

A meeting of the **CABINET** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 17 SEPTEMBER 2015** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 5 - 12)

To approve as a correct record the Minutes of the meeting held on 16th July 2015.

**M Sage
388169**

2. MEMBERS' INTERESTS

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

3. ONE LEISURE - SIX MONTH UPDATE REPORT (Pages 13 - 20)

To receive a six month update report by the Head of Leisure and Health on the performance of One Leisure following the Cabinet meeting in March 2015.

**J Wisely
388049**

4. CORPORATE PLAN AND FINANCE - INTEGRATED PERFORMANCE MONITORING REPORT (QUARTER 1) (Pages 21 - 62)

To receive a report by the Corporate Team Manager and Head of Resources on progress against the Key Activities and Corporate Indicators listed in the Council's Corporate Plan for 2015/16 for the period 1st April 2015 to 30th June 2015.

**D Buckridge
388065**

5. CIVIL PARKING ENFORCEMENT (Pages 63 - 70)

To receive a report by the Interim Head of Service (Operations) on the outcome of the review work conducted regarding the desirability of the Council supporting the introduction of Civil Parking Enforcement powers.

**Alistair Merrick
388635**

6. IMPLEMENTATION OF OUTSTANDING INTERNAL AUDIT ACTIONS (Pages 71 - 84)

To consider a report by the Head of Resources as a result of a recommendation from Council regarding the 13 Internal Audit Actions outstanding as at the 30th April 2015.

**C Mason
388157**

7. **COMMERCIAL INVESTMENT STRATEGY** (Pages 85 - 106)

To receive a report by the Corporate Director (Services) seeking approval of a Commercial Investment Strategy.

**J Slatter
388301**

8. **ZERO BASED BUDGETING UPDATE: PREPARATION FOR THE 2016/17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY** (Pages 107 - 112)

To receive a report by the Head of Resources to provide an update on the Zero Based Budgeting process in preparation for the 2016/17 Budget and Medium Term Financial Strategy.

**C Mason
388157**

9. **LANGLEY COURT - LOAN TO LUMINUS** (Pages 113 - 130)

To receive a report by the Head of Resources and Lead Housing Strategy Manager regarding an update on the redevelopment of Langley Court St Ives, seeking approval to transfer a piece of land to Luminus to enable the redevelopment to proceed and to update Members on the terms of the loan to Luminus.

**J Emmerton
388203
C Mason
388157**

10. **SAFETY ADVISORY GROUP** (Pages 131 - 134)

To receive the report of the Safety Advisory Group meeting held on 3rd June 2015.

**M Sage
388169**

Dated this 10 day of September 2015



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 Melanie Sage, Democratic Services Team, Tel No. 01480 388169/e-mail Melanie.Sage@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.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (under Councils and Democracy).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Elections & 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 CABINET held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 16 July 2015.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors R B Howe, S Cawley, R Harrison, J A Gray and D M Tysoe.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors R C Carter and D B Dew.

ALSO IN ATTENDANCE: Councillor G J Bull (part)

17. MINUTES

The Minutes of the meeting held on 18th June 2015 were approved as a correct record and signed by the Chairman.

18. MEMBERS' INTERESTS

There were no declarations of disclosable pecuniary or other interests received at the meeting.

19. HUNTINGDONSHIRE MARKETING STRATEGY

The Cabinet received a report (a copy of which is appended in the Minute Book) regarding the Marketing Strategy and Branding profile for the promotion of Huntingdonshire.

The Cabinet had previously approved the Huntingdonshire Economic Growth Plan 2013 - 2023 in July 2013 and one of the key short-term actions was the development of a Marketing Strategy for the promotion of the District as a location of choice to live, work and invest.

Prior to the meeting of the Cabinet comments from the Overview and Scrutiny Panel (Economic Well-Being) had been circulated to the Cabinet.

The Chairman of the Overview and Scrutiny Panel (Economic Well-Being), having been invited to address the Cabinet, explained that the Panel had endorsed the Marketing Strategy with the suggested following additional recommendations, which were accepted by the Cabinet -

- progress on the implementation of the Marketing Strategy to be reported to the Overview and Scrutiny Panel (Economic Well-Being Panel) at six monthly intervals; and
- an annual report on the impact of the Marketing Strategy work programme to be presented to the Overview and Scrutiny Panel

(Economic Well-Being).

The Cabinet accepted that external expertise had been procured to assist with the development of the Strategy, branding, a website and marketing materials but questioned the choice of depictions contained within the Strategy.

Referring to the SWOT analysis, the Cabinet expressed concern at the inclusion of 'Low Aspirations' and felt the issue was a shortage of skills rather than low aspirations. The Cabinet therefore agreed to remove 'Low Aspirations' as contained within the 'Weaknesses' section of the SWOT analysis and amend 'Deprivation' to 'Concentrated pockets of deprivation in some key areas with some skill shortages'.

It was explained that once the Strategy was approved by the Cabinet, preparation of the external facing marketing materials and branding profile would commence with the assistance of the Executive Councillor for Strategic Economic Development and Legal. However, the Cabinet stated that development of the website with input from current and potential businesses in the District was crucial.

It was emphasised to the Cabinet that the Strategy was an internal document for use by Officers in promoting the District and was not for circulation externally. In light of the level of production costs the Cabinet suggested that the document could be easily amended and produced as an external document.

A Cabinet Member explained that for the Strategy to be successful an effective events calendar detailing target dates for the introduction of promotional material was essential. The Strategy was light on case studies and the Cabinet requested that current businesses be represented in the document as well as other businesses that had benefitted from being located in the District.

In conclusion the Cabinet,

RESOLVED

- i. to endorse the implementation of the Marketing Strategy and Branding profile for the promotion of Huntingdonshire subject to removal of 'Low Aspirations' and the relating text from the 'Weaknesses' section of the SWOT analysis, and 'Deprivation' be amended to:

'Concentrated pockets of deprivation in some key areas with some skill shortages';

- ii. that progress on the implementation of the Marketing Strategy be reported to the Overview and Scrutiny Panel (Economic Well-Being Panel) at six monthly intervals;
- iii. that an Annual Report on the impact of the Marketing Strategy work programme be presented to the Overview and Scrutiny Panel (Economic Well-Being).

20. REVIEW OF THE RISK MANAGEMENT STRATEGY

The Cabinet considered a report (a copy of which is appended in the Minute Book) to approve the Risk Management Strategy following its annual review.

The Cabinet was advised that the Corporate Governance Panel previously approved the Strategy but following a review of the Panel's effectiveness it was decided that it was not the appropriate forum to consider the document.

It was explained to the Cabinet that the Risk Management Strategy formerly included two risk appetite statements – one that referred to the appetite surrounding health and safety risks and a second 'catch-all' statement for all other areas. However, in order to better reflect the Corporate Plan the two former risk appetite statements were to be deleted and replaced with seven individual statements, each of which reflected the different types of risk which the Council could face and which could impact on its ability to meet both its statutory requirements and strategic outcomes.

The seven risk areas related to Transformation; People and Culture; Financial; Operational/Service; Reputation; Compliance and Regulation; and Health and Safety. The Cabinet were referred to the risk appetite levels for each of the areas and were informed that work would commence on mapping all of the risks in the Risk Register against the seven risk areas. Whereupon the Cabinet,

RESOLVED

to approve the Risk Management Strategy.

21. SHARED SERVICES OVERVIEW

The Cabinet gave consideration to a report (a copy of which is appended in the Minute Book) containing a number of recommendations regarding the first phase of the partnership arrangement between Huntingdonshire District Council (HDC), South Cambridgeshire District Council (SCDC) and Cambridge City Council (CCC) for ICT, Legal Services and Building Control shared service proposals.

It was explained that the Councils intended to share services as there were significant risks in doing nothing. Each Council had to identify significant savings as well as protecting and preserving services and retaining skilled staff in a competitive market place. Shared services offered a way of mitigating these risks.

The Cabinet were referred to the main risks associated with sharing services across the three Councils as highlighted in the Officer's report.

A Lead Authority model was being used for the shared service arrangements since it best reflected the current vision for shared services and the starting position of each partner Council.

It was explained that a Joint Committee with no delegated powers or

functions was to be established to oversee the operation of shared services, supported by an Officer Board. The remit of the Joint Committee was to provide advice, oversight, challenge and endorsement of the shared service business plans and budget. The Joint Committee would receive regular updates on the operation of the shared services and would take reports and recommendations for decision to their respective Executives (and Full Council, if appropriate), at agreed points with the engagement of each Council's Scrutiny Committees. Membership would consist of the Leaders of each Council with a nominated Deputy attending in their absence. The Cabinet appointed Councillor Howe to deputise for the Leader on the Joint Committee.

The Cabinet endorsed the Sovereignty Guarantee to give confidence to individual Councils' Executives that they would retain sovereignty of their organisations, as well as Executive decision-making powers.

The Cabinet expressed appreciation to the Managing Directors and Management Team of the three respective Councils and to the Leaders of Cambridge City Council and South Cambridgeshire District Council for their assistance throughout the process.

Prior to the meeting of the Cabinet a summary of the comments from the South Cambridgeshire District Council and Cambridge City Council Scrutiny Committee meetings following consideration of the ICT, Legal Services and Building Control shared service proposals had been circulated to the Cabinet. The comments of the Council's Overview and Scrutiny Panels (Economic Well-Being) and (Environmental Well-Being) had also been circulated to the Cabinet prior to its meeting.

In considering the additional recommendations by the Overview and Scrutiny Panel (Environmental Well-Being) the Cabinet suggested that the three respective Executive Councillors responsible for ICT should convene regularly to discuss the matter and that the Overview and Scrutiny Panels should receive update reports from the respective Councils' Scrutiny Panels to scrutinise topics related to shared services.

In conclusion the Cabinet,

RESOLVED

- 1) to endorse the approach to shared services outlined in the Officer's report;
- 2) to approve the establishment of a Joint Committee without delegated powers to oversee the delivery of shared services;
- 3) to appoint the Executive Leader as the Council's representative to the Joint Committee and Councillor Howe as the deputy appointment;
- 4) to approve the Sovereignty Guarantee detailed in Section 8 of the Officer's report;
- 5) to agree the approach to cost sharing principles and

partnership agreement as outlined in Section 9 of the Officer's report;

- 6) to approve that the final partnership agreement be delegated to the Managing Director, in consultation with the Executive Leader of the Council;
- 7) that formal consultation commence with Staff Council and affected staff on 24th July 2015, closing on 1st September 2015.

22. LEGAL SHARED SERVICES BUSINESS CASE

Following the report outlining the overall approach that had been taken to develop the first phase of the partnership arrangement between Huntingdonshire District Council (HDC), South Cambridgeshire District Council (SCDC) and Cambridge City Council (CCC) for ICT, Legal Services and Building Control shared services, the Cabinet received a further report (a copy of which is appended in the Minute Book) to approve the business case to establish a Legal shared service.

It was explained that there were strategic and financial benefits for all three partners to create a Legal shared service and the Officer's report included a detailed financial model to show how savings would be achieved against the baseline budget.

In discussing the financial detail it was noted that external legal costs were not incorporated into the level of spend figures and recharges were yet to be incorporated into the financial information.

The Cabinet noted that the Authority had learnt from the CCTV shared service experience and in order to maintain good relations between the Partners that financial projection figures over a 5 year period were necessary so that all Partners fully understood the financial commitments.

It was explained that the three Councils had been awarded funding from Government via the Transformation Challenge Award to support the work towards a range of shared service arrangements.

During the Cabinet's debate Councillor Bull left the room and did not return to the meeting.

During the Cabinet's discussions it was emphasised that the Council had already experienced a significant amount of staff changes and incurred expense via redundancies and that the Council would not incur further expense as a result of any redundancies in the Partner Authorities. Whereupon the Cabinet,

RESOLVED

to approve the Business Case and delegate authority to the Managing Director, in conjunction with the Executive Councillor for Strategic Economic Development and Legal, to make decisions and to take steps that are necessary, conducive or incidental to the establishment of the Legal shared service in accordance with the detailed business case.

23. ICT SHARED SERVICES BUSINESS CASE

Following the report outlining the overall approach that had been taken to develop the first phase of the partnership arrangement between Huntingdonshire District Council (HDC), South Cambridgeshire District Council (SCDC) and Cambridge City Council (CCC) for ICT, Legal Services and Building Control shared services, the Cabinet received a further report (a copy of which is appended in the Minute Book) to approve the business case to establish an ICT shared service.

It was explained that there were strategic and financial benefits for all three partners to create an ICT shared service and the Officer's report included a detailed financial model to show how savings would be achieved against the baseline budget. It was expected that savings beyond those contained within the report would be achieved.

It was explained that each Authority would be the Lead Authority for a shared service and HDC was acting as the Lead Authority for the ICT shared service.

The Cabinet noted that one of the key assumptions and pre-requisites of the business case was based upon the need to increase resilience, improve the quality of service to clients, become more efficient and increase capacity within the service to drive innovation and technology enabled change across all three Councils.

During discussions the Cabinet was interested to note that 50% of the savings generated via the ICT shared service would not be as a result of staffing but other sources such as shared cost of licences. Whereupon the Cabinet,

RESOLVED

to approve the Business Case and delegate authority to the Managing Director, in conjunction with the Executive Councillor for Customer Services, to make decisions and to take steps that are necessary, conducive or incidental to the establishment of the ICT shared service in accordance with the detailed business case.

24. BUILDING CONTROL SHARED SERVICES BUSINESS CASE

Following the report outlining the overall approach that had been taken to develop the first phase of the partnership arrangement between Huntingdonshire District Council (HDC), South Cambridgeshire District Council (SCDC) and Cambridge City Council (CCC) for ICT, Legal Services and Building Control shared services, the Cabinet received a further report (a copy of which is appended in the Minute Book) to approve the business case to establish a Building Control shared service.

It was explained that there were strategic and financial benefits for all three partners to create a Building Control shared service and the Officer's report included a detailed financial model to show how savings would be achieved against the baseline budget.

The Cabinet were informed that due to changes in EU Procurement Rules it was possible that an advert might be required in the Official Journal of the European Union. Further legal advice was being sought and if this was the case the Cabinet would be informed. Whereupon the Cabinet,

RESOLVED

to approve the Business Case and delegate authority to the Managing Director, in conjunction with the Executive Councillor for Strategic Planning and Housing, to make decisions and to take steps that are necessary, conducive or incidental to the establishment of the Building Control shared service in accordance with the detailed business case

25. BUDGET MONITORING 2015/16 (REVENUE AND CAPITAL)

The Cabinet received a report (a copy of which is appended in the Minute Book) to be acquainted with the revenue and capital forecast outturn for 2015/16 based on information available at the end of May 2015.

Prior to the meeting of the Cabinet comments from the Overview and Scrutiny Panel (Economic Well-Being) had been circulated to the Cabinet.

The Cabinet were not surprised to note, given the current difficulties in the housing market, that at the end of May 2015 there were 374 new homes which was 186 down on the target of 560 for the same period.

It was explained that as at the end of May, the year-end forecast outturn was £0.681m less than planned and to date little had been spent from the capital programme. Whereupon the Cabinet,

RESOLVED

to note the financial performance to date.

26. REPRESENTATION ON ORGANISATIONS 2015/2016

Consideration was given by the Cabinet to a report (a copy of which is appended in the Minute Book) regarding the Council's representation on a variety of organisations/partnerships, and it was

RESOLVED

That the Cabinet approve the appointments/nominations in relation to representation on a variety of organisations/partnerships as appended to the report and authorise the Corporate Team Manager, after consultation with the Deputy Executive Leader of the Council, to make any changes that may be required throughout the year.

27. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting because the business to be transacted contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

28. REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY

The Cabinet gave consideration to a confidential report (a copy of which is appended in the Minute Book) requesting approval of the revised Risk Based Verification Policy.

The Cabinet had previously approved a Benefits Risk Based Verification Policy which was applied to new claims for Housing Benefit and Council Tax Support. The Policy had been revised to extend to changes of circumstance in addition to new claims.

Since the introduction of the Risk Based Verification Policy it had proven successful in focusing resources at claims for benefit most likely to contain fraud and/or error.

The Cabinet was pleased to note that the fraud and error detected by the Council was exceeding the baseline established by the Department for Work and Pensions.

Having acknowledged that the Overview and Scrutiny Panel (Social Well-Being) was supportive of the Policy the Cabinet,

RESOLVED

to approve the revised Risk Based Verification Policy.

Chairman

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	One Leisure - Six Monthly Update Report
Meeting/Date:	Overview and Scrutiny (Social Well-being) – 1 September 2015 Cabinet – 17 September 2015
Executive Portfolio:	Councillor Robin Howe – Executive Member for Commercial Activities
Report by:	Head of Leisure and Health
Ward(s) affected:	All

Executive Summary:

The purpose of the report is to provide a six month update to Cabinet on progress following the meeting in March 2015. Progress made is as follows:-

- The 2015/16 financial performance improved significantly towards the end of the year as some of the cost saving and marketing measures began to take effect. The final outturn showed a full year loss of -£61k , an improvement of £314 compared with the prior year.
- OL was in profit for the final quarter of last year and once the expenses and income have been correctly profiled, remains in monthly profit ytd.
- 2014/15 admissions showed an increase in attendance of 9% against the previous year and is currently showing a year to date improvement of 2%
- The outcome of Phase I management restructure has been implemented and Phase II is currently in progress
- Following a review of financial performance and usage patterns at One Leisure Sawtry and a consultation exercise with current users, a rationalisation of opening times will be implemented commencing September. The purpose of this is to reduce the operational cost base of the centre and ensure that it is financially sustainable in the future.
- The implementation of the 'new' membership packages was introduced in April, this has shown a net growth in the membership base to July of 427 members compared to a net loss of 391 member for the same period in 2014.
- A strategic review will be undertaken during the Autumn leading to the publication of a 5 year strategic plan for One Leisure before the end December this year.
- The latest forecast suggests the Group is on target to reach the annual budget surplus of £343k (before capital charges of £165k); which should produce a 3% return on sales.

Recommendation(s):

There are no recommendations arising from this report

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

1.1 To provide Members with a performance update for One Leisure

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

2.1 It was agreed following the One Leisure Cabinet report in March that a Six Month update was reported on progress.

3. ANALYSIS

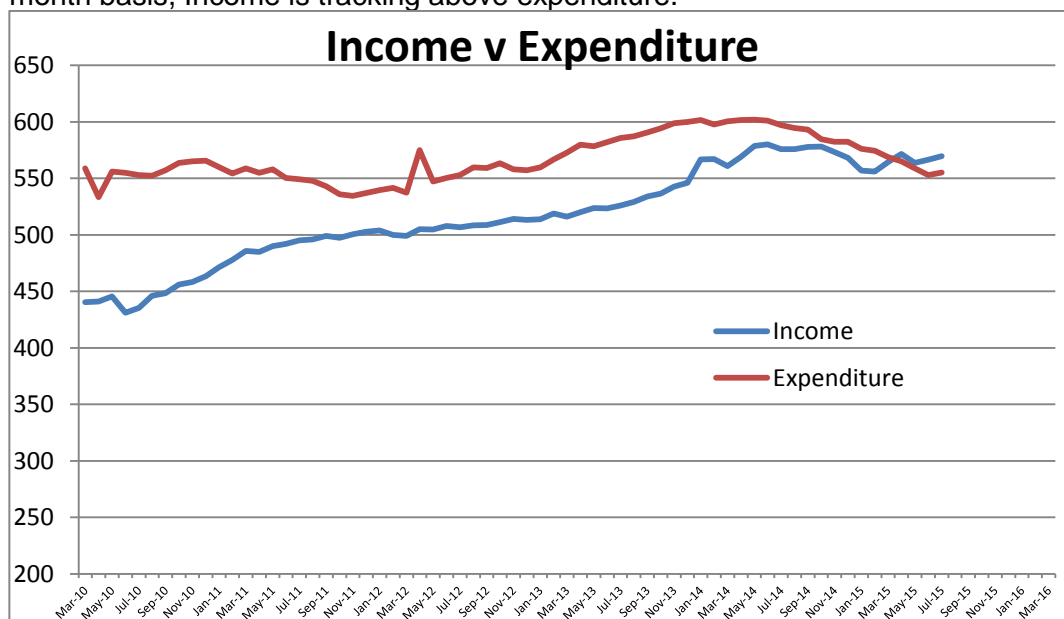
3.1 Performance

The 2014/5 financial outturn for One Leisure reported a deficit of £61K. This is an improvement on the net deficit of £125K predicted through a mid-year management reforecast (as part of the tranche 1 ZBB process). This is also a significant improvement on the 2013/4 out-turn of a net deficit of £375K, a shift of £314K. This improved financial performance is primarily attributable to managing expenditure and increased accountability at a centre level.

The financial performance for this financial year to the end of July 2015 is summarised in the table below, with comparisons to budget and previous year. It was always going to be a challenge to hit this year's budget, however early indications are showing that performance is heading in the right direction and One Leisure has turned into a surplus operational position. The profiled actuals column below has been included to provide the current position whereby significant receipts or payments already made / received have been profiled across the whole financial year.

Budget 2015/6	Actuals to date 2014/5	Actuals to date 2015/6	Profiled Actuals to date
(343,392)	295,836	79,005	(106,153)

The following MAT graph illustrates the shift in the financial position of One Leisure. As previously reported, the income and expenditure lines were converging, however this financial year they have crossed and on a month by month basis, Income is tracking above expenditure.



Financial performance continues to be closely monitored and is scrutinised on a monthly basis through the Leisure Board meetings.

The attendance figures across all sites for 2014/5 were 2,306,758, which was an increase of over 9% on the previous year. The current year to date attendance figure is 586,102, which is 2% increase on the previous year to date.

