

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 9 February 2017.

PRESENT: Councillor R B Howe – Chairman.
Councillors J A Gray, D Brown, G J Bull, R Harrison, J M Palmer, Mrs A Dickinson, R Fuller and J E White.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor S Cawley.

77. MINUTES

The Minutes of the meeting held on 19 January 2017 were approved as a correct record and signed by the Chairman.

78. MEMBERS' INTERESTS

Prior to the consideration by the Cabinet of Minute No. 81, Councillor D Brown declared a non-statutory disclosable interest by virtue of managing a business which paid a levy to BID Huntingdon as well as being a Member of, and the Mayor of, Huntingdon Town Council.

79. INTEGRATED PERFORMANCE REPORT 2016/17 QUARTER 3

The Cabinet considered a report (a copy of which is appended in the Minute Book) which commented on progress against the Key Actions and Corporate Indicators listed in the Council's Corporate Plan for 2016/17 for the period 1 October to 31 December 2016. The report was presented by the Executive Councillor for Strategic Resources in conjunction with the Finance Manager.

The report incorporated progress on the current projects being undertaken at the Council; Financial Performance Monitoring Suite information as at the end of December 2016 and an update on the Commercial Investment Strategy including details of the investments to date and the level of returns expected to be generated.

In addition the report now included progress on achievement regarding the Peer Challenge Action Plan following its approval by the Cabinet in November 2016 (Minute No.61 referred).

It was noted that those key actions listed as a red status were already known to the Cabinet in particular the issues surrounding the percentage of operational CCTV cameras and the reduction in the number of staff sickness days lost per full time employee.

At the recent Employment Committee meeting progress made in managing long-term sickness cases was reported and at the end of

Quarter 3 the Council's sickness absence rate was lower than at the same point last year. The Council remained committed to reducing sickness absence and the adoption of a new Sickness Absence and Attendance Policy in November appeared to have had a positive impact on attendance rates. Managing sickness absence was a key priority for Senior Management Team and the Managing Director continued to review every long-term sickness case on a monthly basis.

In referring to Appendix C – Project Performance and those projects with a red status, the Cabinet were informed that a Commercial Estate Manager had been employed on a temporary basis to progress the projects which were all currently listed as a red status.

The Cabinet were referred to Appendix D of the report which detailed the Financial Performance Monitoring Suite information. It was explained that the Forecast Net spend for November was £17.2m which was an underspend of £0.7m and the underspend of £1.9m regarding the Forecast Capital spend compared to the Budget. The Appendix provided explanations for The Revenue Forecast variances across all services.

Appendix E detailed the status of the Zero Based Budget (ZBB) savings agreed as part of the 2016/17 Budget. It was noted that although those listed as a red status related to car parking charges and homelessness, the ZBB exercise had been productive with the majority of savings being delivered.

During discussions more explicit key performance indicators were requested that specifically related to executive portfolios, represented in a straightforward manner. Although the document was comprehensive it needed to be rationalised with fewer variations of graphs incorporated. It was further requested that for comparison purposes data reflecting the last three years should be incorporated into the document, not just the previous year.

Comments from the Overview and Scrutiny Panel (Performance and Customers) were circulated to the Cabinet subsequent to the agenda publication, the Panel meeting having occurred following the agenda publication.

Whereupon it was

RESOLVED

That the Cabinet

- i. considered and commented on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C of the report; and
- ii. considered and commented on the Council's financial performance as at the end of December 2016, as detailed in Appendices D and E of the report.

80. BEARSCROFT FARM LOCAL LETTINGS PLAN

By way of a report (a copy of which is appended in the Minute Book) presented by the Executive Councillor for Housing and Regulatory Services, the Cabinet received a Local Lettings Plan for adoption for the initial letting of 51 affordable rented properties on Bearscroft Farm development site, Godmanchester.

The Council's Lettings Policy provided the legal framework as to who might be accepted onto the Council's Housing Register and how those households were prioritised for available socially rented housing within the District.

Local Lettings Plans were able to be adopted as an Appendix to the Lettings Policy as a means of varying the Lettings Scheme to create more mixed communities by setting aside a proportion of vacancies for applicants who were in employment and were often used on the initial lettings on new build estates.

A Local Lettings Plan had been developed, which followed good practice guidelines and aimed to create a balanced and mixed community within the socially rented new build properties on the Bearscroft Farm development site, Godmanchester.

