

NORTH HERTFORDSHIRE DISTRICT COUNCIL

MINUTES

Meeting of the Council held in the Council Chamber, Council Offices, Gernon Road, Letchworth Garden City on Thursday, 7 February 2008 at 7.30pm

PRESENT: *Councillors A. Bardett (Chairman), Mrs A.G. Ashley (Vice-Chairman), Liz Beardwell, David Billing, Judi Billing, John Bishop, S. Bloxham, Clare Body, John Booth, Tom Brindley, P.C.W. Burt, Melissa Davey, Jane Gray, Fiona Hill, T.W. Hone, A.F. Hunter, R.E. Inwood, Arthur Jarman, Sal Jarvis, S.K. Jarvis, David Kearns, Lorna Kercher, Joan Kirby, Marilyn Kirkland, I.J. Knighton, David Levett, Bernard Lovewell, Ian Mantle, Alan Millard, D. Miller, Mrs L.A. Needham, Lawrence Oliver, Deepak Sangha, F.J. Smith, Martin Stears, Mrs C.P.A. Strong, R.A.C. Thake and M.E. Weeks.*

IN ATTENDANCE: *Chief Executive, Strategic Director of Customer Services, Strategic Director of Financial and Regulatory Services, Head of Legal and Democratic Services, Head of Financial Services, Democratic Services Manager and Senior Committee and Member Services Officer.*

ALSO PRESENT: *Mr Nicholas Moss (Independent Chairman of the Standards Committee), Mr Hedley Parkins and Mr Ian Smith (Members of the Independent Remuneration Panel) and 7 members of the public.*

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D.J. Barnard, Paul Clark, J.M. Cunningham, Allison Dear, Lee Downie, Tricia Gibbs, Gary Grindal, H.M. Marshall, M.R.M. Muir, R.L. Shakespeare-Smith and A.D. Young.

56. MINUTES

It was moved by Councillor F.J. Smith, seconded by Councillor T.W. Hone, and

RESOLVED: That the Minutes of the meeting of the Council held on 29 November 2007 be approved as a true record and signed by the Chairman.

57. NOTIFICATION OF OTHER BUSINESS

No additional items were presented for consideration by the Council.

58. CHAIRMAN'S ANNOUNCEMENTS

(1) Former District Councillor David A. Jones

The Chairman had the sad duty to report that Former District Councillor David A. Jones, who represented the Letchworth South West Ward from 1987 to 1991, had passed away on 31 December 2007. He invited those who felt able to stand for a minute's silence.

(2) Change of Date of April 2008 Council Meeting

The Chairman reminded Members that the date of the April 2008 Council meeting had changed, and would now take place on Thursday, 10 April 2008 (instead of 3 April 2008). As a consequence, the meeting of the Southern Rural Committee originally scheduled for 10 April 2008 would now take place on Thursday, 3 April 2008.

(3) Civic Reception – 22 February 2008

The Chairman thanked Members for their support in respect of his Civic Reception to be held on 22 February 2008. He commented that a few more prizes for the tombola would be welcome, and asked any Members who may be interesting in donating a prize to contact his Secretary in the Committee and Member Services Section.

(4) Item 6(A) – Cabinet Referral – Draft Members’ Allowances Scheme 2008/09

The Chairman announced that he would be taking this item in association with Item 8 on the agenda – the Report of the Independent Remuneration Panel regarding the Members’ Allowances Scheme 2008/09.

(5) Declarations of Interest

The Chairman reminded Members that, in line with the new Code of Conduct, any Declarations of Interest now needed to be declared immediately prior to the item in question.

59. PUBLIC PARTICIPATION

Petition – Dial-a-Ride

The Chairman welcomed Celia Saunders to the meeting, and invited her to present a petition in respect of Dial-a-Ride.

Celia Saunders made the following points during her presentation:

- The petition, which contained over 500 signatures, was asking the Council to reverse its decision to withdraw funding from the Dial-a-Ride Service;
- The Dial-a-Ride Service provided vital support for the elderly, disabled and those members of the community who were unable to use public transport by supplying a door to door transport service to shops, friends, Libraries, Doctors etc., by the use of specially adapted vehicles;
- The Service with the funding allocated by NHDC provided for two vehicles for the North Hertfordshire area. The sole vehicle available after the funding was withdrawn was only able to manage essential journeys, not social or shopping trips, as was originally intended;
- The statistics could appear to indicate that two vehicles had low usage compared with buses, but that was because only one or two wheelchairs could be carried and the journeys were individual. Few people needed to make exactly the same journey;
- The current booking system needed to be investigated and rethought. Users did not try to book because they did not expect to be successful in booking and did not persevere as it could entail many attempts to phone a number in Watford.
- The North Hertfordshire area covered by the sole vehicle was too large, including many villages, entailing journeys which took a disproportionate amount of time;
- If there was only one vehicle and the tail lift was broken, as had happened, there was no way of transporting people in wheelchairs. If there was a second vehicle then the users could be divided up – one could take the people in wheelchairs and the other those users who did not need the tail lift. With just the one vehicle there was no flexibility;
- If the driver was on leave or sick with no notice, then it could be impossible for people to travel;

- A vehicle was needed which had a special enclosure for bulky luggage and bags, similar to airport travel vehicles.

The Chairman thanked Celia Saunders for her presentation, and commented that the petition would receive appropriate consideration.

60. ITEM REFERRED FROM CABINET – 18 DECEMBER 2007 – DRAFT MEMBERS' ALLOWANCES SCHEME 2008/09

This item to be taken in association with Item 8 – Report of the Independent Remuneration Panel: Members' Allowances Scheme 2008/09 (see Minute 64 below).

61. ITEM REFERRED FROM CABINET – 18 DECEMBER 2007 – TREE STRATEGY

The Council considered the minute of the meeting of Cabinet held on 18 December 2007, in respect of the proposed Tree Strategy (Minute 86 refers). A copy of the report considered by Cabinet was included with the agenda, as was the following appendix:

Appendix A – Tree Strategy: Final Version.

It was moved by Councillor Mrs L.A. Needham, seconded by Councillor F.J. Smith, and

RESOLVED: That Tree Strategy, as appended to the report, be adopted.

REASON FOR DECISION: To provide sustainable working practices to best meet customer expectations for the maintenance and development of trees under the Council's ownership and management.

62. ITEM REFERRED FROM STANDARDS COMMITTEE – 20 DECEMBER 2007 – IMPLICATIONS OF NEW CODE OF CONDUCT

The Independent Chairman of the Standards Committee presented the minute of the meeting of that Committee held on 20 December 2007, in respect of the Implications of the New Code of Conduct (Minute 5 refers). A copy of the report considered by the Standards Committee was included with the agenda, as were the following appendices:

Appendix A – Code of Conduct for Councillors – The Local Authorities (Model Code of Conduct) Order 2007 (Statutory Instrument 2007/1159);

Appendix B – Standards Board for England Guide for Members, May 2007.

It was moved by Councillor Lawrence Oliver, seconded by Councillor David Kearns, and

RESOLVED: That the inclusion of informal meetings and the definition of these, as given in Paragraph 4.2.1 of the report, in the scope and application of the Code set out in Paragraph 1.4 of the Code, be agreed.

REASON FOR DECISION: To raise awareness of the intended changes to the Code and to consider the impact of these.

63. ITEM REFERRED FROM STANDARDS COMMITTEE – 20 DECEMBER 2007 – REVISIONS AND ADOPTION OF NEW PROTOCOLS

The Independent Chairman of the Standards Committee presented the minute of the meeting of that Committee held on 20 December 2007, in respect of the proposed adoption of a Members' Gifts and Hospitality Protocol and revisions to the existing Planning Code of Good Practice for Councillors (Minute 6 refers). A copy of the report considered by the Standards Committee was included with the agenda, as were the following appendices:

Appendix A – Proposed Members' Protocol for Gifts and Hospitality;

Appendix B – Amended Planning Code of Good Practice for Councillors;

Appendix C – Table of Changes to the Planning Code of Good Practice for Councillors.

It was moved by Councillor Lawrence Oliver, and seconded by Councillor David Kearns, that the recommendations contained in the report be agreed.

As an amendment, it was moved by Councillor Sal Jarvis, and seconded by Councillor, that the Planning Code of Good Practice for Councillors be approved and adopted, with the exception of Paragraph 5(b) of Section 5 – Contact with Applicants/Developers, and that Paragraph 5(b) be referred back to the Standards Committee for further consideration. Upon being put to the vote, this amendment was carried.

Upon the substantive motion being put to the vote, it was

RESOLVED:

- (1) That the proposed Members' Protocol for Gifts and Hospitality, as set out at Appendix A to the report, be approved and adopted;
- (2) That the amended Code of Good Practice for Councillors, as set out at Appendix B to the report, with the exception of Paragraph 5(b) of Section 5 – Contact with Applicants/Developers, be approved and adopted, and that Paragraph 5(b) be referred back to the Standards Committee for further consideration.

