

A meeting of the **CABINET** will be held in the **CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 12 DECEMBER 2013** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

APOLOGIES


Contact
(01480)

1. MINUTES (Pages 1 - 6)

To approve as a correct record the Minutes of the meeting held on 21st November 2013.

Mrs H J Taylor
388008

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary, non-disclosable pecuniary or non pecuniary interests in relation to any Agenda item. See Notes below.

3. BUDGET UPDATE (Pages 7 - 20)

To consider a report by the Assistant Director, Finance and Resources.

S Couper
388103

4. TREASURY MANAGEMENT REVIEW OF PERFORMANCE
(Pages 21 - 28)

To consider a report by the Assistant Director, Finance and Resources reviewing the performance for the period 1st April to 30th September 2013.

S Couper
388103

5. NATIONAL NON DOMESTIC RATING - CHANGES TO DISCRETIONARY POLICY (Pages 29 - 32)

With the assistance of a report by the Head of Customer Services to review the Council's policy for assessing entitlement to discretionary rate relief.

Mrs J Barber
388105

Dated this 4 day of December 2013



Head of Paid Service

Notes

1. Disclosable Pecuniary Interests

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*
 - (a) *relates to you, or*
 - (b) *is an interest of -*
 - (i) *your spouse or civil partner; or*
 - (ii) *a person with whom you are living as husband and wife; or*
 - (iii) *a person with whom you are living as if you were civil partners*

and you are aware that the other person has the interest.
- (3) *Disclosable pecuniary interests includes -*
 - (a) *any employment or profession carried out for profit or gain;*
 - (b) *any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
 - (c) *any current contracts with the Council;*
 - (d) *any beneficial interest in land/property within the Council's area;*
 - (e) *any licence for a month or longer to occupy land in the Council's area;*
 - (f) *any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
 - (g) *a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

Other Interests

- (4) *If a Member has a non-disclosable pecuniary interest or a non-pecuniary interest then you are required to declare that interest, but may remain to discuss and vote.*
- (5) *A Member has a non-disclosable pecuniary interest or a non-pecuniary interest where -*
 - (a) *a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
 - (b) *it relates to or is likely to affect any of the descriptions referred to above, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association*

and that interest is not a disclosable pecuniary interest.

2. Filming, Photography and Recording at Council Meetings

The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening at meetings. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and available via the following link - [filming,photography-and-recording-at-council-meetings.pdf](#) or on request from the Democratic Services Team. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.

Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntingdonshire.gov.uk /e-mail: if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Cabinet.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (*under Councils and Democracy*).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

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Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 21 November 2013.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors B S Chapman, J A Gray,
N J Guyatt, R B Howe, T D Sanderson and
D M Tysoe.

IN ATTENDANCE: Councillors K J Churchill, J W Davies, R S
Farrer, R Fuller and Mrs D C Reynolds.

44. MINUTES

The Minutes of the meeting of the Cabinet held on 17th October 2013 were approved as a correct record and signed by the Chairman.

45. MEMBERS' INTERESTS

Councillors R Fuller and N J Guyatt declared non pecuniary interests in Minute Nos. 50 and 52 by virtue of their appointment as District Council's representatives on Luminus Homes.

46. FINANCIAL MONITORING - REVENUE BUDGET 2013/14

The Cabinet received a report by the Assistant Director, Finance and Resources (a copy of which is appended in the Minute Book) on the projected budget outturn for 2013/14 together with details of variations from the previous forecast.

Members were advised that the expected outturn of revenue expenditure was £21.8m which represented a saving of £1.5m in that previously forecasted. It was reported that the New Homes Bonus for 2014/15 would be based on the increase in houses in the year ending September 2013. Although the authority was behind its target by 7%, which would reduce next year's NHB by £41k, this would be more than offset by the growth in affordable homes and a risk contingency of £50k.

It was also pointed out that the cost of Council Tax Support was expected to be lower than that budgeted, income from Business Rates would be lower and that Sundry Debtors remained consistent with previous collection rates.

Having noted the position on debts collected and written off during the period July to September 2013, the Cabinet

RESOLVED

that the spending variations in the Revenue Budget be noted.

47. FINANCIAL MONITORING - CAPITAL PROGRAMME 2013/14

By means of a report by the Assistant Director, Finance and Resources (a copy of which is appended in the Minute Book) the Cabinet were acquainted with anticipated cost variations and timing changes in the Capital Programme for 2013/14 financial year.

Members were advised that the construction costs for the Huntingdon multi-storey car park and the One Leisure St Ives Redevelopment Schemes were expected to be higher than that budgeted for, a report on which would be presented at a future meeting of the Cabinet. Having noted that an Officer Governance Board and six themed Working Groups had been established by the Chief Officer Management Team to raise awareness of the importance of good governance, the Cabinet

RESOLVED

that the report be received and the expected variations noted.

48. TECHNICAL REFORM OF COUNCIL TAX - LOCALLY DEFINED DISCOUNTS

Further to Minute No. 12/76 and by way of a report by the Head of Customer Services (a copy of which is appended in the Minute Book) the Cabinet considered a proposal to reduce the Council Tax discount awarded for properties which are inhabitable and requiring/undergoing structural alteration or major repair to 0%.

