

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CVSO.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 5 December 2013.

PRESENT: Councillor T V Rogers – Chairman.

Councillors P L E Bucknell, G J Bull,
E R Butler, K J Churchill, R Harrison,
P G Mitchell, M F Shellens and A H Williams.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Cawley, and S Greenall and Mr R Eacott.

IN ATTENDANCE: Councillors Ms L Kadić and R J West.

58. MINUTES

The Minutes of the meeting held on 28th November 2013 were approved as a correct record and signed by the Chairman.

59. MEMBERS' INTERESTS

No declarations were received.

60. NOTICE OF KEY EXECUTIVE DECISIONS

The Panel considered and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book). With reference to the forthcoming item entitled 'Renewal of Great Fen Project Collaboration Agreement', Councillor E R Butler reiterated his concerns regarding the proposal and it was agreed that his comments would be conveyed to the Overview and Scrutiny Panel (Environmental Well-Being) as part of its deliberations on the matter.

The Assistant Director (Finance and Resources) informed Members that, in advance of any recommendations being made with regard to shared services, it was intended to invite Local Government Shared Services (LGSS) to a future Overview and Scrutiny Panel meeting to provide further information on their services and activities.

61. NATIONAL NON DOMESTIC RATES - CHANGES TO DISCRETIONARY RELIEF POLICY

By way of a report by the Head of Customer Services (a copy of which is appended in the Minute Book) the Panel was acquainted with a Government initiative to encourage local authorities to provide rate relief on certain newly built and unoccupied non-domestic properties for up to 18 months after completion, from 1st October 2013 until 30 September 2016. Members were informed that the Government would reimburse billing authorities for the cost of providing the

exemption and that there could be a benefit to the Authority if it generated business growth in the District.

In considering the information which had been presented, reference was made to the additional administrative burden the initiative would create for the business rates team. It could not be predicted how many new business premises this was likely to bring forward. Having regard to recent changes in the rules relating to National Non-Domestic rates, it was suggested that a briefing by the Head of Customer Services on this subject would be useful. Whereupon, it was

RESOLVED

that the Cabinet be recommended to authorise the Head of Customer Services to award 100% Discretionary Rate Relief to newly built non-domestic properties completed from 1st October 2013 to 30th September 2016 that meet the full qualifying criteria for a maximum period of up to 18 months.

62. BUDGET UPDATE

(Councillor J A Gray, Executive Councillor for Resources, was in attendance for this item from 7.15pm).

With the assistance of a report by the Assistant Director (Finance and Resources) (a copy of which is appended in the Minute Book), the Panel considered proposed variations to the new Budget and Medium Term Plan. Given that the Local Government draft settlement had not yet been published, the Facing the Future reviews were only partially complete and other key financial data was not yet available, a draft Budget for 2014/15 and a Medium Term Plan had not yet been produced.

By way of introduction, Members were informed that the Government had announced through the Autumn Statement that a portion of the New Homes Bonus would not now be given to Local Enterprise Partnerships. Although this reduced the level of savings that would be needed, the Council would still need to make adjustments of £3.6M by 2018/18. The Autumn Statement contained a number of other changes that would have an impact on the Council but details were not available at this stage.

The Executive Councillor stated that despite the announcement on the New Homes Bonus, the Authority still faced a significant task to identify savings and the Facing the Future process would continue for this purpose. He emphasised that the Cabinet wanted to safeguard the Council's long term financial stability and to ensure that it was to cope with any changes in circumstances. He expressed his appreciation of the Panel's ongoing assistance with this task, particularly through the Facing the Future process.

Having noted that the date of the announcement of the Local Government draft settlement was still unknown, Members' attention was drawn to the impact of the Autumn Statement on the Authority's revenue savings requirement to 2017/18. It was also explained that a number of the more straightforward issues which had been identified

from the Facing the Future process had been incorporated into the proposed variations (Annex D). The remainder would be included as they were clarified and identified.

The Panel proceeded to examine the proposed variations for inclusion within the new Budget and Medium Term Plan. Members discussed building control income, District elections savings, reduced income from recycling credits and the charge for the second green bin. They were then informed that a report would be submitted to the Cabinet on the reasons for additional capital costs incurred by the St Ivo Leisure Centre re-developments.

