
Overview & Scrutiny Panel (Economic Well-Being)

**Report of the meetings held on 5th January and
2nd February 2012**

Matters for Information

39. VOLUNTARY SECTOR REVIEW (INDICATIVE FUNDING)

In conjunction with the Overview and Scrutiny Panel for Social Well-Being, the Panel has considered a proposal to establish an indicative budget of £273,000 for voluntary sector support for 2013/14 and alternative delivery methods for providing financial support to the voluntary sector.

Although the majority of Members are of the opinion that the indicative budget should be approved, questions have been raised about how the figure of £273,000 has been arrived at and where alternative savings will be made in the Council's Budget. In particular, Members have questioned whether it is valid to base the figure on feedback from those voluntary organisations that currently have service level agreements with the Council when an important part of the rationale for the change is that existing beneficiaries of funding are not certain to receive it in the future. Members have also queried whether any consideration has been given to requiring recipients of grants to obtain match funding and to what extent approval of the indicative budget will influence the voluntary sector organisations' attempts to find alternative sources of funding and investigate opportunities for shared accommodation. A suggestion has also been made that the Council should consider whether the proposed funding should alternatively be used to provide District Council services directly and, therefore, make up for some of the recent reductions within the Council.

Having determined that the methodology for providing future financial support to the voluntary sector represents a move away from commissioning, the Panel has queried the rationale behind returning to a grant process and the means by which the Council will ensure that voluntary organisations meet the objectives for which grants have been awarded. The Head of Environmental and Community Health Services has explained that grants will be awarded for a maximum of

three years and performance will be influenced through the indicative budget for each year.

The Panel has discussed in detail a proposal to establish a Community Chest to create an accessible source of funds to help local community projects throughout the year. Whilst the majority of Members agree with the proposal, in the absence of further information as to how the process might operate, it has been difficult for them to give full support to it. A variety of views have been expressed as to whether Towns and Parishes should be able to apply to the Community Chest and Members have also suggested that, given the small sums involved, the administration of the process should be straightforward and flexible.

On the basis that the Cabinet is informed of Members' reservations about how the indicative figure has been arrived at and where alternative savings will be made in the Council's Budget, the Panel has recommended the Cabinet to:

- ◆ approve an indicative voluntary sector budget for 2013/14 of £273,000;
- ◆ adopt a mix of methods for allocating funds, the method to involve a level of bureaucracy proportionate to the level of funding required; and
- ◆ establish a modest 'Community Chest' to create an 'accessible' source of funds to help very local community projects.

40. HOUSING BENEFIT CHANGES AND THE POTENTIAL IMPACT ON HUNTINGDONSHIRE

In conjunction with an earlier Report of the Overview and Scrutiny Panel for Social Well-Being, the Panel has received an update on the changes to the Housing Benefit System which are being introduced as part of the Government's Welfare Reform Programme and the potential impact they may have on some residents of Huntingdonshire. Members have been advised that the changes will result in a reduction of £370k per annum in the amount being paid in Housing Benefit and that households will face a reduction in their entitlement of between £3 and £70 per week, depending upon their particular circumstances.

Having considered the information provided, Members have queried whether an assessment has been made of the local impact of the changes. They have been advised that it is difficult to assess the exact impact at this stage. Although the changes had been introduced in April 2011 there has been a nine-month protection period which is now due to come to an end and so the effects are just starting to emerge.

The changes are likely to have an impact on the cost to the Council of providing the homeless with temporary bed and breakfast

accommodation. The New Build Programme has helped the situation during the last few years but this will not be the case in the future. Discussions are currently taking place with the Housing Associations to identify alternatives to bed and breakfast accommodation. The Council is reliant on two providers of this type of accommodation. The Council often has to take action at short notice and there are currently 11 households in this type of accommodation in the District. Having been advised of the cost of an average double room, the Panel has been informed that this is done in the best and most cost effective manner possible.

The Panel has noted that as there is no reliable way of quantifying the expected increase in homelessness in the future there is currently no provision within the 2012/13 Budget for this purpose. Members have suggested that the Council should increase the budget for homelessness but they have been advised by the Head of Financial Services that in the absence of an accurate estimate of the impact it is not practical to do so.

Reports on the wider housing policy implications arising from further proposals in the Welfare Reform Bill and on rental levels and rental costs will be presented to the Panel in due course.

41. ONE LEISURE WORKING GROUP

The Panel has received a report by its Working Group which had been established to review and make recommendations on the financial performance of One Leisure and its future strategic direction. The study has evolved following a presentation in early 2011 on the performance of the Council's Leisure Centres and the issues which will need to be addressed in the forthcoming months and the result is that a number of recommendations have been produced.