Executive Councillors were reminded that the authority's current Council Tax Policy allowed for 100% discount for such properties. Having been advised that the change would encourage owners to re-occupy properties, remove financial incentives to do otherwise and achieve both income generation and efficiency savings in terms of administrative burdens, the Cabinet

RESOLVED

that the discount for uninhabitable dwellings requiring or undergoing structural alteration or major repair (Class D) be reduced to 0%, with effect from 1st April 2014.

49. SAFETY ADVISORY GROUP

The report of the Safety Advisory Group held on 11th September 2013 was received and noted.

50. SHELTERED HOUSING SCHEME AT LANGLEY COURT AND LANGLEY CLOSE, ST IVES

(The Chairman announced that he proposed to admit the following urgent item in accordance with Section 100B (4) (b) of the Local

Government Act 1972 given its referral from Council, which met after the Cabinet agenda was despatched, and the scope to link to the Loan request from Luminus (Minute No. 52 refers)).

(Councillors J W Davies, R Fuller and Mrs D C Reynolds, local Ward Members, were in attendance and spoke on this item.)

The Cabinet gave consideration to a petition presented to Council on 13th November 2013, concerning the potential closure of the Sheltered Housing Scheme at Langley Court and Langley Close, St Ives together with a Motion by Councillor K J Churchill on the matter which had been referred, by the Council to the Cabinet. (the text of the petition and motion is reproduced in the report of the Head of Legal and Democratic Services appended in the Minute Book).

By way of introduction, the Executive Leader explained that he and local ward members had met with residents of Langley Court to discuss their concerns over proposals by Luminus to demolish the building in order to build an extra-care facility. At the invitation of the Chairman, Councillors Davies, Fuller and Mrs Reynolds addressed the Cabinet. They expressed reservations over the contents of the Motion given the need for extra care facilities in the town and the measures being offered by Luminus to support those affected. The local Ward Members acknowledged that improvements could have been made in the way the scheme was communicated to residents. As a result, residents had been left confused and anxious about their future. However, it was now Members' understanding that existing residents would be rehoused locally and given the opportunity to return to the new facility. Furthermore, it was suggested that the majority of Langley Court residents have now indicated their willingness to move.

In considering the information before them, Executive Councillors concurred with the views of the Ward Councillors and stressed that the new facility would provide additional care provisions for the district including specialist accommodation. Having noted that the other element of the Motion would be addressed when considering a later item of business (Minute No.52 refers) and on the basis that the following does not prejudice the formal determination of the planning application for the development should one be forthcoming, the Cabinet

RESOLVED

the Council is recommended:

- (a) that paragraph (a) of the Motion be noted;
- (b) that, having regard to the advice of Councillors representing St Ives and to evidence which suggests that the majority of Langley Court residents have clearly indicated their willingness to move, it is in the best interests of the residents to ensure that necessary steps are taken, at the earliest possible opportunity to resettle them; and
- (c) that, following investigations, Langley Court is considered

to be the most appropriate site for the extra care home.

51. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

that the public be excluded from the meeting because the business to be transacted contains exempt information relating to the financial or business affairs of a particular person including the authority that holds that information.

52. LOAN TO LUMINUS

(Councillor R Fuller, local Ward Member and District Council representative on Luminus, was in attendance and spoke on this item.)

With reference to a report by the Assistant Director, Finance and Resources (a copy of which is appended in the Minute Book) the Cabinet considered a request by Luminus for a loan to enable them to develop a new extra care scheme for frail older people at Langley Court, St Ives.

Executive Councillors discussed the significant housing, health and social care benefits the scheme would give to the area. In expressing their support for the scheme, the Cabinet stressed that:

- no residents should be asked to leave until planning permission for the scheme is granted;
- any provision allows any resident that wishes to return after the new build is finished, can;
- every possible effort be made to ensure that any resident that wishes to return is temporarily housed in St Ives; and
- the Luminus Board reconsiders its attitude to District Council appointed Members to ensure full engagement and transparency.

Whereupon, it was

RESOLVED

(a) that a loan be provided to Luminus of up to £5.5m over 30 years to fund the new extra care home, subject to confirmation of the various legal, procedural and security issues highlighted in the report and agreement of the interest rate; and

(b) that the Assistant Director, Finance and Resources, be authorised to make the loan following consultation with the Executive Councillor for Resources on these issues, subject to the Executive Councillor having the right to require agreement of the details to be determined by Cabinet.

Chairman

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Agenda Item 3

**Public
Key Decision**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Budget Update
Meeting/Date:	Cabinet – 12 December 2013
Executive Portfolio:	Resources
Report by:	Assistant Director (Finance and Resources)
Wards affected:	All

Executive Summary:

The Government's Autumn Statement is planned for the 4th December with the Local Government draft settlement expected one or two weeks later. The settlement is expected to clarify the:

- Level of Formula Grant (RSG) for 2014/15
- Any changes to the financial impact of Business Rates
- The criteria for determining an excessive Council Tax increase, including the changes in relation to the precepts from Internal Drainage Boards.

