

CABINET

At an extra-ordinary meeting of the Cabinet held on
Thursday, 29 January 2004

PRESENT: Councillor Mrs DSK Spink MBE (Leader of Council)
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
	Mrs DP Roberts	Community Development Portfolio Holder

Councillors RF Bryant, EW Bullman, NN Cathcart, G Elsbury, TJ Flanagan, CJ Gravatt, R Hall, Mrs SA Hatton, SGM Kindersley, Mrs JE Lockwood, Mrs CAED Murfitt, JA Nicholas, R Page, WH Saberton, NJ Scarr, RGR Smith, Mrs LM Sutherland, Mrs VM Trueman, RJ Turner and AW Wyatt MBE were in attendance, by invitation.

Apologies for absence were received from Councillors Mrs MP Course, Dr SA Harangozo, Mrs JM Healey, MP Howell and JH Stewart.

Procedural Items

1. DECLARATIONS OF INTEREST

None declared.

Recommendation to Council

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

This extra-ordinary meeting of the Cabinet had been convened to allow all Members the opportunity to discuss the priorities and spending plans for 2004/05 – 2006/07 and the implications on the level of Council Tax. The Chief Executive highlighted the following changes which had been made to the final version of the report:

- Two tranches of Electronic Service Delivery (ESD) grants of £200,000 each were included in the predictions;
- Additional income from a revenue grant for growth area delivery had been included for the first year only as it was premature to assume it would be available in future years;
- The on-going costs for refuse collection and street cleansing had been reduced from £218,000 to £76,000;
- The figures assumed the previously-agreed commitment to £300,000 new spending and the savings of £146,000 already identified, for a total of £446,000;
- Predictions were based on existing decisions about the use of capital receipts; and
- Restricting new spending to £446,000 would allow only the inescapable bids, the

CASCADE / ESD bids and the bid for the Senior Strategic Housing Officer to be funded, the sum of which was £11,000 above the £446,000 already agreed.

The Chief Executive drew Members' attention to the effect on the General Fund Balance of continuing to subsidise the actual underlying Council Tax, which would be £156 in 2004/05.

Following consultation with their Group Members, the Group Leaders had met and decided to reject the Management Team recommendation to raise Council Tax by £30 in 2004/05. The Leader explained that officers had been acting properly in advising the Cabinet to raise Council Tax, but that the final decision would rest with Council. Cabinet would instead recommend that Council Tax be maintained at £70 and would re-examine the budget in the coming year to see if further savings could be identified.

Council Tax Increases and Capping

Central government had selective capping powers for local government budgets. The recommendation to raise Council Tax by £30 in 2004/05 could result in South Cambridgeshire being capped as it would be an increase of 43%, although, as Members noted, the original level had been low to begin with. Historically, the Council had levied a low level of tax, including a six-year period during which no tax was levied at all, although this went largely unnoticed as the Council was the collection authority for other local taxes.

Councillor RF Collinson reported that the Labour group felt that the Management Team recommendations were realistic, but were not necessarily politically acceptable. Councillor NN Cathcart requested that Cabinet consider a phased introduction of Council Tax rises, noting that the reserves could not sustain continued subsidisation of the underlying Council Tax. He felt that a phased rise was more fair to the electorate than a large increase, and noted that the Leader had made a statement in South Cambs Magazine promising to maintain the Council Tax at £70 for 2003/04 but had at that time indicated that a rise would be necessary in the following year, and thus the electorate had been prepared for a rise.

Councillor R Page stated that, at the Council meeting of 25th September 2003, the Leader had said that there would not be any rise in Council Tax for 2004/05, and that neither officers nor Cabinet Members had spoken against this, although he felt it should have been obvious at the time that it was not possible to maintain the Council Tax level.

There was a need to increase the electorate's awareness of the serious problems arising from continued subsidisation of the underlying Council Tax and a consultation exercise could be run through South Cambs Magazine; however, the effectiveness of consultation was queried, given the disappointingly low turnout at recent consultation exercises.

The Finance and Resources Director advised that it was realistic to assume that the Council would be asked to account for its actions however a phased Council Tax rise was introduced. He asked Members to consider a 5% increase this year as the government may ask next year why the Council did not begin phasing in a higher Council Tax earlier. Members were reminded that the Minister of State for Local Government had already indicated that he would not look favourably on those authorities which did not increase Council Tax during a local election year.

Central Government Support

Central government was placing an increased number of jobs on the Council, without providing any additional funding. The government grant to South Cambridgeshire District Council was nearly half of that paid to other Shire Districts: £48.06 per head of population compared to the average district grant of £84.10 per head of population, placing a greater financial burden upon taxpayers. Members would be raising this issue with the government and the Local Government Association (LGA).