3.2 Management Restructure

Phase I of the management re-structure is now complete and two Business Managers are now in place. Paul France – Business Manager Operations and Brian Gray – Business Manager Development. These posts have replaced the three Centre Manager posts and the Business Development Manager Post. The purpose of this re-structure was to provide cleaner and clearer lines for reporting and accountability, as well leading the strategic direction of One Leisure from an operational and commercial perspective.

Phase II of the Management Restructure has now commenced and is in the consultation process. This proposes changes to the structure that sits directly below the Business Development Managers posts. The key drivers for the proposed structure are to;-

- Provide an efficient and effective structure that avoids duplication.
- Operationally managing the procedures and processes at a site level to drive and deliver a customer focussed service.
- Deliver of a consistent operational model across all of the One Leisure facilities.

The proposal is to redefine the role of the current Deputy Managers, ensuring there is operational responsibility and accountability on a site by site basis. This new role will be termed Operations Manager and there will be four posts in the proposed structure – with one of the posts working across the two smaller sites of Ramsey and Sawtry. The consultation also includes the current ‘Operations Manager’ posts – these will be called Duty Managers and there is a net reduction of two posts (currently holding vacant posts). This proposal will look at the skills mix across the Duty Manager post holders. Staff will be deployed according to their skills to ensure there is a relevant and suitable combination across all sites.

The management restructure is expected to reduce annual expenses by £147K, however this full amount will not be realised within this financial year due to salary protection for staff moving into suitable alternative roles. The actual in year saving will not be known until the end of the consultation period and subsequent recruitment process

3.3 Sawtry Review and Implementation

As reported to Cabinet in March, a review of operations and staffing at One Leisure Sawtry has been undertaken and concluded. The purpose of this is to reduce the net operating cost of the centre which is currently not sustainable and a significant drain on the overall financial performance of One Leisure. This out-turned at -£183K for 2014/5. A comprehensive review of usage patterns was undertaken, along with a consultation process with users to ascertain current and future usage patterns. This provided the relevant evidence to make decisions on rationalising opening times and staffing requirement. The outcome of this is the following reduced opening times.

Proposed Centre Opening times 03.09.15						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
0900 – 1600 Fitness Only	0630 - 0830 Fitness Only	0630 – 0830 Fitness Only	0900 – 1600 Fitness Only	0630 – 0830 Fitness Only	0830 - 1300	0800 - 1600
1600 - 2030	1600 - 2030	1600 – 2030	1600 - 2030	Closed at 1600	Closed	Closed
Swimming Pool general timetable from 03.09.15						
Closed	Public Swim 0630 - 0830	Public Swim 0630 – 1000	Closed	Public Swim 0630 – 1000	Closed	Closed
Closed	Closed	Closed	Closed	Closed	Swim Lessons 0830 - 1100	Public Sessions 0800 - 1600
Swim Lessons 1600 - 1800	Public Sessions 1600 - 2030	Swim Lessons 1600 – 1800	Swim Lessons 1600 - 1800	Closed	Public Sessions 1100 - 1300	
Public Sessions 1800 - 2030		Public Sessions 1800 – 2030	Public Sessions 1800 - 2030	Closed		
Impressions Opening Times from 03.09.15 [Fitness Classes programmed around gym times]						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
0900 - 2030	0630 - 2030	0630 – 2030	0900 - 2030	0630 – 1600	0830 - 1300	0800 - 1600
Crèche Opening Times from 01.09.15						
Closed	0900 - 1200	0900 – 1200	Closed	0900 - 1200	Closed	Closed

The Staffing structure for implementing the operation will combine the Sawtry and Ramsey teams with 1 x Operations Manager, 5 x Duty Managers and a Team Leader working across both sites – a reduction of headcount of 3. Along with the reduced requirements for Reception cover, Crèche staff and Lifeguards there will be savings across Sawtry and Ramsey of £130K on an annualised basis. This will reduce the annual deficit from c£180-200k to under £100k, with a slightly longer term aim to take this down to £50-60k pa.

Discussions with Sawtry Academy have commenced regarding rebuilding relationships between One Leisure and the Academy Management Team, with a view to increasing the access for the academy to use the facilities when they are not open to public access, specifically the swimming pool and sports hall.

3.4 Implementation of Membership packages

The new membership options were introduced in April 2015. The purpose of the new membership options was to create packages so members are only paying for what they use at a fairer and more competitive price.

The impact of the new membership packages is demonstrated in the table below. With significantly more people joining Impressions in the current financial year than previously. However, the relevant factor is that Impressions is increasing its membership base rather than losing. The current monthly yield by membership type is; monthly direct debit £32.71 (£32.48) and annual direct debit £30.22 (£26.59). The previous membership yield figure is in brackets.

2014	April	May	June	July	Total
Joiners	335	352	418	448	1553
Leavers	509	417	492	526	1944
Loss / Gain	-174	-35	-74	-78	-391
2015	April	May	June	July	Total
Joiners	510	396	665	408	1979
Leavers	380	464	404	304	1552
Loss / Gain	130	-68	261	104	427

The current attrition rate is 5.5% of current member's cancelling each month this is better than the industry standard. Additionally the average length of membership is 9 months (retention). A key focus is on customer retention to extend memberships beyond the average nine months. This is being achieved by the following measures:-

- Improved customer satisfaction
 - Higher standards
 - More contact
 - Better results
 - More communication
 - More fun
- Monitoring performance
 - Monitor points of contact
 - Manage communication with members and users

3.4 Investment Programme

The following is an update on the progress of the Capital projects

- OLSN 3G Pitch. Sport England funding of £274K confirmed. Work due to commence in March 2016, to mitigate the impact on current users
- OLH Impressions Extension – Project team established and due to review and agree the scope of the project. A recent analysis by an industry expert would indicate the eventual scope of the redevelopment may not be as extensive as originally envisaged. A full business case to be developed
- Impressions rolling programme of replacement of equipment. A Business case to be developed and approved – giving consideration to lease rather than purchase)

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 The Overview and Scrutiny Panel (Social Well-Being) Panel was informed that there is an ambition for One Leisure to have a simple management structure, which will be able to make quick decisions. Once stable, One Leisure may

consider focus groups with input from Members but are currently concentrating on commercialisation.

A customer satisfaction survey is sent out to 1000 residents per month to ask for feedback on Council facilities. Improvement plans largely come from this invaluable information.

The relationship between membership prices and income was discussed and the Panel was advised that modelling and forensic work is informing the review of membership options. It was confirmed that marketing of One Leisure will include local villages.

The Panel noted the report and the achievements made by One Leisure so far, and look forward to the progress to come.

5. KEY IMPACTS AND RISKS

- 5.1 The key impact and risk to One Leisure and the Council is that the financial performance does not achieve budget. However through the Leisure Board structure, the financial and general performance of One Leisure and each individual centre is monitored and challenged on a month by month basis. Underperformance is identified early and mitigations put in place to improve performance.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 Not applicable

7. LINK TO THE CORPORATE PLAN

- 7.1 A strong local economy – One Leisure provides good quality services that make the district a better place to live and work. Additionally providing significant employment opportunities within the centres, as well as developing and investing in the skills of the workforce

Enabling Sustainable Growth - Enhancing the built environment through the capital investment programme

Working with our communities – to improve the range of facilities and opportunities for the community to improve their health and wellbeing.

Ensuring we are a customer focussed and service led council – Currently the Centre admissions is up on previous years. This is also enhance by the introduction of a new ‘communicate’ programme alongside customer focus groups and NPS surveys.

8. CONSULTATION

- 8.1 Not applicable

9. LEGAL IMPLICATIONS

- 9.1 None arising from this report

10. RESOURCE IMPLICATIONS

10.1 None specifically arising from this report that have not been covered in the previous sections

11. OTHER IMPLICATIONS

11.1 None arising from this report

12 REASONS FOR THE RECOMMENDED DECISIONS

12.1 None arising from this report.

13. LIST OF APPENDICES INCLUDED

13.1 None

BACKGROUND PAPERS

None

CONTACT OFFICER

Jayne Wisely – Head of Leisure and Health
01480 388049

This page is intentionally left blank

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Plan & Finance – Integrated Performance Report

Meeting/Date: Overview and Scrutiny (Social Well-being) Panel,
1 September 2015
Overview and Scrutiny (Economic Well-being) Panel,
3 September 2015
Overview and Scrutiny (Environmental Well-being) Panel,
8 September 2015
Cabinet, 17 September 2015

Executive Portfolio: Executive Leader and all other relevant Portfolio Holders

Report by: Corporate Team Manager and Head of Resources

Ward(s) affected: All

Executive Summary:

The purpose of this report is to brief Members on progress against the Key Activities and Corporate Indicators listed in the Council's Corporate Plan for 2015/16 for the period 1 April 2015 to 30 June 2015. The report also incorporates progress reporting for current projects being undertaken at the Council and details of financial performance on revenue and capital spend as at the end of June.

The Corporate Plan's strategic priorities have been allocated to Overview and Scrutiny Panels as follows:

Social Well-being	1. Working with our communities
Economic Well-being	1. A strong local economy 2. Ensuring we are a customer focused and service-led Council
Environmental Well-being	1. Enable sustainable growth

Recommendations:

Cabinet are recommended to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C.

Cabinet are recommended to consider and comment on the Council's financial performance to the end of June, as detailed in the Financial Performance Monitoring Suite at Appendix D.

1. PURPOSE

- 1.1 The purpose of this report is to present performance management information on the Council's Corporate Plan for 2015/16 and updates on current projects.

2. BACKGROUND

- 2.1 The Council's [Corporate Plan](#) was adopted as a two-year plan in 2014, with an update approved in April 2015 setting out what the Council aims to achieve in addition to its core statutory services during 2015/16. The information in the summary at Appendix A and the performance report at Appendix B relates to the Key Actions and Corporate Indicators listed for 2015/16.
- 2.2 As recommended by the Project Management Select Committee, project updates are now included in this performance report at Appendix C. There are currently 29 open, pending approval or pending closure projects logged on the HDC SharePoint site across various programmes. As explained in the Programmes and Projects report considered by Overview and Scrutiny Panels and Cabinet in June 2015, each project has been aligned with a strategic priority to allow progress to be reported to the relevant Panel. The report for Cabinet covers all of the Council's current and pending projects. Since June's Overview and Scrutiny meetings, all Capital Projects have been set up on SharePoint and aligned with our strategic priorities. No Capital Projects have currently been approved for spend in 2015/16.
- 2.3 The report to the Overview and Scrutiny (Economic Well-being) Panel and Cabinet now also incorporates financial performance to the end of June. Performance is summarised below and details are listed in Financial Performance Monitoring Suite at Appendix D.

3. PERFORMANCE MANAGEMENT

- 3.1 Members of the Overview and Scrutiny Panels have an important role in the Council's Performance Management Framework and a process of regular review of performance data has been established. The focus is on the strategic priorities and associated objectives to enable Scrutiny to maintain a strategic overview.
- 3.2 Progress against Corporate Plan objectives is reported quarterly. The report at Appendix B includes performance data in the form of a narrative of achievement and a RAG (Red/Amber/Green) status against each Key Action in the Corporate Plan and results for each Corporate Indicator. Appendix C gives a breakdown of projects including the purpose of the project and comments from the Programme Office as to the current status of each project's SharePoint site as part of the new governance arrangements.
- 3.3 Overview and Scrutiny Panels each receive separate quarterly performance reports, ordered by strategic priority. Cabinet receive a single report covering all of the Corporate Plan strategic priorities and all Corporate Indicator results.
- 3.4 There is now greater consistency in the quality of the Performance Indicator data which has been collected in accordance with standardised procedures. Targets for Corporate Indicators and target dates for Key Actions have been set by the relevant Head of Service, after discussion with the appropriate Portfolio Holder.

4. FINANCIAL PERFORMANCE

4.1 Attached at Appendix D is the June Financial Performance Monitoring Suite. Highlights from this report are described below.

4.2 Revenue Forecast Outturn and Variations in Revenue Spend

In February 2015, Council approved a:

- Net revenue expenditure budget of £18.881m
- Contribution to reserves of £0.797m, and
- Budget Requirement of £19.678m

As part of the 2014/15 accounts closure process, and approved by Cabinet in June 2015, carry-forward requests of £0.262m were brought into the 2015/16 budget. This adjusted the contribution to reserves to £0.535m with a consequential increase in the net revenue budget to £19.143m.

With regard to the 2015/16 forecast outturn, the net revenue budget is forecast to be £18.993m; £0.150m less than the updated budget of £19.143m. This has the consequential impact of increasing the forecast contribution to reserves to £0.685m. The reduced spend is mainly due to vacant posts and a general reduction in service spend at this point in the financial year. In addition to the service saving, there is a further £0.448m as a consequence of additional Section 31 new-burdens grant (e.g. funding to support reduced business rates for small business); therefore the overall saving against the budget is £1.133m.

4.3 Capital Forecast Outturn and Variations in Capital Spend

The Council approved the 2015/16 capital programme of £11.065m in February 2015. In April 2015, Cabinet approved the Finance Governance Board's (FGB) recommendations that the capital programme be reduced by £1.428m after further scrutiny and challenge. Together with the approved carry forwards of £0.274m, the updated capital budget for 2015/16 is £9.363m as detailed in the table below.

Capital Summary	£'000
Original Approved Budget	11,065
Approved reductions by FGB	1,428
Approved carry forwards from 2014/15	274
Updated Capital Programme	<u>9,363</u>

As at the end of June 2015, the majority of capital projects have not started. However, as a consequence of receiving Disabled Facility Grant, there is currently a new surplus on the capital programme of £0.398m. The main reasons for the current delay on spend in the capital programme are summarised below.

Capital Programme 2015/16 - Commentary on Actuals to May 2015

Budgeted figures shown in brackets.

Head of Community

The camera replacement budget (£87,000) is reactive and will not be spent until cameras breakdown and need replacing. Expenditure on Loves Farm Community Centre will be funded from S106 grants. The final cost of the Huntingdon West Development (£1.2m) has not been finalised, once the final cost has been agreed, CIL payments will be made over the next few years.

Head of Leisure and Health

The synthetic pitch replacement (£118,000) at St Neots has been agreed by Cabinet but has not commenced yet. The expansion at One Leisure Huntingdon (£795,000) and Replacement Fitness Equipment (£200,000) are subject to further review by the Finance Governance Board before commencement. The retention for development works at One Leisure St Ives (£60,000) is still subject to ongoing internal audit review.

Head of Resources

The sale of land at St Marys Street (£420,000) was completed in July 2015. The anticipated £5.0m Housing Association loan is subject to a due diligence process and will not be advanced until that is complete.

Head of Customer Services

The ICT Virtualisation budget (£75,000) is allocated to the Microsoft Enterprise licence, which is due later in the year. The server virtualisation and network budget (£20,000) is for replacement equipment and this will only be spent as the need arises.

Head of Operations

The sale of the Green-House at St Ives was completed in August and the final receipt was £295,000, some £60,000 more than budgeted. Vehicle Fleet Replacement (£761,000) is subject to a long lead time and so will not be spent until later in the year. The Salix Building Efficiency budget will be used to replace the air handling unit at One Leisure Huntingdon. The Environment Strategy budget (£30,000) is planned to be spent on Loves Farm Community Centre for installing energy saving measures. The contribution (£500,000) towards the multi-storey car park is expected imminently.

Head of Development

Expenditure on Disabled Facilities Grants (£1.1m) has commenced, with grant from government received in advance of expenditure (£554,000).

4.4 General Fund Reserves

As noted in paragraph 4.2, the total forecast saving for this financial year is **£1.133m**; this has been established as follows:

	£m
Original budgeted contribution to reserves	0.797
Less 2014/15 carry forward adjustments	(0.262)
	0.535
Plus the service saving	0.150
• Net forecast revenue surplus	0.685
• Additional government funding	0.448
Total forecast saving	1.133

However, the actual apportionment of the £1.133m forecast saving to Reserves is to be as follows:

General Fund

The Pre-Audit 2014/15 Annual Financial Report is showing a General Fund Balance of £9.287m. It is considered that the forecast contribution to the General Fund should be in line with that originally budgeted net of the carry forward of budget adjustments from 2014/15 (£0.535m); thereby giving a forecast year-end General Fund Balance of **£9.822m**.

Earmarked Reserve: Capital Investment Earmarked Reserve

The Pre-Audit 2014/15 Annual Financial Report is showing a balance of £4.737m for this Earmarked Reserve. As the purpose of the Capital Investment Earmarked Reserve is to acquire capital assets that will generate future revenue benefits, it is considered that the forecast service saving and the additional government funding (£0.598m) should be allocated to the Capital Investment Earmarked Reserve; thereby giving a forecast year-end balance for this Reserve of **£5.335m**.

5. COMMENTS OF OVERVIEW & SCRUTINY PANELS

5.1 Overview and Scrutiny (Social Well-Being) – 1 September 2015

The Corporate Team Manager introduced the report and explained that the new format of the report is due to previous feedback received, making it clearer and easier to understand.

Councillors questioned the 26 week targets set for Disabled Facilities Grants (average time in weeks) (Appendix B). The Panel have asked for further information regarding this target and it was confirmed that the Corporate Team Manager would request this and report back to the Panel.

The Panel noted the progress made by the Council in Quarter 1.

5.2 Overview and Scrutiny (Economic Well-Being) – 3 September 2015

The Executive Leader of the Council introduced the report, emphasising the achievements made which have contributed to Huntingdonshire District Council being one of the best placed Councils financially in the Cambridgeshire and Peterborough area.

Members queried whether the decline in employee expenditure for One Leisure is a permanent reduction and whether that leaves the service short staffed. Councillor Robin Howe explained that the reduction in staff levels and operational costs will continue. In terms of staffing, the majority of the savings have come from a management restructure, rather than reducing the number of staff. Any losses will be seen in the administration/back office staff rather than specialist staff e.g. fitness trainers.

It was confirmed to the Panel that wage costs will be impacted minimally by the introduction of the National Living Wage and that the appetite for change within the Council means that One Leisure aims to be as competitive as possible.

In response to a question about business rate collection, the Executive Councillor for Resources stated that the Council was capable of achieving the target by the end of the year.

It was confirmed that income from the sale of land on St Mary's Street would be invested through the Commercial Investment Strategy in order to generate revenue for the Council.

5.3 Overview and Scrutiny (Environmental Well-Being) – 8 September 2015

The Panel's discussions centred on the planning application performance indicators set out in Appendix B. The Head of Development informed Members that staffing issues have had an impact on the team's ability to meet targets. Vacancies have now been filled, with a permanent Planning Services Manager (Development Management) recently recruited, and new processes have been put in place to improve performance and resilience. These measures are expected to rapidly improve over the coming months.

The Panel noted the report and commended the honest reporting of issues and the steps being made to deliver improvements.

6. RECOMMENDATION

6.1 Cabinet are recommended to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan 2015/16 and current projects, as summarised in Appendix A and detailed in Appendices B and C.

6.2 Cabinet are recommended to consider and comment on the Council's financial performance to the end of June.

CONTACT OFFICER

Corporate Plan Performance Monitoring and Projects (Appendices A, B and C)

Daniel Buckridge, Policy, Performance & Transformation Manager (Scrutiny)

☎ (01480) 388065

Financial Performance (Appendix D)

Rebecca Maxwell, Accountancy Manager

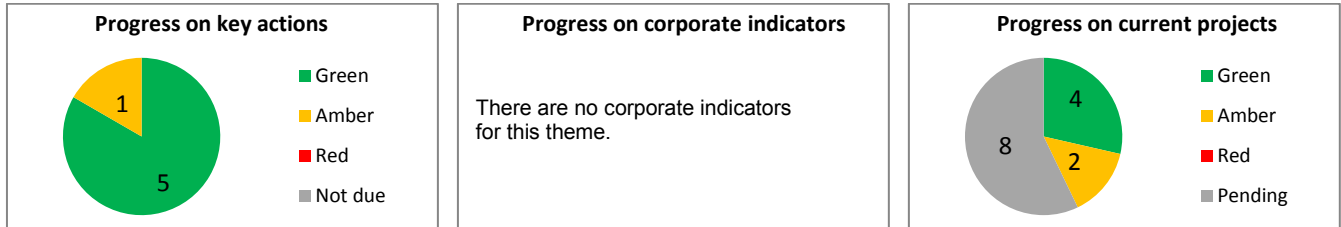
☎ (01480) 388117

Appendix A

Performance Summary Quarter 1, 2015/16

A strong local economy

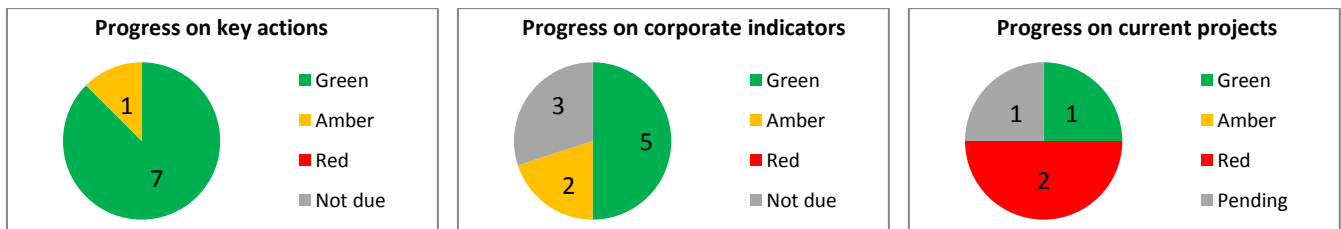
Making Huntingdonshire a better place to live, work and invest



Highlights include the EDGE skills for enterprise scheme now operating from a Huntingdon town centre location.

