

Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the COUNCIL held in the Civic Suite, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 19 December 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, I J Curtis,
J W Davies, D B Dew, P J Downes,
Mrs L A Duffy, R Fuller, D A Giles, J A Gray,
S Greenall, N J Guyatt, A Hansard,
G J Harlock, R Harrison, D Harty, R B Howe,
C R Hyams, Mrs P A Jordan, P Kadewere,
Ms L Kadic, Mrs P J Longford,
A J Mackender-Lawrence, P G Mitchell,
M C Oliver, J W G Pethard, P D Reeve,
Mrs D C Reynolds, T V Rogers,
T D Sanderson, M F Shellens, R G Tuplin,
D M Tysoe and R J West.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors W T Clough, S J Criswell, S M Van De Kerkhove and A H Williams.

48. PRAYER

The Bishop of Huntingdon, the Right Reverend Dr D Thompson opened the meeting with Prayer.

49. CHAIRMAN'S ANNOUNCEMENTS

(a) Chairman's Events

The Chairman thanked those Members who had attended the Civic Carol Service on 5th December 2012 at St. Mary's Church, Huntingdon and the Bishop of Ely, the Right Reverend Conway, the Lord Lieutenant, High Sheriff, Huntingdon Male Voice Choir, Huntingdon Sea Cadets and other dignitaries for their contribution and support. The Chairman also had attended carol services held by the Salvation Army, the Mayors of St. Neots and Huntingdon and Luminus and had delivered a reading to the District Council's carol service.

(b) Events for Young People

Having reminded the Council of her intention to encourage young people to take an interest in local government and their communities, the Chairman reported on her successful visit, together with Officers from the Environment and

Elections Teams, to Ernulf Academy in St. Neots on 15th December and looked forward to paying similar visits to other schools in the District in the future.

(c) **Town and Parish Councils**

The Chairman also had hosted a gathering of representatives from Fenstanton, Hemingford Abbots, Hilton and Houghton and Wyton Parish Councils on 23rd November when they had enjoyed a tour of Pathfinder House and the Civic Suite and met Officers informally over refreshments.

50. MINUTES

The Minutes of the meetings of the Council held on 14th November 2012 were approved as a correct record and signed by the Chairman.

51. MEMBERS' INTERESTS

Councillor R Harrison declared a non-pecuniary interest in Minute No. 55 by virtue of his employment with the Highways Agency.

52. UPDATE - 2013/14 BUDGET AND MEDIUM TERM PLAN

By reference to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) Councillor J A Gray, Executive Councillor for Resources presented the draft budget 2013/2014 and MTP 2013/2017. Councillor Gray advised the Council that due to some delay to Government announcements, he could only update the Council on various issues and anticipate the position which the Council might find itself in when required to approve the 2013/2014 budget and MTP at their next meeting in February 2013.

Despite this outlook, Councillor Gray drew the Council's attention to Annex A to the report of the Head of Financial Services which highlighted the extent of activities which were underway or forecast. Although not yet aware of the details of Government funding for Huntingdonshire in 2013/2014, Councillor Gray forewarned Members that information thus far suggested that there would be a reduction in funding for local government generally.

The Council was reminded of the financial objectives of the Cabinet and advised of progress achieved towards these targets to-date. It was explained that the Council was on course to achieve a balanced revenue budget by the financial year 2016/2017, that it was anticipated that revenue reserves would stabilise at £5.4m from 2015/16 and that work was continuing to establish a clear protocol for borrowing and investment to deliver tangible returns. Councillor Gray was able to announce that the level of new home bonus allocated by the Government was as expected, which removed an element of uncertainty from the draft budget.

Councillor Gray continued to review the remainder of the report in detail drawing Members' attention to matters of particular interest.

In terms of council tax levels, Councillor Gray was pleased to

announce that discussions between the Executive Leader and Baroness Hanham had appeared to influence the council tax principles proposed for 2013/2014. These would provide an option for those Shire District Councils with historically low council tax to consider an increase to council tax of up to 2% or £5 without the need for a referendum. This announcement would offer the Council greater flexibility in proposing a budget for 2013/2014.

It was also made clear that although employees had been offered a 2% pay award to be payable from 1st April 2013, no performance increments would be recommended.

Councillor Gray reassured the Council that the Cabinet would not become complacent and remained open to suggestions for further savings. Ideas already received either had been implemented or were being evaluated and whilst challenging, work would continue towards the Council's objectives despite the prevailing economic difficulties.

On moving the recommendation of the Cabinet, Councillor Gray indicated his appreciation for the support he had received from the Managing Director (Resources) and the Head of Financial Services and his Team. The recommendation was duly seconded by Councillor J D Ablewhite.

In the debate that followed, Councillor M F Shellens asked whether the Cabinet had re-considered proposals to increase car parking charges given the importance of maintaining the vitality of town centres. In response, Councillor Gray reminded Members that the review of car parking had been published for consultation and responses received would be taken into account in setting new charges.

In terms of the announcement from the Government regarding the council tax principles, Councillor P J Downes congratulated the Executive Leader for his contribution to this outcome but was hopeful that his lobbying of Andrew Stunnell MP also had helped towards this cause. Referring to the service budgets in Annex A, and the savings which already had been made, Councillor Gray undertook to ensure, in future, that the text associated with each item better reflected how the savings had been achieved.

Having been requested by Councillor I C Bates to identify all individual savings proposed and the criteria being used to prioritise savings, Councillor Gray undertook to respond to the questioner in writing after the meeting. Following a question from Councillor P L E Bucknell regarding the level of revenue income anticipated from new industrial units, Councillor Gray reported that a review of the Council's commercial estate was currently underway and that he would hope that this would result in the achievement of better returns in future years.

Having welcomed the information presented on homelessness, Councillor S Greenall indicated his support for comments made previously on car parking charges referring to the ability to park free of charge at the Trafford Centre in Manchester. He added that he was fearful that increased charges might deter visitors to the town

centres and contribute still further to the decline in revenue being suffered by the weekly markets.

In thanking the questioner for his support of the Council's action on homelessness, Councillor Gray commented that markets generally were in decline because of changes to the nature of shopping and that this, together with the current climate, presented a challenge to all retailers to re-invent themselves. The Council would continue to do all it could to invigorate town centres.

Referring to a suggestion that developer contributions would be received in respect of Paxton Pits Nature Reserve, the Executive Leader, Councillor J D Ablewhite assured the questioner, Councillor K J Churchill that there was no intention to locate housing development on either Hinchingsbrooke Park or Paxton Pits but he added that the Council was required to fund Countryside Services and would continue to look for new and innovative ways to do this in future years but would, of course, involve local Members in any discussion of this nature. Having expressed the view that local Members should be consulted in advance of any discussions, Councillor Gray advised the questioner that he could assure his Ward that there was no intention to build on Paxton Pits but there might be an occasion in the future when the Council would be required to consider proposals that may be equally un-palatable but which the Council may have no alternative but to support.

In response to comments expressed by Councillor P D Reeve regarding the potential negative impact on business rates should car parking charges be increased, Councillor Gray encouraged the questioner to submit to him alternative budget proposals on behalf of the UKIP Group.

As Executive Councillor for Planning and Housing Strategy, Councillor N J Guyatt assured the Council that consultation on proposed new car parking charges would continue and comments received taken into account before new charges were fixed.

In closing the debate, the Executive Leader, Councillor J D Ablewhite thanked Baroness Hanham for responding to the representations made by the District Council but added that whilst the announcement had removed some pressure, there still were considerable savings to be achieved. Councillor Ablewhite thanked the meeting for all the positive contributions received from Members during the debate and Councillor Gray and Officers for their efforts in preparation of the draft budget. Whereupon, it was

RESOLVED

that the draft budget and Medium Term Plan, appended to the report of the Head of Financial Services now submitted be approved as the basis for the development of the budget for 2013/14 and the revised Medium Term Plan for 2014/18.

53. DELEGATION OF NNDR1 CALCULATION

By way of a report by the Head of Customer Services (a copy of which is appended in the Minute Book), the Executive Councillor for

Customer Services, Councillor B S Chapman explained that Regulations arising from the Local Government Act 2012 required billing authorities, such as the District Council, to provide an estimate of its business rates income for the upcoming financial year by completing a statutory return known as the NNDR1.

Furthermore, advice received from the Department of Communities and Local Government had recommended that the Council should authorise Officers to complete and certify the return to enable its despatch to them by 31st January 2013.

Accordingly and having been moved by Councillor Chapman and duly seconded, it was

RESOLVED

that the Managing Director (Resources) be authorised to calculate and certify the completion of the NNDR1 Form and the Council's Scheme of Delegation amended accordingly.

54. GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES

Further to Minute No. 45 (f) and by reference to a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book), Councillor J W Davies, Chairman of the Licensing Committee reminded Members that the Council had been consulting the public, various public authorities and those involved in the gambling industry on a proposed new Statement of Principles under the Gambling Act 2005 due to come into effect on 31st January 2013.

Members noted that the current statement would expire on 30th January 2013 and that replacement principles had been prepared in accordance with a template recommended by both the Local Government Association and Gambling Commission. Four replies had been received in response to the Consultation exercise and had resulted in one change to the text of the Statement in relation to vulnerable persons.

Having undertaken to respond, in writing, to a question received from Councillor S Greenall regarding the car parking revenue lost from accommodating travelling fun fairs, Councillor Davies moved and it was duly seconded and

RESOLVED

that the Statement of Principles under the Gambling Act 2005, as appended to the report now submitted, be approved to come into effect on 31st January 2013 for a period of three years duration.

55. GREEN PAPER ITEM

In his role as Executive Councillor for Planning and Housing Strategy and by reference to a power point presentation (a copy of which is appended in the Minute Book and was circulated at the meeting.) Councillor N J Guyatt updated the Council on the current position with the improvement scheme to the A14.

Referring to the presentation, Councillor Guyatt reminded Members of the background to the Scheme and the position adopted by the District Council in consultation, the seven options which had been produced to meet various local scenarios and the timetable for development and funding which could result in commencement on-site by 2018. He added that public consultation on the various new options was likely to commence early in 2013 and that a Member seminar on the subject, possibly led by the Highways Agency, would be held at the appropriate time.

In response to a series of questions that followed, Councillor Guyatt confirmed his understanding that the proposals provided for the removal of the Huntingdon viaduct, that sections of the A14 would become tolled but that no decision had yet been made as to where such a system would start, that ultimately it was the intention to charge HCVs from the continent for use of the A14 but encourage local traffic to use other routes and that once the scheme of improvement to the A14 was approved attention would turn towards plans for the A428.

56. REPORTS OF THE CABINET, PANELS AND COMMITTEE

(a) Cabinet

Councillor J D Ablewhite, Executive Leader and Chairman of the Cabinet presented the Report of the meetings of the Cabinet held on 12th November and 13th December 2012.

.....

In connection with Item No. 33, it was noted that the recommendation had been considered previously under Minute No. 54.

.....

In connection with Item No. 39 and in respect of meetings of the Huntingdonshire Traffic Management Area Joint Committee, Councillor P J Downes drew the Council's attention to a decision taken by the County Council to discontinue meetings of the Area Joint Committee. He considered that this was a regrettable decision which appeared to have been taken without any consultation. In response, Councillor Ablewhite was unable to comment in any detail but undertook to raise the questioner's concerns at the next meeting of Council Leaders which was due to take place in January.

.....

In connection with Item No. 40, it was noted that the recommendation had been considered previously under Minute No. 52.

.....

Upon being put to the vote, the recommendation carried in Item No. 41 was declared to be CARRIED.

.....

Upon being put to the vote, the recommendation contained in Item No. 42 was declared to be CARRIED.

.....

In connection with Item No. 51 and in response to a question from Councillor P J Downes on proposed changes to the Refuse, Recycling and Garden Waste Collection rounds, the Executive Councillor for the Environment, Councillor D M Tysoe explained that time and care was being taken to communicate the changes to residents and that Members would be advised of the impact shortly.

.....

Whereupon, it was

RESOLVED

that, subject to the foregoing paragraphs, the Report of the meetings of the Cabinet held on 12th November and 13th December 2012 be received and adopted.

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

Councillor T V Rogers presented the Report of the meetings of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th November and 6th December 2012.

.....

Referring to Item No. 37, Councillor Rogers announced that the Panel would be meeting informally on 30th January 2013 to discuss the Council's Medium Term Plan and Budget and that all Members were welcome to attend.

.....

Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th November and 6th December 2012 be received and adopted.

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

Councillor D Harty presented the Report of the meetings of the Overview and Scrutiny Panel (Environmental Well-Being) held on 13th November and 11th December 2012.

.....
Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview and Scrutiny Panel (Environmental Well-Being) held on 13th November and 11th December 2012 be received and adopted.

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

Councillor R J West presented the Reports of the meetings of the Overview and Scrutiny Panel (Social Well-Being) held on 6th November and 4th December 2012.

.....
In connection with Item No. 32 and in response to a question from Councillor P J Downes regarding the quality of advice services to be provided in Huntingdonshire and the need to closely monitor the performance of the new provider at a time of significant welfare reform, Councillor West assured the questioner that he was confident that the preferred bidder, Rural Cambs CAB, selected by Executive Councillors, was sufficiently competent to provide a successful replacement service which would ensure that the needs of the District were met initially during the interim period ending March 31st 2013 and thereafter for three years to commence in April 2013.

The Executive Councillor for Healthy and Active Communities, Councillor T D Sanderson added that further details on the interim service to be provided by Rural CAB would be reported to the Overview and Scrutiny Panel (Social Well-Being) in January and that the service would start to operate on 3rd January.

On the same subject and in response to a question from Councillor K J Churchill, Councillor West explained that, together with the Chairman of the Panel, he had received an explanation on the process adopted to determine applications received under the new voluntary sector funding arrangements and was satisfied with the way in which the decision had been taken.

.....
Whereupon, it was

RESOLVED

that the Report of the meetings of the Overview and Scrutiny Panel (Social Well-Being) held on 6th November and 4th December 2012 be received and

adopted.

(e) **Development Management Panel**

Councillor D B Dew presented the Report of the meeting of the Development Management Panel held on 19th November 2012.

.....

Councillor Dew thanked those Officers who had supported the meeting of the Panel held on 17th December 2012 which had concluded close to midnight.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Development Management Panel held on 19th November 2012 be received and adopted.

(f) **Employment Panel**

Councillor S Cawley presented the Report of the meeting of the Employment Panel held on 28th November 2012.

.....

In connection with Item No.18, Councillor Cawley invited the Council to endorse the sentiments of the Panel with regard to the five employees who had retired from the local government service.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Employment Panel held on 28th November 2012 be received and adopted.

(g) **Standards Committee**

Councillor A Hansard presented the Report of the meeting of the Standards Committee held on 6th December 2012.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Standards Committee held on 6th December 2012 be received and adopted.

(h) **Corporate Governance Panel**

Councillor E R Butler presented the Report of the meeting of the Corporate Governance Panel held on 12th December 2012.

.....

Whereupon, it was

RESOLVED

that the Report of the meeting of the Corporate Governance Panel held on 12th December 2012 be received and adopted.

57. 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 K J Churchill to the Executive Councillor for the Environment, Councillor D M Tysoe

The Executive Councillor acknowledged the appreciation expressed by the questioner for the manner in which the Operations Division had responded to the problem and given advice on the issue of frozen waste in the green recycling bins which had made them difficult to empty. The Executive Councillor was made aware of similar incidents in Brampton and undertook to establish whether these also had been dealt with in a satisfactory way.

Question from Councillor M F Shellens to the Executive Leader, Councillor J D Ablewhite

In response to a question regarding District Council membership of the Cambridgeshire Police and Crime Panel, the Executive Leader reported that he had been appointed by the Cabinet as the District Council's representative on the Panel and that the Chairman of the Overview and Scrutiny Panel (Social Well-Being) would act as a substitute in the event that he was unable to attend meetings.

Question from Councillor D A Giles to the Deputy Executive Leader and Executive Councillor for Strategic Planning and Housing, Councillor N J Guyatt

In response to a question regarding the impact on footfall in town centres of proposed increases to charges for car parking and the suggestion that these were likely to encourage shoppers to visit out of town supermarkets more so than shop in town, the Executive Councillor reported that car parking issues could be a subject for

debate at a future meeting, that Members had the opportunity to respond to recent consultation on proposed changes and that it was the intention of the proposals to encourage visitors to remain in town to shop and frequent coffee/food outlets to add vibrancy and vitality to town centres.

Question from Councillor R Harrison to the Executive Councillor for the Environment, Councillor D M Tysoe

In response to a question regarding the difficulty experienced by the Council's refuse vehicles in accessing un-adopted roads on the Loves Farm development in St. Neots, Councillor Tysoe informed the questioner that the Operations Division recently had purchased seven new smaller vehicles which were able to access the development and thus overcome the problems to which the questioner had referred.

Question from Councillor C R Hyams to the Executive Councillor for Healthy and Active Communities, Councillor T D Sanderson

In response to a question regarding the possibility of broadcasting the local community radio station in the District Council's One Leisure Centres and specifically, the gym, swimming pool and changing rooms given the opportunities this may offer to promote local businesses, the Executive Councillor undertook to look into this option and respond directly to the questioner.

Question from Councillor R J West to the Executive Councillor for the Environment, Councillor D M Tysoe

In response to a question regarding the opportunities that might exist to increase revenue from the collection of trade waste, Councillor Tysoe explained that the Council currently collected some trade waste but because the market locally was relatively small and already covered by the private sector it would not currently be cost-effective for the District Council to take on this function. However, the opportunity to introduce a County Wide Scheme was under investigation and this could make the service more viable.

58. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contained exempt information relating to the financial or business affairs of a particular person (including the Authority that holds that information) and to terms proposed in the course of negotiations for the acquisition for disposal of property.

59. REPORTS OF THE CABINET, PANELS AND COMMITTEE

Overview and Scrutiny Panel (Economic Well-Being)

In connection with Item No. 32 and in response to questions from Councillors S Greenall and P J Downes, the Executive Councillor for Resources, Councillor J A Gray confirmed that negotiations for the disposal of land on St. Mary's Street in Huntingdon were still in

progress but he was hopeful that there was potential to work with a Housing Association to secure the provision of a specialist accommodation scheme on the site.

The meeting ended at 9.20pm.

Chairman

Medium Term Plan, Budget and Associated Matters

Report by the Head of Financial Services

1. PURPOSE

- 1.1 The purpose of this report is to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the MTP, the 2013/14 budget and associated matters.
- 1.2 It also seeks Council's formal determination of the Council Tax for 2013/14.

2. BACKGROUND

- 2.1 On 14th February the Cabinet will discuss a report on the MTP and the 2013/14 budget (copy attached as Appendix A). They will take into account the comments from the Overview and Scrutiny Panel (Economic Well-Being) meeting (7th February) and the consultation meeting with members of the local business community (8th February).
- 2.2 The Cabinet will also consider an associated report on the Council's Treasury Management Strategy for 2013/14 which is attached as Appendix B.
- 2.3 The Cabinet also considered an Update Note which made adjustments to reflect the Government's decision on Specific and Supplementary Grants. This includes a revised Annex D to the MTP/Budget Report and a revised borrowing table for the Treasury Management Strategy. This is attached as Appendix C.
- 2.4 The Cabinet's recommendations on both reports will be circulated as soon as they are available.
- 2.5 The formal resolution for approving the Council Tax will consist of two parts (Appendix D). The first will provide specific figures relating to this Council's income and expenditure.
- 2.6 The second part will contain two tables. The first will show the Council Tax that each council or authority is setting for 2013/14 for each property valuation band. The second table will aggregate these for each parish or town in the District so that the total Council Tax can be identified.

2.7 These tables will be based on the assumption that the Cabinet, and subsequently the Council, will support the proposals in the budget report for the increase in Huntingdonshire's Council Tax for 2013/14.

2.8 Some of the Parish Precepts have been delayed this year due to the changes in Taxbase resulting from the new Council Tax Support system. Appendix D will therefore be circulated separately as soon as it is available.

3. DECISIONS

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

- ◆ **approve the proposed Budget, MTP and Financial Plan;**
- ◆ **approve the Treasury Management Strategy and Prudential Indicators; and**
- ◆ **approve the Band D Council Tax of £133.18 for 2013/14 and the formal resolutions shown in Appendix D.**

BACKGROUND PAPERS

Working Papers - Files in Financial Services

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

APPENDIX A

BUDGET 2013/14 AND MEDIUM TERM PLAN 2014 to 2018 (Report by the Head of Financial Services)

1. PURPOSE

- 1.1 The purpose of this report is to allow the Cabinet to make its recommendations to Council on 20 February on the Council's Budget, Medium Term Plan and Council Tax level for 2013/14.

2. BACKGROUND

- 2.1 The Budget Update Report in December gave the following position (further detail at Annex A):

December Update	FORECAST	BUDGET	MTP			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000
<i>Remaining revenue reserves EOY</i>	10,902	8,404	6,495	5,373	5,373	5,373
COUNCIL TAX LEVEL	£128.51	£131.08	£135.67	£140.42	£145.33	£150.42
% increase	3.50%	2.00%	3.50%	3.50%	3.50%	3.50%
£ increase	£4.34	£2.57	£4.59	£4.75	£4.91	£5.09
Unidentified Spending Adjustments still required	0	0	-1,114	-1,079	-1,261	-1,201

- 2.2 This was based on the Government's announcement that only Council Tax increases of over 2% would be regarded as excessive.

- 2.3 The report also stressed the point that the Government's funding announcement had not been received and this could have a significant impact on the Council's position.

