

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CIVIC SUITE 0.1A, PATHFINDER HOUSE. ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 6 February 2014.

PRESENT: Councillor T V Rogers – Chairman.

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

Mr R Eacott – Co-Opted Member

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Cawley and K J Churchill.

IN ATTENDANCE: Councillors R Fuller and L Kadic

75. MINUTES

The Minutes of the meeting held on 9th January 2014 were approved as a correct record and signed by the Chairman.

76. MEMBERS' INTERESTS

Councillor M F Shellens declared a non-pecuniary interest in relation to Minute No. 80 as an elected Member of Cambridgeshire County Council.

77. 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). Members were informed that the item entitled 'Service Delivery Options' related to the ongoing discussion with Local Government Shared Services regarding future service delivery options. This had now been postponed to the March meeting of the Cabinet. The Panel was also reminded that the outcome of the Facing the Future exercise would be considered by the Environmental Well-Being Panel the following week and all Members had been invited to attend.

In response to a question regarding the Supplementary Planning Document for Wind Turbines, the Panel was advised that this would be available in March and that it had been substantially updated.

78. CO-OPTED MEMBER

At this point on the Agenda, the Chairman reported that following the decision taken at the Council meeting in December 2013 not to continue with the appointment of Co-Opted Members, this would be

Mr Russell Eacott's last meeting. He thanked Mr Eacott for his help and work for the Panel during his appointment.

Mr Eacott then addressed the Panel. In doing so, he expressed disappointment that the co-opted Members had been unable to contribute to the Facing the Future programme and that he had not had chance to discuss the matter with the Managing Director. He had enjoyed his time on the Panel and was happy to continue his involvement with the Council in other ways if required. Mr Eacott then thanked the Chairman for his assistance and commented on the high standard of his chairmanship.

79. HUNTINGDONSHIRE DISTRICT COUNCIL CORPORATE PLAN 2014-16

(Councillors J D Ablewhite, Executive Leader and N J Guyatt, Deputy Executive Leader, were in attendance for the discussion on this item).

The Panel considered the contents of the Huntingdonshire District Council Corporate Plan for 2014 – 16 (a copy of which is appended in the Minute Book). By way of introduction, the Executive Leader explained that the document set out a proposed vision, together with strategic themes, aims and outcomes for the Authority. Members were advised that it was an evolving document and work was ongoing to develop mechanisms to deliver the themes and aims within the Plan. A clear message underpinning the Corporate Plan and its delivery was the need to provide value for money.

In opening up the discussion on this item, the Chairman remarked on the evident links between the proposed Corporate Plan and the funding mechanisms for local government, which were designed to encourage economic growth. In terms of the overall document, Members questioned whether the broad spectrum of aims was realistic in the current financial climate.

The Chairman invited Members to comment on each of the strategic themes in turn. In response to a question by a Member on the 'Strong Local Economy' theme, the Panel was advised of a number of the initiatives which were in operation to support local enterprise and of the expectation that the Local Enterprise Zone would create ancillary jobs. Members discussed whether sufficient effort was being made to enhance both the local economies that already existed and the mechanisms and partnerships that supported the skills levels that aided economic prosperity.

With regard to the theme 'Enable Sustainable Growth', Members emphasized the need to recognise the importance of rural areas to the local economy. They then suggested that it should be clarified that one of the aims was to have the right planning policies in place.

It was suggested that the theme 'a Customer focused and service led Council' might be considered to be more of an aim than a theme. It was also put forward that the Council should clarify whether it wanted to be facilitator or an organisation which delivered services. In relation to the Council's overall vision, it was argued that this should incorporate the opportunity that Huntingdonshire offered in all areas

of the Plan's scope.

Having been advised of the views of the Overview and Scrutiny Panel (Social Well-Being) on the proposed Corporate Plan, the Panel discussed future reporting to Members. The production of data to enable the Overview and Scrutiny Panels to monitor the performance of the Authority was supported. Whereupon, it was

RESOLVED

that the Panel's comments on the Huntingdonshire District Council Corporate Plan 2014-16 be conveyed to the Cabinet to inform its deliberations on this item.

(Mr R Eacott left the Meeting after the discussion on this item).

80. BUDGET 2014/15 AND MEDIUM TERM PLAN 2015 TO 2019

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

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 the Council's proposed Budget, Medium Term Plan and Council Tax level for 2014/15. A note on the decision by the Department of Communities and Local Government on the Council Tax Freeze Grant and its implications for the Council had also been circulated prior to the meeting.

Councillor J A Gray reported that significant progress had been made during the past year. The forecast outturn had been better than expected and savings continued to be successfully identified and delivered which would result in forecast savings of £1.6M being achieved in the current year. This meant that the level of the Council's reserves remained higher than anticipated. He then outlined the Cabinet's aspiration to deliver a balanced budget for 2017/18 which required the Council to push forward with a programme for the delivery of savings in the region of £2.4M during this period. Loss of income from the New Homes Bonus continued to be a major risk for the Council. He then explained why he thought there should be no increase in Council Tax for the forthcoming year.

The Chairman reported on the discussions he had held with a number of Panel Members and his intention to establish a small working group to examine the gross costs of capital. It was agreed that Councillors S Greenall, P G Mitchell, T V Rogers and A H Williams should be appointed to the Working Group for this purpose.

Following a detailed explanation of each section of the report by the Assistant Director (Finance and Resources), Members were advised that the combination of a robust budget process and the Council's current level of reserves should give Members no concerns over the Council's financial position for 2014/15. It however, remained critical that effective progress was made in identifying how the required savings for future years would be achieved and that careful monitoring continued to take place.