REASON FOR DECISION: To assist Members in complying with the new requirements of the Code of Conduct as regards the registration and declaration of Gifts and Hospitality; to ensure that the Planning Code of Good Practice is compliant with the new Code of Conduct provisions; and to demonstrate that the Council has the highest regard for Corporate Governance issues.

64. MEMBERS' ALLOWANCES SCHEME 2008/09

The Council considered the report of the Independent Remuneration Panel setting out guidance and information regarding Members' Allowances and proposing a Members' Allowances Scheme for 2008/09. The report contained the following appendices:

Appendix A – Recommended Scheme of Allowances 2008/2009;
Appendix B – Comparative Information (Audit family);
Appendix C – Survey of NHDC Members (October 2007).

It was moved by Councillor F.J. Smith, and seconded by Councillor T.W. Hone, that the recommendations contained in the report be agreed.

The following amendment to Paragraph 4 of Appendix A, relating to Special Responsibility Allowances, was moved by Councillor R.A.C. Thake, and seconded by Councillor David Kearns:

- “(1) That the Special Responsibility Allowance (SRA) to Area Committee Chairmen made under the Scheme of Allowances is not reduced by the sum of £500 to part fund the justifiable SRA for the Chairman of the Planning Control Committee;
- (2) That the allowances payable to Chairmen of Area Committees be subject to the same percentage inflationary increases for the stated period as applied to other categories of responsibility that would trigger an SRA, as recommended by the Independent Remuneration Panel.”

Upon being put to the vote, this amendment was carried.

Upon the substantive motion being put to the vote, it was

RESOLVED: That the Scheme of Members' Allowances for 2008/09, recommended by the Independent Remuneration Panel, as set out in Appendix A to the report, be agreed, subject to the following amendment:

- (i) That the Special Responsibility Allowance (SRA) to Area Committee Chairmen made under the Scheme of Allowances is not reduced by the sum of £500 to part fund the justifiable SRA for the Chairman of the Planning Control Committee;

- (ii) That the allowances payable to Chairmen of Area Committees be subject to the same percentage inflationary increases for the stated period as applied to other categories of responsibility that would trigger an SRA, as recommended by the Independent Remuneration Panel.

REASON FOR DECISION: To assist the Council in determining a scheme of Members' Allowances for 2008/09.

65. ELECTIONS 2008/09 – SCALE OF FEES AND CHARGES

The Chief Executive and Returning Officer submitted a report setting out the proposed Scale of Fees and Charges for the Elections to be held during the 2008/09 Financial Year. The following documents were appended to the report:

Appendix A – Proposed Scale of Fees and Charges 2008/09;
Appendix B – Scale of Fees and Charges 2007/08.

It was moved by Councillor Mrs C.P.A. Strong, seconded by Councillor David Kearns, and

RESOLVED: That the Scale of Fees and Charges for the employment of additional staff to assist the Returning Officer in conducting District, Town and Parish Elections held during the Financial Year 2008/09, as set out at Appendix A to the report, be approved.

REASON FOR DECISION: To enable the Council to set a Scale of Fees and Charges for Elections to be held during 2008/09.

66. ITEM REFERRED FROM CABINET – 29 JANUARY 2008 – CCTV STRATEGY

The Council considered the minute of the meeting of Cabinet held on 29 January 2008, in respect of a proposed CCTV Strategy (Minute 100 refers). A copy of the report considered by Cabinet was included with the agenda, as was the following appendix;

Appendix A – CCTV Strategy 2008.

Subject to an amendment to show the funding of £99,000 for Planned Maintenance of PTZ Cameras being spread in equal sums of £33,000 in each of the 2008/09, 2009/10 and 2010/11 Financial Years, it was moved by Councillor T.W. Hone, seconded by Councillor F.J. Smith, and

RESOLVED: That the CCTV Strategy, as set out at Appendix A to the report, and as amended, be approved.

REASON FOR DECISION: To ensure that the Council has an effective strategic plan for existing and future investment in CCTV.

67. ITEM REFERRED FROM CABINET – 29 JANUARY 2008 – GREEN SPACE STRATEGY

The Chairman announced that, as the recommendations contained in this referral from the Cabinet meeting held on 29 January 2008 related to the Capital and Revenue Investment proposals for 2008/09, he would be taking this matter in association with Item 10(C) – Budget Proposals 2008/09 (see Minute 68 below).

