
Cabinet

Report of the meetings held on 23rd January and 13th February 2014

Matters for Decision

36. BUDGET 2014/15 AND MEDIUM TERM PLAN 2015 TO 2019

Having regard to the views of the Overview and Scrutiny Panel (Economic Well-Being) (Item No.29 of their Report refers), the Cabinet has considered the content of the 2014/15 draft budget, the Medium Term Plan (MTP) for the period 2015/19 and the level of Council Tax for 2014/15. The details are contained in Appendix A to the report by the Assistant Director, Finance and Resources included as Agenda Item No. 3 on the Council agenda.

In discussing the Council Tax Freeze Grant, Executive Councillors were advised that the Council will receive £82k in 2014/15 and 2015/16 if it decides to freeze or reduce its current Council Tax level. It has been confirmed that the grant will now be permanently built into the base rather than just being awarded for 2 years.

With regard to the use of revenue reserves, the Cabinet noted that a balance has been taken between progress on savings and the use of reserves in order to ensure that savings are properly targeted and effectively delivered to manage service impact. It was reported that net interest and borrowing costs will increase to 16.4% in 2018/19. The Cabinet has reviewed the options available to them to keep within the limit of 15% set by the Council. Given the current financial circumstances, the potential for capital savings through the Facing the Future exercise and the beneficial impact of future margins on loans to other bodies, the Cabinet has concurred with the Panel that the 16.4% position should be accepted.

At the same time, Executive Councillors have discussed budget proposals put forward by the Liberal Democrat Group. In that respect, the Cabinet has noted that the future of the Cromwell Museum was already being considered by Huntingdon Town Council and that the issues associated with the pay review were being considered elsewhere. Members concluded that it would be appropriate to consider all the other issues as part of the Facing the Future exercise.

Having noted the comments arising from the consultation with the business community on expenditure proposals and in thanking the Panel for their input, the Cabinet

RECOMMEND

- (a) that, subject to appropriate adjustments to Appendix B to reflect the Council Tax Freeze Grant and the consequential reduction in the risk contingency, the proposed budget and Medium Term Plan appended to the report of the Assistant Director, Finance and Resources be approved;**
- (b) that the breach in the 15% limit on Net Interest and Borrowing Costs be noted and the actions outlined in paragraph 8.6c of the report, to mitigate the impact, be endorsed; and**
- (c) that there be no increase in Council Tax for 2014/15, i.e. Band D charge will remain at £133.18.**

Subject to Council approving the Budget, the Cabinet has also endorsed the additional approvals required for those MTP schemes highlighted in Table 4.

37. TREASURY MANAGEMENT STRATEGY 2014/15

Reproduced at Appendix C to the report at Agenda Item No.3 on the Council's agenda is the proposed Treasury Management Policy and Strategy for 2014/15. The Strategy, which complies with the Chartered Institute of Public Finance and Accountancy's Code of Practice, has clear objectives for the management of the Council's borrowing and investments. Having been satisfied that both documents meet the requirements of the Code of Practice and Government guidance, the Cabinet

RECOMMEND

that the Treasury Management Policy and Strategy appended at Appendix C to the report of the Assistant Director, Finance and Resources be approved.

Matters for Information

38. RENEWAL OF GREAT FEN PROJECT COLLABORATION AGREEMENT

Having regard to the views of the Overview and Scrutiny Panel (Environmental Well-Being) (Item No.23 of their Report refers), the Cabinet has approved the renewal of the Collaboration Agreement in respect of the Great Fen Project for a further five year fixed term. In discussing the Council's support for the Project, Members were advised that the Project's economic benefits were starting to be realised. The next key stage in its planned delivery will

include the construction of the main visitor facilities which will be fundamental in terms of maximising its local economic development potential. As an active partner, the Council will ensure that an appropriate emphasis is placed upon the delivery of tangible, economic, social and environmental benefits.

39. RECONNECTIONS POLICY FOR HOMELESSNESS PEOPLE WITH NO LOCAL CONNECTION

The Cabinet has approved the content of the Reconnections Policy for Homelessness People with No Local Connection. As part of their deliberations, the Cabinet had regard to the conclusions reached by **the Overview and Scrutiny Panel (Social Well-Being) on the matter (Item No.33 of their Report refers).**

The policy aims to assist any person who is sleeping rough and has no "local connection" to the District to return to the local area to which they do have a connection.

