

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 10 July 2014.

- PRESENT: Councillor R Harrison – Chairman.
- Councillors P L E Bucknell, S Cawley, D Harty, T Hayward, P G Mitchell and M F Shellens.
- APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors G J Bull, E R Butler, I J Curtis and P D Reeve.
- IN ATTENDANCE: Councillors J D Ablewhite, B S Chapman, R B Howe and T D Sanderson.

18. MINUTES

The Minutes of the meeting of the Panel held on 12th June 2014 were approved as a correct record and signed by the Chairman.

19. MEMBERS INTERESTS

No declarations were received.

20. NOTICE OF KEY EXECUTIVE DECISIONS

The Panel considered and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book).

21. SHARED SERVICES

(Councillor J D Ablewhite, Executive Leader, was in attendance for this item).

(At 6.30pm Councillor P G Mitchell took his seat at the meeting during the discussion on this item).

By way of a report by the Managing Director (a copy of which is appended in the Minute Book), the Panel gave consideration to the development of a strategic shared services partnership with South Cambridgeshire District Council. As part of the proposal, the Council would continue to work with Cambridge City Council and other appropriate partners where the opportunity existed.

The Executive Leader reminded Members that the Council had significant budget challenges to meet and reductions in Government grant were likely to continue well beyond the next General Election. In the long term it was the Cabinet's aspiration for the Authority to become self-financing and whilst the Council had already begun to

make good progress on delivering efficiencies, it was imperative that it continued to take all opportunities to minimise costs whilst protecting and enhancing services.

Members were advised that the report signalled the first stage of the establishment of a strategic agreement with South Cambridgeshire District Council, an authority which was similar in terms of size, priorities, challenges and political ambition. The Executive Leader emphasised that there was no intention to dilute the sovereign identity of Huntingdonshire which would remain a District Council in its own right and that the proposal did not preclude the Authority from working with other authorities should the opportunity emerge.

In considering the contents of the report, the Panel sought clarification as to the extent and scope of the proposals, the impact on the Council's working practices and on employees and the arrangements for managing and monitoring risk connected with the partnership's activities. In response, Members were informed that there would inevitably be changes to working practices and that in due course there also would be changes to the ways in which the Authority was structured. In terms of risk, the day to day arrangements would be overseen by a working group comprising the Head of Paid Service and Section 151 Officer of the partner authorities. Specific risks would also be addressed in outline business cases as and when they were brought forward.

In response to a suggestion by a Member that opportunities for joint working in relation to the collection of refuse should be investigated, the Panel was reminded that the RECAP partnership was looking at such collaborative arrangements and that developments between South Cambridgeshire and Cambridge City Council might be used as a platform which could be developed by the District Council at the appropriate time. However, in the first instance it was intended to concentrate on back office services.

Following an expression of concern that the Council might lose control of its services as it diversified and entered into a number of partnership arrangements, the Executive Leader reiterated that the development of a shared services approach had no bearing on the sovereignty of services which would remain under the control of the District Council. The Council was reliant upon Government grants and to continue with the current approach to delivering services was no longer viable and was considered to be riskier than the proposed arrangements.

The Panel discussed with the Executive Leader and the Managing Director how democratic control of the strategic partnership would be exercised, the reasons for deciding not to pursue an agreement with Local Government Shared Services for the provision of Legal and IT Services, the geography of potential partners, the use of any surplus funds if the Council were to succeed in its objective to come more commercial and the arrangements to terminate the partnership should this be necessary. Members were reminded that this was the first stage of the process and there would be an opportunity for them to have further involvement as the partnership developed.

In response to Members' concerns regarding the perceived

challenges associated with recruiting and retaining staff in the current environment, the Panel was informed that all employment sectors were facing similar issues. Moreover, the Council had not seen a significant increase in staff turnover and the calibre of candidates who had recently been interviewed for the new Head of Service roles had been extremely high. It was further reported that sickness levels within the Authority were now below the public sector average and it was envisaged that a shared approach to service delivery would improve staffing resilience. With regard to the outcome of a pay review, South Cambridgeshire District Council was experiencing similar issues.

RESOLVED

that the recommendations to the Cabinet, as set out in the report now submitted, be endorsed.

22. LOVES FARM COMMUNITY BUILDING - COMMITMENT TO CONTRACT

The Chairman announced that he proposed to admit the following item as a matter of urgency in accordance with Section 100B (4b) of the Local Government Act 1972 to enable the Cabinet to consider the matter at its meeting on 17th July 2014 so that the building programme could commence.

In accordance with Section 16 of the Access to Information Procedure Rules contained in the Council's Constitution, the Chairman also reported that he had agreed to the inclusion of the report as an urgent item of business on the Cabinet Agenda for 17th July 2014.

The Panel gave consideration to a joint report by the Projects and Assets Manager and the Community Health Manager (a copy of which is appended in the Minute Book) seeking authorisation to proceed with the development of a joint community building and pre-school playgroup in Loves Farm, St Neots. Members were informed that the design for the building was nearly complete and the tender from the County Council's approved contractor was expected by the end of July 2014. To enable the construction to commence, approval was now being sought to delegate the acceptance of the tender price to the Head of Resources) provided that the tender price was within budget. A copy of the final design was circulated to Members at the meeting.

Having noted that the building would be owned by the District Council and sub-let in two distinct parts, Members reiterated their previous recommendation that the Council should seek to minimise the risk that might arise if the local community group was unsuccessful in generating sufficient income from the facility.