It should also provide at least some indications for the anticipated higher funding losses in 2015/16 which include the proposed reduction in New Homes Bonus.

Cabinet will also be conscious that the Facing the Future process is only partially complete with proposals for both straightforward and more difficult potential savings emerging each week.

Other key data, such as the financial impact of the pay review, will not be available and the new pension contribution rates, relating to the 3 yearly revaluation of the pension fund, may not be available.

In these circumstances there seems little point in preparing a draft budget at this stage.

This report therefore comprises of a set of annexes that itemise proposed variations to be included in the new budget and MTP.:

- Any base budget issues that need to be addressed
- Progress in achieving any savings which are part of the approved MTP and any variations required.
- Progress in achieving any "targeted" savings and any variations required.
- Extra savings proposals that it is proposed to include at this stage because they have no or minimal impact on service levels and would be straightforward to implement.
- Proposals for increasing the budget for specific projects or purposes e.g. to include provision in the new year 5 (2019/20) for Disabled Facilities Grants.
- Schemes where rephasing is unavoidable or proposed.
- Technical items

Within the annexs the items are colour coded as follows:

Green	Additional savings (extra income or reduced cost)
Red	Extra cost (or reduced income)
Grey	Rephasing
Blue	Transfers
Brown	Revenue to Capital
Beige	Net Nil / Invest to Save

The tables below summarise the position shown in these annexs:

Annex	REVENUE Variation type	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
A	Base	-13	393	282	223	241	245
B	Base savings	371	108	116	111	76	152
C	Targeted savings	-333	-1,313	-1,652	-1,813	-1,841	-1,841
D	Additional savings	-176	-249	-256	-212	-211	-209
E	Proposed increases	66	86	142	148	64	36
F	Rephasing	-471	509	42	47	29	29
G	Technical	-395	-253	-206	-206	-206	-206
	Other Forecast Savings	-935					
	TOTAL #	-1,886	-719	-1,532	-1,702	-1,848	-1,794

Note # - Revenue table does not include the revenue effect of variations in capital expenditure.

REVENUE SAVINGS	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
From September Forecast Report						
Targeted		-1,377	-1,852	-2,050	-2,090	-2,090
Unidentified		-138	-2,620	-2,948	-3,181	-3,694
total		-1,515	-4,472	-4,998	-5,271	-5,784
% of Budget		6.4%	18.4%	20.0%	19.9%	20.7%
Identified so far (from above)	-1,886	-719	-1,532	-1,702	-1,848	-1,794
Still required		-796	-2,940	-3,296	-3,423	-3,990
% of Budget		3.4%	12.1%	13.2	13.0	14.3

Warning: the above table should be treated as indicative at this stage as adjustments have not yet been made for interest rates, inflation, revenue impact of capital, risk provision etc.

Annex	NET CAPITAL Variation type	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
A	Base	-93	-40	-40	-70	10	10
B	Base savings	406	-64	0	0	-44	45
C	Targeted savings	0	2	2	150	65	0
D	Additional savings	0	0	0	0	0	0
E	Proposed increases	172	1,290	-352	176	222	2,834
F	Rephasing	618	699	-480	-183	-218	-33
G	Technical	380	47	0	0	0	0
	Less 2018/19 Provision						-3,347
	Additional Carry forward from 2012/13	-707					
	TOTAL	776	1,934	-870	73	35	-491

Cabinet are asked to consider these annexs and determine if there is any item(s) that they consider should not be included when the budget/MTP is produced in January.

A briefing paper will be circulated to all Members soon after the Local Government draft settlement is received.

The search for sufficient savings will need to continue into next year. Cabinet will receive a report following Overview and Scrutiny consideration of the Facing The Future templates and will then determine those areas which are a priority for investigation. The process will then need to be dynamic with any further proposals receiving appropriate priority, whilst less practical proposals are removed, until a robust programme has been confirmed that should, at least, allow the necessary 2015/16 savings to be realistically achieved.

RECOMMENDATIONS:

That Cabinet:

- **Determine whether there are any items contained in the annexs to this report that should not be included in the February Budget and MTP proposals.**
- **Determine whether there are any additional items that should be included in the February Budget and MTP proposals.**
- **Note that a briefing note will be distributed once the Local Government draft settlement is received.**

BACKGROUND PAPERS

Financial Forecast Report
Working Papers in Financial Services

CONTACT OFFICERS

Steve Couper Assistant Director (Finance and Resources)

☎ 01480 388103

Clive Mason Accountancy Manager

☎ 01480 388157

ANNEXS

- A** Base budget proposed variations
- B** Base saving progress/proposed variations
- C** Targeted savings progress/proposed variations
- D** Proposed additional savings items
- E** Proposed increases
- F** Proposed rephrasing
- G** Technical
- H** Totals

