

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 5 September 2013.

PRESENT: Councillor T V Rogers – Chairman.

Councillors P L E Bucknell, S Cawley,
S Greenall, R Harrison, P G Mitchell,
P D Reeve, M F Shellens and A H Williams.

Mr R Eacott and Mr R Hall.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Akthar, G J Bull and E R Butler.

26. MINUTES

The Minutes of the meeting held on 4th July 2013 were approved as a correct record and signed by the Chairman.

27. MEMBERS' INTERESTS

Mr R Eacott, Co-Opted Member, declared a pecuniary interest in Minute No.29 by virtue of his current employment connections with Improvement East and left the meeting part way through the discussion on this item.

28. NOTICE OF EXECUTIVE DECISIONS

The Panel considered and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book). The Chairman reported that the Customer Services Strategy would appear on the Agenda for the Panel's October meeting.

In response to a comment by Councillor P G Mitchell that it might be appropriate to consider the financial implications of the proposed Whole Waste System, the Scrutiny and Review Manager undertook to provide Councillor Mitchell with a copy of the report which was to be considered by the Overview and Scrutiny Panel (Environmental Well-Being) at its next meeting.

29. MAKING ASSETS COUNT - CAMBRIDGESHIRE'S PROPOSED APPROACH TO STRATEGIC ASSET MANAGEMENT

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

(See Members Interests).

By means of a report by the Assistant Director Environment, Growth

and Planning (a copy of which is appended in the Minute Book), the Panel received an update on the work which was taking place between the Council, other Councils in Cambridgeshire and public sector organisations to re-shape and make more efficient use of their property portfolios.

The Panel was reminded that the District Council had to-date taken a common sense approach to making the best use of its property assets and was engaging with partners in this regard. Although there had been limited success thus far with the countywide project, the District Council had achieved some success through re-letting part of the Civic Suite to NHS Cambridgeshire. In terms of the County Council's proposal to establish a publicly-owned Joint Venture vehicle, it was suggested the Authority should endorse the principles of this initiative but that further work, analysis and Cabinet approval would be required before the Council made any firm commitment.

Members supported the common sense approach which the District Council had adopted to date but expressed some concern regarding the establishment of the publicly-owned joint venture. Their reservations related to the deliverability of the initiative and its potential costs. Whilst the Executive Councillor shared these reservations, Members were advised that it was important not to preclude the District Council from participating within the arrangement at a later date if it was deemed to be advantageous. In the meantime the Council would continue to look for logical 'sharing solutions'. Members requested that if any proposals were forthcoming, they should be fully costed for consideration by the Panel.

Members queried the lack of progress which the Making Assets Count initiative appeared to have made on a countywide basis over the course of the last two years and how much the Council had spent on it thus far. They were informed that, despite political consensus about the concept, there had been a number of barriers to its progress, details of which were outlined to Members. The Council's only contributions had been in the form of Officer and Member time. The consultants who had been appointed to provide property advice had been funded by Improvement East.

In response to a question as to whether there were there were any alternatives to the joint venture approach, the Assistant Director Environment, Growth and Planning explained that one to one discussions with other organisations could be undertaken at any time. He reiterated that the creation of a joint venture might not be required if the common sense approach was applied but it was important to keep the Council's options open. Members were reminded that the aim of the Making Assets Count Initiative was to make best use of the Council's assets and the Authority was making good progress in this respect.

In response to a question by Councillor P D Reeve, Members were assured that the Authority was not holding up the initiative but further work and analysis was required before a firm commitment could be made. In the meantime the Council would continue to work with partner organisations to deliver outcomes which were practicable. If a scheme or initiative was developed which met the requirements of the people of Huntingdonshire, then the Cabinet would be likely to

endorse it.

In recognition of Members reservations regarding the establishment of the publicly-owned venture but their wish not to preclude the District Council from participating within the arrangement at a later date if it was deemed to be advantageous, it was

RESOLVED

that the Cabinet be recommended to –

- (a) endorse the MAC principles and note the creation of a countywide publicly-owned joint venture (the MAC Public Property Partnership);
- (b) endorse the pragmatic approach that HDC has taken to date in respect of maximising the use of its assets and that all further common sense sharing opportunities should be fully explored wherever that may be possible; and
- (c) note that none of the Council's assets will be committed to or encumbered by any joint venture proposal without further reference to Cabinet.

30. FINANCIAL FORECAST TO 2019

(Councillor J D Ablewhite, Executive Leader, and Councillor J A Gray, Executive Councillor for Resources, were in attendance for this item).

Consideration was given to a report by the Assistant Director, Finance and Resources (a copy of which is appended in the Minute Book) in relation to the Council's financial forecast. By way of introduction, the Executive Leader explained that the Authority faced a significant challenge. The outcome of the latest Government Spending review had placed additional pressures on the Council's finances and on its ability to deliver its current portfolio of services. This would require all Members to work together to bring forward tangible and innovative solutions. The Cabinet would be receiving an options paper for this purpose at the earliest opportunity. He emphasised that the forthcoming months would be difficult for the Authority, as work would need to be undertaken to develop Budgets for 2014/15 and 2015/16 in tandem.

Councillor J A Gray emphasised that the Authority faced a difficult situation. This would require decisions to be taken on the provision of Council services and service levels, taking into account the requirements of Huntingdonshire residents. Consideration would need to be given to the ways in which the Authority engaged with the public to establish what local communities want local government to deliver.

