
Overview & Scrutiny Panel (Economic Well-Being)

**Report of the meetings held on 7th July and
8th September 2011**

Matters for Information

9. FINANCIAL FORECAST

The Panel has been acquainted with the present position in relation to the Council's financial forecast for the period to 2024/25. To assist them in their deliberations, all Members of the Council were invited to attend and take part in the discussions.

Members have been informed of potential variations in a number of sources of income and other factors that could affect the Council's financial position. The Panel has received details of the progress made to-date in the achievement of savings and has acknowledged the uncertainty surrounding the current forecast and a number of assumptions which will be clarified over the next few months.

The Panel has discussed the approach the Council might take to setting the Council Tax for 2012/13. In so doing, Members have recommended that analysis of the implications of not increasing Council Tax next year should be included in the options under consideration and have noted that it would require an increase of 30% for Huntingdonshire to reach the current average level of Council Tax for District Councils. The Panel has also pointed out that an increase of 5% would cover the lower end of the required savings which are currently unidentified. Members are of the opinion that all options for Council Tax merit serious consideration.

With regard to the Council's planned savings through pay and allowances, the Panel has been advised that changes to the salary scale, which are currently the subject of consultation with employees, will make savings significantly greater than those included in the budget. The changes are designed to reflect changes in the employment market, but Members have stressed the need to ensure they apply to all levels of employees to demonstrate equity and leadership in this matter.

The Panel has suggested that the Council should take into account whether front-line or support services are involved when planning to make savings. In so doing, Members have reiterated their desire to retain front line services where possible. A review of the Council's support services will be undertaken by the Panel shortly. The view has also been taken that the Council should examine the opportunities to make savings amongst those functions which have not already had their budgets reduced.

Other comments made during the Panel's deliberations include the expression of a view that as a non-statutory function the leisure service should make greater savings than those currently planned and that the Council should not assume it will get the full benefit of the New Homes Bonus as parishes will expect to have a say in how it is used. Comment has also been made that the Council should review its existing plans, adopt a flexible approach and be more rigorous in its identification and analysis of options for changes to the way services are delivered.

With regard to the Council's CCTV Service, the Panel has noted that the future of the service is currently the subject of ongoing investigations. This together with the outcome of the review into grants for voluntary services will be reported to Members to enable them to take the findings into account during the budget setting process.

Finally, the Panel has endorsed the continued use of the Annuity basis for the Council's Minimum Revenue Provision Policy.

10. CALL CENTRE OPTIONS BEYOND 2012

The Panel has given consideration to a range of options for the management of the District Council's Call Centre after December 2012. The main IT contracts for the Call Centre end in December 2012 and the lease for the premises at Speke House runs until 2013. The Council therefore has been looking at how it will provide a call centre service after these dates.

Overall the Panel is of the opinion that the Call Centre continues to provide an excellent service and the Council retains a high degree of control over service delivery through the current model. With this in mind the Panel has recommended that the Council should retain a District Council operated and staffed Call Centre beyond December 2012.

The Panel has discussed the proposals for the future location of the Call Centre. Although the Panel is minded to support, in principle, an extension to the lease of space and facilities at Speke House, Members are of the opinion that, given that the potential for sub-letting is likely to be reduced in the current economic climate, further consideration should be given to utilising the District Council's own property portfolio. Members are also of the view that during negotiations with the County

Council, the District Council should seek to secure a 12 month rolling lease to enable the situation to be reviewed on a regular basis. As a result, the Panel has asked for a further report on the location of the Call Centre at their meeting in January 2012.

The Panel has recognised that there is a need to replace the current Customer Relationship Management System (CRM) and, subject to a more rigorous approach being adopted to the financial proposals, Members have endorsed a number of recommendations regarding the procurement process. They have suggested that the decision by South Cambridgeshire District Council to end their current arrangements with Cambridgeshire Direct might provide an opportunity for the District Council to negotiate a better agreement with the County Council.

The Panel has also expressed the view that the Call Centre should retain and extend the agreement for the use of the County Council's Avaya Automated Call Distribution telephony system. The Panel is satisfied that the Avaya System is a "best in class" solution and the charge imposed by the County Council is considered to be good value.

11. DISABLED FACILITIES GRANT BUDGET

The Panel has been acquainted with the implications for the Council's Budget of an increase in demand for Disabled Facilities Grants (DFGs). There are now insufficient funds to progress a number of cases in the current year and it has been estimated that to maintain the current level of service, an increase of £1.116m will be required to the 2011/12 budget.

In considering the options which are available, Members have been reminded that Cabinet has previously agreed that applications for DFGs should be dealt with as expeditiously as possible. Having recognised that any delay in providing DFGs could have a detrimental impact on the quality of life of those who require adaptations, Members have expressed the opinion that the Council should continue with its current policy and the Cabinet has been invited to approve a supplementary capital estimate so that there are no delays in applicants receiving adaptations to their homes.

