

A meeting of the **OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING)** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **THURSDAY, 9 OCTOBER 2014 at 7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact  
(01480)**

## **APOLOGIES**

**1. MINUTES (Pages 1 - 8)**

To approve as a correct record the Minutes of the meeting held on 4th September 2014.

**C Bulman  
388234**

**2. MEMBERS INTERESTS**

To receive from Members declarations as to disclosable pecuniary and other interests in relation to any Agenda Item.

**3. NOTICE OF KEY EXECUTIVE DECISIONS (Pages 9 - 14)**

A copy of the current Notice of Key Executive Decisions, which was published on 11th September 2014 is attached. Members are invited to note the Plan and to comment as appropriate on any items contained therein.

**H Taylor  
388008**

**4. SHARED SERVICES (Pages 15 - 28)**

To consider a report by the Managing Director setting out progress to date and the proposed next steps.

**J Lancaster  
388300**

**5. BUDGET MONITORING 2014 / 15 (REVENUE & CAPITAL) AND AN UPDATE ON ZERO BASED BUDGETING (Pages 29 - 62)**

To consider a report by the Head of Resources.

**C Mason  
388157**

**6. EXCLUSION OF THE PUBLIC**

To resolve –

that the press and 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 matter arising between the authority and employees of, or office holders under, the authority.

**7. OPTIONS FOR FRAUD INVESTIGATION POST SFIS (Pages 63 - 72)**

To consider a report by the Corporate Fraud Manager / Head of Customer Services.

**N Jennings  
388480**

**8. RE-ADMITTANCE OF THE PUBLIC**

To resolve –

that the public be re-admitted to the meeting.

**9. WORK PLAN (Pages 73 - 74)**

To consider a report by the Scrutiny and Review Manager on the work programmes of the Social and Environmental Well-Being Overview and Scrutiny Panels.

**C Bulman  
388234**

**10. OVERVIEW & SCRUTINY PANEL (ECONOMIC WELL-BEING) PROGRESS (Pages 75 - 78)**

To consider a report by the Scrutiny and Review Manager detailing progress on the Panel's activities.

**C Bulman  
388234**

**11. SCRUTINY (Pages 79 - 84)**

To scrutinise decisions taken since the last meeting as set out in the Decision Digest and to raise any other matters for scrutiny that fall within the remit of the Panel.

Dated this 2st day of October 2014



Head of Paid Service

**Notes**

**1. Disclosable Pecuniary Interests**

(1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*

(2) *A Member has a disclosable pecuniary interest if it -*

*(a) relates to you, or*

*(b) is an interest of -*

*(i) your spouse or civil partner; or*

*(ii) a person with whom you are living as husband and wife; or*

*(iii) a person with whom you are living as if you were civil partners*

*and you are aware that the other person has the interest.*

(3) *Disclosable pecuniary interests includes -*

*(a) any employment or profession carried out for profit or gain;*

*(b) any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*

*(c) any current contracts with the Council;*

- (d) any beneficial interest in land/property within the Council's area;
- (e) any licence for a month or longer to occupy land in the Council's area;
- (f) any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or
- (g) a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.

### **Non-Statutory Disclosable Interests**

- (4) If a Member has a non-statutory disclosable interest then you are required to declare that interest, but may remain to discuss and vote providing you do not breach the overall Nolan principles.
- (5) A Member has a non-statutory disclosable interest where -
  - (a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or
  - (b) it relates to or is likely to affect a disclosable pecuniary interest, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association, or
  - (c) it relates to or is likely to affect any body –
    - (i) exercising functions of a public nature; or
    - (ii) directed to charitable purposes; or
    - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of control or management.

and that interest is not a disclosable pecuniary interest.

## **2. Filming, Photography and Recording at Council Meetings**

The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening at meetings. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and available via the following link [filming, photography and recording at council meetings.pdf](#) or on request from the Democratic Services Team. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.

**Please contact Mrs Claire Bulman, Democratic Services Officer, Tel 01480 388234 / email [Claire.Bulman@huntingdonshire.gov.uk](mailto:Claire.Bulman@huntingdonshire.gov.uk) if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.**

**Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.**

**Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.**

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

***Emergency Procedure***

*In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.*

## 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, 4 September 2014.

PRESENT: Councillor R Harrison – Chairman.

Councillors P L E Bucknell, G J Bull, E R Butler, I J Curtis, Mrs A Dickinson, T Hayward, P G Mitchell, P D Reeve and M F Shellens.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Cawley and D Harty.

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

### **28. MINUTES**

Subject to the inclusion of Councillor Mrs A Dickinson in the list of apologies, the Minutes of the meeting of the Panel held on 10th July 2014 were approved as a correct record and signed by the Chairman.

### **29. MEMBERS INTERESTS**

No declarations were received.

### **30. 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). It was agreed that a copy of the Huntingdon West Masterplan would be circulated to all Members of the Panel when it became available. Councillor M F Shellens also requested a copy of the Huntingdonshire Infrastructure Business Plan in due course.

In terms of forthcoming items of business within the Panel's programme, it was agreed that a copy of the report on the Council Tax Base should be provided to all Panel Members in December 2014. Members were also advised that the Medium Term Plan should now be referred to as the Medium Term Financial Strategy.

### **31. PROJECT MANAGEMENT UPDATE**

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

Pursuant to Minute No. 14/26, the Panel considered a joint report by the Head of Customer Service and the Corporate Team Manager (a copy of which is appended in the Minute Book) updating Members on

the progress made by the Council's Corporate Project Management Board in improving the project management arrangements within the Authority. By way of introduction, Councillor J A Gray reminded Members that the Cabinet wished to adopt a more business-like approach to its operating arrangements. He hoped that Members would see the progress that had been made by the Project Management Board as evidence of the underlying importance of undertaking projects in a professional and proper manner within the Council.

Members' attention having been drawn to the key activities which had been undertaken by the Board to-date, they were informed that consideration would now be given to the way in which programmes in the form of related projects of work, could be better managed with the Authority. Training would be provided on the use of the project management toolkit and the Board would revisit its membership and Terms of Reference in light of the appointment of a new Senior Management Structure.

Prior to opening up the item for general discussion, the Chairman reported that he had agreed with the Leader of the Council that Project Management would be one of the three key areas that the Panel would review during the Municipal Year; the others were the Facing the Future programme and the Base Budget review. This report would signal the start of the Panel's deliberations on Project Management.

In considering the contents of the report, Members discussed a range of matters including the Council's project management methodologies, the membership of the Project Board and the terminology used within the report. A Member emphasised the need to pay due attention to the development and writing of specifications as part of the project management process.

In response to a question regarding the absence of any reference to the involvement of elected Members within the process, the Head of Customer Services reminded the Panel that the developments outlined within the report reflected the methodology and mechanics for delivering pieces of work which had been agreed by elected Members. Opportunities for Member involvement included discussions such as the present one and post project reviews would start to be made available to Overview and Scrutiny in due course. In addition, Executive Councillors would continue to review and question the progress of projects on a regular basis.

At the suggestion of the Chairman, it was agreed that the Panel would revisit these discussions at its November meeting, prior to inviting the Corporate Office Manager to provide a further update to the Panel in December 2014. It was suggested that the update should include a demonstration of the project management toolkit, an overview of the programme of projects and the flow chart, which had been developed to explain the options available to manage projects. Following the receipt of this information, it was the Chairman's intention that the Panel could trial the use of the Select Committee approach to challenge Cabinet Members on the Council's Project Management arrangements.

In supporting the approach that had been suggested, a Member enquired whether there would be any merit in comparing projects that had been undertaken using the new approach with previous projects. In response, the Head of Customer Services explained that Officers would reflect on the processes on a daily basis and that the Project Management Board would continue to assess and challenge project management arrangements and make changes as necessary. The value of the new system would be the delivery of quality projects on time and on budget. Whereupon, it was

#### RESOLVED

- (a) that the steps taken to improve project management be noted;
- (b) that the intention for the work of the Board to continue be noted; and
- (c) that the Corporate Team Manager be requested to prepare an update for the Panel's meeting in December 2014.

### **32. FACING THE FUTURE - PROGRESS**

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

With the assistance of a report by the Head of Customer Services (a copy of which is appended in the Minute Book) the Panel received an update on progress made to-date with the delivery of the Facing the Future programme. The Executive Councillor for Resources reminded Members that Facing the Future continued to be an important initiative as it was imperative that the Council delivered efficiencies across the Authority. Although a number of proposals had been put on hold, it was envisaged that progress would begin to be made more rapidly now that the restructure of the Council's Senior Management Team had been completed. In addition, all Cabinet Members were currently reviewing all outstanding ideas and proposals within their portfolios.

Having noted an overview of the current status of the 460 individual proposals within the programme, Members were advised that the full list was maintained centrally and included target dates, status flags and latest updates. Programme management responsibilities would shortly be transferred to the newly established Corporate Team.

The Head of Customer Services explained that to support the delivery of the programme and improve staff skills for delivering change, a number of Officers had now received training on the 'Lean' improvement technique. Members were also reminded that there were twenty five to thirty proposals relating to potential Shared Services. Updates specifically on Information Technology and Legal would be provided at the next meeting.

Prior to opening up the item for general discussion, the Chairman outlined his intention that this report should form the start of the Panel's review of the progress of Facing the Future. With this in mind

he had requested a further update in November 2014.

In considering the contents of the report, Members were informed that the list of ideas in Facing the Future was monitored by the Head of Resources and that savings were entered into the Medium Term Financial Strategy (MTFS) as they were identified. They were assured that it would be possible to identify savings generated by the programme within the MTFS when it emerged in December 2014. The Panel also discussed the potential need to 'backfill' posts to enable trained Officers to deliver specific projects and were informed that should this be the case, the business case for change would include a full cost/benefit analysis.

Having discussed the additional information which might be required to enable them to challenge Cabinet Members, it was agreed that this should include financial information, details of savings to-date, savings predicted and specific information relating to individual Cabinet Members' remits and outstanding proposals. To support their ability to monitor this programme, Members requested access to the centrally maintained list of Facing the Future proposals.

In response to comments that it would be useful to provide planned timeframes for delivery of individual projects, Members were informed that the centrally maintained list required Officers to complete dates for the evaluation of business cases for individual projects and projected delivery dates. Having been reminded that the role of individual Cabinet Members was to provide oversight rather than to deliver specific projects, it was

#### RESOLVED

- (a) that the progress made in delivering the Facing the Future programme and the steps in place to continue delivering successes be noted; and
- (b) that the Corporate Team Manager be requested to prepare an update for the Panel's meeting in November 2014 to include financial information as requested.

### **33. CORPORATE PLAN - PERFORMANCE MONITORING**

*(Councillors J D Ablewhite, Executive Leader, and J A Gray, Executive Councillor for Resources, were in attendance for this item).*

The Panel considered a report by the Policy and Performance Manager (a copy of which is appended in the Minute Book) updating Members on progress against the key activities identified in the Council's Corporate Plan for the period 1st April to 30<sup>th</sup> June 2014. A revised copy of the Appendix was circulated at the meeting.

The Executive Leader explained that following the production of the Council's Vision and 2014/16 Corporate Plan, this was the first attempt to provide performance management information. Members' attention was drawn to the new report format which, in due course, would include an action column for each key action.



The Corporate Team Manager explained that the first quarterly report contained the key actions and performance indicators within the Council's Corporate Plan for 2014/16. Performance information had been split by theme and allocated to Overview and Scrutiny Panels accordingly. It was the expectation that Executive Members would attend to present future reports and answer questions on performance within their areas of responsibility,

Members were generally content with the layout of the information presented, subject to the inclusion of an action column for each of the key actions at a later date. Comment was made on the importance of identifying a direction of travel in each performance area.

Members then reviewed the actions within the strategic themes that had been allocated to the Panel. In response to questions regarding specific actions, the Panel was advised that the business case for previously identified energy reduction projects across the Council estate would be subject to the normal approval process and that the outcome of the staff satisfaction survey would be presented to the Employment Panel in November 2014.

In response to a question regarding the rate of Council Tax that had been collected and whether any change might have been caused by the welfare reforms, the Executive Councillor for Resources indicated that collection figures were buoyant and it appeared that the Council had pitched Council Tax at an appropriate level.

RESOLVED

that the contents of the report be noted.

**34. EXCLUSION OF THE PUBLIC**

RESOLVED

that the public be excluded from the meeting because the business to be transacted relates to the financial affairs of a particular person (including the authority holding that information).

**35. SALE OF LAND - ST MARY'S STREET, HUNTINGDON**

*(Executive Leader J D Ablewhite and Councillor J A Gray, Executive Councillor for Resources were in attendance for the discussion on this item).*

With the assistance of a report by the Projects and Assets Manager (a copy of which is appended in the annex to the Minute Book) the Panel considered a proposal to sell Council owned land at the front of the Pathfinder House site fronting St Mary's Street. During the discussion, a number of Panel Members expressed concerns about the process that had been employed to arrive at the recommendation in the report. In response, Members were advised how the Executive Councillor's priorities had been applied and that it was his belief that the recommendations offered the best approach. Having been advised that work was underway to prepare a report on the Council's

future approach to capital investment, the view was expressed that the absence of this Strategy should not hinder the Council from disposing of other small parcels of land in its ownership at the current time.

It was noted that the Executive Councillor would not accept the best offer for the site unless it was of a certain value and that the Chairman of the Panel would refer Members' concerns to the Cabinet. Whereupon it was

RESOLVED

that the Cabinet be recommended to :-

- (a) agree to the sale of the St Mary's Street site in the current financial year using the approved agent and the best price sought; and
- (b) delegate responsibility to the Head of Resources (after consultation with the Executive Councillor for Resources) to accept the best offer for the sale of the site.

**36. RE-ADMITTANCE OF THE PUBLIC**

RESOLVED

that the public be re-admitted to the meeting.

**37. WORKPLAN**

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.

In response to a number of specific issues relating to the Council's waste collection practices and a question as to whether there had been a recent change in policy, the Chairman of the Overview and Scrutiny Panel (Environmental Well-Being) explained that his Panel was currently assisting the Executive Member for Operations and Environment to review the Council's waste collection policies.

**38. OVERVIEW & SCRUTINY (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) reviewing progress on matters that had previously been discussed. It was reported that arrangements had been made for an Overview and Scrutiny Away Day on 13th October 2014 at Hinchingsbrooke Country Park, which all Members were encouraged to attend. In addition, briefings for all Members on Risk Management and Council Finance had been arranged in advance of the Panel meetings in October and November 2014 respectively.

In reviewing progress on matters within the report, the Chairman explained that he had spoken to the Executive Leader regarding the

absence of any response from the Local Enterprise Partnership to the Panel's invitation for a presentation on its Business Plan and that he had undertaken to pursue this matter further. Members were also informed that following their discussions on Risk Management, the Chairman had reached agreement that the Corporate Governance Panel would refer any matters to the Panel where there was an opportunity for it to add value to ongoing work on this subject.

In terms of the Panel's future work programme, Members were informed that post project information on the developments at Huntingdon multi-storey car park and One Leisure St Ives would be provided to a future meeting. It was also reported that a presentation on the prosperity and vitality of the Market Towns had been planned for November and that the update on the Economic Growth Plan would now be presented to the Panel's meeting in January 2015.

The Chairman of the Overview and Scrutiny Panel (Environmental Well-Being) reported that arrangements were currently being made for a further visit to the Great Fen Project and an invitation would be extended to Members of the Economic Well-Being Panel in due course.

### **39. SCRUTINY**

The Panel considered and noted the latest edition of the Decision Digest (a copy of which is appended in the Minute Book). In response to a question regarding the Cambridgeshire Long Term Transport Strategy and the refresh of Local Transport Plan 3, Members were advised that the notion of a relief road between Hartford and Godmanchester formed part of the consultation, however there were no definite proposals at this stage. In addition, Councillor T Hayward reported that he was meeting with the Highways Agency to discuss the need for improvements to the A1.

Councillor P R Reeve reported that he had received a number of complaints regarding the availability of officers in the Urban Design, Trees and Landscapes team. Having noted that the newly appointed Corporate Director for Delivery was reviewing communications and the responsiveness of the planning teams, Councillor G J Bull undertook to refer the matter to the Overview and Scrutiny Panel (Environmental Well-Being).