68. ITEM REFERRED FROM CABINET – 29 JANUARY 2008 – BUDGET PROPOSALS 2008/09

Prior to the consideration of the Budget Proposals for 2008/09, the Leader of the Council and the Cabinet Portfolio Holder for Finance presented a Budget Speech. This is reproduced at Appendix A to these Minutes.

The Council considered the Minute of the meeting of Cabinet held on 29 January 2008, in respect of the Budget Proposals 2008/09 (Minute 108 refers). This included details of the views of the Scrutiny Finance Sub-Group. A copy of the report considered by Cabinet was included with the agenda, as were the following appendices:

Appendix 1 – Collection Fund;

- Appendix 2 – List of Efficiency items;
- Appendix 3 – List of Income increases;
- Appendix 4 – List of Revenue Investment Items;
- Appendix 5 – List of Capital Investment Items;
- Appendix 6 – General Fund Estimates 2008/09;
- Appendix 7 – Capital Programme 2008/09 to 2011/12;

It was moved by Councillor T.W. Hone, and seconded by Councillor F.J. Smith, that the recommendations contained in the report be approved.

On behalf of the Labour and Liberal Democrat Groups respectively, Councillors Martin Stears and S.K Jarvis responded to the Budget Speech of the Leader of the Council and Cabinet Portfolio Holder for Finance.

The following amendments to Recommendation (7) of the Minutes of the Cabinet meeting held on 29 January 2008, were moved in respect of the lists of proposed Efficiency and Investment Items for 2008/09:

It was moved by Councillor Lorna Kercher, and seconded by Councillor Joan Kirby, that the lists be amended to include “the addition of a new growth item of £38,660 to enable the Council to reverse the decision to withdraw from Dial-a-Ride”. Following debate, and upon being put to the vote, this amendment was lost.

It was moved by Councillor David Billing, and seconded by Councillor Ian Mantle, that the lists be amended to include “the addition of a new growth item of £75,000 to enable the Council to rebuild its support for contract bus services, building on the work started by the Transport Officer in support of a Scrutiny investigation to ensure that this contribution is well spent”. Following debate and upon being put to the vote, this amendment was lost.

It was moved by Councillor Deepak Sangha, and seconded by Councillor Martin Stears, that the lists be amended to include “the addition of a new growth item of £30,000 to pump-prime further investment in recycling, including the introduction of doorstep collection of plastics as soon as possible building in a full year’s collection into the 2009-2010 budget”. Following debate and upon being put to the vote, this amendment was lost.

It was moved by Councillor S.K. Jarvis, and seconded by Councillor Lawrence Oliver, “That Savings Proposal SG25 (Subsidy to Eastern Orchestral Board), and Revenue Growth Proposals RG2 (Environmental Health Restructure) and RG4 (NDL Metascribe software) are not accepted, resulting in a net saving on general fund expenditure of £60,980.

That the proposed Council Tax precept be reduced by this figure to £9,049,973, representing an increase in Council Tax of 3.8%.”

Following debate and upon being put to the vote, this amendment was lost.

The substantive motion was put to the vote, whereupon it was

RESOLVED:

- (1) That Government support for 2008/2009 of £7.742m be noted;
- (2) That the position on the Council Tax Collection Fund and the surplus of £417,000 projected at 31 March 2008 be noted. The North Hertfordshire share is a surplus of £61,000;
- (3) That the position relating to the Council’s balances be noted and that it be further noted that a General Fund balance of £1,283,000 has been used in the precept calculations;
- (4) That the position of the other Reserves and Balances, as detailed in Paragraph 4.5 of the report, be noted;

- (5) That the changes/updates to the Efficiency Options detailed in Paragraphs 4.6.3 to 4.6.8 of the report, be noted;
- (6) That the withdrawal of Efficiency Option SG29, for a £21,000 increase in the charge for street naming and numbering (Paragraphs 4.6.5 to 4.6.7 of the report refer), be approved;
- (7) That the Efficiencies and Investment items, as set out in Appendices 2, 3 and 4 of the report, be included in the budget estimates for 2008/09, subject to the withdrawal of Efficiency Option SG28 – Reduction of all Area Committee Grants by 10% - £16,400, and the inclusion of Revenue Investment Proposal RG6 (£20,000 in 2008/09 and £50,000 in 2009/10) and Capital Investment Proposal CG6 (£100,000 in each of 2008/09, 2009/10 and 2010/11), relating to funding of the Green Space Strategy;
- (8) That it be noted that all Efficiencies and Investment proposals are in accordance with strategic objectives;
- (9) That the estimated net expenditure for 2008/2009 be noted;
- (10) That the provisional Capital Programme for 2008/2009 to 2011/2012, which includes the projects listed in Appendix 5, be approved;
- (11) That a 4.5% increase on the Council Tax (average band D) be levied upon the Collection Fund for 2008/2009, a precept of £9,110,953.

