

CABINET

At a meeting of the Cabinet held on
Thursday, 8 January 2004

PRESENT: Councillor Mrs DSK Spink MBE (Leader of Council and Conservative Group Leader)
Councillor RT Summerfield (Deputy Leader of Council and Finance & Resources Portfolio Holder)

Councillors:	Dr DR Bard	Planning & Economic Development Portfolio Holder
	CC Barker	Environmental Health Portfolio Holder
	JD Batchelor	Information & Customer Services Portfolio Holder
	RF Collinson	Sustainability and Community Planning Portfolio Holder
	Mrs EM Heazell	Housing Portfolio Holder and Liberal Democrat Group Leader
	Mrs DP Roberts	Community Development Portfolio Holder

Councillors RF Bryant and SGM Kindersley were in attendance, by invitation.

Procedural Items

1. DECLARATIONS OF INTEREST

None.

Decisions made by the Cabinet and reported for information

2. CASCADE PROJECT - COMPLETION OF SERVICES

This report demonstrated that the Customer Access to South Cambs Development (CASCADE) project was still within the original indicative figure of £1.8 million capital or one-off revenue expenditure agreed by Council in January 2001, and provided background to the recommendation in the ICT Continuous Improvement Plan (CIP) for additional funding to complete the project. The first line of paragraph 26 of the report was amended to read "Work on the initial services is nearing completion, and they will be ready...".

The Information and Customer Services Portfolio Holder reminded Members that the project was a key element in the Council's ICT Strategy and for fulfilling its e-government obligations. He recommended that the outline funding for the integration of the remaining services into the contact centre be approved, advising that it would be more costly to defer or cancel the project than to complete it as planned.

The Finance and Resources Director confirmed that the £150,000 additional expenditure on staffing was a worst-case scenario; hopefully the project would become self-financing and, in any event, there was a high level of certainty that the Council would receive the £200,000 IEG funding. When appointed in 2004/05, the Change Team of three business analysts would redesign the Council's current processes so direct telephone handling of most business could be done by staff at the Contact Centre. Processes would continue

to be adapted and improved as changes arose, although the new posts would be for two years only, covering the bulk of the work.

The Chief Executive explained that the majority of South Cambridgeshire residents preferred to contact the Council by telephone and it was sensible to increase the amount of business which could be conducted by telephone and through the website to improve the access to services for residents. Councillor Mrs EM Heazell expressed her hope that the transfer of services to the Contact Centre would ensure residents spoke to a person and not voicemail. Councillor Mrs DSK Spink reported that she had made an anonymous call to the contact centre and had spoken to a helpful and polite member of staff.

Cabinet, with seven in favour and one against,

AGREED to support the completion of the CASCADE project and the associated funding within the original indicative figure of £1.8 million capital or one-off revenue expenditure agreed by Council in January 2001.

3. PUBLIC CONSULTATION ON BUDGET AND PRIORITIES FOR 2004/05

The Policy and Performance team held four public consultation meetings in November 2003 and Bostock Marketing Group (BMG) had conducted three workshops. One public meeting, at Cottenham, had its focus changed to address a particular local issue about which a large number of residents had attended on the misunderstanding that this was the purpose of the meeting; no consultation on budget and priorities was done at this meeting.

The events had been advertised widely through the local press, Parish Council magazines, South Cambs Magazine and the Council's website, but there had been a disappointingly low turnout, with 22 people attending the public consultation and 35 at the BMG workshops. Councillor Mrs DP Roberts commended the officers for their very interesting presentations, adding that attendees had been very impressed and had said that they were a clear explanation of how the Council conducts its business.

Members reflected on the issues raised through consultation, but noted that it was difficult to determine whether these were representative of the district as a whole or based on an individual's circumstances. The Chief Executive agreed to confirm the costs of the consultation exercise, but advised that public consultation was a statutory requirement.

Other methods of public consultation were considered, such as displays at public libraries, or consultation through meetings of community groups or at a daytime session held in the Council Chamber with Cabinet members available to answer public questions. South Cambs Magazine could be used for both an educative exercise, emphasising the low level of Council Tax charged and services this Council provided, and for consultation. Councillor CC Barker commended South Cambs Magazine, but noted that, despite a high readership compared to other local publications, not all residents read it, as demonstrated by the number of calls received from residents unaware of the change in refuse collection dates over the Christmas period.