The Panel reviewed the progress of targeted savings (Annex C), in particular those to be achieved through outsourcing / shared services. Having been advised of the work which was ongoing to produce detailed business cases for some services, Members questioned the extent to which the figures within the report were robust. With reference to their Facing the Future discussions on the Information Management Division, they were reminded that, in the absence of a list of the service's on-going projects, it had not been possible to make a recommendation on its future. This message would be conveyed to the Cabinet.

Members discussed the reduction in voluntary grants, the expected savings from the outsourced / shared service agreement for CCTV and the savings generated by the Head of Environmental Management in the current year. The Assistant Director (Finance and Resources) undertook to provide further details on the reduction in forecast savings by the Corporate Office as a result of generating extra income, cost savings or restructuring. In terms of the decision not to provide grants to towns and parish councils, the Executive Councillor indicated that he and the Leader were mindful of the difficulties which might face third tier authorities if they were to be subject to capping.

Members noted the proposed additional savings which had been identified as part of the Facing the Future process (Annex D) and were informed that following the completion of reviews of individual services there would be a process to organise the identified actions into a priority order. The priority lists would be submitted to Overview and Scrutiny before being presented to the Cabinet early in 2014. An explanation of the pensions increase savings which had been included within this section was also provided.

The Panel gave consideration to the additional costs which had been included as a variation to the new budget as a result of Individual Electoral Registration and the development of Wyton Airfield. With regard to the latter, it was suggested that the stated timescale for the additional provision should be verified. In response to a question about the additional capital costs associated with the extra car parking in Huntingdon Town Centre, Members were advised that the Cabinet had recognised the need to manage better the costs associated with such projects.

While reviewing those items which had been re-phased (Annex F), Members discussed the contingency which had been included for pay protection and 'pool car' provision. Their attention having been drawn

to the savings which had been identified from lowering bad debt provision contributions, it was reported that this was the result of an exercise which had been undertaken earlier in the year.

In response to further questions, Members were informed that a contingency provision had been built into the Medium Term Plan for the A14. The impact of the Pay Review was unlikely to be known until January 2014 and, while it was not critical to achieve an immediate saving, the ongoing impact should be beneficial. Members were also informed of forthcoming changes to the Disabled Facilities Grants regime.

In concluding the discussion the Executive Councillor reminded the Panel that there was still significant work to be done to prepare the new Budget and that the level of capital expenditure needed to be addressed. Whereupon and subject to inclusion of information on the pay review, the senior management review and the Chancellor's Autumn Statement, it was

RESOLVED

- (a) that the proposed variations to the new budget and Medium Term Plan be endorsed; and
- (b) that the intention to distribute a briefing note once the Local Government draft settlement is received be noted.

63. TREASURY MANAGEMENT REVIEW OF PERFORMANCE : 6 MONTHLY REVIEW

(Councillor J A Gray, Executive Councillor for Resources, was 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) containing details of the Council's investments for the period 1st April to 30th September 2013. Members' attention was drawn to the treasury management activity, the performance summary and the performance against budget during the period.

Having been informed that the Authority was well within the operational boundary and authorised limit for external debt, Members discussed the Treasury Management Indicators, which demonstrated that all borrowing and principal sums invested beyond 364 days were also within the approved limits. Whereupon, it was

RESOLVED

- (a) that the contents of the report be noted; and
- (b) that the Cabinet be requested to recommend the Council to note the contents of the report by the Assistant Director, Finance and Resources on Treasury Management – Review of Performance: 6 Monthly Review.

64. 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.

65. 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 been previously discussed. Members were informed that the bi-annual customer services performance report would be presented to their next meeting and that the Corporate Plan Working Group would be meeting on 18th December 2013 to review progress with the development of the new Corporate Plan. It was also the intention to invite representatives from the Local Enterprise Partnership to attend the Council meeting in April 2014 to give a presentation on its business plan.

Having reminded the Executive Councillor for Resources of its previous request for a report on the Estates function at an appropriate time, Members were advised that this service would be discussed as part of the Facing the Future process by the Environmental Well-Being Panel at its meeting on 10th December 2013. The Chairman undertook to report back to the next meeting on the outcome of these discussions.

66. SCRUTINY

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

Chairman