
Overview & Scrutiny Panel (Economic Well-Being)

**Report of the meetings held on 7th March and
4th April 2013**

Matters for Information

49. HUNTINGDONSHIRE INFRASTRUCTURE BUSINESS PLAN 2013/14

The Panel has received an update on the implementation of the Community Infrastructure Levy (CIL) in Huntingdonshire and considered the contents of the Huntingdonshire Infrastructure Business Plan for 2013/14. The Plan identifies the infrastructure required to support growth in the District and provides a basis for the preparation of the next Plan.

In considering the contents of the Plan, the Panel has discussed the list of infrastructure projects which have been identified. Members have noted that during 2013/14 the Huntingdon West Link Road is the only proposed recipient of CIL funding. However, as further money becomes available, work will be undertaken to identify additional projects for funding. In terms of the projects already in the Plan, the Panel has been assured that although the Grid at Eaton Socon has been identified as critical, it is not being put forward for CIL funding. Reference has been made to the absence of any projects to help the Environment Agency address the potential impact of climate change and the District's waterways infrastructure deficit. In response, it has been explained that the Environment Agency has been involved with the Growth and Infrastructure Group who had developed the list of projects and that the Plan is based on infrastructure needs arising from growth and is not intended to fund infrastructure deficits.

With regard to the baseline data which has been used within the Plan, Members have been informed that CIL funding needs are based on the current charging schedule. The view has been expressed that it should be made clear it is based on current values and that they will be indexed in the future. Comment has also been made that elements such as targeted growth funds and the Priority Schools Building programme are missing from the Plan and it has been suggested that it should be updated to include an exhaustive analysis of funding opportunities.

In terms of the CIL governance structure, which has previously been approved, the Panel has discussed at what point the local community will become involved. It has previously been suggested that there should be representation from parishes and the rural areas on the Growth and Infrastructure Thematic Group. Recent announcements regarding the 'meaningful proportion' that is allocated to an area in which development occurs, means that there is a need to engage and work with towns and parishes. Members have stressed that the town and parish councils should be involved at an early stage especially if they are expected to contribute to major projects.

Having recognised that there will be an annual review of the process, concern has been expressed that the Growth and Infrastructure Group, which recommends CIL expenditure, is also responsible for the monitoring arrangements. Monitoring will be undertaken within the District Council and software packages are being looked at to facilitate this process. As there is a requirement that monitoring reports on progress are produced on a regular basis, the Panel will consider the proposals for monitoring before making a recommendation on this matter.

The Council is required to publish a Regulation 123 List on its website. This is a list of infrastructure that it intends will benefit from CIL and restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the CIL. It ensures there is no duplication between the two types of developer contributions. A revised Regulation 123 List has been compiled in light of the new Infrastructure Business Plan 2013/14. The Panel has endorsed the List for publication.

Having requested that its comments are conveyed to the Cabinet, the Panel has recommended the Cabinet to:

- ◆ approve the Huntingdonshire Infrastructure Business Plan 2013/14;
- ◆ approve the banking of CIL receipts during the 2013/14 financial year with the exception of funding the Huntingdon West Link Road scheme;
- ◆ request the Assistant Director, Environment, Growth and Planning to liaise with the Assistant Director, Finance and resources and the Head of Legal and Democratic Services to agree a 'service level agreement' for utilising release of any CIL receipts for infrastructure project delivery; and
- ◆ approve the draft Regulation 123 List for public consultation.

50. LOCAL GOVERNMENT FINANCE ACT 2012 CONSEQUENTIAL AMENDMENTS

In response to changes in legislation, the Panel has been advised of the need to make amendments to the Council Tax Support and Council Tax exemptions arrangements. There is, specifically, a need

to have a Council Tax Discretionary Relief Policy, amend the Council's fraud arrangements and introduce Council Tax technical reforms.

There is now a legislative requirement that the Council has a Discretionary Relief Policy for Council tax, and Members have noted that the cost of any applications granted under the scheme will need to be met entirely by the Council. In contrast, should alternative powers to write-off Council Tax debts be used, the cost would be shared between the precepting authorities. In relation to the terms of the Policy, the Panel has suggested that the Council should notify any applicants of its decision in writing within a period of 28 days. Although there is no independent statutory route of appeal it will be possible to have a decision reviewed via the Council's Complaints process.