Cabinet **NOTED** the summary of the main findings from the public consultation exercises.

4. PRIORITIES AND SPENDING PLANS 2004/5 - 2006/7

The Resources and Staffing Portfolio Holder introduced the report on the selection of annual priorities and the resource strategy to support them, in particular the Continuous Improvement Plan (CIP) bids to be accepted. He emphasised the importance of Cabinet addressing the Council's priorities, stating that, for this reason, he favoured Option 3, which would direct funding away from some existing services towards the priorities for the year, together with the funding of a sum equivalent to the £1.8 million one-off additional expenditure from capital receipts. The Chief Executive then outlined the background, including the Council's history of low spending and the projected growth in population. Management Team considered that Option 1, restricting the budget for improvements to £300,000, was unrealistic given unavoidable spending needs and growing public expectations, but did not want to see an increase in spending unsustainable for the future. Consequently they supported Option 3, but recognised that this would entail hard choices in deciding where savings could be made. Portfolio Holders had been invited at the last meeting to make suggestions for reductions: Councillor Barker had suggested a sequential approach which had been largely supported by two other Members of the Cabinet. Management Team also recommended funding a sum equivalent to the £1.8 million additional one-off expenditure from capital receipts in 2004/05, although it would inevitably reduce the capital receipts available for the future.

Two corrections were made to the report:

- Page 25, line 13 – delete, Housing partnership officer post already approved by Council
- Page 25, line 21 – delete cost in 2004/05 as this would be covered by grant

The Finance and Resources Director then advised that:

- The options were based on the assumption that the £300,000 was for CIPs bids only, not additional expenditure already agreed;
- An underspend should not be assumed for the current year;
- The actual Council Tax base was 54,581 rather than the 54,721 projected, with a consequent loss of approximately £10,000 a year;
- The proposal for additional Building Control staff would have to be the subject of a separate report giving more information;
- The County Council was willing, for a fee of £18,000 a year, to provide switchboard cover at the contact centre from 8 a.m. to 8 p.m., 6 days a week instead of for traditional office hours only – this would cancel out the deletion of line 13 above;
- Funding a further £986,000 one-off expenditure from capital receipts would reduce the underlying Council Tax in aggregate by £20 over the next two years, but would include a change of Council policy;
- The figures in paragraph 37 included internal recharges; revised figures were given, showing that direct expenditure (excluding capital charges) totalled £1,639,000;

and asked that Cabinet give a view on how they saw increases in Council Tax being phased in. They would be free to review the phasing each year.

Discussion began on the areas suggested for savings and how these might relate to priorities, but the Leader advised the need to decide first which option was favoured. She urged that, if Option 3 were agreed, Portfolio Holders should not have an insular approach to savings.

The Chairman of Scrutiny Committee argued that the suggested savings would redirect spending away from front line services which the public could see, towards processes. He also queried the point of Scrutiny Committee considering the bids when some appeared in this report which had not been before the Committee; nothing appeared

about the costs the Committee thought acceptable, and the on-line air quality information bid had been withdrawn.

The Finance and Resources Director shared the concerns about the late CIP bids not referred to Scrutiny Committee.

Clarifications were sought and given:

- The negative housing subsidy was to be retained in the General Fund reserves as agreed by Council;
- The tourism initiatives bid was not being recommended for acceptance;
- Part of the Building Control function was charged to a fee earning account; part was regulatory and formed a direct charge to the General Fund;
- Only capital expenditure could be funded from capital receipts with the effect of reducing the underlying Council Tax requirement and reductions in those budgets offering no direct benefit for the revenue budget and the Council Tax. Some £835,000 of the one-off bids were pure capital expenditure, the rest were not; however other capital expenditure currently planned to be financed from revenue could be financed from capital receipts to the equivalent of the value of the one-off bids recommended for acceptance;
- Options 1 and 3 resulted in the same level of spending; but Option 3 re-directed it;
- Budgets did not have to be cut in their entirety;
- The list at paragraph 37 was not exclusive and sought to avoid debates about the underlying levels of statutory services; and
- The HRA bid for an Occupational Therapist was to deal with applications from tenants; if there were spare capacity, the postholder could act as a consultant to the Home Improvement Agency in its work on private houses.