REASON FOR DECISION:

- (1) To ensure that Members have considered all relevant factors when arriving at the proposed Council Tax precept for 2008/2009;
- (2) To ensure that the Cabinet recommended a prudent and balanced budget to Council on 7 February 2008;
- (3) To ensure that the Capital Programme met the Council's objectives to allow officers to plan the implementation of the approved schemes.

69. QUESTIONS FROM MEMBERS

There were no questions from Members.

70. NOTICE OF MOTIONS

There were no Notice of Motions.

The meeting closed at 11.15pm.

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Chairman

APPENDIX A TO THE MINUTES OF COUNCIL – 7 FEBRUARY 2008

North Hertfordshire District Council

Budget Debate 2008-2009: 7th February 2008

Introduction by Leader of the Council, Cllr F.J. Smith

1. In introducing our debate on the Council's budget for 2008-2009 I want first of all to pay tribute to the team who have worked so hard to produce a sensible and coherent set of recommendations, namely the Corporate Management Team under the leadership of our Chief Executive, John Campbell, the officers in all departments who have contributed their advice, especially in the Finance Department led by Mrs Norma Atlay, and of course Cllr Terry Hone in his capacity of Finance Portfolio Holder.
2. I think that we all recognise that devising a budget year by year does not get any easier, basically due to external factors, i.e. the lack of balance between the additional duties imposed upon local government by central government and the inadequate funding available from the same source, particularly when it is neither desirable nor permissible to raise the council tax by much more than the rate of inflation.
3. Nevertheless we are expected to provide all necessary services – and we manage to do so by improved efficiency every year, although I must point out that our standards have been rising consistently ever since the inception of our authority more than 30 years ago. North Hertfordshire District Council comprises the four former urban district councils of Baldock, Hitchin, Letchworth and Royston and the Hitchin Rural District Council. Thus their union makes my remarks those of a State of the Union address for North Hertfordshire.
4. So how are we doing? During the last twelve months the people of the district have been immensely co-operative as our refuse and recycling service has gone over successfully to alternate weekly collections, thereby enabling us to lift our rate of recycling considerably. Coming soon will be the next steps in this important exercise as flats are provided with a better service, as brown bins are able to take kitchen organic waste, and as the greening process examines reduction in usage of plastic bags, together with other initiatives. Indications are that the people of North Hertfordshire are solidly behind work to abate the dangers of climate change, to which end we signed the Nottingham Declaration.
5. Also in the environmental health area there has been considerable expenditure on the upgrading of public conveniences – something that we have wanted to do for some time.
6. The extension of service in our Customer Service Centre has proceeded well. Satisfaction with this is a reflection of the continuing high level of customer satisfaction generally, as measured by the regular surveys that are carried out.
7. Of course there are circumstances which give rise to some anxiety. The work on the Local Development Framework as a replacement for the District Plan moves steadily on but we are threatened by the prospect of large housing projects. To the worrying possibility of much housing to the west of the A1(M) has recently been added a further threat to the Green Belt to the east of Luton. Inadequate opportunities for consultation on this latest scheme do not help.

8. It is not encouraging that the Government intends to transfer responsibility for planning in the East of England from the Regional Assembly (EERA) to the Regional Development Agency (RDA). Criticism of EERA has tended to concentrate on its undemocratic nature but at least its local government members have been appointed by elected local authorities, whereas the RDA is entirely appointed by central government and has no democratic legitimacy whatsoever.
9. It may seem that such matters of regional import are not directly of interest to the North Herts electorate. However, I only have to mention that part of the regional planning exercise includes the allocation of a large number of pitches for gypsies and travellers to show that there are plenty of irritating aspects to it. And delays at the ministries do not help!
10. During 2008-2009 I expect to see considerable progress on work done to improve our town centres. Baldock should get some of the post-bypass work done, Hitchin deserves to achieve completion of plans for redevelopment of the Churchgate area, Letchworth will I hope benefit from commencement of improvements to the Howard Gardens, and Royston has a number of upgrades in train. Meanwhile we shall see that the rural area is not neglected.
11. It is also our intention that the parking problems will be addressed. A series of Controlled Parking Zones and Traffic Regulation Orders are on the way. And we shall not neglect to upgrade the CCTV network which is our principal contribution to a safer district.
12. So while the actual production of our budget this year has been relatively straightforward compared to some years, we would be foolish to expect that things will get any easier this year or next – or certainly those that follow.
13. It is against this background that I invite Cllr Hone to give you the details of our financial position and the consequent call on the public's share of our income.