Chairman

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**NOTICE OF EXECUTIVE KEY DECISIONS INCLUDING THOSE TO BE CONSIDERED IN PRIVATE**

**Prepared by** Councillor J D Ablewhite  
**Date of Publication:** 11 September 2014  
**For Period:** 3 October 2014 to 31 March 2015

Membership of the Cabinet is as follows:-

|                          |  |  |
|--------------------------|--|--|
| Councillor J D Ablewhite | - Leader of the Council, with responsibility for Strategic Economic Development & Partnerships | 3 Pettis Road<br>St. Ives<br>Huntingdon PE27 6SR<br>Tel: 01480 466941 E-mail: <a href="mailto:Jason.Ablewhite@huntingdonshire.gov.uk">Jason.Ablewhite@huntingdonshire.gov.uk</a>   |
| Councillor B S Chapman   | - Executive Councillor for Customer Services   | 6 Kipling Place<br>St. Neots<br>Huntingdon PE19 7RG<br>Tel: 01480 212540 E-mail: <a href="mailto:Barry.Chapman@huntingdonshire.gov.uk">Barry.Chapman@huntingdonshire.gov.uk</a>    |
| Councillor D B Dew       | - Executive Councillor for Strategic Planning & Housing  | 4 Weir Road<br>Hemingford Grey<br>Huntingdon PE28 9EH<br>Tel: 01480 469814 E-mail: <a href="mailto:Douglas.Dew@huntingdonshire.gov.uk">Douglas.Dew@huntingdonshire.gov.uk</a>      |
| Councillor J A Gray      | - Executive Councillor for Resources   | Vine Cottage<br>2 Station Road<br>Catworth PE28 OPE<br>Tel: 01480 861941 E-mail: <a href="mailto:Jonathan.Gray@huntingdonshire.gov.uk">Jonathan.Gray@huntingdonshire.gov.uk</a>    |
| Councillor R Howe        | - Executive Councillor for Commercial Activities   | The Old Barn<br>High Street<br>Upwood<br>Huntingdon PE26 2QE<br>Tel: 01487 814393 E-mail: <a href="mailto:Robin.Howe@huntingdonshire.gov.uk">Robin.Howe@huntingdonshire.gov.uk</a> |

|  |  |
|--|--|
| <p>Councillor T D Sanderson</p> <p>- Executive Councillor for Strategic Economic Development and Legal</p> | <p>29 Burmoor Close<br/>Stukeley Meadows<br/>Huntingdon PE29 6GE</p> <p>Tel: 01480 412135 E-mail: <a href="mailto:Tom.Sanderson@huntingdonshire.gov.uk">Tom.Sanderson@huntingdonshire.gov.uk</a></p>       |
| <p>Councillor D M Tysoe</p> <p>- Executive Councillor for Operations &amp; Environment</p>                 | <p>Grove Cottage<br/>Maltings Lane<br/>Ellington<br/>Huntingdon PE28 0AA</p> <p>Tel: 01480 388310 E-mail: <a href="mailto:Darren.Tysoe@huntingdonshire.gov.uk">Darren.Tysoe@huntingdonshire.gov.uk</a></p> |

Notice is hereby given of:

- Key decisions that will be taken by the Cabinet (or other decision maker)
- Confidential or exempt executive decisions that will be taken in a meeting from which the public will be excluded (for whole or part).

A notice/agenda together with reports and supporting documents for each meeting will be published at least five working days before the date of the meeting. In order to enquire about the availability of documents and subject to any restrictions on their disclosure, copies may be requested by contacting Mrs Helen Taylor, Senior Democratic Services Officer on 01480 388008 or E-mail [Helen.Taylor@huntingdonshire.gov.uk](mailto:Helen.Taylor@huntingdonshire.gov.uk).

Agendas may be accessed electronically at [www.huntingdonshire.gov.uk](http://www.huntingdonshire.gov.uk).

Formal notice is hereby given under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that, where indicated part of the meetings listed in this notice will be held in private because the agenda and reports for the meeting will contain confidential or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. See the relevant paragraphs below.

Any person who wishes to make representations to the decision maker about a decision which is to be made or wishes to object to an item being considered in private may do so by emailing [Legal&DemServDemocratic@huntingdonshire.gov.uk](mailto:Legal&DemServDemocratic@huntingdonshire.gov.uk) or by writing to the Senior Democratic Services Officer. If representations are received at least eight working days before the date of the meeting, they will be published with the agenda together with a statement of the District Council's response. Any representations received after this time will be verbally reported and considered at the meeting.

**Paragraphs of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) (Reason for the report to be considered in private)**

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the Financial and Business Affairs of any particular person (including the Authority holding that information)
4. Information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations that are arising between the Authority or a Minister of the Crown and employees of or office holders under the Authority
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
6. Information which reveals that the Authority proposes:-
  - (a) To give under any announcement a notice under or by virtue of which requirements are imposed on a person; or
  - (b) To make an Order or Direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Colin Meadowcroft  
Head of Legal and Democratic Services

Huntingdonshire District Council  
Pathfinder House  
St Mary's Street  
Huntingdon PE29 3TN.

Notes:- (i) Additions changes from the previous Forward Plan are annotated \*\*\*  
(ii) Part II confidential items which will be considered in private are annotated ## and shown in italic.

| Subject/Matter for Decision   | Decision/ recommendation to be made by | Date decision to be taken | Documents Available | How relevant Officer can be contacted   | Reasons for the report to be considered in private. | Relevant Executive Councillor | Relevant Overview & Scrutiny Panel |
|---|--|---------------------------|---------------------|---|---|-------------------------------|------------------------------------|
| Options for Fraud Investigation Post<br><del>##</del> <del>SFIS***###</del> | Cabinet                                | 23 Oct 2014               |                     | Mr John Taylor, Head of Customer Services<br>Tel No 01480 388119 or email<br>John.Taylor@huntingdonshire.gov.uk |   | B S Chapman                   | Economic Well-Being                |
| Outcome of the Public Consultation on the Budget***                         | Cabinet                                | 23 Oct 2014               |                     | Adrian Dobbyne, Corporate Team Manager<br>Tel No 01480 388100 or email<br>Adrian.Dobbyne@huntingdonshire.gov.uk |   | J A Gray                      | Social Well-Being                  |
| Rebate for Clothing & Shoe Bank Collections                                 | Cabinet                                | 23 Oct 2014               |                     | Mr Eric Kendall, Head of Operations Tel No.<br>01480 388635 or email<br>Eric.Kendall@huntingdonshire.gov.uk     |   | D M Tysoe                     | Environmental Well-Being           |

| Subject/Matter for Decision                              | Decision/ recommendation to be made by | Date decision to be taken | Documents Available                       | How relevant Officer can be contacted  | Reasons for the report to be considered in private | Relevant Executive Councillor | Relevant Overview & Scrutiny Panel               |
|--|--|---------------------------|---|--|--|-------------------------------|--|
| Building Control/IT and Legal Business Cases for Sharing | Cabinet                                | 23 Oct 2014               |   | Mrs Joanne Lancaster, Managing Director<br>Tel No. 01480 388001 or email<br>Joanne.Lancaster@huntingdonshire.gov.uk        |  | J D Ablewhite                 | Environmental Well-Being and Economic Well-Being |
| Shared Service Update - Building Control                 | Cabinet                                | 23 Oct 2014               |   | Mr Andy Moffat, Head of Development Tel No. 01480 388400 or email<br>Andy.Moffat@huntingdonshire.gov.uk                    |  | D B Dew                       | Environmental Well-Being                         |
| Huntingdonshire Infrastructure Business Plan             | Cabinet                                | 20 Nov 2014               |   | Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email<br>Paul.Bland@huntingdonshire.gov.uk           |  | D B Dew                       | Environmental Well-Being                         |
| Huntingdon West Masterplan                               | Cabinet                                | 20 Nov 2014               | Following consultation. Preferred option. | Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email<br>Paul.Bland@huntingdonshire.gov.uk           |  | D B Dew                       | Environmental Well-Being                         |
| Approval of Council Tax Base                             | COMT (Chief Officers Management Team)  | 1 Dec 2014                |   | Mr I Sims, Local Taxation Manager, Local Taxation Manager Tel No. 01480 388138 or email<br>Ian.Sims@huntingdonshire.gov.uk |  | B S Chapman                   | Economic Well-Being                              |
| Carbon Management Plan                                   | Cabinet                                | 11 Dec 2014               |   | Chris Jablonski, Environment Team Leader<br>Tel No. 01480 388368 or email<br>Chris.Jablonski@huntingdonshire.gov.uk        |  | D M Tysoe                     | Environmental Well-Being                         |



| Subject/Matter for Decision              | Decision/ recommendation to be made by | Date decision to be taken | Documents Available           | How relevant Officer can be contacted   | Reasons for the report to be considered in private | Relevant Executive Councillor | Relevant Overview & Scrutiny Panel |
|--|--|---------------------------|-------------------------------|---|--|-------------------------------|------------------------------------|
| Council Tax Support Scheme               | Cabinet                                | 11 Dec 2014               |                               | A Burns, Benefits Manager, Benefits Manager Tel No. 01480 388122 or email amanda.burns@huntingdonshire.gov.uk |  | B S Chapman                   | Social Well-Being                  |
| Draft Budget & MTFS                      | Cabinet                                | 11 Dec 2014               |                               | Mr Clive Mason, Head of Resources Tel No. 01480 388157 or email Clive.Mason@huntingdonshire.gov.uk            |  | J A Gray                      | Economic Well-Being                |
| CPE - Civil Parking Enforcements         | Cabinet                                | TBC                       |                               | Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk |  | D B Dew                       | Environmental Well-Being           |
| <del>ECML</del> Crossing Closures***     | Cabinet                                | TBC                       |                               | Paul Bland, Planning Service Manager (Policy) Tel No 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk  |  | D B Dew                       | Environmental Well-Being           |
| Local Plan to 2036 - Proposed Submission | Cabinet                                | 19 Mar 2015               | Submission - Draft Local Plan | Paul Bland, Planning Service Manager (Policy) Tel No. 01480 388430 or email Paul.Bland@huntingdonshire.gov.uk |  | D B Dew                       | Environmental Well-Being           |

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Public

Key Decision - Yes

\* Delete as applicable

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                              |   |
|------------------------------|---|
| <b>Title/Subject Matter:</b> | Shared Services   |
| <b>Meeting/Date:</b>         | Overview and Scrutiny Panel (Economic Well Being)<br>9 October 2014<br>Cabinet<br>23 October 2014 |
| <b>Executive Portfolio:</b>  | Executive Leader  |
| <b>Report by:</b>            | Managing Director   |
| <b>Ward(s) affected:</b>     | All Wards   |

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### Executive Summary:

This report sets out progress to date and the proposed next steps to ensure the next phase of work continues.

The attached report (App 1) sets out the detail of progress to date, the broad principles and anticipated timescales for further decisions.

### Recommendation(s):

1. It is recommended that Cabinet:
  - a. Endorse the good progress to date by all three Councils working together to deliver shared services;
  - b. agree the general principles, namely;
    - lead the shared service model
    - proposed lead and location arrangements
    - proposed cost sharing proposals
  - c. agree a phased approach to the development of ICT and Legal Shared Services, with interim project support appointed to assist with the process and develop full business cases; and
  - d. establish a Business and Legal Practice Manager in advance of the proposed shared legal service to assist with the transformation programme and development of the shared service.

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## **2. WHAT IS THIS REPORT ABOUT/PURPOSE?**

- 2.1 Huntingdonshire District Council, Cambridge City Council CCC), and South Cambridgeshire District Council (SCDC) agreed in July 2014 to work in partnership to deliver shared services. A significant amount of work has taken place since then and this report sets out progress to date along with proposed next steps. The detailed report is attached at App1.

## **3. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 3.1 The Council has significant budget challenges to meet and part of our strategy to deliver further efficiencies, whilst protecting the quality of frontline services, is through sharing services with the Council's strategic partners.

## **4. OPTIONS CONSIDERED/ANALYSIS**

- 4.1 The services chosen for inclusion in the first phase of shared services have been selected on the basis of business imperative – that is the services require a critical mass to increase resilience, improve flexibility, to increase capacity and to assist in staff recruitment and retention. Other services are being considered but these will be evaluated in subsequent phases.

## **5. COMMENTS OF OVERVIEW & SCRUTINY PANEL**

- 5.1 To be considered on 9 October 2014

## **6. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?**

- 6.1 Risks are being managed within a project management environment with the senior managers within the three councils assuming responsibility.

## **7. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 7.1 The timetables are set out in the attached report. The report is also being considered at SCDC and CCC during this current cycle of meetings.

## **8. CONSULTATION**

- 8.1 Staff will be briefed on developments and a timetable for any consultation required will be developed in parallel with the evolution of the business cases.

## **9. LEGAL IMPLICATIONS**

- 9.1 To be addressed in the detailed business case reports.

**10. RESOURCE IMPLICATIONS**

*(Comments from the Assistant Director, Finance & Resources)*

10.1 See para 11 in App1

**11 REASONS FOR THE RECOMMENDED DECISIONS**

11.1 The Council has committed to the principle of sharing services as part of its response to the current budget challenges. Without sharing services the Council will reduce its choices and options around sustainable service delivery models.

**12. LIST OF APPENDICES INCLUDED**

Appendix 1 – Shared Services: a joint report by SCDC, HDC and CCC

**BACKGROUND PAPERS**

None

**CONTACT OFFICER**

Joanne Lancaster  
Managing Director  
01480 388300



## **Shared Services**

Report of the Leaders of Cambridge City, South Cambridgeshire District Council and Huntingdonshire District Council.

### **1. Purpose**

Cambridge City Council, Huntingdonshire and South Cambridgeshire all made decisions in July to work in partnership to deliver shared services. A significant amount of work has taken place since then and this report sets out progress together with proposed next steps to ensure momentum is maintained.

### **2. Recommendations**

2.1 To note the good progress to date by all three Councils working together to deliver shared services.

2.2 To agree the general principles set out in Paragraph 4, namely:

The lead authority model in the first instance (4.1)

Proposed lead and location arrangements (4.2)

Proposed cost sharing proposals (4.3)

2.3 To agree to a phased approach to the development of ICT and Legal Shared Services, with interim project support appointed to assist with the process and develop full business cases.

2.4 To establish a Business and Legal Practice Manager in advance of the proposed shared legal service to assist with the transformation programme and development of the shared service.

### **3. Summary of progress to date**

The three councils have been working well together to deliver Phase 1 of a series of shared services. Progress on ICT and Legal is included later in this report. Waste Collection, involving the City Council and South Cambridgeshire, forms a separate report and Building Control, involving Huntingdonshire and South Cambridgeshire, will be brought forward for decision in November. Other discussions involving shared services are also currently taking place through City Deal.

### **4. General Principles**

As part of ongoing work on shared services, a number of general principles have emerged that will help to ensure coherence and consistency across all shared services moving forward. These general principles will help to provide a framework within which specific decisions can be made on a service by service basis to meet operational requirements.

#### 4.1 **Shared Service Models**

There are a number of shared service models that can and have been adopted elsewhere in the country, each with advantages and disadvantages. These range from a lead authority model through to a company structure and joint outsourcing.

It is believed that, in the first instance, the lead authority model would best suit our circumstances and would enable current momentum to be maintained. Under the lead authority model, one authority would be responsible for the shared service, including staff seconded on their substantive terms and conditions from the remaining two authorities. However it is important to stress that shared member and officer governance arrangements would be put in place with regard to overseeing performance.

Whilst it is proposed that the lead authority model should be the starting point for consideration, other models may be suggested as part of specific business cases, or explored over time once a shared service model has been created.

#### 4.2 **Lead and host authority arrangements**

It will be important to ensure overall across the first phase of shared services that the decisions on lead authorities are made equitably, bearing in mind the cumulative impact on each of the three authorities.

In the first instance, it is proposed that Cambridge City Council should lead on Legal Services, Huntingdonshire on ICT and South Cambridgeshire on Waste Collection. Decisions on building control and other services as appropriate will be made at a later date.

As far as location is concerned, it is proposed that this should be an operational decision made on a service by service basis as a part of each business case. However, the cumulative impact will need to be borne in mind together with the strategic accommodation priorities of each Council.

As part of developing shared services, it will be important to reduce the need for travel across the three authorities to minimise costs and environmental impact. It is proposed therefore to create:

- hot desking in each authority for other partners/services to use as appropriate;
- a common document management system for meetings;
- video conferencing and related ICT facilities.

#### 4.3 **Cost sharing/efficiencies**

There are a number of cost sharing models operating elsewhere, some of which are more sophisticated than others, including:

- An equal split of any savings achieved across the participating authorities.
- A proportional split based on an agreed formula (eg population, number of employees).
- A service by service approach based on the budget of each service incorporated.
- A service by service approach based on the level of service specification by each partner.



It is important to be fair and transparent, whilst at the same time not creating a significant amount of work that is disproportional to potential outcomes.

It is proposed that a service by service approach based in the first instance on the budget of each service incorporated should be the starting point, whilst also ensuring that appropriate efficiency targets are built in for each Council.

Once the shared service is created, we will need to ensure a more sophisticated approach by which each authority can determine the performance required and target potential efficiencies appropriately.

## **5. ICT Shared Service**

### **5.1 Progress to date**

It was agreed in July that the three authorities would work towards a shared ICT Service as an early priority. Following the appointment of additional capacity to help with this process, progress has been made on mapping existing activity and resources, considering different delivery models, determining desired outcomes and using these to shape the next steps as part of the development of a shared service.

### **5.2 Desired outcomes from a shared service**

The proposed outcomes are as follows:

- Improving resilience – better able to prevent service loss or interruption and cope with peaks in workload and staff absences. A larger team will also give each council access to a greater breadth and depth of professional expertise.
- Reduced external expenditure – additional resources and a broader skills base will lead to a reduction in the need for external advice. Where this is required, the combined purchasing power of all three councils should lead to more competitive procurement rates.
- Improved customer service – access to a more comprehensive ICT service should result in a better and a more responsive service to officers and members.
- Decreased fixed costs – sharing or joining up ICT services across three councils should lead to savings in, management, hardware, software and services, administrative support and accommodation costs.
- Remodelling of ICT services – bringing together the ICT services of three councils gives the opportunity to look at models of operation that are not suitable or feasible for those councils at an individual level.
- Staff development – a larger service will increase the opportunity for staff development, by allowing staff to work across a broader range of areas, or to become more specialised as appropriate.
- Staff recruitment/retention – greater work opportunities should improve staff retention and help to reduce turnover. A larger shared service could provide increased opportunity to consider participating in a higher apprentice training scheme (growing our own).