The Cabinet were referred to paragraph 2.2 of the submitted report which detailed the allocation of the affordable dwellings to Bands A, B and C. The 51 affordable rented properties being delivered on the site would initially be apportioned equally between households in the various priority bands on the Housing Register, the shortlisting for properties would ensure that properties were apportioned between households both in and out of employment. Any subsequent letting of the properties would accord with the Lettings Policy at that time.

The Cabinet were supportive of the new Plan and for it to be established with future developments. In response to a question it was explained that the Local Lettings Plan and the Policy was unable to provide for people who had specific links to a respective area. However, was a consideration for developments on exception sites. A concern was expressed that the Plan could lead to legal challenge or perceived impartiality. However, the Plan had been developed following good practice guidelines and was a transparent document delivered by one registered provider.

Having considered the comments of the Overview and Scrutiny Panel (Performance and Customers) which had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication, where it was noted that the Panel along with Godmanchester Town Council were supportive of the Plan, the Cabinet requested that a review report be presented in twelve months' time, given that this was the first Plan to be adopted by the Council. In conclusion is was

RESOLVED

- i. that the Cabinet adopt the Local Lettings Plan for rented properties being built by Cross Keys Homes at the Bearscroft Farm development, Godmanchester; and

- ii. that a review report is presented to the Cabinet in twelve months' time.

81. HUNTINGDON BUSINESS IMPROVEMENT DISTRICT (BID) STAGE 2

Prior to the consideration by the Cabinet, Councillor D Brown declared a non-statutory disclosable interest by virtue of managing a business which paid a levy to Business Improvement District (BID) Huntingdon as well as being a Member of, and the Mayor of, Huntingdon Town Council.

The Cabinet considered a report (a copy of which is appended in the Minute Book) presented by the Executive Councillor for Growth following BID Huntingdon concluding its five year term and the requirement for a re-ballot in the summer of 2017.

At the recent Overview and Scrutiny Panel (Economy and Growth) meeting a presentation had been delivered to the Panel by the BID.

During the past five years the BID had successfully delivered the approved Business Plan and projects funded through the BID included Town Rangers, free membership to Huntingdonshire Business Against Crime (HBAC) scheme, LIVE magazine, business support, training and information, support for events, along with all the marketing events and promotional activities including the Huntingdon First website.

Over the course of the next 5 years it was envisaged that the BID would raise almost £1m, around 90% of which would be generated from the private sector for the support and development of a vibrant town centre. As a levy payer the Council contributed £10,680 annually towards the BID and as the collections agency the Council charged the BID £5,961 for issuing invoices and collecting the levy.

In order to continue its work the BID had to seek endorsement for a second period of up to five years by means of a ballot of all potential levy payers in the summer. The Council's Returning Officer was responsible for instructing the ballot holder to hold a BID ballot for which full costs would be recovered from BID Huntingdon.

In response to a question it was explained that the Executive Councillor for Growth was the appointed District Council representative on BID Huntingdon and attended most meetings along with the Economic Development Manager.

Referring to the map of the BID Huntingdon area it was explained that the BID area included the ring road and businesses within the perimeter of the ring road. Businesses outside of the ring road were not required to pay a levy to BID Huntingdon but often subscribed to HBAC.

The comments of the Overview and Scrutiny Panel (Performance and Customers) had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication. Having considered the comments of the Panel the

Cabinet disagreed with its recommendation and concurred that the Head of Development should be able to cast positively any votes to which the District Council was entitled in the ballot, following which the Cabinet,

RESOLVED

- i. to authorise the Head of Customer Service to enter into the BID levy Operating Agreement required in order to meet the Council's obligations under the Local Government Act 2003; and
- ii. to authorise the Head of Development to cast positively any votes to which the District Council is entitled in the ballot.

82. DEVELOPMENT PLANS POLICY ADVISORY GROUP (DPPAG) TERMS OF REFERENCE

The Cabinet considered a report (a copy of which is appended in the Minute Book) presented by the Executive Councillor for Growth regarding revised Terms of Reference for the Development Plans Policy Advisory Group (DPPAG).

The DPPAG was an Advisory Group established by the Cabinet in May 2000. Since its establishment the planning system had significantly changed which required revisions to the Terms of Reference.

The revised Terms of Reference had been considered by DPPAG and were included within the submitted report.