Refuse Collection and Recycling Provision

Councillor CC Barker cautioned that it was necessary to complete the new refuse and recycling collection scheme and funding must be found to finance the on-going revenue costs of the plastics recycling banks beyond the £50,000 DEFRA grant to start the project: the DEFRA grant was unlikely if the Council could not demonstrate a commitment to on-going funding. Councillor RT Summerfield suggested that the Community payment recycling incentive scheme paid to parish councils could be used to fund the on-going revenue commitment. Councillor Barker agreed, saying that it was not an easy decision to make, but that he felt that it was necessary in order to provide plastics recycling, a service often requested by residents.

Councillor Mrs JE Lockwood noted that it appeared to many residents that their refuse collection service had been halved and, as some residents had greater interest in refuse collection than recycling provision, they would not accept a Council Tax increase when they believed that their services had been cut.

Councillor NJ Scarr queried whether the Council could be more lenient in its conditions for the purchase of additional black wheeled bins and whether this could provide additional income for the Environmental Health budget. He agreed to receive a written response to his question.

Community Services

The Head of Community Services explained that the decision not to fund a Community Strategy Projects Officer would cause the Council to struggle to deliver the Community Strategy as this would place an additional workload on the Community Services team.

Housing Department and Provision of Affordable Homes

Councillor Mrs SA Hatton, stating that she believed some Council departments to be overstaffed and citing the Housing Department as an example, queried whether the Council could reduce its affordable housing costs to zero while continuing to provide affordable housing through the use of s106 agreements and planning conditions, transferring the expense to developers. She suggested that the Council, following full consultation with tenants, could give serious consideration to selling its remaining housing stock. Councillor Mrs DSK Spink noted that any resultant capital receipts could be used only on capital, not revenue, expenditure.

The Housing Portfolio Holder felt it would be unwise to take any action which could be seen as prejudicial to the Stock Options Survey. She refuted the comment that the Housing Department was overstaffed, noting that many officers were working overtime without pay. The Head of Shire Homes explained that the nature, focus and emphasis of housing work had changed: although the Council's own development work had reduced dramatically, partnership work with Housing Associations was facilitating more development, especially for Key Worker housing. The Council was using any available sources of funding, primarily through other agencies working in partnership, to continue to provide affordable housing.

Staffing

Councillor Mrs DP Roberts queried whether officers were at the optimum capacity of working, whether the Council was over-staffed in some departments and whether superfluous officers could be transferred to areas in need of resources. Councillor Page blamed officers and fellow Councillors for mismanagement, noting that both groups had received pay rises recently, and agreed with Councillor Mrs Roberts that the Council was over-staffed. He accused officers of not responding to his requests for information and indicated that he would be reporting officers to the Standards Committee. Councillor Mrs Roberts stated that officers of all levels disregarded Members.

Councillor JD Batchelor noted that Cambridge City Council, which provided the same services to fewer residents, had more than twice the number of officers of South Cambridgeshire District Council.

Development

Councillor Dr DR Bard explained that it was difficult to reach a consensus between the services the Council wants to provide, the services that residents want to see being provided and the services required by central government. Although the increased development in the District would increase the tax base in the future, it was necessary at present to fund the development infrastructure and, in light of the Northstowe and Cambridge fringe bids being rejected, funds would have to be vired from the cycleways budget.

Access to Services Best Value Review

Councillor Batchelor expressed his disappointment that the recommendations of the Access to Services Best Value Review could not now be implemented.

Cambourne Offices

Councillor Page stated that Members and residents had been assured that the new offices at Cambourne would not be an additional expense to taxpayers and demanded that the figures for the construction and day-to-day running costs of the new offices be provided. The Leader promised that a written response would be forthcoming as officers had not prepared the necessary information to answer the request at this meeting. Councillor Page declared himself dissatisfied with this response and accused Cabinet of holding in contempt the opinions of all other Members. The Leader refuted this suggestion and assured all Members that they would receive a written response regarding the construction and running costs of the new offices.

Cabinet **RECOMMENDS TO COUNCIL** that the draft budget be produced incorporating:

- (a) a Band D Council Tax of £70 for 2004/05;
- (b) £503,000 additional spend for 2004/05 with recurring costs of £457,000 in subsequent years (both figures gross of the identified savings of £146,000), reflecting:
 - (i) only the inescapable bids of £94,000;
 - (ii) the CASCADE bid of £224,000, Land and Property Gazetteer bid of £20,000;
 - (iii) the senior Strategic Housing Officer bid of £43,000; and
 - (iv) the plastics recycling banks bid of £50,000, the latter of which being subject to:

- £50,000 costs in 2004/05 being funded by the DEFRA grant; and
 - the ongoing revenue costs of £42,000 being funded from 'savings' within the Environmental Health portfolio;
- (c) the additional expenditure on refuse collection and street cleansing service estimated at £76,000.

The Meeting ended at 3.15 p.m.