- § Improved support for ICT users to ensure that the technical strategy aligns with and enables client council objectives.

### 5.3 Current Services

The three councils provide ICT services to approximately 2000 users across 60 sites within Cambridgeshire

- § Huntingdonshire ICT serves 650 Users across 18 sites
- § South Cambs ICT serves 350 Users across 2 main sites and several community hubs
- § Cambridge City ICT serves 1000 Users across 40 sites (6 core sites)

Huntingdonshire and South Cambs operate an in house ICT operation covering all functions of ICT (Service Desk, Application Support, Infrastructure Services, Project Management and Web Services). Cambridge City operate outsource model, whereby 90% of ICT services are outsourced to Northgate.

All three councils operate their own Data Centres located in their core offices. Cambridge City and South Cambs operate a traditional Disaster Recovery contract with a 3<sup>rd</sup> party, whilst Huntingdonshire have an in house full failover system to a secondary site. All three ICT services provide very similar systems to each other and often are using the same applications, each with their own contract arrangements.

All three Councils have implemented changes in recent years to improve services and reduce costs, including via staffing restructures. Cambridge City has achieved this through contract efficiencies and the new core contract with Northgate.

All three services are challenged to meet the increasing demands from services for modern ICT as well as from central Government through initiatives such as Digital First, Cloud & G-Cloud and PSN / CESG controls. Huntingdonshire and South Cambs have continued to invest in Microsoft infrastructure platforms for delivering services, whereas Cambridge City until recently had continued to use the Novell platform. With Cambridge City now implementing a programme to move to Microsoft, by the end of 2014 all three will be fairly aligned in their infrastructure platform.

There is significant spend in the ICT services of the three councils, amounting to more than £6.1m

|                              |            |
|------------------------------|------------|
| • South Cambs ICT budget     | £1,540,220 |
| • Huntingdonshire ICT budget | £1,485,489 |
| • Cambridge City ICT budget  | £3,169,470 |
| • TOTAL SPEND                | £6,195,179 |

Experience in other authorities suggests that the next stage of modernisation, through moving to the Cloud alone, achieves savings in the range of 5% to 10%. This enables ICT activities to be less focussed on the day-to-day maintenance of the service infrastructure and more focussed on modernising customer-facing services. In addition savings will flow from reduced energy consumption, consolidation of the supply chain and management efficiencies. Based upon experience in other councils, a minimum 15% saving on the combined ICT spend should be possible.

The average cost, including all on costs, of a member of ICT staff within the services is in the region of £48,000 PA.

| Topic                 | HDC     | SCDC    | CCC     |
|-----------------------|---------|---------|---------|
| FTE (exc Outsourcers) | 30      | 17      | 6       |
| Vacancies             | 9       | 0       | 0       |
| Actual Personnel      | 21      | 17      | 6       |
| Av Cost of ICT staff  | £45,386 | £45,919 | £56,020 |

The variation in cost between Huntingdonshire and South Cambs, when compared with Cambridge City, is due to the impact of the different operational models leading to Cambridge City having fewer but more senior client staff. The majority of the City Council's operational staff are with the contractor.

#### 5.4 Proposed next steps

A phased approach to the development and implementation of an ICT Shared Service is believed to be appropriate in the circumstances, given the complexities of the services. This will enable early efficiencies to be identified and secured as part of Phase 1, whilst further work takes place on the full business case and on shaping the shared service to be delivered in Phase 2. Cambridge City would work with Northgate to maximise the value from this initial phase. The adoption of a lead authority model in the first instance does not rule out any options on other service delivery models at a future point, should they be supported by a business case.

### 6. Legal Shared Service

#### 6.1 Progress to date

It was agreed in July that the three authorities would work towards a shared Legal Service as an early priority. Following the appointment of additional capacity to help with this process, progress has been made on mapping existing activity and resources, considering different delivery models, determining desired outcomes and using these to shape the next steps as part of the development of a shared service.

#### 6.2 Desired outcomes from a shared service

The proposed outcomes are as follows:

- Improving resilience – better able to cope with peaks in workload and staff absences. A larger team will also give each council access to a greater breadth and depth of professional expertise.
- Reduced external expenditure – additional resources and a broader skills base will lead to a reduction in the need for external advice and representation. Where this is required, the combined purchasing power of all three councils should lead to more competitive procurement rates.
- Improved customer service – access to a more comprehensive legal service should result in a better and a more responsive service to officers and members.

- Decreased fixed costs – sharing or joining up legal services across three councils should lead to savings in software (licences), legal library resources, administrative support and accommodation costs.
- Remodelling of legal services – bringing together the legal services of three councils gives the opportunity to look at systems, processes and workflow arrangements at each, and finding a leaner solution and more agile service offering.
- Staff development – a larger team will increase the opportunity for staff development, by allowing staff to work across a broader range of areas, or to become more specialised as appropriate.
- Staff recruitment/retention – greater work opportunities should improve staff retention and help to reduce turnover (always a problem around the Cambridge area). A larger shared service will give the opportunity to consider participating in a higher apprentice training scheme (growing our own).
- Increased opportunities for income generation – a larger, more commercially focused legal services team, should make it possible to increase income generation, for example by offering legal services to other public and voluntary sector bodies.
- Support for client officers to enable them to properly instruct legal services, incorporating:
  - The development of a collaborative culture between client and legal services.
  - Consistency in how the client accesses services.
  - Strong client leadership – setting the tone for each council.
  - Focus on early involvement of legal services in their role as supplier of services.
  - Establishment of mutual objectives.
  - Commitment to continuous improvement.
  - Transparent issue resolution.
  - Opportunity to innovate.

The development of a more effective client function across all services in the three authorities will assist the shared legal service with regard to managing priorities and workloads, reducing unnecessary work and managing risks.

### 6.3 **Current Services**

Each council currently operates its own discrete legal services section with a small to medium sized team of legal and support staff. The total number of staff currently employed across all three councils is 27. There are 19 lawyer/solicitors and 8 legal assistants/support staff. Cambridge City has the highest number of legal staff overall, including a relatively large team of 10 lawyers. All councils are currently carrying vacancies and facing recruitment challenges.

Within the existing legal services functions, a range of roles are carried out by the Heads of Legal. These include the Monitoring Officer role, professional leadership of the team, management of the practice and commissioner of legal work. Moving forward would enable these roles to be separated with greater clarity.

The total direct spend is currently estimated at around £1.7m, including at least £300,000 spent on external legal advice not including departmental budgets. Research suggests that approximately 15% of savings should be expected from direct costs in a shared legal services arrangement – around £255,000 between all three councils. This is a conservative estimate, with more savings possible from improved procurement and more efficient use of staff, including reductions in buying external legal services. Further, more detailed work would be carried out in this regard as part of the full business case. Looking ahead, we would also expect an established and high performing shared legal service team to be in a position ultimately to generate additional income, thereby further reducing the need for subsidy.

## **7. Service Delivery Models**

There are already a number of models for shared legal services operating across the country and various options for change have been considered including those set out below

**Simple Shared Service** – this includes a sharing of knowledge and information as well as some joint procurement activity. Specialists are available to work across a number of councils, thus improving resilience and reducing the need to go externally for support.

**Joint Outsourcing** – councils join together to outsource part or all of their legal services functions to another legal provider.

**Alternative Business Structures (ABS)** – councils who want to trade with third parties and generate income could need to set up an ABS. This could be jointly with other councils or also in partnership with a private sector organisation. ABSs are relatively new and several councils are currently exploring a wide range of trading and partnership options.

**Cost Sharing Group (CSG)** – This involves councils setting up a cost sharing company with members of the not for profit sector, allowing the trade in legal and other back office services exempt from VAT, with other members of the group.

It is considered, however, that the most appropriate option in the first instance would be a lead authority model. This would enable momentum to be maintained whilst managing the risks associated with moving to a shared service.

The adoption of a lead authority model in the first instance does not rule out any options on other service delivery models at a future point. Recent changes in the law have increased the opportunity for councils to be more innovative about how they operate their legal services, including increased opportunities for generating income through trading, and this may be worthy of consideration at some point in the future.

## **8. Proposed next steps**

As with ICT, it is proposed that a phased approach to the development and implementation of a Legal Shared Service would be appropriate. The first phase would incorporate the delivery of early efficiencies, the putting in place of a programme to transform practices and processes and the development of a full business case for implementation in Phase 2. A phased approach will also help to ensure the management and mitigation of risk whilst moving the proposed shared service forward.

Interim project support will continue to be necessary in order to maintain momentum moving forward as the new shared service is developed. In addition, it is proposed that a shared legal service would benefit from the appointment of a Business & Legal Practice Manager to manage workloads and priorities across the three authorities, as is common in private law practice. Given that a post of this nature does not currently exist in any of the three services, it is recommended that such a post be created at this stage in order to support the transformation programme, the delivery of early efficiencies and the move to the shared service.

## **9. Capacity**

As far as the overall programme is concerned, each Council has informally provided project management and support for different aspects of the Programme. However, overall co-ordination and capacity to move forward with momentum has proved challenging and this will need to be more structured in future if we are to maintain momentum, improve co-ordination and address more effective internal and external communications.

The successful outcome of the TCA bid is excellent news and can be used for this purpose. It is anticipated that this will be spent on:

- overall project management/co-ordination;
- interim and permanent shared posts to ensure momentum and the early delivery of efficiencies/additional income within legal, ICT and building control;
- shared training programmes;
- ICT harmonisation.

We will also continue to make applications to other funding streams where possible. We have, for example, been successful in securing funding from EELGA for joint training of key staff in developing shared services and producing business cases.

## **10. Member governance arrangements**

It was agreed in July that overall progress would be overseen by a joint steering group involving Leaders, and relevant portfolio holders where appropriate, reporting back to the respective Cabinets and other decision-making bodies.

In addition, portfolio holders from each authority will also need to be involved in overseeing performance once specific shared services have been established.

## **11. Financial Implications**

The delivery of shared services will require additional capacity upfront in order to ensure effective delivery. However it is anticipated that this will be recovered via future efficiencies and via external funding, in particular the Transformation Challenge Award.

**12. Legal**

Any legal implications will be addressed as part of outline business cases as they are brought forward.

**13. Staffing**

Whilst moving to shared services creates uncertainty for staff, it will also help to ensure greater capacity and resilience together with enhanced career opportunities. In the longer term, this will help to provide better job security and to minimise the need for compulsory redundancies.

As part of the process, it will be important to ensure full engagement and consultation with both staff and trade unions moving forward. The lead HR officers from all three Councils are currently working together to ensure a co-ordinated approach.

**14. Risk Management**

A dedicated risk log will be set up for the Shared Services Programme Board to ensure that risks are identified and managed. In addition, specific operational risks will be identified and managed through the business plan process.

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## HUNTINGDONSHIRE DISTRICT COUNCIL

|                             |  |
|-----------------------------|--|
| <b>Title:</b>               | <b>Budget Monitoring 2014/15 (Revenue &amp; Capital) &amp; an Update on Zero Based Budgeting</b> |
| <b>Meeting/Date:</b>        | Cabinet<br>23 <sup>rd</sup> October 2014   |
| <b>Executive Portfolio:</b> | Resources: Councillor J A Gray   |
| <b>Report by:</b>           | Head of Resources  |
| <b>Ward(s) affected:</b>    | All Wards  |

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### Executive Summary:

#### 1. Budget Monitoring 2014/15

- **Revenue**

The net revenue budget approved in February 2014 was £20.870m. The variations forecast so far this year total a saving of £0.171m. The significant movements include £0.396m of staff related savings, £0.132m of transport related savings and reduced expenditure to date of £0.554m in supplies and services offset by a shortfall in interest receipts of £0.523m and income from fees and charges of £0.333m

|                    | £m      |
|--------------------|---------|
| Approved Budget    | 20.870  |
| Forecast Variation | (0.171) |
| Forecast           | 20.699  |

A full exercise to monitor progress against the savings identified within the Facing the Future programme has been undertaken. Of the target savings of £1.571m some £1.453m are on course to be delivered (92%) and detailed explanations of the shortfall have been received.

In addition there are additional savings of some £1.335m with some £1.317m planned to be delivered over the course of the Medium Term Financial Strategy.

- **Capital**

The net capital budget approved in February 2014 was £4.623m in addition to which slippage added a further £1.945m giving a total updated budget of £6.568m. Currently the forecast out turn for this financial year is estimated to be £5.879m a difference of £0.689m made up of £53,000 cost variations and (£0.742m) timing changes.

At this stage in the year variations have been reported for under/overspends totalling a net underspend of (£0.216m), including savings on bin purchases of £0.233m, increased expenditure on the multi-storey car park of £50,000 and savings of £21,000 on green bin charging software.

Also slippage to future years of £0.293m for the CCTV Wireless scheme, and

slippage from future years of £0.180m for the sale of the Greenhouse in St Neots.

|                            | £ m     | £ m          |
|----------------------------|---------|--------------|
| Approved Budget            |         | 4.623        |
| Slippage from 2013/14      |         | 1.945        |
| Forecast Variations:       |         |              |
| Cost                       | 0.053   |              |
| Timing changes             | (0.269) |              |
| Slippage to future years   | (0.293) |              |
| Slippage from future years | (0.180) | (0.689)      |
| <b>Forecast</b>            |         | <b>5.879</b> |

- **New Homes Bonus**

The New Homes Bonus calculation is based on data collected over the twelve months between October and September each year. The target housing growth in the eleven months to the end of August 2014 was set at 482. Currently the position shows 619, an increase of 137 properties resulting in an estimated increase in New Homes Bonus of £0.164m.

## 2. Zero Based Budgeting

As a consequence of the governments continued austerity measures and the Council's past trend of underachieving its budget, as has been widely advertised over the past few months, the Council is embarking on a complete overhaul of its base budget by undertaking a Zero Based Budgeting (ZBB) exercise.

The process started in earnest in September 2014 with the appointment of an external project lead and strategic finance specialist. Together, a programme is being developed that will undertake a 3 phased approach:

- Review current outturn and budgets to establish those items of expenditure and income that can be easily isolated and ringfenced.
- Undertake five "ZBB Heavy" reviews and a programme of "ZBB Light" reviews for other Council services.
- Consolidation of savings and Peer Review.

The primary aim of the ZBB process is to align resources with corporate priorities in preparation for setting the 2015/16 budget and the forward years projections for the Medium Term Financial Strategy in February 2015.

### **Recommendation(s):**

The Cabinet is requested to note the:

- The Forecast Revenue Budget of £20.699m
- The Forecast Capital Budget of £5.879m
- The proposals for undertaking the Zero Based Budget exercise in preparation for the forward budget.

## 1. PURPOSE

- 1.1 To update members, in line with best practice and agreed budget monitoring reporting cycles, on the forecast outturn for 2014/15 for both capital and revenue budgets and to give an update on the progress so far in respect of Zero Based Budgeting.

## 2. BACKGROUND

### Budget Monitoring

- 2.1 Since December 2013, all members have been receiving on a monthly basis the Financial Performance Monitoring Suite (FPMS), which incorporates the Financial Dashboard. This report formalises the reporting arrangements of the current forecast outturn for 2014/15 in respect of revenue and capital; this includes a forecast outturn for the General Fund.

### Zero Based Budgeting

- 2.2 For many years the Council has followed an “incremental” budget setting process; whereby last year’s budget was adjusted for inflation, previous year’s outturn and known budget changes (better known as growth and savings). However, the fundamental problem with an incremental budgeting model is that it rests on the premise that “current” service standards are acceptable; consequently, all resources are duly allocated based on historic trends and practices.
- 2.3 However, as a consequence of the Council under achieving the budget, the external auditors recommending a Zero Based Budgeting review and various members questioning the base budget, in June 2014 Cabinet gave approval for a ZBB review to be undertaken of its services.

## 3. FORECAST REVENUE ACTIVITY

### Use of General Fund Balances

- 3.1 Members will be aware that the Medium Term Financial Strategy (MTFS) (formerly known as the Medium Term Plan) currently provides for a phased reduction in the general fund balance to £6.1m by 2018/19; the general fund balance as at the end of 2013/14 was £8.7m with a further £12.2m in Earmarked Reserves.
- 3.2 All Heads of Service have reviewed their forecasts and the “Forecast Performance” *tabulation (Appendix 1a)* shows that the forecast net spend for 2014/15 is expected to be £20.699m; this means that the forecast use of reserves for the year is £0.834m some £0.414m less than originally planned (this is net of carry-forwards to 2015/16).
- 3.4 This has a consequential impact on the expected use of general fund reserves by:
- reducing the amount needed to balance the 2014/15 budget.
  - providing flexibility to spread the level of future savings over a longer period.
- 3.3 The Original Budget has been adjusted to take into account of:

- approved budget carry-forwards from last year, which are funded from an earmarked reserve, and
- additional capitalised expenditure.

This results in an updated budget of £21.113m and when this is compared to the 2014/15 Forecast, this shows that the forecast is £0.414m less than the updated budget.