Having noted that the DPPAG was likely to meet more frequently now that progress was being made on preparation of the Huntingdonshire Local Plan, the Cabinet,

RESOLVED

to approve the revised Terms of Reference for the Development Plans Policy Advisory Group as listed within the submitted report.

83. CORPORATE RISK REGISTER

By way of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Cabinet were presented with Risk Register information as at 9 January 2017 and the changes that had occurred since it was considered by the Cabinet in June 2016 (Minute No. 14 referred).

Following the meeting in June 2016, the Cabinet had approved a new Risk Management Strategy which separated the automatic link between Corporate and Operational risk levels and the thirteen risk areas.

Senior Management Team had reviewed the full Risk Register against the new Risk Management Strategy where four risks had been added and 52 risks removed, resulting in the reduction of the

total number of risks to 66.

Future risk reports would be presented to the Cabinet on a more regular basis and would identify risks by risk appetite category. Over the course of a municipal year this would allow the Cabinet to review the whole register. Due to the large number of changes that have been made, it was felt appropriate that the Cabinet had the opportunity to review all changes that had been made along with the current Corporate risks.

It was agreed amongst the Cabinet that the Corporate Risk Register should be presented annually. However, the appendices to the report should be emailed quarterly to the Cabinet which would enable Members to be aware of any risks and highlight any areas of concern.

In response to a question regarding risk reference 141 - the Council did not provide effective community leadership and engagement opportunities leading to the reduced inclusion of key sections of the community – it was explained that confirmation was awaited from the Head of Community Services following which the risk would be removed from the register.

Following a request it was confirmed that in addition to the risk appetitive level rating that the Cabinet would also be provided with the scoring matrix.

The comments of the Overview and Scrutiny Panel (Performance and Customers) had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication. Having considered the comments of the Panel the Cabinet concurred that the majority of the issues raised by the Panel were already incorporated within the risk management framework or accounted for within the Budget, following which the Cabinet,

RESOLVED

- i. to note the changes made to the Risk Register since it was considered by the Cabinet in June 2016; and
- ii. having reviewed and scrutinised the Corporate Risk Register, that no further risks be included.

84. NATIONAL NON-DOMESTIC RATES DISCRETIONARY RATE RELIEF POLICY

The Cabinet considered a report (a copy of which is appended in the Minute Book) presented by the Executive Councillor for Strategic Resources to establish the Council's Discretionary Rate Relief Policy for the term of the new Local Rating List which was expected to be until 31 March 2022.

The Council had the power to set its own Discretionary Rate Relief Policy. Every rating assessment was undergoing revaluation by the Valuation Office Agency, in its statutory duty of compiling and maintaining Local Lists which billing authorities had to bill according to, with the new list becoming effective from 1 April 2017.

The revaluation might create significant changes in rateable values, especially after the last revaluation was conducted seven years previous, and with the Government changing other mandatory reliefs from 2017/18, it was essential that the Council reviewed its Discretionary Rate Relief Policy to ensure against inequalities, anomalies, and unintended consequences.

The Cabinet agreed that to support economic growth in rural communities the Council should continue its current policy of awarding 100% relief in all cases where the Council was fully reimbursed by way of Section 31 (Burden) Grant.

The comments of the Overview and Scrutiny Panel (Performance and Customers) had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication. Having considered the comments of the Panel, the Cabinet

RESOLVED

to approve:

- i. the Discretionary Rate Relief Policy as detailed in Appendix 1 (Charities, Community Amateur Sports Clubs and Non-Profit Making Organisations), and Appendix 2 (Section 44a "Part-Occupation" Relief and Section 49 "Hardship" Relief) of the submitted report;
- ii. the Discretionary Rate Relief Policy of awarding relief under Government Proposals in all instances where the Council is 100% reimbursed by Section 31 "Burden Grant" pending the required change in primary legislation;
- iii. the granting of Discretionary Rate Relief for qualifying ratepayers (subject to state aid rules) in the Alconbury Weald Enterprise Zone;
- iv. the award of Section 47 "Localism Reliefs" only in highly exceptional cases where no other alternative relief is applicable, and the ratepayer aids benefit to the amenities of the community and/or to the aims of the Council's Corporate Plan;
- v. that the Head of Customer Service and the Local Taxation Manager be delegated authorisation to approve the award of Discretionary Rate Relief; and
- vi. that the Corporate Director be delegated authorisation to deal with appeals against Discretionary Rate Relief decisions.

