

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, 9 October 2014.

PRESENT: Councillor R Harrison – Chairman.

Councillors G J Bull, S Cawley,
Mrs A Dickinson, D Harty, T Hayward,
P D Reeve and M F Shellens.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors P L E Bucknell, E R Butler, I J Curtis and P G Mitchell.

IN ATTENDANCE: Councillors J D Ablewhite and J A Gray.

40. MINUTES

The Minutes of the meeting held on 4th September 2014 were approved as a correct record and signed by the Chairman.

41. MEMBERS INTERESTS

No declarations were received.

42. 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). In recognition of the Panel's interest in the Huntingdon West Masterplan and the Huntingdonshire Infrastructure Business Plan, it was agreed that Panel Members should be invited to attend the Environmental Well-Being Panel when these items were discussed.

43. SHARED SERVICES

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

With the assistance of a report by the Managing Director (a copy of which is appended in the Minute Book), the Panel received an update on the progress which had been made by Huntingdonshire District Council, South Cambridgeshire District Council and Cambridge City Council to work in partnership to deliver shared services. The Executive Leader reminded Members that the shared service arrangement with Cambridge City Council for the delivery of CCTV had now come to fruition and successfully demonstrated that services could be delivered across local authorities. The current report set out proposals for a three council collaboration for the delivery of ICT and Legal Services that would deliver benefits to all partners and would

have not affect the District Council's sovereignty over its services. The Council had significant budgetary challenges to meet and sharing services with the Council's strategic partners would deliver further efficiencies and protect the quality of frontline services.

The Corporate Director (Services) explained that progress to date had been positive and a number of general principles had been agreed, including a decision on the lead authorities for the delivery of ICT and Legal shared services. Members were advised that the partnership had been successful in achieving £0.5M from the Transformation Challenge Fund which would be used for overall project management / co-ordination and to fund interim and permanent support to ensure that the momentum of the partnership was maintained. Members conveyed their appreciation to those officers within the District Council who had been involved in the successful bid to the Transformation Challenge Fund.

With regard to the specific proposals regarding the provision of ICT and Legal services, Members were informed that it was proposed to adopt a phased approach to the development of these shared services and to appoint interim project support to assist with the process and develop a full business case. It was also proposed to appoint a Business and Legal Practice Manager to support the transformation programme, the delivery of early efficiencies and the move to shared service.

In considering the contents of the report, the Panel sought clarification as to whether the District Council had sufficient expertise to lead on the development of a shared ICT service. Members also examined the arrangements for the management and funding of the proposed Business and Legal Practice Manager and the Monitoring Officer role. With regard to the latter, they were informed that this role would continue to be retained in house by the Corporate Director (Services). In terms of the management of the arrangements, shared service legal agreements would be developed on a service-by-service basis and would incorporate performance measures. Once the interim project managers were in place, project plans with key timescales would start to be developed.

The arrangements for scrutinising the shared services had yet to be agreed, although there were a number of models that could be adopted. Consideration would also need to be given to the measures for performance management reporting. Members requested that they were involved in the development of the Scrutiny arrangements in due course.

In response to a number of questions by a Member of the Panel, the Executive Leader outlined the reasons for deciding not to pursue an agreement with Local Government Shared Services for the provision of Legal and ICT Services. He also advised that training for project managers was currently being undertaken internally to develop project management skills in-house and Improvement and Efficiency South East, who had significant experience and expertise in transformation and projects, was also providing assistance. It was unlikely that this level of expertise could have been obtained from the County Council. In terms of the potential for further devolution of powers from Central Government and the impact that sharing

services at this stage might have upon the establishment of any future Greater Cambridgeshire Partnership, the Executive Leader stressed that such unknown factors had not been taken into account in the preparation of the current report and that the Government was encouraging Councils to enter into shared services agreements as evidenced by the Transformation Challenge Fund grant.

The Panel discussed with the Executive Leader and the Corporate Director (Services) the importance of engaging with staff and carrying them with the Council on this journey. Having been informed that the new Senior Management Team had been tasked with dealing with the issues raised within the recent Employee Opinion survey, the Corporate Director (Services) explained that communication planning would be a key part of the development of shared services and that there was a detailed communications plan in place for this purpose. Members were also advised that affected staff had already been briefed prior to the dispatch of papers for the Panel meeting and the issue of a recent press release.

Having welcomed the overall direction of travel and the need to maintain momentum moving forward, it was

RESOLVED

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

44. BUDGET MONITORING 2014 / 15 (REVENUE & CAPITAL) AND AN UPDATE ON ZERO BASED BUDGETING

(Councillor J A Gray, Executive Councillor for Resources, was in attendance for the discussion on this item).

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 £0.171m. The position with regard to the net capital budget reflected slippage of £1.945m, which was the result of items being carried over from 2013/14 and a number of forecast variations. On this occasion, the report also included an update on the Zero Based Budgeting (ZBB) process.

The Executive Councillor for Resources explained that there had been a good start to the year although traditionally the more significant movements within the Budget tended to occur later in the year. He reminded Members that Facing the Future continued to be an important initiative and work would continue to gain pace as Cabinet Members were currently reviewing all outstanding ideas and proposals with their Heads of Service. In addition, the ZBB exercise had begun in preparation for setting the 2015/16 Budget and compiling the Medium Term Financial Strategy in February 2015. The Panel were reminded that the Cabinet had set out its ambition to freeze Council Tax which meant that the Council could not afford to be complacent.