ANNEX A - BASE budget proposed variations

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS								
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP							
			2013	2014	2015	2016	2017		2018	2013	2014	2015	2016		2017	2018	2013	2014	2015	2016	2017	2018
			£000	£000	£000	£000	£000		£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
Managing Directors and Corporate Office																						
	HR & Payroll																					
1048	Re-alignment of Commercial Estates Budget	116	111	106	101	101	101															
Head of Legal & Democratic Services																						
	Environmental Health (Licensing)																					
SAVING	Regulatory Limitation on price increases		19	19	19	19	19															
	Democratic Representation																					
825	Members Allowances Review																		4			
380	Replacement Printing Equip.							-45				-30										
Head of Operations																						
	Refuse and Recycling																					
1052	Bulky refuse income and expenditure	20	20	20	20	20	20															
969	Recycling Gate Fees	-11	-9																			
	Community Safety																					
1023	Wireless CCTV		30	30	30	30	30	40														
	Car Parks																					
SAVING	Increase in Car Park Charges		16																			
Head of Planning Services																						
	Planning Policy and Conservation																					
358	Ramsey Rural Renewal	-5	-3					-63														
903	Local Development Framework (Plan Policies) examinations	-217	105	49																		
	Private Housing Support																					
932	Decent Homes - Thermal Efficiency and Category 1 H&S							-25	-40	-40	-40	10	10									
Head of Environmental Management																						
	Building Control																					
1086	Building Control Income	60	60	60	60	60	60															
	Environmental Health (Energy Efficiency)																					
918A	Building Effic. Imps (Potential LC proportion)	-10	-28	-42	-47	-29	-29															
Head of Customer Services																						
	Homelessness																					
1019	Homeless Accommodation - Cost Reduction Schemes		32																			
Head of Financial Services																						
	Other Expenditure																					
1077	Insurance Premium Income	28	34	34	34	34	34															
1101	Removal of Credit Interest Budget	6	6	6	6	6	6															
Total BASE budget proposed variations		-13	393	282	223	241	245	-93	-40	-40	-70	10	10	0	0	0	0	0	0			

ANNEX C - Targeted Savings

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS					
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP				
		2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018
		2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Head of Financial Services																			
	Other Expenditure																		
	Reduced Audit Fees budget		-40	-40	-40	-40	-40												
1076	Saving in External Audit Fee	-50	-10	-10	-10	-10	-10												
	Identify & Remove spare budgets across the Council		-50	-50	-50	-50	-50												
1080	Identify & Remove spare budgets across the Council		50	50	50	50	50												
1081	Adverting Opportunities		-20	-25	-25	-25	-25												
1082	Reduce training budgets to focus on priorities		-20	-20	-20	-20	-20												
	Outsourced/Shared Debtors		-25	-25	-25	-25	-25												
	Outsourced/Shared Debtors		25	25	25	25	25												
1083	Margin on Loans to RSL's etc		-30	-75	-125	-175	-175												
1084	Other emerging minor staffing adjustments		-25	-50	-75	-100	-100												
	Other emerging minor staffing adjustments		25	50	75	100	100												
1085	No grants to towns/parishes re. Housing Support		-357	-357	-357	-357	-357												
TOTAL Targeted SAVINGS (September 2013) - Approved Budget/MTP		0	-1,377	-1,852	-2,050	-2,090	-2,090	8,054	8,060	8,064	8,216	8,135	8,074	8,054	8,058	8,062	8,066	8,070	8,074
Targeted Savings Current Forecast		-333	-1,313	-1,652	-1,813	-1,841	-1,841	0	2	2	150	65	0	0	0	0	0	0	0
Over (-) / Under Achievement		-333	64	200	237	249	249												

ANNEX E - New Extra Costs

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP					
		2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000	2013 2014 £000	2014 2015 £000	2015 2016 £000	2016 2017 £000	2017 2018 £000	2018 2019 £000	
Head of Legal & Democratic Services																				
	Democratic Representation																			
1041	Individual Electoral Registration (IER)	8	3	5	18	20	20													
Head of Operations																				
	Refuse and Recycling																			
979	Wheeled Bins for New Properties	-3	-4	-10	-17	-28	-31	-36	255	135	130	110	55							
1031	Extra refuse round due to housing growth											10								
	Parks and Open Spaces																			
854EY	Play Equipment & Safety Surface Renewal												21							
	Car Parks																			
1055	Christmas Parking	13																		
	Vehicles and Plant																			
886	Vehicle fleet replacements.							97	130	8	41	97								
886EY	Vehicle fleet replacements.												408							
Head of Planning Services																				
	Development Management																			
1072	Wyton Airfield Development		50	75	75															
	Car Parks																			
923	Extra Car Parking, Huntingdon Town Centre		-10	-10	-10	-10	-10	787	500	-500										
	Private Housing Support																			
866	Disabled Facilities Grants							-507	200			1,250	57						400	
867	Repairs Assistance	10						70				100								
Head of Customer Services																				
	Local Taxation and Benefits																			
1100	Loss of Admin Subsidy		50	50	50	50	50													
Head of IMD																				
	Business Analysis and Project Management																			
891	Business Systems							34	5	5	5	5	200							
General Manager, OneLeisure																				
	Leisure Centres																			
861	Future maintenance	20						7					550							
896	St Ivo LC - Football Improvements													27		53		-53		
956	Replacement Fitness Equipment	18	-3	32	32	32	7	-280	200				250							
Total New Extra Costs		66	86	142	148	64	36	172	1,290	-352	176	222	2,834	57	-612	421	-12	-55	347	

Note

MTP 923 It should be noted that for the Net Capital amount there was a £0.418m reduction in spend in 2013/14.
MTP 1072 There is the potential for future developer contributions to negate part or all of this growth, but at this time the level of contribution is not known.