12. TREASURY MANAGEMENT ANNUAL REPORT 2010/11

In accordance with the requirements of the CIPFA Code of Practice and the Council's Treasury Management Strategy, the Panel has reviewed the performance for the year ending 31st March 2011 in the investment of the Council's Capital receipts. Members have been pleased to note that the funds have performed well, significantly exceeding both the benchmark and the budgeted investment interest.

The Panel has discussed the Council's Strategies for both borrowing and investing funds in the current year. Members have been reminded that, in December 2008, the Council borrowed £10M in advance of its

need for the funds over a 50 year period. It has been noted that the return from the investment of these monies has been greater than the cost of the monthly repayments. On the question of whether there is any scope to lend money to other authorities at a still higher rate, the Panel has noted that it is unlikely that other authorities would pay more than the rates currently asked by the Public Works Loan Board.

With regard to the management of the Council's cash flow and the Authority's Strategy for long-term borrowing, the Panel has noted that the Council has needed to borrow on average £3M during the year to manage its cash flow. This reflects the fact that the Council collects precepts on behalf of other local bodies but also had to pay out levies to those authorities in addition to the monthly payment of salaries and meeting the cost of capital expenditure on a monthly basis. The Panel has also noted that the capital programme for the next 5 years assumes an expenditure of approximately £23M plus any slippages from individual years. Provided it can be demonstrated that it has the capacity to afford the repayments, there is no limit to the level of borrowing which can be undertaken by an individual Council.

The Panel has been advised that following the reduction of the Council's reserves over the last few years all investments are now being managed in-house.

13. ELECTRONIC NEWSLETTER FOR RESIDENTS

The Panel has endorsed in principle a proposal to produce an electronic newsletter for the District Council on a quarterly basis for a 12 month trial period. The proposal has been prepared as part of a review of communication activities and their associated costs.

In considering the details of the proposal, Members have queried whether there is potential to reproduce the newsletter within parish magazines. It has been suggested that this should be incorporated within the proposals. It has also been suggested that parish council websites might be used to signpost residents to information about the District Council.

Having noted that it is intended to use an externally managed database to store the email addresses of residents who have registered an interest in receiving Council information, Members have queried what implications this might have for data protection and for the Council if data is to go missing. As a consequence of this, they have recommended that a risk assessment is undertaken of the company that will be employed. The Panel has also discussed whether the use of e-communications might put any sections of society at a disadvantage and, with this in mind, Members have reiterated the need to ensure that the District Council does not fall foul of any anti-discrimination legislation.

14. CUSTOMER SERVICES QUARTERLY REPORT

The Panel has considered the Customer Service Quarterly Performance Report for the period January to March 2011, on the levels and standards achieved by the Service. Members have been pleased to note that customer satisfaction levels continue to be maintained despite a reduction in staffing levels.

Having discussed a number of matters relating to the report, the Panel has commented on the increasing number of benefit enquiries being received as a result of the current state of the economy. With this in mind, Members have asked the Executive Councillor for Resources and Customer Services to give further consideration to the actions which could be taken should additional funding from the Department for Work and Pensions to deal with benefits enquiries not continue after April 2012.

With regard to changes to the opening hours at the Ramsey and Yaxley Customer Services Centre, which had been approved in February, the Panel has agreed that the review on the impact of these changes should be reported to its meeting in June 2012. Members have been advised that the potential to link the opening hours of the Yaxley Customer Services Centre to the weekly bus service from the surrounding villages is still under consideration as there are a number of issues yet to resolve.

The Panel has discussed the Call Centre's business continuity arrangements and the flexibility of the staffing arrangements within the service to respond to increased demand in a particular area. It has been suggested that it might be useful to display information to customers about those times during which there is a high demand for the service.

15. ONE LEISURE FINANCE

The Panel has received an update on the progress of a joint Working Group which has been established to review the financial performance of One Leisure and to make recommendations on the service's future strategic direction.

16. OVERVIEW AND SCRUTINY ANNUAL REPORT 2010/11

The Panel has reviewed the contents of the Overview and Scrutiny Annual Report for 2010/11. The report outlines the achievements of the Panels during the course of the year.

Other Matters of Interest

17. WORK PLAN STUDIES

The Panel has reviewed its work plan and received details of studies being undertaken by the other Overview and Scrutiny Panels. In so doing, a number of potential study areas have been suggested which include the Council's support services. Reports have also been requested on the likely impact on the Council of the Government's Statement on Business Rates and on the implications for the local economy of the establishment of a Local Enterprise Zone on the former Alconbury Airfield.

The Panel has agreed to invite a representative from the Highways Agency to a future meeting to discuss the Agency's contingency arrangements should it not be possible to use the A14 for an extended period of time.

18. OVERVIEW AND SCRUTINY (ECONOMIC WELL-BEING) – PROGRESS

The Panel has reviewed its ongoing studies at each of its meetings. In so doing and having regard to the recent review of the Huntingdonshire Strategic Partnership, the Panel has agreed to give further consideration to the mechanisms that will be used to scrutinise partnerships at a future meeting.

19. LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN

The Panel has been acquainted with details of the current Forward Plan of Key Decisions.

20. SCRUTINY

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

D M Tysoe
Chairman