

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, 4th February 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, D Harty, J M Palmer, M F Shellens and J E White.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillor L George and B Hyland.

IN ATTENDANCE: J D Ablewhite, J A Gray, R Harrison and R B Howe.

13. MINUTES

The minutes of the meeting of the Panel held on 7th January 2016 were approved as a correct record and signed by the Chairman.

Further to Minute Number 6, Councillor T D Alban reiterated that during the discussion of the Bus Departure Levy he stated that he would like the Cabinet to investigate all possible income streams emanating from the bus stations.

(At 7.01pm, during the discussion on this item, Councillor E R Butler entered the meeting).

(At 7.03pm, during the discussion on this item, Councillor A D Curtis entered the meeting).

14. MEMBERS' INTERESTS

No declarations of interests were received.

15. 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 February 2016 to 31st May 2016.

16. REVENUE AND CAPITAL BUDGETS 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY

With the aid of a report by the Head of Resources (a copy of which is appended in the Minute Book) the Revenue and Capital Budgets 2016/17 and the Medium Term Financial Strategy (MTFS) was presented to the Panel. Members were told of two significant changes

since the report was present at the January 2016 meeting of the Panel. They are:

- The One Leisure draft income budget had been reprofiled and reduced over the period of the MTFS in order to better reflect the demands on the service. As such there has been a reduction in income of £0.9m across the MTFS period, and
- Following a detailed analysis of the draft Local Government Settlement, an increased Revenue Support Grant (RSG) has been used in the MTFS. This equates to an additional £0.4m over the MTFS period.

This has had an impact upon the predicted deficit position in 2020/21 with the deficit increasing from £637k to £837k. Since the last meeting of the Panel the Cabinet have decided to continue with the Commercial Investment Strategy (CIS) and Zero Based Budgeting (ZBB). ZBB has analysed services bottom up but will now analyse across all services.

Following a question regarding the One Leisure income reprofiling and the benchmarking of figures, the Panel were told that the projected income streams of One Leisure had been reduced as when the original profiling took place the costs did not increase at the same level as revenue.

When pressed on benchmarking Members were advised that benchmarking with other local authority owned leisure centres is difficult as the majority of local authority owned leisure centres make losses. Although the commercial leisure centres have profits of 10-12%.

Following a question regarding the leisure facility at Alconbury, the Panel was informed that the leisure centre is expected to begin trading after quarter two in 2016/17. For the first three years the developers Urban and Civic will pay for any operating losses that occur.

The suggestion was put forward that the word electorate should be deleted and replaced with the word resident in the paragraph 'section 4 has shown that the Council continues to face significant challenges over the medium term in its obligations to provide cost-effective services to its electorate'.

In response to a concern over the MTFS, Members were informed that although they still had to consider the MTFS the more pressing issue was the setting of the budget for 2016/17.

A Member addressed the Panel with a statement which outlined the problems the County Council was facing in regards to the adult, children and families budget. An alternative proposal was put forward which proposed that the Council raises council tax by 2% so that the voluntary sector could provide adult and social services which may help to alleviate the County Council's budget shortfall and assist the more vulnerable residents of the District. Furthermore an additional proposal was advanced which proposed that Members could surrender a proportion of their car allowance in order to give the savings to the voluntary sector.

Members had sympathy for the issues raised by the Member however believed that it would be better if the Council did not interfere and allow the County Council to manage their budget. The Panel were advised that as not all Members claim car allowance the suggestion of surrendering a proportion would not yield the desired savings.

The Executive Councillor for Resources confirmed that there is no longer an incentive from Central Government for local authorities to freeze council tax however he did not believe that raising council tax to increase voluntary sector funding was the most prudent action to take. This is because the Executive Councillor for Resources believes that voluntary sector needs to make more efficiency savings.

(At 7.22pm, during the discussion of this item, Councillor J D Ablewhite entered the room).

17. TREASURY MANAGEMENT STRATEGY 2016/17

With the aid of a report by the Head of Resources (a copy of which is appended in the Minute Book) the Treasury Management Strategy 2016/17 was presented to the Panel. The Finance Manager introduced the report and advised Members that the report separates the Council's main budget from the Commercial Investment Strategy (CIS).