The Panel has discussed a proposal to amend the Council Tax Local Class C discounts scheme. It has been suggested that renewal applications should only be considered after an occupation period of six weeks, but the Panel has recommended that three months might be a more appropriate timescale. Following their deliberations, the Panel has recommended the Cabinet to:

- ◆ adopt the Council Tax Discretionary Relief Policy with effect from 1 April 2013 and authorise the Head of Customer Services to determine claims under the policy;
- ◆ adopt the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 to allow for the investigation, prosecution and recovery of alleged Council Tax Support fraud when these regulations become law and authorise the Head of Customer Services to investigate fraud and implement these Regulations, and
- ◆ amend the Council Tax Local Class C discounts scheme to provide for a renewal application to require at least three months occupation before a new Class C discount is awarded.

51. HOUSING BENEFIT – DISCRETIONARY HOUSING PAYMENT POLICY

The Panel has been advised that in order to mitigate changes to Housing Benefit, the Department for Work and Pensions has increased the level of grant available to local authorities to help those who are in receipt of Housing Benefit. Officers have taken the opportunity to review the Council's Discretionary Housing Policy (DHP) to ensure it reflects best practice and that the budget will be spent on helping the most vulnerable eligible individuals. The Panel has considered the contents of the revised Policy prior to its consideration by the Cabinet.

Regarding those who 'under occupy' their homes and who are willing to move house but are unable to do so because of a shortage of

smaller properties, Members have been informed that the Council has been working with Registered Social Landlords but, with the exception of encouraging property exchanges, there was little that it can do. Clarification has also been provided on the position of foster children. They are not currently counted as part of a household for benefit purposes.

The District Council has been allocated £169,561 for discretionary housing payments in 2013/14. It is possible to pay out up to 2.5 times more than this amount, though the Council would need to meet the additional cost. This sum has increased year on year for the past three years but Members have drawn attention to the fact that the Council's proportion of the total national DHP budget has reduced. Further information on the rationale for allocating these funds has been circulated to Panel Members.

The Panel has recommended the Cabinet to adopt the Discretionary Housing Benefit Policy with effect from April 2013.

**52. LOVES FARM COMMUNITY CENTRE –
SUPPLEMENTARY CAPITAL ESTIMATE**

The Panel has received an update on the new Loves Farm Community Centre. Having been acquainted with the background to the scheme and details of the ongoing negotiations with St Neots Town Council, the Panel has discussed the options which are available to the District Council. In doing so, Members have formed the view that they would not support the transfer of the freehold of the facility to St Neots Town Council for a sum of £180,000 as the freehold's notional value considerably exceeds that figure. The Panel has requested that it is informed of any developments relating to this matter.

**53. REVIEW OF THE EFFECTIVENESS OF OVERVIEW AND
SCRUTINY**

In conjunction with the Panels for Social and Environmental Well-Being, the Panel has considered the outcome of a review of the Overview and Scrutiny Panels which has been undertaken by a Joint Working Group. The Panels are generally acting effectively in discharging their responsibilities and fulfilling their terms of reference. A number of opportunities for improvement have been identified and will be incorporated into an action plan.

In welcoming the proposals within the report, Members have discussed whether it is possible to quantify and measure the Panels' performance to enable comparisons to be made year on year. Whilst there are no existing metrics available which could be adopted, the Panel has formed the view that effectiveness could be demonstrated by their influence on the Cabinet. In this respect, Members have welcomed a proposal that the Cabinet should produce formal

responses to their recommendations. This has been considered by the Corporate Governance Panel as part of the review of the Council's Constitution. Item No. 33 of their Report refers.

In response to the difficulties associated with engaging the public in Overview and Scrutiny, the Panel has suggested that social media could be used to promote meeting dates and times and to advise the public that they are able to attend Council meetings. Councillors Mrs L A Duffy and S Greenall have volunteered to champion the use of 'Twitter' and 'Facebook' for these purposes.

The Panel has also endorsed a suggestion that the Chairmen of each of the Panels should meet with the Executive Leader to discuss opportunities for earlier involvement in the formulation of Council policy.

54. CABINET FEEDBACK – DOCUMENT CENTRE REVIEW

The Panel has received the Cabinet's response to its review of the Council's Document Centre. Members have noted that the Managing Director, in consultation with the Executive Councillor for Resources and the Panel's Document Centre Champion, will now give detailed consideration to their recommendations. It has been stressed that the Document Centre needs to be looked at as a whole and a report on progress has been requested in six months.

