

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (FINANCE AND PERFORMANCE) held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, Cambs, PE29 3TN on Thursday, 7th January 2016.

PRESENT: Councillor G J Bull – Chairman.

Councillors T D Alban, P L E Bucknell, E R Butler, Mrs A D Curtis, R S Farrer, L George, D Harty, B Hyland, J M Palmer, M F Shellens and J E White.

IN ATTENDANCE: Councillors R C Carter, J A Gray, S Greenall and R B Howe.

1. ELECTION OF CHAIRMAN

RESOLVED

that Councillor G J Bull be elected Chairman of the Panel for the remainder of the Municipal Year.

Councillor G J Bull in the Chair.

(At 7.00pm, after the commencement of the meeting, Councillor B Hyland entered the room).

2. MINUTES

The Minutes of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th December 2015 were approved as a correct record and signed by the Chairman.

3. MEMBERS' INTERESTS

No declarations of interests were received.

4. APPOINTMENT OF VICE-CHAIRMAN

RESOLVED

that Councillor D Harty be appointed Vice-Chairman of the Panel for the remainder of the Municipal Year.

5. NOTICE OF KEY EXECUTIVE DECISIONS

The Panel received and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book) which has been prepared by the Executive Leader for the period 1st January 2016 to 30th April 2016.

6. **UPDATE ON 2016/17 DRAFT BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

By means of a report by the Head of Resources (a copy of which is appended in the Minute Book) the Panel was updated on the Draft Budget for 2016/17 and the Medium Term Financial Strategy (MTFS). Members were informed that savings of £2.2m had been found through the Zero Based Budgeting (ZBB) process and this was expected to rise to nearly £4m by 2021.

The Panel had been advised that there has not been any growth within the budget except for items where it was unavoidable such as additional pension costs, statutory technical adjustments and some limited budget corrections.

Members noted that the budget for 2016/17 and MTFS was based on a Council Tax freeze over the period of the MTFS. As the Government has indicated that they would like Local Authorities to be self-financing the Council is expected to see a reduction in the number of grants received.

A cause for concern was highlighted in respect to the anticipated deficit of £637k the General Fund would have by the end of 2021. This would be as a result of a reduction in Government funding and contributions from the reserve towards the budget over the life of the MTFS. As such Members were told that budget savings of £3m would have to be sought by 2021.

The Panel has been acquainted with three options the Council has to consider in order to ensure it is budgeting in a sustainable manner both in terms of on-going revenue and funding and its reserves. The options are:

- 1) Maintain the current level of reserves and Commercial Investment Strategy (CIS) investments and continue the programme of ZBB reviews in order to find the necessary savings to bring the General Fund reserve back to prudent recommended levels.
- 2) The decision to transfer £6.8m from the General Fund reserve to the CIS earmarked reserve is reversed. As a result the approved CIS business case will need to be reviewed.
- 3) Take a less aggressive view on the reduction of Government funded New Homes Bonus and therefore anticipate higher levels of government grant in future years or growth in business rates.

Following a question regarding business rates the Panel was informed that the current situation is that Local Authorities will keep 100% of business rate growth however this would become 100% of all business rates at a future date. Although the Government had not stipulated how business rates would be distributed between the Local Authorities.

In response to a concern over the effect a reduced budget would have upon services the Executive Councillor for Resources informed

the Panel that the focus was to provide services as well as an improved customer experience. The Executive Councillor emphasised that it is important that Members were involved with the budget process and were fully informed of the proposals.

Members discussed the possible introduction of the Bus Departure Levy. The levy was suggested as part of the ZBB process however it was decided by the Head of Service and Executive Member responsible that it would not be implemented. The proposal was that at the Council owned Huntingdon and St Ives bus stations the bus companies would be charged 50p for each bus that departs from those locations. It was estimated that the levy would raise an estimated £75k per annum.

The Panel noted that resources would have to be invested in the bus stations so that bus departures could be effectively monitored. This could mean that as a result of the levy the bus companies may reduce the service they provide. However Members were keen that the option of the bus departure levy should be explored.

Following a question by Councillor P L E Bucknell in regards to the Council Tax freeze, the Panel was informed that the MTFS was based on a Council Tax freeze for the life of the plan however the Government would be removing the incentive for freezing Council Tax.

In light of this information the Panel indicated that it is an admirable aspiration to freeze Council Tax although if Council Tax needs to rise as a result of changing circumstances then Members would be amenable to this. Members noted that a 1% increase in Council Tax would raise an additional £80k.

The Panel,

RESOLVED

- i) that the Cabinet should make it clear that freezing Council Tax is an aspiration and not a commitment.
- ii) the option of a bus departure levy should be explored.
- iii) that the Cabinet adopts Option 1 for dealing with the potential deficit in reserves.
- iv) to note the Council Tax base calculations for 2016/17.
- v) to note the four-year financial settlement however withhold any comments until Members have seen the details.

(At 7.05pm, during the discussion of this item, Councillor J A Gray entered the room).

(At 8.28pm, during the discussion of this item, Councillor S Greenall left the room).

7. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contains information relating to any individual, information which is likely to reveal the identity of an individual, information relating to the financial or business affairs of any particular person (including the authority holding that information), information relating to any consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

8. OXMOOR ACTION PLAN FOR OPEN SPACE - TREATMENT OF SECTION 106 MONIES

Consideration was given to a report by the Interim Head of Operations (a copy of which is appended in the Minute Book) regarding the Oxmoor Action Plan for Open Space and the Treatment of Section 106 Monies. On the understanding that report on the progress of the Action Plan and Treatment of Section 106 Monies were submitted to Overview and Scrutiny, it was

RESOLVED

- a) that the Cabinet approve in principle the proposed way forward as detailed within the report.
- b) that the Panel receive a report showing all the remaining Section 106 monies and when they expire.

9. FUTURE SERVICE PROVISION

With the aid of a report by the Corporate Team Manager (a copy of which is appended in the Annex to the Minute Book) the Panel considered the Future Service Provision. The Panel was supportive of the report and after a short discussion, it was

RESOLVED

that the Cabinet be recommended to approve the recommendations contained in the report now submitted.

10. RE-ADMITTANCE OF PRESS AND PUBLIC

RESOLVED

that the press and public be re-admitted to the meeting.

11. WORKPLAN STUDIES

The Panel received and noted a report (a copy of which is appended in the Minute Book) which contained details of studies being undertaken by the Overview and Scrutiny Panels for Communities and Customers and Economy and Growth.

(At 8.52pm, during the discussion on this item, Councillor R Carter left the meeting and did not return).

12. OVERVIEW AND SCRUTINY PROGRESS

With the aid of a report by the Democratic Services Officer (Scrutiny) (a copy of which is appended in the Minute Book) the Panel reviewed the progress of its activities since the last meeting. In addition Members had the opportunity to discuss issues arising from the Decision Digest (circulated separately).

The scrutiny of the Huntingdon West Masterplan and the Huntingdonshire Infrastructure Business Plan had been passed over to the Overview and Scrutiny Panel (Economy and Growth) and as such the Panel agreed to delete the Action Log off the Work Programme.

(At 8.53pm, during the discussion of this item, Councillors J A Gray and R B Howe left the meeting and did not return).

Chairman