In terms of the construction of the facility, the Panel discussed the procurement process and the procedure, which had resulted in the situation whereby a single tender was awaited for approval. Members were assured that the process was one that the County Council usually employed for construction projects. They were informed that the District Council would be working with the Community Group to finalise the external works and that the Community Group had applied

for grant funding to augment the current plans.

RESOLVED

that the Cabinet be recommended to –

- (a) delegate responsibility to the Head of Resources (after consultation with the Executive Councillor for Strategic, Economic Development and Legal) to enter into the contract with the County Council for the construction phase if the tender price is within the available budget; and
- (b) delegate responsibility to the Head of Resources (after consultation with the Executive Councillor for Strategic Economic Development and Legal) to agree the leases with the County Council and the Community Group.

23. BUDGET MONITORING 2014 (REVENUE AND CAPITAL)

Consideration was given to a report by the Head of Resources (a copy of which is appended in the Minute Book) highlighting the emerging variations to the approved 2014/15 revenue and capital budgets. Members noted that the variations in the net revenue budget thus far represented a saving of £0.355m. The position with regard to the net capital budget reflected slippage of £1.945m, which had been carried over from 2013/14.

Members discussed the capital overspend of £0.050m on the Huntingdon Multi-Storey Car Park, which had arisen as a result of a change to the specification as the build progressed. Having noted that this was the subject of a separate review, the Panel requested that the outcome of this review should be presented to a future meeting.

24. REVIEW OF RISK MANAGEMENT STRATEGY

With the assistance of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel considered the outcome of the annual review of the Council's Risk Management Strategy. In previous years the review had been submitted to the Corporate Governance Panel; however, this responsibility had recently transferred to the Cabinet.

By way of introduction, the Internal Audit and Risk Manager explained that the Management Team was required to review and consider the Council's risk appetite each year. On this occasion it had been recommended that no change was required to either the general (high) or the Health and Safety (low) risk appetite levels within the Strategy. Members' attention was also drawn to the decision to transfer the responsibilities of the Risk Management Group to the Governance Risk Working Group and the Internal Audit Service which was not envisaged to result in any significant reduction in risk management oversight.

In considering the draft Strategy and, recognising their responsibilities for scrutinising the Council's finances, Members questioned the way in which financial risks were monitored and controlled. Their attention was drawn to the financial values, which formed part of the Council's

risk scales. Having noted that there were currently 155 risks included on the Council's Risk Register, the Internal Audit and Risk Manager undertook to provide a copy to all Members of the Panel for information. The Panel also discussed the nine 'red' risks which are the most serious and the number of risks within each of the other risk categories.

Having been informed the Corporate Governance Panel reviewed the Authority's 'total risk' every six months, the Chairman undertook to speak to the Chairman of the Corporate Governance Panel to determine whether there was a role for the Economic Well-Being Panel further to review this area without duplicating the work that was already undertaken.

Following discussion on the Council's corporate approach to risk, Members were of the opinion that risks should be incorporated into the Register to reflect the move to shared services and the outsourcing of services. In recognition of the financial pressures facing the Authority and the need to be innovative, explore alternative methods of service delivery and reduce the Council's reliance on Government Grant, Members were content to support the risk appetite levels within the Strategy. Whereupon, it was

RESOLVED

that the Cabinet be recommended to approve the Risk Management Strategy as appended to the report now submitted.

25. WORKPLAN STUDIES

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) containing details of studies that were being undertaken by the Overview and Scrutiny Panels for Social and Environmental Well-Being. Councillor P G Mitchell reported that he had recently been appointed to the Great Fen Project Steering Committee and it was suggested that he should provide a report on the Project at a future meeting.

Councillor P L E Bucknell indicated that he would like to attend the Working Group which had been established by the Environmental Well-Being Panel to review the Council's waste collection policies.

26. OVERVIEW & SCRUTINY (ECONOMIC WELL-BEING) PROGRESS

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) reviewing progress on matters that had been previously discussed. It was anticipated that the first performance monitoring report associated with the new Corporate Plan would be available in September 2014.

With reference to the review of the Council's gross costs, Councillor Mitchell indicated that he was satisfied with the information which had been provided and there was no need to pursue this study at that time. It was suggested that the presentation on finance which had

been provided by the Head of Resources to newly elected members should be made available to all Members.

With regard to the Panel's previous requests for post project information on the development of the Huntingdon multi-storey car park and the income profile for One Leisure, St Ives, Members were informed that this would be provided when it was available. The Chairman undertook to pursue the absence of any response from the Local Enterprise Partnership to the Panel's invitation for a presentation on its Business Plan with the Executive Leader.

Having advised Members of his desire to give further consideration to the project management arrangements within the Authority, the Chairman reported on his intention to speak to the Managing Director to request a briefing at the next meeting on the work of the Corporate Project Management Board. Councillor M F Shellens indicated that the Council's Project Management Methodology should identify SMART objectives. Members were reminded that Mr W Grimsey would also be attending the next meeting to give a presentation on the prosperity and the vitality of the Market Towns. In light of the contents of the presentation, the Panel could then develop the scope of any potential study.

In response to a question by Councillor M F Shellens about the current position of the development in Chequers Court in Huntingdon, the Scrutiny and Review Manager undertook to establish the current position.

27. SCRUTINY

The Panel considered and noted the latest edition of the Decision Digest (a copy of which is appended in the Minute Book). In so doing, Councillor T Hayward outlined his concern at the plans for the A14 being influenced by the reluctance of anyone to accept future responsibility for the Huntingdon Viaduct.

Chairman