3. GOVERNMENT FUNDING CONSULTATION

- 3.1 The key points were:

- ◆ Grant of 1% for two years for any Council not increasing its Council Tax in 2013/14
- ◆ Increases of more than 2% would be regarded as excessive unless the authority is a District Council (in a two tier area) with a Council Tax level in the bottom 25% when the increase can be up to £5. (HDC is in the bottom 13%). It is only if an increase exceeds these limits that the Government requires local people to support it in a referendum.
- ◆ A reduction in the levy that the Council would have to pay before increases in retained Business Rates could be retained. This means the Council will receive 20% (was 8%) of any overall gain but have to meet 40% (was 39%) of any loss.

- ◆ The combination of Revenue Support Grant (RSG) and retained business rates for 2013/14 is fairly close to the December report assumptions after including the relevant parts of the risk contingency.
 - ◆ The figures for 2014/15 were also announced and showed a 24% reduction in RSG which is a significantly greater reduction than had been forecast.
 - ◆ The consultation runs to 15 January and the results had not been published at the date of completing this report (25 January).
- 3.2 The position after 2014/15 has been reviewed and, based on the Local Government Association's interpretation of Government announcements, could result in grant reductions of 7.5% per year for the following 4 years. Some Finance Officers in other authorities are assuming even higher reductions.
- 3.3 An additional complexity has subsequently emerged as the Council was informed on the 24 January that in order to demonstrate that any increase in Council Tax is within the Government's limits an artificial tax level for 2012/13 has been created (called the Alternative Notional Amount or ANA). Adding £5 to the ANA means that our maximum increase in Council Tax for 2013/14 is not £5 but £4.67 for a Band D property. The consultation on the ANA runs until 31 January and it is not known when the definitive figures will be published.
- 3.4 To simplify this report an assumption on Council Tax rises has been made: **£4.67 per year for 2 years and then reverting to the Council's current plan of 3.5% per year.** Section 7 of this report gives members the opportunity to consider the impact of alternative levels of increase. On this assumption the table below shows the impact of the changes in funding:

FUNDING	REVENUE					
	F'CAST	BUDGET	MTP			
	2012	2013	2014	2015	2016	2017
	2013	2014	2015	2016	2017	2018
£000	£000	£000	£000	£000	£000	
Variations (-ve is <u>LOSS</u> of funding)						
New Homes Bonus		-4	-286	-490	-317	+146
Special Council Tax Grant 2011/12		-184	-184	0	0	0
Formula Grant (RSG)		-3,216	-4,030	-4,591	-5,131	-5,653
Retained Business Rates		+4,004	+4,127	+4,230	+4,336	+4,444
Collection Fund Surplus		+76	0	0	0	0
Council Tax		-450	-419	-362	-281	-197
Total Variations	0	+227	-793	-1,213	-1,393	-1,260

- 3.5 The reductions in Council Tax funding result from the reduction in the tax base due to the new treatment of Council Tax support (replacing Council Tax Benefits) from April. The "compensating" grant is now included within RSG.
- 3.6 The apparent increase in funding in 2013/14 is offset by the payment of a grant to Town and Parish Councils, to offset the impact of their loss of

Tax base, and the rolling into RSG of the Homelessness Grant. Both of these items are shown in the spending variations.

4. CHANGES IN SPENDING ASSUMPTIONS

4.1 The table below shows the changes in spending since the December Update Report (which provided details of all the spending variations already proposed) and how the changes in the use of reserves and the required level of unidentified savings balance this with the change in Funding:

SPENDING VARIATIONS (+Ve = extra cost)	REVENUE					
	F'CAST	BUDGET	MTP			
	2012	2013	2014	2015	2016	2017
	2013	2014	2015	2016	2017	2018
£000	£000	£000	£000	£000	£000	
Car Parking - reduced income target	41	145	198	465	497	656
Grants to Local Councils re Tax base	0	357	357	357	357	357
Remove Homelessness Grant (now in RSG)	0	85	85	0	0	0
Risk Provision						
Remove provision for grant reductions in 2013/14	0	-184	-184	-184	-184	-184
Adjust Grant reduction re New Homes Bonus	0	-214	-318	-324	-330	-330
Remove Provision for Business Rates Growth	0	0	86	177	272	372
Adjust Provision for lower completions of New Homes	0	0	-35	-49	-24	90
Adjust Provision for Demographic Growth	0	0	-11	-23	-45	-76
Reduce Provision for non-achievement of Car Park charges	0	-30	-40	-130	-140	-180
Create Provision for Homelessness	0	0	100	100	100	100
Create Provision for Council Tax limitations	0	0	38	88	177	275
Create Provision for A14 Funding Contribution	0	0	0	0	200	200
Other items						
Reorganisation of Senior Managers	40	-53	-103	-103	-103	-103
Remove Collection Fund adjustment (technical)	0	-31	-31	-31	-31	-31
Interest	0	50	50	51	54	56
Adjust Forecast 2012/13	-252	0	0	0	0	0
Schemes B/F and C/F	351	0	0	0	0	0
Revenue Inflation @@	-74	-143	-423	-493	-767	-1,027
Roundings	0	1	0	-1	0	1
Spending Variation	+106	-17	-231	-100	+33	+176
PLUS Use of reserves Variation (-ve = more used)	-106	244	-175	-336	0	0
PLUS Unidentified Savings Variation (-ve = higher requirement)	0	0	-387	-778	-1,426	-1,436
EQUALS Funding Variation	0	+227	-793	-1,213	-1,393	-1,260

@@ Includes lower provision re utilities, inclusion of 10% car parking charges increase for April 2016 and adjustment to bring unidentified savings to 2013/14 prices. Annex H shows inflation and interest rate assumptions.

5. RISK PROVISION

5.1 The Risk Provision after these latest adjustments totals:

RISK PROVISION	2013	2014	2015	2016	2017
	2014	2015	2016	2017	2018
	£000	£000	£000	£000	£000
Proposed Risk Provision (details in Annex B)	340	1,078	1,598	2,567	3,085

5.2 This provision is included in the proposed budget and is detailed in Annex B. The Annex also shows illustrations of the impact of some additional items together with the extra cost if these all occurred.

5.3 Annex C then provides a list of other risks that could affect the Council during the MTP period for which no financial adjustment has been made. If they result in an increase in net cost, this will have to be met from revenue reserves until other savings can be achieved.

6. PROPOSED MTP

6.1 The Table below shows the proposed budget and MTP with a more detailed table provided in Annex D.

PROPOSED BUDGET/MTP	FORECAST	BUDGET	MTP			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000
2012/13 BUDGET/MTP	21,722	22,299	22,842	23,611	24,365	25,363
Proposed variations \$\$	306	465	-644	-856	-1,319	-1,136
NEW FORECAST	22,028	22,764	22,198	22,755	23,046	24,227
FUNDING						
Use of revenue reserves	-2,853	-2,254	-2,084	-1,458	0	0
Remaining revenue reserves EOY	10,796	8,542	6,458	5,000	5,000	5,000
New Homes Grant	-1,913	-2,905	-3,505	-4,489	-5,964	-6,832
Special Council Tax Grant 2011/12	-184					
Formula Grant (RSG)	-9,288	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	0	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-63	-76				
Council Tax	-7,727	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£128.51	£133.18	£137.85	£142.67	£147.67	£152.84
% increase	3.50%	3.63%	3.51%	3.50%	3.50%	3.50%
£ increase	£4.34	£4.67	£4.67	£4.82	£4.99	£5.17
Unidentified Spending Adjustments still required	0	0	-1,500	-1,856	-2,687	-2,637

\$\$ December update report plus items in Para. 4.1 above

6.2 Annex E provides the controllable budgets by Head of Service and Annex F shows total cost by Service area. A colour coding is used in Annex E to denote those service developments that require further approval before they can commence.

6.3 The Proposed MTP is based on capitalising all expenditure that is permitted by Government regulation. This ensures that the cost of providing an asset is spread over the taxpayers who benefit from it during its useful life. Overview and Scrutiny (Economic Wellbeing) has proposed that consideration should be given to funding shorter life assets from revenue. The implications of this will be examined post-budget to see if any net benefit would compensate for the transition costs.

7. COUNCIL TAX INCREASES

7.1 Huntingdonshire continues to have a very low level of Council Tax. In the current year the Council's £128.51 charge (Band D) was 25th lowest of the 201 District Councils which have an average of £166 and a maximum of £310. About two-thirds of Huntingdonshire's properties are in Bands A to C and so have a lower Tax level.

7.2 The Government are encouraging authorities not to increase Council Tax for 2013/14 with the offer of a special grant equivalent to 1% of 2012/13 Council Tax income for two years.

7.3 Most Councils can only increase their Council Tax by 2% without positive referendum support. However the Government have recognised that low taxing Councils, like Huntingdonshire, have significant problems and are allowing those with the lowest 20% of tax levels to theoretically increase their tax level by £5 (approximately 3.9%).

7.4 Paragraph 3.3 above explained the issue that results in the £5 increase not being achievable in Huntingdonshire and early indications suggest that, if the proposed calculation is retained, many authorities will be unable to increase their Council Tax by the headlined £5 or 2%.

7.4 The table below shows the impact in terms of extra service savings that would have to be found if various other options on Council Tax increases were taken:

	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
BASE OPTION					
Council Tax Increase	£4.67	£4.67	3.5%	3.5%	3.5%
OPTION 1	3.5%	3.5%	3.5%	3.5%	3.5%
EXTRA SAVINGS	10	11	12	12	12
OPTION 2	2%	2%	2%	2%	2%
EXTRA SAVINGS	118	238	368	511	667
OPTION 3 \$	0	0	0	0	0
EXTRA SAVINGS	186	458	827	1,143	1,482
OPTION 4 \$	0	£4.67	3.5%	3.5%	3.5%
EXTRA SAVINGS	186	190	282	299	315

\$ Options with no increase in 2013/14 include a 1% reward grant for 2 years

8. RESERVES AND THE ROBUSTNESS OF THE 2012/13 BUDGET

- 8.1 The Overview and Scrutiny (Economic well-being) Panel carried out a review on Revenue Reserves last year and concluded that that the 2012/13 level (£4.5M) was adequate but that the position should be reviewed each year.
- 8.2 The Local Government Act 2003 requires the Managing Director (Resources), as the Council's Chief Financial Officer, to report to the Council on the robustness of the estimates and the adequacy of reserves when it considers its budget and the consequent Council Tax. His comments are contained in Annex G and confirm that the budget is adequately robust and that, in his view, the level of revenue reserves is currently above the minimum level required.

9. CONSULTATION AND COMMENTS

- 9.1 This report will be considered at a meeting of the Overview and Scrutiny (Economic Wellbeing) Panel on the 7 February and a consultation meeting with members of the business community on 8 February. Comments from both meetings will be reported to Cabinet.

10. PRUDENTIAL CODE

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

11. CONCLUSIONS

- 11.1 The Update Report in December included all the spending variations identified at that time. Members may wish to bring this to the meeting with them (pages 11 to 42 of the December Council Book).

- 11.2 A number of adjustments have subsequently been made. The most significant ones relate to:

- ◆ Transferring the part of the previous Car Parking savings target, for which there are not yet definite proposals, to Unidentified Savings.
- ◆ Providing grants to Town and Parish Councils to protect them from losing funding as a result of the Government's new approach to dealing with Council Tax Support (previously Council Tax Benefits).
- ◆ Adjustments to the Risk Provision – some as a result of the Government's Funding Announcement
- ◆ Lower funding levels – Government Grant plus retained Business Rates.

- 11.3 Although generally anticipated, this Council's Government "grants" (including the permitted retention of business rates) fell by 5.1%. The Government have recognised the immense difficulties this creates for low taxing Councils such as Huntingdonshire and so are allowing them to raise their Council by £5 (currently technically limited to £4.67) without it being regarded as excessive and so requiring referendum support.

- 11.4 The Council is faced with finding further savings of £1.5M in 2014/15 rising to £2.6M in 2017/18 which will require difficult decisions over the

coming months. Section 7 shows the extra savings required for lower levels of Council Tax increase which would require up to a further £1.5M of savings. About 2/3rds of properties are below Band D and so their Tax increase would be proportionately lower than the Band D figures quoted.

- 11.5 The Council still faces a challenge of minimising tax levels whilst maintaining the range and quality of services that local people expect and need. In the difficult financial situation the Council faces it is recommended that a Council Tax rise of £4.67 is approved and that the planning assumption for future years be £4.67 in 2014/15 and then 3.5% per year.
- 11.6 It is important that the identification of savings items is concluded in sufficient time for the £1.5M savings target for 2014/15 to be delivered.
- 11.7 The Council's Chief Financial Officer considers that the budget for 2013/14 is sufficiently robust and that there are adequate reserves.

12. RECOMMENDATIONS

Recommend to February Council:

- ◆ **Approval of the proposed MTP, budget and Financial Plan (Annexes D to F)**
- ◆ **A £4.67 per year increase in the Council Tax for 2013/14 i.e. a Band D charge of £133.18.**

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services
Working Papers - Files in Financial Services
Project Appraisals
2012/13 Revenue Budget and the 2013/17 MTP
Forecast Report
December 2012 Update Report

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

ANNEXES

- A Position in December Update Report
- B Proposed Risk Provision
- C Other Potential Risks
- D Proposed Budget and MTP
- E Controllable costs by Head of Service
- F Budget by Service Area including recharges
- G Managing Director's statement on robustness of budget and adequacy of reserves.
- H Inflation and interest rate assumptions

This page is intentionally left blank

POSITION SHOWN IN DECEMBER REPORT

ILLUSTRATIVE SUMMARY	FORECAST	BUDGET	MTP			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000
NEW FORECAST	21,921	22,782	22,816	23,632	24,439	25,488
FUNDING						
Use of revenue reserves	-2,747	-2,498	-1,909	-1,122	0	0
Remaining revenue reserves EOY	10,902	8,404	6,495	5,373	5,373	5,373
New Homes Grant	-1,913	-2,909	-3,791	-4,979	-6,281	-6,686
Special Council Tax Grant 2011/12	-184	-184	-184			
Formula Grant (RSG)	-9,288	-9,235	-8,630	-8,846	-9,067	-9,294
Collection Fund Deficit	-63					
Council Tax	-7,727	-7,955	-8,302	-8,685	-9,091	-9,508
COUNCIL TAX LEVEL	£128.51	£131.08	£135.67	£140.42	£145.33	£150.42
% increase	3.50%	2.00%	3.50%	3.50%	3.50%	3.50%
£ increase	£4.34	£2.57	£4.59	£4.75	£4.91	£5.09
Unidentified Spending Adjustments still required	0	0	-1,114	-1,079	-1,261	-1,201

PROPOSED RISK PROVISION - The Low End Assumption is included in the Budget/MTP.

LOW END ASSUMPTION Risk Provision in MTP	Extra savings needed (+):						HIGH END ASSUMPTION					
	13/14	14/15	15/16	16/17	17/18		13/14	14/15	15/16	16/17	17/18	
	£M	£M	£M	£M	£M		£M	£M	£M	£M	£M	
Reduction in New Homes Bonus grant due to slower housing completions from 2014/15												
10% lower		0.050	0.150	0.300	0.450	20% lower		0.100	0.300	0.600	0.900	
Reduction in Government Grant due to insufficient New Homes Bonus funding												
All bodies share loss			0.100	0.200	0.200	Local Authorities share loss			0.200	0.300	0.400	
Financial Contribution to A14												
£5M over 25 years				0.200	0.200	£8M over 25 years				0.320	0.320	
						Further reduction in Government Grant						
						1% per year for 3 years			0.400	0.800	1.200	
Increase in net spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.												
0.425% #		0.090	0.180	0.270	0.240	0.85% #		0.180	0.360	0.540	0.600	
						Change to NI Contributions re new Old Age Pension Proposals						
											0.300	
Homelessness												
		0.100	0.100	0.100	0.100			0.200	0.200	0.200	0.200	
Pay Protection and Performance pay @												
	0.320	0.640	0.960	1.300	1.600		0.320	0.640	0.960	1.300	1.600	
MMI Drawdown												
		0.140						0.140				
Proposed Council Tax increases not permitted by Government												
£4 in 14/15 and 15/16 then 2.5%		0.038	0.088	0.177	0.275	£3 in 14/15 and 15/16 then 2%		0.096	0.204	0.341	0.489	
						Increase in Business Rates retained						
						1% growth per year			-0.220	-0.330	-0.440	
						Loss of income in 2014/15 and 2015/16 excluding leisure and some other areas\$			0.110	0.110		
						2.5%						
						No leisure price increase						
						in 2014/15		0.170	0.170	0.170	0.170	
Partial non-achievement of 2013 increase in car park charges												
10%	0.020	0.020	0.020	0.020	0.020	20%	0.040	0.040	0.040	0.040	0.040	
PROPOSED RANGE FROM	0.340	1.078	1.598	2.567	3.085	TO....	0.360	1.566	2.724	4.281	5.779	
						Extra cost of high end assumption	0.020	0.488	1.126	1.717	2.694	

Cost of extra refuse round included in MTP for 2017/18 set-off

\$ Excludes Car parks (separate provision) Planning (no price rise) and Rents (based on leases)

@ Past budgets included 3.5% to cover cost of living and performance pay. 2% for potential cost of living increases is included in inflation. This Provision is the balance pending the results of a Pay Review which is underway. The Review will clarify what provision will be needed for future performance payments; transition costs and any protection that may need to be paid to staff.

OTHER POTENTIAL RISKS

The most fundamental issue continues to be the economic impact of the various international financial issues. There are many conflicting views on the scale of the problems ahead for the UK and the eurozone. There may be further financial impacts on the UK and these could lead to:

- ◆ Lower income from planning fees, building control fees and leisure charges.
- ◆ Lower New Homes Bonus (10% provision)
- ◆ More applicants for housing and council tax benefit
- ◆ Higher homelessness costs (£100k provision from 2014/15)
- ◆ Reductions in Government Grant (some provision)

Other issues include:

- ◆ Delivery of the items contained in identified savings
- ◆ Identification and delivery of items to achieve the level of unidentified savings required in future years.
- ◆ Levels of pay awards, inflation and interest rates
- ◆ Results of Pay Review
- ◆ Ability to maintain income levels
- ◆ Impact of variations in retained Business Rates (possibly favourable)
- ◆ Change in Pension Fund contributions payable from April 2014 as a result of the three yearly revaluation (possibly favourable).
- ◆ 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 (e.g. planning appeals)
- ◆ The potential for costs relating to "orphan" contaminated land sites
- ◆ Repayment of past land charge fees
- ◆ Low demand for sites in Huntingdon e.g. assumed sale of County land at California Road and plot fronting St. Mary's Street.

IMPACT OF EXPENDITURE CHANGES	Impact on saving requirement				
	13/14	14/15	15/16	16/17	17/18
	£000	£000	£000	£000	£000
Pay (1% higher award each year from 2014/15)		206	415	629	848
Expenditure excluding pay (1% higher inflation each year)	23	45	68	92	118
Interest Rates (1% higher level each year)	149	163	187	203	214
Pension Fund contributions (1% change from April 2014)		153	153	154	155

ANNEX D

PROPOSED SUMMARY BUDGET AND MTP

PROPOSED BUDGET/MTP	FORECAST	BUDGET	MTP			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000
2012/13 BUDGET/MTP	21,722	22,299	22,842	23,611	24,365	25,363
Proposed variations	306	465	-644	-856	-1,319	-1,136
NEW FORECAST	22,028	22,764	22,198	22,755	23,046	24,227
FUNDING						
Use of revenue reserves	-2,853	-2,254	-2,084	-1,458	0	0
Remaining revenue reserves EOY	10,796	8,542	6,458	5,000	5,000	5,000
New Homes Grant	-1,913	-2,905	-3,505	-4,489	-5,964	-6,832
Special Council Tax Grant 2011/12	-184					
Formula Grant (RSG)	-9,288	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	0	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-63	-76				
Council Tax	-7,727	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£128.51	£133.18	£137.85	£142.67	£147.67	£152.84
% increase	3.50%	3.63%	3.51%	3.50%	3.50%	3.50%
£ increase	£4.34	£4.67	£4.67	£4.82	£4.99	£5.17

Unidentified Spending						
Adjustments still required	0	0	-1,500	-1,856	-2,687	-2,637

Forecast Capital Spending	7,278	8,863	2,789	3,647	3,866	3,967
Permitted capital borrowing EOY net of MRP	28,056	35,514	36,550	38,077	39,564	40,761
Average net borrowing in year	12,821	22,361	28,777	31,830	34,066	35,407
Net Interest and Borrowing Costs						
- total	827	1,536	2,103	2,483	2,846	3,358
- as % of total net spending	4%	7%	9%	11%	12%	14%

CONTROLLABLE BUDGET

The Controllable budget shows the total budget allocated to the Head of Service or, in a few cases, Managing Director responsible for managing and controlling the spending. There are some items in the Unallocated section that will be allocated once the budget is approved e.g. the inflation provision for 2013/14

The Controllable Budget is the fundamental focus for budgetary control within the authority. Bespoke formats are used when necessary e.g. pay-back on proposed projects, option choice, setting fees and charges.