STATEMENT BY
FINANCE PORTFOLIO HOLDER
ON COUNCIL TAX ESTIMATES 2008/2009

COUNCIL MEETING – 7th FEBRUARY 2008

THE CURRENT YEAR - FINANCIAL STATEMENT AS AT 1ST APRIL 2008

At the commencement of this year it was anticipated that the General Fund balance at 1st April 2008 would be £1,200,000. At the 2nd Quarter, it is now estimated to be £1,379,000, an increase of £179,000. The increase is largely due to an increase in the level of investment income arising from higher interest rates.

At the end of the 2nd Quarter, the revised estimate of net expenditure chargeable to the General Fund for the current year is £17,791,000 (including carry forward budgets of £671,000) versus an original budget of £18,015,000. The various funds and reserves held in the General Fund are now estimated to be as follows: -

	Estimated Balance at 1st April 2008
	£
SPECIAL RESERVE	2,569,000
GENERAL FUND	1,379,000
Insurance Fund	<u>142,000</u>
	<u>4,090,000</u>

CAPITAL ACCOUNTS

The balances in the Council's various Capital Accounts at 31st March 2008 are estimated to be: -

	Total
	£,000
Surplus set aside capital receipts	109,921
Useable capital receipts	9,281

ESTIMATES 2008/2009

This financial year again reflects the principles of priority-led budgeting. This approach seeks to ensure that policy drives financial planning and gives members choices on their budget priorities.

The Service and Financial Planning process for 2008/09 began in June 2007 and continued throughout the year. The financial strategy highlighted those key areas of strategic, statutory and inflationary spending where the Council has made a positive decision to meet both Government and customer expectations and indicated a potential funding gap of £1.3 million in 2008/09 and the authority set itself an efficiency savings target to bridge this gap. The consultation process included discussion at the various committees, members' workshops and a meeting with business ratepayers. The budget proposal includes the results of the consultation exercises and is based on the Council's strategic objectives to include the following: -

- Budget is based on financing activity that supports the Council's strategic objectives
- In-built contractual inflation of 3.55% and pay award of 2.5%
- Standstill budget for all other items
- Inflation of 4.2% on fees and charges income
- Government support totaling £7.7 million (an increase in cash terms of £129k excluding assumed element for Waste Performance & Efficiency grant of £54k)
- Challenge Board Efficiency totaling £232k
- Efficiency proposals totaling £299k
- Income Proposals totaling £11k
- Statutory and Strategic Investment proposals totaling £173k

The following is a list of the growth items identified plus inflation with an indication of the effect on the Council Tax and illustrates our commitment to providing resources to ensure the Council's strategic objectives are achieved: --

	<u>Total</u>	<u>Increase in</u> <u>Council Tax</u>	<u>Total</u>
£'000	£'000	%	%
<u>Statutory and Government Led Pressure</u>			
Environment Health & Housing restructure	57	0.56	
Choice based lettings system	18	0.17	
Homelessness & Housing Advice	27	0.27	

	102	1.00
Strategic Priorities		
IT investment	8	0.08
CCTV - fixed and mobile cameras	15	0.15
Green Space Strategy	20	0.20
Rural Play project	28	0.28
	71	0.71
Inflation		
Pay Award & Other Pay increases	669	6.63
Contract Inflation	397	3.94
	<u>1,066</u>	<u>10.57</u>
Total Growth and Inflation	<u>1,239</u>	<u>12.28</u>

Without significant efficiency gains in the base budget, savings identified by the challenge board and a substantial reduction in staffing costs following the reshaping of the Council together with the ability to use balances, I would be looking for the council taxpayer to fund that level of increase, 12%.

The five year financial strategy outlined the additional costs falling to the General Fund in future years as a result of inflation and growth and outlined a strategy to deal with these increases. This will be done by a phased use of balances and using the Challenge Board to investigate means of reducing net expenditure. In this current year's review the Challenge Board again examined highly subsidised services, reviewed service charges and costs and compared services with other authorities. This review of service costs and funding will continue through this year as we prepare for the challenge of a balanced budget for 2009/10 and onwards.

