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## **Overview & Scrutiny Panel (Economic Well-Being)**

**Report of the meetings held on 10th December 2009  
and 14th January and 4th February 2010**

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### **Matters for Information**

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#### **34. WEB SITE**

The Panel has received a presentation highlighting the improvements and enhancements that have been made to the Council's website following the completion of phase 1 of the project to transfer the existing system onto a new technical infrastructure. The presentation has acquainted Members with the financial benefits of providing online services. Over 80 forms are now available electronically and users have access to in excess of 2000 downloadable documents.

A soft launch of the system took place in January and this will be followed by a formal launch in February. Phase II of the upgrade will continue through 2011 and will include the introduction of more new features and the facility for users to personalise the way they use the website.

#### **35. PERFORMANCE MONITORING**

In considering the performance of the Council against its priority objectives in the quarter to 30th September 2009, the Panel has noted that leisure centre income is 9% below the target and an improvement in Quarter 3 is not expected. Given this situation, the Panel has requested that a more detailed report on the leisure centres' finances, including the marginal cost per hour for opening, is submitted to a future meeting. During further discussion on the leisure centres, Members have commented on the difficulties being experienced in addressing matters raised by Sawtry School Governors following the loss of the leisure centre management committees. As the new leisure forums are advisory committees advice has been received that such issues should be discussed with Leisure Centre Managers and, where appropriate, directed to the Executive Councillor for Leisure.

With regard to the "amber" rating of the objective for the Strategic Partnership Thematic Groups to review their performance and delivery, the Panel has noted that there will be an opportunity to scrutinise the performance of the Thematic Groups later in the year.

**36. SCRUTINY OF HUNTINGDONSHIRE STRATEGIC PARTNERSHIP**

The Panel has been acquainted with the content of a draft protocol, which has been devised to guide how the Council fulfils its statutory duty to scrutinise the Strategic Partnership. Members have been reminded that the Council has allocated responsibility for scrutinising different aspects of the Strategic Partnership to the full Council and the three Overview and Scrutiny Panels, with the Economic Well-Being Panel having responsibility for scrutinising the Economic Prosperity and Skills Thematic Group. The protocol is intended to provide Partners with clarification and assurances about the process to be adopted. It has been considered and endorsed by the Strategic Partnership's Executive and Board.

**37. ASSET MANAGEMENT PLAN**

The Panel has reviewed the annual report on the performance of the Council's assets against a range of criteria. Members have noted that generally the Council's performance compares favourably with that of other authorities and that the compilation of some figures has been delayed so that the new offices at Pathfinder House can be taken into account.

Members have been informed that increases in the Council's energy consumption are mainly attributable to the Leisure Centres; however, there is expected to be a reduction in the energy consumed in the future following developments at the Centres through improved building practices. It is also anticipated that the implementation of the Council's Energy Efficiency Strategy will produce improvements in this respect. Members have suggested that opportunities to introduce further energy efficiency measures should be explored but that they should take into account the environmental cost of construction and running costs.

The Panel has been advised that the Council has no suitable projects that will qualify for grant aid from the Community Assets Fund; however, funding applications will be made to other sources to improve Council assets.

Members have been acquainted with details of the Council's asset development achievements during 2008/09. These include the completion of Block D of Pathfinder House and the opening of the CreativeXchange. A database of information relating to property ownership will be completed now that delays caused by the Land Registry have been resolved.

**38. SAPLEY EAST – PROPERTY TRANSACTIONS**

The Panel has endorsed for submission to the Cabinet proposals for property transactions, which are required to complete the final phase of the approved Masterplan for Sapley East as part of the overall regeneration of Oxmoor. Members have also endorsed the adoption by the Council of the principle that any income from its land interests in the area will be reinvested in Oxmoor.

The scheme will be phased to coincide with negotiations on the relocation and possible acquisition of buildings already on site. Key elements of it include the development of a Community Enterprise Centre and redevelopment of parts of the Luminus site. Hunts Forum, as part of a partnership agreement with the Council, has submitted a bid for grant funding towards the cost of the Centre. Members have been informed that it is unlikely that the bid will not be successful but that, should it be refused, income from land sales can be used for the project or, subject to the returns achievable, borrowing will be considered. Alternatively, there is also the option to delay the project until land values increase. A service level agreement with Hunts Forum will be introduced for the use of the building.

**39. FINANCIAL STRATEGY, MEDIUM TERM PLAN 2011-2015 AND THE 2010/11 BUDGET**

The Panel has reviewed the Financial Strategy, Medium Term Plan 2011 - 2015 and the Budget and level of Council Tax for 2010/11, which are included in a separate item elsewhere on the Agenda for the Council meeting.

The Panel has been reminded of the process involved in developing the Financial Strategy. Members also have been acquainted with the changes that have been made since they endorsed the draft Strategy at a previous meeting. It now takes into account £1.2 million in savings that have been identified, which have been transferred into a Special Reserve in order to facilitate the achievement of future spending adjustments. The changes have brought about a reduction in the Council's budget deficit which will allow the future required spending adjustments to be phased in at a more regular rate. Overall spending will be significantly lower than previously assumed owing to lower provision made for pay and price inflation, lower assumptions relating to Government Grant and a proposed reduction in the level of Council Tax increase to 2.49%. The result will be that a reduced level of spending adjustments will be needed in the Medium Term Plan period though the longer term requirement will be little changed.