The Assistant Director, Finance and Resources provided the Panel with an explanation of detailed aspects of the report. Members' attention was drawn to the progress which had been made to achieve the previously identified savings requirements and the factors which had been taken into account in establishing the forecast position. Whilst uncertainty about the final figures remained, it was reasonable to assume that extra savings of around £2.6M need to be found for

2015/16 increasing to £3.7M by 2018/19. To begin the process of identifying savings, the Cabinet would be considering a report at its September meeting that outlined a range of options and approaches.

In considering the outcome of the recent Spending Review, the Panel discussed the Government proposal to require local authorities to pass on a percentage of their New Homes Bonuses to their Local Enterprise Partnerships. In response to a question whether this should have been foreseen, the Executive Councillor explained that it had not been expected that this would have materialised before 2015 and that he and the Executive Leader intended to lobby the Department for Communities and Local Government to reduce the level of the Council's loss. He suggested that if funding were to be changed in this way it should be done in a more constructive or phased manner.

Members were reminded that the Local Enterprise Partnership comprised local Council leaders and that the majority of spend thus far had been on local government initiatives. In response to an observation that there had been no scrutiny of the Local Enterprise Partnership thus far, it was suggested that its Chairman and the Chief Executive should be invited to a future meeting of the full Council to give a presentation on its business plan.

In terms of the level of the New Homes Bonus which was likely to be directed towards the Local Enterprise Partnership, Members' attention was drawn to the table in Section 5.4 of the report which demonstrated the impact of losing different amounts. There had been no assumption made within the Financial Forecast that the Authority would receive any money back from the Local Enterprise Partnership. If this did happen it was envisaged that it would be for capital as opposed to revenue purposes.

Councillor P D Reeve expressed concern at the proposal not to provide a further grant to Town and Parish Councils to mitigate the impact of changes to the Council Tax support system. He suggested that this was a retrograde step which might have an adverse impact on Town and Parish Councils' willingness to work in partnership with the District Council. In response, Members were reminded that the additional government grant for this purpose had now been subsumed into the Revenue Support Grant and that Town and Parish Councils had been given sufficient time to make alternative provision through their precept. Members welcomed the early notice which would be given to Towns and Parishes on this. The Executive Leader assured the Panel that it would not prevent constructive work from being undertaken between the District Council and the Towns and Parishes on joint initiatives. However, Councillor P L E Bucknell stated that there might be a change in legislation which might require the Council to reconsider its position.

With regard to the figures which had been included within the forecast for pay inflation, Members were of the view that this provision was necessary if the Council was to retain dedicated and talented staff. The Panel was reminded that pay levels were subject to an annual negotiation process with the Staff Council and that the Employment Panel was overseeing work to establish a new pay structure which would be fit for purpose. In response to a question by a Member, it

was reported that the forecast for Council Tax reflected the increase in the tax base from new builds, together with rises in the level of Council tax.

Members commented on the need to focus upon the larger areas of the Council's expenditure to achieve the required level of savings by 2018/19. They also stressed the importance of communication to ensure that Huntingdonshire residents were able to influence and remain informed of the process. The Options in the report to the Cabinet would be generic and would provide a framework to identify costed savings proposals.

The Panel requested a list of the functions the Council had a statutory duty to perform to help with the task of identifying savings. The Executive Councillor for Resources recognised that work would be required to establish what the Council was legally required to provide and whether there were more effective ways of carrying out these functions. The Assistant Director, Finance and Resources explained that although it may be possible to provide a list of services that the Council had a statutory duty to provide, it would not be possible to cost these activities because minimum levels of services were not defined.

Being mindful that it would not be possible to commence any work prior to the options paper being considered by the Cabinet, the Chairman suggested that the process of allocating work would begin at the next Panel meeting. It was, therefore, agreed that the proposed review of Shared Services should be put on hold. The Executive Leader then explained that the paper would include areas which might have an impact on the other Overview and Scrutiny Panels so the Joint Chairmen's meeting should consider the allocation of this work. Whereupon, it was

RESOLVED

that the Cabinet be recommended to

- (a) confirm, subject to there being no change in government legislation, that there will be no grants relating to the impact of Council Tax Support to Town and Parish Councils in 2014/15 and subsequent years;
- (b) recognise local authorities' significant financial uncertainty;
- (c) accept the Forecast report in order to estimate the potential level of savings required; and
- (d) request the Chief Officers' Management Team to identify proposals for additional major savings for 2015/16.

(In accordance with Council Procedure Rule 14.5, Councillor P D Reeve requested that it be recorded that he had voted against resolution (a) above.)

31. WORKPLAN STUDIES

The Panel received and noted a report by the Head of Legal and

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

32. OVERVIEW & SCRUTINY (ECONOMIC WELL_BEING) - PROGRESS

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) reviewing progress of matters that had previously been discussed. The Chairman reported that a meeting of the Customer Services Working Group would be held on 12th September 2013 and that arrangements were currently being made for a further meeting of the Corporate Plan Working Group.

With regard to the Panel's review of the Document Centre, Councillor A H Williams reported that he had received the Officers' responses to the Panel's recommendations, which he would now review.

In view of the workload which was expected to arise from the Cabinet report 'Facing the Future 2013', it was agreed that the proposed studies on Communications and Marketing and Shared Services should be put on hold. The Chairman indicated that he would like the review of the Estates function to commence in December 2013.

33. SCRUTINY

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

Chairman