40. DISCHARGING A HOMELESSNESS DUTY THROUGH THE PRIVATE RENTED SECTOR

Having regard to the views of the Overview and Scrutiny Panel (Social Well-Being) (Item No.34 of their Report refers), the Cabinet has approved the content of a policy which explains how the Council will use the powers available to it to help a household into a private rented sector property after a full housing duty has been accepted under the homelessness legislation.

41. STREET NAMING AND NUMBERING – IMPLEMENTATION OF CHARGES

Under the provisions of the Public Health Act 1925, the District Council has to provide street names for new streets and numbering for new properties. The Act also gives the Council a duty to maintain and replace damaged, missing or illegible street name plates. In order to offset the cost of providing this service, the Cabinet has agreed a schedule of charges ranging from £50 for changing the name on an existing property to £250 for the renaming of an existing street. The charges will apply to all applications received after 1st April 2014 and will be reviewed in 12 months.

42. PAY REVIEW FRAMEWORK

(The following item was considered as an urgent item under paragraph 19 of Part 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012)

The Cabinet has approved a new pay model for all Council employees which will be implemented from 1st April 2014. The model will replace an existing scheme which is regarded as not being financially sustainable and inequitable leaving the Council at risk of equal pay claims. The Managing Director has been authorised, in

consultation with the Executive Leader, to implement the necessary changes to individual's pay and grading arrangements. The changes will impact on all 692 permanent employees of the Council with 42.3% enduring a pay reduction and 57.5% experiencing a neutral impact or an increase in salary. It was reported that staff will have the right of appeal against their grading and the Cabinet has approved an appeals procedure for those dissatisfied with the outcome of their job evaluation.

Members were advised that provision has been made for pay protection of 3 months full or 6 months half pay if the employee prefers. Although the latter will result in additional costs in the 2014/15 MTP, the new pay structure will result in savings in subsequent years rising to £452k by 2020/21.

The Cabinet has also approved the removal of Essential Car User Allowance for Senior Managers and attendance allowances for certain operations staff with effect from 1st April 2014. The proposals have been the subject of a formal consultation process with staff and negotiations with Staff Council representatives.

43. FINANCIAL MONITORING – REVENUE BUDGET 2013/14

The Cabinet has noted the expected revenue budget variations already identified in the current year, together with the payments written-off in the year for Council Tax and National Non-Domestic Rates.

With regard to the New Homes Bonus Scheme, Executive Councillors were advised that the bonus for 2015/16 will be based on the increase in houses in the year ending October 2014 and they were encouraged to note that the authority is already ahead of its profiled new-homes target.

Disappointment was expressed that only 58% of revenue savings within the 2013/14 Medium Term Plan have been achieved so far, with four schemes exceeding a variance of £20k. In that respect, Executive Councillors have stressed the importance of setting challenging, robust and but realistic targets.

44. FINANCIAL MONITORING - CAPITAL PROGRAMME 2013/14

The Cabinet has been acquainted with variations to the approved programme in the current year and the consequential estimated revenue impact.

45. HUNTINGDONSHIRE DISTRICT COUNCIL CORPORATE PLAN 2014-16

The Cabinet has noted details of the proposed vision, strategic themes and aims proposed for the replacement Corporate Plan along with the views of the Overview and Scrutiny Panels thereon (**Item Nos 28, 26 and 37 of the Economic Well-Being, Environmental Well-Being and Social Well-Being respectively refers**).

Having noted a timetable for preparing a performance framework to support the Plan, the Cabinet has requested that the recommendations of the Overview and Scrutiny Panels be incorporated into the final version

46. FACING THE FUTURE

(The following item was considered as a confidential item under paragraph 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972).

Further to Item No. 21 of their Report to the meeting of the Council held on 25th September 2013, the Cabinet has considered the recommendations of the Overview and Scrutiny Chairmen and Vice-Chairmen on priorities for further work following the first phase of the Facing the Future process. **(Item No.25 of the Overview and Scrutiny Panel (Environmental Well-Being refers)**

The Cabinet referred to the complexities of researching some of the savings and recognised the level of work required to be undertaken by the Management Team and Executive Councillors to deliver savings in a timely fashion. Having thanked the Overview and Scrutiny Panels for their input, the Cabinet has agreed:

- ◆ that the list of suggestions be categorised into service areas and cascaded to Heads of Service to create an implementation plan, in consultation with the Executive Leader, Managing Director and Portfolio Holders;
- ◆ that priority be given to those which will result in “quick wins” or will give the best returns within the shortest timescale; and
- ◆ that those suggestions deemed to have most impact on services be held in abeyance until the financial impact of the items in list 1 and 2 have been fully investigated.

J D Ablewhite
Chairman