Enabling sustainable growth

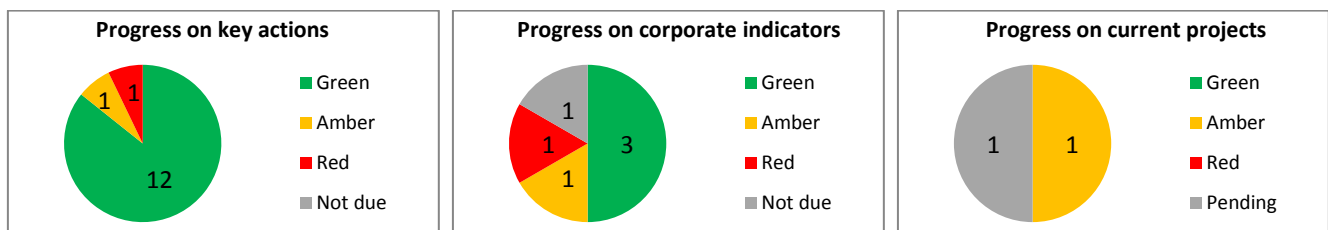
Delivering new and appropriate housing with minimum impact on our environment



Highlights include a planning application for 11 affordable homes on Council land at Hermitage Road, Earith.

Working with our communities

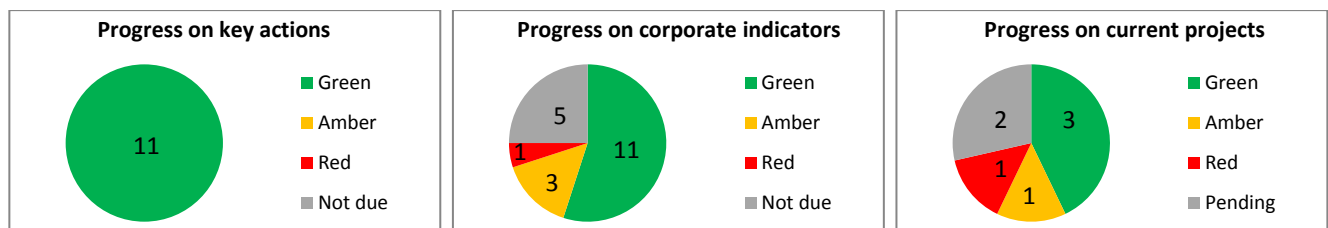
Making sure they thrive and get involved with local decision making



Highlights include an overall increase in admissions across all One Leisure sites

Ensuring we are a customer focused and service led council

Delivering value for money services



Highlights include an above target collection rate for Council Tax.

CORPORATE PLAN – PERFORMANCE REPORT

Appendix B

STRATEGIC THEME - A STRONG LOCAL ECONOMY

Period April to June 2015

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
5		1		0		0		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
n/a		n/a		n/a		n/a		n/a	

WE WANT TO: Accelerate business growth and investment

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Deliver a programme of themed business information clinics and events, and measure their impact.	Ongoing	Cllr Harrison	Andy Moffat	<u>Economic Development</u> Preliminary work for information clinics at Alconbury underway, including needs analysis sessions with some existing tenants. Date and speakers confirmed for next main event 'Make it Here' to focus on manufacturing in the district, 29 th September 2015.
G	Report on the effectiveness of the fast track pre-application advice available to potential growing businesses	Quarterly	Cllr Dew	Andy Moffat	<u>Development Management</u> None received in Quarter 1.

WE WANT TO: Remove infrastructure barriers to growth

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Develop Community Infrastructure Levy	March 2016	Cllr Dew	Andy Moffat	<u>Planning Policy</u>

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
	(CIL) governance structure				The scoping of this project is on track, with options under development and including consideration of HDC's potential role in shaping / leading a broader CIL service as part of a shared services project in partnership with other authorities.
A	Influence the Local Enterprise Partnership (LEP) to secure resource to facilitate delivery and mitigate the impact of new housing and to drive economic growth	Ongoing	Cllr Dew and Cllr Harrison	Andy Moffat	<u>Economic Development</u> Meeting held of all LEP area local authority (LA) representatives (Senior Sponsors Group) to identify infrastructure priorities (immediate/critical and longer-term/strategic) over a 30-year period. Local Authority inputs have been provided to the LEP, awaiting the LEP's collation of the information and response.

WE WANT TO: Develop a flexible and skilled local workforce

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Commit resources to 'EDGE smarter skills for enterprise', a public/private sector partnership to improve the business/ education-training skills match, ensuring that the agreed business plan targets are met	Ongoing, official launch November	Cllr Harrison	Andy Moffat	<u>Economic Development</u> EDGE is now operational from its Huntingdon town centre location. Planning is underway for an official launch event at the Houses of Commons, to be hosted by MP Jonathan Djanogly in November. Business plan target currently being reviewed.
G	Work in partnership to identify skills and competency gaps in high value manufacturing and develop gap closure strategies.	May 2015	Cllr Harrison	Andy Moffat	<u>Economic Development</u> Institute for Manufacturing report completed in May.

STRATEGIC THEME - ENSURING WE ARE A CUSTOMER FOCUSED AND SERVICE LED COUNCIL

Period April to June 2015

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
11		0		0		0		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
11		3		1		0		5	

WE WANT TO: Become more business-like and efficient in the way we deliver services

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Continue zero base budgeting (ZBB) for 2016/17 including a 'service challenge' process	December 2015	Cllr Gray	Clive Mason	<u>Accountancy</u> The ZBB process started again in April 2015, with Tranche 2 services being subject to Star Chamber on the 20th & 21st July 2015. The Tranche 3 review has commenced with the Star Chamber scheduled for November 2015.
G	Deliver 'Facing the Future' (FtF)	Ongoing	Cllr Gray for programme / Various for themes and activities	Adrian Dobbyne	<u>Corporate Team</u> Facing the Future activities have now been all fully assessed and broken down into new categorisations as either business as usual, projects or pending. This means that the main reporting on activities is through normal service reporting and the newly established project reporting through Overview and Scrutiny Panels and Cabinet.
G	Develop full business cases for previously identified energy reduction projects across the Council's estates	31 March 2016	Cllr Gray	Head of Operations	<u>Environment Team</u> Desk top assessments of energy saving potential at the Council's main sites are complete. Work to determine which sites require full investment grade proposals to be completed by end of second quarter 2015/16.

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Carry out a staff satisfaction survey	Aug 2015	Cllr Ablewhite	Jo Lancaster	<u>Corporate Team</u> Survey launched in mid-July and ran until mid-August. Results will be shared with Employment Panel in due course.
G	Build and launch a new council website that focuses on customer need	October 2015	Cllr Tysoe	John Taylor	<u>IMD</u> Work is on track. A site has been built and is going through a series of development activities. Alongside that content for the site is being produced – with the new site being written in more customer focussed language. There is also a focus on fewer pages, making it easier for customers to find what they need. The site is also designed to work on tablets and phones –which now make up the majority of visits to the Website.
G	Maximise the income generating potential of One Leisure sites to fully cover the cost of the operation	March 2016	Cllr Howe	Jayne Wisely	<u>One Leisure</u> Income is UP (£20K) on the same period last year and, when factoring in a trend of a general 5% increase for the rest of the year due to price rises, is suggesting that we will exceed income targets. We will have to be very watchful over the next 3 months as this is traditionally when income levels fluctuate the most. Expenditure is DOWN (£140K) which is all down to a reduction in employee costs. This suggests that we are ahead of our net target of £340K surplus. The July to September period is crucial. Income streams from October onwards have been pretty easy to predict and have been good in years gone by.
G	Develop a full business case for a Building Control Shared Service	July 2015	Cllr Dew	Andy Moffat	<u>Building Control</u> A report and Business Case was prepared for July's O&S (Environmental Well-Being) Panel and Cabinet meetings. The business case has been approved by Cabinet.
G	Publish Online Schedule of Proposed Procurements to promote future contract opportunities	September 2015	Cllr Gray	Clive Mason	<u>Procurement</u> This requirement has been incorporated into the new website design and once live will be populated as opportunities arise
G	Provide two training events to local businesses in Public Procurement	January 2016	Cllr Gray	Clive Mason	<u>Procurement</u> Advertised through Economic Development's business contacts and coordinated with preceding economic development events, the first event is booked for 7th October 2015. The second event will piggyback on a major economic development event planned for January 2016.

WE WANT TO: Ensure customer engagement drives service priorities and improvement

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Implement a consultation exercise with residents to inform 2016/2017 budget planning	September 2015	Cllr Gray	Adrian Dobbyne	<u>Corporate Team</u> This is being planned and will take place in Quarter 2.
G	Revisit and relaunch the Customer Service Strategy to ensure it continues to meet the needs of our customers and provide value for money services	Mar 2016	Cllr Tysoe	John Taylor	<u>Customer Services</u> This is on track. The Overview & Scrutiny (Social Well-being) Panel and Cabinet have seen and commented on a simple vision document, and Officers are now working on a final version of the strategy prior to resubmission to Members.

Corporate Performance and Contextual Indicators

Key to status

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
----------	----------------------	----------	----------------------------------------	----------	-----------------------------	---	--------------------------	-----	----------------------------------

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
Number of days to process new benefits claims Aim to minimise	25 days	32 days	26 days	23 days	G	26 days	c. 23 days	G
Number of days to process changes of circumstance Aim to minimise	5 days	12 days	7 days	4.5 days	G	7 days	c. 4.5 days	G
Number of days to process new council tax support claims Aim to minimise	25 days	30 days	26 days	21 days	G	26 days	c. 21 days	G
Number of days to process council tax support change events Aim to minimise	6 days	10 days	7 days	6 days	G	7 days	c. 6 days	G
Comments: (Customer Services) The performance in quarter 1 has exceeded expectations. This level of performance can be attributed to the introduction of a number of improvements made over the last few years including an on-line claim form, Risk Based Verification, ATLAS automation and a LEAN review of processes as well as a general improvement in the economy.								
% of Council Tax collected Aim to maximise	98.4%	28.96%	29%	29.15%	G	98.5%	98.5%	G
Comments: (Customer Services) The "in year" (2015/16) collection is at 29.7% against 29.5% for the previous year, highlighting the continued gradual improvement since the impact of "localised discounts", such as Council Tax Support, from 1 April 2013.								
% of Business Rates collected Aim to maximise	98.8%	29.6%	32%	29.9%	A	99.0%	98.8%	A
Comments: (Customer Services) While all possible enforcement action has been taken in accordance with the service plan, collection has been adversely affected by a large insolvency case (involving multiple properties) and "avoidance tactics" which has been the subject of a recent consultation and which it is hoped will be tackled as part of the Governments review of Business Rates Administration, not least to address the loss to the overall collection "pot" (of which the authority retains 40%).								

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
The percentage of Benefit claims with overpayments where recovery action is taking place Aim to maximise	New indicator for 2015/16	New indicator for 2015/16	n/a	74%	n/a	To be set (see comments)	n/a	n/a
Comments: (Customer Services) This is a new indicator for 2015/16 and shows the work taking place to recover benefit overpayments from customers no longer in receipt of Housing Benefit. The recovery of these overpayments is currently carried out by the Income and Benefits sections and the performance data shown here covers performance across both services. Data will be collected during the year to establish targets for 2015/16 and 2016/17. Performance will never reach 100% as there is a statutory right of appeal against an overpayment decision which the statistics must take into account.								
Telephone satisfaction rates Aim to maximise	98%	96.7%	n/a	n/a	n/a	95%	97%	G
Customer service centre satisfaction rates Aim to maximise	98%	96.7%	n/a	n/a	n/a	95%	97%	G
Comments: (Customer Services) We now plan to carry out the annual customer service customer satisfaction survey in August. We continue to record positive comments we receive from customers.								
Staff sickness - working days lost per Full-Time Employee (FTE) Aim to minimise	11.5 days	2.5 days	2.5 days	2.3 days	G	10 days	10 days	G
Comments: (LGSS HR services/Corporate Team) The average number of days lost through sickness absence per FTE in the first quarter is lower than in the same quarter last year. Last year's Q2 performance was the worst ever recorded but we don't expect that to be repeated this summer. The predicted outturn is expected to be better than the target set and a significant improvement on last year's full year performance of 11.5 days/FTE but to remain higher than benchmark figures reported by the East of England LGA (7.4 days/FTE in 2013/14) and the CIPD public sector average (7.9 days/FTE in their 2014 survey). Further information on sickness absence in Q1 and the actions taken to deal with this will be included in the Q1 Workforce Information Report due to go to Employment Panel in September.								
Subsidy per visit to council owned leisure facilities Aim to minimise	-£0.03	-£0.50	-£0.13	-£0.10	G	£0.15	£0.17	G
Comments: (Leisure and Health) With income levels up and expenditure levels down significantly, there is a large improvement on the Net Cost per Head compared to the same quarter in the previous year. Admissions are also up slightly, improving this figure, although they do sit behind the increased target at this stage of the year. End of year predictions after the first quarter however are that the target of £0.15 profit per admission will be exceeded.								
% of rent achievable on estates portfolio	97%	95%	100%	95%	A	100%	98%	A

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
Comments: (Operations) This is an annual indicator, no target reduction for the total cost of waste collection to be set for 2015/16 until the planned reconfiguration of the Waste Collection Service is complete.								
% of green bin debt outstanding after three months Aim to minimise	15.46%	26.88%	40%	37.97%	G	0%	0%	G
Comments: (Operations) Full year performance in 2014/15 was higher due to credits not being taken off accounts until April 2015; this then reduced the total outstanding debt to 1.16%. Invoices were issued in May 2015 for 2015/16 so the reporting on debt will commence in the second quarter to allow for the payment terms. The figures shown for 15/16 are for debt outstanding at the end of June 2015.								
% of invoices from suppliers paid within thirty days Aim to maximise	98.5%	97.9%	98%	98.8%	G	98%	98%	G
Comments: (Resources) Performance for quarter 1 was above target.								

STRATEGIC THEME - ENABLE SUSTAINABLE GROWTH

Period April to June 2015

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
7		1		0		0		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
5		2		0		0		3	

37

WE WANT TO: Improve the supply of new and affordable housing to meet future needs

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Invest in initiatives that will deliver affordable housing	Ongoing	Cllr Dew	Andy Moffat	<u>Housing Strategy</u> Due diligence for the potential loan to Luminus for the redevelopment of Langley Court in St Ives is ongoing.
G	Implement action plan to adopt the Local Plan 2036	Revised Local Development Scheme, setting out timescales for the Plan, to be prepared over Summer 2015	Cllr Dew	Andy Moffat	<u>Planning Policy</u> The revised Local Development Scheme will take account of the need to focus time and resources on key elements of the evidence base for the Local Plan, including a major programme of highways and transport modelling and analysis with Cambridgeshire County Council and others, and updated flood risk assessments with the Environment Agency.
G	Facilitate delivery of new housing on the large strategic sites at: Alconbury, St Neots, Wyton and Bearscoft	Ongoing	Cllr Dew	Andy Moffat	<u>Development Management, Planning Policy, Economic Development and Housing Strategy</u> Alconbury – Reserved matters consent granted for strategic roads

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
	(Godmanchester)				and landscaping for Phase 1. Permission granted for new facilities building to support the Enterprise Zone. Design Code approved and reserved matters application for first tranche of housing under consideration. St Neots – Viability and S.106 discussions progressing positively. Wyton – Highways work being scoped. Bearscroft – Design Code approved. Revisions to A1198 approved. Affordable housing dwelling mix now agreed with the developer. Cross Keys homes in contract with developer to own and manage the affordable homes. A reserved matters application for the first tranche of housing was received at the end of July 2015.
G	Monitor 5 year housing land supply position on an annual basis and carry out light touch reviews on a quarterly basis	Quarterly	Cllr Dew	Andy Moffat	<u>Development Management and Planning Policy</u> The outcome of a review confirming the Council had continued to maintain a 5 year housing land supply at the end of Q1 was reported to Corporate Management Team in July 2015.
G	Review council assets to identify which could be used to facilitate affordable housing and dispose to appropriate partners	Ongoing	Cllr Dew	Andy Moffat	<u>Housing Strategy</u> Earith – A planning application has now been submitted for the development of 11 affordable homes on the Council's exception site at Hermitage Road. The land sale is expected to complete in the next few months.

WE WANT TO: Develop sustainable growth opportunities in and around our market towns

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
A	Develop a market town centre improvement strategy and action plan for St Neots	March 2016	Cllr Dew	Andy Moffat	<u>Planning Policy</u> This project is still achievable by March 2016. Initial progress planned for Q1 has been delayed due to the need to focus on other workstreams, but full scoping and early engagement with partners will take place in Q2.

WE WANT TO: Enhance our built and green environment

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Update the 'Buildings at Risk' register	March 2016	Cllr Dew	Andy Moffat	<u>Planning Policy</u> This project is on track using resources in the Heritage and Conservation team. Community engagement will now take place early in Q3.

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Complete the updated Design Guide, setting out the Council's requirements of new development	March 2016	Cllr Dew	Andy Moffat	<u>Planning Policy</u> This project has slipped slightly due to staffing issues but can still be completed within the current financial year.

Corporate Performance and Contextual Indicators

Key to status

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
----------	----------------------	----------	----------------------------------------	----------	-----------------------------	---	--------------------------	-----	----------------------------------

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
Number of affordable homes delivered gross Aim to maximise	161	69	27	26	A	61	TBC	TBC
Comment: (Development) A target of 328/year (82/quarter) would be required to meet the Strategic Housing Market Assessment identified need of 8,188 homes over the Local Plan (25 years) but this would only be achieved if 39% of all new dwellings built over the Local Plan period are affordable which, having regard to current viability, will not be achieved.								
Net additional homes delivered Aim to maximise	n/a	n/a	n/a	n/a	n/a	840	TBC	TBC
Comment: (Development) This information is published annually in the Council's Annual Monitoring Report. The number of homes delivered in 2014/15 will be published in December 2015.								
Number of unintentional priority homeless acceptances Aim to minimise	210	48	55	56	A	220	220	G
Number of unintentional priority homeless acceptances per 1,000 households Aim to minimise	1.2	0.3	0.8	0.3	G	3.0	3.0	G
Comment: (Customer Services) Homelessness acceptances continue to increase both locally and nationally. The Council continues to make interventions where possible through a range of prevention measures aiming to minimise homelessness and keep a cap on the increasing trend locally.								
Number of households living in temporary accommodation (including B&B) - snapshot Aim to minimise	102	84	110	94	G	110	110	G
Comment: (Customer Services) As homelessness increases the concern is that an increasing number of households will be placed in temporary accommodation. This is likely unless there are sufficient permanent homes becoming available (in the private and social rented sectors) that ensures a sufficient throughput of the households								

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
in temporary accommodation, and successful prevention measures limiting the number of households entering the temporary accommodation system.								
Number of families in B&B - snapshot	9	14	10	10	G	10	10	G
Aim to minimise								
Comment: (Customer Services) See comment for the indicator above – B&B is always the temporary accommodation of last resort but if the number of households in temporary accommodation increases for the reasons given above then the risk is that the Council will have no other alternatives but to increase its use of B&B.								
Processing of planning applications on target - major (within 13 weeks)	49%	64%	60%	50% (75%)	G	60%	TBC	G
Aim to maximise								
Comment: (Development) Local Planning Authorities now have to report to DCLG based on the percentage of major applications determined within 13 weeks or any other statutory period as agreed with the applicant through extensions of times or Planning Performance Agreement, rather than the previous indicator of percentage determined within 13 weeks only. The Q1 performance figure in brackets is the one now reported to DCLG, with the preceding figure showing the percentage determined within 13 weeks. This changed criteria enables further discussions and/or information to enable applications to be approved within an agreed timeframe rather than determined/refused simply to meet targets. The Development Management team is therefore working to ensure that a target of 60% of major applications are determined within 13 weeks or any other statutory period as agreed with the applicant through extensions of times or Planning Performance Agreement, rather than the previous target of 60% within 13 weeks.								
Processing of planning applications on target - minor (within 8 weeks)	43%	55%	n/a	35% (48%)	n/a	65% for Q2-Q4	TBC	TBC
Aim to maximise								
Comment: (Development) The number of undermined out of time applications and the backlog of applications in the validation team at the start of Q1 meant that the Development Management Service Plan only realistically seeks to achieve the target of 65% of minor applications determined in time for the Q2-Q4 period.								
As above in relation to major applications, Local Planning Authorities now have to report to DCLG based on the percentage of minor applications determined within 8 weeks or any other statutory period as agreed with the applicant through extensions of times or Planning Performance Agreement, rather than the previous indicator of percentage determined within 8 weeks only. The Q1 performance figure in brackets is the one now reported to DCLG, with the preceding figure showing the percentage determined within 8 weeks. This changed criteria enables further discussions and/or information to enable applications to be approved within an agreed timeframe rather than determined/refused simply to meet targets. The Development Management team is therefore working to ensure that a target of 65% of minor applications are determined within 8 weeks or any other statutory period as agreed with the applicant through extensions of times or Planning Performance Agreement during the Q2-Q4 period, rather than the previous target of 65% within 8 weeks.								
Processing of planning applications on target – other (within 8 weeks)	65%	71%	n/a	54% (59%)	n/a	80% for Q2-Q4	TBC	TBC
Aim to maximise								

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
<p>Comment: (Development) The number of undermined out of time applications and the backlog of applications in the validation team at the start of Q1 meant that the Development Management Service Plan only realistically seeks to achieve the target of 80% of minor applications determined in time for the Q2-Q4 period.</p> <p>As above in relation to major and minor applications, Local Planning Authorities now have to report to DCLG based on the percentage of other applications determined within 8 weeks <u>or any other statutory period as agreed with the applicant through extensions of times or Planning Performance Agreement</u>, rather than the previous indicator of percentage determined within 8 weeks only. The Q1 performance figure in brackets is the one now reported to DCLG, with the preceding figure showing the percentage determined within 8 weeks. This changed criteria enables further discussions and/or information to enable applications to be approved within an agreed timeframe rather than determined/refused simply to meet targets. The Development Management team is therefore working to ensure that a target of 80% of other applications are determined within 8 weeks or any other statutory period as agreed with the applicant through extensions of times or Planning Performance Agreement during the Q2-Q4 period, rather than the previous target of 80% within 8 weeks.</p>								
Tonnage of residual waste collected	29,901.05 (tonnes)	7,355.36 (tonnes)	7,282 (tonnes) (1%↓)	4,976 (tonnes)	G	29,602 (tonnes) (1%↓)	29,602 (tonnes)	G
Aim to minimise								
<p>Comment: (Operations) The tonnage shown for Q1 15/16 is for April and May 2015, data not available as yet for June 2015.</p>								

STRATEGIC THEME - WORKING WITH OUR COMMUNITIES

Period April to June 2015

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
12		1		1		0		0	

Target dates do not necessarily reflect the final completion date. The date given may reflect the next milestone to be reached.