### Variations in Revenue Spend

- 3.5 As noted above, Heads of Service have provided an extensive commentary on the reasons for variations in their forecast outturn to the updated budget; this is in the “2014/15 Head of Service Corporate Budget Monitoring” *analysis* (**Appendix 1b**). Those services where the variation is greater than +/- £75,000 are summarised below:

| Variation in Forecast to Updated Budget 2013/14 |       |                |  |
|---|-------|----------------|--|
|   | £000  | Service        | Commentary   |
| 1   | 215   | Leisure Health | & <b>Leisure, recreation &amp; sport</b><br>Income at St Ives is recovering more slowly than anticipated   |
| 2   | 80    | Leisure Health | & <b>Economic Development estates</b><br>Slippage of the Highlode scheme together with vacant properties and unrealised service savings make up most of this overspend |
| 3   | (259) | Development    | <b>Development management unit</b><br>Savings as a result of staff vacancies   |
| 4   | (86)  | Community      | <b>Projects management unit</b><br>Savings as a result of staff vacancies and staff travel   |
| 5   | (66)  | Community      | <b>Lifestyles management unit</b><br>Savings as a result of staffing changes   |
| 6   | 104   | Resources      | <b>Investment interest</b><br>Lower than anticipated interest rates resulting in a shortfall in income   |
| 7   | (143) | Corporate Team | <b>Corporate management</b><br>Senior management team reorganisation has resulted in this underspending  |
| <b>Key:</b> (xx) = saving                       |       |                |  |

- 3.6 The current fiscal tightening within the Council is ensuring that Managers are being more robust in the control of their budgets.

### Achievement of Revenue Savings

- 3.7 During the production of the 2014/15 budget, members approved a savings programme as part of Facing the Future and other individual initiatives in

excess of £2.9m; this is shown in the “Achievement of 2014/15 MTFS Savings” *analysis (Appendix 1c)*. Although some services have met or even exceeded their savings targets, the forecast savings that will be achieved to the end of August 2014 shows that 95% (£2.77m) of savings have been achieved or are on target to be delivered. A summary of those savings not achieved that exceed a variance of £20,000 are shown below.

| Forecast Value of Non-Achievement of Savings 2014/15 |                |                  |  |
|--|----------------|------------------|--|
|  | Target<br>£000 | Achieved<br>£000 | Commentary on Underachievement of Savings  |
| 1  | (88)           | (47)             | <b>Community: Wireless CCTV</b><br>Wireless CCTV project deferred while further feasibility and options review undertaken. Partially offset by reduced transmission costs. |
| 2  | (43)           | 0                | <b>Development: Highlode</b><br>Highlode slippage due to protracted negotiations, awaiting a forecast to demonstrate whether remaining savings are being achieved          |
| 3  | (101)          | (70)             | Saving delayed awaiting CRM implementation and review of management structure mitigated by some transport savings  |

#### 4. FORECAST CAPITAL ACTIVITY

4.1 The table below shows the forecast variations to the approved capital programme, based on the evidence of expenditure to the end of August. The variations include slippage to and from future years and variations to the cost of schemes.

| CAPITAL BUDGETARY CONTROL 2014/15   | Original Budget<br>£000 | Forecast outturn<br>£000 | Variation<br>£000 |
|---|-------------------------|--------------------------|-------------------|
| Approved budget   | 4,623                   | 4,623                    | 0                 |
| Delayed spending from previous year   | 0                       | 1,945                    | 1,945             |
| <b>Cost Variations;</b>   |                         |                          |                   |
| <b>Multi-Storey Car Park</b><br>Changes to specification to increase the usability of the car park including installing LED lighting.           |                         | 50                       | 50                |
| <b>CCTV Camera Replacements</b><br>Amended monitor specification.   |                         | 3                        | 3                 |
| <b>Geographical Information System</b><br>Slippage no longer required.  |                         | (7)                      | (7)               |
| <b>Wheeled Bins</b><br>Increased developer contributions and savings from reusing issued bins.  |                         | (233)                    | (233)             |
| <b>Green Bin Charging System Software</b><br>The software needed to charge for wheeled bins has been introduced at a cost lower than estimated. |                         | (21)                     | (21)              |
| <b>Alconbury Enterprise Zone</b>  |                         | 0                        | 0                 |

| <b>CAPITAL BUDGETARY CONTROL 2014/15</b>  | <b>Original Budget</b><br>£000 | <b>Forecast outturn</b><br>£000 | <b>Variation</b><br>£000 |
|---|--------------------------------|---------------------------------|--------------------------|
| This scheme, to support capital investment in the Alconbury Enterprise Zone totals £5m. The scheme is being fully funded by grant from central government and so is net nil to the council. |                                |                                 |                          |
| Other Savings<br>Printing and document centre equipment, and pool vehicles.   |                                | (8)                             | (8)                      |
| <b>Total Cost Variations</b>  |                                | (216)                           | (216)                    |
| <b>Slippage to Future Years;</b>  |                                |                                 |                          |
| <b>CCTV Wireless</b><br>The conversion of CCTV to wireless operation, is now subject to further review before the project commences.  |                                | (293)                           | (293)                    |
| <b>Total Slippage to Future Years</b>   |                                | (293)                           | (293)                    |
| <b>Slippage From Future Years</b>   |                                |                                 |                          |
| Green-House<br>The tenancy at the Green-House in St Neots will end in September, as a result the sale of the property has been brought forward from 2015/16.                                |                                | (180)                           | (180)                    |
| <b>Total Slippage From Future Years</b>   |                                | (180)                           | (180)                    |
| <b>Forecast net spending</b>  | <b>4,623</b>                   | <b>5,879</b>                    | <b>1,256</b>             |

## 5. ZERO BASED BUDGETING

### ZBB Supporting the Corporate Plan

5.1 Zero Based Budgeting is a practical method of reviewing service provision and identifying necessary shifts in resource allocations. The main thrust of the process is to continually refocus funding on the key business objectives and to terminate or scale back any activities that no longer relate to those aims. A concise definition of ZBB would be:

“a method of budgeting in which all expenses must be justified for each new period.”

5.2 The Corporate Plan 2014-16 identifies four strategic themes for the authority; namely:

- A strong local economy.
- Enabling sustainable growth.
- Working with our communities.

- Ensuring we are a customer focused and service led council.

5.3 These are our business objectives and the services we provide contribute to the achievement of those objectives to a greater or lesser extent. The service performance levels set out the results of employing differing levels of resource across these disparate services

### **ZBB and how it will work at HDC - strategic**

5.4 The paper to Cabinet by the Managing Director in September 2013 explored the various options for service delivery across all the council services. The detailed work that is now required is to identify the impact of changes in individual service delivery models on the budget for 2015/16.

5.5 The outcome from this process will be only as good as the managers commitment to it and members appetite for changes to “the way we do things”.

5.6 Importantly the ZBB process is not the exclusive responsibility of the finance team. It is a vehicle whereby managers can become more familiar with the consequences of their decisions and it is vital that all decision makers are involved, understand the process and are committed to the overall objective of the process, as well as their part in it, by providing data and arguments concerning “their” services.

5.7 So what is needed to undertake a comprehensive ZBB operation?

- An up to date corporate plan
- Management commitment to the process
- A structured timetable for each part of the process
- Ambitious targets for resource reallocation
- Identification of robust measures of outcomes for each service
- Service prioritisation
- Common documentation and “scoring” system
- A robust review process
- Star chamber for appeals

### **ZBB and Activity to Date**

5.8 To date, the following activity has been undertaken:

- Appointment of external “on-site” specialist who will lead the ZBB process.

This is an experienced local government finance specialist, a former Chief Executive and Chief Financial Officer who has broad local government experience in both financial and management accounting.

- Appointment of external strategic financial expertise.

The appointment of Pixel Financial Consulting will strengthen this approach they are expert providers of local government funding

forecasting models and have significant financial budgeting expertise. They also work very closely with the Chartered Institute of Public Finance and Accountancy and provide their services to all levels of local government.

➤ Identification of ZBB Services

Reflecting past services issues and constraints, the following services have been selected for ZBB “Heavy”:

- One Leisure
- Car Parks
- Environmental Protection (including Animal Welfare and Pest Control)
- Open Spaces (including Parks)
- Resources

The “ZBB heavy” review will entail forensic review of budgets against Council and Service priorities and Outcome measures. Each service is expected to take around 10-days and each is supported with a dedicated resource from within the Accountancy Team who will act as their “critical friend”.

All other services will receive a “ZBB light” review; this will still be a detailed budget review but will be less in-depth than the “heavy” reviews.

➤ Development of Project Plan

A Gantt Chart is attached at **Appendix 2**, this details the reviews programme.

➤ Review current outturn and budgets to establish those items of expenditure and income that can be easily isolated and ringfenced.

Commenced and the findings to date include:

- Staff briefing for Finance
- Initial meetings with Service Heads in respect of ZBB heavy
- A comprehensive review of staffing costs 2014-15
- Comparison between 2013-14 out turn and the 2014-15 budget

## **6. LEGAL IMPLICATIONS**

6.1 No direct, material legal implications arise out of this report.

## **7. RESOURCE IMPLICATIONS**

7.1 The resource implications are noted within this report.

### **LIST OF APPENDICES INCLUDED**

Appendix 1 – Financial Performance Monitoring Suite  
Appendix 1a – Forecast Performance  
Appendix 1b – Head of Service Corporate Budget Monitoring  
Appendix 1c – Achievement of Facing the Future and other savings



Appendix 1d – Financial Dashboard (August 2014)  
Appendix 2 – ZBB Gantt chart

## **BACKGROUND PAPERS**

Working papers in Resources & Accountancy

## **CONTACT OFFICER**

Clive Mason, Head of Resources



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## FINANCIAL PERFORMANCE MONITORING SUITE

August 2014

### CONTENTS

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| 4. 2014/15 Achievement of Savings Forecast.....             | 7  |
| 5. Financial Dashboard.....                                 | 14 |

Clive Mason  
Head of Resources

**Prepared By:**  
David Ablett  
Interim Accountancy Manager

## Headlines – Financial Performance

The 2014/15 financial performance of the Council, based on August 2014 actual, is as follows:

- Page 3
  - Forecast net spending is £20.7 million which is some £170k less than the original budget.
  - Forecast contribution from reserves is £0.8million which is £400k less than originally budgeted.
- Page 4
  - If 2014/15 carry-forward requests did not proceed, forecast spend would be £20.9m and the use of reserves would be £1.08m.
- Page 13
  - Of the £2.9m savings included in the 2014/15 budget £2.77m are forecast to be achieved. The total for Facing the Future are £1.571m identified potential savings of which £1.453m are expected to be delivered.
- Page 16
  - The forecast net capital programme is £6.2 million which includes £1.9 million expenditure which slipped from 2013-14.
- Page19
  - Currently the underspending on the Council Tax Support Scheme is £0.053 million.
- Page20
  - Current indications are showing Non Domestic Rates receipts marginally above budget; however these remain volatile due to the potential impact on the valuation list of appeals (and a number remain unresolved at this time) and new valuations.
  - In addition to the NDR collected a government grant forecast at £0.660m will be received for new burdens in respect of Non Domestic Rates.
- Page 21
  - The number of “new homes” Band D equivalent properties is ahead of target by 137 properties. A potential increase of £0.164 million in New Homes Bonus.

# Appendix 1a

## Huntingdonshire District Council

### - Forecast against Original & Updated Budget - Impact on General Fund Balance

|   | August 2014             |                        |                  |                         | Forecast Variation Compared to |        |
|---|-------------------------|------------------------|------------------|-------------------------|--------------------------------|--------|
|   | Original Budget<br>£000 | Updated Budget<br>£000 | Forecast<br>£000 | Original Budget<br>£000 | Updated Budget<br>£000         | %      |
| <b>Forecast Outturn</b>                   |                         |                        |                  |                         |                                |        |
| <b>Budget Total (Net Expenditure)</b>     | 20,870                  | 21,113                 | 20,699           | (171)                   | (414)                          | (2.0)  |
| Use of Reserves                           | (1,005)                 | (1,248)                | (834)            | 171                     | 414                            | (33.2) |
| <b>Budget Requirement</b>                 | <b>19,865</b>           | <b>19,865</b>          | <b>19,865</b>    |                         |                                |        |
| Financing:                                |                         |                        |                  |                         |                                |        |
| - Collection Fund                         | (21)                    | (21)                   | (21)             |                         |                                |        |
| - Government Grant (Non-Specific)         | (12,206)                | (12,206)               | (12,206)         |                         |                                |        |
| <b>Council Tax for Huntingdonshire DC</b> | <b>7,638</b>            | <b>7,638</b>           | <b>7,638</b>     |                         |                                |        |

| <b>Impact on Reserves</b>           |                         |                        |                  |                         |                        |            |
|-------------------------------------|-------------------------|------------------------|------------------|-------------------------|------------------------|------------|
|                                     | Original Budget<br>£000 | Updated Budget<br>£000 | Forecast<br>£000 | Original Budget<br>£000 | Updated Budget<br>£000 | %          |
| <b>General Fund Reserves</b>        |                         |                        |                  |                         |                        |            |
| - 31st March 2014                   | 9,027                   | 9,027                  | 8,684 (A)        | (343)                   | (343)                  | (3.8)      |
| Use of Reserves                     | (1,005)                 | (1,248)                | (834)            |                         |                        |            |
| <b>Outturn General Fund Reserve</b> | <b>8,022</b>            | <b>7,779</b>           | <b>7,850</b>     | <b>(172)</b>            | <b>71</b>              | <b>0.9</b> |
| - 31st March 2015                   |                         |                        |                  |                         |                        |            |

#### Definitions

- Original Budget
  - Updated Budget
  - (A)
- As approved by Council, February 2014.  
The Original Budget, updated for brought forward projects from 2013/14.  
Actual General Fund Balance as at 31 March 2014.

Memorandum Item - to show impact on the General Fund Balance if currently approved 2013/14 Carried Forward expenditure was not carried forward to 2014/15

|  | August 2014             |                        |                  | Forecast Variation Compared to Original Budget<br>£000 | %          |
|--|-------------------------|------------------------|------------------|--|------------|
|  | Original Budget<br>£000 | Updated Budget<br>£000 | Forecast<br>£000 |  |            |
| <b>Forecast Outturn</b>                    |                         |                        |                  |  |            |
| Budget Total (Net Expenditure)             | 20,870                  | 21,113                 | 20,699           |  |            |
| Expenditure that has been carried-forward  |                         | 246                    | 246 (B)          |  |            |
| <b>Budget Total if Expenditure not c/f</b> | <b>20,870</b>           | <b>21,359</b>          | <b>20,945</b>    | <b>75</b>  | <b>0.4</b> |
| Use of Reserves                            | (1,005)                 | (1,494)                | (1,080)          | (75)   | 7.5        |
| <b>Budget Requirement</b>                  | <b>19,865</b>           | <b>19,865</b>          | <b>19,865</b>    |  |            |
| Financing:                                 |                         |                        |                  |  |            |
| - Collection Fund                          | (21)                    | (21)                   | (21)             |  |            |
| - Government Grant (Non-Specific)          | (12,206)                | (12,206)               | (12,206)         |  |            |
| <b>Council Tax for Huntingdonshire DC</b>  | <b>7,638</b>            | <b>7,638</b>           | <b>7,638</b>     |  |            |

| <b>Impact on Reserves</b>                    |              |              |
|--|--------------|--------------|
| - 31st March 2014                            | 9,027        | 8,684 (A)    |
| Use of Reserves                              | (1,005)      | (1,080)      |
| <b>Adjusted Outturn General Fund Balance</b> | <b>8,022</b> | <b>7,604</b> |
| - 31st March 2015                            |              | (418)        |
|  |              | (5.2)        |

**Definitions**

- Original Budget
  - Updated Budget
  - (A)
  - (B)
- As approved by Council, February 2014.  
 The Original Budget, updated for brought forward projects from 2013/14.  
 Actual General Fund Balance as at 31 March 2014.  
 Carried Forward Expenditure to 2014/15