ANNEX F - Rephasing

Bid No.	Scheme	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS											
		F'CAST	MTP					F'CAST	MTP					F'CAST	MTP										
		2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018						
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000						
Head of Legal & Democratic Services																									
Document Centre																									
894	Replacement Equipment Document Centre							-34	22	-12	2	25	12												
895	Multi-functional Devices							-80	80			-80	80												
Head of Environmental and Community Services																									
Community Initiatives																									
952	Loves Farm Community Centre							-60	37																
Head of Operations																									
Refuse and Recycling																									
948	Provision for Bin Replacements							-9	-6	-6	0	0	75												
Pool Cars																									
1026	Pool Cars							60																	
Head of Planning Services																									
Development Management																									
997	RAF Alconbury Development							-75	75																
Economic Development																									
224	Town Centre Developments							-86	86																
401	Huntingdon Town Centre Development							10																	
850	Huntingdon West Development (Housing Growth Fund)							-23	941	-200	-55	-200	-200	-5338	-300	200	200	200	200						
Private Housing Support																									
869	Social Housing Grant							2																	
Head of Environmental Management																									
Environmental Health (Energy Efficiency)																									
879	Environment Strategy Funding							3	50																
880	Sustainable Homes Retrofit							415		-180	-235		-415		180	235									
918	Building Efficiency Improvements (Salix Grant)							10	28	42	47	29	29	-27	-45	-36	5	37							
Environmental Improvements																									
1011	Chequers Court Public Realm												-240	-258	498										
Offices																									
890	Headquarters							420	-300	-120			-420	300	120										
Head of Customer Services																									
Local Taxation and Benefits																									
1017	Council Tax support module							35																	
Head of Financial Services																									
Other Expenditure																									
	Pay Protection Contingency							-320	320																
Total Rephasing								-471	509	42	47	29	29	618	699	-480	-183	-218	-33	-6,413	-258	998	435	200	200

ANNEX H - Summary of Variations for 2014/15 Budget

	REVENUE						NET CAPITAL						CAPITAL GRANTS AND CONTRIBUTIONS						
	F'CAST	MTP					F'CAST	MTP					F'CAST	MTP					
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016	2017	2018	
	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	2014	2015	2016	2017	2018	2019	
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
ANNEX A - BASE budget proposed variations	-13	393	282	223	241	245	-93	-40	-40	-70	10	10	0	0	0	0	0	0	0
ANNEX B - BASE saving progress/proposed variations	371	108	116	111	76	152	406	-64	0	0	-44	45	-168	0	0	0	0	0	0
ANNEX C - Targeted Savings	-333	-1,313	-1,652	-1,813	-1,841	-1,841	0	2	2	150	65	0	0	0	0	0	0	0	0
ANNEX D - Proposed additional savings	-176	-249	-256	-212	-211	-209	0	0	0	0	0	0	0	0	0	0	0	0	0
ANNEX E - New Extra Costs	66	86	142	148	64	36	172	1,290	-352	176	222	2,834	57	-612	421	-12	-55	347	
ANNEX F - Rephasing	-471	509	42	47	29	29	618	699	-480	-183	-218	-33	-6,413	-258	998	435	200	200	
ANNEX G - Technical and Other	-395	-253	-206	-206	-206	-206	380	47	0	0	0	0	0	0	0	0	0	0	0
Other Forecast savings	-935																		
less 2018/19 Capital Provision																			
less Additional Carry-Forward from 2012/13							-707												
Total	-1,886	-719	-1,532	-1,702	-1,848	-1,794	776	1,934	-870	73	35	-491	-6,524	-870	1,419	423	145	547	

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HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Treasury Management Review of Performance: 6 Monthly Review
Meeting/Date:	Overview and Scrutiny (Economic Well-Being) 5 December 2013
Executive Portfolio:	Resources: Councillor J A Gray
Report by:	Assistant Director (Finance and Resources)
Ward(s) affected:	All Wards

Executive Summary:

In February 2013 the council adopted the 2013/14 Treasury Management Strategy. The Strategy requires members to be kept up to date in respect of treasury management activity for the first half of the year, including investment and borrowing activity and treasury performance.

Recommendation(s):

It is recommended that Overview and Scrutiny notes the report and recommends the report to Cabinet and then to Council.

1. PURPOSE

- 1.1 To update members, in line with best practice and prescribed Treasury Management guidance, on treasury management activity for the first half of the year, including investment and borrowing activity and treasury performance.