Summary of progress for Corporate Indicators

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
3		1		1		0		1	

43 WE WANT TO: Create safer, stronger and more resilient communities

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Continue to manage and enhance the joint CCTV service with Cambridge City Council	March 2016	Cllr Howe	Chris Stopford	<u>CCTV</u> The Shared Service is now operational and staffed as per the original business case. The Management Board and members Board meetings are scheduled for 2015/16. Work has commenced to identify opportunities for generating further efficiency savings, and new customers to the service.
G	Increase the use of fixed penalty notices (FPN) for littering	March 2016	Cllr Carter	Head of Operations	<u>Street Scene</u> 20 FPNs were issued in 2014/15. 7 FPNs were issued in the first quarter of 2015/6. A card reporting system for all HDC employees to report littering has been introduced and this system will be used to maximise the number of FPNs issued.
G	Manage the Community Chest to encourage and promote projects to build and support community development	September 2015	Cllr Harrison	Chris Stopford	<u>Community</u> The Grants Panel met on the 9 th July 2015 and has agreed the Awards for the 2015/16 Community Chest. 68 applications were received, up 20 on 2014/15. The total requested funding was £194k, up 32% on 2014/15. The Awards made on the 9 th July 2015 allocated the whole funding of £60k available for 2015/16.

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
R	Deliver diversionary activities for young people	March 2016	Cllr Howe	Jayne Wisely	<p><u>Sports and Active Lifestyles Team</u> Street Sports delivered in 4 locations. Despite a new location being added at Godmanchester, together with ongoing St Neots, Sawtry and Yaxley sessions, attendances are 10% down on same period last year and 35% down on the Q1 target. Changes to CCC Youth Services and school programming have affected delivery in the past quarter.</p> <p>Meetings are planned with CCC Youth Services over the summer period with a view to relaunch Street Sports in September with the new school term. Changes planned include revised timings and increased marketing. Overall Under 17's attendances (street sports/holiday programmes etc) are 29% down on the same period last year and 33% down on the Q1 target.</p> <p>Programmes have been affected by a short term secondment to East Cambs DC (which has now ended) affecting ability to plan programmes as well as partner clubs being less willing to participate under strict budgetary restrictions. This has combined to result in less activities being offered overall than forecast. Take up of those activities provided has also been affected by price increases and inclement weather. To recover position opportunities are being pursued to deliver additional commissioned activities as well as a review of overall School Holiday Activity Roadshow currently ongoing.</p>
G	Further analysis of our current partnership commitments to deliver value for money and ensure alignment with the corporate priorities	September 2015	Cllr Ablewhite	Adrian Dobbyne	<p><u>Corporate Team</u> Following on from the initial analysis undertaken in 2014/15, we now need to do further work as the scale of the Partnerships was greater than first anticipated. This is being resourced to be undertaken in Quarter 2.</p>

WE WANT TO: Improve health and well-being

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Increase physical activity levels through the provision of activities in One Leisure sites and in community settings	March 2016	Cllr Howe	Jayne Wisely	<p><u>One Leisure and Sports & Active Lifestyles teams</u> <u>One Leisure</u> admissions on the whole appear to be up slightly on the previous year. Across sites Ramsey, St Ives and St Neots</p>

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
					<p>increased, Huntingdon is similar, while Sawtry has decreased.</p> <p>Areas of concern surround Zest (Hospitality) and Funzone (Soft Play Centres) at Huntingdon especially and St Neots.</p> <p>Swimming is down across all sites except St Ives, however this is following a nationally reported trend from the Active People Survey. Lessons up everywhere except Sawtry.</p> <p>Fitness Classes are showing very small signs of improvements at some sites and Impressions attendances are up everywhere except Huntingdon. Sports Hall activities are up everywhere and the Burgess Hall is up significantly.</p> <p><u>Sport & Active Lifestyles</u> Attendances are up as a whole 8% on the same period in 14/15 and 47% up on the 15/16 target. Health and physical activity programmes are performing exceptionally well. Sport programmes are more challenging, particularly under 17's and equity work. Right Start class average reached 15 per class and new class added at Buckden in response to customer demand.</p>
G	Support healthy lifestyles through the provision of open space on new developments and maintenance of existing open spaces	Ongoing	Cllr Dew	Andy Moffat	<p><u>Development Management</u> Open space was negotiated where relevant in line with the Local Plan policy.</p>
G	Prevent homelessness where possible by helping households either remain in their current home or find alternative housing, with the assistance of the Council's Rent Deposit Scheme where appropriate	Ongoing	Cllr Tysoe	John Taylor	<p><u>Housing Needs</u> Prevented homelessness for 93 households in Q1 through a variety of interventions.</p>
G	Assist non priority single homeless people with housing options through the Cambridgeshire Single Homelessness Service	Ongoing	Cllr Tysoe	John Taylor	<p><u>Housing Needs</u> 22 single homeless people referred to the Single Homelessness Service in Q1. 10 of these have been accommodated through the scheme, resolving their homelessness.</p>
G	Provide a responsive Disabled Facility Grants programme	Ongoing	Cllr Dew	Andy Moffat	<p><u>Housing Strategy</u> 35 DFGs completed in Q1.</p>
G	Enable a new extra care scheme to be built to meet needs in St Ives and Ramsey	Ongoing	Cllr Dew	Andy Moffat	<p><u>Housing Strategy</u> Langley Court, St Ives – a revised planning application has been approved and the potential loan from the Council to Luminus to</p>

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
					support the cost of the building is progressing through due diligence. Luminus have let a contract for construction of the new building. Ramsey – negotiations with land owner / developer / Luminus / Cambridgeshire County Council are ongoing.
G	Reduce fuel poverty and improve health by maximising the number of residents taking up the grant funded Action on Energy scheme	30 September 2015	Cllr Carter	Head of Operations	<u>Environment Team</u> Target – 200 Home Energy assessments to be undertaken in homes in Huntingdonshire by 30th September 2015. Progress – 106 Home Energy Assessments undertaken in Huntingdonshire, Quarter 1 2015/16.

WE WANT TO: Empower local communities

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
G	Set out our 'community planning' offer and support community planning including working with parishes to complete neighbourhood and parish plans	September 2015	Cllr Ablewhite	Chris Stopford	<u>Community</u> Work is to be undertaken to develop the 'community planning offer'. However, in the last quarter no requests for assistance in the production of neighbourhood and parish plans have been received.
A	Review control and management of Council assets	TBC	Cllr Gray	Clive Mason	<u>Estates</u> Property & Estate Management: - two main priorities – 1) Establish a reliable/efficient asset database, which can provide accessible information to multi-disciplinary teams and assist good asset management. <i>Audited action: Estates are in discussion with IMD with regards to the current licenced Uniform database – testing to establish 'fit for purpose' and reporting use – and then populate with data from the estates excel database (resource to be employed to upload data).</i> 2) Review current practice on repairs and maintenance (R&M) commitments on the estates and develop 5 year planned maintenance schemes – to reduce the total cost of R&M. <i>Audited action: this is under review and Mouchel reports being reviewed to produce base property data (costs split into categories) required to develop simplified R&M plans in consultation with service teams (FM, Projects and Operations) –</i>

Status	Key Actions for 2015/16	Target date	Portfolio Holder	Head of Service	Progress Update – Q1 2015/16
					<i>this has commenced with outcome to instigate planned maintenance programmes and demonstrate move to pro-active response (from reactive works).</i>

Corporate Performance and Contextual Indicators

Key to status

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
----------	----------------------	----------	----------------------------------------	----------	-----------------------------	---	--------------------------	-----	----------------------------------

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
Number of missed bins per 100,000 households Aim to minimise	36	50	35	37	A	35	35	G
Comments: (Operations) Current procedure for reporting missed bins being reviewed to be more customer centric and to move towards a 'Yellow Card/Red Card' warning system.								
Percentage of household waste recycled or composted Aim to maximise	56.66%	61.39%	57.66%	59.87%	G	57.66%	57.5%	A
Comments: (Operations) The percentage shown for Q1 15/16 is for April and May 2015, data not available as yet for June 2015. First quarter figures show a slight downturn on 2014/15 owing to the seasonality of green waste collections.								
% of food establishments in the district that are 'broadly compliant with food hygiene law' Aim to maximise	96.11%	95.29%	TBC	96.74%	n/a (target TBC)	TBC	TBC	n/a (target TBC)
Comments: (Community) The Performance Indicator is based on the results of the routine inspection of food businesses in Huntingdonshire. The Quarter 1 data is based on 1,366 registered food businesses at 30 th June 2015. Of these, 46 are considered to be not broadly compliant and further work is being undertaken with these businesses to improve their compliance levels.								
The Food Standards Agency Annual Report on UK Local Authority Food Law Enforcement 2013/14, states that on the 31 st March 2014 the national average for broadly compliant was 91.7%, in England only the average was 92.1% and for English district councils the average was 94.6%. The average for Cambridgeshire is 94.5%.								
Number of Disabled Facilities Grants (DFGs) completed Aim to maximise	207	29	50	35	R	200	200	G
Comments: (Development) Q1 completions are always low following the peak in Q4 of the preceding year.								

Performance Indicator	Full Year 2014/15 Performance	Q1 2014/15 Performance	Q1 2015/16 Target	Q1 2015/16 Performance	Q1 2015/16 Status	Annual 2015/16 Target	Forecast Outturn 2015/16 Performance	Predicted Outturn 2015/16 Status
Disabled Facilities Grants – Average time (in weeks) between date of referral to practical completion for minor jobs up to £10k Aim to minimise	25.75 weeks	n/a	26 weeks	26 weeks	G	26 weeks	26 weeks	G
Comments: (Development)								
Percentage of all reported dangerous structures inspected within 24 hours Aim to maximise	100%	100%	100%	100%	G	100%	100%	G
Comments: (Development) Of the 6 structures inspected, 2 had to be removed.								

Appendix C – Project Performance and Projects

Green = Progress is on track	Amber = Progress is within acceptable variance	Red = Progress is behind schedule or lack of governance information	Pending Approval = Business Case to be approved	Pending Closure = In close-down stage
------------------------------------	------------------------------------------------------	---------------------------------------------------------------------------	-------------------------------------------------------	------------------------------------------

Title and purpose of project	Programme	Project Manager	Target End Date	Expected End Date	Programme Office comments	RAG Status	Latest Update Date
e-Consultation Develop IT to assist with the implementation of e-consultation	Facing the Future	Moffat, Andy (Planning)	30/09/15		There are no documents on the SharePoint Site.	Red	Over 2 months ago
CIL/S106 Idox Implementation To implement UNIFORM CIL module and Obligation Tracker for CIL, this includes Outlook Integration and Access Reports	Cross-Cutting	Alterton, Emma (IMD)	30/11/13	30/09/15	Ongoing technical difficulties.	Red	Over 2 months ago
“End of Lane” waste collection policy Analyse the implications of introducing an “End of Lane” waste collection policy	Facing the Future	Gordon, Beth (Operations)	30/08/15		There are no documents on the SharePoint Site.	Red	Over 2 months ago
Loves Farm Community Building Delivery of new Loves Farm Community building in conjunction with CCC	Community	Allen, Chris (Projects)	31/07/15	11/09/15	Delay to completion. PM is updating site.	Amber	Within last month
Operations Data Review To resolve issues raised by Operations in using their data through Uniform & GIS	Cross-Cutting	Alterton, Emma (IMD)	30/07/15		Imminent end date. No meeting documentation, but recent activity. No major impact as a result of slippage.	Amber	Within last month
Leisure Invest to Save Opportunities Explore further opportunities for invest to save schemes including conversion of synthetic pitch at St Neots and self-serve gyms at Ramsey and Sawtry	Facing the Future	Davidson, Chris (Leisure)	30/09/15	01/09/15	Awaiting Board decision on delays. Well documented.	Amber	Within last month
Strategic review of Industrial and Commercial stocks Deliver a strategic review of Industrial and Commercial stocks	Facing the Future	Tilah, Bill (Estates)	30/09/2015		Site has been updated, but no risks as yet. Work to be done.	Amber	Within last month
OL Membership Software Procurement To procure a contract to deliver and support a membership management system which covers EPOS, Bookings, Subscriptions, Access Control (this list is not exhaustive)	Leisure & Health	Corley, Pete (Leisure Ser.)	30/09/2015		Lots of documentation. Looks on track.	Green	1-2 months ago
Council Tax Automated Forms Introduce automated forms into business systems	Facing the Future	Woodruff, Paul (IMD)	31/03/16		Lots of documentation. Looks on track.	Green	1-2 months ago

Green = Progress is on track	Amber = Progress is within acceptable variance	Red = Progress is behind schedule or lack of governance information	Pending Approval = Business Case to be approved	Pending Closure = In close-down stage
------------------------------------	------------------------------------------------------	---------------------------------------------------------------------------	-------------------------------------------------------	------------------------------------------

Title and purpose of project	Programme	Project Manager	Target End Date	Expected End Date	Programme Office comments	RAG Status	Latest Update Date
Mobile Working To increase flexibility and assist in mobilising the workforce	Cross-Cutting	Keech, Edward (IMD)	01/12/15		Lots of documentation. Looks on track.	Green	Within last month
Cambridgeshire Anti-Fraud Network Fraud deterrence and prevention, improved investigations processes and a joint approach to investigations by shared use of intelligence, data and technology	Customer Service	Askew, Paul (Benefit Fraud)	31/03/16		Lots of documentation. Looks on track.	Green	Within last month
IT Shared Service To bring together HDC, SCDC and Cambs City IT departments	Shared Service	Alterton, Emma (IMD)	01/10/15		Documentation largely held elsewhere, but reports, business cases and FAQs on site.	Green	Within last month
Legal Shared Service To bring together HDC, SCDC and Cambs City Legal departments	Shared Service	Cambridge City Council	01/10/15		Documentation largely held elsewhere, but reports, business cases and FAQs on site.	Green	Within last month
Building Control Shared Service To bring together HDC, SCDC and Cambs City Building Control departments	Shared Service	Cambridge City Council	01/10/15		Documentation largely held elsewhere, but reports, business cases and FAQs on site.	Green	Within last month
Website Redevelopment To completely re-build a new HDC website in Umbraco	Customer Service	Sexton, Kathryn (Customer Services)	16/10/15		Lots of documentation. Looks on track.	Green	Within last month
Benefits Online Changes To provide an intelligent online form with back office integration for customers to report changes in their Housing Benefit & Council Tax Support	Customer Service	Huggins, Barnes (Rev. Serv.)	30/09/15		Lots of documentation. Looks on track.	Green	Within last month
Huntingdon West Regeneration of Huntingdon Town Centre	Community	Allen, Chris (Projects)	30/09/15		Ongoing discussion with land owner but road open. PM is updating site.	Pending Closure	Within last month
Debt Recovery Improve the debt recovery process to be efficient and cost effective to maximise financial recovery	Cross-Cutting	Clough, Lucie (Corporate Office)				Pending Approval	Within last month
Resource Booking To explore options and procure a new room booking system for internal and third party use	Cross-Cutting	Clough, Lucie (Corporate Office)				Pending Approval	1-2 months ago
Call Centre & CSC Provision Examine the future provision by the Call Centre and CSC at PFH. Include an assessment of performance standards and the business case for	Facing the Future	Greet, Michelle (Customer Service)	31/03/16			Pending Approval	Over 2 months ago

51

Green = Progress is on track	Amber = Progress is within acceptable variance	Red = Progress is behind schedule or lack of governance information	Pending Approval = Business Case to be approved	Pending Closure = In close-down stage
------------------------------------	------------------------------------------------------	---------------------------------------------------------------------------	-------------------------------------------------------	------------------------------------------

Title and purpose of project	Programme	Project Manager	Target End Date	Expected End Date	Programme Office comments	RAG Status	Latest Update Date
moving and merging the teams							
ICT Replacements & Server Virtualisation	Capital					Pending Approval	N/A
Graphical Information System	Capital					Pending Approval	N/A
Salix Projects	Capital					Pending Approval	N/A
Pedals Scheme	Capital					Pending Approval	N/A
One Leisure Future Improvements	Capital					Pending Approval	N/A
One Leisure Replacement Equipment	Capital					Pending Approval	N/A
One Leisure Huntingdon Development	Capital					Pending Approval	N/A
Phoenix Industrial Unit Roof	Capital					Pending Approval	N/A

Financial Performance Monitoring Suite June 2015

CONTENTS

1. Headlines – Financial Performance.....	1
2. Financial Performance Summary – Impact on Reserves.....	2
3. 2015/16 Head of Service Corporate Budget Monitoring.....	2
4. Financial Dashboard.....	3

Clive Mason
Head of Resources

Prepared By:

Rebecca Maxwell
Accountancy Manager

Headlines – Financial Performance

The 2015/16 financial performance of the Council, based on June 2015 actuals, is as follows:

- Forecast net spending is £18.993m, which is £0.685m lower than the updated budget.
- Forecast “overall” contribution to reserves is £1.133m; this is made up of the:
 - A. budgeted contribution to reserves of £0.797m,
 - less the 2014/15 carry forward adjustments of £0.262m,
 - plus the service saving of £0.150m, which
 - gives a net forecast revenue surplus of **£0.685m**
 - B. plus additional government funding of **£0.448m**.
- The contribution to reserves will be split between £0.535m to the General Fund Reserve and £0.598m as an additional contribution to the Capital Investment Earmarked Reserve.