HEAD OF SERVICE SUMMARY

August 2014

| Service          | Head of Service          | Original Budget | Updated Budget | Forecast | Variation Forecast to Updated Budget | Summary Comments (the following are "consolidated" comments for each service)  | Saving or Overspend Attributable to |         |           |                  |       |
|------------------|--------------------------|-----------------|----------------|----------|--------------------------------------|--|-------------------------------------|---------|-----------|------------------|-------|
|                  |                          |                 |                |          |                                      |  | 2013/14                             | 2014/15 |           |                  |       |
|                  |                          | £000            | £000           | £000     | £000                                 |  | Delayed spend                       | Savings | Overspend | Targeted Savings | Other |
|                  |                          | £000            | £000           | £000     | £000                                 |  | £000                                | £000    | £000      | £000             | £000  |
| Leisure & Health | Head of Leisure & Health | (1,622)         | (1,251)        | (956)    | 295                                  | <b>Overspend</b><br>One Leisure St lves following the redevelopment, income is increasing at a slower rate than anticipated and business rates are higher than anticipated.  | 0                                   | 0       | 295       | 0                | 0     |
| Community        | Head of Community        | 2,798           | 2,913          | 2,787    | (60)                                 | <b>Savings</b><br>Voluntary redundancy<br>Vacant posts<br>Licensing increased fees & reduced costs   | 0                                   | (110)   | 50        | 0                | 0     |
| Development      | Head of Development      | 1,785           | 1,863          | 1,587    | (259)                                | <b>Savings</b><br>Staff vacancies<br>Wireless camera saving deferred pending technical review  | 0                                   | (259)   | 0         | 0                | 0     |
| Operations       | Head of Operations       | 5,455           | 5,327          | 5,190    | (137)                                | <b>Savings</b><br>Transport maintenance and running costs<br>Pathfinder House business rates saving and refund<br>Cash collection from car parks<br>Staff vacancies<br><b>Overspend</b><br>Pensions costs<br>Cafe income shortfall | 0                                   | (230)   | 93        | 0                | 0     |

| August 2014  |                           |                 |                |               |                                      |   |                                     |         |           |                  |   |
|--|---------------------------|-----------------|----------------|---------------|--------------------------------------|---|-------------------------------------|---------|-----------|------------------|---|
| Service  | Head of Service           | Original Budget | Updated Budget | Forecast      | Variation Forecast to Updated Budget | Summary Comments  | Saving or Overspend Attributable to |         |           |                  |   |
|  |                           |                 |                |               |                                      |   | 2013/14                             | 2014/15 | Other     |                  |   |
|  |                           | £000            | £000           | £000          | £000                                 |   | Delayed spend                       | Savings | Overspend | Targeted Savings |   |
|  |                           | £000            | £000           | £000          | £000                                 |   | £000                                | £000    | £000      | £000             |   |
| Customer Services  | Head of Customer Services | 4,935           | 5,080          | 5,018         | (62)                                 | <b>Overspend</b><br>Agency staff funded form additional grant (see Head of Resources)   | (59)                                | (47)    | 43        | 0                | 0 |
| Resources  | Head of Resources         | 5,873           | 4,587          | 4,599         | 12                                   | <b>Savings</b><br>Additional grants (partially offset by expenditure see Customer Services)<br>Training and overtime underspend                                 | 0                                   | (88)    | 0         | 0                | 0 |
| Corporate Team   | Corporate Team Manager    | 2,258           | 3,203          | 3,054         | (149)                                | <b>Savings</b><br>Reduced payment for historic pension increases<br>Member expenses for travel and phones under budget<br>Increased volume of Land Charges fees | 0                                   | (182)   | 33        | 0                | 0 |
| <b>Service Total</b>   |                           | <b>21,482</b>   | <b>21,722</b>  | <b>21,279</b> | <b>(360)</b>                         |   | (59)                                | (916)   | 514       | 0                | 0 |
| Technical adjustments for Revenue to Capital and Recharges in Controllable Expenditure |                           | (612)           | (609)          | (580)         | 29                                   |   |                                     |         |           |                  |   |
| <b>Budget Net Expenditure</b>  |                           | <b>20,870</b>   | <b>21,113</b>  | <b>20,699</b> | <b>29</b>                            |   |                                     |         |           |                  |   |



## Appendix 1c

### 2014/15 Forecast For Savings Items In the Budget (Forecast Outturn based on Period to Date Actual and estimated service costs/income to the end of the financial year.)

| Scheme   | Service     | MTP Target<br>£000 | Savings Achieved<br>(based on Forecast Outturn)<br>£000 | Savings Achieved<br>(based on Forecast Outturn)<br>% | (Over) or Under<br>Achievement<br>of Savings<br>£000 | Commentary   |
|--|-------------|--------------------|---|--|--|--|
| Wireless CCTV<br>CCTV Shared Service   | Community   | (88)               | (47)  | 53%  | 41   | Wireless CCTV project deferred whilst further feasibility and options review undertaken. Partially offset by reduced transmission costs. |
| Invest to save proposal (Highlode)<br>Increase income from proactive management of commercial estate | Development | (43)               | 0   | 0%   | 43   | Highlode slippage due to protracted negotiation, awaiting income forecast to demonstrate whether remaining saving being achieved         |
| Operations management & administration savings<br>Operations management efficiency saving            | Operations  | (101)              | (70)  | 69%  | 31   | Saving delayed awaiting CRM implementation and review of management structure but sine compensating transport savings                    |
| Funded support for Local Enterprise Partnership  | Development | (43)               | (30)  | 70%  | 13   | Agreed fee less than anticipated   |

|  |                   |      |      |      |    |   |
|--|-------------------|------|------|------|----|---|
| One Leisure card annual fee  | Leisure & Health  | (45) | (32) | 71%  | 13 | Changes to be introduced November - 2 months later than MTP assumed, may still achieve expected savings |
| Document Centre office costs & post room savings<br>Document Centre efficiency and external work                     | Customer Services | (30) | (18) | 60%  | 12 | Ongoing savings programme, further savings will be investigated   |
| Energy saving equipment  | Operations        | (10) | 0    | 0%   | 10 | No equipment installed yet  |
| Review advantage package   | Leisure & Health  | (25) | (18) | 72%  | 7  | New staff structure implemented   |
| Fixed penalty notices for dog fouling & littering  | Operations        | (5)  | 0    | 0%   | 5  | Implementation not progressed   |
| Referral fees action on energy scheme  | Operations        | (10) | (5)  | 50%  | 5  | Take up of scheme slow, mild winter and seasonal effect   |
| Overview and Scrutiny Panel reduce budget provision<br>Committee savings   | Corporate Team    | (8)  | (6)  | 75%  | 2  | Saving on Town Parish support not resolved.   |
| Review pest control service  | Community         | (38) | (38) | 100% | 0  |   |
| Health & safety contract   | Community         | (9)  | (9)  | 100% | 0  |   |
| ECHS income generation   | Community         | (19) | (19) | 100% | 0  |   |
| Street naming and numbering savings  | Community         | (32) | (32) | 100% | 0  |   |
| Management/Equalities/Community Strategy saving<br>COMT support and training saving<br>Corporate Office costs saving | Corporate Team    | (75) | (75) | 100% | 0  |   |

|   |                   |       |       |      |     |
|---|-------------------|-------|-------|------|-----|
| Elections efficiency savings & improved cost recovery | Corporate Team    | (2)   | (2)   | 100% | 0   |
| Reduction in cost of print                            | Customer Services | (27)  | (28)  | 104% | (1) |
| NNDR discretionary relief                             | Customer Services | (30)  | (30)  | 100% | 0   |
| Reduce hours at Huntingdon Customer Service Centre    | Customer Services | (7)   | (7)   | 100% | 0   |
| Development Management implement e-consultation       | Development       | (2)   | (2)   | 100% | 0   |
| Development Management recover consultants costs      | Development       | (1)   | (1)   | 100% | 0   |
| Listed building conservation grants                   | Development       | (37)  | (37)  | 100% | 0   |
| Integration of Housing Strategy with Planning Policy  | Development       | (25)  | (10)  | 40%  | 15  |
| Selling planning expertise to other Las               | Development       | (20)  | (20)  | 100% | 0   |
| Leisure savings target                                | Leisure & Health  | (228) | (228) | 100% | 0   |
| OL reduce use of external contractors                 | Leisure & Health  | (2)   | (2)   | 100% | 0   |
| Recycling gate fees                                   | Operations        | (51)  | (51)  | 100% | 0   |
| Car park income                                       | Operations        | (18)  | (18)  | 100% | 0   |

Council wide cost saving.

Scheme not progressed - but Planning staff vacancies will offset this

|   |                |                |                |            |            |   |
|---|----------------|----------------|----------------|------------|------------|---|
| Mobilising local energy investment funding  | Operations     | (15)           | (15)           | 100%       | 0          |   |
| Energy & water use audits   | Operations     | (2)            | (2)            | 100%       | 0          |   |
| Outsource/shared legal service  | Resources      | (17)           | (17)           | 100%       | 0          |   |
| Margin on loans to RSLs etc   | Resources      | (21)           | (21)           | 100%       | 0          |   |
| No grants to Towns/parishes re housing support  | Resources      | (357)          | (357)          | 100%       | 0          |   |
| Group life insurance  | Resources      | (21)           | (21)           | 100%       | 0          |   |
| Licensing review attribution of costs   | Community      | (6)            | (15)           | 250%       | (9)        | Cost attribution based price increases and increased volume of licences |
| DECC communities funding  | Operations     | (16)           | (26)           | 163%       | (10)       | More funding received than expected                                     |
| Members allowances auto index mechanism<br>Member support training and office savings | Corporate Team | (15)           | (31)           | 207%       | (16)       | Additional forecast telephone and travel savings                        |
| Street cleaning savings<br>Withdraw graffiti removal & fly posting service            | Operations     | (70)           | (113)          | 161%       | (43)       | Vacancies and additional ongoing transport savings                      |
| <b>Subtotal Facing The Future Savings</b>   |                | <b>(1,571)</b> | <b>(1,453)</b> | <b>92%</b> | <b>118</b> |   |

|   |                   |       |       |      |      |  |
|---|-------------------|-------|-------|------|------|--|
| St Ivo LC redevelopment                                 | Leisure & Health  | (116) | 98    | -84% | 214  | Income growth currently slower than anticipated but may pick up throughout the year.             |
| Outsourced/shared IT                                    | Customer Services | (80)  | 0     | 0%   | 80   | Being progressed but delayed due to change in strategy from outsourcing to strategic partnership |
| Outsource/shared revenues and benefits                  | Customer Services | (50)  | (38)  | 76%  | 12   | Delays in outsourcing partially offset by vacancies.   |
| New industrial units                                    | Development       | (5)   | 2     | -40% | 7    | Insurance premium increase not recoverable from tenants  |
| Delete Arts Development budget                          | Community         | (11)  | (11)  | 100% | 0    |  |
| Reduced bus shelter & environmental improvements budget | Community         | (20)  | (20)  | 100% | 0    |  |
| Reduced project & assets Development Management budget  | Community         | (25)  | (25)  | 100% | 0    |  |
| Legal and Democratic budget reduction                   | Corporate Team    | (22)  | (22)  | 100% | 0    |  |
| Local Taxation & Benefits cost of post office payments  | Customer Services | (5)   | (25)  | 500% | (20) | Additional savings now expected  |
| Lower debt provision contributions                      | Customer Services | (177) | (177) | 100% | 0    |  |
| Recovery of Council tax benefit overpayments            | Customer Services | (10)  | (10)  | 100% | 0    |  |

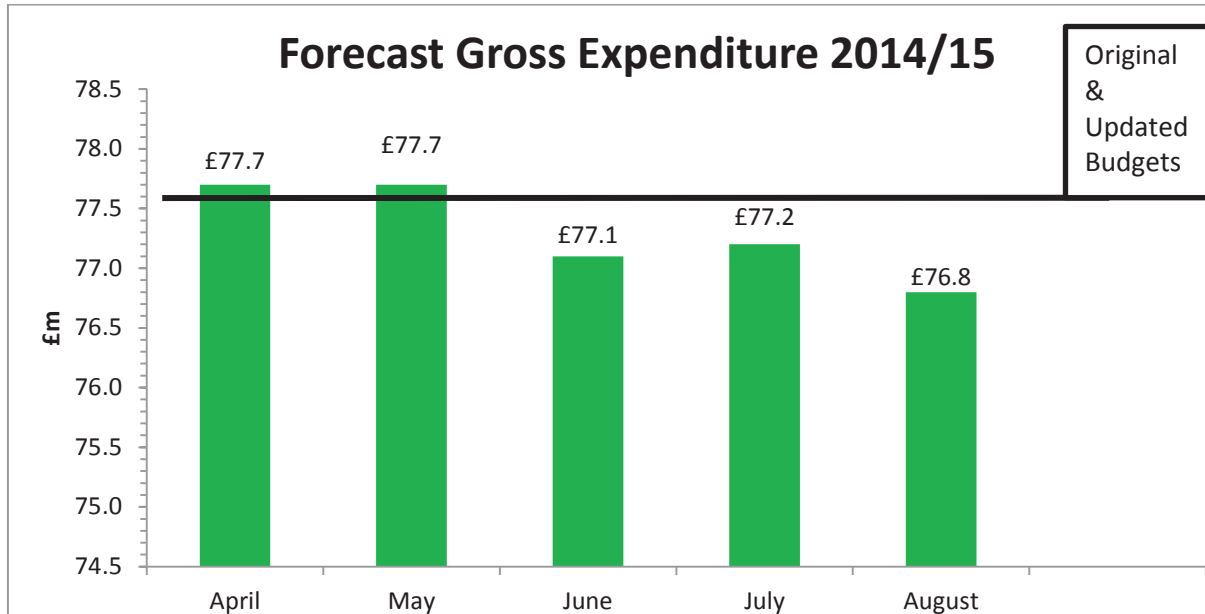
|  |                   |      |       |      |       |
|--|-------------------|------|-------|------|-------|
| Housing Services efficiency savings                                    | Customer Services | (5)  | (5)   | 100% | 0     |
| Mobile phones lower tariffs  | Customer Services | (20) | (20)  | 100% | 0     |
| Business systems<br>IMD savings & delivering customer service strategy | Customer Services | (44) | (44)  | 100% | 0     |
| Economic Development projected savings                                 | Development       | (20) | (20)  | 100% | 0     |
| CIL preparations   | Development       | (51) | (51)  | 100% | 0     |
| CIL staff related reorganisation                                       | Development       | (30) | (30)  | 100% | 0     |
| Planning & Housing strategy saving                                     | Development       | (17) | (17)  | 100% | 0     |
| Mobile Home Park income  | Development       | (8)  | (8)   | 100% | 0     |
| Planning staff savings (existing vacancies)                            | Development       | (50) | (210) | 420% | (160) |
| Replacement fitness equipment  | Leisure & Health  | (3)  | (3)   | 100% | 0     |
| Charge for second green bin  | Operations        | (5)  | (5)   | 100% | 0     |
| Nightsoil service no longer required                                   | Operations        | (11) | (11)  | 100% | 0     |
| Emergency planning budget savings                                      | Operations        | (23) | (23)  | 100% | 0     |
| Reduced parks repairs & renewals fund contribution                     | Operations        | (25) | (25)  | 100% | 0     |

Vacant posts have increased the saving this year and this is more than off-setting Bid 1071 above.

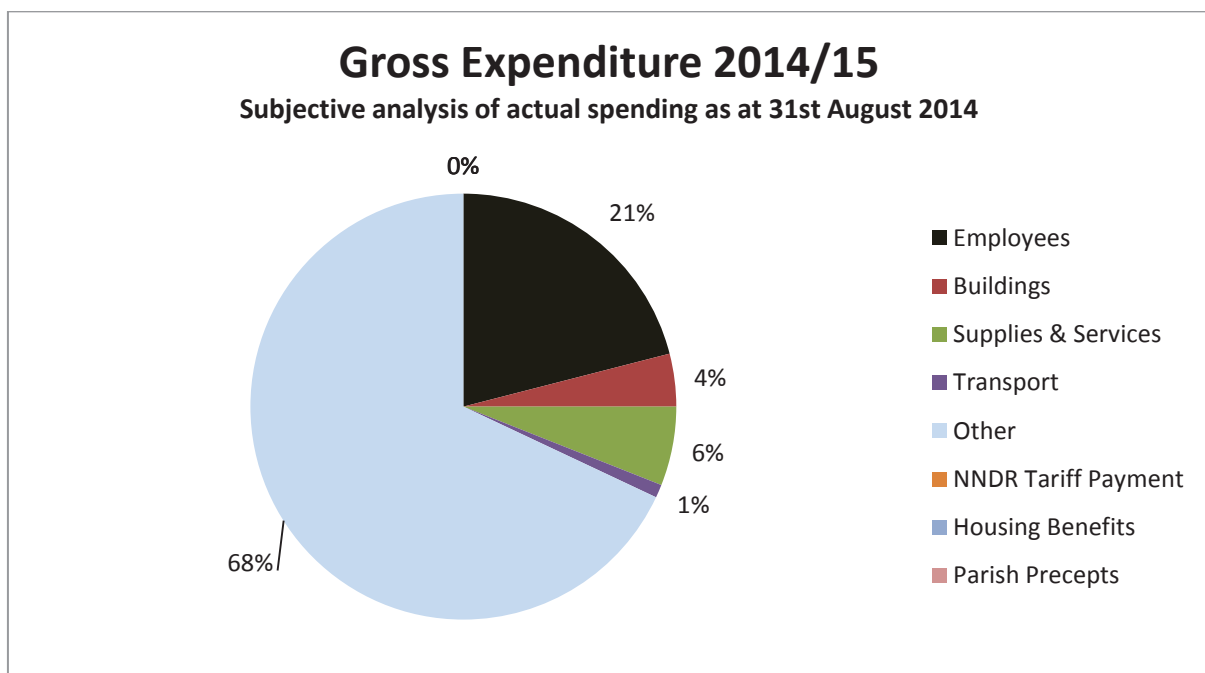
|   |                |                |                |            |            |   |
|---|----------------|----------------|----------------|------------|------------|---|
| Environment Team projects - reduced base budget       | Operations     | (42)           | (42)           | 100%       | 0          |   |
| Reduced Facilities Management costs                   | Operations     | (85)           | (85)           | 100%       | 0          |   |
| Environmental Management reduction in training budget | Operations     | (3)            | (3)            | 100%       | 0          |   |
| Huntingdonshire Regional College loan                 | Resources      | (146)          | (146)          | 100%       | 0          |   |
| Saving external audit fee                             | Resources      | (50)           | (50)           | 100%       | 0          |   |
| Corporate advertising opportunities                   | Resources      | (20)           | (20)           | 100%       | 0          |   |
| Reduce training budgets                               | Resources      | (20)           | (20)           | 100%       | 0          |   |
| Land Charges market service, review fees & charges    | Corporate Team | (13)           | 18             | -138%      | 31         | Settlement of legal dispute - one off cost.   |
| Environment Team projects - budget reduction          | Operations     | (27)           | (37)           | 137%       | (10)       | Extra savings on projects budget  |
| Pensions increase saving                              | Corporate Team | (30)           | (44)           | 147%       | (14)       | Further reduction in payment  |
| Parking budget saving                                 | Operations     | (16)           | (45)           | 281%       | (29)       | Cash collection saving (£20,000) ongoing, variation between accrual actual (£8,582) one off |
| Reorganisation senior managers                        | Corporate      | (50)           | (143)          | 286%       | (93)       |   |
| <b>Subtotal Other Savings</b>                         |                | <b>(1,335)</b> | <b>(1,317)</b> | <b>99%</b> | <b>18</b>  |   |
| <b>Total All Savings</b>                              |                | <b>(2,906)</b> | <b>(2,770)</b> | <b>95%</b> | <b>136</b> |   |

