

Dear Councillor,

CABINET - THURSDAY, 10TH DECEMBER 2015

I am now able to enclose for consideration at the above meeting the comments from Overview and Scrutiny and the Corporate Governance Panel on the following reports:-

**Agenda Item
No.**

- 3. PROCUREMENT POLICY** (Pages 201 - 202)
- 4. CORPORATE FRAUD WORKPLAN AND PROSECUTION POLICY**
(Pages 203 - 204)
- 6. CUSTOMER SERVICE STRATEGY** (Pages 205 - 206)
- 7. COMMUNITY INFRASTRUCTURE LEVY GOVERNANCE
STRUCTURE** (Pages 207 - 208)
- 8. HUNTINGDONSHIRE INFRASTRUCTURE PLANNING UPDATE**
(Pages 209 - 210)
- 9. NEIGHBOURHOOD AND COMMUNITY PLANNING GUIDE** (Pages
211 - 212)
- 10. COMMERCIAL INVESTMENT STRATEGY: BUSINESS PLAN**
(Pages 213 - 214)
- 11. ZERO BASED BUDGETING UPDATE: PREPARATION FOR THE
2016/17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**
(Pages 215 - 216)
- 12. RESERVES REVIEW** (Pages 217 - 218)

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AGENDA ITEM NO.3 – PROCUREMENT POLICY

CABINET – 10th December 2015

**COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) –
8th December 2015**

Having received confirmation that it takes into account other criteria such as security, the Overview & Scrutiny Panel (Economic Well-Being) has recommended the Cabinet to approve the Procurement Policy.

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AGENDA ITEM NO. 4 - CORPORATE FRAUD WORKPLAN AND PROSECUTION POLICY

CABINET – 10th December 2015

COMMENTS FROM CORPORATE GOVERNANCE PANEL MEETING – 2nd December 2015

The Panel has received the Workplan for the Corporate Fraud Team following the transfer of Housing Benefit fraud investigations to the Department for Work and Pensions (DWP).

In May 2015 the responsibility for investigating allegations of Housing Benefit fraud transferred to the DWP. Three Investigating Officers transferred to the DWP and the in-house team now consists of a Team Leader, one Investigating Officer and an Intelligence Officer.

The Workplan has been developed around the types of fraud that currently form the majority of the work for the Team, as well as new and emerging threats including Council Tax Support fraud; Council Tax discount fraud; Housing Tenancy fraud and Business Rates fraud. The Corporate Fraud Team has been working with service areas across the Council and other partners to determine the level of fraud risk they encounter to establish how the Corporate Fraud Team can assist in reducing risk and investigating allegations of fraud.

In addition the Council has been the lead authority representing Cambridgeshire in securing funding from the Department for Communities and Local Government to establish a countywide initiative called the Cambridgeshire Anti-Fraud Network (CAFN). The principle aim of CAFN has been the creation of a central data-sharing hub across Cambridgeshire to assist in the detection and investigation of tenancy fraud and other fraud identified/reported across the County. Although CAFN is still in its infancy, it has been noted that as a result of Cambridgeshire authorities working together over £1 million of fraud has been identified across the County.

With different types of fraud being investigated, it has required the Fraud Prosecution Policy to be amended to include reference to the legislation used in prosecuting these new areas. The Panel has endorsed the recommendations to the Cabinet on the Fraud Prosecution Policy that establishes the legislation and process that Investigating Officers must adhere to when considering action following fraud investigation.

The Panel has previously agreed that the subject of a new Fraud Working Group would not be considered until the Work Programme of the Corporate Fraud Team has been agreed. The Corporate Fraud Team's remit focuses on Council services most at risk from fraud and loss and as the Team has been in its new format since May 2015, it is still establishing priorities for the future. The work of the Corporate Fraud Team is reported to the Corporate Governance Panel on an annual basis. In addition, monitoring the delivery of the Workplan is to be overseen by the Executive Councillor for Customer Service. It is therefore considered this is sufficient and that the formation of the Fraud Working Group will not add further value at this time.

The Panel has considered whether it wished to receive reports on a more frequent basis. However, as the Annual Report on the Corporate Fraud Team is scheduled to be presented to the Panel in June 2016, the Panel are satisfied with this approach.

Having noted that a number of new and emerging frauds have been identified including Right To Buy (RTB) fraud, it has been explained to the Panel that proposed changes to legislation could mean that Housing Associations will become increasingly at risk from RTB

fraud. In order to combat this, the Corporate Fraud Team is working with Housing Association partners to establish whether their procedures for processing RTB applications are robust and how the Corporate Fraud Team can assist to ensure that only genuine applications are accepted.