Forecast Outturn and General Fund Reserve as at: June 2015

Revenue Forecast Outturn June 2015	2014/15		2015/16		Forecast Variation Compared to :-				
	Provisional Outturn	Original Budget	Updated Budget	Forecast	Original Budget		Updated Budget		
	£'000	£'000	£'000	£'000	£'000	%	£'000	%	
Revenue by Service:									
Community	2,487	2,130	2,136	2,132	2	0.1	(4)	-0.2	
Customer Services	4,160	4,488	4,719	4,440	(48)	-1.1	(279)	-5.9	1
Development	1,268	1,691	1,700	1,591	(100)	-5.9	(109)	-6.4	2
Leisure & Health	320	58	60	33	(25)	-43.1	(27)	-45	
Operations	4,546	4,593	4,593	4,609	16	0.3	16	0.3	
Resources	2,997	3,930	3,929	3,777	(153)	-3.9	(152)	-3.9	3
Directors and Corporate	2,845	2,377	2,392	2,411	34	1.4	19	0.8	
Technical Adjustments	(452)	(386)	(386)	0	386	-100	386	-100	
Net Revenue Expenditure	18,171	18,881	19,143	18,993	112	0.6	(150)	-0.8	
Contribution to Reserves	1,693	797	535	685	(112)	-14.1	150	28	
Budget Requirement (Services)	19,864	19,678	19,678	19,678					
Financing:-									
NDR & Council Tax surplus	(6,222)	(4,242)	(4,242)	(4,619)	(377)	8.9	(377)	8.9	
Government Grant (Non-specific)	(8,022)	(7,668)	(7,668)	(7,739)	(71)	0.9	(71)	0.9	
Contribution to Reserves (additional Funding)	2,018	0	0	448					
Council Tax for Huntingdonshire DC	7,638	7,768	7,768	7,768					
General Fund Reserve									
Balance as at 1st April	8,684	8,537	8,537	9,287 A	750	8.8	750	8.8	
Contribution to Service Expenditure	603	797	535	535	(262)	-32.9	0	0	
Outturn forecast as at 31 March	9,287	9,334	9,072	9,822	488	5.2	750	8.3	
Earmarked Reserves					Movement in Earmarked Reserves				
S106 agreements	1,141			1,141					
Commuted S106 payments	1,762			1,762					
Repairs and Renewals Funds	1,300			1,300					
Delayed Projects	262			262					
Collection Fund	2,768			2,768					
Capital Investment	4,737			5,335					
					598				598 Additional Saving in excess of the contribution to General Fund Reserves
Special Reserve	2,500			2,500					
Other Reserves	1,227			1,227					
Total Earmarked Reserves	15,697			16,295	598				

Definitions

Original Budget
Updated Budget
Provisional Outturn
(A)

As approved by Council, February 2015
The Original Budget including approved carry forwards from 2014/15
Provisional Outturn reported to Cabinet in June 2015.
Actual General Fund Balance as at 31st March 2015

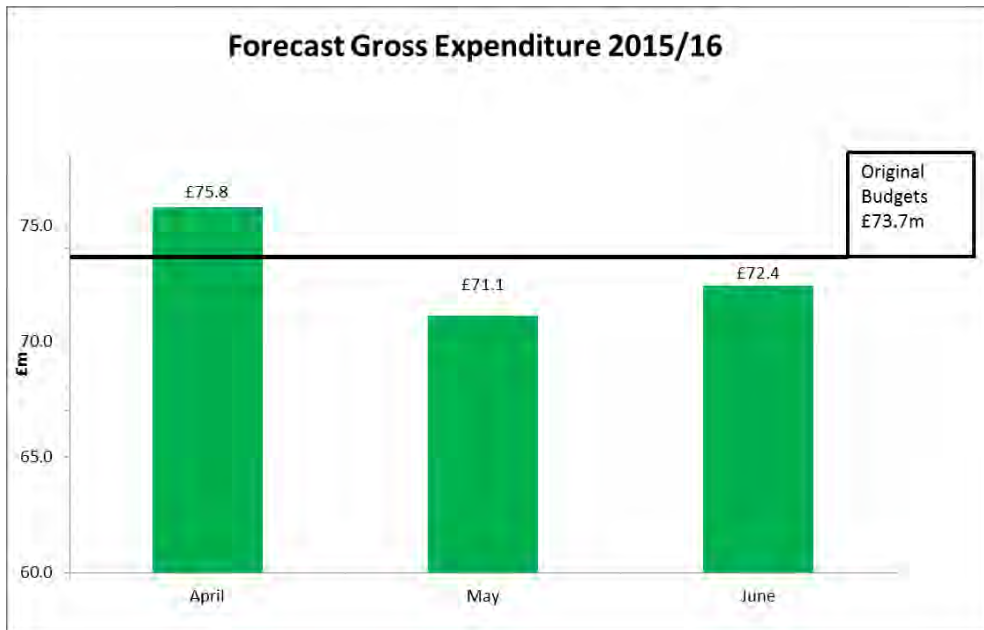
Forecast Outturn commentary for variances over £75,000 against Updated Budget

Revenue by Service:

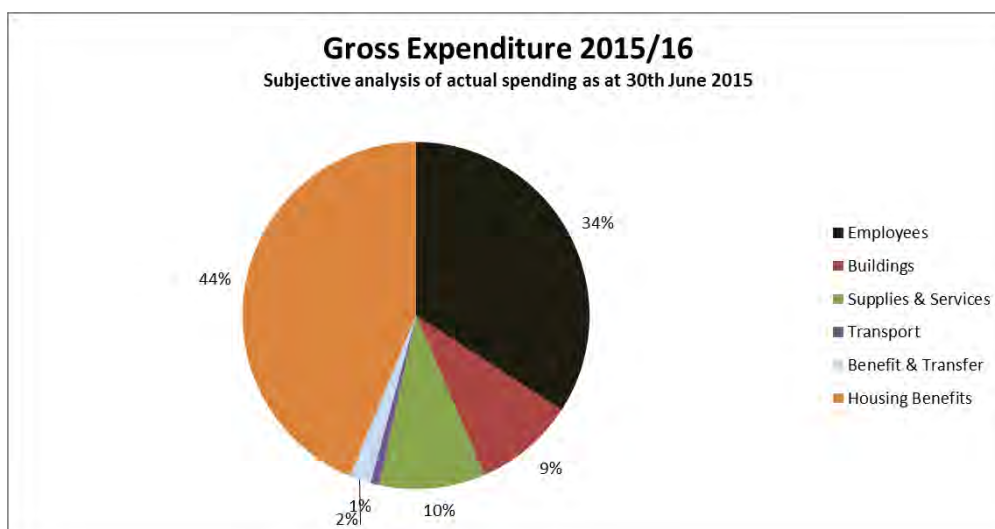
	No.as above	Commentary:
Customer Services	1	£75,000 lower Housing Benefits costs due to caseload changes and lower use of Bed & Breakfast accommodation, £120,000 savings from 5 vacant posts.
Development	2	£120,000 savings from 5 vacant posts.
Resources	3	£175,000 S31 grant received and £24,000 additional spend for ZBB

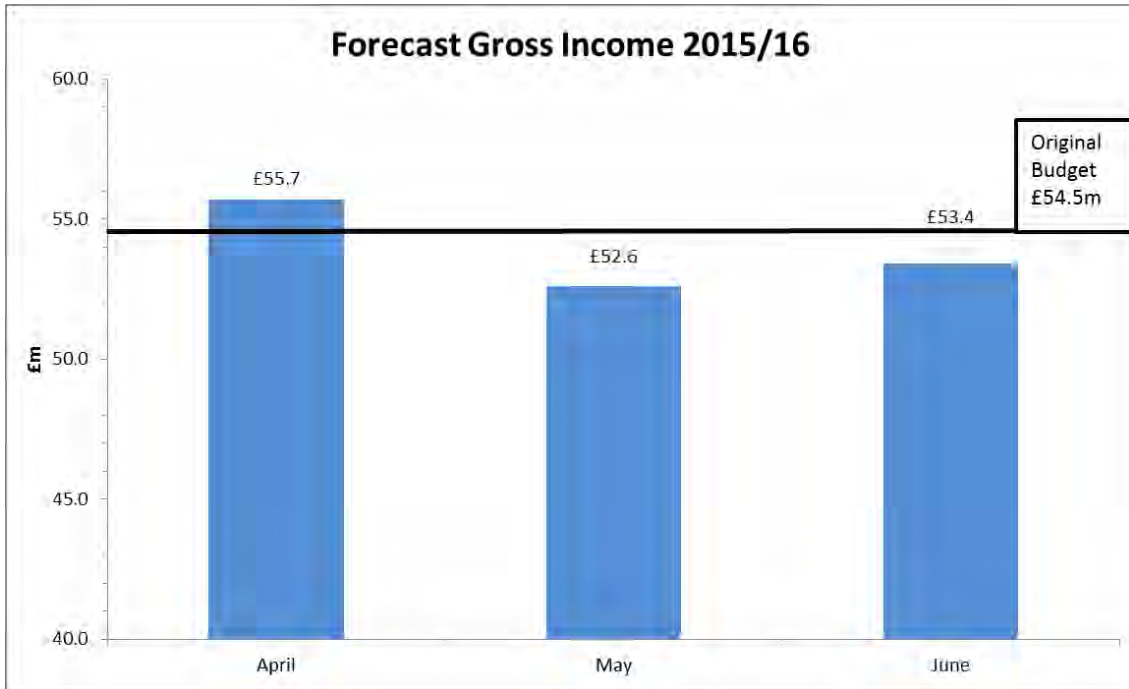
Financial Dashboard (June 2015)

Revenue Income & Expenditure

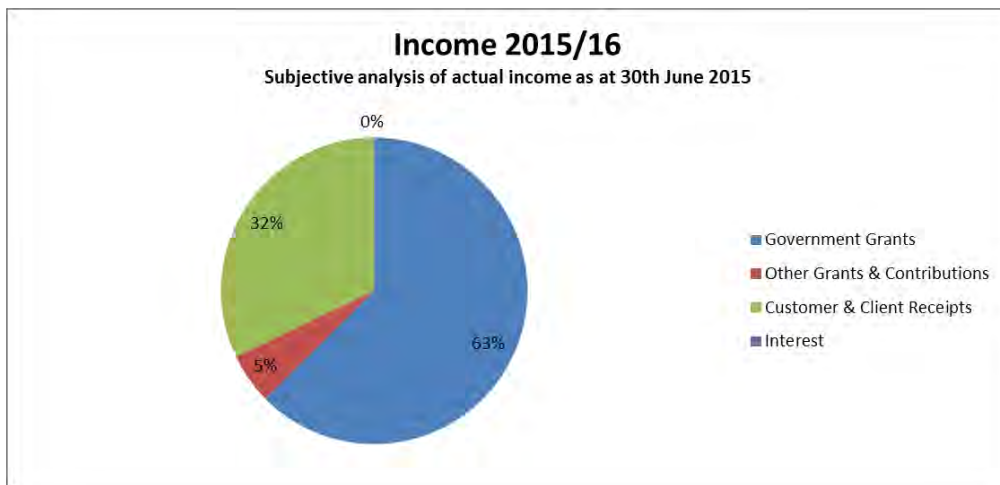


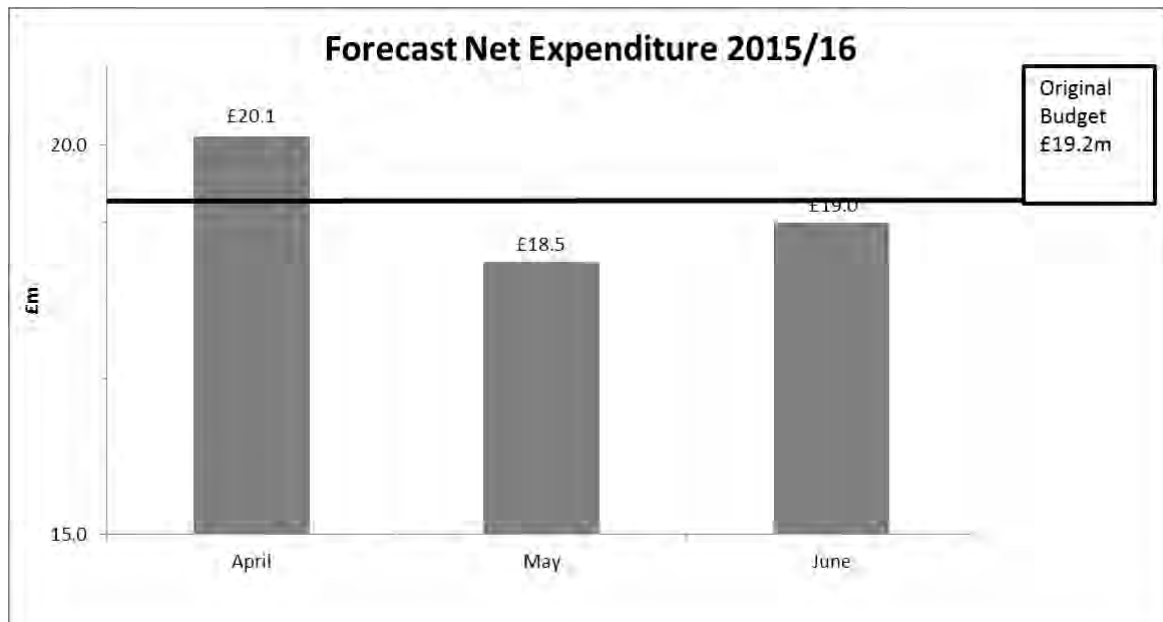
The 2015/16 original gross revenue expenditure budget of £73.7m is combined with the approved carry forwards from 2014/15 to give an updated budget of £74.0m. As shown below the main area of expenditure is Housing Benefits and employees.





The gross revenue income budget as approved in February 2015 has not been affected by the approved carry forward budgets from 2014/15.





At the end of the first quarter (June 2015) net revenue expenditure is forecast to be at £18.993m, £0.150m below the updated net budget of £19.143m. The potential effect on overall balances is to increase the surplus contribution by £0.685m by the year end.

The financial and budgeting process is being revised and now will fall in line with the corporate reporting timetable. These changes have impacted on the time in which to discuss and involve the Heads of Service and the Budget Managers in the new process.

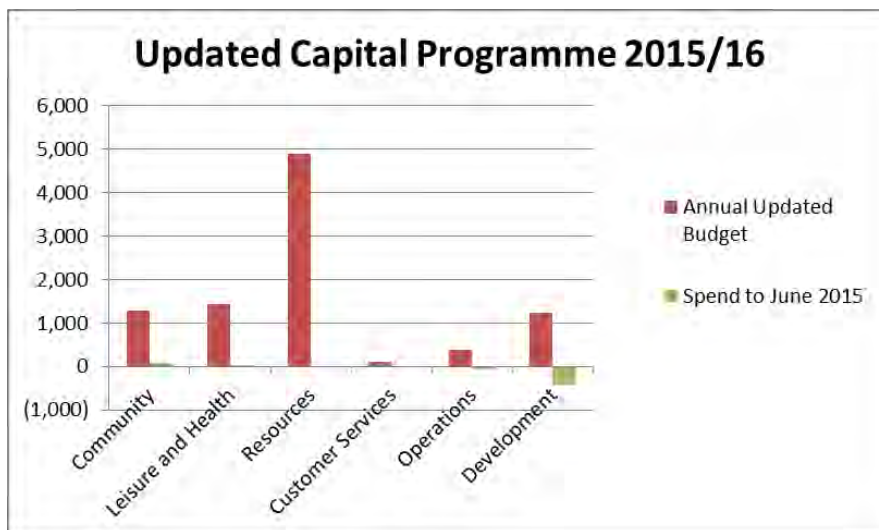
Capital Programme (Property, Plant & Equipment)

The Council approved the 2015/16 capital programme of £11.065m in February 2015. This was following the February 2015 Cabinet that approved the Finance Governance Board's (FGB) recommendations that the capital programme be reduced by £1.428m. Together with the approved carry forwards of £0.274m the updated capital budget for 2015/16 is £9.363m as detailed in the table below.

<u>Summary</u>	<u>£'000</u>
Original Approved Budget	11,065
Approved reductions by FGB	1,428
Approved carry forwards from 2014/15	274
Updated Capital Programme	9,363

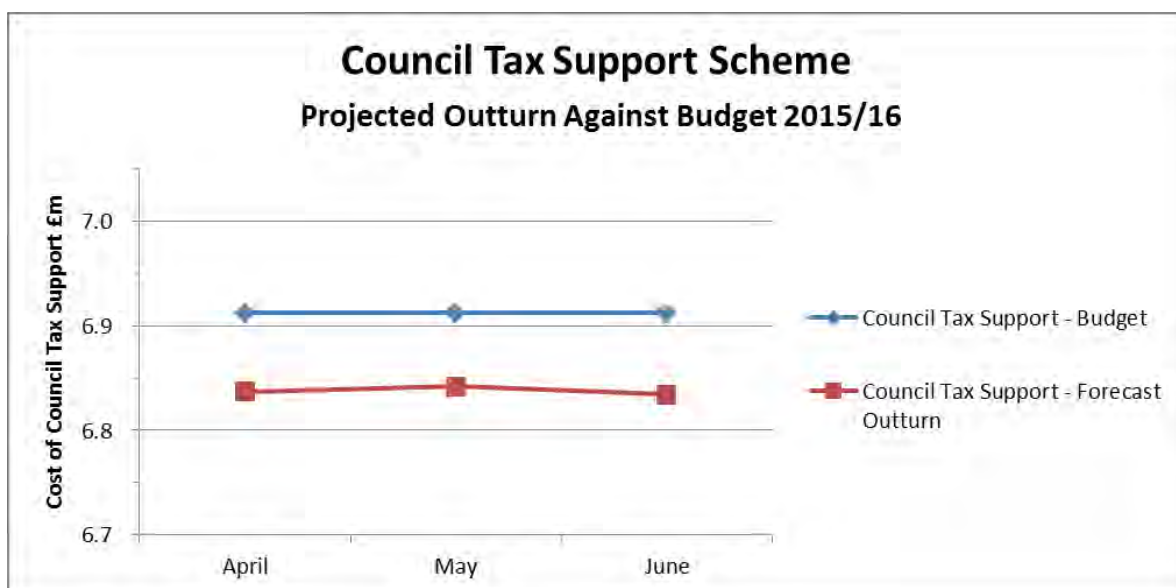
As at the end of June 2015, the capital programme showed a net income of £0.398m due to the receipt of Disabled Facilities grant and the majority of the planned projects not yet starting. The revised process requires business plans to be submitted to the

finance governance board before funds are released, this has slightly delayed the programme.



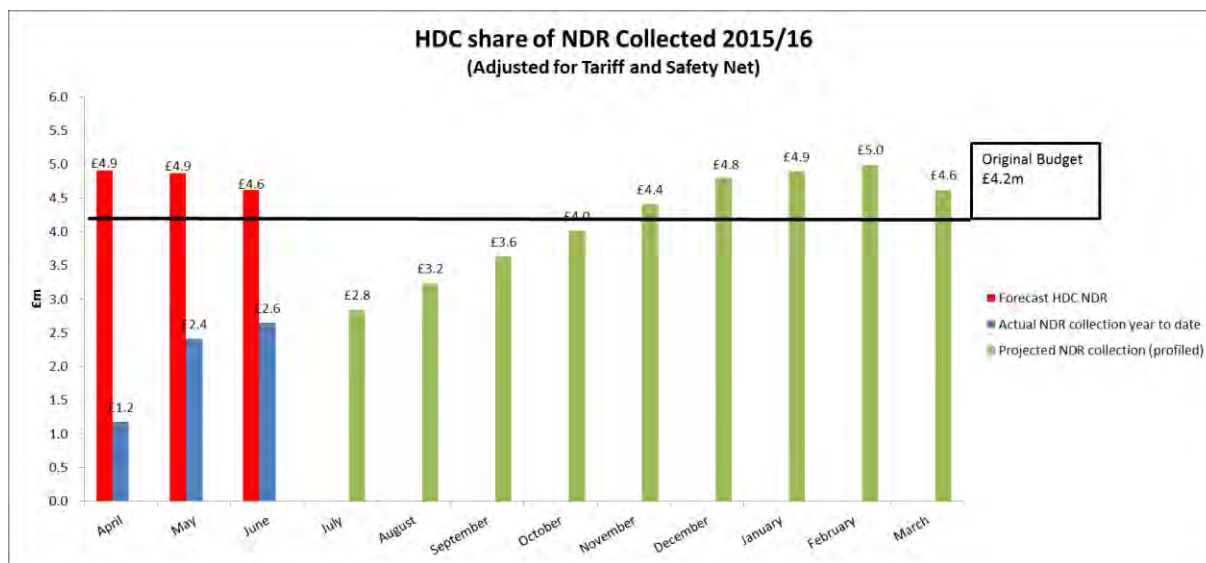
Council Tax Support Scheme

Reflecting improvements in local employment, take-up of the Support Scheme is lower than originally planned. Any 2015/16 saving due to the Support Scheme will impact in 2016/17.



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

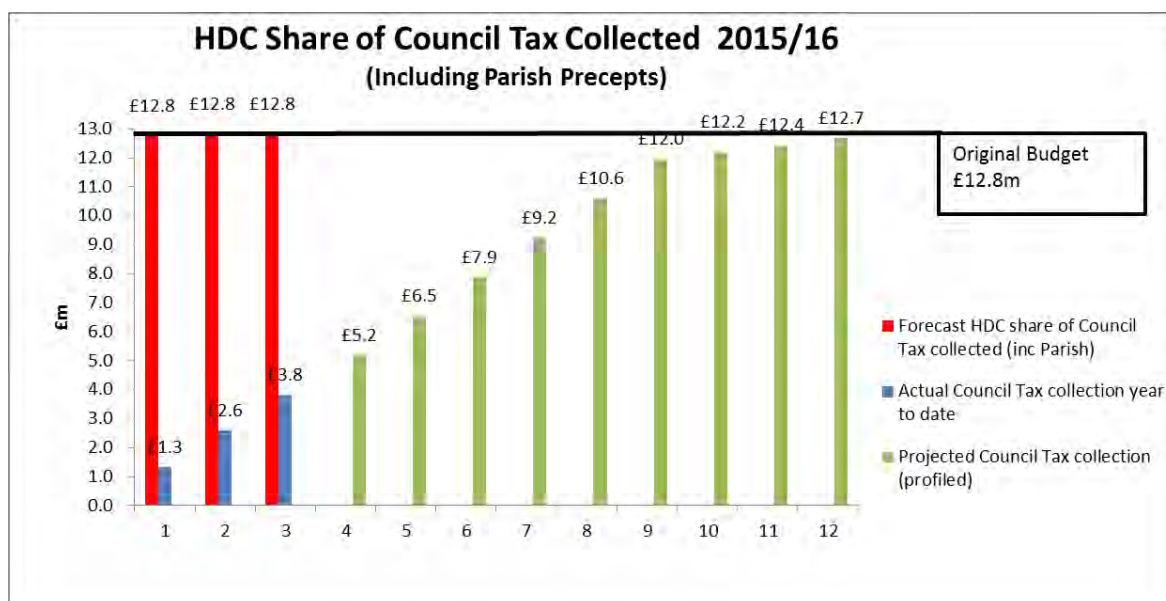
Collection of NDR and Council Tax



Forecast variation to the original budget is £0.4m. This additional funding comes from the new burdens identified during the completion of the NNDR1 submission to DCLG.