85. FINAL REVENUE BUDGET 2017/18 AND MEDIUM TERM PLAN FINANCIAL STRATEGY 2018/19 TO 2021/22

By way of a report from the Head of Resources (a copy of which is appended in the Minute Book), presented in conjunction with the Executive Councillor for Strategic Resources, the Cabinet considered the final Budget for 2017/18 and the Medium Term Financial Strategy (MTFS) for the period 2018/19 to 2021/22.

At the meeting of the Cabinet in January 2017 the Cabinet approved a Budget requirement of £16.7m for 2017/18, a MTFS that increased to £16.9m by 2021/22 and a Capital Programme of £9.5m for 2017/18 that reduced to £3.0m by 2021/22 (Minute No. 75 referred). This included:

- savings from a detailed line by line Budget review of £700K;
- growth of £1.5m (inflation - £227k; employee pay - £453k and other growth - £775k);
- non-realisation of previously approved Zero Based Budgeting (ZBB) savings of £430k;
- increased income from the Commercial Investment Strategy of £1.0m;
- grant settlement relating to New Homes Bonus and funding estimates for Revenue Support Grant, New Homes Bonus and Business Rates; and
- the new Four Year Settlement from Government.

It was explained that there had since been significant changes to the Budget which were summarised in the submitted report and were detailed in Appendix 2. It was noted that one of the main changes being the Council wide Apprentice scheme of twelve apprentices at a cost of £221k. In response to a question it was explained that with a full complement of apprentices the cost would increase to £331k in 2019/20 and thereafter pay inflation had been added.

The Cabinet expressed concern at the amount of changes required to the Budget since the draft Budget had been approved the previous month which resulted in an additional £835k being required. Concern was also expressed at the Apprentice scheme which Members had not been informed of and therefore a future report to the Cabinet was requested.

In response to a question it was explained that the Apprenticeship Scheme was allocated to the Economic Development Budget as part of the Council's growth and skills agenda.

Tabled at the meeting was a document titled 'Budget Consultation – Headline Results: Business and Voluntary Sector'. It was explained that by law the Council was required to consult its business community once the draft Budget was approved. From the 1590 businesses and voluntary sector organisations invited to complete the survey only 22 responses had been received - an increase of seven responses compared to the previous year.

Although there was a slight increase in the number of responses to the survey the Cabinet were disappointed with the response rate. However, it was accepted that the Economic Development Team had worked hard to develop a database which the survey was directly emailed to and Members were uncertain how the business community could further be encouraged to participate.

Having been referred to paragraph 8 of the submitted report, the Council's Responsible Financial Officer (Section 151 Officer) was required to make a statutory statement in respect of the Budget and Reserves. The Cabinet was informed that Section 8 of Appendix 1

provided further detail and it was considered that the Budget proposed for 2017/18 should not give Members any significant concern regarding the Council's financial position.

With regard to the MTFS (2018/19 to 2021/22) which included the anticipated removal of Revenue Support Grant as core funding by 2019/20 and changes to New Homes Bonus, there were inevitable risks. However, over the past few years the Council had taken proactive action to address its budgetary concerns and with the planned continuation of its Transformation programme and further commercialisation the Council had a sound financial base.

Also tabled at the meeting was a supplementary report that provided further options for Council Tax increases for 2017/18 and the duration of the MTFS. The draft Budget approved in January included a Council Tax increase of 2% for 2017/18 and for the duration of the MTFS. The following options for Council Tax increases considered were:

- i. 1.5% for 2017/18 and 1.5% through the MTFS;
- ii. 1.98% for 2017/18 and 1.98% through the MTFS; or
- iii. 2% for 2017/18 and 1.5% through the MTFS.

One view amongst the Cabinet was to support the proposal included in the draft Budget for a Council Tax increase of 2% for 2017/18 and for the duration of the MTFS, on the basis that there was a minimal financial difference per property between an increase of 1.5% and 2% and the majority of properties in the District were in Council Tax Bands A-C. The Council remained one of the lowest charging authorities and had frozen Council Tax for the past four years. It was noted that the majority of survey responses from the business community had indicated support for an increase in Council Tax.

To assure the residents of the District that the Council would continue to identify future savings, it was suggested that the Council should increase Council Tax by 2% for 2017/18 and 1.5% through the MTFS.

