

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CVSO1.A, CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 14 June 2012.

PRESENT: Councillor T V Rogers – Chairman.
Councillors G J Bull, S Greenall, R Harrison, P G Mitchell and M F Shellens.

Mr R Hall.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler, Mrs L A Duffy, R B Howe and A H Williams.

Mrs H Roberts.

6. COUNCILLOR S GREENALL

Councillor T V Rogers expressed his appreciation to the former Vice-Chairman, Councillor S Greenall for his assistance over the course of the past year.

7. MINUTES

The Minutes of the meetings held on 5th April and 16th May 2012 were approved as correct records and signed by the Chairman.

8. MEMBERS' INTERESTS

No declarations were received.

9. LOCAL GOVERNMENT ACT 2000 - FORWARD PLAN

The Panel considered and noted the current Forward Plan of Key Decisions (a copy of which is appended in the Minute Book). It was reported the the Corporate Plan would be considered by the Overview and Scrutiny Panels in July and that Members would be invited to attend the next meeting of the Overview and Scrutiny Panel (Social Well-Being) to participate in their discussions on voluntary sector funding for 2013/14. Reports on the Financial Strategy and Technical Reforms to Council Tax would be considered by the Panel at their meeting in September 2012.

The Chairman reported that the Panel would be invited to consider proposals for the localisation of National Non Domestic Rates (NDR) at their meeting in July 2012 and the Head of Financial

Services was invited to give an update on the current situation. Members were advised that the Government had invited local authorities to come forward with proposals to pool income from NNDR by end of July 2012.

10. MAKING ASSETS COUNT - PROGRESS REPORT

Further to Minute No. 11/42, and with the assistance of a report by the Managing Director (Communities, Partnerships and Projects) (a copy of which is appended in the Minute Book) the Panel received an update on the progress made by the Making Assets Count (MAC) initiative, whose purpose was to enable all public sector organisations in the Cambridgeshire area to develop a joined-up approach to the management and use of their property assets.

By way of introduction, the Managing Director (CPP) provided an outline of developments in the Huntingdonshire MAC area and explained that a half day Countywide seminar would be held on 11th July 2012 at Pathfinder House, which the Under Secretary of State, Baroness Hanham, would be attending. He drew attention to the resources which had been made available from Improvement East to assist with the development of a number of business cases for the various area projects in Ely, March, St Ives and St Neots. Further details would be available in due course. Members were also informed that whilst there were no representatives of the Civil Estate on the MAC Board, they were in discussion with the sector. The accommodation needs of the voluntary sector were also an active consideration.

In considering the contents of the report, Members raised a number of questions regarding the outline business cases which were being prepared for St Ives and St Neots Town Centres. Members were informed that the District Council did not possess a significant property portfolio within these towns and that representatives of the Town Councils had been invited to contribute to the projects. Having noted that some of the funding provided by Improvement East would be used to develop a robust methodology for the business cases, the Managing Director (CPP) undertook to report back on developments at a future meeting.

With regard to paragraph 2.3 of the report, Councillor M F Shellen queried what level of financial saving the Primary Care Trust (PCT) would make from their occupation of surplus space at Pathfinder House. The Managing Director (CPP) undertook to pursue this with the PCT.

Finally attention was drawn to the aims and objectives of the Huntingdonshire Board, which had been revised following comments by the Panel at a previous meeting. Members concluded that they were satisfied with the amendments which had been made. Whereupon, it was

RESOLVED

that the contents of the report be noted.

11. TREASURY MANAGEMENT ANNUAL REPORT 2011/12

In accordance with the Council's Treasury Management Strategy and with the assistance of a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel considered the Council's performance for the year ending 31st March 2012 in the investment of its reserves.

By way of introduction, the Head of Financial Services drew attention to the economic climate during the 2011/12 financial year, the Council's Strategy for borrowing and investing funds and the Council's overall performance achieved. Members noted that the performance of funds in a year when interest rates had remained low had been good, with both the benchmark and the budgeted investment interest having been significantly exceeded. In particular, the return on short-term investments had exceeded the target in the 2011/12 financial year. The Head of Financial Services concluded by referring to the need to borrow short-term during the year to manage the Council's cash flow.

In considering the contents of the report, Members queried the 'trigger points' which had been used by the Treasury Management Group to determine whether investments should be of a short term or long term nature and were advised that the Council employed an external advisor to provide information on changes to credit ratings and forecasts. Although in the current volatile climate it was difficult to provide any reliable forecasts, it was envisaged that rates would continue to be low. Members then discussed the approach that would be taken when the current medium term investments expired and whether mortgage rates were tracked as part of the Council's investment process.