## Financial Dashboard (August 2014)

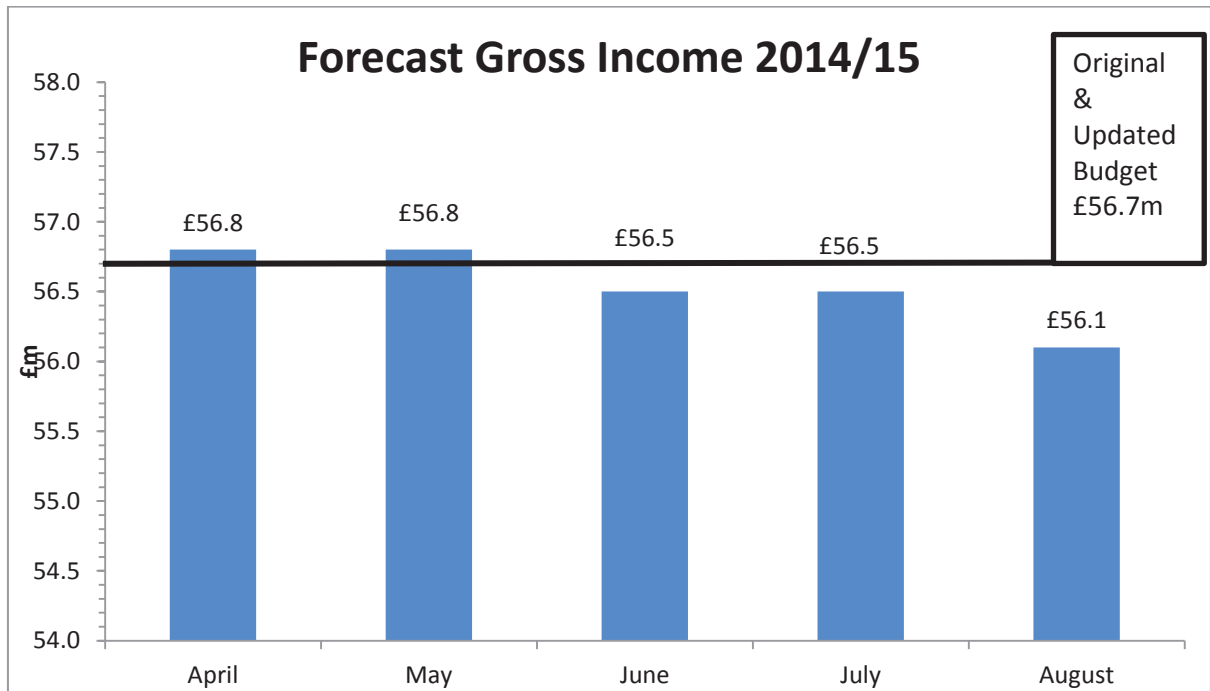
### Revenue Income & Expenditure



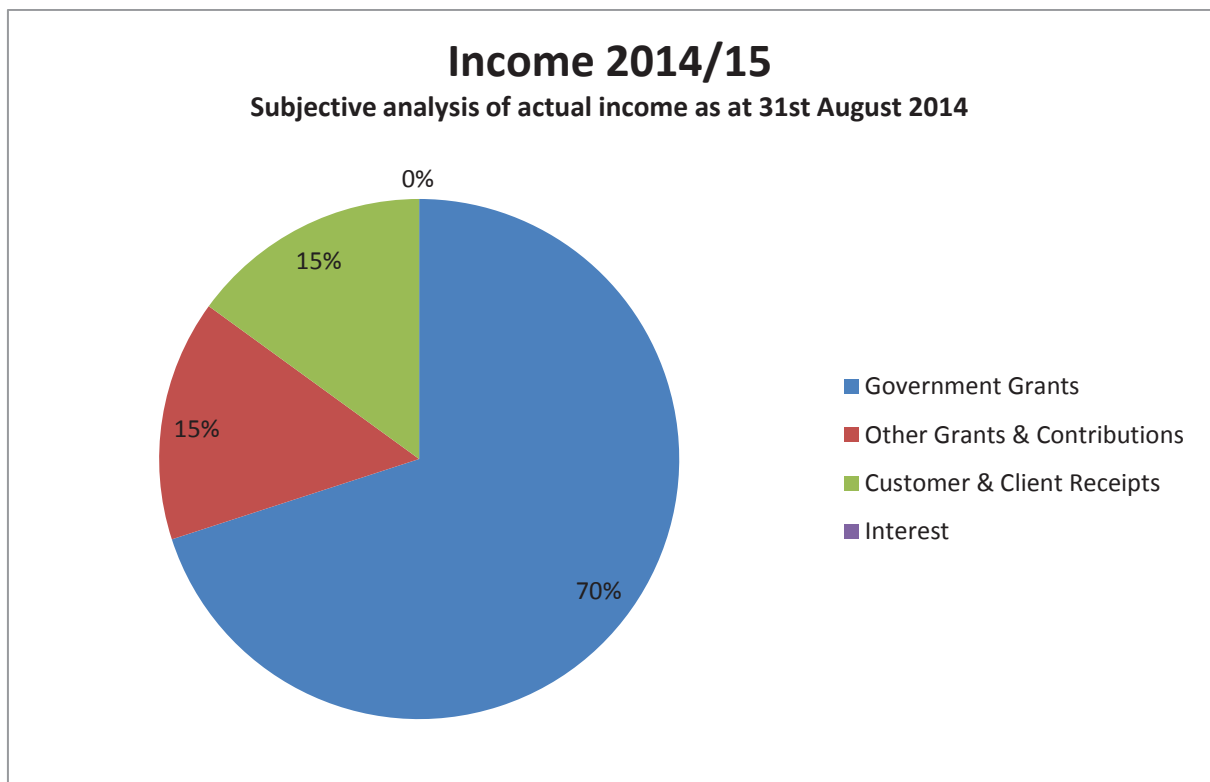
The increase in expenditure between June and July is due to a revised forecast in expenditure savings at Leisure centres and the CCTV wireless camera saving being deferred.

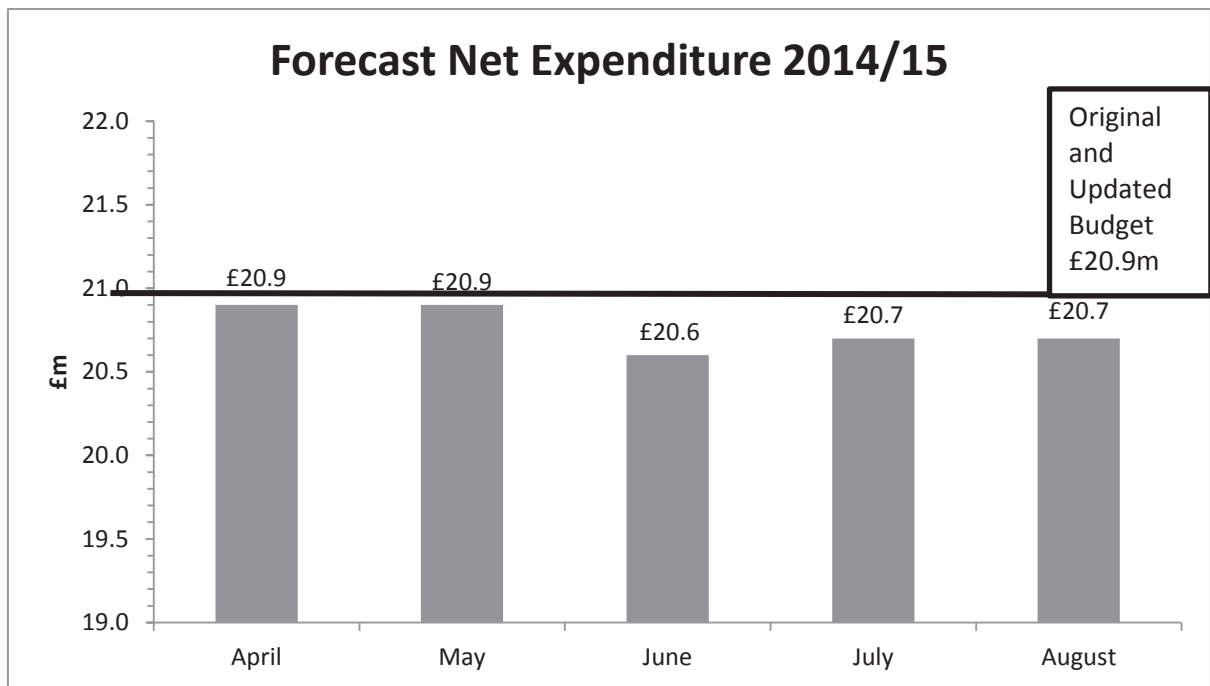




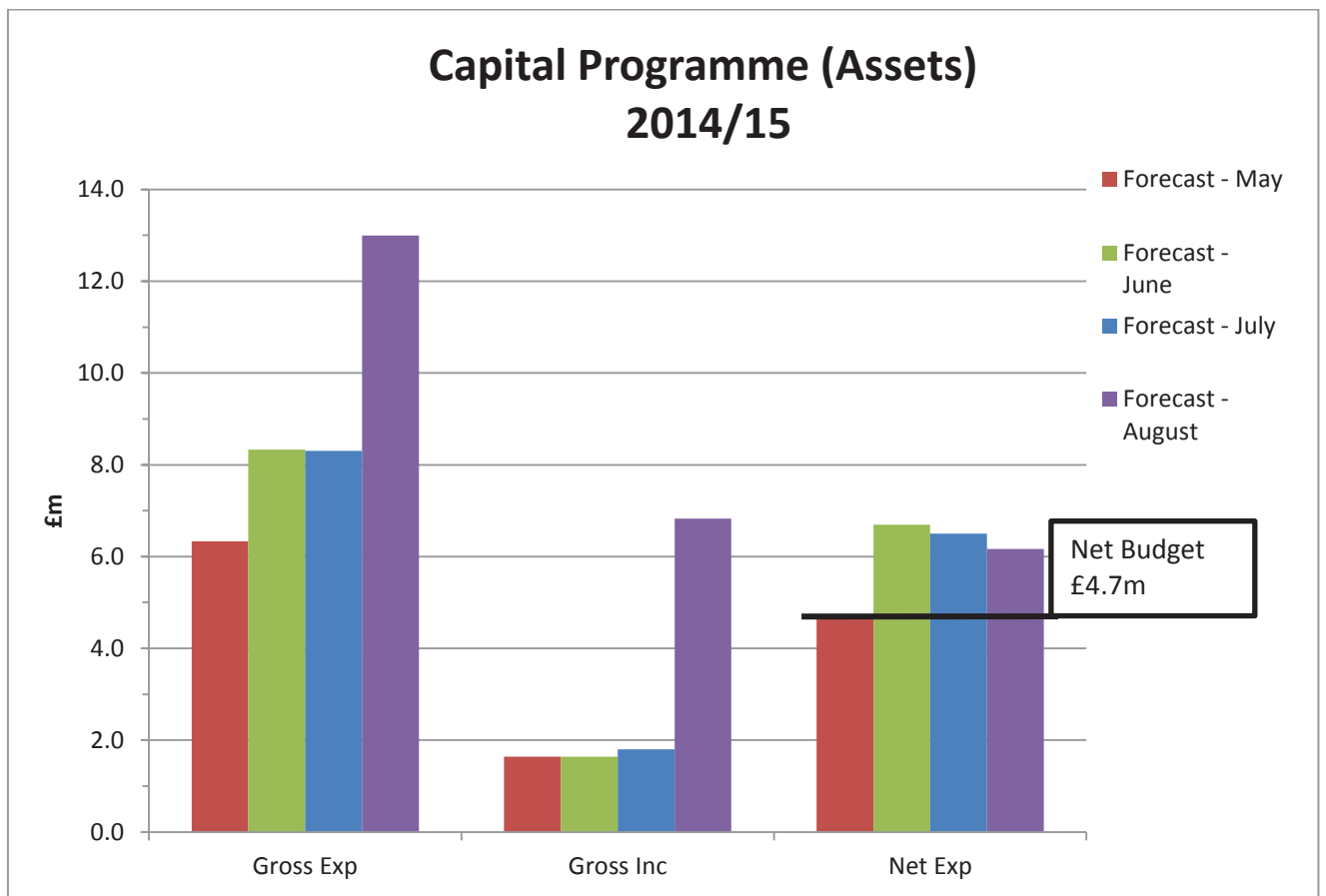


The reduction in forecast income from May to June is due to a revised projection for the Ivo Leisure Centre.





## Capital Programme (Property, Plant & Equipment)



The increase in August reflects the receipt of £5m funding from DCLG for Alconbury Weald that will then be “passported” by way of Capital Grant to the Enterprise Zone.

| <b>Highlights Of Budget Changes From Last Month</b> |                |
|---|----------------|
|   | <b>£000</b>    |
| <b>Gross Budget July</b>                            | <b>8,267</b>   |
| Remove Capital Inflation                            | (68)           |
| Changes in Forecast Expenditure                     | (262)          |
| Slippage to Next Year                               | (228)          |
| Slippage From Next Year                             | 0              |
| Revenue to capital transfers (revenue benefit)      | 0              |
| New Scheme Funded From Contributions                | 5,000          |
| <b>Gross Budget - August</b>                        | <b>12,709</b>  |
| <br>  |                |
| <b>Contributions and Grants - July</b>              | <b>(1,830)</b> |
| Slippage  | 0              |
| Slippage From Next Year                             | 0              |
| New Scheme Funding                                  | (5,000)        |
| <b>Contributions and Grants - August</b>            | <b>(6,830)</b> |
| <br>  |                |
| <b>Net Capital Programme</b>                        | <b>5,879</b>   |

The additional £5.0m expenditure and grant income in the table above relates to the Alconbury Enterprise Zone with a nil impact on the net capital programme.

The table below shows that the biggest single item that will be used to finance the 2014/15 capital expenditure is working capital (a mix of loans, investments, debtors, creditors and cash).