2. TREASURY MANAGEMENT STRATEGY

- 2.1 The Council approved the 2013/14 treasury management strategy at its meeting on 20 February 2013.
- 2.2 All treasury management activity undertaken during the period complied with the CIPFA Code of Practice and relevant legislative provisions.
- 2.3 The investment strategy is to invest any surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest. The Council's borrowing strategy permits borrowing for cash flow purposes and funding current and future capital expenditure over whatever periods are in the Council's best interests.

3. TREASURY MANAGEMENT ACTIVITY

Cash Flow Management

- 3.1 The vast majority of activity over the past 6 months has been in managing short term fluctuations in cash flow by borrowing or investing for periods that ensure sustainable cash liquidity and at cost that is the most economically advantageous for the council.
- 3.2 Much of the investment activity has been in liquidity accounts. These accounts offer two clear advantages considering the current investment market:
- One of the primary Treasury Management objectives is the security of funds invested; because these accounts allow immediate access to funds this reduces the risk of default.
 - These accounts provide a fair return on amounts invested.
- 3.3 There have also been deficits at various times over the period which has required the council to borrow temporarily from other Local Authorities at low rates (typically between 0.27% and 0.40%), the maximum period of borrowing has been 38 days.

Long Term Borrowing and Investments

- 3.4 During the period the council has made available the following investment facilities:
- £1.500m to Huntingdon Regional College, which has been back-to-back funded by long-term borrowing for the same amount from the Public Works Loans Board (PWLB).
 - £0.300m to Huntingdon Gym. However the first tranche of £75,000 was invested in early October.
 - £0.012m to Alconbury Parish Council.

With regard to the investments in Huntingdon Gym and Alconbury Parish Council, these are currently being financed from within the Councils own working capital.

- 3.5 As at the 30 September the council had short and long term external investments of £13.3m and borrowing of £17.5m. The following table summarises the transactions during the period and further details analysis is shown in Appendix 1.

2012/13 £m			2013/14 £m
10.4	Investments	- as at 31 st March	6.4
(101.6)		- matured in period	(58.9)
106.2		- arranged in period	65.8
15.0		- as at 30 th September	13.3
(14.5)	Borrowing	- as at 31 st March	(16.0)
26.4		- matured/repaid in period	20.5
(21.9)		- arranged in period	(22.0)
(10.0)		- as at 30 th September	(17.5)
(4.1)	Net investments at 31st March		(9.6)
5.0	Net investments at 30th September		(4.2)

4. PERFORMANCE – INTEREST RETURN

- 4.1 The portfolio comprises of a mixture of short-term investments and temporary borrowing to manage cash flow. With regard to long term borrowing, £10.0m was borrowed from the PWLB in December 2008 at 3.9% and was temporarily invested in two £5.0m packages, the first maturing in December 2012 and the second, which was invested with the Skipton Building Society at 4.85%, will mature in December 2013. The other £5.0m block has been absorbed into the council's working capital.
- 4.2 As noted above, the council borrowed a further £1.5m from the PWLB for 10 years, this was borrowed in August 2013 at 2.24% (2.44% less the 0.2% certainty rate). The investment with Huntingdonshire Regional College allows the council to make a small return on the cost of borrowing over the life of the investment.
- 4.3 To give an indication of net investment performance, the summary below, excludes the above long-term investments and borrowing to give a fairer comparison with the current benchmark of the 7 day rate.

SHORT-TERM PERFORMANCE FOR THE 6 MONTHS APRIL 2013 – SEPTEMBER 2013					
Net investments	Performance	Benchmark	Variation from benchmark	Managed Funds	
				1 April £m	30 Sept £m
Excluding Skipton and Huntingdon Regional College	0.54%	0.16%	+0.38%	4.6	(0.8)