Councillor P G Mitchell outlined his concerns about the Council's longer term borrowing decisions, specifically its impact on the Council's revenue position. In response, the Head of Financial Services explained that the Government required the Council to put aside monies for the repayment each year and that over the course of the 50 year repayment period the investment was likely to have been a good decision.

In concluding the discussion, the Head of Financial Services informed Members that it was likely the Cabinet would be asked to reduce the credit ratings of the major banks and building societies with which it transacted to enable the Council to continue to use existing facilities for liquidity accounts. Having endorsed this proposal and the positive performance that had been achieved in the investment of the Council's funds particularly in the current economic climate, it was

RESOLVED

that the Treasury Management Annual Report 2011/12 be endorsed for submission to the Cabinet.

12. REMIT AND WORK PROGRAMME

Consideration was given to a report by the Head of Legal and

Democratic Service (a copy of which is appended in the Minute Book) reviewing the Panel's programme of studies and providing an opportunity for Members to plan their work programme for the year. The report contained details of the service areas which had been allocated to each Overview and Scrutiny Panel.

The Panel discussed the Membership of its existing working groups. It was agreed that there should be no changes made to their composition, subject to Councillor A J Mackender-Lawrence agreeing to continue with the investigations into the future business model for One Leisure.

With regard to the Panel's review of One Leisure, following their recent discussions with the Managing Director (Resources), Councillor S Greenall and Mr R Hall outlined their concerns about the value of undertaking a review of alternative methods for the delivery of the One Leisure Service. In response, the Chairman undertook to raise the matter with the Executive Leader and the Managing Director (Resources) to confirm the purpose of the task which the Panel had been given to perform.

The Chairman reported that the review of the Document Centre had reached its conclusion and he anticipated the final report would be available for the Panel's July meeting. The Panel would then need to consider the approach that had been employed with a view to developing a methodology for use on other service areas.

In discussing possible future studies, a number of suggestions were made including economic development, the future role of the District Council's Fraud Team, the Council's Back to Work Programme and the implications of planning social housing requirements on Community Infrastructure Levy (CIL) income and the housing waiting list.

Councillor M F Shellens made reference to his attendance at the meeting of the Overview and Scrutiny Panel (Social Well-Being) for their discussions on changes to Housing Benefit and drew attention to the significant financial implications of them for the Council's budget. The Chairman then provided further information on the discussions and reported that the Head of Customer Services intended to bring further information to the July meeting of the Overview and Scrutiny Panel (Economic Well-Being). It was agreed to await the receipt of this information before deciding whether to undertake any work on this subject.

Attention having been drawn to Appendix D which outlined the progress that had been made on matters previously discussed by the Panel, Members were advised that the Corporate Plan Working Group would be meeting on 28th June 2012 and that reports on changes to business rates and CIL governance arrangements would be presented to future meetings. The Chairman reported that in view of forthcoming changes to the Section 106 process, he had been assured that all organisations that drew funding would have an audit trail for expenditure and there would be tighter rules governing how monies were spent.

RESOLVED

- a) that the contents of the report be noted;
- b) that a review of the implications of planning social requirements on Community Infrastructure Levy be undertaken at an appropriate time, which would be determined in conjunction with the Managing Director (Communities, Partnerships and Projects);
- c) that a briefing paper be submitted to a future meeting on the Council's Back to Work Programme;
- d) that the update of the Council's Economic Strategy be submitted to a future meeting; and
- e) that the future role of the District Council's Fraud Team be added to the Panel's future list of studies.

13. SCRUTINY

The Panel considered and noted the latest edition of the Council's Decision Digest (a copy of which is appended in the Minute Book). In so doing, a Member requested an update on the current position with regard to the finalisation of the Council's 2010/11 Accounts. The Head of Financial Services explained that recent discussions with the Council's Auditors had been promising and it was hoped to provide a positive update to the Council's Corporate Governance Panel at their meeting later in the month. The finalisation of the 2011/12 accounts appeared to be going to plan and there were not envisaged to be any problems in this respect.

With regard to the recent sale of Castle Hill House, Councillor S Greenall asked for the details of the Notice of Motion that had enabled the Cabinet to reconsider their previous decision and questioned what additional information had been made available to persuade the Cabinet to accept the offer of £575,000. Having been informed of the provisions of the Council's Constitution in relation to the Notice of Motion and the Members who had signed it, it was agreed that the rationale for the decision would be provided to Councillor Greenall by email.

Following a suggestion by Councillor M F Shellens, the Scrutiny & Review Manager undertook to circulate the table appended to the report considered by the Overview and Scrutiny Panel (Social Well-Being) on Housing Benefit Changes and the potential impact on Huntingdonshire.

Chairman