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

KEY: Approval required by:

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

February 2013

SUMMARY

Managing Directors and Corporate Office

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
670	670	622	572	544	544	544								
		-61	15	8	17	4	8							
PROPOSED 2013/14 Budget and MTP						566	8							

Head of Legal & Democratic Services

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
1,806	1,806	1,710	1,770	1,744	1,744	1,671	140	140	109	11	253	85		
		-47	-50	-16	-11	-21	-110	-110	87	-232	154	83		
PROPOSED 2013/14 Budget and MTP						83								

Head of Environmental and Community Services

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
2,250	2,250	2,143	2,141	2,189	2,134	2,134	-15	-15				580	580	
		-56	10	10	10	10	55	55	60			-472	405	
PROPOSED 2013/14 Budget and MTP						405						580	108	

Head of Operations

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
4,168	4,168	3,981	3,977	3,774	3,736	3,736	1,015	1,015	1,275	1,143	1,409	780		
		265	158	-35	73	110	701	701	456	3	-557	37	1,079	
PROPOSED 2013/14 Budget and MTP						1,079						139	79	

Head of Planning Services

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
2,044	2,044	1,898	1,404	1,187	982	997	6,492	6,492	2,512	687	729	508	-474	
		70	-22	187	206	205	-4,817	-4,817	4,048	-207	671	892	1,824	
PROPOSED 2013/14 Budget and MTP						1,824						5,801	5,801	

Head of Environmental Management

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
976	928	893	893	893	893	893	-900	-570	-420	50				
		2,589	2,522	2,516	2,511	2,472	-1,989	-1,989	-1,053	231	71	72		
PROPOSED 2013/14 Budget and MTP						498						2,281	2,281	

PROPOSED 2013/14 Budget and MTP

REVENUE			NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	Budget	F'cast	Budget	MTP	
2012	2012	2013	2014	2015	2016	2017	2012	2012	2012	2013	2013	2013	2014	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
2,589	2,589	2,498	2,482	2,477	2,473	2,473	-1,989	-349	-1,894	351	153	127		
		-36	-24	-34	-34	1	1,640	1,640	-841	120	82	55	55	
PROPOSED 2013/14 Budget and MTP						498						2,281	2,451	

SUMMARY

Head of Customer Services

REVENUE										NET CAPITAL										CAPITAL GRANTS AND CONTRIBUTIONS									
Budget		F'cast		Budget		MTP		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP					
2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017				
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000				
2,750	2,750	2,876	2,869	2,869	2,869	2,869	2,869	136	136					136	136														
	-7	72	49	49	49	49	49	102																					
2,750	2,743	2,948	2,918	2,918	2,918	2,918	2,918	136	238																				

Head of IMD

1,927	1,927	1,900	1,941	1,906	1,876	1,876	1,876	565	565	252	252	352	572												
	-14	-6	-71	-71	-71	-91	-91	-90	306	75	-25	427													
1,927	1,913	1,894	1,870	1,835	1,805	1,785	1,785	565	475	568	327	327	572	427											

General Manager, One Leisure

497	497	157	-90	-286	-279	-296	-296	4,329	4,329	697	422	672	535												
	102	111	-73	42	44	44	44	-981	852	-100	-100	-150	550								250	53			
497	599	268	-163	-244	-235	-252	-252	4,329	3,348	1,549	322	572	385	550							250	53			

Head of Financial Services

3,651	3,651	4,354	5,007	5,443	5,825	6,122	6,122	-15	-15					15	15										
	-68	170	315	288	268	485	485																		
3,651	3,583	4,524	5,322	5,731	6,093	6,607	6,607	-15	-15					15	15										

Non-Allocated Items

-630	-630	136	735	1,730	2,462	3,238	3,238	112	112	198	223	414	315	3,231											
	158	31	-984	-1,425	-1,923	-1,748	-1,748			-95	-71	-92	11	-2,808											
-630	-472	167	-249	305	539	1,490	1,490	112	112	103	152	322	326	423											

TOTAL BUDGET

21,722	21,722	22,299	22,842	23,611	24,365	25,363	25,363	10,770	10,770	3,990	2,969	3,900	2,867	2,757	8,677	8,677	2,936	1,142	1,100	1,574				
	306	465	-644	-856	-1,319	-1,136	-1,136	-3,492	4,873	-180	-253	999	1,210		-5,527	6,070	1,395	-621	-1,109	455				
21,722	22,028	22,764	22,198	22,755	23,046	24,227	24,227	10,770	7,278	8,863	2,789	3,647	3,866	3,967	8,677	3,150	9,006	2,537	479	465				

	REVENUE							NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS									
	Budget	F'cast	Budget	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Managing Directors and Corporate Office																								
Management Units																								
	PROPOSED 2013/14 Budget and MTP																							
	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	
Planning																								
#	Economic Development																							
	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40	-40
	PROPOSED 2013/14 Budget and MTP																							
	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110
	Community initiatives																							
	PROPOSED 2013/14 Budget and MTP																							
	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37
Corporate Services																								
	Corporate Management																							
	PROPOSED 2013/14 Budget and MTP																							
	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59
	Non-Distributed Costs (historic pensions increase)																							
	PROPOSED 2013/14 Budget and MTP																							
	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223	223
Management Units																								
	Corporate Office MU																							
#	Back Office - Reorganisation (part)																							
	-45	-165	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110
	Corporate Office Saving																							
	PROPOSED 2013/14 Budget and MTP																							
	1,143	1,012	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Internal Services																								
	HR & Payroll																							
#	Back Office - Reorganisation (part)																							
1001	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5
1008	Cover for Staff Side Representatives																							
	50	50	50	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
1007	HR & Payroll Outsourcing																							
	38	17	5	5	-8	-21	-3																	
	Pay Review																							
	13	15																						
	PROPOSED 2013/14 Budget and MTP																							
	301	352	333	281	268	255	273																	
Planning																								
	Economic Development (Estates)																							
239	New Industrial Units																							
509	Industrial Estate Repairs																							
	19	11	6																					
	PROPOSED 2013/14 Budget and MTP																							
	-1,566	-1,547	-1,555	-1,560	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566	-1,566
	2012/13 Budget and MTP																							
	670	670	622	572	544	544	544	544	544	544	544	544	544	544	544	544	544	544	544	544	544	544	544	544
	VARIATION																							
	-61	15	8	17	4	22	8																	
	PROPOSED 2013/14 Budget and MTP																							
	670	609	637	580	561	548	566																	

		REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS														
		Budget	F'cast	Budget	MTP	2012	2013	Budget	F'cast	Budget	MTP	2012	2013	Budget	F'cast	Budget	MTP	2012	2013	Budget	F'cast	Budget	MTP					
		2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Head of Legal & Democratic Services																												
Environmental Services																												
#	Environmental Health (Licensing)																											
	Licensing - efficiency and higher charges	-7	-39	-54	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-281	-313	-328	-316	-316	-316	-316							
	PROPOSED 2013/14 Budget and MTP																											
Corporate Services																												
825	Members Allowances Review			4																								
826	Electoral Administration Act		-8	-3	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5														
885	District Council Elections - No elections every 4th year		-73	10	10	10	10	10	10	10	10	10	10	-73														
	Twinning		-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2														
	Overview & Scrutiny Panels		-6	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6														
	PROPOSED 2013/14 Budget and MTP	507	499	418	510	504	499	421																				
Internal Services																												
380	Document Centre																											
	Replacement Printing Equip.																											
895	Multi-functional Devices																											
#	Document Centre - efficiency and external work		-7	-7	-17	-27	-42	-42	-42	-42	-42	-42	-42	-42														
894	Replacement Equipment Document Centre		-7	-7																								
	PROPOSED 2013/14 Budget and MTP	500	493	490	480	465	465	465	465	465	465	465	465	465	140	140	140	140	140	140	140	140	140	140	140	140	140	140
Management Units																												
#	Legal & Democratic Services		-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2														
	Back Office - Reorganisation (part)																											
	PROPOSED 2013/14 Budget and MTP	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	140	140	140	109	11	253	85							
	2012/13 Budget and MTP	1,806	1,806	1,710	1,770	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,671	1,671	140	140	140	109	11	253	85							
	VARIATION		-47	-50	-16	-11	-16	-16	-16	-16	-16	-21	-21	-21	-110	-110	-110	-87	-232	154	83							
	PROPOSED 2013/14 Budget and MTP	1,806	1,759	1,660	1,754	1,733	1,728	1,650	1,650	1,650	1,650	1,650	1,650	1,650	140	140	140	196	11	21	239	83						

	REVENUE										NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS																						
	Budget		F'cast		Budget		MTP		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP														
	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2018								
Head of Environmental and Community Services																																							
Environmental Services																																							
	Environmental Health																																						
911	House Condition Survey																																						
927	Air Quality Monitoring Equipment																																						
	-30	-36	166	160	196	196	251	196	196	30	36	30	36																										
	PROPOSED 2013/14 Budget and MTP																																						
	Planning Policy & Conservation																																						
953	Parish Planning																																						
	8	8	8	8	8	8	1	1	1	-7	-7	-7	-7																										
	PROPOSED 2013/14 Budget and MTP																																						
Community Services																																							
	Community initiatives																																						
992	Ramsey Library Development																																						
952	Loves Farm Community Centre																																						
863	Community Facilities Grants																																						
423	Community Information Project																																						
	368	368	313	313	313	313	313	313	313	-45	60	580	108	405																									
	PROPOSED 2013/14 Budget and MTP																																						
Sport and Active Lifestyles																																							
845	Physical Activity Initiatives for Adults																																						
	202	202	195	193	193	193	193	193	193	-7	-9	-9	-9																										
	PROPOSED 2013/14 Budget and MTP																																						
Community safety																																							
	Community Safety																																						
	32	32	32	32	32	32	32	32	32																														
	PROPOSED 2013/14 Budget and MTP																																						
Internal Services																																							
#	Health and Safety																																						
	Back Office - Reorganisation (part) - transfer of H&S																																						
	33	33	33	33	33	33	33	33	33																														
	PROPOSED 2013/14 Budget and MTP																																						
Management Units																																							
#	Environmental & Community Health MU																																						
	Environmental & Community Health savings																																						
	1,441	1,391	1,376	1,376	1,376	1,376	1,376	1,376	1,376	-50	-65	-65	-65	-65	-65																								
	PROPOSED 2013/14 Budget and MTP																																						
	2,250	2,250	2,143	2,141	2,189	2,134	2,134	2,134	2,134	-15	-15	-15	-15	580	580																								
	2012/13 Budget and MTP																																						
	-56	10	10	10	10	10	10	10	10	55	60	-472	405																										
	VARIATION																																						
	2,250	2,194	2,153	2,151	2,199	2,144	2,144	2,144	2,144	-15	40	60	580	108	405																								
	PROPOSED 2013/14 Budget and MTP																																						

		REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS											
		Budget		F'cast		Budget		MTP		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP			
		2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Head of Operations																									
Environmental Services																									
Refuse collection & Recycling																									
969	Recycling Gate Fees	-147	-199	-138	-180	-275	-275	-275	-275	-275	-275	-275	-275	33	33	38	48	60	75	75	75	75	75	75	75
948	Provision for Bin Replacements																								
979	Wheeled Bins for New Properties																								
#	Reduce refuse collection by one round	-82												14	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24
650	Recycling Credits																								
	Charges for 2nd Green Bin																								
	Extra refuse round due to housing growth																								
	PROPOSED 2013/14 Budget and MTP	2,027	2,071	1,993	1,894	1,799	1,799	1,799	1,799	1,919	1,919	1,919	223	176	176	201	76	60	75	223	139	79	65	55	55
Drainage and sewers																									
	PROPOSED 2013/14 Budget and MTP	11	11	11	11	11	11	11	11	11	11	11	11												
Street cleaning and litter																									
	PROPOSED 2013/14 Budget and MTP	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031												
Markets																									
1013	Market income reduction													57	57	57	57	57	57	57	57	57	57	57	57
	PROPOSED 2013/14 Budget and MTP	-167	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110	-110												
Community safety																									
CCTV																									
865	CCTV - Camera replacements																								
1023	Wireless CCTV																								
	PROPOSED 2013/14 Budget and MTP	219	219	219	139	139	139	139	139	139	139	139	139	27	44	41	81	45	43	44					
	PROPOSED 2013/14 Budget and MTP	219	219	219	139	139	139	139	139	139	139	139	139	27	44	250	81	45	43	44	27	44	291	81	45
Community Services																									
#	Countryside - reduce staff and increase income	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48												
1024	Paxton Pits Developer Contribution																								
	PROPOSED 2013/14 Budget and MTP	311	311	311	311	311	311	311	311	311	311	311	191	311	311	311	311	311	311	311	311	311	311	191	191

	REVENUE										NET CAPITAL										CAPITAL GRANTS AND CONTRIBUTIONS												
	Budget		F'cast		Budget		MTP		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP								
	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017			
854	Parks																																
	Play Equipment & Safety Surface Renewal																																
	13	13	13	13	13	13	13	13	13	20	30	45	40	40	20	20	20	30	45	40	40	20	20	20	30	45	40	40	20	20			
	PROPOSED 2013/14 Budget and MTP																																
	Car parks																																
	-160	33	-174	-192	-192	-193	-195																										
#	PROPOSED 2013/14 Budget and MTP																																
	-1,371	-1,178	-1,385	-1,403	-1,403	-1,404	-1,406																										
	Central services (emergency planning)																																
	32	32	32	32	32	32	32	32	32																								
	PROPOSED 2013/14 Budget and MTP																																
	Operations																																
	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046																								
	PROPOSED 2013/14 Budget and MTP																																
	Grounds Maintenance																																
991		-29	-24	-24	-24	-24	-24	-24	-24																								
	PROPOSED 2013/14 Budget and MTP																																
	770	741	746	746	746	746	746	746	746																								
	Other internal services (vehicles & plant)																																
886		5	5	5	5	5	5	5	5																								
	Vehicle fleet replacements.																																
	In Cab Technology																																
	792	1,393	1,124	949	707	679	792																										
	PROPOSED 2013/14 Budget and MTP																																
	226	226	231	231	231	231	231	231	231																								
	PROPOSED 2013/14 Budget and MTP																																
	Pool Cars																																
1026		-19	-19	-19	-19	-19	-19	-19	-19																								
	Additional Pool vehicles																																
	20	20	1	1	1	1	1	1	1																								
	PROPOSED 2013/14 Budget and MTP																																
	4,168	4,168	3,981	3,977	3,774	3,736	3,736	3,736	3,736	1,015	1,015	1,275	1,143	1,409	780																		
	PROPOSED 2013/14 Budget and MTP																																
	265	158	-35	73	110	108				701	456	3	-557	37	1,079	139	79	65	55														
	PROPOSED 2013/14 Budget and MTP																																
	4,168	4,433	4,139	3,942	3,847	3,846	3,844	3,844	3,844	1,015	1,716	1,731	1,146	852	817	1,079	139	79	65	55													

	REVENUE										NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS																								
	Budget		F'cast		Budget		MTP		2017		Budget		F'cast		Budget		MTP		2017		Budget		F'cast		Budget		MTP														
	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017									
Head of Planning Services																																									
Planning																																									
Development Management																																									
904	Community Infrastructure Levy - Preparations		-36	-40	-92	-143	-179	-199	-199	-199	25	25	23																												
997	RAF Alconbury Development		140	25	75																																				
	PROPOSED 2013/14 Budget and MTP		-993	-1,112	-1,114	-1,240	-1,276	-1,296	-1,296	-1,296	25	25	23																												
Planning policy and conservation																																									
903	Local Development Framework examinations		68	139	-19	-159	-225	-225	-225	-225	63	63	63																												
358	Ramsey Rural Renewal A14 Inquiry		25	200		-2	-5	-5	-5	-5	63	63	63																												
	PROPOSED 2013/14 Budget and MTP		505	751	393	251	182	182	182	182	63	63	63																												
Economic Development																																									
401	Huntingdon Town Centre Development																																								
224	Town Centre Developments				86																																				
850	Huntingdon West Development (Housing Growth Fund)																																								
998	St Neots Development		25	25	4																																				
	PROPOSED 2013/14 Budget and MTP		27	27	92	2	2	2	2	2	982	10	683	80																											
Highways & Transportation																																									
Transportation Strategy																																									
977	Perry Cycle Scheme																																								
	PROPOSED 2013/14 Budget and MTP		98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	

	REVENUE										NET CAPITAL										CAPITAL GRANTS AND CONTRIBUTIONS									
	Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP							
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017						
818	Public transport																													
	Railway Stations - Improvements																													
	PROPOSED 2013/14 Budget and MTP																													
	10	10	10	10	10	10	10	10	10	10	10	20	38	20	38	20	38	20	38	20	38	20	38	20	38					
923	Car parks (policy)																													
	Extra Car Parking, Huntingdon Town Centre																													
	PROPOSED 2013/14 Budget and MTP																													
	57	57	130	37	-149	-334	3,767	500	3,973	-1,000	250	250	1,000	250	250	1,000	250	250	1,000	250	250	1,000	250	250						
	PROPOSED 2013/14 Budget and MTP																													
	57	57	130	37	-149	-334	3,767	500	3,973	-1,000	250	250	1,000	250	250	1,000	250	250	1,000	250	250	1,000	250	250						
	Management units																													
	PROPOSED 2013/14 Budget and MTP																													
	2,029	2,029	2,029	2,029	2,029	2,029	-18	-18	-18	-18	-18	268	268	268	268	268	268	268	268	268	268	268	268	268						
	Housing Services																													
	PROPOSED 2013/14 Budget and MTP																													
	-18	-18	-18	-18	-18	-18	1,635	1,069	1,818	1,400	1,400	1,350	400	452	400	400	400	400	400	400	400	400	400	400						
	Private housing support																													
	Disabled Facilities Grants																													
866	Repairs Assistance																													
867	Decent Homes - Thermal Efficiency & Category 1 H&S																													
932	Social Housing Grant																													
869	PROPOSED 2013/14 Budget and MTP																													
	61	61	61	61	61	61	1,298	800	1,550	1,250	1,250	1,250	400	452	400	400	400	400	400	400	400	400	400	400						
	Housing MU																													
	PROPOSED 2013/14 Budget and MTP																													
	268	268	268	268	268	268	100	134	100	100	100	100	53	53	53	53	53	53	53	53	53	53	53	53						
	Management Units																													
	PROPOSED 2013/14 Budget and MTP																													
	2,044	2,044	1,898	1,404	1,187	982	6,492	6,492	2,512	687	729	508	5,801	5,801	1,691	1,142	1,100	1,574	5,801	5,801	1,691	1,142	1,100	1,574						
	VARIATION																													
	2,044	2,114	1,876	1,591	1,393	1,187	-4,817	-4,817	4,048	-207	671	892	-3,599	-3,599	4,406	758	-700	-1,174	5,801	2,202	6,097	1,900	400	400						
	PROPOSED 2013/14 Budget and MTP																													
	2,044	2,114	1,876	1,591	1,393	1,187	6,492	1,675	6,560	480	1,400	1,400	5,801	2,202	6,097	1,900	400	400	5,801	2,202	6,097	1,900	400	400						

	REVENUE							NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS						
	Budget	F'cast	Budget	MTP			Budget	F'cast	Budget	MTP			Budget	F'cast	Budget	MTP					
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017			
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000			
Head of Environmental Management																					
Environmental Services																					
1009	Drainage and sewers																				
	Godmanchester Flood Alleviation Scheme																				
	446	446	446	446	446	446		175													
	PROPOSED 2013/14 Budget and MTP																				
	Public conveniences																				
1003	South Street, St Neots																				
	20	20	20	20	20	20	-15														
	PROPOSED 2013/14 Budget and MTP																				
	Environmental Health (energy efficiency)																				
879	Environment Strategy Funding																				
880	Sustainable Homes Retrofit																				
882	Energy and Water Efficiency																				
918	Building Efficiency Improvements (Salix Grant)																				
918	Building Effic. Imps (Potential LC proportion)																				
987	PV Panels - Other locations																				
989	St Neots District Heating Scheme																				
	68	80	60	44	39	35	55	95	55	55	55	55	143	221	-283	150	153	127	55		
	PROPOSED 2013/14 Budget and MTP																				
	Closed Churchyards																				
	5	5	5	5	5	5															
	PROPOSED 2013/14 Budget and MTP																				
	Building Control																				
	-581	-581	-581	-581	-581	-581															
	PROPOSED 2013/14 Budget and MTP																				
	Public transport																				
	106	106	106	106	106	106															
	PROPOSED 2013/14 Budget and MTP																				
	Highways Services (street naming)																				
	41	41	41	41	41	41															
	PROPOSED 2013/14 Budget and MTP																				

	REVENUE									NET CAPITAL									CAPITAL GRANTS AND CONTRIBUTIONS																																										
	F'cast			Budget			MTP			F'cast			Budget			MTP			F'cast			Budget			MTP																																				
	2012	2013	2014	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018																															
Car parks (assets)																																																													
461	Car Park Repairs																																																												
166	St Neots - Cambridge Road Car Park																																																												
	46	46	46	46	46	46	46	46	46	60	151																																																		
	PROPOSED 2013/14 Budget and MTP																																																												
Environmental Improvements																																																													
703	Heart of Oxmoor																																																												
	Chequers Court Public Realm																																																												
	43	43	43	43	43	43	43	43	43	-1,366	-1,366								1,366																																										
	PROPOSED 2013/14 Budget and MTP																																																												
Environmental Management																																																													
	43	43	43	43	43	43	43	43	43	-1,366	-1,366								1,366																																										
	PROPOSED 2013/14 Budget and MTP																																																												
Management units																																																													
	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419																																																				
H D C Offices																																																													
	MTP Variations																																																												
890	Headquarters																																																												
986	Major repairs and replacements																																																												
#	Rental of space in PFH																																																												
988	PV Panels EFH																																																												
	900	-575	-420	-420	50									900									575									420																													
	PROPOSED 2013/14 Budget and MTP																																																												
	2,589	2,589	2,522	2,516	2,511	2,472	2,472	2,472	2,472	-900	-900	-570	-420	50										900									575									420																			
	2012/13 Budget and MTP																																																												
	2,589	2,589	2,522	2,516	2,511	2,472	2,472	2,472	2,472	-1,989	-1,989	-1,989	-1,053	231	71	72										2,281									2,281									1,245																	
	VARIATION																																																												
	-36	-24	-34	-34	1	1	1	1	1	1,640	-841	-841	120	82	55	55										-1,706									1,206									498																	
	PROPOSED 2013/14 Budget and MTP																																																												
	2,589	2,553	2,498	2,482	2,477	2,473	2,473	2,473	2,473	-1,989	-1,989	-349	-1,894	351	153	127										2,281									575									2,451									498								