Following a question on how quickly the Council would be able to secure a low cost loan the Panel was informed that it could happen swiftly. Members were informed that in the past the Council had acted to secure loans at favourable market rates.

In response to a suggestion to suspend the transfer of funds from reserves to the CIS in order to prevent a deficit position during 2020/21 the Panel was informed that the Cabinet did not take that position as they viewed it as crucial to make commercial investments for the resilience of the authority.

18. INTEGRATED PERFORMANCE MANAGEMENT 2015/16 QUARTER 3

With the aid of a report by the Corporate Team Manager and the Head of Resources (a copy of which is appended in the Minute Book) the Integrated Performance Management 2015/16 Quarter 3 report was presented to the Panel. By way of introduction the Panel was advised that Appendix A and Appendix B of the report related to the Key Actions and Corporate Indicators for 2015/16, Appendix C was the Project Management report and Appendix D was the Financial Performance Monitoring.

A query was raised on the key action of the effectiveness of the fast track pre-application advice as to why the department had not received any enquiries and could the service be marketed better. In response Members were told that the service is being marketed however, despite being aware, developers and applicants are not taking up the service.

Following a question on the key action of the Council's ability to

influence the Local Enterprise Partnership (LEP) Members were informed that the LEP has evolved since its creation however the LEP remains business led meaning that it has a different culture to Local Government and as a result this means understanding each other more difficult.

In response to a Member raising a perceived problem with Building Control Shared Service and lack of cooperation with Development the Panel was informed that the two departments now sit within the same office which has created a greater cooperation and understanding. In addition Members were reminded that as Building Control only entered the shared service four months earlier (October 2015) it was deemed too early to analyse the benefits or problems with the shared service.

When reviewing the Corporate Performance Indicators a Member raised a concern that the target for Business Rates collected had been missed. The Panel was informed that the reason for this was that there is a hold up due to monthly enforcement and liability order hearings as well as avoidance tactics. In response to the suggestion should the target be revisited Members were advised that the target was set for the year however the department was confident of reaching the target by the end of quarter four.

A question was raised by a Member as to what actions were being taken in regards to sickness. In response the Panel was informed that measures have been put in place and this is a top priority for Senior Management Team to resolve.

Following a query regarding why the target for the percentage of rent arrears was missed Members were told that the Council are handling the bad debts and the target will be met by the end of quarter four.

The Panel was advised that although currently the Council are missing the target for percentage of green bin debt outstanding after three months there is confidence that the target would be met at year end.

In response to a concern that the progress for the implement action plan to adopt the Local Plan to 2036 was taking longer than anticipated the Panel was informed that the Council currently have a Local Plan up to 2026 however the new Local Plan is expected in early 2017. The progress is being held up as the Council are currently awaiting the County Council to produce the sub regional transport model.

The Corporate Performance Indicators of developing a market town centre strategy for St Neots, update the 'Buildings at Risk' register and the completion of the updated Design Guide are all red. Although the Panel recognised that individually it wasn't an issue but when considering the indicators as a collective there was concern.

In response to Members' concerns the Panel was informed that for the development of the St Neots market town centre improvement strategy it requires all authorities to work together as well as political will. Members were advised that an updated 'Buildings at Risk' register is a would like to have as opposed to a need to have. With

regards to the completion of an updated Design Guide the issue is a lack of resources. In addition it was decided that the Design Guide is not currently a priority.

Concerns were raised with regards to the number of affordable homes delivered as a Member thought that the performance was not up to standard despite receiving a green performance indicator. In response the Panel was advised that the affordable homes indicator is worked out as an average over the local plan period.

Members were informed that the performance indicator analysing current partnership commitments was red however once more analysing had taken place the indicator will turn green by the end of quarter four.

In reviewing Project Performance the Chairman reminded Members that the subject will be covered in greater detail at the next meeting of the Panel in March. Members did ask if the values of the projects could be included within the performance report. The Panel,

RESOLVED

to recommend that Cabinet retrospectively approve the establishment of the Budget Surplus Earmarked Reserve.

19. WORKPLAN STUDIES

The Panel received and noted a report by the Democratic Services Officer (Scrutiny) (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.

20. 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).

Chairman