The Executive Councillor also reported on other activities within the

Resources portfolio. He informed Members that work was underway to develop a new Assets and Disposal Policy and to reconstitute the Council's Treasury Management Advisory Group.

In terms of the ZBB process, the Head of Resources explained that October was an important month and work was ongoing to review those services that had been selected for ZBB 'heavy' review. Consideration was also being given to those areas where more immediate benefits could be achieved; for example, overtime budgets and vacant posts within the establishment. In response, a Member emphasised the need to avoid the temptation simply to avoid filling vacancies within the establishment to meet savings targets.

In considering the information within the budget monitoring section of the report, Members commented upon the estimated increase in New Homes Bonus of £0.164m. The Panel were reminded that following the Provisional Outturn for 2013/14, the Cabinet had established an Earmarked Reserve for Capital Investment which would provide a future revenue return. Provided that New Homes Bonus continued to be paid there might be an opportunity further to add to this reserve.

In response to a number of specific questions regarding savings forecast within the 2014/15 Budget, the Head of Resources was requested to circulate details of the one off cost relating to the settlement of a legal dispute in the land charges service and the saving on town and parish support, which had been identified within Democratic Services and was yet to be resolved.

Members emphasised that the outcome of the ZBB process would only be as good as the managers' commitment to it and Members' appetite for changes to the way in which the Council currently did things. In response to a question regarding the process itself and whether it differed from elsewhere, Members were informed that it was a three year process, with a number of services being selected for 'heavy' review each year and the remainder receiving a less detailed review. At the end of the three year period, the process would begin again. Attention was also drawn to the use of a 'Star Chamber' as part of the examination of the services, which had been selected for ZBB 'heavy' review as a means of providing further challenge in the process. The Chairman suggested that Members should give consideration in advance of the next meeting as to whether it might be useful for the Panel to review one of the ZBB 'heavy' services in further detail.

In recognising that ZBB was a continuing process and that an external specialist and external strategic financial expertise had been brought in to lead the process at this stage, Members were advised that it was hoped to develop and transfer in-house a number of the skills used as the process progressed.

Having thanked the Head of Resources for a clear and comprehensive report, it was

RESOLVED

that the Cabinet be recommended to note:

- (a) the Forecast Revenue Budget of £20.699m;
- (b) the Forecast Capital Budget of £5.879m; and
- (c) the proposals for undertaking the Zero Based Budget exercise in preparation for the forward budget.

45. EXCLUSION OF THE PUBLIC

RESOLVED

that the public be excluded from the meeting because the business to be transacted contains information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority and employees of, or office holders under the authority.

46. OPTIONS FOR FRAUD INVESTIGATION POST SFIS

Consideration was given to a joint report by the Corporate Fraud Manager and the Head of Customer Services (a copy of which is appended in the Annex to the Minute Book) outlining the implications for the authority of the Department of Work and Pensions' decision to launch a Single Fraud Investigation Service (SFIS) for the investigation of welfare fraud.

By way of introduction, the Head of Customer Services explained that the Council would be transferring its Housing Benefit fraud function to the SFIS in May 2015. It was reported that some or all of the Council's Fraud Team would be transferred to the new service and that a significant number of risks connected to fraud across the Council's services would remain. Members' attention was then drawn to the options available for the Authority once the transfer had been completed. The report had previously been considered by the Corporate Governance Panel whose comments were relayed to the Panel.

Having considered the options outlined within the report, Members formed the opinion that the District Council should retain a fraud presence with a view to exploring the opportunities for a shared service with neighbouring authorities once the formation of the SFIS had been completed. Whereupon, it was

RESOLVED

that the Cabinet be recommended to retain a smaller Fraud Team which can work in partnership with neighbouring authorities and other agencies (as outlined in option 4 of the report now submitted).

47. RE-ADMITTANCE OF THE PUBLIC

RESOLVED

that the public be re-admitted to the meeting.

48. WORK PLAN

The Panel received and noted a report by the Scrutiny and Review Manager (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.

Members were informed that the Environmental Well-Being Panel would be visiting the Great Fen Project on Friday 7th November 2014 and that an invitation would be extended to Members of the Economic Well-Being Panel in due course.

49. OVERVIEW & SCRUTINY PANEL (ECONOMIC WELL-BEING) PROGRESS

The Panel received and noted a report by the Scrutiny and Review Manager (a copy of which is appended in the Minute Book) outlining the progress which had been made on matters that had previously been discussed. With regard to the Panel's future Agenda items, Members were informed that performance information for the second quarter of the year would be presented to the meeting in November and that an update on project management had been planned for December 2014. It was also reported that a presentation on the prosperity and vitality of the Market Towns had been deferred to the Panel's meeting in January 2015.

In reviewing progress on matters within the report, the Chairman explained that the Panel would invite the new Chairman of the Local Enterprise Partnership to give a presentation on its Business Plan once s/he had been appointed. Having received a brief update on the status of the Facing the Future programme, the Panel discussed their expectations with regard to the forthcoming update by the Corporate Team Manager. Members were of the opinion that there was a role for the Panel in monitoring where savings had or had not been achieved as part of the process.

50. SCRUTINY

The Panel considered and noted the latest edition of the Decision Digest (a copy of which is appended in the Minute Book). Having discussed whether the Digest added value to the Panel's discussions, it was agreed that it should be retained as an Agenda item but dealt with 'by exception' rather than being considered in its entirety.

Chairman