5. PERFORMANCE – AGAINST BUDGET IN 2013/14

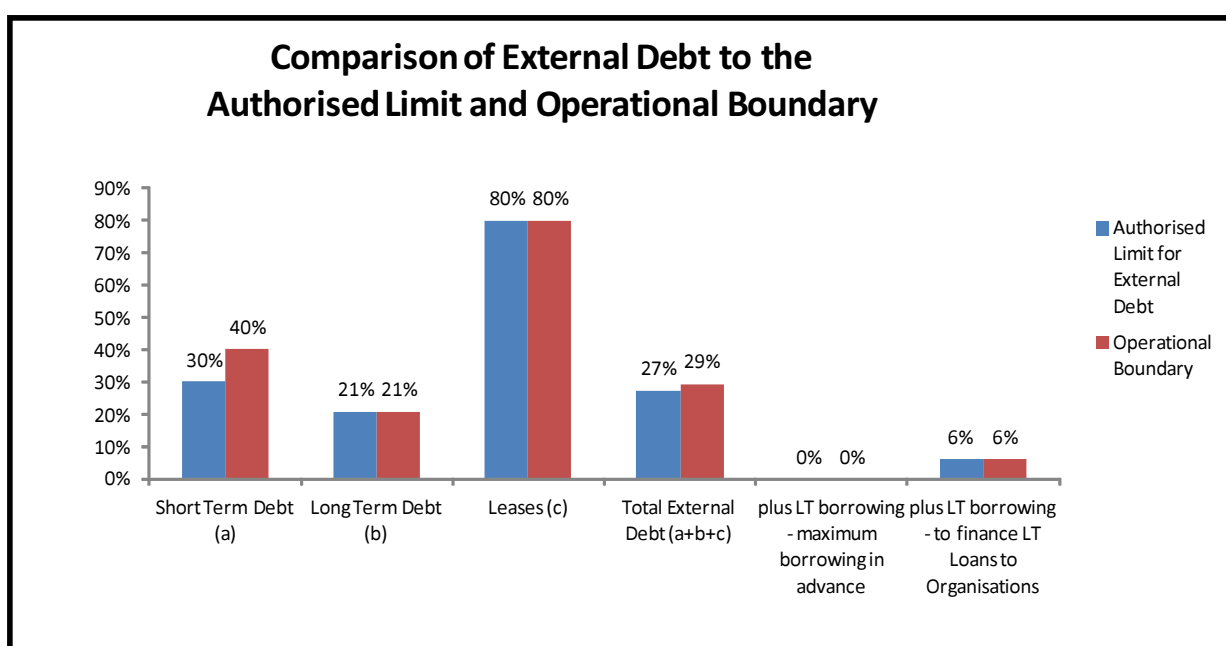
- 5.1 The latest forecast outturn is for the net cost of interest to be under budget by £33,000 (net cost of £0.206m against a budget of £0.239m). The small saving is attributable to a combination of low borrowing interest rates (especially between local authorities), delays in capital expenditure and higher than expected revenue reserves.

6 PRUDENTIAL INDICATORS

6.1 Operational Boundary and Authorised Limit for External Debt

The Authorised Limit for External Debt is the maximum external debt that the Council is authorised to borrow, whereas the Operational Boundary is an “early indicator” of when the Council is getting close to the Authorised Limit. As shown in the table below, currently the Council is well within the limits for both the Authorised Limit and Operational Boundary.

	2013/14 Estimate		2013/14 To Date
	Authorised Limit	Operational Boundary	
	£m	£m	
Short Term Debt	20.0	15.0	6.0
Long Term Debt	48.0	48.0	10.0
Leases	5.0	5.0	4.0
Total External Debt	73.0	68.0	20.0
Plus Long Term based on the maximum borrowing in advance	14.0	14.0	0.0
Plus Long term borrowing to finance Long Term Loans to Organisations	25.0	25.0	1.5



7 TREASURY MANAGEMENT INDICATORS

7.1 The Council measures its exposures to certain treasury management risks with the following indicators which generally relate to the position as at 30 September.

7.2 Interest rate exposures

This indicator prescribes the exposure to fixed and variable interest rates in respect of borrowing and investment activity.

All borrowing and investments are within the approved exposure limits.

	Limits		Actual Sept 2013
	Max.	Min.	
Borrowing:			
longer than 1 year	100%	75%	100%
Fixed	25%	0%	0%
Variable			
Investments:			
longer than 1 year	100%	100%	100%
Fixed	0%	0%	0%
Variable			

All borrowing and investing for less than one year is variable by definition.

7.3 Maturity structure of borrowing

This indicator prescribes the limits within which the Council can borrow to either maintain effective cash flow or to cover capital expenditure.

All borrowing is within the approved limits.

Borrowing	Upper Limit	Lower Limit	Actual
Under 12 months	86%	0%	34%
12 months and within 24 months	86%	0%	0%
24 months and within five years	86%	0%	0%
Five years and within 10 years	86%	0%	9%
10 years and above	100%	14%	57%

7.4 Investment repayment profile – limit on the value of investments that cannot be redeemed within 364 days

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.

The total principal sums invested beyond 364 days are within the approved limits.

	2013/14 £m	2014/15 £m	2015/16 £m
Limit on investments over 364 days as at 31 March each year.	32.6	33.2	33.2
Actual principal invested beyond year end as at 30 September 2013	1.512	1.512	1.512

8. LEGAL IMPLICATIONS

8.1 None, on the basis of the statement in paragraph 2.2.

9. RESOURCE IMPLICATIONS

9.1 The resource implications are noted within this report.

10 REASONS FOR THE RECOMMENDED DECISIONS

10.1 It is recommended that Overview and Scrutiny notes the report and recommends the report to Cabinet and then to Council.

11. LIST OF APPENDICES INCLUDED

Appendix 1 – Investments and Borrowing as at 30 September 2013

BACKGROUND PAPERS

Working papers in Financial Services

CONTACT OFFICER

Steve Couper, Assistant Director (Finance and Resources)

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Clive Mason, Accountancy Manager

☎ 01480 388157

Investments as at 30 September 2013

		£m	Investment date	Rate %	Repayment date
Term Deposits					
Skipton Building Society	Temporary investment of PWLB borrowing	5.000	19/12/08	4.85	19/12/13
Alconbury Parish Council		0.012	08/07/13	0.05	08/07/16
Huntingdonshire Regional College		1.500	05/08/13	3.34	05/08/23
Liquidity Accounts					
Cambridge Building Society		3.000	16/09/13	0.50	call
Ignis Liquidity Fund		2.000	24/09/13	0.49	call
NatWest		1.760	30/09/13	0.50	call
TOTAL		13.272			

* The above investment profile does not include the £75,000 investment in Huntingdon Gym as this investment was not taken out until October 2013.