55. BORROWING

The Panel has considered the outcome of the deliberations of its Working Group, which has been established to identify the terms of a debate on the Council's policy on borrowing and to develop an understanding of the District Council's approach to it. The Executive Councillor for Resources has attended the meeting and taken part in the discussions.

The Panel has considered the definition of capital expenditure, which is for an asset that lasts for more than a year and amounts to £10k or above. Members are interested in how capital expenditure is funded. Capital items may be funded from revenue or borrowing. It is borrowing that is the concern here. The Working Group considers that a narrower definition of capital expenditure should be used for funding from borrowing and the remainder should be funded from revenue. There are only a very limited number of capital projects that result in long term assets for the Council that could potentially be sold. The cost of funding the remaining capital items from revenue has been identified. In the current financial situation this cannot realistically be achieved. Given this, the Panel has recommended the Cabinet to consider which items currently funded through borrowing should be funded from revenue when this is affordable.

Members have been acquainted with the principle that funding everything from borrowing means that future beneficiaries contribute towards the cost of the benefits the Council has provided.

With regard to the Working Group's recommendation that a limit is placed on the amount the Council can borrow, Members' primary concern is about the Council's future debt burden. It is suggested that a limit of 15% of net revenue spend is introduced, which can only be exceeded with the approval of the full Council. Over the next five years the increase in the borrowing figure is relatively small and this suggests equilibrium with the Minimum Revenue Provision is being achieved. In this period, it is likely that the 15% limit will not be exceeded, though it may well do so subsequently.

The Cabinet has been recommended to:

- ◆ consider whether there are any capital items that are currently funded through borrowing, which should be funded from revenue when this is affordable; and
- ◆ agree a limit on the cost of borrowing of 15% of net revenue spend. The limit could then only be exceeded with the approval of the full Council.

56. BUDGET

During the 2013/14 Budget setting process, the Panel held two informal discussions to enable Members to identify potential budgetary savings. The Chairman also invited representatives from the Liberal Democrats and the UK Independence Party to present their views on the Council's Budget and Medium Term Plan. The Panel has reviewed all the suggestions that have been made.

The Panel has discussed the principles that should be adopted towards identifying spending adjustments. It has been suggested that generally there should be a "top down" approach and that the Council should look at ways of achieving adjustments in the short and longer terms. The focus should be on areas of highest cost. Given the order of savings that are required, it is likely that the Council will have to consider ceasing some activities.

Members have identified the following priority areas for consideration by the Cabinet:

- ◆ Shared services, outsourcing or service reorganisation
- ◆ The Council's electoral arrangements
- ◆ Improved procurement
- ◆ Selling advertising on the Council's car parks, vehicles, website etc.
- ◆ Greater enforcement in the Council's car parks
- ◆ The use of consultants and agency staff

- ◆ Prioritising training
- ◆ Alternative funding of the Shopmobility portakabin
- ◆ Civil parking enforcement.

The Cabinet has been requested to assess the Panel's suggestions for contributing to the Council's saving target.

Other Matters of Interest

57. NOTICE OF EXECUTIVE DECISIONS

The Panel has been acquainted with details of the current Forward Plan of Key Decisions and has noted those items which will be presented to its future meetings.

58. WORKPLAN STUDIES

The Panel has received details of studies being undertaken by the other Overview and Scrutiny Panels and has been reminded of the opportunity Members have to participate in the studies should they wish. In doing so, and with reference to the review of the Neighbourhood Forums, which had been undertaken by the Social Well-Being Panel, the Panel has expressed the view that the demise of the Neighbourhood Forums is unacceptable and impedes economic and social debate. This message has been conveyed to the Council's Deputy Leader.

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

The Panel has reviewed its programme of studies at each of its meetings. The Chairman has reported on the activities of the Working Group which has been established to assist with the development of a new Customer Services Strategy. He has also informed Members that the Corporate Plan has been discussed by the Executive Leader's Strategy Group and that the Corporate Plan Working Group will continue to oversee its implementation. The Scrutiny and Review Manager has been asked to establish what progress has been made in the development of a wider approach to the scrutiny of the Local Enterprise Partnership.

With regard to future study areas, the Panel has noted that the Social Well-Being Panel has agreed to undertake a review of Disabled Facilities Grants and that the Environmental Well-Being Panel will be looking at grounds maintenance and grass cutting.

60. SCRUTINY

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

T V Rogers
Chairman