	REVENUE										NET CAPITAL										CAPITAL GRANTS AND CONTRIBUTIONS																					
	Budget			F'cast			Budget			MTP			Budget			F'cast			Budget			MTP			Budget			F'cast			Budget			MTP								
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2015	2016	2017	2012	2013	2014	2012	2013	2014	2015	2016	2017	2012	2013	2014	2012	2013	2014	2012	2013	2014	2015	2016	2017	2015	2016	2017	2015	2016	2017			
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000				
Head of Customer Services																																										
Planning																																										
Economic Development (NNDR relief)																																										
PROPOSED 2013/14 Budget and MTP	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Housing Services																																										
Housing benefits																																										
PROPOSED 2013/14 Budget and MTP	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571	-571
Corporate Services																																										
Local Taxation & Benefits																																										
996 Loss of Fraud Team Funding (Part)				22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
994 Localisation of Council Tax Benefit (Reductions)				76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
995 Localisation of Council Tax Benefit (Admin Subsidy)				30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
994 Loss of overpayment subsidy				24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
1025 Cost of extra Post Office payments				25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
1017 Council Tax support module				65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
PROPOSED 2013/14 Budget and MTP	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948	-948
Internal Services																																										
Call Centre																																										
981 Call Centre CRM Replacement				-5	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74
983 Automated Telephone Payments				-7	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14
1015 Line Rental Saving				-12	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24	-24
PROPOSED 2013/14 Budget and MTP	600	583	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495	495
Internal Services																																										
Customer Service Centres																																										
# Close St Ives Customer Service Centre		-2	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9
# Reduce hours at Huntingdon Customer Service Centre			-7	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14	-14
PROPOSED 2013/14 Budget and MTP	552	552	538	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531	531
Management Units																																										
Customer Services MU																																										
# Customer Services - Staff savings		-33	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48	-48
1018 Extra Council Tax staff		10	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
PROPOSED 2013/14 Budget and MTP	2,098	2,108	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123			

	REVENUE							NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS														
	Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP						
	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	2012	2013	2014	2015	2016	2017	2018	
Housing Services																													
PROPOSED 2013/14 Budget and MTP	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Homelessness																													
945 Priority Needs Scheme (End of temporary Savings)	31	31	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	
## Homelessness Grant			85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	
1020 Homeless Accommodation - Extra Cost			158	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	210	
1019 Homeless Accommodation - Cost Reduction Schemes			-138	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	-170	
PROPOSED 2013/14 Budget and MTP	236	236	343	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	
Housing																													
993 Maintain Service Level (Advice and Homelessness)	35	35	65																										
PROPOSED 2013/14 Budget and MTP	737	737	767	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	702	
2012/13 Budget and MTP	2,750	2,750	2,876	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	
VARIATION	-7	-7	72	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	
PROPOSED 2013/14 Budget and MTP	2,750	2,743	2,948	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	2,918	
Management Units																													
2012/13 Budget and MTP	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	
VARIATION	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	
PROPOSED 2013/14 Budget and MTP	136	136	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	238	

	REVENUE										NET CAPITAL										CAPITAL GRANTS AND CONTRIBUTIONS									
	Budget		F'cast		Budget		MTP		MTP		Budget		F'cast		Budget		MTP		Budget		F'cast		Budget		MTP					
	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2012	2013	2014	2015	2016	2017	2012	2013	2012	2013	2012	2013	2014	2015	2016	2017				
Head of IMD																														
Internal Services																														
959 Helpdesk & Network Services																														
# Network and ICT Services	-130	-130	-129	-129	-59	-59	-59	-59																						
# IMD Staff savings	-6	-6	-19	-19	-84	-84	-84	-84																						
# IMD Contract Savings					-40	-40	-40	-40																						
970 Telephony and ICT Network Renewal																														
976 ICT Replacements and Server Virtualisation																														
# Help Desk	-10	-10			-40	-40	-40	-40																						
	874	864	862	862	862	827	827	827	827																					
PROPOSED 2013/14 Budget and MTP																														
Web & Business Systems																														
# IMD Shared Service Income (part)	-3	-3	-15	-10	-10	-10	-10	-30																						
	267	267	255	260	260	260	240																							
PROPOSED 2013/14 Budget and MTP																														
Corporate Systems																														
PROPOSED 2013/14 Budget and MTP	237	237	237	237	237	237	237	237																						
Business Analysis & Project Management																														
891 Business Systems	-4	-4	-4	-28	-28	-58	-58	-58																						
900 Working Smarter	-21	-21	-21	-21	-21	-21	-21	-21																						
# IMD Shared Service Income (part)	-2	-2	-5	-10	-10	-10	-10	-10																						
	356	356	353	324	324	294	294	294																						
PROPOSED 2013/14 Budget and MTP																														
Corporate																														
1002 Business Continuity Review	10	6	4	4	4	4	4	4																						
	10	6	4	4	4	4	4	4																						
PROPOSED 2013/14 Budget and MTP																														
Head of IMD																														
	183	183	183	183	183	183	183	183																						
PROPOSED 2013/14 Budget and MTP																														
2012/13 Budget and MTP	1,927	1,927	1,900	1,941	1,906	1,876	1,876	1,876																						
VARIATION	-14	-14	-6	-71	-71	-71	-71	-91																						
PROPOSED 2013/14 Budget and MTP	1,927	1,913	1,894	1,870	1,835	1,805	1,785	1,785																						

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
	Budget Fcast		Budget		MTP		Budget Fcast		Budget		MTP		Budget Fcast		Budget		MTP	
	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017	2012	2013	2014	2015	2016	2017
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Manager, One Leisure																		
Community Services																		
Leisure Centres																		
857	-149	-149	-149	-209	-209	-209												
896	-176	-88	-350	-541	-563	-578		-25	-53				25	53				
922	-42	-42	-42	-42	-42	-42	3,080	3,208	1,000				225					
861	20	20	-22	-22	-22	-22	612	109	272	322	322	385						
956	-136	-136	-162	-403	-402	-401	77	22	330									
1000	-20						560											
22		-6	-6	-6	-6			13										
1006								21										
	289	391	60	-371	-452	-443	4,329	3,348	1,549	322	572	385	250	53				
	PROPOSED 2013/14 Budget and MTP																	
Management units																		
	208	208	208	208	208	208												
	497	497	157	-90	-286	-279	4,329	4,329	697	422	672	535						
	102	111	-73	42	44	44	-981	852	-100	-100	-150	550	250	53				
	497	599	268	-163	-244	-235	4,329	3,348	1,549	322	572	385	250	53				
	PROPOSED 2013/14 Budget and MTP																	

	REVENUE							NET CAPITAL							CAPITAL GRANTS AND CONTRIBUTIONS										
	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	MTP	Budget	F'cast	Budget	MTP					
	2012	2013	2014	2015	2016	2017	2018	2019	2012	2013	2014	2015	2016	2017	2018	2019	2012	2013	2014	2015	2016	2017	2018	2019	
Head of Financial Services																									
Highways & Transportation																									
920																									
Environmental Improvements																									
East of Sapley - Preliminary Costs																									
PROPOSED 2013/14 Budget and MTP																									
Corporate Services																									
Corporate Management																									
PROPOSED 2013/14 Budget and MTP	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213									
Other expenditure																									
Interest and borrowing costs																									
Interest	83	97	324	545	557	660	782																		
Interest - Council Tax instalments changes			50	50	50	50	50																		
PROPOSED 2013/14 Budget and MTP	-11	3	280	501	513	616	738																		
Other expenditure																									
Pensions Fixed Sum	236	236	479	718	758	758	758																		
Doubtful Debts Provision	-10	-10	-20	-30	-40	-40	-40																		
Variation in MRP	225	143	574	922	1,289	1,548	1,940																		
PROPOSED 2013/14 Budget and MTP	1,832	1,750	2,414	2,991	3,388	3,647	4,039																		
Financial Services																									
PROPOSED 2013/14 Budget and MTP	1,125	1,125	1,125	1,125	1,125	1,125	1,125																		
Insurance																									
PROPOSED 2013/14 Budget and MTP	405	405	405	405	405	405	405																		
Financial services																									
PROPOSED 2013/14 Budget and MTP	87	87	87	87	87	87	87																		
2012/13 Budget and MTP	3,651	3,651	4,354	5,007	5,443	5,825	6,122																		
VARIATION	-68	170	315	288	268	485																			
PROPOSED 2013/14 Budget and MTP	3,651	3,583	4,524	5,322	5,731	6,093	6,607																		

Non-Allocated Items

Non-Allocated Items	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS											
	Budget	F'cast	Budget	MTP	MTP	MTP	Budget	F'cast	Budget	MTP	MTP	MTP	Budget	F'cast	Budget	MTP	MTP	MTP						
	2012	2012	2013	2014	2015	2016	2017	2012	2012	2013	2014	2015	2016	2017	2018	2012	2012	2013	2014	2015	2016	2017	2018	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Recharges to non-revenue accounts																								
Revenue staff charged to capital																								
PROPOSED 2013/14 Budget and MTP	-562	-562	-562	-562	-562	-562	-562	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Risk Provision																								
Reduced New Homes Bonus (lower completions)				50	150	300	450																	
Formula Grant reduction due to New Homes Bonus					100	200	200																	
Lower increase in car park charges			20	20	20	20	20																	
Provision for demographic growth				90	180	270	240																	
Protection and Performance Pay			320	640	960	1,300	1,600																	
Lower Council Tax Increases				38	88	177	275																	
Homelessness				100	100	100	100																	
A14 Funding Contribution						200	200																	
MMI Drawdown				140																				
PROPOSED 2013/14 Budget and MTP	340	1,078	1,599	2,567	3,085																			
Other items																								
2012/13 Forecast - other net variations	-230																							
Back Office - Reorganisation (part)	-31																							
Capital Inflation																								
Capital Provision																								
E-Marketplace	-25	-25	-28	-28	-28	-28	-28	67	176	276	373													
Future Capital Provision (outturn prices)																								
Grant to Towns and Parishes (Loss of Taxbase)																								
Previous allowances review	-306	-233	-345	-395	-395	-395	-395																	
Reorganisation - Senior managers																								
Revenue Inflation	-68	407	809	1,198	1,290	1,676																		
Schemes brought forward	475	124	124	124	124	124	124	400	400	500	500	500	500	500										
Schemes carried forward	-124	-124	-124	-124	-124	-124	-124	-500	-500	-500	-500	-500	-500	-500										
Spending Adjustments still to be identified																								
VAT Partial Exemption	3	3	6	6	6	6	6	162	162	53	34	96												
Roundings	-3	-2	-3	-9	-8	-4	-7																	
PROPOSED 2013/14 Budget and MTP	-68	90	388	-766	-732	-1,467	-1,033	62	62	53	102	272	276	373										
2012/13 Budget and MTP	-630	-630	136	735	1,730	2,462	3,238	112	112	198	223	414	315	3,231										
VARIATION	158	31	-984	-1,425	-1,923	-1,748		-95	-71	-92	11	-2,808												
PROPOSED 2013/14 Budget and MTP	-630	-472	167	-249	305	539	1,490	112	112	103	152	322	326	423										
2012/13 Budget and MTP	21,722	21,722	22,299	22,842	23,611	24,365	25,363	10,770	10,770	3,990	2,969	3,900	2,867	2,757	8,677	8,677	2,936	1,142	1,100	1,100	1,100	1,100	1,100	1,574
VARIATION	306	465	-644	-856	-1,319	-1,136		-3,492	4,873	-180	-253	999	1,210											
PROPOSED 2013/14 Budget and MTP	21,722	22,028	22,764	22,198	22,755	23,046	24,227	10,770	7,278	8,863	2,789	3,647	3,866	3,967	8,677	3,150	9,006	2,537	479	465	455	455	455	455

TOTAL BUDGET

SERVICE BUDGET SUMMARY	2012/13		2013/14	
	Original	Forecast	Budget	
	£'000	£'000	£'000	
Environmental Services				The Service based budget includes direct expenditure, the allocation of support costs and depreciation on assets.
Refuse Collection	3,202	3,303	3,292	
Recycling	283	261	300	
Drainage & Sewers	667	575	832	
Public Conveniences	57	51	54	
Environmental Health	2,123	2,068	2,086	
Closed Churchyards	6	6	6	
Street Cleaning & Litter	1,388	1,339	1,393	
	7,726	7,603	7,963	
Planning				
Development Control	1,050	1,068	855	
Building Control	108	172	82	
Planning Policy & Conservation	1,228	1,583	1,233	
Economic Development	-977	-761	-747	
	1,409	2,062	1,423	
Community Services				
Countryside	449	484	472	
Community Initiatives	886	819	789	
Parks	1,593	1,443	1,560	
Leisure Policy	330	350	314	
Leisure Centres	2,347	2,701	2,239	
Community Facilities	21	39	22	
	5,626	5,836	5,396	
Community Safety				
Community Safety	404	430	393	
	404	430	393	
Housing Services				
Housing Services	905	836	826	
Private Housing Support	2,384	1,468	2,213	
Homelessness	758	873	967	
Housing Benefits	1,266	1,267	1,289	
	5,313	4,444	5,295	
Highways & Transportation				
Transportation Strategy	402	382	788	
Public Transport	221	206	219	
Street Naming	145	122	142	
Car Parks	-343	-206	-326	
Environmental Improvements	347	344	349	
	772	848	1172	
Corporate Services				
Local Taxation & Benefits	1,217	1,192	1,351	
Corporate Management	1,193	1,402	1,344	
Democratic Services	1,436	1,293	1,347	
Legal & Democratic Services	506	493	395	
Non Distributed Costs	297	251	272	
	4,649	4,631	4,709	
Other Expenditure				
Contingency	-134	-27	225	
Other Expenditure	-4,032	-3,796	-4,080	
Investment Interest	-11	-3	268	
	-4,177	-3,826	-3,587	
Council Total	21,722	22,028	22,764	

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Environmental Services				
Refuse Collection	Abandoned Vehicles	37	34	34
	Domestic Refuse	3,173	3,288	3,268
	Trade Refuse	-8	-19	-10
		3,202	3,303	3,292
Recycling	Recycling	376	254	293
	Recycling Sites	-93	7	7
		283	261	300
Drainage & Sewers	Internal Drainage Boards	387	384	396
	Nightsoil Collection	11	7	11
	Watercourses	269	184	425
		667	575	832
Public Conveniences	Public Conveniences	57	51	54
		57	51	54
Environmental Health	Air Quality	127	113	121
	Animal Welfare	152	136	136
	Caravans And Camping	0	4	4
	Contaminated Land	108	146	137
	Health & Safety	205	179	178
	Energy Efficiency	404	411	430
	Environmental Health General	-18	-24	6
	Food Safety	486	510	509
	Health Promotion	43	38	28
	Licences	4	24	7
	Nuisances	291	240	240
	Pest Control	111	99	97
	Private Sector Housing	203	189	190
	Travellers	7	3	3
		2,123	2,068	2,086
Closed Churchyards	Closed Churchyards	6	6	6
		6	6	6
Street Cleaning & Litter	Littering	88	38	58
	Street Cleaning	1,300	1,301	1,335
		1,388	1,339	1,393
	Environmental Services	7,726	7,603	7,963
Planning				
Development Management	Advice	605	574	571
	Application Processing	219	274	65
	Enforcement	226	220	219
		1,050	1,068	855
Building Control	Applications	-121	-26	-104
	Promotion & Enforcement	229	198	186
		108	172	82
Planning Policy & Conservation	A14 Inquiry	25	200	1
	Conservation & Listed Buildings	143	110	112
	Local Plan	672	882	762
	Planning Projects/Implementation	211	183	167
	Trees	177	208	191
		1,228	1,583	1,233

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Economic Development	Business & Enterprise Support	328	315	329
	Markets	-45	15	12
	NNDR Discretionary Relief	30	24	31
	Property Development and Management	-1,349	-1,136	-1,227
	Town Centre Management	59	21	108
		-977	-761	-747
	Planning	1,409	2,062	1,423
Community Services				
Countryside	Countryside Management	132	107	117
	Hinchingsbrooke Country Park	198	243	225
	Paxton Pits	102	91	86
	Miscellaneous Countryside Sites	17	43	44
		449	484	472
Community Initiatives	Community Projects	117	125	127
	Community Initiatives Management	344	233	240
	Equal Opportunities	57	92	99
	Miscellaneous Grants	368	369	323
	886	819	789	
Parks	Parks & Open Spaces	1,526	1,386	1,492
	Pavilions	67	57	68
		1,593	1,443	1,560
Leisure Policy	Arts Development	17	14	14
	Leisure Development	313	336	300
	330	350	314	
Leisure Centres	One Leisure Huntingdon	599	654	590
	One Leisure Ramsey	403	408	433
	One Leisure Sawtry	416	426	421
	One Leisure St Ives	500	722	438
	One Leisure St Neots	378	434	307
	Leisure Centres Overall	51	57	50
		2,347	2,701	2,239
Community Facilities	Priory Centre	21	39	22
		21	39	22
	Community Services	5,626	5,836	5,396
Community Safety				
Community Safety	C C T V	171	173	170
	Community Safety	233	257	223
		404	430	393
	Community Safety	404	430	393
Housing Services				
Housing Services	Choice Based Lettings	30	38	39
	Housing Advice	284	262	264
	Housing Strategy	149	114	114
	Waiting List	328	321	321
	Other Housing Services	114	101	88
	905	836	826	

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Private Housing Support	Home Improvement Agency	67	25	22
	Housing Associations	160	275	273
	Housing Surveys	25	34	34
	Renovation/Improvement Grants	2,107	1,104	1,855
	Housing Support - Elderly	25	30	29
		2,384	1,468	2,213
Homelessness	Accommodation For Homeless	79	79	117
	Homelessness Management	404	476	576
	Homeless Prevention	169	234	180
	Hostel Support	106	84	94
		758	873	967
Housing Benefits	Housing Benefits Admin	1,402	1,277	1,248
	Rent Allowance Local Scheme	14	15	15
	Rent Allowance National Scheme	-293	-203	-157
	Temporary Accommodation Support	143	178	183
		1,266	1,267	1,289
Housing Services		5,313	4,444	5,295
Highways & Transportation				
Transportation Strategy	Cycling	31	67	34
	Transportation Management	245	176	180
	Transport Schemes	126	139	574
		402	382	788
Public Transport	Bus Shelters	97	86	96
	Bus Stations	109	109	111
	Concessionary Fares	15	11	12
		221	206	219
Street Naming	Street Naming	145	122	142
		145	122	142
Car Parks	Car Park Assets	117	96	116
	Car Park Management	-442	-348	-490
	Car Park Policy	-18	46	48
		-343	-206	-326
Environmental Improvements	Management	102	100	105
	Schemes	245	244	244
		347	344	349
Highways & Transportation		772	848	1,172
Corporate Services				
Local Taxation & Benefits	Council Tax	941	799	817
	Council Tax Benefits/Support	297	409	544
	NNDR Administration	-21	-16	-10
		1,217	1,192	1,351
Corporate Management	Chief Executive & Management Team	421	730	693
	External Audit	164	179	180
	Public Accountability	482	358	365
	Treasury Management	126	135	106
		1,193	1,402	1,344
Democratic Services	Corporate Committees	546	484	501
	Member Allowances & Support	890	809	846
		1,436	1,293	1,347

SERVICE BUDGET		2012/13		2013/14
		Original	Forecast	Budget
		£'000	£'000	£'000
Central Services	Elections	441	398	352
	Emergency Planning	92	88	89
	Land Charges	-27	7	-46
		506	493	395
Non Distributed Costs	Pensions	225	191	230
	ICT Services to Other Organisations	11	47	42
	Unused Capacity of Assets	61	13	0
		297	251	272
Corporate Services		4,649	4,631	4,709
Other Expenditure				
Contingency	Other Contingencies	-134	-27	225
		-134	-27	225
Other Expenditure	Capital Charges Reversed	-6,183	-5,244	-6,794
	Deferred Expenditure	0	-250	0
	Minimum Revenue Provision	906	824	1,255
	Items to be Allocated/Recharged to Services	320	-52	-58
	Pensions Lump Sum	896	896	1,139
	Grants to Parish/Town Councils	0	0	357
	Other Expenditure	29	30	21
		-4,032	-3,796	-4,080
Investment Interest	Interest	-11	-3	268
		-11	-3	268
Other Expenditure		-4,177	-3,826	-3,587
COUNCIL TOTAL		21,722	22,028	22,764

RESERVES AND THE ROBUSTNESS OF THE 2013/14 BUDGET

The Local Government Act 2003 requires me, as the Council's Chief Financial Officer, to report on the robustness of the 2013/4 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax.

Robustness

The Council has tended in recent years to underspend its budget. This demonstrates that it has budgeted prudently and that managers have taken a mature approach to budgetary control rather than simply spending any spare sums on low priority items. As budgets tighten the opportunity for such underspends diminish.

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

The 2013/14 budget has been prepared using the budget for 2012/13 as a base, and amending it for known changes, particularly:

- ◆ Inflation including a 2% provision for the pay award that has already been approved. There will be no performance pay in 2013/14 except for some very limited and specific employees (e.g. therapists at Leisure Centres). Pay is by far the most significant inflation element and this prior agreement removes a major level of uncertainty.
- ◆ The impact of the 2011/12 outturn and forecast spending for 2012/13.
- ◆ Variations in existing and proposed new MTP schemes. A good proportion of these reflect savings rather than extra costs.

There have been some proposals included in previous MTPs that included an element of challenge which has not always turned out to be achievable. I am satisfied that adjustments have been made to transfer those elements where there is no fair expectation or clear plan of achievement into the "Unidentified Savings" line to increase robustness.