Borrowing as at 30 September 2013

	£m	Borrowing date	Rate %	Repayment date
Long Term				
PWLB	1.500	07/08/13	2.44	07/08/23
PWLB	5.000	19/12/08	3.91	19/12/57
PWLB	5.000	19/12/08	3.90	19/12/58
Short Term				
Worcestershire County Council	5.000	11/09/13	0.30	09/10/13
Shropshire Council	1.000	11/09/13	0.30	11/10/13
TOTAL	17.500			

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Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: National Non Domestic Rating- Changes to Discretionary Policy

Meeting/Date: Cabinet – 12 December 2013
COMT – 2 December 2013

Executive Portfolio: Customer Services

Report by: Head of Customer Services

Ward(s) affected: All

Executive Summary:

Following a consultation process earlier this year the Government announced their intention to provide a temporary “exemption” for newly built and unoccupied non domestic properties from 1 October 2013 until 30 September 2016.

As this is a temporary measure they do not propose to change the exemption regulations, but instead will provide the exemption by reimbursing billing authorities that use their discretionary rate relief powers (under Section 47 of the Local Government Finance 1988) for the local share of the discretionary relief (by using a grant under Section 31 of the Local Government Act 2003).

Through this mechanism, central government will guarantee to reimburse local government (both billing authorities and those major precepting authorities within the rates retention system) for the cost to them under these specific circumstances.

Recommendation:

It is recommended that:

- **That Cabinet approve the award of 100% (Section 47) Discretionary Rate Relief where the newly built non domestic property meets the full qualifying criteria.**

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1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 The purpose of this report is to enable members to make an informed decision on the proposed “exemption” for new built and unoccupied non domestic properties from 1 October 2013 which remain unoccupied beyond the 3 month (or 6 month- for Industrial properties) period which is currently covered by existing regulations.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 Central Government do not propose to change the existing regulations i.e. “The Non Domestic Rating (Unoccupied Property) (England) Regulations 2008” because they say this is a temporary measure only.
- 2.2 Instead they are asking that local authorities use their discretionary rate relief powers under Section 47 of the Local Government Act 1988, and that requires a change to the Council’s discretionary policy.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 Other options could be to either decline to grant the exemption by way of discretionary rate relief, or vary the level of the relief but this would not help the ratepayers nor encourage developers to complete new non domestic building works. Most importantly, if the council does not grant the relief to the full extent of the Governments intention it will not be 100% reimbursed by way of grant.

4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1 It will be for individual billing authorities to grant relief and to ensure that each application fully meets the qualifying criteria, and obviously the payment of the grant, paid in arrears by the government, will be subject to full external audit. Accordingly there will be an administrative and cost burden to the council which does not appear to have been addressed by central government at this time. The biggest risk is the unlikely outcome that the government does not honour its guarantee of 100% reimbursement.
- 4.2 This position is further complicated by the proposal that the owner can benefit from multiple unoccupied periods between tenants during the 18 month period, and billing authorities must also ensure that the rules on the maximum amount of “state aid” are not breached.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 If agreed, a comprehensive checklist of all the relevant circumstances matching the qualifying criteria will be prepared for each application, awards will be separately identified in the accounts and reimbursement claimed as part of the non domestic rates year end reconciliations (and again subject to external audit). It must also be presumed that government will amend the relevant billing regulations in time for annual billing in March 2014.

6. LINK TO THE LEADERSHIP DIRECTION

- 6.1 This policy change will meet the aim of generating business growth in the district by encouraging developers to build and complete business premises.

7. CONSULTATION

- 7.1 There is no requirement for any consultation exercise on policy changes on discretionary rate relief

8. LEGAL IMPLICATIONS

- 8.1 There is no legal implication other than for the decision to be formally resolved in order to amend the Discretionary Relief policy. The Head of Customer Services already holds Delegated Authority to grant discretionary relief under the Council's policy.

9. RESOURCE IMPLICATIONS

- 9.1 As outlined above there is a significant burden for the business rates team, and in terms of accounting and completing external audit (which may also increase audit fees), it would have certainly been simpler and less of a financial risk had the government amended the appropriate regulations albeit for a temporary period.
- 9.2 The cost of reliefs awarded by the Council will be reimbursed by the government; therefore there is no net cost to the Council.

10 REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 The recommendation will encourage, it is hoped, developers/owners to complete new business premises, at least in the short term.

Recommendation:

Based on the information contained within this report, it is recommended that Cabinet agrees :

To include 100% discretionary rate relief for qualifying newly built domestic rating properties completed from 1 October 2013 to 30 September 2013, for a maximum period of up to 18 months.

11. LIST OF APPENDICES INCLUDED

None

BACKGROUND PAPERS

- Summary of consultation responses and Government response- 11 September 2013
- Guidance: Business Rates New Build Empty Property- 11 September 2013

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