the need to exercise caution in this respect, Members were advised that a risk provision for slower completion of new homes had been included in the current report.

With regard to Council Tax levels for future years, a Member enquired whether the Council would ever be in a position where it would not rise. In response, the Head of Financial Services explained that there would always be pressure on the Council's finances from inflation, which meant this was unlikely. The Executive Councillor for Resources also commented that in previous years the rise in Council Tax had not been greater than any rise in benefits or pensions and that he would try to ensure that any future increases were not at a greater rate than any rises in these areas. Members were informed that the Executive Leader had recently met with the Department for Communities and Local Government to discuss a proposal that any limitation on Council tax increases should be based on the average for that class of authority so as not to disadvantage those councils like Huntingdonshire who had historically low levels of Council Tax.

Turning to the assumptions which had been made for inflation and interest rates, a Member enquired what contracts were currently in place for electricity and gas and whether there was any scope to secure economies of scale by negotiating contracts jointly with other Councils. In response, it was explained that consultants were used to

review the contracts at renewal time. The Head of Financial Services undertook to establish what work had been undertaken with regards to bulk purchasing. Another Member then expressed the view that no provision should be made for performance related pay within the Council's Budget and that additional pay should only be awarded for better than expected performance against the budget. The Executive Councillor for Resources, however, indicated that there should be a performance related element in employees' pay.

In terms of the borrowing trends, a Member enquired at what point the projected increase in borrowing was expected to even out. The Panel's attention was drawn to the fact that borrowing was largely required to fund Disabled Facilities Grants. Following a further question, Members were informed of the increase in income as a result of the rise in the population level of the District.

Discussion then ensued on the impact of the risk proposals on the use of the Council's reserves and unidentified savings. The Chairman invited comments on whether the Council should be identifying savings at an earlier stage or reducing the level of the Council's reserves. Overall Members were of the opinion that the Council should seek to effect what savings it could rather than run down reserves. In this regard, Members enquired what efforts had been made to identify savings thus far and they were advised that all Heads of Services had a budgetary target and were required to make continuous improvements. In response to a question about efficiencies which had been achieved from energy performance initiatives, attention was drawn to the energy efficiency proposals which had been identified within the Head of Environmental Management's Service budget. In order to establish a complete picture, Members requested information on the savings that had been achieved to date and ongoing monitoring data against savings targets. The Executive Councillor reiterated that he would be meeting with the Executive Leader shortly to develop a range of options for savings, which would be submitted to the Panel for consideration.

RESOLVED

that the Cabinet be recommended to:

- (a) note the contents of the report; and
- (b) examine what additional savings can be made so as to reduce the rundown of the Council's reserves whilst maintaining those services that impact on the community.

71. TREASURY MANAGEMENT REVIEW OF PERFORMANCE: 6 MONTHLY REVIEW

Consideration was given to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) containing details of the Council's investments for the period 1st April to 30th September 2012. Members' attention was drawn to the treasury management activity, the performance summary and the performance against budget in 2012/13. Having been advised that a current indicator for interest rate exposures did not differentiate between long and short

and borrowing and investing, it was

RESOLVED

that the Cabinet be requested to recommend the Council

- a) to approve the revised table and targets in paragraph 6.2 of the report now submitted; and
- b) to note the contents of the report by the Head of Financial Services on Treasury Management – Review of Performance.

72. WORKPLAN STUDIES

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) containing details of studies that were being undertaken by the Overview and Scrutiny Panels for Social and Environmental Well-Being.

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

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) reviewing progress on matters that had been previously discussed. In so doing, the Chairman reported that a first draft of the conclusions arising from the review of the Council's Document Centre had now been prepared. Members then discussed when it would be appropriate for the Council to receive a presentation on the A14 improvements.

In view of the success of their previous meeting on budgetary savings, it was agreed that a similar meeting should be held in late January to discuss the Council's capital budget.

74. SCRUTINY

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

Chairman