It was further argued that the areas listed in paragraph 37 were not necessarily the most appropriate to be reduced particularly as they related largely to the objective of quality village life, and that it was not possible to reach reasoned decisions at this meeting. The Finance and Resources Director warned that there was a limited time for reaching decisions as estimates were already being prepared.

Cabinet, by 6 votes to 2,

AGREED to support Option 3 for approving CIP bids with recurring costs, by increasing additional spending to approximately £800,000, but with savings of approximately £500,000 in order to adhere to the agreed limit of £300,000; Portfolio Holders to examine their budgets for savings within 10 days with a view to a further report to the next meeting.

Cabinet further

RECOMMEND TO COUNCIL

- (a) That the following be adopted as a three year programme of annual priorities from 2004/05:
- i. ESD and customer service
 - ii. Affordable homes
 - iii. Decent homes
 - iv. Reducing the fear of crime
 - v. Youth provision
 - vi. Cleaner villages

- vii. The new settlements at Northstowe and Cambridge fringes
 - viii. Rural Transport
 - ix. Recycling and waste minimisation
- (b) Approval of the three year strategy to address annual priorities set out in paragraphs 13 and 14 of the report and to request Management Team to prepare a more detailed three year programme to enable Members to plan for 2005/06 onwards;
- (c) That the Council will address priorities emerging from public consultation (fear of crime; youth provision; rural transport and cleaner villages) in 2005/06 and 2006/07.

AGREED

- (a) That non-recurring CIP bids of £1,839,000, to be financed for one year only from capital receipts, be included in the estimates to be presented to Cabinet on 16th February 2004 for recommendation to Council;
- (b) That the proposed enhanced switchboard service via the contact centre be included in Table C, bids clearly directed towards the achievement of 2004/05 priorities, with an annual recurring cost of £18,000;
- (c) To invite the Housing Portfolio Holder to take into account the HRA bids given in Appendix 1 to the report in preparing recommendations for the Housing Revenue Account for 2004/05;
- (d) To note the outcome of public consultation, thank and congratulate the officers making presentations and thank councillors who attended; while requesting that other, more representative, means of consultation be sought;
- (e) In response to the request that the Council should demonstrate benefits for any additional spending, to request that the BVPP shows the links between additional resources and performance indicator targets;
- (f) To approve the Continuous Improvement Plans prepared for all services in consultation with portfolio holders as the basis of the draft Best Value Performance Plan for 2004/05 – 2006/7.

It was noted that the one-off bid for printing, consultation and various assessments for the Local Development Framework was for inescapable expenditure not now thought appropriate for inclusion in the CIP process.

Council Tax Increases

Prior to the decision to support Option 3, a revised General Fund projection summary was circulated, showing the underlying effect on Council Tax levels of financing the whole of the £1.8 million non-recurring CIP bids from capital receipts. Cabinet discussed the approach to Council Tax increases in the future: the Resources and Staffing Portfolio Holder reported that, despite his earlier support of a gradual approach, it was now too late for this and that projections required a Council Tax of at least £140 in 2005/06. The question was whether there should be a bigger increase in that year to permit smaller increases later. It was recognised that, although the District Council's Council Tax was small in comparison with other authorities, there were residents for whom any increase caused problems. Members discussed the possibility of a two-tier

Council Tax, with residents on higher levels of income subsidising those on lower incomes. It was noted that public consultation suggested that people preferred regular increases.

For the purposes of the longer-term financial strategy, Cabinet gave an indication of supporting a Band D Council Tax in 2005/06 of £140. The Finance and Resources Director cautioned that this percentage increase could be subject to a call-in by the government, at which the Resources and Staffing Portfolio Holder would need to explain the artificial situation of previous years whilst the Council ran down its balances.

The Meeting ended at 12.00 p.m.