Allegations of fraud are encouraged to be reported to the Council via a number of methods including a 24-hour telephone line (automated voicemail system) that is checked daily; email; on-line referral forms; and at any of the Council's offices or in writing.

Prosecutions are regularly publicised in the local press as both a deterrent to prospective fraudsters and as a way of encouraging further referrals.

It has been explained to the Panel that fraud is identified via data matching using various databases such as Council Tax, Electoral Roll and that information is shared via CAFN and other partners such as the Police.

The Panel has acknowledged that despite changes within the Team, that performance during 2015/16 has demonstrated that it continues to be a valuable asset to the Council in combating fraud. The Panel has enquired whether the reduced size of the Corporate Fraud Team could leave the Council at risk and how it compares to other authorities. In response the Panel has been informed that the size of the Fraud Team varies amongst authorities, particularly as Government funding has ceased. Having a Corporate Fraud Team is a deterrent and also generates income via prosecutions. It is considered that the size of the Corporate Fraud Team is currently sufficient to address its Workplan and that data matching allows for joint working and information from a variety of sources to be compared. As a consequence surveillance is not required as a tool for identifying fraud.

The Panel has agreed that the Cabinet should endorse the recommendations as contained within the Officer's report.

COMMENTS FROM OVERVIEW AND SCRUTINY (ECONOMIC WELLBEING) PANEL MEETING – 8th December 2015

The Overview & Scrutiny Panel (Economic Well-Being) has recommended the Cabinet to:

- Approve the Fraud Workplan;
- Approve the revised Prosecution Policy, and
- Authorise the Executive Councillor for Customer Services to monitor the delivery of the Workplan alongside annual reports to the Corporate Governance Panel.

AGENDA ITEM NO.6 – CUSTOMER SERVICE STRATEGY

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) – 8th December 2015

The Overview & Scrutiny Panel (Economic Well-Being) has recommended the Cabinet to approve the revised Customer Service Strategy. A comment has been made that a facility should be introduced to the Council's website that will enable residents to identify their local Councillor.

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AGENDA ITEM NO.7 – COMMUNITY INFRASTRUCTURE LEVY GOVERNANCE STRUCTURE

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ENVIRONMENTAL WELL- BEING) – 8th December 2015

The Overview and Scrutiny Panel (Environmental Well-Being) was informed of the proposed governance structure for the management and operation of the Council's Community Infrastructure Levy (CIL) funding pot, and a range of high profile infrastructure planning work that is required to support the council's economy and growth agenda. The report also referred to the development of a future funding profile using CIL funds with regard to the outstanding costs of the Huntingdon West Link Road.

The Panel was informed that the Membership of the Growth and Infrastructure Group would be increased to include a total of four District Councillors, one of which will be the Executive Councillor for Strategic Planning and Housing. It would also include two County Councillors.

The Panel recognises that appointment to the Growth and Infrastructure Group is a Cabinet decision however Members have expressed a preference for the inclusion of the Chairman of the Development Management Panel (DMP), as well as a Member each from the Social Well-Being and Economic Well-Being Panels. As the Chairman of DMP is currently a Member of the Environmental Well-Being Panel it was not thought necessary to appoint an additional Member from the Panel. In addition Members expressed a preference for a Member who is not from the majority Conservative Group to be included onto the Growth and Infrastructure Group.

With regards to CIL funding towards the costs of the Huntingdon West Link Road Members acknowledged that the Council had made a commitment to fund the Link Road. Despite some concerns that all the CIL funding to date has been committed to a single infrastructure project, it was explained that as the CIL funding pot grows in the future there would be opportunities to prioritise the use of CIL funds towards other infrastructure projects (and that the body that would make such recommendations through the Panel to Cabinet would be the newly reformed Growth and Infrastructure Group). The majority of the Panel supported Cabinet in approving further investment in the Link Road.

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AGENDA ITEM NO.8 – HUNTINGDONSHIRE INFRASTRUCTURE PLANNING UPDATE

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ENVIRONMENTAL WELL-BEING) – 8th December 2015

The Overview and Scrutiny Panel (Environmental Well-Being) has received an update on infrastructure planning in Huntingdonshire and noted that future update reports will be provided in June and December of each year.