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

The most significant potential risks to the budget are:

- ◆ higher inflation but much limited because the pay award has been determined
- ◆ further reductions in income due to the recession
- ◆ non-achievement of planned savings but limited by the transfers to unidentified savings
- ◆ failure of a borrower
- ◆ an emergency (e.g. flooding)
- ◆ increased demands on housing services due to increased homelessness.

Reduced Income

A 1% loss of income from fees, rents, charges and recharges would amount to around £170k. In practice a number of these items are fixed for 2013/14 and the largest areas susceptible to variation are:

- ◆ Car Parks £1.9M
- ◆ Leisure Centres £7.1M
- ◆ Property £2.1M
- ◆ Planning and Building Control Fees £1.8M

Treasury Management

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

Emergencies

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

Inflation

A 1% increase in general inflation (excluding pay), assuming no compensating increase in fees and charges was possible, would result in a net cost of approximately £23k.

Interest Rates

An increase in interest rates of 1% would cost £149k.

Revenue Reserves

These are estimated to be £10.8m at April 2013 and reduce to £8.5m by March 2014 in order to support revenue spending. This is still significantly above what would be considered a safe minimum level when considering the 2013/14 budget in isolation but clearly not excessive given their planned use over the next few years.

Therefore, even if a number of unexpected additional costs emerged there would still be sufficient funding to cover the deficit for 2013/14.

Conclusion

Considering all these factors, I believe that the combination of a robust budget process and our current level of reserves should give Members no concerns over the Council's financial position for 2013/14.

However, it remains critical that:

- ◆ Effective progress is made in identifying how the Unidentified Savings for future years will be achieved and where practicable these are brought on-stream as soon as possible.
- ◆ That careful monitoring continues to take place recognising that there are certain key areas subject to volatility. These include income from fees and charges, homelessness and the level of housing completions that result in New Homes Bonus.
- ◆ The new areas of Council Tax Support and retained Business Rates will also require monitoring to ensure that the impact of any significant changes is promptly addressed.

Terry Parker
Managing Director (Resources)

ASSUMPTIONS

INFLATION	<i>for Apr 2013</i>	<i>for Apr 2014</i>	<i>for Apr 2015</i>	<i>for Apr 2016</i>	<i>for Apr 2017</i>
<i>Pay award</i>	2.0%	2.0%	2.0%	2.0%	2.0%
<i>Prices</i>	2.5%	2.5%	2.5%	2.5%	2.5%
<i>electricity</i>	0.7%	4.0%	3.8%	5.0%	5.0%
<i>gas</i>	16.7%	0.0%	5.0%	9.6%	5.0%
<i>fuel</i>	1.0%	5.0%	5.0%	5.0%	5.0%
<i>car park charges</i>				10%	
<i>planning fees</i>				10%	

INTEREST RATES	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
Temporary Borrowing	0.3%	0.4%	0.4%	0.76%	1.2%
Temporary Investments	0.7%	0.6%	0.6%	0.86%	1.3%
PWLB 20 year borrowing	3.63%	3.73%	3.80%	4.05%	4.30%

**2013/14 TREASURY MANAGEMENT STRATEGY
(Report by the Head of Financial Services)**

1. PURPOSE

- 1.1 Annex A gives the requirements of the Council's Code of Financial Management in relation to Treasury Management. It requires compliance with CIPFA guidance and that it reflects relevant Government advice.
- 1.2 CIPFA issued a revised version of their code of practice in 2011; this year's strategy is based upon it along with the Government's guidance, which expects priority to be given to the security (protecting any invested sums from loss) and liquidity of investments (keeping enough cash readily available) rather than just maximising the interest earned.
- 1.3 When the Government removed its controls on capital expenditure some years ago it introduced the concept of a Prudential Code which focussed attention on relevant indicators to demonstrate that the Council's capital expenditure plans are affordable and effectively managed. These Prudential Indicators are an annex to the Treasury Management Strategy.
- 1.4 The proposed Treasury Management Policy (Annex B) and the 2013/14 Strategy (Annex C) are attached. A new element for 2013/14 in both the Policy and Strategy is the potential for the Council to provide loan finance to local organisations that can support Council services or to organisations where the Council may make a margin on the loan subject to adequate safeguards.
- 1.5 Overview and Scrutiny will consider this report on the 7th February 2013 and their comments will be available to the Cabinet. Council is then required to formally approve the Policy, Strategy and Prudential Indicators.

2. RECOMMENDATION

- 2.1 **Cabinet is requested to recommend to Council that it approves**
 - a) **The Treasury Management Policy and Strategy in Annex B.**
 - b) **The Treasury Management and Prudential Indicators for 2013/14 in Annex C.**

BACKGROUND PAPERS:

Background files in Accountancy Section: Treasury Management Reports
Reports on the 2013/14 Budget and Medium Term Plan to Cabinet and Council
CIPFA's Treasury Management in the Public Services Code of Practice 2011 edition
ODPM Guidance on Local Government Investments March 2004
CLG Guidance on Local Government Investments March 2010

Contact Officers: Steve Couper, Head of Financial Services ☎(01480) 388103
Clive Mason, Accountancy Manager, ☎ (01480) 388157

This page is intentionally blank

CODE OF FINANCIAL MANAGEMENT (EXTRACT)

Treasury Management

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

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

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

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

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

TREASURY MANAGEMENT POLICY STATEMENT

Definition

The Council defines its treasury management activities as:

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

Risk management

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

Value for money

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

Borrowing policy

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

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

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

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

Investment policy

All investment decisions need to follow a risk assessment which takes account of the need to protect the principal sums invested from loss, ensuring adequate liquidity so

that funds are available to fund expenditure when needed, and the generation of investment income to support the provision of local authority services. Adequate weighting must be given to data reflecting the security of the investment.

Loans to Organisations

The Council may make loans to:

- ◆ local organisations, if this will allow the organisation to provide services that will further the Council's own objectives, and
- ◆ organisations where no service benefits are involved, but with the objective of earning a margin on the amounts loaned.

In either case loans will only be made where all risks have been considered and appropriate safeguards are in place.

Governance

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

TREASURY MANAGEMENT STRATEGY 2013/14

Treasury Management is:

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

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

BACKGROUND

Despite some stronger economic growth data towards the end of 2012, consumers are yet to loosen their purse strings and businesses are still reticent to make long-term investment decisions. The momentum in GDP growth is therefore unlikely to be sustained while uncertainty over the economic outlook persists. Consumer Price Inflation has fallen close to the Bank of England's 2% target, although it is expected to be affected by volatility in energy and commodity prices throughout 2013.

Having voted to increase quantitative easing by £50bn in July, the Bank's Monetary Policy Committee is waiting to assess the effectiveness of the Funding for Lending Scheme that started in August. Further asset purchases remain a distinct possibility, although there is a developing consensus that quantitative easing is becoming less effective.

The US Federal Reserve has responded to the slowdown in growth and employment with large scale asset purchases of \$40bn a month until the outlook for the labour market improves substantially. The US public finance 'fiscal cliff' nevertheless remains a serious risk unless a political solution is reached soon.

The Eurozone is making slow headway, with the European Stability Mechanism now operational, announcements on the Outright Monetary Transactions programme well received, and some progress being made towards banking union. These have placated markets and curtailed some of the immediate risks to the stability of the monetary union. A sustainable solution to the Eurozone crisis is some way off though, as fiscal integration and mutualisation of Eurozone sovereign debt liabilities remain politically unpalatable.

INTEREST RATE FORECASTS

The Council's treasury management adviser, Arlingclose, believes that it could be 2016 before official UK interest rates rise. The US Federal Reserve has signalled it will keep interest rates "at exceptionally low levels" until at least 2015. More QE is expected from the Bank of England, and together with the UK's safe haven status and minimal prospect of short-term rate rises, gilt yields are expected to remain near their current lows.

For the purpose of the Council's Medium Term Plan the following interest rates have

been assumed but it is recognised that all assumptions about the speed with which rates will begin to rise is problematic.

	2013/14	2014/15	2015/16	2016/17	2017/18
	%	%	%	%	%
Temporary investments	0.70	0.60	0.60	0.86	1.30
PWLB 20 year borrowing (EOY)	3.63	3.73	3.80	4.05	4.30
Temporary borrowing	0.30	0.40	0.40	0.76	1.20

Against the background of low interest rates and reducing revenue and capital balances the Council has sought to maximise the returns from its investments whilst minimising the risks of investing with a borrower that is, or may become, unable to repay. It therefore adopted a strategy for 2012/13 that did not concentrate its investments with the Government's Debt Management Office which are effectively risk-free, as they are backed by the Government, but with a significantly below base interest rate, and instead concentrated on highly rated institutions and the larger Building Societies. At the same time investments in "liquidity accounts" which offer repayment the same day were maximised to further reduce risk.

The 2012/13 Strategy allowed for borrowing in anticipation of need to fund capital expenditure although that option has not so far been used this year.

CURRENT POSITION AND EXPECTED TREASURY PORTFOLIOS

The Council's position as at 31 December 2012 was:

INVESTMENTS & BORROWING		Principal Amount £m	Average Interest Rate %
Investments			
Short Term	- maturing by 31 st March 2013	7.6	0.64%
	- maturing 2013/14	5.0	
Long Term	- maturing later	0.0	4.85%
Total		12.6	2.31%
Borrowing			
Short term	- maturing by 31 st March 2013	0	0%
	- maturing 2013/14	0	0%
Long term	- maturing later	(10.0)	3.91%
Total		(10.0)	3.91%
Net Borrowing		£2.6m	3.81%

Expected changes in portfolio

According to current cash flow forecasts, net borrowing is expected to increase to [£15 million](#) by 31st March 2013.

Budget implications

The budget for net interest received in 2012/13 was -£11K; as a result of actual interest rates and cash flow differing from the assumptions used in the budget, the forecast outturn is £11k.

The budget for net interest in 2013/14 is £280K.

THE COUNCIL'S FINANCIAL STRATEGY

BORROWING STRATEGY

As noted above, the Council currently holds £10m of long-term loans.

Planned borrowing strategy for 2013/14 and future years

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

	2013/ 2014 £m	2014/ 2015 £m	2015/ 2016 £m	2016/ 2017 £m	2017/ 2018 £m
Existing long term borrowing <i>available long term</i>	10.0	10.0	10.0	10.0	10.0
Revenue Reserves (EOY)	8.5	6.5	5.0	5.0	5.0
Provision for repaying loans (EOY)	2.9	4.5	6.5	8.7	11.4
Earmarked Reserves (EOY) ❶ <i>available on a year by year basis</i>	4.2	4.2	4.2	4.2	4.2
	15.6	15.2	15.7	17.9	20.6
Cash Flow benefit average <i>fluctuates from day to day</i>	7.5	7.5	7.5	7.5	7.5
FUNDING REQUIRED					
Capital Expenditure					
Brought Forward	(39.0)	(47.7)	(50.3)	(53.8)	(57.5)
Capital Expenditure in Year	(8.7)	(2.6)	(3.5)	(3.7)	(3.8)
Carried Forward	(47.7)	(50.3)	(53.8)	(57.5)	(61.3)
Fixed Term Investment (EOY) ❷					
Total Required Funding	(47.7)	(50.3)	(53.8)	(57.5)	(61.3)
<i>Excluding Use of Reserves</i>					
MAY BORROW	(37.7)	(40.3)	(43.8)	(47.5)	(51.3)
<i>Including Use of Reserves</i>					
MUST BORROW	(22.1)	(25.1)	(28.1)	(29.6)	(30.7)
NEED FOR FURTHER BORROWING – FUNDING IN ADVANCE					
MAY BORROW A FURTHER	(13.6)	(14.3)	(14.1)	(13.8)	(13.6)
NEED FOR FURTHER BORROWING – LOANS TO ORGANISATIONS					
MAY BORROW A FURTHER	(25.0)	(50.0)	(75.0)	(75.0)	(75.0)

Notes

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

❷ takes account of fact that the £5m of the £10m borrowed in anticipation is invested until December 2013.

Borrowing – Cash Flow

In addition to the fundamental movements described above there are day-to-day

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

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

There is added uncertainty in 2013/14 due to changes in the arrangements for Business Rates and potential delays in the collection of Council Tax due to the new Benefits Scheme.

Borrowing – No Funding Activity

The amount of capital borrowing up until March 2014 (i.e. up to an estimated £37.7M) will be dependent upon the actual levels of revenue spending which will determine the level of the Council's own reserves that can be used and the level of capital spending which will determine the total sum required. The period of borrowing will reflect the current and anticipated interest rate profile. If short term interest rates began to rise consideration would be given to whether long term rates were attractive enough to support long term borrowing. If rates remain low it is much more difficult to justify long term borrowing.

The MUST borrow amount represents the minimum amount that it is estimated that the Council will have to borrow if it uses its own reserves to fund part of the borrowing. The MAY borrow limit is based on using no internal funds for this purpose.

Borrowing – Funding in Advance

This additional limit is based on the agreement with our previous external auditors that it would be legitimate to borrow in advance to fund our 5 year published capital programme if market circumstances indicated that this was likely to be in the long term interests of the Council. This would require longer term borrowing rates to be at levels that appeared to be attractive when compared with rates that were expected over the remainder of that period. It would also need to take account of the difference between the borrowing rates and the currently, much lower, investment rates that would be received pending the use of the money for funding capital from sufficiently secure counterparties. A risk assessment will be carried out before undertaking any advance borrowing.

For example, if long term rates fell to 3.5% we would seriously consider increasing borrowing whilst if long term rates were 5.5% this would be extremely unlikely.

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

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

Borrowing – Loans to Organisations

The amounts shown are indicative at this stage and any such loans to organisations would be subject to a separate approval by Cabinet.

Borrowing - Profile

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

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

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

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

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

The Council will need to approve a prudential indicator for the 'authorised limit for external debt'. This will include forward funding of the MTP and Loans to Organisations but the three elements will be kept separate. With regard to 2013/14:

1. £73m No Forward Funding Activity
 - ◆ temporary borrowing for cash flow purposes (£20m)
 - ◆ long term existing borrowing (£10m)
 - ◆ borrowing to fund the forecast capital programme (£38m)
 - ◆ an allowance for other long-term liabilities, such as finance leases (£5m)
2. £14m Long term based on maximum borrowing in advance
3. £25m Long term borrowing to finance Long Term loans to Other Organisations: £25m

INVESTMENT STRATEGY

INVESTMENTS - CATEGORIES

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

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

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

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

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

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

The Council may use the following non-specified investments:

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

INVESTMENTS – HIGH CREDIT QUALITY

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

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

Whilst the Council will take some account of such additional information the main

criteria for judging credit quality will be:

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

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

Current account bank

Following a competitive tender exercise, in April 2010 the Royal Bank of Scotland was appointed to provide Banking Services in respect of the Council's current accounts. With a long term rating of "A" (December 2012) the bank is close to the bottom of the above credit rating criteria for this type of institution.

INVESTMENTS – SPREADING THE RISK

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

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

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

INVESTMENTS – PERIODS

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

The Council will register with a selection of money market funds with AAA ratings which also allow same-day withdrawal of funds. The domicile for some of these funds can be in a low rated country; however as it is stipulated that the fund itself has to be Triple A, this is acceptable.

These funds will be used as appropriate taking account of comparative security and yields. During 2012/13, the Council used two money market funds, the:

- ◆ Public Sector Deposit Fund, operated by Church's, Charities and Local Authorities, and
- ◆ Ignis Liquidity Fund, operated by Ignis Asset Management.

If during 2013/14, where it becomes advantageous, further funds may be used.

INVESTMENTS - MANAGEMENT

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

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

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

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

LOANS TO SUPPORT THE ACHIEVEMENT OF SERVICE OBJECTIVES

Opportunities will arise from time to time for the Council to further its objectives by making loans to local organisations or businesses. Such loans are considered to be investments as defined in this strategy. All such loans would require Cabinet approval and details of any risks pertaining to the loan would be included in the relevant Cabinet report. These loans would not be subject to the 5 year investment limit.

LOANS WITH SECURITY

The Localism Act potentially enables the Council to benefit from its low cost of borrowing to earn a margin by providing a loan to other bodies where no service benefits are involved. This option will be investigated but would only be implemented following legal and external audit confirmation of the statutory power, including consideration of the impact of the state aid regulations, and where security of the investment can be made through a legal charge on an adequate value of asset(s) to protect the Council from the possibility of default. If it is proposed to make such a loan, the Cabinet report requesting approval will include appropriate legal and valuation advice. These loans would not be subject to the 5 year investment limit.

POLICY ON USING FINANCIAL DERIVATIVES

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

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

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

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

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

ADVISORS

The Council appointed Sterling Consultancy Services as Treasury Management Advisors in January 2008 (following retendering they were reappointed in January 2011). In the late summer of 2012, Sterling Consultancy Services was transferred to Arlingclose, who are another independent firm of Treasury Management Advisors. The Council has received assurance that all contractual obligations will be met and to date the transfer has been seamless.

The Advisor carries out the following role:

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

The quality of the service is controlled by regular contact between the Advisors and officers. It should be noted that having external advisors does not negate the responsibility for Treasury Management decisions from the Council and its officers

MANAGEMENT

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

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

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

REPORTING AND SCRUTINY

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

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

TRAINING

The needs of the Council's treasury management staff for training are assessed every six months as part of the staff appraisal process and additionally when the responsibilities of individual staff change.

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

CHANGES TO THE STRATEGY

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

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

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

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

DEFINITION OF CREDIT RATINGS

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

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

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

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

INVESTMENT LIMITS FOR INCREASES IN ADVANCE BORROWING

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

**CIPFA PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES
PRUDENTIAL INDICATORS AND
TREASURY MANAGEMENT INDICATORS FOR 2013/14**

The relevant Prudential and Treasury Management indicators that need to reflect the potential borrowing to finance funding in advance and loans to organisations have been amended. Where no requirement is shown, the indicator only reflects what is included in the Council's Medium Term Plan.

All decisions relating to loans to organisations will be subject to approval by the Cabinet. Where these decisions will affect the relevant prudential or treasury indicators noted below, other than Item 7: "the authorised limit for external debt, retrospective approval will sought of Council at either the mid-year or full year reporting periods.

Prudential Indicators

1. Actual and Estimated Capital Expenditure

	2011/12 Actual £m	2012/13 Forecast £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Gross	8.0	10.4	17.9	5.3	4.1
Net	3.8	7.1	8.7	2.6	3.5

Loans to organisations will normally be treated as capital expenditure and would be in addition to the current capital programme.

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

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

2011/12 Actual	2012/13 Forecast	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
0%	4%	7%	10%	11%

Assuming no borrowing in advance or loans to organisations.

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

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

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

	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Variation	(£2.15)	(£4.09)	(£2.48)
Cumulative	(£2.15)	(£6.24)	(£8.72)

4. The capital financing requirement.

This represents the estimated need for the Authority to borrow to finance capital expenditure less the estimated provision for redemption of debt (the MRP).

	31/3/12 Actual £m	2012/13 Forecast £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m
No Funding Activity	21.9	28.2	35.6	36.6	38.1	39.6	40.2

In addition, this strategy makes provision for loans which may need to be treated as capital expenditure:

Loans to Organisations	0.0	0.0	25.0	50.0	75.0	75.0	75.0

5. Net borrowing and the capital financing requirement

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

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

5a. Gross and Net Debt

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

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

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

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

6. The actual external long-term borrowing at 31 March 2012

£10m

7. **The authorised limit for external debt.**

This is the maximum limit for borrowing and is based on a worst-case scenario. It reflects borrowing to fund capital rather than using reserves and the three elements (No activity, borrowing in advance and loans) will be controlled separately.

	2012/13 Limit £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Short term	20	20	20	20
Long term	40	48	50	54
Other long-term liabilities (leases)	5	5	5	5
Total - No Funding Activity	65	73	75	79
Long Term based on the maximum borrowing in advance	0	14	14	14
Long term borrowing to finance Long Term Loans to Organisations	0	25	50	75

8. **The operational boundary for external debt.**

This reflects a less extreme position. Although the figure can be exceeded without further approval it represents an early warning monitoring device to ensure that the authorised limit (above) is not exceeded.

	2012/13 Limit £m	2013/14 Limit £m	2014/15 Limit £m	2015/16 Limit £m
Short term	15	15	15	15
Long term	41	48	50	54
Other long-term liabilities (leases)	5	5	5	5
Total – No Funding Activity	61	68	70	74
Plus any long term borrowing in advance	0	14	14	14
Plus any long term borrowing to finance long term loans to organisations	0	25	50	75

9. **Adoption of the CIPFA Code**

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

TREASURY MANAGEMENT INDICATORS

10. Exposure to interest rate risk as a proportion of net investments.

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

At Council on the 19th December 2012, approval was given to a change in this indicator to enable it to better illustrate the Council's particular circumstances and reflect the interest rate exposure and relationship between long and short and borrowing and investing.

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

		2013/14		2014/15		2015/16	
		Limits		Limits		Limits	
		Max	Min	Max	Min	Max	Min
Borrowing Longer than 1 year	Fixed	100%	75%	100%	75%	100%	75%
	Variable	25%	0%	25%	0%	25%	0%
Investments Longer than 1 year	Fixed	100%	100%	100%	100%	100%	100%
	Variable	0%	0%	0%	0%	0%	0%

11. Borrowing Repayment Profile

The proportion of borrowing in place during 2013/14 that will mature in successive periods. This indicator is set to control the Council's exposure to refinancing risk.

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

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

This may be affected by any Funding in Advance or Loans to Organisations.

12. Investment Repayment Profile

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

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

	2013/14 £m	2014/15 £m	2015/16 £m
Limit on investments over 364 days as at 31 March each year.	32.6	32.6	33.2

This may be affected by any Funding in Advance or Loans to Organisations.