Members have discussed the service's revenue projection for 2012/13, which includes a proposal not to increase prices in the current year. To achieve the projection a cautious approach will be taken to maintenance. In addition, income following developments at Huntingdon and St Neots is higher than expected. It is envisaged that income will further improve following planned development at One Leisure St Ives. The General Manager, One Leisure has indicated that he was comfortable with the revised figures.

With regard to the service's business model, the Panel has been informed that the majority of Councils have moved away from in-house delivery. A report prepared by Improvement East in March 2011 indicates that almost 75% of Councils in the East of England have externalised their leisure services. It also identifies five preferred alternative business models. The Working Group had recommended that investigations should be undertaken to establish the most appropriate business model for the service.

The development of a business plan will cover detailed operational matters. All the centres will be included in the business plan but it is unlikely that the centres at Ramsey and Sawtry will generate a profit in the longer term.

Having endorsed the Working Group's findings, the Cabinet has been recommended (subject to the incorporation of revised financial information within the report) to

- ◆ set detailed One Leisure performance targets for income, controllable costs and net controllable costs;
- ◆ request the General Manager to draft a business plan for the start of 2012/13 through which the performance targets are to be achieved and produce separate accounts for accounting reporting purposes and managing the controllable budget by June 2012;
- ◆ agree that performance against the targets should be reported to Overview and Scrutiny on a quarterly basis;
- ◆ not introduce differential pricing for non-residents of the District;
- ◆ authorise the Working Group to continue its investigations into which business model One Leisure should employ; and
- ◆ develop a methodology for the quantification of "social value".

A report on the Cabinet's decision to accept the recommendations has subsequently been considered by the Panel. The Working Group will meet again shortly to continue its investigations.

42. BROADBAND DELIVERY PROJECT

The Panel has received a presentation by the Economic Development Manager on how the Government's Broadband Delivery Project is being implemented locally. Local Enterprise Partnerships are required to draw up a Broadband Strategy for their geographical area on how it will help the Government to achieve its objective to establish the best superfast network in Europe by 2015.

The Cambridgeshire and Peterborough Delivery Project has been allocated £6.75M by Broadband UK. This will be used to provide 100% of businesses and 90% of homes with access to superfast broadband by 2015. Members have been provided with a definition of Superfast Broadband.

Following the presentation, the Panel has discussed and made a number of comments on the Project. It has been established that the Government's funding can only be used to provide broadband in areas not covered by commercial providers and that the District would be placed at a competitive disadvantage if it was not involved with the initiative.

The Government has announced that all enterprise zones, including that planned for Alconbury, will have superfast broadband. Given the

number of houses and businesses within the area it is expected that this will be commercially viable and, therefore, demand will be met by the market.

43. FUNDING FOR CCTV

(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972)

In conjunction with the Overview and Scrutiny Panel for Social Well-Being (Item No. 53 of their Report refers), the Panel has received an update on the future operation of the CCTV service. As part of their deliberations, Members have been reminded that the Cabinet has agreed, in principle, a budget of £222k to provide a reduced hours CCTV service.

The Panel has been acquainted with progress of negotiations with partner organisations on how they might contribute towards the cost of the service and the terms of the agreements that might be reached with them. Having discussed the implications of the future budget and operation of the service, the Panel has asked the Overview and Scrutiny Panel (Social Well-Being) to give further consideration to these matters.

Members have noted that investigations are continuing into whether there would be any benefit in outsourcing the service. However, it has been reported that those Councils who have already outsourced their service have not seen a significant saving in their CCTV Budget.

The Panel has requested a presentation on the Business Improvement District for Huntingdon at a future meeting.

44. BUDGET 2012/13 AND MEDIUM TERM PLAN 2013 TO 2017

The Panel has reviewed the Medium Term Plan (MTP) 2013 -2017 and the Budget and level of Council Tax for 2012/13, which are included in a separate item elsewhere on the Agenda for the Council meeting. In doing so, the Panel has thanked the Cabinet for its positive response to its previous recommendations on the draft Budget and MTP.

In considering the proposed level of Council Tax for 2012/13, the Panel has unanimously expressed support for the recommendations within the report. The recommendation that Council Tax is increased by £4.34 for a band D property is in line with the Panel's previously expressed views and Members have acknowledged that the increase for the majority of Council Tax payers will be lower than this figure.

The Panel previously has recommended that the Council should identify what services might be retained for any additional income.

The proposed increase in Council Tax will generate £100k. Members have suggested that that this might, for example, contribute towards the indicative budget for the voluntary sector, which was approved at the Cabinet's last meeting, instead of finding alternative savings.