The Panel noted the work carried out on a range of projects including: A14 Trunk Road, A428, A1, Oxford to Cambridge Expressway, East West Rail, A141 Huntingdon to St Ives. Members recognised that this work could not have been carried out by the Council alone and was pleased that so many Partners are working together to deliver infrastructure projects. The Panel also recognised, given the importance of infrastructure provision to support growth, that this work would need to be satisfactorily resourced into the future. The Panel expressed they would like the Partner working to continue so that the much need infrastructure can be provided. In addition Members wanted the Cabinet to explore the opportunity of Devolution as an additional mode of delivering infrastructure projects.

With respect to the Local Plan, Members were concerned that deficiencies with the current Cambridgeshire Sub Regional Model for highways and transport purposes should not delay progress with the emerging Local Plan, and that whilst the relationship with the County Council on this matter is of critical importance Cabinet may wish to explore what options are open to the Council so that the work can be completed in time to submit the Huntingdonshire Local Plan.

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AGENDA ITEM NO.9 – NEIGHBOURHOOD AND COMMUNITY PLANNING GUIDE

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ENVIRONMENTAL WELL-BEING) – 8th December 2015

The Neighbourhood and Community Planning Guide was presented to the Overview and Scrutiny Panel (Environmental Well-Being). The Panel noted that the aim of the guide is to support Town and Parish Councils in the development of community planning initiatives, and in particular the development of a Neighbourhood Plan.

Concern was expressed that the guide did not explain who is responsible for producing a clean copy of a Neighbourhood Plan following receipt of the Examiner's report. Some Members had been briefed at Town Council level by an external consultant who stated that the responsibility for producing a clean copy lies with the District Council. The Panel expressed that it wanted clarification on this with the guide updated accordingly.

Overall though, the Panel thought that the document will become a very useful guide for Towns, Parishes and communities in undertaking neighbourhood and community planning initiatives. Members were particularly keen to express that they thought the guide was clear, easy to use and would assist many communities.

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AGENDA ITEM NO.10 – COMMERCIAL INVESTMENT STRATEGY BUSINESS PLAN

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) – 8th December 2015

The Overview & Scrutiny Panel (Economic Well-Being) has reviewed the CIS Business Plan. Members have discussed the principles on which the Plan is based. They have accepted that in order to achieve the clear aim of providing a revenue stream for the Council, the approach should be to invest in commercial property. This will enable the Council to benefit from trends in the national economy and to promote the local economy. Attention has been drawn to the need to have the necessary Officer resources in place to monitor the local market and identify opportunities. Members have stressed the need for close monitoring of the performance of investments.

The Panel has recommended the Cabinet to approve the:

- CIS Business Plan (Appendix 2);
- Transfer of £6.8m from the Councils General Fund balance to the Capital Investment Earmarked Reserve;
- Potential to borrow up to £35.0m from 2016/17 onwards to support the CIS. However, there will still be “head-room” to borrow a further £25.0m if commercial opportunities arise.
- MRP policy below and recommend the Council to approve it:

“For each capital investment undertaken under the requirements of the Councils Commercial Strategy, Minimum Revenue Provision will be made that is equal to the principal repayment for any loan finance supporting the investment.”

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**AGENDA ITEM NO.11 – ZERO BASED BUDGETING UPDATE: PREPARATION FOR
THE 2016/17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

CABINET – 10th December 2015

**COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) –
8th December 2015**

The Overview & Scrutiny Panel (Economic Well-Being) has noted the ZBB process to-date. Members have acknowledged the improvement in the accuracy of the forecasting / profiling of savings. They also have accepted that decisions during subsequent rounds of ZBB will be far more challenging.

The Panel has reviewed the savings proposals contained in Appendix 1 to the report by the Head of Resources and commented that planned co-location of CAB and DWP at Pathfinder House represents an appropriate match with Council services. Having been assured that they will make little difference to the Council's critical services, Members have recommended the Cabinet to include the savings proposals in the forthcoming 2016/17 budget and MTFS.

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AGENDA ITEM NO.12 – RESERVES REVIEW

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) – 8th December 2015

The Overview & Scrutiny Panel (Economic Well-Being) has concurred with the view expressed by the Executive Councillor for Resources that when managing the Council's reserves, Members should be led by professional Officers. The Panel has, therefore, recommended the Cabinet to:

- approve the Reserves Strategy;
- endorse the minimum level of reserves at 15% of the Council's Net Expenditure, and
- endorse the arrangements pertaining to each reserve, specifically the ringfencing of capital receipts that are generated from either "general service activity" or from the "Commercial Investment Strategy".

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