This page is intentionally left blank

CABINET UPDATE – FINAL SETTLEMENT

The following items did **not** change:

- ◆ The level of Revenue Support Grant
- ◆ The level of retained Business Rates
- ◆ The calculation that restricts the maximum Council Tax increase to £4.67p.

What changed is the details of some Special and Specific Grants including two new ones.

The table below shows these Grants:

Grants	2013/14	2014/15 Provisional
	£000	£000
Community Right to Bid	7.9	7.9
Community Right to Challenge	8.5	8.5
New Burdens	68.0	83.1
Efficiency Support in Sparse Areas NEW	7.9	
New Homes Bonus Adjustment NEW to reflect that the initial reduction of RSG to fund NHB was too high	33.9	
TOTAL	126.2	99.5

It is unlikely that any of these Grants will be made permanent.

None of these have been assumed in the budget but, as Heads of Service have bid for any funding they expect to need, the grants will be added to reserves. If additional pressures emerge during the year Cabinet can be asked for a supplementary estimate.

Given the stage we have reached in the Budget process I have revised Annex D (copy below – changes highlighted in yellow) to the Budget/MTP Report on the basis that Revenue Reserves will now be maintained at £5,226k rather than the £5,000k previously assumed.

Any decision to reduce back to £5M (or some other amount) can be taken in next year's Budget/MTP once we have had the time and experience to judge whether there will be any additional extra costs emerging from Government changes that need temporary funding.

These changes also marginally affect the Treasury Management Strategy and a revised table for Planned Borrowing is also attached (changes again highlighted in yellow).

Steve Couper
Head of Financial Services

ANNEX D (REVISED VERSION)

PROPOSED BUDGET/MTP	FORECAST 2012/13 £000	BUDGET 2013/14 £000	MTP			
			2014/15	2015/16	2016/17	2017/18
			£000	£000	£000	£000
2012/13 BUDGET/MTP	21,722	22,299	22,842	23,611	24,365	25,363
Proposed variations	306	465	-644	-856	-1,319	-1,136
NEW FORECAST	22,028	22,764	22,198	22,755	23,046	24,227
FUNDING						
REVISED Use of revenue reserves	-2,853	-2,128	-1,984	-1,458	0	0
Remaining revenue reserves EOY	10,796	8,668	6,684	5,226	5,226	5,226
Special and Specific Grants		-126	-100			
New Homes Grant	-1,913	-2,905	-3,505	-4,489	-5,964	-6,832
Special Council Tax Grant 2011/12	-184					
Formula Grant (RSG)	-9,288	-6,019	-4,600	-4,255	-3,936	-3,641
Retained Business Rates	0	-4,004	-4,127	-4,230	-4,336	-4,444
Collection Fund Deficit	-63	-76				
Council Tax	-7,727	-7,506	-7,882	-8,323	-8,810	-9,311
COUNCIL TAX LEVEL	£128.51	£133.18	£137.85	£142.67	£147.67	£152.84
% increase	3.50%	3.63%	3.51%	3.50%	3.50%	3.50%
£ increase	£4.34	£4.67	£4.67	£4.82	£4.99	£5.17

Unidentified Spending						
Adjustments still required	0	0	-1,500	-1,856	-2,687	-2,637

Forecast Capital Spending	7,278	8,863	2,789	3,647	3,866	3,967
Permitted capital borrowing EOY net of MRP	28,056	35,514	36,550	38,077	39,564	40,761
Average net borrowing in year	12,821	22,361	28,777	31,830	34,066	35,407
Net Interest and Borrowing Costs						
- total	827	1,536	2,103	2,483	2,846	3,358
- as % of total net spending	4%	7%	9%	11%	12%	14%

BORROWING STRATEGY TABLE (REVISED)

	2013/ 2014 £m	2014/ 2015 £m	2015/ 2016 £m	2016/ 2017 £m	2017/ 2018 £m
Existing long term borrowing <i>available long term</i>	10.0	10.0	10.0	10.0	10.0
Revenue Reserves (EOY)	8.7	6.7	5.2	5.2	5.2
Provision for repaying loans (EOY)	2.9	4.5	6.5	8.7	11.4
Earmarked Reserves (EOY) ❶	4.2	4.2	4.2	4.2	4.2
<i>available on a year by year basis</i>	15.8	15.4	15.9	18.1	20.8
Cash Flow benefit average <i>fluctuates from day to day</i>	7.5	7.5	7.5	7.5	7.5
FUNDING REQUIRED					
Capital Expenditure					
Brought Forward	(39.0)	(47.7)	(50.3)	(53.8)	(57.5)
Capital Expenditure in Year	(8.7)	(2.6)	(3.5)	(3.7)	(3.8)
Carried Forward	(47.7)	(50.3)	(53.8)	(57.5)	(61.3)
Fixed Term Investment (EOY)❷					
Total Required Funding	(47.7)	(50.3)	(53.8)	(57.5)	(61.3)
<i>Excluding Use of Reserves</i>					
MAY BORROW	(37.7)	(40.3)	(43.8)	(47.5)	(51.3)
<i>Including Use of Reserves</i>					
MUST BORROW	(21.9)	(24.9)	(27.9)	(29.4)	(30.5)
NEED FOR FURTHER BORROWING – FUNDING IN ADVANCE					
MAY BORROW A FURTHER	(13.6)	(14.3)	(14.1)	(13.8)	(13.6)
NEED FOR FURTHER BORROWING – LOANS TO ORGANISATIONS					
MAY BORROW A FURTHER	(25.0)	(50.0)	(75.0)	(75.0)	(75.0)

Notes

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

❷ takes account of fact that the £5m of the £10m borrowed in anticipation is invested until December 2013.

This page is intentionally left blank

Appointment of Interim Returning Officer & Electoral Registration Officer

Report by the Head of Paid Service

1. BACKGROUND

- 1.1 As a consequence of the restructuring of senior management, it is necessary to make interim arrangements to cover the statutory roles of Returning Officer (RO) and Electoral Registration Officer (ERO), specifically to act in respect of the County Council elections, but also in the event of any district or parish by-elections arising.
- 1.2 The Managing Director, Resources is currently RO and ERO, but he will not be in the office after the end of February. A new Managing Director, will not be in post until after the May County Council elections and so it is necessary to appoint an Officer to cover this period.
- 1.3 The Head of Legal and Democratic Services has management responsibility for elections and electoral registration and consequently is the most appropriately placed to take on these roles.

2. RECOMMENDATION

2.1 It is recommended

that the Head of Legal & Democratic Services, be appointed Returning Officer and Electoral Registration Officer on an interim basis from 1st March 2013 until the new Managing Director is in post, at which time the situation will be reviewed.

Contact Officer: Malcolm Sharp
Managing Director (Communities, Partnerships & Projects)
☎ 01480 388003

Background Documents

Nil

This page is intentionally left blank

Pay Policy Statement

Report by the Corporate Team Manager

1. INTRODUCTION

- 1.1 The Localism Act 2011 requires each local authority to produce a Pay Policy Statement for 2012/13 and for each financial year after that. The Statement must be agreed by full Council by 31st March 2013. It must set out the authority's policies relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees and the relationship between the remuneration of chief officers and of other employees.
- 1.2 The Statement must include policies on chief officers' remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

2. PAY POLICY STATEMENT FOR 2013/14

- 2.1 The Pay Policy Statement attached sets out the Council's current policies and standard practices and should satisfy the requirements of the Localism Act 2011. Much of the information required is already published by the Council on its website.
- 2.2 Once adopted, the Pay Policy Statement will be publicised on the Council's website along with the data on senior salaries that is already published under the Code of Recommended Practice for Local Authorities on Data Transparency 2011.
- 2.3 There are several pieces of work underway at the time of preparing this report which will have an impact on the content. It will therefore be necessary to issue a revised Pay Policy Statement later in the year. The specific areas are:
- ◆ Review of Pay and Grading Framework for HDC employees.
 - ◆ Review of the Information and Consultation arrangements.
 - ◆ Restructure of the senior leadership team.

3. RECOMMENDATION

- 3.1 **The Council are asked to approve the enclosed Pay Policy Statement for 2013/14.**

Contact Officer: Janet Maulder, HR Business Partner
☎ 01223 699495

This page is intentionally left blank

PAY POLICY STATEMENT 2013/14

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

The Statement is available on the Council's website and contains hyperlinks to associated documents. The Council's website also includes separately published data on pay and reward for senior Officers which can be accessed from this link:

<http://www.huntingdonshire.gov.uk/Councils%20and%20Democracy/Council/Council%20Finance/Pages/Chief%20Officer%20Salaries%20and%20Expenses.aspx>

There are several pieces of work underway at the time of preparing this report which will have an impact on the content. It will therefore be necessary to issue a revised Pay Policy Statement later in the year. The specific areas are:

- Review of Pay and Grading Framework for HDC employees.
- Review of the Information and Consultation arrangements.
- Restructure of the senior leadership team.

Further detail is provided below but the pay review is due to be complete by October 2013 and therefore a revised statement will be issued after its completion.

Terms and conditions of employment – decision making

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

Employment Panel:

The Employment Panel is a committee of Councillors appointed by Full Council to consider matters to do with the general terms and conditions of employment. Its membership is representative of the political balance of the Council. The Panel meets four times per year and is supported by the Managing Director (Resources) and other officers as required. Full constitutional arrangements can be found in the Council's Constitution, which can be accessed from this link:

<http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Democratic%20Services%20documents/Constitution.pdf>.

Senior Officers Panel:

The Senior Officers Panel is a committee of Councillors appointed by Full Council to consider matters to do with the appointment and termination of office of senior staff. The Panel meets as required and is

currently chaired by the Deputy Leader. Full constitutional arrangements can be found in the Council's Constitution.

Employee Liaison Advisory Group (ELAG):

The Council places great emphasis on the value of strong employee consultation and engagement. The majority of staff are not in a trade union. The Council has established a staff consultative body which consists of up to 15 volunteer staff elected by staff – ELAG Staff Side (ESS). The Managing Director (Resources) works with ESS representatives to address matters of staff interest and concern and to establish an agenda which is discussed during formal meetings with Members who are drawn from the Employment Panel. ESS is the body that undertakes collective bargaining and consultation on a formal basis. The Council also recognises that approximately 25% of the contracted workforce are members of Unison and maintains close contacts with this union as required. Terms of Reference for ELAG can be accessed from this link:

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

The Council is currently reviewing the arrangements for ELAG and Employment Panel as set out above. Once these are finalised a revised Pay Policy Statement will be issued later in the year.

The Council's senior managers

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

This structure will change as a result of the senior leadership restructure which is due to be implemented in March 2013.

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

Basic salary

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

Post	Grade	Minimum Grade Point	Maximum Grade Point
Managing Directors (x2)	1	£98,514	£147,768
Heads of Service (x5)	3	£51,802	£77,705
Heads of Service (x3)	4	£44,929	£67,393
Head of Service (x1)	5	£38,981	£58,477
Corporate Team Manager (x1)	5	£38,981	£58,477

Car allowances

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

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

Payment of professional fees

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

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

Other allowances

An Attendance Allowance of £150 per month is in place for some Operational staff (mainly those working in refuse/recycling, grounds maintenance and street cleansing). The payment is reduced if an employee accrues more than 5 working days of absence in the previous 12 months. This allowance is not payable to any chief officers.

A range of other allowances may be paid for employees undertaking specific duties and these will be reviewed under the Pay Review ongoing in 2013. These include the Open Contact Allowance which is paid to a small number of employees, including the Managing Directors and one Head of Service. An Open Attendance Allowance is paid to a small number of employees, including one Head of Service.

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

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

Expenses

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

Election fees

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

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

Salaries on recruitment/appointment

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

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

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

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

http://www.huntingdonshire.gov.uk/SiteCollectionDocuments/HDCCMS/Documents/Personnel%20documents/starting_salaries_framework.pdf

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

Beyond this a new structure will be in place which is yet to be finalised. The consultation period has closed and arrangements are now under way to review the feedback before a decision is taken regarding the outcomes. The proposal is to reduce the two Managing Director posts to one.

Once the outcome is finalised the changes will be set out in an updated Pay Policy Statement later in the year.

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

Salary progression

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

Employees on fixed spot salaries such as those on short fixed-term contracts, and those receiving the Attendance Allowance are not eligible for incremental progression. Where different levels of pay are set dependent on qualifications, it is possible to move to a higher level by obtaining a specific qualification. Otherwise progression may be possible where an employee changes post or takes on additional responsibility such as a team leader role.

In addition, all employees may be awarded a cost of living pay award each year. This cost of living award is determined by the Employment Panel following negotiations with staff representatives. For 2013/14, the cost of living award has been set at 2% for all staff.

Bonus pay and performance-related pay

In recognition of the difficult financial situation that the Council is in, it has been agreed with staff representatives that no incremental pay rises or bonus payments will be awarded as a result of the 2013 appraisals.

Pension and pension entitlements

The employees within the scope of this Statement are entitled to join the Local Government Pension Scheme (LGPS). Employees contribute between 5.5% and 7.5% of their salary while the Council currently contributes 17.8% in respect of ongoing service. Members of the LGPS earning £81,101 or more contribute 7.5% of their salary. It should be noted however that there are changes planned for April 2014 which will alter the current contributions and thresholds.

Relationship to lowest paid employees

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

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

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

The mean basic FTE salary paid by the Council for posts filled by contracted employees at 31st December 2012 was £24,699.

The median basic FTE salary paid by the Council for posts filled by contracted employees at 31st December 2012 was £20,010.

The lowest pay point on our salary scales for contracted employees is £12,441, which is the minimum FTE starting salary for employees on grades 13, 14 and 15.

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

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

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

Re-engagement of ex Huntingdonshire District Council staff

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

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

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

Receipt of Local Government Pension Scheme pension while employed

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

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

Review

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each financial year. As stated above, it will be necessary to amend this 2013/4 Statement later in the year and an appropriate resolution will be made by Full Council. Our next Statement is scheduled for 2013/14 and will be submitted to Full Council for approval by 31st March 2014.

February 2013

This page is intentionally left blank

Representation of Political Groups on District Council Panels, etc.

Report by the Head of Legal and Democratic Services

1. INTRODUCTION

- 1.1 The Local Government and Housing Act 1989 and associated Regulations describe arrangements for achieving a balance on Panels etc, to reflect the representation of political groups and independent Members on the District Council. The Act requires the District Council to review the representation of different political groups at the time when the Authority holds its Annual Meeting and as soon as practicable and over one month after the last review if the Proper Officer receives a request to undertake a further review of the allocation of seats given a change to membership of a political group. On 28th January 2013, the Head of Paid Service received notification from Councillors K J Churchill and R S Farrer that they wished to resign from the Conservative Group. Given these resignations, it is appropriate to review the representation of political groups on the Council at this meeting.

2. PRINCIPLES OF PROPORTIONALITY

- 2.1 Members are reminded that in performing the duty to review representation, the Council must, so far as reasonably practicable, only determine the allocation of seats having regard to the following principles -
- ◆ that not all the seats are allocated to the same political group;
 - ◆ that the majority of seats are allocated to the political group which forms a majority of the Council's membership; and
 - ◆ that the number of seats allocated is in the same proportion as is borne by the number of Members of a political group to the membership of the Council.
- 2.2 Currently it is open to the Council to approve alternative arrangements otherwise than in accordance with the principles of proportionality providing that the alternative arrangements are approved without any Member voting against them.

3. CONSTITUTION OF POLITICAL GROUPS

- 3.1 Therefore, following the recent changes to the Conservative Group, the constitution of political groups on the Council is as follows:-

Name of Group	No. of Members
Conservative	37
Liberal Democrat	7
UKIP	3
Labour	1

There are two Members of the Council who are not aligned to a political group and separately, two other Members who wish to refer to themselves as Conservative (non-aligned).

- 3.2 The membership of groups in proportion to the total membership of the Council is therefore as follows:-

	%
Conservative	71.15
Liberal Democrat	13.46
UKIP	5.77
Labour	1.92

The Independent Members represent 3.85% of the membership of the Council and similarly the Members who wish to refer to themselves as Conservative (non-aligned) also represent 3.85% of the Council membership.

4. LOCAL GOVERNMENT ACT 2000

- 4.1 Under the Local Government Act 2000, the proportionality requirements do not apply to the Cabinet or to any Sub-Groups or Sub-Committees, which the Cabinet may appoint. The Council has recently altered arrangements for the appointment of the Cabinet which is now at the discretion of the Executive Leader of the Council. Whilst the Localism Act repealed the mandatory duty to have a Standards Committee, at its meeting on 4th July 2012, the Council appointed a new Committee comprising seven elected Members of the District Council based on appropriate political proportionality and to include one Member of the Executive. This increased to 80, the number of seats to which the Council can appoint.

- 4.2 The following requirements of the Act also need to be adhered to by the Council in determining the membership of Panels, etc. -

- ◆ the Cabinet may not include either the Chairman or Vice-Chairman of the Council;
- ◆ Overview and Scrutiny Panels may not comprise any Member of the Cabinet;
- ◆ the Executive Leader, Deputy Executive Leader and any Member of the Cabinet shall not be elected as Chairman of any Committee or Panel other than any that may be appointed by the Cabinet.

- 4.3 The Constitution also provides for the Development Management Panel, Licensing and Protection Panel, the Employment Panel and the Licensing Committee to include the relevant Executive Councillor within their respective membership.

Every Member of the Council shall be appointed to serve on a minimum of one Overview and Scrutiny Panel, Committee or Panel of the Council or the Cabinet.

5. PROPORTIONALITY

- 5.1 Excluding the Cabinet, the aggregate number of seats on Panels is now 80. Using the proportionality percentage referred to in paragraph 3.2 and rounding up or down as appropriate, produces the following entitlement –

	Seats
Conservative Group	57
Liberal Democrat Group	11
UKIP	5
Independent Members	3
Labour	1
Conservatives (non-aligned)	3

- 5.2 Applying the principles of the Act and, similarly, rounding the figures as necessary, gives the distribution as set out in the Annex.
- 5.3 The principles of proportionality apply similarly to advisory/sub-groups appointed or nominated by panels and regard must be given to the entitlement to seats although it is the expectation that the appointments made to Advisory Groups/Sub-Groups etc. at the 2012 Annual Meeting or by the Cabinet will remain un-changed until the commencement of the new Municipal Year in May 2013.

6. CONCLUSION

- 6.1 The Council is invited to determine the allocation of seats on District Council Panels to political groups and to the non-aligned Members in accordance with the distribution illustrated in the attached Appendix.
- 6.2 The opportunity otherwise is available currently to allocate seats in accordance with an alternative arrangement, with the exception of the Cabinet, provided this arrangement is approved by the Council with no Member voting against.

BACKGROUND PAPERS

Local Government and Housing Act 1989
Local Government Act 2000
District Council Constitution

Contact Officer: Christine Deller, Democratic Services Manager
☎ (01480) 388007

This page is intentionally left blank

Panel/ Committee	No. of Seats*	No. of Ex- officio	Title of Ex- officio	Cons	Lib Dem	UKIP	Indep.	Lab	CNA	Cons	Lib Dem	UKIP	Indep.	Lab	CNA	**
Corporate Governance Panel	7	0		4.98	.94	.40	.27	.13	.27	5	1	0	0	0	1	Conservative (non-aligned) to appoint**
Development Management Panel	16	1	Not defined	11.38	2.15	.92	.62	.31	.62	11	2	1	1	0	1	Conservative (non-aligned) to appoint**
Employment Panel	8	1	Not defined	5.69	1.08	.46	.31	.15	.31	6	1	0	1	0	0	No change
Licensing & Protection Panel/ Committee	12	1	Not defined	8.54	1.61	.69	.46	.23	.46	9	2	1	0	0	0	No change
Overview & Scrutiny Panel (Economic Well- Being)	10	0		7.11	1.35	.58	.38	.19	.38	7	2	1	0	0	0	No change
Overview & Scrutiny Panel (Environmental Well-Being)	10	0		7.11	1.35	.58	.38	.19	.38	7	1	1	1	0	0	No change
Overview & Scrutiny Panel (Social Well- Being)	10	0		7.11	1.35	.58	.38	.19	.38	7	1	0	0	1	1	Conservative (non-aligned) to appoint**
Standards	7	0		4.98	.94	.40	.27	.13	.27	5	1	1	0	0	0	No change
TOTAL	80			57	11.00	5.00	3.00	1.00	3	57	11	5	3	1	3	

* The allocation of these seats must be balanced so that the total entitlement to seats on each group is not exceeded.

** On this occasion, the Schedule reflects the current membership of the Minority Groups on Panels/Committees. To avoid disruption, the Council may consider that it would not be conducive to good Panel/Committee Management to vary the membership of Panels at such a late stage in the Municipal Year and to appoint the new Conservative (non-aligned Members) to the Panels where the clear vacancies arise.

CNA = Conservative (Non-Aligned).

This page is intentionally left blank

Cabinet

Report of the meeting held on 24th January 2013

Matters for Information

52. FINANCIAL MONITORING – REVENUE BUDGET 2012/13

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

With regard to the New Homes Bonus Scheme, Executive Councillors were mindful of the possibility that the forecast for delivery of new homes may not materialise thereby affecting the level of bonus allocated by the Government. Members were advised that the level of development will be monitored closely and the likelihood of achieving forecast amounts included in future quarterly reports.

53. MONITORING OF THE CAPITAL PROGRAMME 2012/13

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

54. HOUSING BENEFIT CHANGES AND THE POTENTIAL IMPACT ON HUNTINGDONSHIRE

In conjunction with the Overview and Scrutiny Panel (Social Well-Being) (Item No.42 of their Report refers) the Cabinet has been updated on the Government's Welfare Reform Programme and the impact of changes to the Housing Benefits system upon Huntingdonshire residents.