It should be noted that:

- the localisation of NDR has made the modelling of collectable NDR problematic; this is due to the fact that the position in respect of appeals is extremely volatile and further appeals could result in a reduced forecast. In May 2015 an appeal of £1.3m was upheld and the Councils share will be £0.520m (40%).
- the uncertainty as to when new premises will come into valuation further increases this volatility,

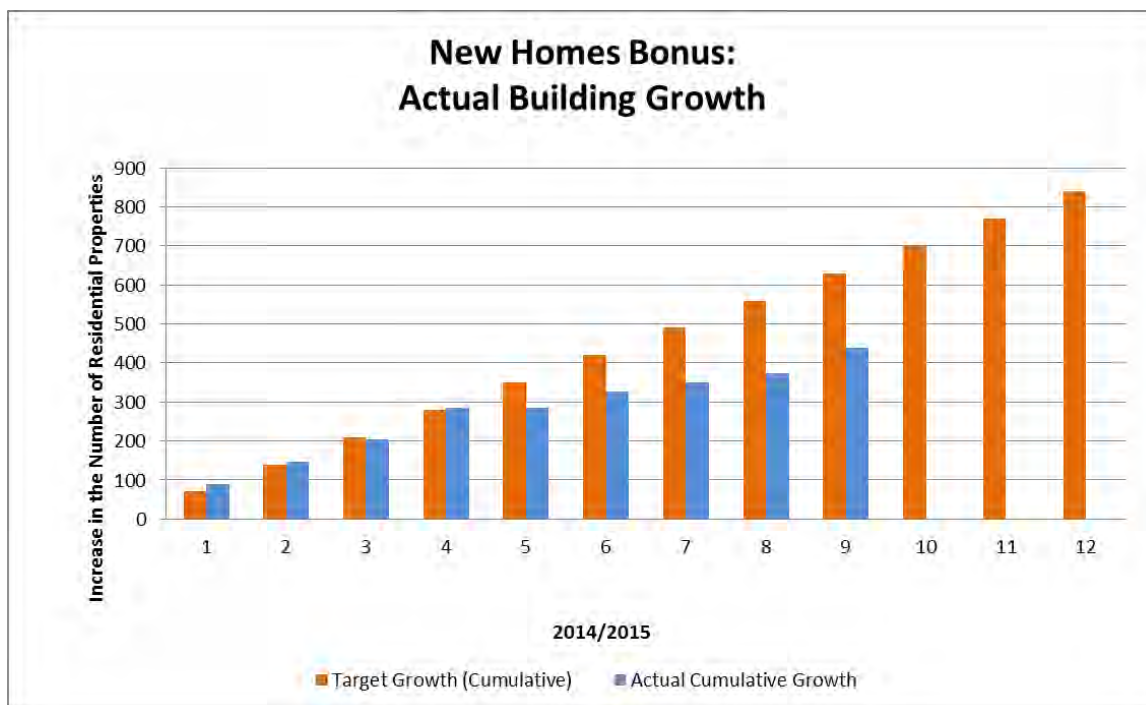


The forecast reflects the actual liability for tax at the time of annual billing compared to the assumptions made at the time the tax base was set. The projection assumes 1% of tax due for 2015/16 will be collected during 2016/17.

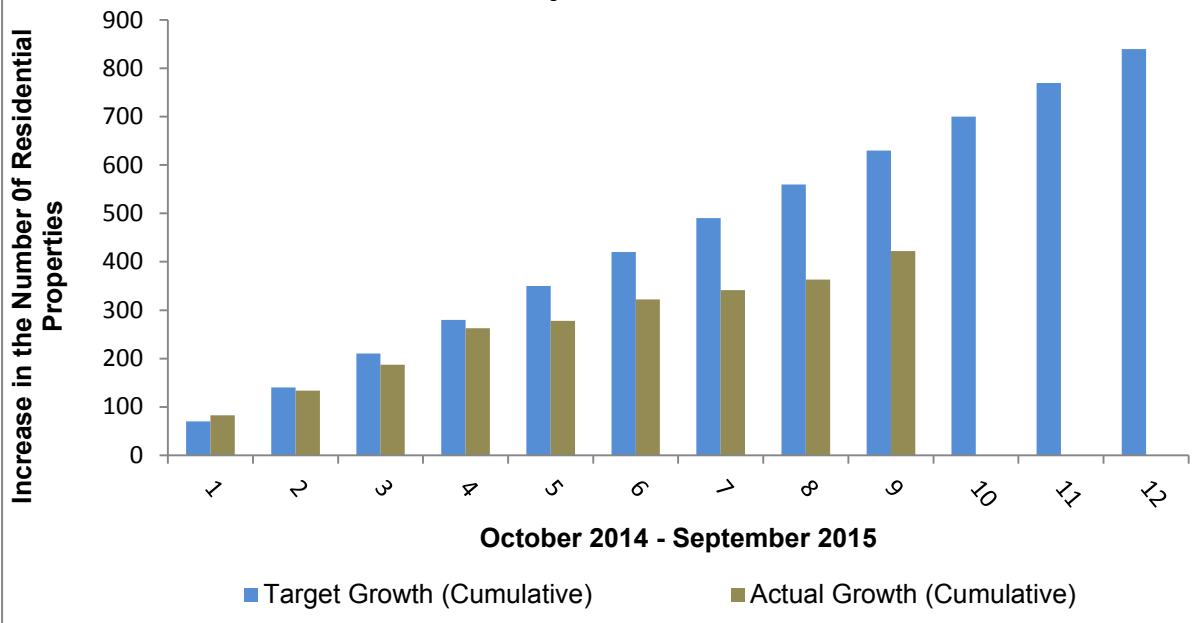
New Homes Bonus

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.

To the end of June 2015, there were 439 new homes, down 191 on the target of 630 for the same period. The target growth of 840 for the year is divided equally into a target of 70 homes per month. However, actual builds are likely to be greater in the summer months due to the improved weather. It is expected that the target growth will be delivered and the programme will catch up over the next few months.

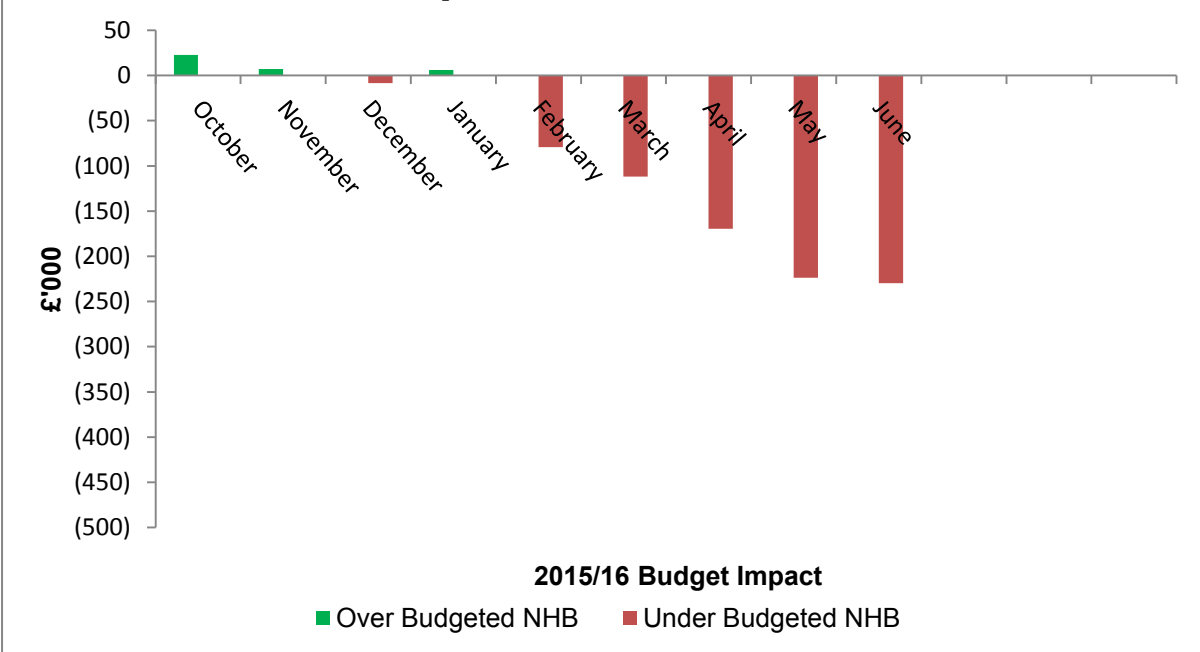


New Homes Bonus: Band D Equivalent Growth



■ Target Growth (Cumulative)
 ■ Actual Growth (Cumulative)

Cash Impact of NHB Growth



■ Over Budgeted NHB
 ■ Under Budgeted NHB

This page is intentionally left blank

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Civil Parking Enforcement
Meeting/Date: Cabinet – 17 September 2015
Executive Portfolio: Councillor Robin Howe
Report by: Interim Head of Service (Operations)
Ward(s) affected: All

Executive Summary:

1. The report confirms the outcome of the review work conducted by an independent consultant into the desirability of the Council supporting the County Council to adopt Civil Parking Enforcement (CPE) powers. The outcome is the recommendation not to proceed with CPE until a clearer case is made for such powers and the funding of the necessary highways infrastructure by the County Council is confirmed, as part of the development of a robust traffic management plan for Huntingdonshire.
2. The general conclusions of the consultant are that the creation of a Civil Enforcement Area (CEA) in Huntingdonshire is operationally desirable but will not be financially viable. In order for the for the Council and County Council to adopt the powers required for CPE run by this Council, there would be set up costs of £175,000 with an on-going net operating cost of £35,000 per annum, increasing year on year with inflation.
3. The consultant predicts Parking Officers issuing 25 to 30 PCN's for on-street parking per week but did not confirm the current level of enforcement work undertaken by the Police to evidence a substantive level of on-street parking contraventions.
4. Independently of the consultant efforts have been made to obtain this information for the Police. The information made available by the Police was limited and only for Huntingdon. In 2014 only 204 parking tickets were issued and 133 of these were for general obstruction. Despite a request for clarification the Police did not confirm whether this was in respect to double yellow lines or more general obstruction. Consequently the need for CPE is not proven.
5. In response to the concerns of the Overview and Scrutiny Panel the Parking Service will introduce arrangements for capturing the detail of non-compliance with existing parking orders from the Town and Parish Councils were it was available and to report these back to the Panel.

Recommendation(s):

That the Cabinet:

1. Does not commit to being the County Council's agent for Civil Parking Enforcement in Huntingdonshire because the case for such powers has not yet been made and such powers are not financially viable.
2. Agrees that the Parking Service should engage with the County Council about the development of a comprehensive traffic management strategy for Huntingdonshire that includes funding by the County for the infrastructure costs if the strategy proposes a CEA for the district.

1. PURPOSE

- 1.1 The report confirms the outcome of the review work conducted by an independent consultant into the desirability of the Council supporting the County Council to adopt Civil Parking Enforcement (CPE) powers. The outcome is the recommendation not to proceed with CPE until a clearer case is made for such powers and the funding of the necessary highways infrastructure by the County Council is confirmed.

2. BACKGROUND

- 2.1 RTA Associates Ltd were commissioned by the Council and the County Council to investigate the feasibility of creating a Civil Enforcement Area (CEA) across the whole of the District Council's administrative area and the resulting financial viability of such a step. A CEA is an area in which the parking offences became a civil contravention, using the powers of the Traffic Management Act 2004. Within a CEA, the responsibility for the enforcement of virtually all parking passes from the Police to the Highway and Traffic Authority (the County Council).
- 2.2 The income from the parking control notices (PCN's) issued is retained by the Highway Authority to be used to fund the CEA and any surplus being ring-fenced for highways related matters. The Council's would be involved as the County Council's agent in enforcement of the civil parking enforcement powers.
- 2.3 The CEA must also include the off-street car parks currently enforced by the Council, in order to provide a uniform enforcement capability in all Council parking areas. These off street car parks which are Council owned are currently controlled using an off street parking places order under the Road Traffic Regulation Act 1984 have to be included in any CEA application to the Department for Transport (DfT).
- 2.4 Cambridgeshire Police who have the current responsibility for parking enforcement on street will support an application for a CEA to cover the whole of Huntingdonshire on the basis they wish to see more enforcement on street but have they limited resources at their disposal. The Police have reduced their traffic warden force in recent years and currently there are no traffic wardens enforcing on street parking in Huntingdonshire but there are some PCSO's capable of enforcing when time allows who have delegated traffic management powers.
- 2.5 The application process takes 8 to 12 months and from the date of the Designation Order and from the date of approval the Police cannot enforce the majority of parking related offences; and the Council must be ready to take them on it new responsibilities immediately.
- 2.6 The Government's view is that CPE is a positive contribution to traffic management and the main benefits are stated as follows:
- A coordinated parking enforcement function across both on and off street parking;
 - Improved compliance is stated in permitted parking spaces;
 - Growth in demand for vehicular access to urban centres would be restrained;

- Future resident permit schemes could be underpinned by the parking controls available to a CEA.
- Improved environmental conditions though reduced traffic in urban centres and safer traffic conditions, though less illegal parking and better circulation.
- On street parking enforcement would become locally accountable;
- Police resources can be diverted to other purposes.

However the consultant's report need not empirically evidence any of these benefits in Huntingdonshire. Of the 326 authorities in England, 305 have adopted CPE.

3. ANALYSIS

- 3.1 The general conclusions of the consultant is that the creation of a CEA in Huntingdonshire is operationally desirable but will not be financially viable. In order for the for the Council and County Council to adopt the powers required for CPE run by this Council, would have set up costs of £175,000 with an on-going net operating cost of £35,000 per annum, increasing year on year with inflation. These projections include the current income from this Council's enforcement activities off street and projected additional income form increased use of this Council's off street parking as a result of tighter enforcement of illegal parking on street.
- 3.2 The consultant states that if the set up costs can be written off (£133K for the County Council) then over 3 to 5 years the CPE service could be self-financing generating a small surplus of circa £6K per annum. However this is dependent on driver reactions (increased use of car parks) and close management of enforcement activities.
- 3.3 The consultant predicts Parking Officers issuing 25 to 30 PCN's for on-street parking per week but did not confirm the current level of enforcement work undertaken by the Police to evidence a substantive on-street parking contraventions.
- 3.4 Consequently, independently of the consultant efforts have been made to obtain this information for the Police. The information made available by the Police was limited and only for Huntingdon. In 2014 only 204 parking tickets were issued and 133 of these were for general obstruction. Despite a request for clarification the Police did not confirm whether this was in respect to double yellow lines or more general obstruction.
- 3.5 Consequently, it is proposed that the Council should not commit to a CEA for the following reasons:
- a) There is no evidence provided by the Police of substantive parking infringements on street in Huntingdon, St Ives and St Neots that merit a Civil Parking Enforcement service that requires an annual revenue subsidy of circa £35,000 per annum.
 - b) There is no traffic management strategy developed by the County Council for Huntingdonshire that proposes a CEA as part of an integrated approach for traffic management (Inc. capital works for improving traffic flow and capacity) to respond to evidenced need to address illegal parking on street; traffic congestion resulting from increased access pressures to the urban centres; and increasing pollution levels.

- c) There is no commitment from the County Council confirmed by the consultant to fund the necessary infrastructure works (£130,000) on the highway required for a CEA that would enable a CEA to breakeven after 3 to 5 years.
- d) There is not a pressing need to extend resident parking schemes in Huntingdonshire and should this emerge in future years the decision to commit to a CEA can be revisited.
- e) The Council is not receiving calls to the Parking Service from residents or businesses demanding increased parking enforcement in the urban centres and for greater locally accountable through to the Council.
- f) The Police have deprioritised on street parking enforcement because of the pressure on their resources and this would suggest that they have evaluated that illegal street parking is not a substantial issues even if it is desirable to increase resources for activities if delivered by the Council. No resources would transfer from the Police to the Council to support the CEA.

3.6 It is also proposed that the Council should engage with the County Council about the development of a comprehensive traffic management strategy for Huntingdonshire that includes funding by the County for the infrastructure costs if the strategy includes for a CEA for the district.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 The Overview and Scrutiny Panel resolved to support the recommendations following discussions around the levels of non-compliance with existing traffic orders. In response to the concern of some Councillors about the lack of data regarding current levels of non-compliance with traffic orders the Portfolio Holder confirmed the Parking Service would introduce arrangements for capturing such detail from the Town and Parish Councils were it was available and to report these back to the Panel.

5. KEY IMPACTS/RISKS & HOW WILL THEY BE ADDRESSED

5.1 The case for CPE powers has not been evidenced in respect to substantial illegal parking, traffic congestion (caused by increased numbers of people accessing the three major towns) and increasing pollution levels in Huntingdon, St Ives and St Neots. However these environmental factors need to be actively monitored by the County Council for the highway/traffic issues and this Council in respect to the air pollution. If there is an increase in these environmental factors then a decision to adopt CPE powers can be revisited as part of a holistic traffic management response that is strategy driven.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

6.1 The further engagement proposed with the County Council will take place over the coming months to agree if there is a desire to develop a more holistic traffic management strategy for Huntingdonshire.

6.2 Parking Service will also introduce arrangements for capturing detail of non-compliance with existing traffic orders from the Town and Parish Councils

were it was available and to report these back to the Panel over the coming months.

7. LINK TO THE CORPORATE PLAN

- 7.1 The Council's approach to parking enforcement has to both support the corporate objectives of 'A Strong Local Economy' (accelerating business growth and investment) with 'Establishing Sustainable Growth' (enhancement of our built and green environment). This requires a balance to be achieved and without evidence to confirm illegal parking and traffic congestion are increasing in the three towns the proposed deferment of adopting CPE powers is proposed as the correct balance at this point in time.

8. CONSULTATION

- 8.1 Not applicable before consideration by the Cabinet and then Overview and Scrutiny.

9. LEGAL IMPLICATIONS

- 9.1 The application process to create a CEA would take 8 to 12 months and would require the support of the Police. After the establishment of a CEA the Council would have to participate in an independent appeals mechanism, known as the Adjudication Service. The Council would need to apply to join this service. This service functions as a Section 101 Committee, so it will require elected Members to formally represent the Council at the very infrequent meetings of the Committees that are held annually. The costs of joining this service have been included in the financial projections that highlight a £35,000 on going subsidy required to support the adoption of CPE powers.

10. RESOURCE IMPLICATIONS

- 10.1 Adoption of Civil Parking Enforcement powers by the County Council with this Council acting as the agent for the enforcement of these powers would require annual subsidy of £35,000 per annum. The case for such powers has not been evidenced therefore without the County Council funding separately the highway infrastructure required for a CEA then such a scheme is not financially viable.
- 10.2 This financial projection also includes the current income from this Council's enforcement activities in respect off street parking (£150,000 per annum) and the projected additional income form increased use of this Council's car parks as a result of tighter enforcement of illegal parking on street being incorporated into the new CPE service. This would constitute a net loss of income to the Council of £150,000 per annum and the projected additional income (£42,000) from increased parking projected on the Council's car parks.

11. OTHER IMPLICATIONS

- 11.1 If the enforcement service for a CEA is delivered in-house by this Council it will require an upgraded IT system for processing of parking tickets and for the administration of Parking Control Notices.
- 11.2 The consultant states that CPE powers can improve environmental conditions, e.g. reducing pollution, traffic flows etc. but such potential benefits in Huntingdonshire have not been evidenced.

12 REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The consultant's report did not reach a definitive conclusion on whether this Council should support the County Council in adopting CPE powers and then act as the County Council's agent in the delivery of the powers. Consequently the report is necessary for this Council to clearly decide its' position and then to work with the County Council on the development of future traffic management plans for Huntingdonshire.

13. LIST OF APPENDICES INCLUDED

- 13.1 None

BACKGROUND PAPERS

None

CONTACT OFFICER

Alistair Merrick – Interim Head of Service (Operations)
Tel No: 388635

This page is intentionally left blank

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Implementation of Outstanding Internal Audit Actions

Meeting/Date: Overview & Scrutiny Economic – 3rd September 2015
Cabinet – 17th September 2015

Executive Portfolio: Resources: Councillor J A Gray

Report by: Head of Resources

Ward(s) affected: All Wards

Executive Summary:

At the 3rd June 2015 Corporate Governance Panel, the Panel received a report detailing 13 Internal Audit recommendations which were outstanding as at the 30th April 2015. Via a recommendation by Council, the Cabinet is asked to comment in respect of each of the recommendations that remain outstanding as shown in Appendix 1.

Recommendation(s):

That Cabinet:

- i. notes the comments of Council
- ii. requests Portfolio Holders to ensure that recommendations are implemented in line with the revised deadlines (as shown in Appendix 1) and report to Cabinet if the revised deadlines are not achieved.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

1.1 As a consequence of:

- a concern raised by the Corporate Governance Panel (CGP) at their 3rd June 2015 meeting in respect of outstanding Internal Audit recommendations,
- the Panel recommended to Council that they ask Cabinet to take appropriate action to address their concerns.

2. BACKGROUND

2.1 At the 3rd June CGP, the Panel received a report detailing 13 Internal Audit recommendations which were outstanding as at the 30th April 2015. Via a recommendation by Council, the Cabinet is asked to comment in respect of each of the recommendations.

3. ANALYSIS

3.1 The details of each of the original recommendations, as presented to CGP are shown at Appendix 1.

3.2 Of the 13 recommendations that were not implemented when reported to CGP:

- 4 recommendations are now fully implemented.
- 4 recommendations are partially implemented.
- 5 recommendations are not implemented.

Appendix 1 also includes an update by the relevant Head of Service with an anticipated implementation date.

3.3 Members should note that by the end of October, all recommendations bar one are scheduled to have been implemented.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 The Overview and Scrutiny (Economic Well-Being) Panel noted the report but questioned the need for it to come to Scrutiny.

5. KEY IMPACTS/RISKS?

5.1 Non-compliance with these Internal Audit recommendations could expose the Council and its service to various degrees of risk. All recommendations have previously been accepted by management so it is fair to assume that management does not consider that the inherent risk by non-implementation is acceptable.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

6.1 Relevant Heads of Service will ensure that recommendations are implemented by the revised deadlines and report, as necessary to respect Portfolio Holders if there is to be further delay.

7. LINK TO THE CORPORATE PLAN

- 7.1 The Internal Audit Service provides independent, objective assurance to the Council by evaluating the effectiveness of risk management, control, and governance processes. It identifies areas for improvement across these three areas such that Managers are able to deliver the Corporate Plan objectives as efficiently, effectively and economically as possible.

8. CONSULTATION

- 8.1 No consultation has taken place.

9. LEGAL IMPLICATIONS

- 9.1 No direct legal implications arise out of this report.

10. RESOURCE IMPLICATIONS

- 10.1 As recommendations are implemented there may be consequential resources implications. Where such resources are required, appropriate approvals will take place within the Councils governance framework.