The other major issue to be taken into account is, as always, the Local Government Finance Settlement. The announcement made on 24th January 2008 results in a settlement totalling £7,741,901, £182,478 or 2.4% more than this year. In the announcement, the Minister for Local Government stated that all authorities would receive an increase in grant in cash terms. In our case, the Government figures show that we have received a 1.5% increase compared to the Adjusted 2007/08 Formula Grant. Provisional settlements for 2009/10 and 2010/11 have been given, early notification helps the Council plan its future year budgets, and for the present the financial strategy assumes an annual increase of 2% to 2010/11 and 1% thereafter.

The estimates have been prepared in line with the Council's reshaped structure and the following summary reflects this.

AREA COMMITTEES

The Council remains committed to extending the role and influence of the Area Committees and is encouraging them to play a greater role in influencing decisions which impact on the locality. The amount approved for next year has been kept at the same level as this current year and at the second quarter's stage this year there is an estimated carryover of £51,000.

The net budget for the Area Committees shown in the estimates is £337,840

CHIEF EXECUTIVES DIRECTORATE

The estimates of net expenditure the Chief Executives Directorate are made up as follows: -

Corporate Management	£1,761,700	cr
Legal and Democratic Services	£2,112,370	
Strategy & Community Partnerships	£1,785,410	

The net expenditure shown in the estimates amounts to £2.136 million (£2,136,080).

FINANCIAL & REGULATORY SERVICES DIRECTORATE

The estimates of net expenditure for Finance & Regulatory Services are made up of the residual cost or surpluses of the following services: -

Finance & Asset Management	£8,682,360cr
Revenues	£1,845,440
Planning Services	£3,100,130
Housing & Environmental Health	£7,398,350

The large credit on Finance & Asset Management is largely due to the credit balance on the Capital Financing Account.

The net expenditure shown in the estimates amounts to £3.662 million. (£3,661,560).

CUSTOMER SERVICES DIRECTORATE

The estimates of net expenditure for Customer Services Directorate are made up as follows: -

Customer Services	£	20	cr
Community Development	£	3,072,510	
Human Resources	£	1,480	.
Recreation and Sport	£	1,847,280	
Emergency Planning	£	118,560	
Land Drainage	£	44,520	
Car Parking	£	317,690	cr
Amenities & Refuse	£	6,651,760	
Strategy & Community Services	£	121,780	

The net expenditure shown in the estimates amounts to £11.540 million (£11,540,180)

CAPITAL PROGRAMME

Total capital expenditure requested by the Corporate Management Team amounts to £11,204,230.

The Cabinet at their meeting on 29th January 2008 considered the requests of the Corporate Management Team and resolved to recommend approval of the programme subject to adequate resources being available.

Financing of capital expenditure is planned as follows: -

	£,000
Capital Receipts	9,603
Allowance For Contributions	1,429
Revenue	<u>172</u>
	<u>11,204</u>

BUSINESS RATES

The Business Rate, or National Non - Domestic Rate (N.N.D.R.), is set annually by the Government. These rates are the means by which local businesses contribute to the cost of providing local authority services. All business rates are paid into a central pool. The pool is then divided between all authorities depending on the number of residents each authority has.

A new rating list come into force on 1st April 2005. For the year 2008/09, there are two multipliers the standard non-domestic multiplier of 46.2p and the small business non-domestic multiplier of 45.8p. The former is higher to pay for a new small business rate relief scheme. Small Business Rate Relief is available at 50% for ratepayers occupying single properties with a rateable value up to £5,000, with relief declining in percentage terms on a sliding scale until it is 0% at £10,000.

In accordance with the Local Government Finance Act 1992, I held consultation meetings with representatives of Industry and Commerce on 15th January 2008.

DISTRICT COUNCIL REQUIREMENTS 2008/2009

The budget proposals were put together taking into account the comments and recommendations resulting from the various consultation meetings at the same time as reflecting the strategic priorities of the Council.

Overall estimates considered by the Cabinet at its meeting on 29th January 2008 after adjustment for approved growth and savings indicated a net expenditure for the Council's own requirements of £17.7 million (£17,675,660). This is £133,000 below this year's projected net expenditure.

An assessment of the risks faced in the coming year has identified the following items where the financial impact is not wholly known and prudence would therefore indicate the need to set the General Fund balance substantially higher than the minimum.