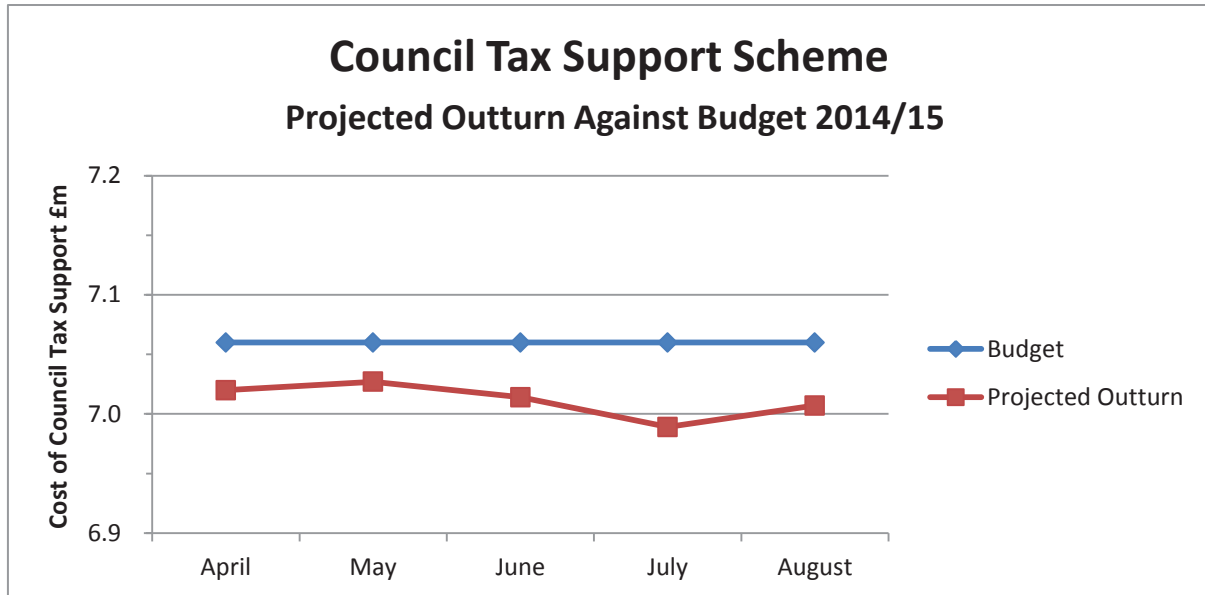
| <b>How the 2014/15 Forecast Capital Programme is expected to be financed</b> |               |
|--|---------------|
|  | <b>£000</b>   |
| <b>Gross Expenditure</b>   | <b>12,709</b> |
| <b>Capital Programme: Source of Finance</b>                                  |               |
| - Grants and Contributions   | (6,830)       |
| <b>Net Capital Programme</b>   | <b>5,879</b>  |
| <br>   |               |
| <b>Other Sources of Finance</b>  |               |
| Capital Receipts (Right To Buy Clawback)                                     | (600)         |
| Capital Receipts Land Sales  | (200)         |
| Minimum Revenue Provision  | (1,623)       |
| Capital Grants Unapplied Reserve   | 0             |
| <br>   |               |
| <b>Borrowing (Working Capital)</b>   | <b>3,456</b>  |

| <b>Movement in Capital Financing</b>      |              |
|---|--------------|
|   | <b>£000</b>  |
| <b>Borrowing (Working Capital) - July</b> | <b>3,914</b> |
| Less Capital Receipts                     | 100          |
| Remove Capital                            |              |
| Inflation                                 | (68)         |
| Slippage from next year                   | 0            |
| Slippage to next year                     | (228)        |
| Changes in forecast expenditure           | (262)        |
| <b>Borrowing (Working Capital)</b>        | <b>3,456</b> |

| <b>What Has Changed from Net Budget to Net Forecast</b> |              |
|---|--------------|
|   | <b>£000</b>  |
| <b>Original Net Budget</b>                              | <b>4,691</b> |
| Remove Capital  |              |
| Inflation   | (68)         |
| Slippage From 2013/14                                   | 1,945        |
| Scheme Savings Additional Scheme                        | (269)        |
| Costs   | 53           |
| Revenue to Capital Transfers                            | 0            |
| Slippage to Future Years                                | (293)        |
| Slippage from Future Years                              | (180)        |
| <b>Net Forecast</b>                                     | <b>5,879</b> |

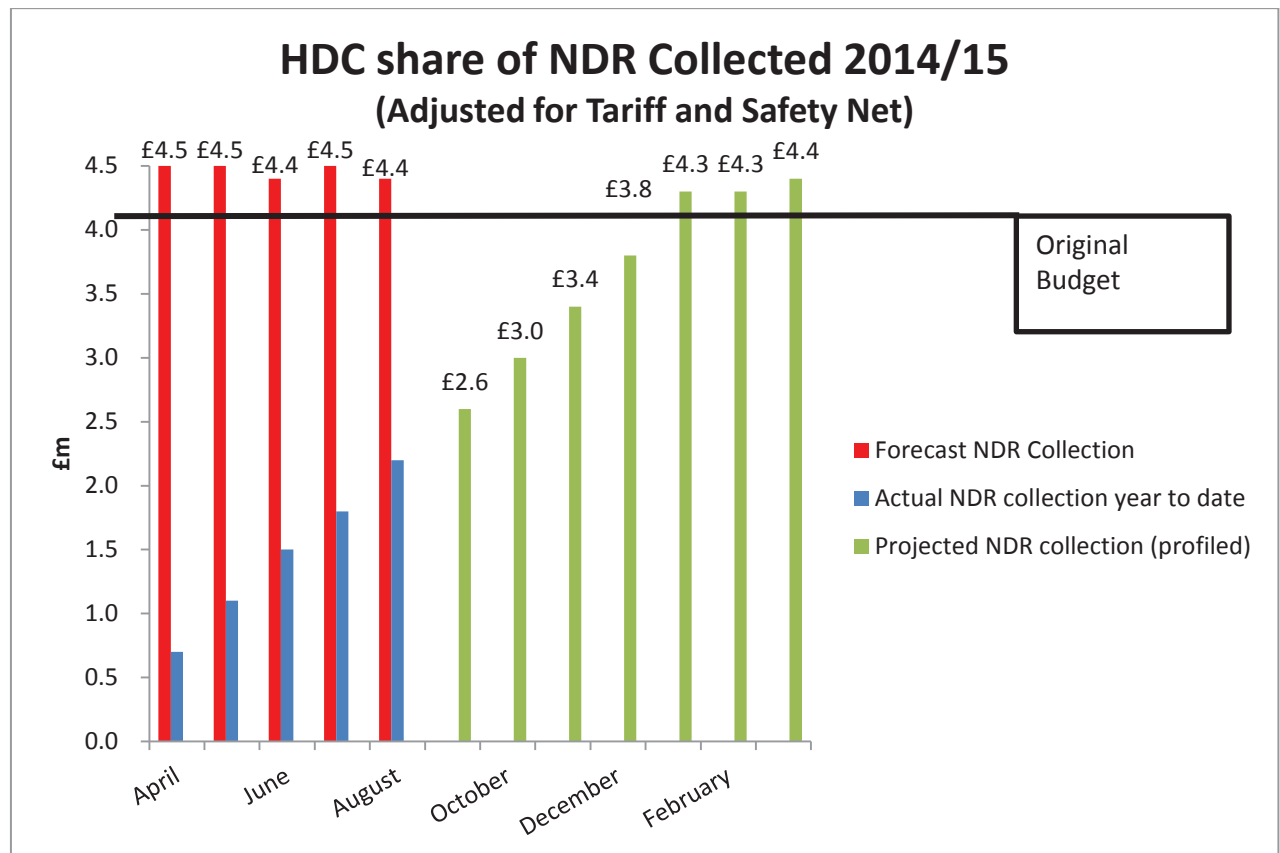
# Council Tax Support Scheme

Currently the take up of the Council Tax Support Scheme is less than planned by some £0.053 million reflecting a more buoyant local economy. Any 2014/15 saving due to the Support Scheme will impact in 2015/16.



The benefit to HDC will be proportionate to all Council Tax precepts (13.8% for HDC including parishes).

## Collection of NDR and Council Tax



Forecast variation to the original budget is £0.2m.

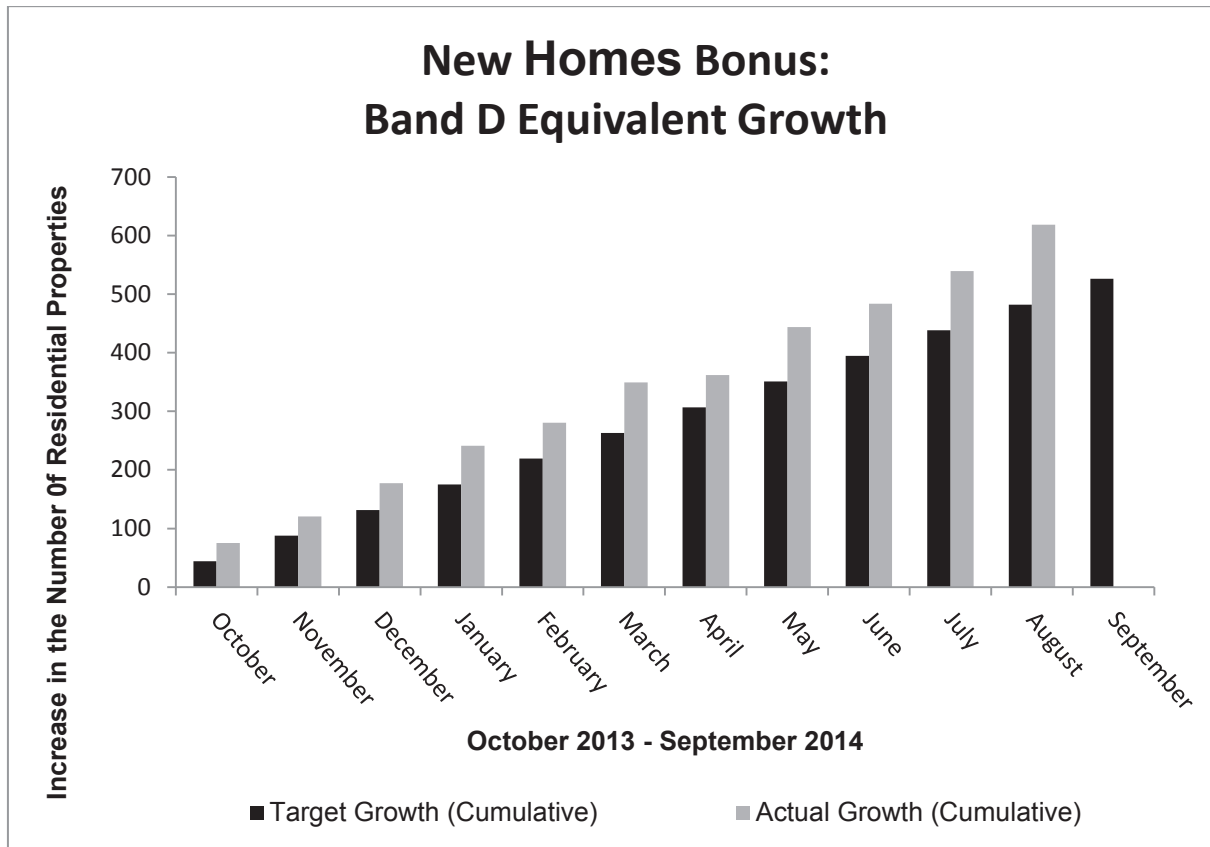
It should be noted that:

- any variance from the budget will impact in 2015/16.
- the localisation of NDR has made the modelling of collectable NDR problematic; this is due to the fact that the Valuation Office has a backlog of appeals which means the position is extremely volatile and further appeals will of necessity result in an amended forecast,
- the uncertainty as to when new premises will come into the valuation list further increases this volatility,

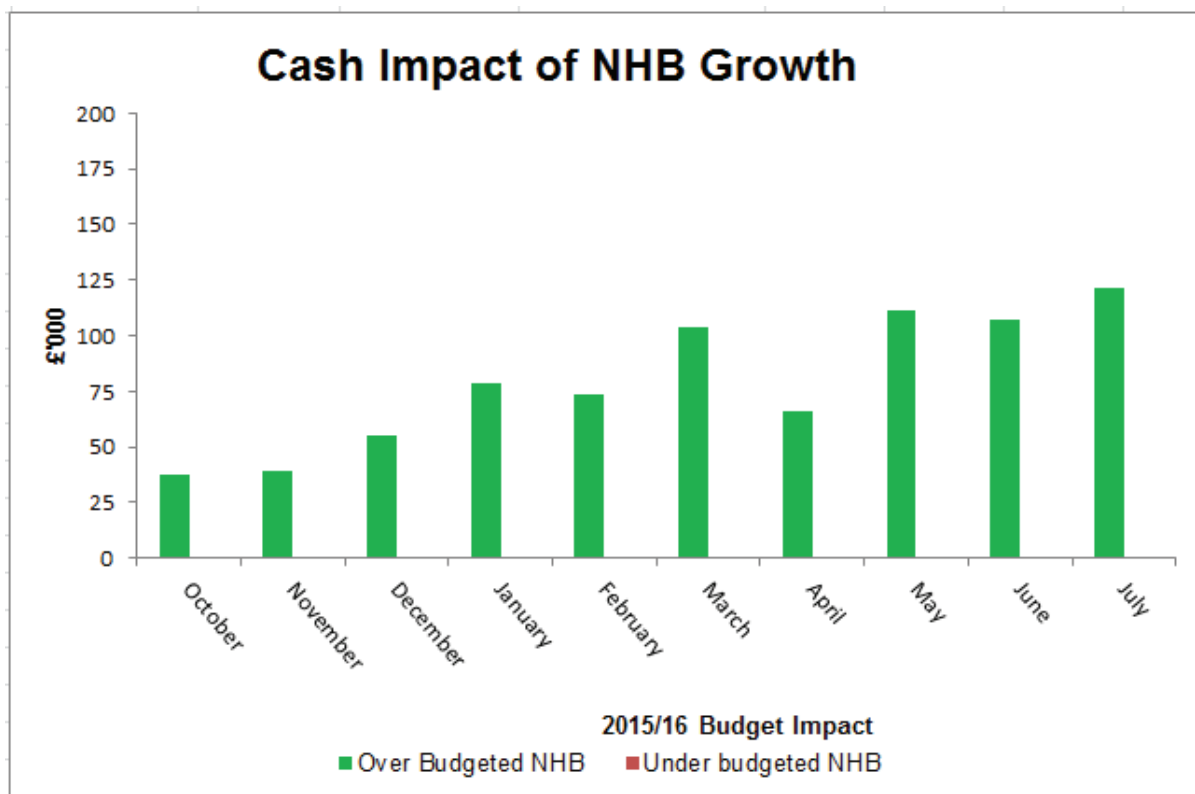
In addition to the forecast above, the Council will receive a grant estimated to be £0.660m for new burdens not allowed for in the central government's assumptions for sharing NDR.

The forecast reflects the actual liability for tax at the time of annual billing compared to the assumptions made at the time the tax base was set. The projection assumes 1% of tax due for 2014/15 will be collected during 2015/16.

## New Homes Bonus

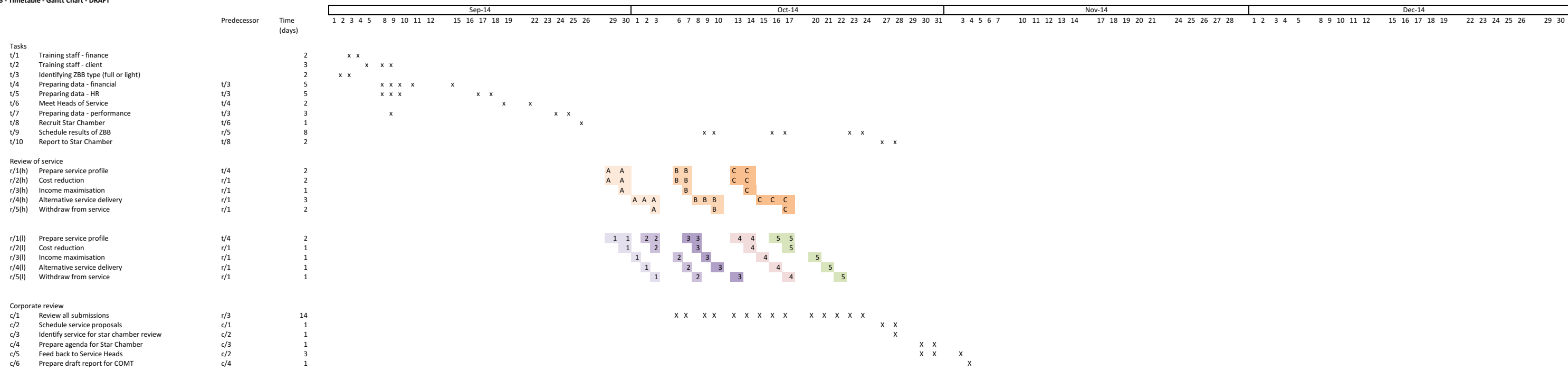


The New Homes Bonus reporting cycle is October to September; consequently any income will be attributable to 2015/16. The following forecasts exclude adjustments for long-term empty properties and affordable homes.



Pending confirmation from the Government the NHB value per property has been estimated at last years rate plus 2% inflation.





This is a revised gantt chart. The iterative development of the programme in a relatively short space of time has also allowed for the identification of the "heavy" ZBB services. After discussion with Service Heads they will be scheduled into the planning process (phases A, B and C) to complement staff availability and make best use of the knowledge and experience of managers. The ZBB light services are the remaining areas of activity within the Council and these will be included in one of the phases (1 to 5) set out below.

"Heavy" services include One Leisure, parks, car parks environmental health and finance. "Light" services will provide a re-focused approach to the usual budget cycle using the ZBB methodology to restate the budget.