11. OTHER IMPLICATIONS

- 11.1 No other implications are expected to arise from this report.

12. REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 To ensure that the concerns raised by CGP in respect of outstanding audit recommendations are brought to the attention of Cabinet and that Cabinet takes appropriate action to ensure that the recommendations are implemented.

13. LIST OF APPENDICES INCLUDED


Appendix 1 – Outstanding Internal Audit recommendations that were presented to CGP, updated actions by the Head of Service and revised implementation deadline.

BACKGROUND PAPERS


Working papers in Resources

CONTACT OFFICERS


Clive Mason, Head of Resources

 01480 388157

Jayne Wisely, Head of Leisure & Health

 01480 388049

Adrian Dobbyne, Head of Leisure & Health

 01480 388100

Outstanding Audit Actions as at 30 April 2015 (as reported to CGP, 3rd June 2015) + Head of Services Update

Corporate Team Manager

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
Staff Training & Development 2014/15	<p>Red</p> <p>Testing revealed that training spend for 2013/14 outside of the LGSS contract was approximately £230k. It was also noted that the 500 training place allocations are consistently under used. LGSS consider that these places are not available for service specific / technical training (for example Operations related training), but are for generic training only, e.g. equality & diversity.</p> <p>The OWD element of the LGSS contract includes a number of areas where the LGSS proposal does not appear to be delivered in full (e.g. service (technical) training and development needs are analysed and learning interventions and solutions commissioned as appropriate), and others which are being interpreted differently by ourselves and LGSS.</p> <p><i>Training provision may not meet</i></p>	Agreement will be sought with LGSS on the scope of the training that is to be delivered under the contract. If necessary, protocols and guidelines for the operation of the contract will be documented and agreed for clarity.	<p><u>March 2015</u></p> <p>Partially introduced.</p> <p>The LGSS currently offer a wide and varied training programme. However not all of the Council's training needs are covered by it.</p> <p>Once the 2014/15 appraisal process has been completed, training needs that sit outside of the LGSS programme will be identified and referred to LGSS. LGSS intend to update their training programme to reflect the Council's requirements so allowing for an increase in use of the</p>	<p>Fully Implemented</p> <p>The Appraisals process completed by the 31st July 2015.</p> <p>This will enable training needs / plans per Service to be completed and used to robustly discuss with LGSS and to determine the changes to the programme that they offer that they should make. Further, this will help to determine what training will be scheduled to deliver outside of the contract from other providers.</p> <p>The regular contract monitoring reports received from LGSS have been amended to enable the training provision aspect of the contract to be more clearly managed. This is reported to Employment Panel.</p>	August 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
	<p><i>the needs of staff and the authority Savings may not be realised where spend continues in addition to the LGSS provision</i></p> <p><i>Service provision may be adversely affected where contract terms are not enforced.</i></p> <p><i>The current expenditure on training is not delivering value for money.</i></p>		500 training places. It is expected that this will also lead to a reduction in off-contract spend.		
National and Local Indicators 2009/10	<p>Amber</p> <p>From our testing of five indicators, two (NI195 and 'The number of dwellings improved by the actions of the Council') did not have a data measure template in place for recording of the indicator methodologies and responsible officers, including the officer accountable for data quality checks.</p> <p><i>There is a risk that inconsistent recording and/or methodologies could result in incorrect data being reported. In addition, unless designated officers are assigned responsibility, there is a risk of a</i></p>	<p>To enable consistent accurate reporting of data each of the indicators included within the divisional quarterly performance reports should be documented on the standard data measure template.</p> <p>This document should record the</p>	<p><u>March 2014</u></p> <p>Partially introduced.</p> <p>Templates have been issued and 50% have been completed.</p>	<p>Partially Implemented (at time of report drafting)</p> <p>All templates for 2014/15 have been completed as at 30 June, except for 3 in Operations which are partially complete.</p>	August 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
	<i>lack of accountability in place.</i>	officer responsible for compiling and checking the information, the methodology used, the reporting timescales and associated measures and targets.			
Payments in Lieu 2011/12	Amber Overtime and additional hours are paid at different rates (1, 1.5 or 2 times hourly rate) with little guidance as to the application of each rate. This issue was identified in the June 2007 internal audit review of Overtime. The Head of HR agreed that standard procedures for overtime would be introduced by November 2007 to ensure that employees receive the same overtime rates. This action was not introduced.	LGSS will review our current procedures for the payment of overtime with a view to standardising practice.	<u>March 2015</u> Outstanding. This will be included in our Pay Policy and Flexible Working Policy scheduled for review during 2015/16.	Not implemented (at time of report drafting) As per the contract, the times are currently being agreed for policy updates for 2015/16 with LGSS and / or the use of consultancy days to enable this to be completed.	September 2015

Head of Service: Resources

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
Loans and Investments 2014/15	<p>Red</p> <p>The Head of Resources maintains a Treasury Management Practices (TMP) manual that details how the CIPFA 2011 Code of Practice for Treasury Management in the Public Services will be followed. The manual contains a number of minor errors which need to be corrected. It also needs to be revised to reflect current working practices and post changes, including the DMO authorised list.</p> <p><i>The current manual does not reflect the current working arrangements. Staff may be unaware of the correct procedures to follow</i></p>	The TMP manual will be reviewed and updated to reflect current decision making responsibilities and working practices.	<p><u>April 2015</u></p> <p>Outstanding.</p>	Fully implemented	June 2015
VAT 2013/14	<p>Amber</p> <p>Discussion confirmed that the CIPFA VAT code of practice has not been adopted</p> <p><i>Non-compliance with best practice guidelines</i></p>	Adopt the CIPFA VAT code of practice and review the processes involved to ensure compliance with the code.	<p><u>March 2014</u></p> <p>Partially introduced.</p> <p>Processes have been reviewed and training is being looked into to achieve compliance.</p>	<p>Fully Implemented</p> <p>The VAT code is adopted and compliant.</p> <p>Not implemented</p> <p>A training programme is currently be developed with</p>	October 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
				the Councils VAT Advisor in respect of Capital development so VAT is considered as a key variable in the capital programme decision making process.	
Repairs and Maintenance of HDC property and equipment 2013/14	<p>Amber 18% of property on the fixed asset register has not been assigned to a manager. It should also be noted that the fixed asset register does not contain all the Council's operational property</p> <p><i>Property assets may not be maintained</i></p>	Once the appropriate Head of Service have been recruited, they should works towards delivering a corporate fixed asset register that covers all council owned property. A manager will be named as being responsible for the management and maintenance of each property on the register.	<p><u>March 2015</u> Outstanding.</p>	<p>Not implemented</p> <p>Commercial Estate – all associated assets are assigned to the Head of Resources.</p> <p>Operational Estate – these assets primarily fall within the remit of Facilities Management within Operational Services.</p> <p>There is currently a review underway of all property to ensure that the asset register + gazetteer are complimentary. Where there are assets not assigned, these are being duly assigned. Once this review is completed, all assets will be duly assigned.</p> <p>Repairs and maintenance is undertaken on a reactive basis.</p>	October 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
Commercial Rents and Estates Management 2013/14	<p>Amber</p> <p>From review and discussion it has been confirmed that the Current Estates spreadsheet (the main record for recording tenant and property information) is out of date and does not contain all the necessary lease information. (e.g. changes in tenants, underlying property data, rent review completions, due dates etc).</p> <p><i>Inaccurate and incorrect data reduces efficiency and increases the risk of errors being made</i></p>	<p>The commercial estates module in the Uniform system will be investigated & assessed for 'fit for purpose'.</p>	<p><u>February 2015</u></p> <p>Partially introduced.</p> <p>System still being considered in view of a number of upgrades.</p>	<p>Fully Implemented</p> <p>Uniform has been assessed and while there are difficulties with use and it is not an ideal professional property database, the estates module does provide a sufficient range of tools to replace the current spreadsheet.</p>	June 2015
		<p>If the Uniform system is deemed 'fit for purpose', the system will be implemented as a replacement for the estates spreadsheet.</p>	<p><u>January 2015</u></p> <p>Partially introduced.</p>	<p>Not implemented (at time of report drafting)</p> <p>As noted above, the Uniform system is considered a fair database, options are being reviewed to ensure an effective transfer of data</p>	September 2015
Commercial Rents and Estates Management 2013/14	<p>Amber</p> <p>There is no plan of work for the repairs or maintenance of commercial properties; repairs are carried out on a reactive basis only. The repairs and maintenance budget is based on previous years spend.</p>	<p>Prioritise maintenance and repair work to ensure that commercial properties are maintained to the required</p>	<p><u>March 2015</u></p> <p>Outstanding.</p>	<p>Fully Implemented</p> <p>The Councils resource base now means that maintenance will be reactive and the new capital approval process is in place.</p>	July 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
	<i>The condition of the property portfolio may decline leading to reduced occupation and increased repair costs</i>	standards to achieve the optimum rent and maintain tenant satisfaction.		<p>In terms of outstanding work:</p> <p>Phoenix Court is a priority - The capital project has been approved via the new Capital Programme Methodology and the required works will be subject to tender during Autumn 2015. This will be completed in February 2016.</p> <p>For Clifton Road & Levellers – This capital works is currently being determined and will be subject to a future bid to be included in the 2016/17 Capital Programme. This will be completed in August 2017.</p>	
Main Accounting System – Continuous Auditing 2013/14	Amber The Income and Income Suspense bank reconciliation summary has not been completed. At present there is a difference of approximately £20k. The main bank account reconciliation summary for March 2014 has not been produced. All transactions in this bank account have to be entered manually using a journal. Due to the issues with the income reconciliation, the overall bank	All bank accounts for the period ending 30 June, will be fully reconciled and approved by the 31 July 2014	<u>July 2014</u> Partially introduced.	Not implemented From an overarching perspective, the Councils cash reconciliation is fully reconciled i.e. bank statements to general ledger (as confirmed by the external audit of the 2013/14). The issue is the reconciliation between individual systems that the Council operates. We are currently fundamentally reviewing the detailed cash	March 2016.

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
	summary spreadsheet has not been completed. The Paymaster and the Loans and Investment reconciliations have not yet been signed off by Accountancy.			reconciliation process and are expecting that in due course the Council will be required to procure a new cash module/interface that will allow more effective cash processing.	

Head of Service: Leisure and Health

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
One Leisure Impressions 2013/14	Red Impressions facilities are operating without formal business, strategies and targets / performance measures. There has been little management presence or direction at a site level. Staffing arrangements are inconsistent across the sites. <i>Reduced use and reputation of facilities as a result of poor corporate management</i>	Formal plans, strategies and targets will be established for the Impressions facility, which will be subject to regular review and monitoring. Staffing structures will be formalised to ensure that appropriate skills and resources are available both at a site and	<u>September 2014</u> Partially introduced. Recruitment process is underway and once complete work will begin on reviewing the impressions structure and operations.	Partially Implemented The process of reviewing and developing plans etc has started and will be completed by the revised implementation deadline.	September 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
		cross – facility level. Meeting schedules will be agreed to ensure that issues are discussed and communicated.			
One Leisure Impressions 2013/14	<p>Amber Procedure notes in place do not cover all aspects of the service / work undertaken by staff. Guidance is split between the QMS and Impressions Data drives, which may hinder staff in locating and accessing information.</p> <p>At OLS a manual file is retained in the Gym Office containing key policies / procedures, which are reviewed and signed off by staff as appropriate.</p> <p><i>Staff may be unaware of the correct procedures to follow</i></p>	Procedure notes will be reviewed for relevance and appropriateness. Guidance will cover all key processes / work undertaken within Impressions, including stock control. Guides will be located in a SharePoint site so that staff can easily locate information.	<p><u>March 2015</u></p> <p>Partially introduced.</p> <p>Recruitment process is underway and once complete work will begin on reviewing the impressions structure and operations.</p>	<p>Partially Implemented</p> <p>Policies and Operating Procedures are currently being reviewed and will be completed by the revised implementation deadline.</p>	September 2015
One Leisure Impressions 2013/14	<p>Amber 16 PARQ forms were selected for review – in 1 case the form could not be located, and in 1 case the form only recorded the client name, no other details had been included.</p>	PARQ forms will be completed and signed by all members. Staff will be reminded of the	<p><u>March 2015</u></p> <p>Partially introduced.</p> <p>Recruitment process is underway and once</p>	<p>Partially Implemented</p> <p>There has been communication with all One Leisure Impressions staff and this will be finally implemented</p>	September 2015

As reported to Corporate Governance Panel, 3 rd June 2015				Head of Service Update for Cabinet: 17 th September 2015	
Audit	Original Audit Findings & Assessed Risk	Agreed Action	Due Date & Implementation Position at Due Date	Comment & Proposed Action	Revised Implementation Deadline
	<p>In a small number of cases the Wellness system had not been updated with information from the PARQ. Where PARQs have been archived, the system provides the most accessible health record.</p> <p>It was found during testing that different versions of the Wellness system are in use, and subsequently differing degrees of information is captured.</p> <p><i>Incomplete / inaccurate records may be maintained.</i></p>	<p>need to update the Wellness system with all information recorded on the PARQ and identified in the induction programme.</p> <p>All sites will use the same version of Wellness for completeness of record keeping.</p>	<p>complete work will begin on reviewing the impressions structure and operations.</p>	<p>revised implementation deadline (subject to the recruitment of the Gym Manager).</p>	

This page is intentionally left blank

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Commercial Investment Strategy

Meeting/Date: Overview & Scrutiny (Economic Well-being) Scrutiny –
3 September 2015
Cabinet – 17 September 2015

Executive Portfolio: Resources

Report by: Corporate Director (Services)

Ward(s) affected: All

Executive Summary:

The Council faces considerable financial challenges. Our “Plan on a Page” sets out the funding gap of £8.2m which needs to be addressed to achieve the Council’s ambition to reduce reliance on Central Government funding. A number of core business activities are in place to achieve this, mainly focussed on alternative service delivery models and budget change programmes.

Another activity which can reduce the funding gap without impacting on services is the generation of additional income. With a net return of 7.2% from the current commercial estate and an earmarked reserve of £4.737m available to invest in commercial assets, the attached Commercial Investment Strategy developed in conjunction with consultants EC Harris sets out the parameters and governance arrangements for managing further investments.

Recommendation(s):

Cabinet are asked to:

- Approve the Commercial Investment Strategy at Appendix A,
- Approve the “enhanced as is” model of governance arrangements

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 Seeking approval for a Commercial Investment Strategy (CIS) which sets out a framework for investment in a wide portfolio of commercial type properties to provide a long-term revenue stream for the Council. The proposed Strategy at Appendix A has been prepared in conjunction with consultants EC Harris and sets out criteria for investments in land and property, risk appetite and the types of investment options favoured.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Council faces considerable financial challenges. Our “Plan on a Page” sets out the funding gap of £8.2m which needs to be addressed to achieve the Council’s ambition to reduce reliance on Central Government funding. Income generation is among the business activities which will help address this funding gap.

The Council’s current commercial estate generates a net return of £1.5m (7.2% of the £20.8m value of the estate) and the Council has established a “Capital Investment Earmarked Reserve” to provide a source of funding for further investment in assets generating a revenue cash flow. The CIS sets out the parameters and governance arrangements for managing this investment.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 With a primary focus to be on commercial return, the following criteria have informed the CIS approach:

- Focus on revenue rather than capital
- Short-term revenue generation
- Ability to make timely decisions
- Managed risk

- 3.2 The key criteria for investment options and governance arrangements are:

- Control over investment decisions
- Financial independence
- Stakeholder buy-in
- Transparency
- Commercial and political sensitivity
- Liquidity
- Not constrained by geography

- 3.3 In developing a portfolio model based on these objectives, the implementation of the CIS would see early investment focussing on a “Core” Investment Portfolio (“CIP”), with low risk and long-term sustainability. As the CIS progresses, a blend of investment profiles would be employed through Risk Shared Development (“RSD”) and Self-Development (“SD”). The proceeds of higher risk, shorter-term activities would partly be redeployed back into the lower risk, longer-term CIP.

- 3.4 It is proposed that the initial investment be focussed on direct property investment, property funds or listed property shares. Making use of more liquid funds and shares mean that capital can be deployed quickly and flexibly and could be readily realised and redeployed.

- 3.5 The consultants have recommended that higher value adding, riskier activities should initially be focussed within the district, where the Council’s knowledge

of the area creates a competitive advantage and allows it to better manage risk and direct investment where it will help deliver wider corporate objectives.

- 3.6 The governance structure for the CIS needs to allow the Council to trade on a commercial basis and also recognise the statutory and political boundaries that must be observed. The structure must be one that both Members and Officers will be comfortable with. There are essentially two options available to the Council:
- Option 1: Enhanced 'as is' position, expanded to include wider CIS activity. The Constitution has been amended to provide greater delegated decision making to allow Senior Officers and Members to act and take decisions on disposals and acquisitions of land and property. Such decisions will be taken within the parameters of a Business Plan to be approved by Cabinet.
 - Option 2: Local Authority Trading Company (LATC). The Council could set up a LATC to deliver the CIS.
- 3.7 Option 1 makes use of existing resources, with our current commercial estate managed by the Estates team and run through the Council's main corporate governance channels. New financial thresholds for disposals and acquisitions of land and property were approved by full Council in July. These were agreed as the previous thresholds were considered too restrictive to enable a more commercial approach to management of the Council's property portfolio. These will be reviewed 12 months after approval. The new Disposals and Acquisitions Policy sets out the legal context, principles and governance arrangements by which the Council will dispose of and acquire land and property and provides an appropriately agile decision-making process that will support the disposal and acquisition of land and property.
- 3.8 Option 1 allows the Council to remain fully in control, with democratic processes to be followed involving Members in decisions. The Disposals and Acquisitions Policy states that the Council will have regard to all statutory and local regulations, including reporting to Corporate Management Team and in line with the Constitution, including the Treasury and Capital Management Group. All disposal and acquisition decisions will be retrospectively reported to the Overview & Scrutiny (Economic Well-Being) Panel.
- 3.9 Option 2 requires a separate Limited company to be set up with its own trading name. Assets could either be owned by the LATC or the Council, with the LATC acting as the managing agent returning revenue back to the Council in the form of dividends. A LATC can be empowered to make quick decisions based upon its constitutional arrangements and agreed levels of devolved decisions making.
- 3.10 Setting up and operating a LATC can attract additional costs over and above what would be incurred in a local authority context. The structure for a LATC recommended by the consultants employed to develop the CIS would have a Board of five Directors consisting of three Officers with relevant expertise plus two Non-Executive Directors appointed to bring relevant experience and independence to the Board. However, this option would not include elected Members becoming Directors due to the potential for conflict of interest and influence over Officers involved.

3.11 **Recommendation** - Initial feedback from Members has favoured Option 1 due to the control, democratic processes and transparency which an enhanced 'as is' position offers. Concerns over the lack of accountability mean that Option 2 is not supported.

3.12 This governance structure will ensure regular reporting to Members. An annual Business Plan will be presented to Cabinet for approval, with the Treasury and Capital Management Group to meet and receive reports on CIS performance on a regular basis. There will be a quarterly public report to Cabinet on CIS performance which will report against a range of metrics to be set out in the Business Plan. An evaluation framework will be created to monitor the performance of the CIS, with performance against agreed metrics to be reported quarterly.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 It was explained that the investments the Council have at the moment are both heavy touch and high risk; diversification will reduce the risk and the increased revenue generated will allow the Council to find other ways of delivering services rather than cutting them.

The Panel heard that the location of potential property investments will not be restricted to Huntingdonshire. Diversification of investments allows the Council to expand the commercial portfolio, investing in the UK economy with no overseas element.

The capacity and capability to manage additional investment in commercial land and property was questioned. The Executive Councillor for Resources stated that new processes have been introduced for managing our existing estate and that sufficient resources will be in place. The expected return from new investment is likely to be lower than from our current estate due to the lower risk profile.

The Panel endorsed the recommendations to Cabinet; subject to Cabinet agreeing that the quarterly report referred to in paragraph 3.12 will be submitted for Scrutiny.

5. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

5.1 The CIS proposes a balanced approach to risk and reward. It is recommended that the initial focus should be on short term revenue generating opportunities that are lower risk, with a view to building up the portfolio with longer term, higher risk opportunities as the implementation of the CIS progresses. A portfolio approach will help manage risk and exposure in any one sector, geography or investment type.

5.2 The Business Plan will set parameters for the Loan to Value of each type of investment to ensure that additional borrowing is affordable and that there is adequate security over direct capital investment in assets. Capacity and capability can be developed over time, with the Business Plan to set out where additional resources and support are required to guide investment decisions and manage performance.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 The Capital Investment Earmarked Reserve is currently £4.737m and a Business Plan currently being drafted is due to be taken to Cabinet for approval in October. Subject to approval, funds will be available for investment before the year end.

7. LINK TO THE CORPORATE PLAN

- 7.1 The implementation of the CIS will enable the achievement of a number of the strategic themes and priorities in the Corporate Plan, with a focus on delivering a growing and sustainable revenue stream for the Council which would help to support and enhance the delivery of frontline services. The CIS could also be used to enable commercial development within the district, attracting jobs and business growth to support a strong local economy, and new residential development, including contributions to affordable housing provision, could help deliver sustainable growth.

8. CONSULTATION

- 8.1 Consultation with Members has included workshops with the Overview & Scrutiny (Economic Well-being) Panel and Cabinet. The Disposal and Acquisition Policy approved recently set out the procedures, monetary thresholds and governance arrangements for the disposal and acquisition of land and property.

9. LEGAL IMPLICATIONS

- 9.1 The recommendation to use an existing 'as is' approach to managing the CIS removes the need to establish a separate Local Authority Trading Company. Initial investments through property funds, shares and direct investments in land and property can all be held in the Council's own right. The Constitution has recently been amended with new arrangements reflecting the recently agreed disposals and acquisitions policy and the governance arrangements for the CIS.