Members' attention has been drawn to the Director of Commerce and Technology's opinion that the combination of a robust budget process and the current level of reserves should give Members no concerns over the Council's financial position for 2010/11. He is, however, of the view that a significant level of work will be required to plan for the spending adjustments that will be required in future years as reserves are depleted.

With regard to the uncertainties and risks associated with the financial forecast, the Panel has been reminded of the possible impact of the Guided Bus on the Council's parking income. The unknown length and depth of the recession, changes in grant funding and the forthcoming revaluation of the pension scheme also have been discussed.

Further discussion has been held on investment interest and borrowing costs. Lower than planned expenditure from the Council's reserves in 2008/09 has allowed investments to be made at favourable rates. In addition, income of £150,000 from the sale for development of the site of the public conveniences on South Street, St Neots has been included in the Budget for 2010/11. Furthermore, planned improvements to Huntingdon bus station are under review. Having been advised of the effect of introducing alternative increases in Council Tax, Members have received assurances that the Budget will enable the Council to achieve its objectives in the forthcoming financial year.

At the conclusion of their discussions, the Panel has outlined their support for an annual increase of 2.49% in Band D equivalent Council Tax and for the proposed Budget and Medium Term Plan. They have also supported the creation of a Special Reserve for use in achieving future spending adjustments.

#### **40. 2010/11 TREASURY MANAGEMENT STRATEGY**

The Panel has been acquainted with proposed changes to the Council's Treasury Management Strategy for 2010/11. Following recent interest in the subject as a result of the collapse of Icelandic banks in 2008, a number of developments in treasury management have taken place at the national level. The Audit Commission has published new guidance and a revised Code of Practice has been received from the Chartered Institute of Public Finance and Accountancy (CIPFA). Members also have been advised that the Department for Communities and Local Government is currently consulting on revised guidance on local authority investments, which is expected to apply from April 2010 onwards.

The primary change to the Council's Treasury Management Strategy is that it now places emphasis on using a wider range of information to assess counterparty credit quality and on prioritising security and the liquidity of investments.

Having noted that, in accordance with the CIPFA Code of Practice, the Panel now has formal responsibility for scrutinising Treasury Management and that training will be provided for this purpose, the Treasury Management Strategy for 2010/11 has been endorsed for submission to the Cabinet and Council.

#### **41. CUSTOMER SERVICE QUARTERLY REPORT**

The Panel has received the Customer Service Quarterly Performance Report for the period October to December 2009, which outlines the levels of performance and standards achieved by the Service. Members' attention has been drawn to the fact that, following a 'mystery shopper' exercise, the Council has achieved the highest rating in the region for customer services.

#### **42. ECONOMIC DEVELOPMENT**

The Panel has been acquainted with the implications for the Council and for the District of the loss of the Huntingdonshire Enterprise Agency. Having noted the services that previously were provided through the Agency, Members have been apprised of the support that is now provided to individuals through the Cambridge and Rural Enterprise and Mentoring (CREAM) project to enable them to become self-employed. Particular reference has been made to the high number of new businesses that have started in the District and the ability the Council has to commission bespoke services as conditions require. Having also discussed the cost to the Council of business development, Members have concluded that, through partnership working, the budget available attracts a significant level of services; however, there are concerns regarding the future funding of the CREAM project beyond 2012.

The Panel also has received a presentation on the CreativeXchange in St Neots. Members have been acquainted with the background to its development through Longsands School and the fact that, through a commitment by the Council of £300k, the total value of the investment in the project is £2m. The CreativeXchange has exceeded its operating targets to date and is well placed to meet its targets for 2010/11. It has, specifically, had a high level of occupancy, which is notable given recent economic conditions. It has also received a number of awards. In that context, the Panel has congratulated all those involved in the project on the progress that has been made to date.

#### **43. INDEPENDENT SCRUTINY PANEL MEMBERS**

The Selection Panel's recommendations for the appointment of two independent members to the Panel have been endorsed. A separate item relating to this matter appears elsewhere on the Council's Agenda.

#### **44. THE HEALTH IMPLICATIONS OF THE NIGHT TIME ECONOMY**

The Panel has followed-up work carried out by the former Overview and Scrutiny Panel (Service Support) during a study into the impact of excessive alcohol consumption on levels of anti-social behaviour and alcohol related crime within the District by receiving data on the effect of alcohol consumption on local health and health services. The data, provided by the Public Health Observatory at the Centre for Public Health, indicates that for all age bands Huntingdonshire has lower rates of admission to hospital than the average for England. However, the rate of alcohol-specific hospital admissions for under 18s is higher than for other indicators, so the Panel has asked for further information on this and whether any qualitative analysis has been carried out on the effects of alcohol consumption in rural areas.

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## **Other Matters of Interest**

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**45. OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) - PROGRESS**

The Panel has reviewed its ongoing studies at each of its meetings. Reports on the costs associated with Standards and on the Council's management of Capital projects will be submitted to future meetings.

**46. WORK PLAN STUDIES**

The Panel has reviewed its work plan and received details of studies being undertaken by the other Overview and Scrutiny Panels. A number of future study areas are included in the plan.

**47. FORWARD PLAN**

The Panel has been acquainted with details of the current Forward Plan of Key Decisions, which has been prepared by the Leader of the Council.

**48. SCRUTINY**

The Panel has considered the latest edition of the Decision Digest and discussed matters contained therein.

J D Ablewhite  
Chairman