Executive Councillors were advised that many households will be affected by one of the welfare reforms being introduced in April 2013. The changes include the introduction of a benefit cap, the abolition of Council Tax benefit and changes to the calculation of the Local Housing Allowance and to the assessment of Housing Benefit for working age people living in social housing. It was reported that some residents may experience a significant reduction in their benefit entitlement. In that respect, Executive Councillors were assured that all claimants have been contacted to advise them of their personal changes. Furthermore, the Council will continue to offer advice and help to anyone affected.

Having noted an increase in statutory homelessness applications, Members were advised that a Medium Term Plan bid has been made for extra funds to cover the cost of homelessness.

55. ALLOCATION OF COUNCIL TAX SUBSIDY GRANT

The Cabinet has endorsed the use of the District Council's Council Tax Subsidy Grant to compensate Town and Parish Council for a reduction in income. The decision stems from changes to the Government's Council Tax Benefits Scheme which will result in a reduction in the Parish and Town Council's taxbase from 2013/14. In approving the grant allocations, Executive Councillors have stressed that they are not able to guarantee that a similar grant will be given in future years.

56. LOAN TO HUNTINGDON GYM

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

Having been acquainted with the views of the Overview and Scrutiny Panel (Social Well-Being) (Item No.44 of their Report refers) the Cabinet has approved terms for a loan to Huntingdon Gym to enable them to erect a second gymnasium. In that respect, Executive Councillors have approved a supplementary capital estimate for the loan and agreed that the revenue impact be met from the loan repayments. The Head of Legal and Democratic Services has been authorised to complete the necessary legal documentation.

In discussing the risks associated with the loan Executive Councillors have recognised the difficulty of securing a charge on the building because the freehold is owned by Huntingdon Town Council. With this in mind, the Cabinet has requested Officers to instigate discussions with the Town Council with a view to them agreeing some form of guarantee for the loan.

57. ONE LEISURE - BUSINESS PLAN

(The following item was considered as a confidential item under Paragraphs 3 and 7 of Part 1 of Schedule 12A of the Local Government Act 1972.)

Along with the Overview and Scrutiny Panel (Economic Well-Being) (Item No.40 of their Report refers), the Cabinet has discussed a range of options for the future of One Leisure.

In so doing, Executive Councillors were of the opinion that the focus for the leisure centre budgets should remain on controllable net expenditure. At the same time, Members emphasised the need to ensure that the practice of recharging between services was equitable across the Council.

The Cabinet has queried why forecast returns for One Leisure Huntingdon were significantly lower than those for One Leisure St Neots and St Ives. Members were advised that the level of investment at One Leisure Huntingdon has been considerably lower than the other centres and the fitness studio, spa and pool were smaller. Furthermore, expansion of the Centre was limited partly due to land ownership issues.

Having acknowledged the steps being taken to improve controllable income and expenditure, the Cabinet has authorised the General Manager (One Leisure), in consultation with the Head of Paid Service, to achieve a level of savings in the order of £250,000. The savings reflect the Business Plan for One Leisure and will be the subject of appropriate consultation procedures.

J D Ablewhite
Chairman

This page is intentionally left blank

Overview & Scrutiny Panel (Economic Well-Being)

**Report of the meetings held on 10th January and
7th February 2013**

Matters for Information

39. BUDGET 2013/14 AND MEDIUM TERM PLAN 2014 TO 2018

At the invitation of the Chairman, Councillor Downes, Leader of the Liberal Democrats, has presented to the Panel his Group's views on next year's Budget and Medium Term Plan. He has outlined their overall view on Council Tax levels and emphasised the importance of distinguishing between reductions in services and cost savings from improved efficiencies when making budgetary decisions. A number of specific short and long term cost saving proposals have been put forward, some of which are supported by Panel Members. The Chairman and a small group of Members have met separately with Councillor Reeve to listen to the views of the UKIP group on this matter. These suggestions, together with those identified at an informal meeting in November and a report by the Borrowing Working Group, will be reviewed by the Panel at its April meeting before a comprehensive list of recommendations is submitted to the Cabinet for further consideration by Executive Members.

At its meeting in February, the Panel has reviewed the Medium Term Plan (MTP) for 2014 - 18 and the Budget and the level of Council Tax for 2013/14, which appear as a separate item elsewhere on the Agenda for the Council meeting.

The Panel has been reminded of Executive Councillors' four financial objectives relating to achieving a balanced budget, the level of reserves, securing the Council's finances after the New Homes Bonus ceases and capital borrowing. Members have then considered each aspect of the Budget and MTP and future Council Tax levels.

The Panel has drawn attention to the fact that the overall budget is 4.8% higher than the forecast outturn for 2012/13. The increase is a result of multiple factors but inflation is a major contributor. The pay review will have a significant effect on overall budget requirements in future years. The introduction of more efficient working practices will also be beneficial. Whilst it is recognised that the Council is working at

capacity, it is not necessarily the case that all areas are operating as efficiently as they might be. Some services have introduced efficiencies and it is suggested that the organisational culture needs to develop so that all sections constantly strive to find efficiencies. This will be assisted if there is a change to the Budget process, so that it is influenced from the bottom up and the top down. The Panel will examine the Budget process once the current budget process has been completed.

With regard to the level of Council Tax, the suggested approach that the Council should introduce the maximum increase allowed has been questioned. The view has been expressed that a lower level of increase should be considered. However, having been reminded of the historical context and the fact that the Council continues to subsidise services from reserves, the Panel has recommended that Council Tax is increased by £4.67 per year, which equates to a Band D charge of £133.18.

Having been acquainted with the methodology, which has been introduced to determine the Council's position in respect of Business Rates, the Panel has received assurances that a Memorandum of Understanding with Urban and Civic will ensure that Huntingdonshire based businesses will not be allowed to transfer to the Enterprise Zone unless their need to expand cannot be accommodated in their existing locations. This will minimise the effect of the Enterprise Zone on the Council's Business Rates income.

The Panel has considered a suggestion by Councillor S J Criswell that the town and parish councils tax base grant should not be provided after 2013/14. The MTP currently contains provision of £357k each year until 2017/18 for this purpose. Although there is some support for the current approach, abuse of the grant by some councils has led others to the view that it should not continue after 2013/14. If this is the case, it is suggested that an adequate period of notice is allowed and that consideration is given to providing a "soft landing". The Panel has asked to be consulted before a final decision is taken.

The Panel has expressed its appreciation of the additional provision of £100k, which has been included for homelessness. This is the result of a recommendation by the Panel. Members have also recognised the fact that the budget does not contain any unidentified savings for 2013/14, which is a considerable achievement.

Having thanked Officers and Executive Councillors for their work in preparing a sound, efficient and effective Budget in particularly difficult circumstances, the Panel has indicated that the Cabinet should recommend the Council to approve the proposed MTP, Budget and Financial Plan and increase the Council Tax for 2013/14 by £4.67 per year; that is, a Band D charge of £133.18.

40. BUSINESS PLAN ONE LEISURE

(This item was submitted as a Part 2 item under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)

The contents of a proposed Business Plan for One Leisure and the options for restructuring the existing staffing arrangements have been considered by the Panel. The Panel has recommended to the Cabinet that the One Leisure Business Plan should not be adopted in its present form and has made a number of suggestions on the ways in which it should be developed.

The Panel is of the view that the Plan's fundamental orientation needs to change so that it reflects One Leisure's total costs. It has recommended that the Executive Councillor for Healthy and Active Communities should arrange for the Plan to be developed to include the service's revenue position together with its capital and maintenance costs and the recharges it incurs. Members are also of the opinion that the Plan's Objectives should be reviewed so that there is a clear financial target and they identify which services are in competition with other providers, those which are solely provided by One Leisure and those which are provided through collaboration or by others.

The Panel has made a number of comments on the presentation of data. Generally, the Panel is of the view that more detailed figures on individual and collective services should be coupled with defined timescales.

The Panel has not been able to express a view on the options for the staff structure without more detailed job descriptions. Members are of the view that this section of the Plan needs to include more information on both the service and the impacts of the various options before such a decision can be made.

The Panel has concluded that there is considerable scope for savings to be made in One Leisure. Although Members do not recommend that the Business Plan is adopted in its current form, they strongly recommend that the One Leisure Service should make whatever savings it can that do not have an impact on services at the earliest possible opportunity. This work should commence with the 'big ticket' items and include a review of recharges. Members have indicated that they would be interested to see the outcome of the latter exercise. Savings that have an impact on services should be included in the Business Plan to enable Members to consider them.

The Panel has decided not to pursue its study into the One Leisure business model.

41. FRAUD INVESTIGATION

The Panel has considered a report on the activities of the Council's Fraud Team, current fraud trends and the planned response to risk following the introduction of a Single Fraud Investigation Service (SFIS) which will become operational before 2015. In response to a report by the National Fraud Authority on 'Fighting Fraud Locally', the Corporate Governance Panel had established a Working Group to consider the current risks from the introduction of a SFIS and how fraud investigations might be undertaken across the Council from 2015. The Panel has been acquainted with the Working Group's recommendations.

The Panel has received an explanation of the cost of the Fraud Team, the income currently received from the Department of Work and Pensions and the total amount of fraud identified during 2011/12. Members have been reminded that the effects of fraud identification might be a benefit to Central Government as opposed to a local authority. It has been suggested that the level of profit achieved by the service, should be identified.

The Council currently undertakes more publicity than other organisations; for example, leaflets for tenants in Social Housing Association properties have recently been prepared. However, more could be done in this respect through the Council's website and by targeting hard to reach minority groups; though inevitably there will be a cost associated with this activity.

The Panel has been advised that the National Fraud Authority has been established by the Government Cabinet Office to tackle fraud across central and local government. Experience to date indicates that it would be a supportive and productive organisation, which would help organisations to work together to combat fraudulent behaviour. As a result of the Fraud Team's activities, additional funding had been made available to the Council by the Local Government Association for this purpose. In addition, the Department for Communities and Local Government is considering funding schemes for particular areas of fraud, for example, the Council Tax Support Scheme.

42. PRIVATE SECTOR RENT LEVELS

Further to Item No.40 of the Report to the meeting held on 22nd February 2012, the Panel has received an update on private sector rent levels in Huntingdonshire. Members have been advised that, with the exception of some four bedroom properties, 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. This has reduced the number of households which the Council has been able to prevent from becoming homeless by assisting them into private sector tenancies.

Having concluded that the Council needs to monitor the homelessness situation closely, Members have discussed the opportunities presented by the Localism Act to accommodate private sector households, the modelling which is being undertaken on welfare reforms and the likely reasons why rents are not falling. Anecdotal evidence suggests that most landlords have a business model for their property portfolios that contains a point below which it is not viable to reduce rents. In addition, the private sector rental market remains buoyant, which means landlords do not need to accept Housing Benefit claimants. The Council has two small discretionary budgets for homelessness prevention, which can be used to assist in short term emergencies, for example, by temporarily topping up Housing Benefit. It has been suggested that it would be helpful if future reports compare rent trend data with the cost of temporary accommodation incurred by the District Council.

A further report will be submitted to the Panel in 6 months time.

43. CUSTOMER SERVICES MONITORING REPORT

The Panel has considered the Customer Services Monitoring report for the period July to December 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 discussed sickness levels at the Call Centre since April 2012 and the impact this had had on service levels. Stress has only been a factor in two cases of long term sickness absence. Managers take particular steps to counteract the fact that stress levels were often high in this type of working environment. The Panel has requested comparative sickness levels in other authorities.

The Panel has been provided with details of the cost of the new Customer Relationship Management (CRM) system and the savings it is expected to generate compared with the previous system. Welfare reforms have not yet had a significant impact on Customer Services, though it is expected that there will be an increase in footfall at the Customer Service Centres and more calls to the Call Centre as the changes take effect from April 2013.

Having been informed that a new Customer Services Strategy and an interrelated Strategy for Channel Migration are to be developed over the next few months, the Panel has appointed the Chairman, together with Councillor R B Howe and Mr R Eacott to contribute to these pieces of work.

44. 2013/14 TREASURY MANAGEMENT STRATEGY

In accordance with its responsibility for scrutinising Treasury Management, the Panel has reviewed and endorsed the Treasury Management Policy and Strategy for 2013/14 and the Prudential

Indicators for submission to the Cabinet and Council. The Strategy is based upon the revised version of CIPFAs Code of Practice and Government Guidance, which expects priority to be given to the security and liquidity of investments rather than simply maximising the interest earned.

Having been assured that the Treasury Management Advisory Group provides oversight of the Strategy and the actions taken under it, the Panel has been advised of the terms of the contract for the receipt of advice from an independent firm of Treasury Management Advisors. Members have also been acquainted with the legal rules relating to the receipt of Council Tax, the onward payment of it to other precepting bodies and the use of the cash flow benefit that is created. It is not envisaged that these arrangements will change.

Members have noted that a new element of this year's Policy and Strategy is the potential for the Council to provide loan finance to local organisations that can support Council services. This will enable the Council to make a margin on the loan subject to adequate safeguards. Other local authorities make loans to organisations and the Panel supports the suggestion that the District Council should investigate whether this might provide a contribution towards the savings the Council needs to find. The inclusion of these terms in the Strategy will allow the investigations to take place. Members have stressed that loans should only be made for the purposes stated above.

45. DOCUMENT CENTRE REVIEW

The Panel has endorsed the findings of its Working Group, which had been established to review the costs of the District Council's Document Centre and to form a view on its efficiency and cost effectiveness. Overall, the Panel is very impressed with the way the Document Centre is run and is of the opinion that it operates effectively and efficiently. The cost of running the centre has been reduced by 10% in the last three years and there are currently no capacity issues being experienced. The Panel has endorsed a number of recommendations relating to internal printing/design services and post, mail handling and scanning which are designed to achieve further efficiencies and cost savings.

Having noted that there are only six departments using Electronic Document Management (EDM), the Panel has expressed concern that EDM has not been rolled out throughout the District Council as was originally intended. It is recommended that this is the subject of a separate investigation.

The Panel has endorsed the view that there is scope to improve the financial performance of the Document Centre and have considered a number of options through which this might be achieved. To do this, the Council will need to determine whether it has the appetite to undertake significant levels of investment to develop the service. It has

been pointed out that alternative approaches might be considered, including the opportunities presented by electronic media.

The methodology employed during the study will be reviewed for use in future investigations. As part of this, the involvement of senior management in finalising recommendations will be considered. The report will now be submitted to the Cabinet, for consideration by Executive Members.

Other Matters of Interest

46. NOTICE OF EXECUTIVE DECISIONS

The Panel has been acquainted with details of the current Forward Plan of Key Decisions and has noted those items which will be presented to its future meetings. Members have received an update on the Cambridgeshire Pooling Designation and have been informed that Cambridgeshire Local Authority Chief Executives have agreed not to pool business rates income in 2013/14. However, this will not preclude Cambridgeshire Authorities from entering into a pool in future years.

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

The Panel has reviewed its ongoing studies.

48. SCRUTINY

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

T V Rogers
Chairman

This page is intentionally left blank

Overview & Scrutiny Panel (Environmental Well-Being)

Report of the meeting held on 15th January 2013

Matters for Information

**39. LANDSCAPE SENSITIVITY TO WIND TURBINE DEVELOPMENT
DRAFT REVISION OF THE WIND POWER SUPPLEMENTARY
PLANNING DOCUMENT (SPD) 2006**

The Panel has been provided with an opportunity to comment on the draft revision of the Wind Power SPD, which was originally adopted in February 2006. A presentation has been delivered to Members outlining the background to the SPD and various developments which have occurred since 2006, which include the introduction of the National Planning Policy Framework (NPPF) in early 2012 and the identification of inconsistencies between the Land Use Consultants' report commissioned in 2005 and the original Wind Power SPD. The Government's position on Wind Power has not changed. It supports such developments and encourages local authorities to adopt the same stance.

The SPD does not include the setting of limits on the proximity of Wind Turbine developments to dwellings. It is the Government's view that this is not a matter of landscape sensitivity and that instead it should be addressed through the completion of a Residential Amenity Assessment. Each application received is considered on a case by case basis.

The Panel has expressed concerns over the impact of cumulative developments upon the District and the effect this will have on the appearance of the District. It is the Panel's view that a limit on numbers should be set to prevent wind turbines being constructed within close proximity to one another. The Panel supports the Executive Councillor for Strategic Planning and Housing's suggestion that the draft revised SPD is strengthened in this respect.

Having noted that the Ouse Valley area's landscape has a high capacity to accommodate single turbines, clarification has been received that the guidance is intended to encourage developers to consider existing infrastructure when determining the location of the turbines. The Panel requested that this matter is reconsidered and clarified.

With regard to the revised group sizes that are proposed, it is the Panel's view that the SPD should not specify an upper limit for large groups of wind turbines. It is considered that 24 turbines in a single application is too large a development for an area such as Huntingdonshire. This would not be an acceptable policy for the Council to adopt in light of the District's profile. The Panel has been acquainted with an example of a site that the Council considered could accommodate three turbines but the developer applied to put four turbines on the site and the application succeeded at appeal. It has been argued that if the Council specifies an upper limit, it would provide developers with an indication of the level of development for which they could expect to receive approval and, as with the example, they would seek to exceed it. Instead, it is argued that the Council should take the same approach for the proximity of wind turbine developments to dwellings; that is, each application received should be considered on a case-by-case basis following an assessment as part of the Environmental Statement.

The Panel generally supports the draft revised SPD and has asked for their comments to be conveyed to the Head of Planning and Housing Strategy.

40. SPEED REDUCTION INITIATIVE - HILTON

Representatives of Speedwatch and Hilton Parish Council have addressed the Panel on a speed reduction initiative in Hilton. It has previously been agreed with the Head of Operations that speed reduction stickers can be displayed on wheeled bins in the village. Wheeled bins are the property of the District Council and whilst the Council is reluctant to allow any stickers on bins, the current position is that this will be re-considered following the trial in Hilton.

The Panel has been advised that strong evidence exists to support the scheme, including that obtained from other local authorities including Warwickshire and Mid Bedfordshire. The Police have also expressed their support for it.

Under the scheme, stickers are only visible on the day of waste collections and residents are encouraged not to leave their bins out on the roadside. A best practice guide has been developed and issued to all residents involved in the scheme. Stickers are only deployed in known speeding hotspot areas of towns and villages.

The Panel's endorsement of the initiative has been sought. Specifically, the Panel has been asked to support the display of stickers on wheelie bins, approve the stickers' format and design and also to fund them in the future. The current stock of speed reduction stickers is funded through a donation received from a local firm. Residents can purchase a packet of 6 stickers at a cost of £5 from Speedwatch.

The Panel has asked for a report outlining the terms and the potential benefits of the speed reduction initiative in Hilton to be submitted to a future Panel meeting. The Panel has also indicated their wish to

discuss the matter with the Executive Councillor for Environment and the Head of Operations.

41. DRAINAGE

The Panel has received an update on drainage problems experienced in Yaxley and on recent flooding events within the District. Members have noted the Council's interventions in resolving the problems experienced within Yaxley, which includes the removal of fats, oils and greases from the pumping station and of silt that had built up in surface water sewers and works to clear a flow path through the balancing pond. Anglian Water has also placed both foul and surface water sewers on planned preventative maintenance programmes, with survey works being undertaken on the sewer running between Stilton and Main Street, Yaxley in order further to reduce the risk of sewer flooding. Discussions are ongoing with the County Council with regard to the establishment of a Surface Water Management Plan in Yaxley. No reports of flooding within the village have been received by the Council in November and December 2012.

Councillor Mrs A Rees of Yaxley Parish Council has informed the Panel that there has been some flooding in the West End area of Yaxley, but that when it has been reported Anglian Water has immediately attended to it.

An update on the recent flooding events within the District has then been delivered. River flooding from the Nene has caused flooding of a number of houses in the northern parts of the District and the Ouse has caused problems in Brampton. Around 2,500-3,000 sandbags have been delivered to affected areas. Surface water flooding is a particular concern in Stilton. These problems have arisen as a result of a lack of maintenance of ditches. The District Council is currently working with the County Council to prevent such incidents from occurring in the future. Consideration had been given at the time to opening emergency rest centres on Christmas Eve; however this has not been necessary.

The Panel has requested a further update on drainage and a report on Emergency Planning, including the Council's use of sandbags, to be submitted to a future meeting.

42. CHARGING FOR A SECOND GREEN BIN – CALL IN

The Panel has been acquainted with the Cabinet's decision relating to the call-in for charging for second green bins. The Cabinet has reiterated that the proposal will continue to be considered with all the Council's options for savings as part of the Medium Term Plan process.

Other Matters of Interest

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

The Panel has reviewed its programme of studies and noted details of its forthcoming work programme up to the end of the current Municipal Year.

44. WORK PLAN STUDIES

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

45. NOTICE OF EXECUTIVE DECISIONS

The Panel has been acquainted with the current Notice of Executive Decisions.

46. SCRUTINY

The Panel has considered the latest edition of the Decision Digest and in doing so, has requested clarification from the Head of Customer Services on whether the charges affecting the empty homes premium, as reported under the Technical Reform of Council Tax item, will be levied upon those houses which have already been empty for a period of two years when they come into effect.

D Harty
Chairman

Overview and Scrutiny Panel (Social Well-Being)

**Report of the meetings held on 8th January and
5th February 2013**

Matters for Information

42. 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. Transitional protection arrangements for Housing Benefit claimants ceased in December 2012 and the impact of this is not yet known as only a small number of claimants have made contact with the Council to date.

It is not yet known whether there will be an increase in demand for services. The Panel has been assured that efforts will continue to be made to contact those who will experience a significant reduction in their benefit entitlement. Changes to the way Housing Benefit is calculated for adults of working age and the introduction of a new local Council Tax Support scheme for the District will start to affect social housing tenants from April 2013.