In response to questions, Members received clarification of the increased costs that had been identified since the draft budget was published. Councillor M F Shellens requested information on the geographical area of the car parking volume reduction. Members also discussed the provision that had been made for NNDR appeals and were informed that there was an ongoing drive from the District Council's Network to address this issue.

The Panel discussed the Council Tax Freeze Grant. Members were informed that the impact of this Grant would be equivalent to an increase in Council Tax of 1%. It was suggested that representations should be made to Government that offering the Grant on a percentage basis rewarded high taxing Councils. In terms of those items that were outstanding and would require assumptions to be made in order to finalise the Budget, the Panel discussed the impact of the pay review on employee turnover.

With regard to the risk provision which had been included in the MTP and the other potential risks which had been identified, the Panel discussed the projections for house building, the cautious approach which had been taken to making provision for the New Homes Bonus, the low demand for sites in Huntingdon and the use of capital receipts. Members also questioned whether any provision had been made for occasions when planning fees might need to be returned to applicants and when awards were made against the Council following planning appeals. A suggestion was made that risk provision should be broken down into high, medium and low risk items. Whilst it was accepted that this was not straightforward, Officers undertook to consider it for next year's Budget.

The Panel gave consideration to the level of Council Tax for 2014/15. The view was expressed that the Council Tax should not be increased for the forthcoming year and the Freeze Grant should be accepted. However some Members expressed reservations about this because future income from a Council Tax increase would continue, whereas there could be cuts to other funding streams. They were also of the view that Members should be provided with information on the value of the services, which would allow them to make fully informed decisions. With regard to the savings which had been identified by the Facing the Future exercise, the Chairman reported that he was confident that sufficient savings could be found without having to consider those that were politically sensitive.

Members acknowledged that in accepting the proposed MTP, interest and borrowing costs would exceed 15 % of the Council's net expenditure. However it was accepted that in the current circumstances the current MTP should be approved. Members were pleased to note that the Cabinet planned to undertake a review of the capital programme in the coming year. The Panel would continue to focus its attention in this area and would also have a role to play in monitoring the financial outcomes of Facing the Future and ensuring that savings were delivered.

The Panel reviewed the appendices to the Budget report. A number of questions were raised in relation to the budgets for specific service

areas. These included the assumptions which had been made should legal and IT services be delivered differently and Members were informed that the projections for Disabled Facilities Grants in 2014/15 were based upon the predictions of colleagues in the Housing section. The Accountancy Manager was asked to provide further information on the increase in the salary budget for the Assistant Director (Finance and Resources) and on the increase in fees and charges during the MTP Period. Having been asked about the significant increase in the capital contribution for 2014/15, he also undertook to provide a copy of the MTP form to Councillor M F Shellens. Following a further question, it was suggested that Councillor Greenall should discuss admission prices for One Leisure with the General Manager or the Executive Councillor for Healthy Communities.

Councillor M F Shellens addressed the Panel on his concerns for those employees who had been significantly affected by the recent pay review. He requested information on the cost of extending the period of pay protection including, for example, the effect if the extension was applied to those who were losing more than 10% of their salary. Councillor Shellens also suggested that any cuts that involved a significant loss of service should be deferred until the outcome of the next General Election was known and clarity had been obtained on the future funding arrangements for local government. In response, the Executive Leader explained that whatever the outcome of the next election, the District Council needed to take steps fundamentally to reduce its expenditure and reminded the Panel of the extent of the savings which needed to be identified. In any case it would take some time to research and deliver some of the savings opportunities. Members were also reminded of the efficiencies that had been generated thus far with very little impact on the services that were provided. Whereupon, it was

RESOLVED

- 1) that the Cabinet should recommend to full Council
 - i. that, subject to the amendments in the Budget Update note and any detailed consequential amendments to the tables, the proposed Budget and MTP as shown in the Budget Tables in the Appendix to the report now submitted be approved;
 - ii. that it be accepted that the 15% limit on Net Interest and Borrowing Costs has been breached but that the actions described in paragraph 8.6c of the report be undertaken over the next year to mitigate the impact, and
 - iii. that there should be no increase in Council Tax for the 2014/15 Financial Year;
- 2) that, subject to approval of the Budget, the Cabinet should recommend the Council to endorse the additional approvals for those MTP Schemes highlighted in the table in Appendix 4 to the report now submitted; and

- 3) that Councillors S Greenall, P G Mitchell, T V Rogers and A H Williams be appointed to a working group for the purpose of giving further consideration to the gross costs of capital.

(Councillors S Greenall and M F Shellens requested that it be recorded that they had abstained from voting on items 1 and 2 above).

81. 2014/15 TREASURY MANAGEMENT STRATEGY

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

With the assistance of a report by the Assistant Director (Finance and Resources) the Panel considered the contents of the draft Treasury Management Policy Statement and Strategy for 2014/15 (copies of which are appended in the Minute Book). Having been acquainted with each section of the draft Strategy, Members were informed that it now included a new investment opportunity for Pooled Property Funds. Although further research was required before any investment would be considered, it was necessary to include the option within the Strategy in the event that the Council decided to use this investment opportunity in the forthcoming year.

RESOLVED

that the Cabinet be recommended to endorse the draft Treasury Management Policy Statement and 2014/15 Treasury Management Strategy for submission to the Council.

82. 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.

83. 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 on matters that had been previously discussed. It was suggested that the report on the outcome of the audit on Electronic Document Management should be included in the work plan.

With regard to the studies which had been placed on hold pending the outcome of the Cabinet's recommendations on the Facing the Future programme, it was agreed that communications, shared services and estates should be removed from the Panel's work programme.

84. SCRUTINY

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

Chairman