- Hitchin Town Centre Development (additional consultancy/advice to engage a development partner to progress the scheme and advice on Heads of Terms (£110k)-high risk
- The vulnerability of the authority to interest rate changes – the net expenditure figure quoted for the general fund includes an assumed £3 million from interest receipts - a 0.25% change in interest rates would result in £110k more or less (some deals have been forward dealt which reduces the impact of a rate fall.)– high risk
- The additional running costs of the market undertaking should the tendering process be delayed/unsuccessful (£50k)-high risk
- Loss of legal work currently to be re-tendered (£40k)-high risk
- Difficulties in staff recruitment and retention and ability to deal with consultation documents and government directives-high risk
- The ongoing impact of Regional and Strategic Planning issues suggest that it would be prudent to hold additional funds in reserves that could be called upon if necessary. A budget for costs of specialist consultants has not been included in the base estimate (£130k)– medium risk
- Additional costs of potential standards committee investigations (£34k)-high risk
- That demand for Parish Challenge funding and associated parish grants may exceed the reduced budget (30k) – low risk

Although the total assessment of risk is £1.634million, the level of risk varies from high/medium to low. Taking a proportion of the risk into account would mean it would be prudent to increase balances by at least £400k above the minimum level. As required by the Local Government Act 2003, the Strategic Director of Finance and Regulatory Services must give an assurance on the robustness of the estimates and the adequacy of reserves allowed for in the budget. She advises that a General Fund balance in the region of £1,284,000 for 2008/09 is necessary.

We in common with other authorities need to make efficiency savings in line with the Gershon Spending Review. The Review was built on existing best practice and proposed efficiency savings in local government of 2.5% per annum to deliver £6.45 billion of efficiencies and productivity improvements by 2007/08, releasing additional resources to front-line services. The 3-year efficiency target for this Council was £2.070 million, of which half must be from cash savings. For the three years to 2007/08, total efficiency savings are estimated at £2.568 million, 24% above the target set. We are now entering a new Gershon era as set out in CSR07, where annual cash efficiencies of 3% are expected from all local authorities. The outcome of the Efficiency FSR will give us the direction required to ensure we build on our current good record. Efficiencies have already been secured from investment in technology and rationalisation of back office and procurement functions. This Council has already embarked on a process of change with our strategic partner ANITE, in particular regarding customer contact through service@north-herts. Some of the changes are reflected in savings made in the current year and future year saving's targets. Other initiatives that we are engaged in are investigations into partnership working for revenues and benefits at regional and county levels, e-market place purchase ordering with Herts. County and Herts. District authorities. Successes in the current year are establishing a shared meals on wheels service with the County, and shared officers with our near Herts neighbours in audit and procurement services.

We are continually looking for possible external funding to pay for some of the services we provide. In 2008/09 we will receive £934,000 from government departments and our partners. For example there are specific grants available towards capital on defective dwelling grants of £220,000. In 2007/08 we expect to use £194,000 from the Planning and Delivery Grant. The Home Office also provides grants from their Safer, Stronger, Communities Fund from which we will receive £105,000 in 2008/09. As part of our housing activities we will receive funding of £42,000 in 2008/09.

The Cabinet recommended an average Council Tax increase of net 4.5% and resolved that a minimum General Fund balance at 31st March 2009 in the region of £1,284,000 be budgeted for. In order to achieve this the Cabinet is therefore recommending a precept of £16,852,854 and a budget of £17,675,660. This means taking £822,806 from General Fund balances, leaving an estimated balance of £1,284,000 on the 31st March 2009. This level of precept, equals a Council Tax for a Band D property of £186.41.

Compared with the current year this represents an average increase in the District Council Tax of 4.5% and equates to an increase of 15p a week for the average Band D Council Tax Payer.

This is made up as follows: -

COUNCIL TAX AT BAND D

		Change from 2006/2007
	£	%
NHDC	<u>344.81</u>	+3.1
Less:-		
Government Grant & Business Rates	158.40	+1.8
	<hr/>	
NHDC (All Areas)	<u>186.41</u>	+4.5

The Hertfordshire Police Authority will give formal notification of their Precept requirement on Monday 25th February. While the County Council will not give formal notification of their Precept requirement until Tuesday 26th February This has forced us to delay our formal Council Tax Resolution until 28th February.

The full publication of the Council's Financial Budget book for 2008/09 will be available for Council on the 28th February. A summary of the District Council's proposals, outlined above, are set out in the Director of Financial and Regulatory Services report presented this evening.

As Presented by COUNCILLOR Terry Hone.

Finance Portfolio Holder