Members have discussed the extent to which the Council is able to subsidise private sector rents for those households faced with the threat of eviction, the use of MTP funding to prevent homelessness, the process undertaken by the Council to identify claimants at risk and the awareness raising activities being pursued in conjunction with Partners on the impact of the reforms. Other matters discussed include the Council's current performance in preventing households from becoming homeless and the difficulties faced by the Council because some private sector landlords are reluctant to accept tenants in receipt of housing benefit in their properties.

43. LOCAL PLAN 2036 – PROVISION OF SOCIAL AND AFFORDABLE HOUSING AND IMPACT UPON HOMELESSNESS

The Panel has received an outline of how the new Local Plan will help to address housing and homelessness needs within the District. The Council has had previous successes in reducing the levels of homelessness and increasing the number of affordable homes within the District. It will be challenging to continue this in the future. It is hoped that some progress will be made over the next 2-3 years by

encouraging new developments and the opportunities arising from the Local Enterprise Zone.

The Council has a statutory duty to prevent households from becoming homeless. Homelessness currently is increasing in the District. At present 95 households are accommodated within Bed and Breakfast accommodation. The options available to the Council to prevent homelessness include re-letting existing housing stock and housing individuals through the new affordable homes programme and the private rented sector. The new Local Plan is expected to bring forward housing in the future. Rural housing opportunities have also arisen through the National Planning Policy Framework and the community planning process.

The Panel has been acquainted with current developments in planning policy and the restrictions placed by the Government on the Council. Attempts will be made by the Planning Service to ensure the delivery of affordable housing over the next few years however this will continue to be difficult in the current financial climate. A number of large scale strategic sites are planned for the District in the future, but these often take between 5-7 years from original concept to occupation.

Other matters discussed by the Panel include the influence that developers and landowners have over the market, whether or not there is demand for retirement villages, the exception that could be made to planning policy through community plans and the incentives offered to social tenants to encourage them to downsize.

Biannual updates on the provision of social and affordable housing will continue to be provided to the Panel.

44. HUNTINGDON GYM

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

The Panel has expressed its support in principle for a financial proposal relating to Huntingdon Olympic Gymnastics Club. Members have also been provided with an outline of the existing building's leasehold arrangements with the Town Council.

The Panel has discussed the funding options available to the Club, the risks associated with the proposal and the British Gymnastics Association's future strategic plans. Owing to the Panel's concerns about certain aspects of the proposal, a number of suggestions have been reported to the Cabinet, which are intended to alleviate some of these concerns.

45. NOTIFICATION OF GRANT AID AWARDS FOR 2013-14 AND DETAILS OF INTERIM ARRANGEMENTS FOR ADVICE SERVICES (JANUARY – MARCH 2013)

The decisions relating to the award of grant aid for 2013/14 and an update on the interim arrangements for advisory services during January to March 2013 have been reported to the Panel. The interim arrangements for advisory services to the end of March 2013 are in the process of being phased in, before delivery of a full service commences on 1st April 2013.

It has been confirmed that during the transition period, those seeking advice are being signposted to other service providers within the District. Members have asked for further information on the number of former Huntingdonshire CAB volunteers who have migrated over to Rural Cambs CAB, whether or not training opportunities will remain available to volunteers of the Rural Cambs CAB organisation and the level of funding awarded to the organisation for the delivery of interim advisory services.

The Panel has been reminded that all grant aid awards will be tapered and that a Community Chest of up to £30,000 has also been made available to all voluntary organisations to bid for funding for community based projects up to the value of £500. It has been confirmed that the delivery of outreach services provided by Rural Cambs CAB in St Ives, Ramsey and Yaxley has been based on previous service level data. The Voluntary Sector Working Group will monitor the performance of organisations awarded grant funding.

46. DRAFT ANTI-SOCIAL BEHAVIOUR BILL

Owing to its duty to scrutinise the Huntingdonshire Community Safety Partnership, the Panel's attention has been drawn to the impact of the draft Anti-Social Behaviour Bill upon the District. The Government is keen that Councils and other interested parties engage in the process of pre-legislative scrutiny and has provided local authorities with an opportunity to comment on the draft Bill. The Bill has been considered by the Huntingdonshire Community Safety Partnership and clarification has been received on what roles various scrutiny bodies within Cambridgeshire hold in respect of the scrutiny of crime and disorder matters.

The Panel has agreed to submit a response to the Government on the proposals relating to the Community Remedy, which will enable victims to have a say in the treatment of offenders. A list of community sanctions for low level crime and anti-social behaviour will be compiled by the Police and Crime Commissioner. The Remedy will provide victims and the public with an opportunity to agree what sanctions would be meaningful. Members have expressed their support for the introduction of the Remedy but their response to the Government will stress that, where necessary, victims anonymity should be protected.

The Panel has been acquainted with other provisions contained in the draft Bill including the Community Trigger, which will enable victims of persistent anti-social behaviour to request relevant bodies to undertake case reviews and discussed the role of Registered Social Landlords in dealing with anti-social behaviour tenants. It is likely that significant changes will be made to the Bill before it is enacted.

47. ANNUAL EQUALITY PROGRESS REPORT

(a) Annual Progress Report

The Panel has noted progress towards the achievement of the Council's Single Equality Scheme and associated Action Plan both of which have been subject to prior review by the Equality Working Group. Members' attention has been drawn to the legislative background to the report and the current position with regard to the completion of Equality Impact Assessments.

The Action Plan indicates that the Diversity and Projects Officer will be made redundant at the end of March 2013. The Panel has received clarification on this Officer's role. Hate Crime reporting will transfer to the Community Safety Team. The Panel has also queried various aspects of the Equality Impact Assessments undertaken in 2012, specifically in relation to refuse and recycling round rescheduling and charging for a second green bin. It has been suggested that they should only contain matters relating to equalities as defined in the Equality Strategy.

(b) Equality Working Group

The outcome of a recent meeting of the Equality Working Group has been reported to the Panel. Since its meeting, the Working Group has reviewed information relating to Lesbian, Gay Bisexual and Transgender inequalities in Huntingdonshire and the outcome of the 2012 Employee Opinion Survey. The Working Group will continue to meet to monitor progress against the Action Plan.

48. CONSULTATION PROCESSES WORKING GROUP

The Panel has received an update from the Consultation Processes Working Group on progress of its investigations to date. Further revisions to the Strategy and Guidance have been agreed and the Working Group will meet once they have been introduced to review their effectiveness. Members' attention has been drawn to two key issues arising from the Working Group's investigations. The Panel has endorsed the view that Officers should be encouraged to populate the Consultation Calendar and Database with details of consultations they are undertaking and to evaluate them once they have been completed. Additionally, it has been agreed that an annual evaluation report summarising the consultations undertaken by the Council each year should be presented to the Panel. This will be incorporated within the Strategy and Guidance, the final drafts of

which are expected to be submitted to the Panel and Cabinet in June/July 2013.

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

Councillor R J West has updated the Panel on matters currently being considered by the Cambridgeshire Adults, Wellbeing and Health Overview and Scrutiny Committee, including the Adult Social Care Business Plan 2013/14 and the Committee's Forward Work Programme.

Other Matters of Interest

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

The Panel has reviewed its programme of studies at each of its meetings. Members of the Hinchingsbrooke Hospital Working Group have attended at a meeting of the Cambridgeshire Adults Well-Being and Health Overview and Scrutiny Committee on 5th February 2013 when an update on Hinchingsbrooke Hospital's progress and plans has been delivered by representatives of Hinchingsbrooke Healthcare NHS Trust, Circle and Cambridgeshire and Peterborough Shadow Clinical Commissioning Group. In order for Circle to deliver a balanced budget, they had committed £3.7m of their own funding to the management of the Hospital but they expect to make a return on their investment in later years as the Hospital's financial and operational performance improves. Members' attention also has been drawn to the fact that the Hospital management agreement includes a clause enabling either party to terminate the contract.

The local press has tended to focus on some negative performance at the Hospital. Members will endeavour to obtain their own evidence from patients and staff on the impact of the changes and the level of service provided to inform the debate when representatives of the Hospital attend the Panel's meeting in March 2013. The Panel has requested an Executive Summary of the terms of the management contract to be circulated in advance of the meeting.

The Panel has been provided with an outline of the Member Seminar held prior to the Panel's February meeting on Local Clinical Commissioning Group Strategic Plans. Preliminary consideration has been given to how recent health service changes and health matters generally will be scrutinised. The options include joint working with the County Council.

It has been confirmed that Rural Cambs CAB are now delivering interim advisory services from the Town Hall, Huntingdon. Given their wish to receive an update on progress of the pilot North Huntingdonshire Local Joint Committee, the Chairman has agreed to

liaise with the Deputy Executive Leader in this respect on behalf of the Neighbourhood Forums Working Group.

51. WORK PLAN STUDIES

The Panel has received details of studies being undertaken by the other Overview and Scrutiny Panels and has been reminded of the opportunity they have to participate in the studies should they wish.

52. NOTICE OF EXECUTIVE DECISIONS

The Panel has been acquainted with the current Notice of Executive Decisions at each of its meetings. The Panel has requested sight of the items entitled Home Improvement Agency Shared Service – Annual Operating Service and Town and Parish Council Charter prior to their submission to the Cabinet.

53. SCRUTINY

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

S J Criswell
Chairman

Development Management Panel

**Report of the meetings held on 17th December 2012
and 21st January 2013**

Matters for Information

**14. LANDSCAPE SENSITIVITY TO WIND TURBINE DEVELOPMENT –
DRAFT REVISION TO WIND POWER SPD**

As part of a consultation exercise due to close in January 2013, the views of the Panel have been requested on the content of a Draft update to the existing SPD on Landscape Sensitivity to Wind Turbine Development. Whilst aware that the subject of wind turbine development had evoked varied emotions amongst Members in the past, the Panel accepted that the Council's current SPD needs to be updated in order to take account of the National Planning Policy Framework and the evolving assessment of landscape sensitivity to such forms of development.

Arising from their discussion, it was understood that the new draft guidance would refer specifically to key landscape designations and that a companion document might be produced, at some time in the future, to offer appropriate guidance on the development of large scale solar farms.

Having indicated their support for the work being undertaken to update the 2006 wind power SPD and their willingness to apply the adopted new SPD when determining any future applications, Panel Members concluded that, given their disparate views on wind farm development, it would be appropriate if they responded individually, as Councillors, rather than as a Panel, to the consultation exercise.

**15. USE OF CONSULTANTS WHEN DEALING WITH APPLICATIONS
WHERE AGRICULTURE IS A FACTOR**

Arising from a study undertaken by the Overview & Scrutiny Panel (Environmental Well-Being) and following a recommendation by the Cabinet, the Head of Planning & Housing Strategy has reviewed the procedure for dealing with development applications which involve agriculture.

In the interests of consistency of approach and advice, the Local Planning Authority previously had only used the services of one agricultural consultant to provide expert specialist advice on applications. Given recent experience, however, the Panel has accepted that there may be occasions when the services of other

specialist agricultural consultants would be beneficial to the consideration and determination of such applications particularly when farming practices or the needs of an enterprise are somewhat unusual.

Having considered a proposed approach to dealing with this type of application, the Panel has authorised the Head of Planning & Housing Strategy and/or the Planning Service Manager (Development Management) to decide, in future, whether agricultural or specialist consultant advice is required to assist in the determination of applications where agriculture is a factor.

In these circumstances, the Panel has agreed that all such applications be subject to a desk top assessment by the appropriate consultant and additional site visits only undertaken: if requested, and paid for, by the applicant; or requested by the Head of Planning & Housing Strategy and/or the Planning Service Manager (Development Management) and paid for by the Council.

16. REVOCATION OF THE EAST OF ENGLAND PLAN 2008 AND 'SAVED' POLICIES FROM THE STRUCTURE PLAN 2003

The Panel has been informed of the consequences of the Regional Strategy for the East of England (Revocation) Order 2012 which came into force on 3rd January 2013. The Order has revoked the East of England Plan 2008, the revision to the Plan relating to Accommodation for Gypsy and Travellers and Travelling Showpeople in the East of England (the Regional Spatial Strategy), the Regional Economic Strategy 2008 and all Directions preserving policies in the Structure Plan in the East of England including the remaining policies in the Cambridgeshire Structure Plan 2003. In practice, as neither the East of England Plan or the Structure Plan were now part of the Development Plan reference to them would no longer appear in reports to the Panel.

17. RESIDENTIAL WHEELED BINS – PROPOSED AMENDMENTS TO THE SCHEME OF DELEGATED POWERS IN RESPECT OF DEVELOPMENT MANAGEMENT

The Developer Contributions SPD 2011 requires new housing development to make a contribution towards the provision of residential wheeled bins. For larger developments, the provision of a wheeled bin will be covered as part of a Section 106 Agreement. Applications for new housing received after January without the need for other obligations will now be required to complete a unilateral undertaking to secure the wheeled bin contribution. As there may be occasions when an application, acceptable in all other respects, could be referred to Members for determination only because the obligation to provide a wheeled bin has not been met, the Panel has authorised the Head of Planning & Housing Strategy or, in his absence, the Planning Service Manager (Development Management) to refuse an application for development in these circumstances given the Panel's view that Members should remain involved in the determination, predominantly, of major and significant applications.

18. DEVELOPMENT MANAGEMENT APPLICATIONS

Over two meetings, the Panel has determined twenty applications, of which eighteen were approved and two refused. Amongst the applications considered were three of wider significance to the District. Subject to completion of a Section 106 Agreement, approval has been given to a revised scheme for a new foodstore, petrol filling station, retail and residential units and car parking on land between St John's Street and George Street, Huntingdon and to the use of land for 10 gypsy pitches for residential purposes at Brington Road, Catworth. The Panel also has advised the Planning Inspectorate that they would have been minded to refuse an application for three wind turbines and associated development on land north west of Church Farm, Rectory Lane, Southoe.

D B Dew
Chairman

This page is intentionally left blank

Employment Panel

Report of the meeting held on 6th February 2013

Matters for Information

20. REVIEW OF HUMAN RESOURCE POLICIES

As part of LGSS' commitment to review five policies and procedures per year, the Panel has reviewed and adopted the contents of a number of new HR policies for the organisation.

In response to Members' concerns about the level of sickness absence across the Authority, the Sickness Absence Policy and Procedure has been streamlined to produce a clear process for managing sickness. Specifically, steps have been taken to simplify the triggers for management action, make the formal process more efficient and set down more clearly the parameters for employees who return to work on a phased return.

To enable managers to monitor and support the progress of new starters in the initial stages of their appointment, the Panel has adopted a Probation Policy to deal promptly and fairly with any concerns regarding a probationers' performance or conduct at work. This will apply to all Officers within the organisation and set out the responsibilities of managers and employees during the 6 month probationary period.

In the event that an employee is absent from work without authorised leave, a policy setting out the process for managers to follow has been endorsed. The Policy will apply if an employee fails to comply with the sickness absence reporting arrangements or is absent without permission, will ensure that there is a fair and consistent approach to unauthorised absence across the Council and that managers discharge their duty of care to their employees.

During the course of reviewing the Council's HR Policies, it has become apparent that there is a need to establish a single process for any appeals against dismissal. With this in mind and where existing policies have the potential to end in the dismissal of an employee, the Panel has endorsed a procedure for dealing with these appeals. This will provide a framework to ensure that appeals against dismissal are handled in a fair and consistent manner.

Training will now be organised for all managers across the organisation to explain the new policies and procedures before they come into effect on 1st April 2013. Members will be able to monitor

the impact of these new policies in the employment report, which is presented to the Panel on a quarterly basis.

In the forthcoming quarter, LGSS will undertake work to review the Council's Employee Capability Policy and develop a policy for time off for reasons other than sickness absence.

21. UPDATE ON REVIEW OF CONSULTATION AND INFORMATION PROPOSALS

Further to Item No.16 of the Report to the meeting held on 22nd February 2012, the Panel has received an update on the progress made with proposals to streamline the process for the consideration of employment matters currently dealt with by the Employee Liaison Advisory Group and Employment Panel.

It is the role of the Corporate Governance Panel to consider proposals to vary the Council's Constitution and make any subsequent recommendations to the Council. Although the Corporate Governance Panel had welcomed the proposals in principle, Members had expressed some unease at the proposed delegation of employment issues to the Head of Paid Service and sought further clarification on those decisions which would be delegated. In this respect, the Panel has considered a set of proposed parameters within which the Head of Paid Service will operate prior to their submission to the Corporate Governance Panel. Members also have concurred with the view of the Corporate Governance Panel that to avoid confusion with the current overview and scrutiny arrangements, there was no sound reason to change the name of the existing Employment Panel.

22. EMPLOYMENT REPORT – QUARTER 3

The Panel has 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.

Members have noted that during the next quarter, LGSS will continue to develop and build on the positive work that has been undertaken thus far on employment policies. As a result, a number of policies will be introduced which will help managers to handle the difficulties that arise in their teams and make the employment process more efficient and effective.

In terms of tackling sickness absence, Members have noted that the annual average days sickness per FTE employee has reduced from 8.5 to 8.4 days in the year to 31st December 2012. Although the

level of sickness absence remained below the local government average, the Panel was made aware that the trend line for absenteeism was rising year on year at a time when sickness appeared to be reducing in other public sector organisations. The Chairman suggested that it would be a useful exercise to benchmark the Council's performance against other organisations.

23. QUARTERLY PERFORMANCE REPORT FOR HR, PAYROLL AND ORGANISATION AND WORKFORCE DEVELOPMENT SERVICES

The Panel has considered a report outlining the performance of LGSS Human Resources, Payroll and Organisational Workforce Development services across the key service measures put in place at the start of the contract during the period 1st October to 31st December 2012. LGSS performance is measured in three areas namely:

- ◆ HR Strategic and Advisory
- ◆ Recruitment and Payroll
- ◆ Organisational Workforce Development.

Having noted that performance standards have largely been achieved, the Panel has noted that key areas of activity for the next quarter will include support for the Pay Review and the completion of the review of employee relations and consultation. Work will also be undertaken to review the Council's policies on employee capability and time off for reasons other than sickness absence. A Strategy for Workforce Development is also expected to be completed by April 2013.

In considering the information which has been presented, the Panel commented on a range of issues including the low level of attendance by staff at the recent presentation on local government pensions. Members also noted that discussions were ongoing between the Information Management Division and LGSS to determine the future delivery of e-learning.

In terms of the performance standards achieved, the Panel has noted that it is the intention to agree specific performance targets at the conclusion of the first year of the LGSS contract.

24. 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
Mrs P Prior	Environmental Management	10 years
Mr M Marshall	Operations	15 years

25. PAY POLICY STATEMENT

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

With the assistance of a report by the Corporate Team Manager (the report is reproduced as Item No.6 on the Council Agenda) the Panel has endorsed for submission to the Council, the content of a proposed Statement of Pay Policy for 2013/14. The Pay Policy Statement provides information about the Council's policies relating to the pay and reward of Chief Officers and other employees, as required by Sections 38 – 43 of the Localism Act 2011. The Statement will be published on the Council's website together with data on senior salaries required by the Code of Recommended Practice for Local Authorities on Data Transparency.

During their consideration of the proposed statement, the Panel has asked for clarification on the Open Contact Allowance which is paid to a number of employees and the allowances which are paid to the Managing Directors in addition to their basic salary. In terms of the salary proposals for the new Head of Paid Service, the Panel has noted that this is a matter for consideration by the Senior Officers' Panel.

As there are a number of pieces of work underway including the review of the Pay and Grading Framework and the restructuring of the senior management team, the Panel noted that a revised Policy Statement will be issued later in the year.

26. 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 were informed that Phase 3 of the Job Evaluation work stream had now begun and was expected to be completed by the end of April 2013. Work to establish 'Job Families' for business support staff is also nearing completion. LGSS will commence work on the modelling of a new District Council pay structure shortly, once 80% of the posts within the organisation had been evaluated.

During their consideration of the paper, the Panel has discussed the significant milestones which form part of the project and the potential for issues raised during the consultation and negotiation stage to delay the project timetable.

In terms of communications with employees on the pay review project, the Panel has sought assurances from the Chairman of the ELAG Staff Side that communication was satisfactory and have noted that a number of methods have been used to disseminate information to staff. Having noted that communications will become more

significant as the project progresses into the next phase, the Panel has been informed that a detailed communications plan will be developed to address these issues.

R B Howe
Vice-Chairman

This page is intentionally left blank

Senior Officers' Panel

Report of the meetings held on 19th December 2012 and 31st January 2013

Matter for Information

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

1. SENIOR MANAGEMENT – RE-STRUCTURING

Further to Item No 7 of their Report to the Council held on 14th December 2011, the Panel has considered a series of proposals which represent the next stage in the planned restructuring of senior management. The proposals, which have been subject to consultation with the affected Officers, will result in the cessation of the current interim arrangement whereby the two Managing Director roles will be replaced by a single Managing Director and Head of Paid Service post. The Panel has authorised its Chairman to finalise and sign compromise agreements for the existing Managing Directors to enable the next stage of the restructuring process to proceed as soon as possible.

It is also the intention to create two new posts of Assistant Director to support the Managing Director and reduce the number of existing Heads of Service from nine to five by re designating two of the posts as Service Managers reporting to the Assistant Directors. Interviews for the new Assistant Director posts will be conducted by the Executive Leader, appropriate Executive Councillor and Panel Members in late February and applications will be invited from those post holders formally 'at risk' by the changes.

Early discussions have taken place on the approach that the Council will take towards recruitment of the new Head of Paid Service (Managing Director). In the early stages, this process will be led by LGSS. It has been agreed that the Managing Director (Communities, Partnerships and Projects) shall remain in post for the time being and as necessary pending the appointment of the new Managing Director.

The Panel has asked that the Council's employees be kept informed on the progress and outcome of the restructuring proposals.

N J Guyatt
Chairman

This page is intentionally left blank