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# Agenda Item 7

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

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**CURRENT ACTIVITIES**

| <b>STUDY</b>  | <b>OBJECTIVES</b>  | <b>PANEL</b>             | <b>STATUS</b>  | <b>TYPE</b>   |
|---|--|--------------------------|--|---------------|
| Delivery of Advisory Services Across the District                                     | To monitor the performance of the voluntary organisations awarded grant aid by the Council in 2013 – 2015.                       | Social Well-Being        | Annual performance report considered by Panel in June 2014.  | Working Group |
| Great Fen   | To monitor the developments in respect of the Great Fen.   | Environmental Well-Being | The Project Collaboration Agreement has been renewed for a further 5 year period. Site visit to be arranged with an invitation being extended to the Economic well-Being Panel. This will take place in November.  | Whole Panel.  |
| Housing and Council Tax Benefit Changes and the Potential Impact Upon Huntingdonshire | To monitor the effect of Government changes to the Housing Benefit System arising from the Welfare Reform Act.                   | Social Well-Being        | Six monthly reports to be presented to the Panel. Members of the Economic Well-Being Panel will be invited to attend. Next report to be considered at the Panel's December 2014 meeting.   | Whole Panel   |
| Flood Prevention within the District  | To investigate flood prevention arrangements in the District and the impact of flooding on associated local policy developments. | Environmental Well-Being | Representatives from the Environment Agency delivered a presentation on flood risk management within Huntingdonshire. A scoping report was considered by the Panel in April 2014 and a Working Group was appointed. The Chief Executive and Clerk to the Middle Level Commissioners delivered a presentation to the Panel's June 2014 meeting to outline their role with flood alleviation in the District. Meeting of the Working Group to be arranged. | Whole Panel.  |

|   |  |                          |  |               |
|---|--|--------------------------|--|---------------|
| Waste Collection Policies                                   | To assist the Head of Operations and Executive Member for Operations & Environment with reviewing waste collection policies in relation to the collection points for wheeled bins/sacks and remote properties (farms and lodges).                                | Environmental Well-Being | First meeting of Working Group held on 24 <sup>th</sup> June 2014. Further meeting to be arranged to consider the outcome of the survey work being undertaken by the Operations Division on affected properties and various other matters. | Working Group |
| Litter Policies and Practices (to include graffiti removal) | To be determined following receipt of scoping information.   | Environmental Well-Being | Head of Operations to address Panel on the Council's litter policies and practices – to include graffiti removal. Report to be presented to a future meeting.  | Whole Panel   |
| Affordable Housing  | To make recommendations for the next Housing Strategy 2016-19 by considering and making recommendations on ways to deliver affordable housing, including through the rural and enabled exceptions policy of the Local Plan and through the Community Land Trust. | Social Well-Being        | Second meeting held. Relevant potential policies in new Local Plan reviewed and recommendations made. Study programme agreed.  | Working Group |

## Progress Report

| <u>Panel Date</u> | <u>Decision</u>   | <u>Response</u>   | <u>Date for future action</u> |
|-------------------|---|---|-------------------------------|
| 04/06/14          | <p><b><u>Corporate Plan</u></b><br/>Councillors R Harrison and D Harty were appointed to the Corporate Plan Working Group.</p>  | <p><b>Performance monitoring information for Quarter 1 was presented to the Panel's September meeting. The next report is expected in November.</b></p>   | 06/011/14                     |
| 06/03/14          | <p><b><u>Capital and Revenue Monitoring</u></b><br/>The Chairman suggested that the Panel should have sight of the Capital &amp; Revenue Monitoring reports which are prepared for the Cabinet.</p>   | <p><b>A budget monitoring report appears elsewhere on the Agenda.</b></p>   | 06/11/14                      |
| 02/11/11          | <p><b><u>Scrutiny of Partnerships</u></b><br/>Following a review of the Strategic Partnership, the Overview &amp; Scrutiny Chairmen and Vice Chairman agreed that responsibilities should be divided as follows:-</p> <p>Social Well Being</p> <ul style="list-style-type: none"> <li>∇ Community Safety</li> <li>∇ Children &amp; Young People</li> <li>∇ Health &amp; Well-Being</li> </ul> <p>Environmental Well Being</p> <ul style="list-style-type: none"> <li>∇ Growth &amp; Infrastructure</li> </ul> <p>Economic Well Being</p> <ul style="list-style-type: none"> <li>∇ Local Enterprise Partnership</li> </ul> | <p>The Panel has already received two presentations on the Local Enterprise Partnership. A presentation on the Local Enterprise Zone was given to the Panel's meeting in November 2011.</p> <p><b>The Panel has invited the Chairman and the Chief Executive of the Local Enterprise Partnership to a future meeting to give a presentation on their business plan. In the absence of any response to their requests, the Chairman has raised the matter with the Executive Leader.</b></p> |                               |

## Progress Report

| <u>Panel Date</u> | <u>Decision</u>  | <u>Response</u>  | <u>Date for future action</u> |
|-------------------|--|--|-------------------------------|
| 12/06/14          | <p><b><u>Project Management</u></b></p> <p>Reiterated a request for the post project appraisals for the development of the Huntingdon multi-storey car park and One Leisure, St Ives.</p> <p>Councillor M F Shellens requested further details of the occupancy rates of the multi-storey car park versus the forecast projections within the Business Plan.</p> <p>Further information regarding the income profile for One Leisure, St Ives was requested from the Executive Councillor.</p> | <p>Officers have commenced the post project reviews of the development of the Huntingdon multi-storey car park and One Leisure, St Ives. The reports will be presented to the Panel in November.</p>   | 06/11/14                      |
| 10/07/14          | <p>With a view to undertaking a review of the Project Management Arrangements within the Authority, the Panel has been updated on the progress which has been made by the Council's Project Management Board to improve the project management arrangements within the Authority.</p>  | <p>The Panel will revisit these discussions at their November meeting, prior to inviting the Corporate Office Manager to provide a further update to the Panel in December 2014. It was suggested that the update should include a demonstration of the project management toolkit, an overview of the programme of projects and the flowchart which had been developed to explain the options available to manage projects. The Panel will then trial the use of the Select Committee approach to challenge Cabinet Members on the Council's Project Management arrangements.</p> | 06/11/14                      |
| 01/09/14          | <p><b><u>Facing the Future</u></b></p> <p>The Panel received an update on progress on the delivery of the Facing the Future programme. Having discussed the additional information which may be required to enable the Panel to challenge Cabinet Members, the Corporate Team Manager has been requested to prepare an update for the Panel's meeting in November 2014. This should include financial information.</p>   | <p>An update will be presented to the Panel's November meetings.</p>   | 06/11/14                      |



## Progress Report

| <u>Panel Date</u> | <u>Decision</u>  | <u>Response</u>  | <u>Date for future action</u>          |
|-------------------|--|--|--|
| 05/07/13          | <p><b><u>Economic Development</u></b><br/>                     The Huntingdonshire Economic Growth Plan 2013 to 23 was considered by the Panel. The Economic Development Manager was asked to give a further update on the marketing and implementation plans in due course.</p> | <p>An update on the Economic Growth Plan will be presented to the Panel's January meeting. A presentation on the prosperity and vitality of the market towns will also be presented to the Panel at a future date.</p> <p>The Panel will also consider the SEP 2 LEP Executive Summary Submission to Government in November.</p> | <p>08/01/15</p> <p>06/11/14</p>        |
| 10/07/14          | <p><b><u>Briefings</u></b><br/>                     Suggested that Briefings should be arranged for Members on Finance and Risk Management.</p>  | <p>A briefing on Risk Management will be held prior to the Panel meeting on 9 October and a Finance Refresher will be held on 6th November prior to the Panel meetings.</p>  | <p>09/10/14<br/>&amp;<br/>06/11/14</p> |
| 10/07/14          | <p><b><u>Great Fen</u></b><br/>                     Having noted that Councillor P G Mitchell had been recently been appointed to the Great Fen Project Steering Committee, it was suggested that he should provide a report on the Project as a future meeting.</p>             |  | <p>TBC</p>                             |

**ACTION LOG**  
(Requests for information/other actions other than those covered within the Progress Report)

| <u>Date of Request</u> | <u>Description</u>   | <u>Response</u> |
|------------------------|--|-----------------|
| <u>04/09/14</u>        | Agreed that a copy of the report on the Council Tax Base should be provided to all Panel Members in December 2014.             |                 |
| <u>04/09/14</u>        | Agreed that a copy of the Huntingdon West Masterplan would be circulated to all Members of the Panel when it became available. |                 |
| <u>04/09/14</u>        | Councillor M F Shellens requested a copy of the Huntingdonshire Infrastructure Business Plan in due course.                    |                 |



## Decision Digest

Edition 148

**Monthly summary of the decisions taken at meetings of the Council, Cabinet, Overview & Scrutiny and other Panels for the period 1st to 30th September 2014.**

### **GREEN HOUSE PROJECT – SALE OF HOUSES**

The Overview and Scrutiny Panel (Environmental Well-Being) has supported the sale of the Green Houses that the Council bought to demonstrate home energy saving measures and to provide a mechanism to deliver the Green Deal initiative. However, Members did question whether consideration was given to retaining the Green Houses as part of the Council's forthcoming strategy to invest in capital assets and have been informed that the rates of return on market housing are not comparable with those that can be obtained from commercial property.

Subsequently, the Cabinet approved the sale of the two properties. Executive Councillors have agreed that the St Neots property be sold as soon as possible and the St Ives property early next year, using a local agent to obtain the best possible price. This staged release of the properties will accommodate any visits already planned for the St Ives project as part of the DECC funding scheme. The Head of Operations has been authorised, after consultation with the Executive for Resources, to accept the best offers for the sale of the properties. Finally, the Cabinet has agreed that the capital receipts from the sale be allocated in accordance with the emerging Capital Strategy.

### **CORPORATE PLAN 2014-16 PERFORMANCE MONITORING**

Both the Cabinet and Overview and Scrutiny Panels have been acquainted with progress on the key activities identified in the Corporate Plan during the period 1st April to 30th June 2014. Members have welcomed the receipt of performance information for the first quarter of the 2014/15 Municipal Year and noted that Executive Councillors will present reports and answer questions on performance within their areas of responsibility.

Having commended the format of the information which is easy to understand and can be readily traced back to the Corporate Plan, Members have noted that performance information will be published on the District Council's website.

In reviewing the information which has been provided, Members have asked a number of questions regarding specific actions within each Strategic theme, which have been responded to by Officers and Executive Councillors. The Panels are of the opinion that future reports should include comments where targets have not been achieved in the form of an additional action column.

Having examined the performance indicators presented, the Social Well-Being Panel has recommended that the report should incorporate information on waste minimisation and street

cleansing. The Panel is also of the view that the Council should monitor the performance of its shared services.

With regard to the performance indicator for measuring Disabled Facilities Grants the Cabinet has been advised of difficulties in quantifying the level of work due to the process being undertaken by the shared HIA service. With this in mind, the Cabinet has agreed to assess these grants by the average time (in weeks) between date of referral to practical completion for minor jobs up to £10,000. This will replace the current measure which examines the time taken from first visit to works completion.

### PROJECT MANAGEMENT UPDATE

An update on the progress made by the Council's Corporate Project and Programme Board in improving project management arrangements within the organisation has been presented to the Overview and Scrutiny Panel (Economic Well-Being). Work will now be undertaken to consider the way in which programmes of work in the form of related projects can be better managed within the Authority.

The Panel intends to make Project Management one of the key areas to review during this municipal year and has discussed a range of issues during its deliberations on this matter. The Panel will revisit these discussions at its November meeting, prior to inviting the Corporate Team Manager to provide a further update in December 2014.

The Panel will trial the use of the Select Committee approach to challenge Cabinet Members on the Council's Project Management arrangements.

### FACING THE FUTURE – PROGRESS

The Overview & Scrutiny Panel (Economic Well-Being) has received an update on the progress made to date

with the delivery of the Facing the Future programme and the measures that have been put in place to continue delivering the proposals within the programme. This forms the start of the Panel's work on Facing the Future during the current Municipal Year.

Members have been reminded that Facing the Future continues to be an important initiative as it is imperative that the Council delivers efficiencies across the Authority. To support their ability to monitor this programme, Members have requested access to the centrally maintained list of Facing the Future proposals. They have been assured that it will be possible to identify savings generated by the programme in the Medium Term Financial Strategy when it emerges in December 2014.

The Panel has discussed the additional information which may be required to challenge Cabinet Members when they receive the update in November and subsequently. This will include financial information, details of savings to-date, savings predicted and specific information relating to individual Cabinet Members' remits and outstanding proposals.

### SALE OF LAND – ST MARY'S STREET, HUNTINGDON

The Economic Well-Being Panel has supported a proposal to sell Council owned land at the front of the Pathfinder House site fronting St Mary's Street, Huntingdon. Members discussed other potential uses for the site and noted that work is being undertaken to prepare a capital investment strategy for the Authority.

Subsequently, the Cabinet has approved the terms for the disposal of the land and authorised the Head of Resources, after consultation with the Executive Councillor for Resources, to

act in the best interest of the authority on the sale of the site.

### DEVELOPMENT APPLICATIONS

At its September meeting, the Development Management Panel considered seven applications and of these, six were approved and one deferred.

Having heard strong representations from a local resident, the Panel requested further advice from the Environmental Protection and Community Safety teams on existing anti-social issues which appeared to be associated with a takeaway business on Longsands Parade, St Neots. With this in mind, the Panel deferred the application to vary the opening hours of the premises pending receipt of this advice and completion of an incident log by the objector.

In terms of significant applications, the Panel approved, subject to conditions and a section 106 obligation relating to transport and highway related matters, an outline application for a business park adjacent to the existing development at Ermine Business Park, Ermine Street in Great Stukeley.

### CAMBRIDGESHIRE AND PETERBOROUGH COMMISSIONING PERFORMANCE REPORT AND CLINICAL GROUP;

The Overview & Scrutiny Panel (Social Well Being) received a presentation by representatives from the Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) on the work currently being undertaken by the Group and the content of the latest performance report. The Panel noted that the three current priorities of the CCG were Older People, Coronary Heart Disease and End of Life care. In terms of the older peoples programme, the Panel was advised that the CCG had

launched a procurement process to attract bidders to deliver integrated older peoples' and adult community services for those aged over 65. Three submissions had been shortlisted and these would be evaluated. The successful bidder would be announced at the end of September with a view to a start date for the contract of 1st April 2015.

The opportunity also was taken to brief the Panel on the 'Health Economy' and the shortfall in funding for Cambridgeshire. Members heard that options around clinical and design initiatives were being explored to seek to reduce expenditure and establish a sustainable service for the future. Updates on progress of this work will be reported to future meetings. It was made clear that at no stage would the quality of care and patient services be compromised.

In terms of the delivery report, the Panel understood that this reflected the performance of local hospitals against national standards and areas where the provider was under performing. Having been advised how providers would be made accountable should they fail to meet annual standards, the Panel was assured that serious failure would be likely to result in the requirement for a remedial action plan or financial penalty but would not impact on patient care.

Going forward, the Panel asked that, in future, they be provided with a glossary of terms/abbreviations to ease their understanding of the report. Members also welcomed the suggestion of a presentation to a future meeting on hospital accountability.

### SHAPE YOUR PLACE: ANNUAL REPORT

The Social Well Being Panel has considered the performance of the 'Shape Your Place' website in

Huntingdonshire over the period 1st July to 30th June 2014. Whilst acknowledging that the level of use was disappointing in some areas, the Panel was of the view that the six area sites should be retained and that more should be done to promote the system with town and parish councils and on the District Council's website. As there appeared to be some inconsistencies in the way ward councillors were notified of matters arising in their wards, the Head of Community undertook to look into the reasons for any discrepancies and measure, by simple survey, why users were visiting a site on a particular day.

It was agreed that, in future, the annual report on performance of the system will be circulated to Members but only placed on the Panel agenda if there were particular issues which needed to be addressed.

#### **REVIEW OF THE EFFECTIVENESS OF THE CORPORATE GOVERNANCE PANEL**

The Corporate Governance Panel has received a report detailing the outcome of a review undertaken by the Councillors E R Butler, G Harlock and R West on the effectiveness of the Panel. Generally, the Panel operates effectively and fulfils its terms of reference. In discussing opportunities to improve its effectiveness, it was understood that Member effectiveness was not routinely appraised. The Panel was of the view that the performance of all Members of the Council should be evaluated and they supported a suggestion that the matter be referred to the Member Development Group.

The Panel has also discussed the advantages and disadvantages of receiving draft accounts prior to audit and whether receiving them in September was sufficient to allow the Panel to discharge their governance responsibilities. In that respect, the

Panel felt that it would be beneficial to receive the draft accounts during the course of the audit at an informal meeting and that further training on the accounts be arranged.

Finally the Panel has considered a number of changes to the Panel's terms of reference to reflect the suggested terms of reference for an audit committee produced by CIPFA. These changes will require amendments to be made to the Constitution and will be considered by the Council at their meeting on 17th December 2014.

#### **APPROVAL FOR PUBLICATION OF THE 2013/14 ACCOUNTS**

The Corporate Governance Panel has noted the process required to be undertaken prior to the publication of the 2013/14 final accounts. This includes receiving both the auditor's report on the audit of the accounts and their Letter of Representation, the production of the Annual Governance Statement and the draft Annual Financial Report for the year ended 31st March 2014. The Panel has authorised the Executive Leader and Managing Director to sign the Statement and Letter of Representation on behalf of the Council. The Panel has also authorised the Chairman of the Panel to sign the accounts on behalf of the Council.

#### **ANNUAL REPORT OF THE PANEL**

The Corporate Governance Panel has endorsed the contents of the draft annual report of the Panel prior to the document's submission to Council in December.

#### **RISK REGISTER**

Changes made to the Risk Register between the period 12th March to 1st September have been noted by the Corporate Governance Panel. The

Panel has questioned their role in risk management given the level of detail presented to them and the recent appointment of a Risk Management Champion. Reference also was made of the involvement of the Cabinet and the Overview and Scrutiny Panel (Economic Well-Being) on the issue. Having agreed that the Panel should be considering the effectiveness of arrangements around risk management Members requested that clarification over the responsibility for managing risk be referred to the Chief Officers Management Team.

## **TRAINING OF PANEL MEMBERS**

Suggestions of training for Members of the Corporate Governance Panel based on the anticipated work programme over the ensuing year have been noted.

## **OPTIONS FOR FRAUD INVESTIGATION POST SINGLE FRAUD INVESTIGATION SERVICE.**

The Corporate Governance Panel has considered various options available to the authority once its housing benefit fraud function has been transferred to a Single Fraud Investigation Service in May 2015.

In recognising the potential impact on fraud risk the transfer will have and the benefits of maintaining a level of fraud prevention and detection, the Panel has recommended to the Cabinet that a smaller fraud team be retained with the aim of being cost neutral.