Overall there was a consensus amongst the Cabinet for a Council Tax increase of 2% for 2017/18 and 1.5% through the MTFS as it was suggested that this was a reasonable proposal and good compromise having frozen Council Tax increase over the past four years. It was noted that if necessary an increase in Council Tax could be considered during the Budget preparations during the next financial year.

The comments of the Overview and Scrutiny Panel (Performance and Customers) had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication. Having considered the comments of the Panel, which were welcomed by the Cabinet, it was suggested that the Panel consider ways that it could ensure the additional cost for the transformation work provided good value for money; that the predicted £5.2m of rental income during 2017/18 was compelled by the identification of suitable properties; and that the 1% pay increase for staff was incorporated within the Budget.

In considering the recommendations contained within the submitted

report, subject to the amendments required following the proposal to increase Council Tax by 2% for 2017/18 and 1.5% through the MTFS, the Cabinet

RESOLVED

That Council be recommended to approve the:

- i. overall budget 2017/18 and Medium Term Financial Strategy 2018/19 to 2021/22 as detailed in Appendix 1 (which includes Revenue at Section 2 and the Capital Programme at Section 3 and Appendix 2, growth) of the submitted report, subject to the following amendment:**

A Council Tax increase of 2% for 2017/18 and 1.5% through the Medium Term Financial Strategy

- ii. fees and charges for 2017/18 as detailed in Appendix 1, Section 7 and Annex A of the submitted report; and**
- iii. new Plan-on-a-Page as detailed in Appendix 3 of the submitted report, subject to the amendment listed in (i) above.**

86. 2017/18 TREASURY MANAGEMENT STRATEGY

By way of a report from the Head of Resources (a copy of which is appended in the Minute Book) presented in conjunction with the Executive Councillor for Strategic Resources, the Cabinet was presented with the Treasury Management Strategy (TMS).

The Council was required by law to approve, on an annual basis a TMS. This requirement was enshrined within relevant Codes of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and other guidance issued by central government.

The aim of the TMS was to manage the Council's investments, cash flows, banking, money market and capital market transactions, loans and borrowings within the requirements of an effective control environment whilst in pursuit of optimum performance and yield, and at the same time managing the risk.

The Cabinet were referred to Appendix 5 of the report and it was explained that the TMS included the Minimum Revenue Provision (MRP) Policy, the charge to revenue for the repayment of debt, and included the different MRP approaches for the general capital programme, loans to organisations, and the Commercial Investment Strategy (CIS).

For 2017/18 a new MRP policy had been introduced which would be used where maturity loans had been used to finance expenditure on the CIS.

In response to a question it was explained that discussions with the Council's External Auditors, who reported to the Corporate Governance Committee, were on-going regarding the new MRP

policy and that the model used was similar to that of other local authorities.

Having considered the comments of the Overview and Scrutiny Panel (Performance and Customers) which had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication, the Cabinet

RESOLVED

That the Council be recommended to approve:

- i. the Treasury Management Policy, as detailed in Appendix 2 of the submitted report;**
- ii. the Treasury Management Strategy, as detailed in Appendix 3 of the submitted report;**
- iii. the Prudential, Treasury Management and Commercial Investment Strategy Indicators, as detailed in Appendix 4 of the submitted report; and**
- iv. the Annual Minimum Revenue Provision Policy 2017/18, as detailed in Appendix 5 of the submitted report.**

87. 3C SHARED SERVICES UPDATE

The Cabinet considered a report (a copy of which is appended in the Minute Book) presented by the Executive Councillor for Commercialisation and Shared Services which provided progress of the 3C Shared Services, in terms of Quarter 3 activity and other benefits identified in the Business Case from the first year of operation.

It was explained that there had been significant progress in the past quarter regarding 3C Legal, ICT and Building Control Services and all were completing the 2017/18 Business Plans which included consumption based recharging and improved performance data as the services move from start-up to business as usual.

However, there were some issues regarding the delivery of savings set out in the original Business Cases. The targeted 15% savings identified for 2016/17 was unlikely to be realised due to staff vacancies and the use of temporary staff. However, the achievement of savings in 2017/18 was likely to be positive.

The comments of the Overview and Scrutiny Panel (Performance and Customers) had been circulated to the Cabinet separate to the agenda, the Panel meeting having occurred following the agenda publication. In noting that there had been a good discussion by the Panel regarding the matter, the Cabinet

RESOLVED

to note the report.

Chairman