On the subject of funding for the voluntary sector, the Panel has asked that Overview and Scrutiny be informed of the next steps that will be taken to finalise future arrangements between the sector and the Council. The Social Well-Being Panel has been asked to examine in detail the proposed policies and mechanisms for the distribution of the funds.

The Panel has discussed at length the Council's future levels of reserves. Members are of the opinion that the Council should seek to increase its reserves and have restated their position that if it is reasonable to do so reserves should be increased to £5M. This position is partly informed by the fact that it is only possible to use reserves for one-off projects. It is acknowledged that the sums put into reserves will not be used to provide services. The Panel has recommended that the Council's level of reserves and its position in terms of reserves compared with overall spending relative to other District Councils should be regularly reviewed.

Having noted that the 2012/13 Budget contains no unidentified savings, the Panel has restated its view that the feasibility of achieving some future years' savings in 2012/13 should be investigated. With reference to a recent example from their study on support services, the Panel has reiterated the need to ensure that previously identified savings are rigorously applied to each section's budget to ensure they are accurate at the start of the year. The Head of Financial Services has undertaken to reinforce this message to the Financial Services Team.

The Panel has discussed whether it is necessary for the Council to consider its strategic approach if its financial position and the economy generally are better than is represented in the report by the Head of Financial Services. While there may be a danger of creating expectations that cannot be met if such plans are developed, it is argued that there is value in preparing for the full range of future changes. The Panel will revisit this matter in September when the forecast is produced.

As the Council's reserves reduce and its borrowings increase, it will be more important to identify clearly interest costs. With this in mind the Panel has suggested that interest figures and other such "corporate" items should be included separately in the Summary Budget.

Finally, the Panel has commended employees for their contribution to improving the Council's financial position. In particular, Members have expressed their appreciation of:

- ◆ the high rates of Council Tax collection that have been achieved;
- ◆ the decision by employees to accept no pay increase again in April 2012;
- ◆ the continuation of the trend for the budget to be underspent rather than for any spare sums to be used on low priority items; and
- ◆ the work undertaken by the Financial Services section to prepare the MTP, Budget and Financial Plan.

At the conclusion of their deliberations, the Panel has requested the Cabinet to submit the proposed MTP, Budget and Financial Plan to the Council for adoption and to recommend that the Council Tax for 2012/13 be increased by £4.34 per year (a Band D charge of £128.51).

45. 2012/13 TREASURY MANAGEMENT STRATEGY

In accordance with its responsibility for scrutinising Treasury Management, the Panel has reviewed and endorsed the Treasury Management Policy and Strategy for 2012/13 and the Prudential Indicators for submission to the Cabinet and Council.

46. CUSTOMER SERVICES MONITORING REPORT

The Panel has considered the Customer Service Quarterly Performance Report for the period October to December 2011, on the levels and standards of service that have been achieved. In response to a comment on the service's 'speed of response' Members have been informed that a recruitment freeze has meant that a number of posts have been held vacant, which has had an impact on performance. However, customer satisfaction remains high. In the circumstances, the Panel has commended the performance of the Customer Services managers.

Following a dip in performance on a particular day because of a failure of an IT system, the Panel has been assured that the business continuity arrangements for the service includes reference to suppliers and that all IMD contracts are covered by service recovery standards. It has been suggested that it might benefit customers and help to spread demand if information about those times during which there is high demand for service is displayed in customer service areas.

The Panel has been pleased to note the results of a recent survey which records employee satisfaction levels at both the Call Centre and the Customer Services Centre at 97%. Despite the challenges faced by the service, this represents a significant increase since the previous survey was conducted. Generally, the service's targets take

account of the need to achieve budgetary savings and reflect a reduction in staffing levels.

A further report will be considered by the Panel in six months time.

Other Matters of Interest

47. WORK PLAN STUDIES

The Panel has received details of studies being undertaken by the other Overview and Scrutiny Panels. An update has been received on developments relating to travellers' sites.

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

The Panel has reviewed its ongoing studies at each of its meetings. Members have confirmed that they would like to continue to receive regular updates on improvements to the A14. The Scrutiny and Review Manager has been asked to consider how investigations might be undertaken into local HGV Weight Restrictions.

49. LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN

The Panel has been acquainted with details of the current Forward Plan of Key Decisions at each of its meetings. Members have noted that the reports on "Community Infrastructure Levy Governance Principles" and the "Location of the Call Centre" will be submitted to future meetings.

50. SCRUTINY

The Panel has considered the latest editions of the Decision Digest and discussed matters contained therein. In so doing, Members have noted the position in relation to the completion of the 2010/11 Accounts

T V Rogers
Chairman