10. RESOURCE IMPLICATIONS

- 10.1 Current resources for managing the Council's existing estates are likely to be insufficient to accommodate the additional work required to identify investment opportunities and manage a wider portfolio. The Business Plan will set out where additional resources and support need to be brought in to guide investment decisions and monitor and manage performance.

11. REASONS FOR THE RECOMMENDED DECISIONS

- 11.1 To achieve the Council's ambition of removing the New Homes Bonus from its core funding stream, additional income needs to be generated. With a return of 7.2% from the current commercial estate and an earmarked reserve of £4.737m available to invest in commercial assets, the attached Commercial Investment Strategy sets out the parameters and governance arrangements for managing further investments.

Cabinet are asked to:

- Approve the Strategy at Appendix A, and
- Approve the "enhanced as is" governance arrangements.

12. LIST OF APPENDICES INCLUDED

Appendix A – Commercial Investment Strategy

BACKGROUND PAPERS

CONTACT OFFICER

Julie Slatter, Corporate Director (Services)
Tel: 01480 388103

Commercial Investment Strategy

Appendices

1. CIS Business Plan (to follow once approved)
2. “Plan on a Page”
3. Delivery Options

Date Approved: xx/xx/2015
Review Date: xx/xx/2017
Version 1

1. Introduction

Over the medium term, the Council faces considerable “revenue” financial challenges. The Medium Term Financial Strategy (MTFS) approved in February 2015 showed a revenue gap of £2.4m by 2019/20, with extensive use of General Fund reserves required over the MTFS period. While setting budgets in line with the MTFS would maintain a level of reserves above the £3m minimum agreed by Cabinet, such use of reserves does not support the “principles of financial sustainability”.

As shown on the “Plan on a Page” (Appendix 2), the Council’s ambition to remove its reliance on Central Government funding increases the funding gap to £8.2m. The “Plan on a Page” shows that the Council aims to bridge this funding gap through a number of core business activities. As well as alternative service delivery models and budget change programmes, the “Plan on a Page” recognises income generation as one of those core activities.

The “Commercial Investment Strategy” (CIS) will be one of the main components of generating income. The CIS has been developed in conjunction with consultants EC Harris and sets out a framework for investing in a wider portfolio of commercial type properties. The focus of the CIS is to deliver a growing and significant commercial return and sustainable revenue stream for the Council.

The Council already generates a 7.2% net return from its current £20.8m commercial estate, contributing £1.5m in net revenue to help fund services. With a 10-year average return of 6.2% per annum for commercial property nationally, it is expected that further investment will provide a significant, sustainable long term revenue income for the Council.

2. Strategic Objectives

The CIS is expected to contribute towards three of the four Strategic Priorities in the Council’s Corporate Plan 2015-16. The income generated will help to fund all services.

Strategic Priority	Link to CIS
Ensuring we are a customer focussed and service led Council – Delivering value for money services.	The CIS will provide a sustainable revenue stream to the Council and support and enhance the delivery of frontline services.
A strong local economy – Making Huntingdonshire a better place to live, work and invest.	The CIS could be used to enable commercial development within the HDC area, attracting jobs and business growth.
Enabling sustainable growth – Delivering new and appropriate housing with minimum impact on our environment.	The CIS could be used to bring forward new residential development within the HDC area, including contributions to affordable housing provision.

Criteria informing the CIS approach

Feedback from key stakeholders, including the Overview & Scrutiny (Economic Well-being) Panel and Cabinet, showed a strong appetite for the CIS among both officers and Members. There was also agreement that the primary focus of the CIS is to be on commercial return, with an emphasis on revenue generation, with the need for this as identified in the “Plan on a Page”.

The key criteria for investment options considered as part of this Strategy are listed in the following table and have been set to ensure that investments focus on commercial return. Criteria which need to apply to governance arrangements for the CIS are also set out below.

Criteria	Reason for criteria	Approach taken to inform CIS
Focus on revenue (rather than capital)	To meet revenue funding gap and enhance frontline services	<ul style="list-style-type: none"> - Acquire to hold, rather than to dispose - Re-invest any capital receipts - Potential to invest in existing property funds
Short term revenue generation	To meet short term funding requirements	<ul style="list-style-type: none"> - Seek to invest initially in current revenue generating assets or property funds - In the medium term, identify opportunities for greater return on investment by taking a longer term approach e.g. acquisition of vacant properties or development to realise a revenue stream
Ability to make timely decisions	The Council's current governance structure could impede the Council's ability to react quickly to investment opportunities	<ul style="list-style-type: none"> - Amendments to the levels of delegated decision making in the Constitution proposed and agreed through the Disposal and Acquisitions Policy
Managed risk	Benefits will need to be clearly evidenced in order to demonstrate value to stakeholders and the wider community	<ul style="list-style-type: none"> - Consideration for the type and amount of funding invested - Identify potential lower risk sources of revenue initially, moving to a more balanced risk portfolio

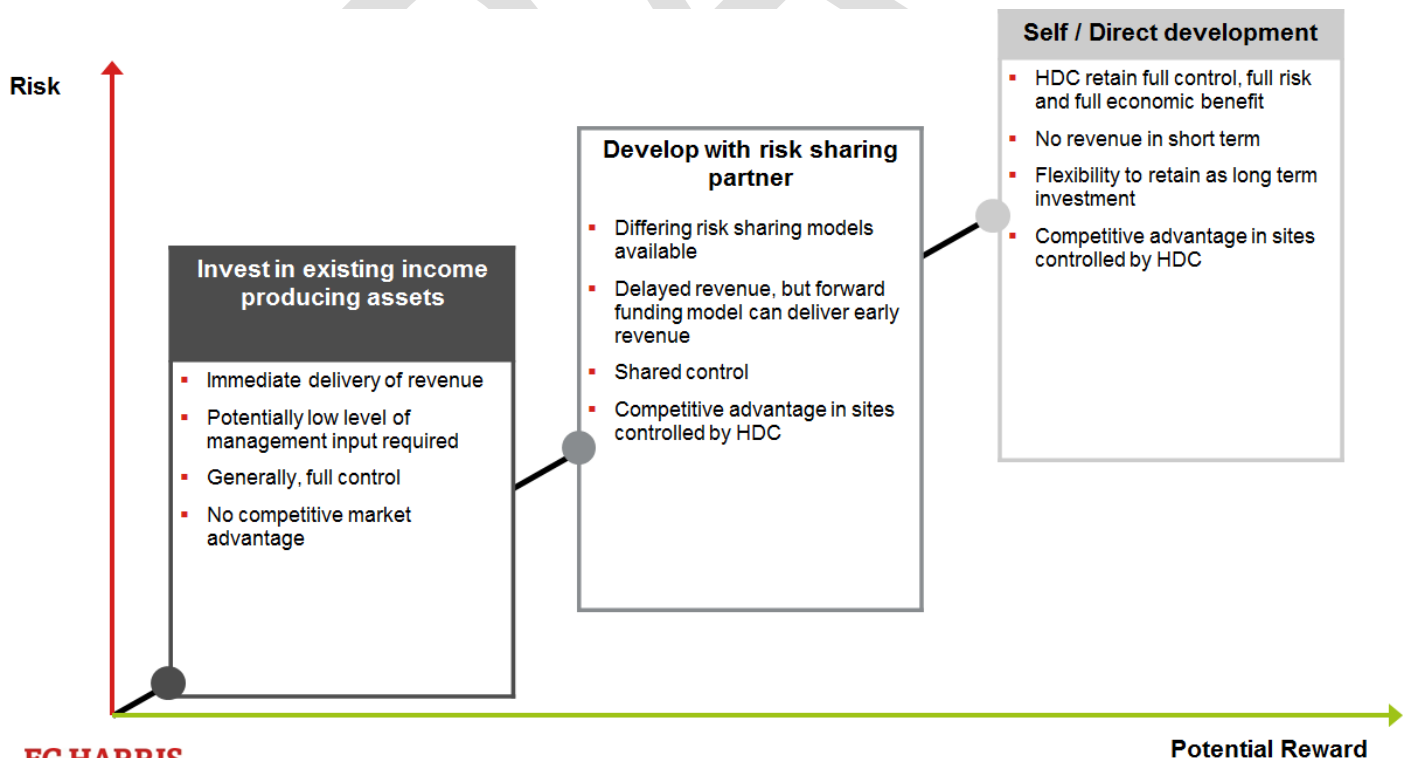
Investment criteria

Criteria	Reason for criteria	Approach taken to inform CIS
Control over investment decisions	It is important for the Council to control the nature of the investments to allow the opportunity to mitigate potential risks	<ul style="list-style-type: none"> - Indicates a preference towards direct investment (rather than investment into property funds) - If working with the private sector, preference is to have a controlling majority over decision making
Financial independence	Ensures the CIS is accountable and responsible for its performance, avoiding the need and temptation for cross-subsidy between the Council and the CIS	<ul style="list-style-type: none"> - Consider a governance structure where returns to the Council are through dividends - Capital receipts made within the CIS are ring-fenced and therefore can be reinvested back in the CIS
Stakeholder buy-in	Recognising that the CIS needs long term stability and cross political support to be successful	<ul style="list-style-type: none"> - Stakeholder consultation and engagement throughout the development of the CIS - Agreed and periodically reviewed business plan - Regular reports and reviews of CIS performance
Transparency	Meets the Council's audit and scrutiny requirements and demonstrates the basis of investment decisions and value for money	<ul style="list-style-type: none"> - Business cases required to support all investment decisions - Independent appraisal and evaluation - Regular reporting and review of CIS performance - Clear decision and management processes to be established

Criteria	Reason for criteria	Approach taken to inform CIS
Commercial and political sensitivity	Recognising that the set up and operation of the CIS may create conflicts of interest and as a public body reputational risks could impact upon the nature and type of investments	<ul style="list-style-type: none"> - Review governance structure for the CIS to mitigate any obvious conflicts of interest - Consider the reputational risks for the Council within any investment opportunities
Liquidity	To protect against market stress or changes to HDC strategy	<ul style="list-style-type: none"> - Some allocation to funds/shares which would allow HDC to access funds quickly
Not constrained by geography	Optimise the financial return with a greater number of opportunities	<ul style="list-style-type: none"> - Needs to balance with other strategic requirements such as control over investment decisions - Recognition that economic benefits to the area may not be optimised if outside the geographic area - May require additional market research to offset loss of competitive advantage and market knowledge from being outside the area

3. Investment Strategies and Delivery Options

There are a range of investment strategies with different financial, risk and timing profiles which have been considered. Each of these models could be used to deliver the CIS. The chart below shows the expected level of risk and reward associated with each of these.



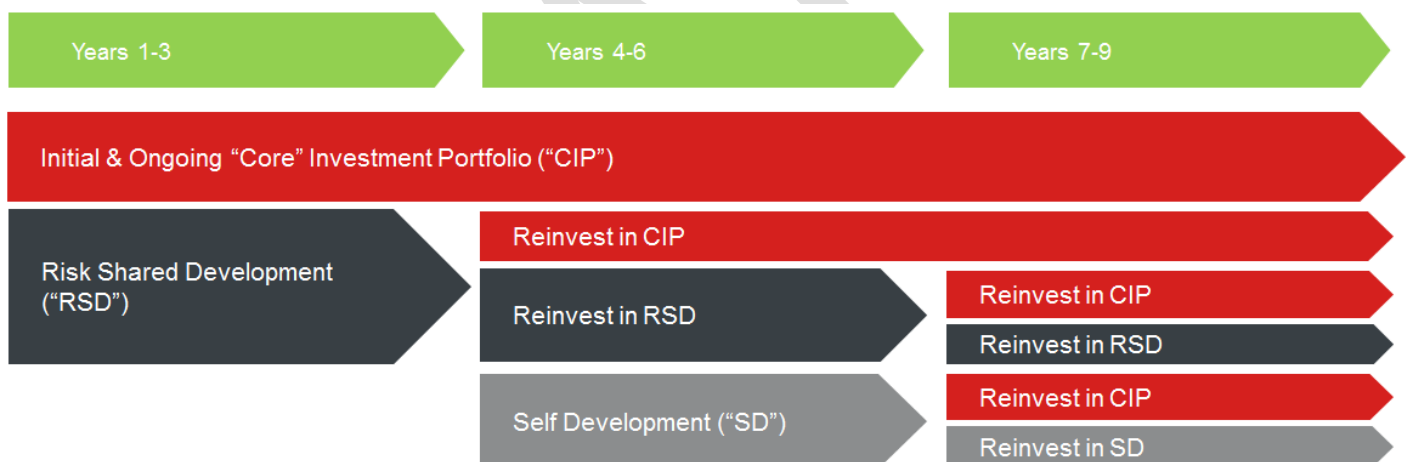
Seven delivery options are available for the Council to consider. The following diagram lists these in order of increasing risk and returns. Appendix 3 provides further detail on each delivery option.



Each option has benefits and limitations which can be assessed against the criteria in section 2 and the Council’s key drivers.

4. Portfolio Model

In order to manage the portfolio in accordance with the criteria set out in section 2, it is proposed that a progressive approach to developing a portfolio model is taken. This measured model increases potential risk and reward over time, employing a blend of risk profiles with the proceeds of higher risk, shorter term activities partly redeployed back into the lower risk, long term sustainable “Core”.



To ensure that the portfolio balances risk and reward, the CIS should be flexible enough to make use of all models and delivery options. The model above can take into account the following:

- The setting of overriding financial objectives and establishment of separate reporting for and analysis of the CIS
- Inclusion of the Council’s existing commercial portfolio in the CIS
- The appropriate risk/return profile of the CIS
- The importance of income return in relation to the total return
- Use of borrowing to fund investment

To generate immediate income, initial investments will be focussed on the “Core” portfolio through delivery options 1-4. In developing the Business Plan, consideration will be given to investing in property funds and shares as the most liquid categories of delivery options. In this way, capital can be deployed in a timely and flexible manner. Such investments can be readily realised and redeployed.

The Business Plan will propose that higher value adding/risk investments are delayed until the CIS is embedded and appropriate resources are available to accommodate the additional preparation and management that such investments will require. Delivery options 5-7 should be focused initially within Huntingdonshire. The Council's knowledge of the district creates a competitive advantage and allows it to better manage risk and contribute to wider HDC objectives.

There may be some potential for added value to be achieved through CIS investments within the district, such as financial returns that could be achieved through the retention of NNDR income.

5. Governance

The governance structure for the CIS needs to allow the Council to trade on a commercial basis and also recognise the statutory and political boundaries that must be observed. The structure must be one that both Members and Officers will be comfortable with, two options are available to the Council and have been considered as follows:

- Option 1: Enhanced 'as is' position, expanded to include wider CIS activity. The Constitution has been amended to provide greater delegated decision making to allow Senior Officers and Members to act and take decisions on disposals and acquisitions of land and property. Such decisions will be taken within the parameters of a Business Plan to be approved by Cabinet.
- Option 2: Local Authority Trading Company (LATC). The Council could set up a LATC to deliver the CIS.

The Council's preferred option is **Option 1**, this makes use of existing resources, with our current commercial estate managed by the Estates team and run through the Council's main corporate governance channels. New financial thresholds for disposals and acquisitions of land and property are shown below. These were agreed as the previous thresholds were considered too restrictive to enable a more commercial approach to management of the Council's property portfolio. These will be reviewed 12 months after approval. The new Disposals and Acquisitions Policy sets out the legal context, principles and governance arrangements by which the Council will dispose of and acquire land and property.

Amount:	Decisions on disposals and acquisitions of land and property delegated to:
£0 - £500,000	Managing Director (as Head of Paid Service) & Head of Resources (as Section 151 Officer), following consultation with Executive Councillor for Resources
£500,000 - £2,000,000	Treasury and Capital Management Group
£2,000,000 +	Cabinet

Option 1 allows the Council to remain fully in control, with democratic processes to be followed involving Members in decisions. The Disposals and Acquisitions Policy states that the Council will have regard to all statutory and local regulations, including reporting to Corporate Management Team and in line with the Constitution, including the Treasury and Capital Management Group. All disposal and acquisition decisions will be retrospectively reported to the Overview & Scrutiny (Economic Well-Being) Panel.

This governance structure will ensure regular reporting to Members. An annual Business Plan will be presented to Cabinet for approval, with the Treasury and Capital Management Group to meet and receive reports on CIS performance on a regular basis. There will be a quarterly public report to Cabinet on CIS performance which will report against a range of metrics to be set out in the Business Plan.

6. Financial Modelling

The Business Plan will set out in detail the level and sources of funding to be invested in the CIS, the types of investment planned and timescales for these and the expected financial return from these investments. It will also identify potential investment opportunities.

The Council currently has a commercial estate consisting of over 200 assets valued at £20.8m. This estate generates £1.5m of net revenue, a return of 7.2%. This existing portfolio will be incorporated into the CIS and opportunities will be sought to sustain and improve net revenue. Potential development opportunities could generate capital receipts that could be used as a source of finance for the CIS to optimise and realised value, with a potential £1.2m in capital receipts estimated through a review of the commercial estate in 2012.

Opportunities to generate capital receipts for investment in the CIS may be identified through ongoing reviews of assets in the Council's operational estate. Operational or community assets that become surplus to requirements due to estate rationalisation or adopting new ways of working could be disposed of or developed to generate CIS funds.

The CIS will also be funded through the use of Earmarked Reserves. The Capital Investment Earmarked Reserve currently has £4.737m available for early investment.

Further funding for investment could come from borrowing. With low interest rates available to the Council, the Business Plan will set out options for borrowing from lenders such as the Public Works Loans Board and investing the money in the CIS where net returns are expected to result in a profit for the Council. Borrowing can be increased over time if this remains affordable.

Additional revenue returns from investment in opportunities within the district may be possible. Investment in commercial property could generate additional NNDR, with a recent Government announcement to allow Cambridgeshire authorities to retain 100% of any additional business rate growth from April 2015.

The current and expected future profile of the CIS will be measured using a series of metrics, including:

- Historic and forecast income and total returns – at a property level and on an equity basis
- Benchmarking of returns (IPD – Investment Property Databank)
- Gross and net income
- Operating costs
- Total expense ratio (TER)
- Vacancy levels
- Tenant exposures
- Debt metrics (LTV – Loan to Value, ICR – Interest Coverage Ratio)

The current rate of return on the Council's existing investment (9.4%) is considered to be above the market rate. The Business Plan will set out the expected rate of return from existing and new investments, taking into account changes in the property market and the wider economy.

7. Risk management

As described in section 2 and 4 above, a balanced approach will be taken to managing risks associated with the CIS. Initial investment will focus on lower risk investments, with potential risk and reward to be increased over time. A blend of risk profiles would see the proceeds of higher risk, shorter term activities partly redeployed back into the lower risk, long term sustainable “Core”.

It is acknowledged that the Council currently has limited resources and experience in property related investment and development so this approach to the CIS means the Council can take advantage of simpler investment opportunities at the outset. Capacity and capability can then be developed over time, with the Business Plan to set out where additional resources and support need to be brought in to guide investment decisions and monitor and manage performance.

Security over capital investment will be important, with Members recognising the need to protect the public purse. Parameters for the Loan to Value of each type of investment will be set out in the Business Plan. While property funds and shares are the simplest, most liquid investments, moving towards direct investment in land and property will provide security over physical assets. Diversification of the CIS portfolio through a series of investments over time should reduce the risk of the poor performance or the impact of a crash in the property market similar to the 2008 crash.

The Business Plan will set out risks and mitigation for the types of investments planned each year. The metrics set out in section 6 will allow performance and exposure to risk to be monitored and managed closely.

Commercial Investment Strategy Business Plan

To be submitted for approval in October 2015

DRAFT

This page is intentionally left blank

VISION

To improve the quality of life for the people of Huntingdonshire and work towards sustainable economic growth whilst providing value for money services

STRATEGIC PRIORITIES

A strong local economy

Enabling sustainable growth

Working with our communities

Ensuring we are customer focused and service led council

CURRENT SERVICES

Customer Service Strategy / Service Standards

Lean

Shared Services

Zero Basing

Income Generation

Facing the Future

CLICK arrow for details

CLICK arrow for details

CLICK arrow for details

CLICK arrow for details

CLICK arrow for details

CLICK arrow for details

FINANCIAL

Financial ambitions

To reduce the Council's reliance on Central Government Funding and in so doing create a sustainable financial platform

Approved MTFs

% cut from MTFs

Modified budget

	2015/16	2016/17	2017/18	2018/19	2019/20
Approved MTFs	£18.881m	£19.870m	£20.671m	£21.259m	£21.721m
% cut from MTFs	0% (-£0m)	19.2% (-£3.8m)	28.6% (-£5.9m)	35.1% (-£7.5m)	37.6% (-£8.2m)
Modified budget	£18.881m	£16.059m	£14.750m	£13.805m	£13.553m

This page is intentionally left blank

<p>What is it?</p> <ul style="list-style-type: none"> The Council acquires and manages freehold or leasehold properties.
<p>How does it work?</p> <ul style="list-style-type: none"> The Council uses property professionals to identify market opportunities. After deciding on price and clearing appropriate internal approvals, bid for assets. Using appropriate advisors (legal, surveying, valuation) undertake due diligence and complete legal acquisition documentation. Establish on going management arrangements (internal or outsourced). Regular asset reviews to determine business plan and exit strategy. Process required on an asset by asset basis.

Benefits

Financial Objective	Depending on property type, is capable of delivering market level income return
Revenue Delivery	Generates revenue from the time of the property acquisitions
Risk	Low risk option with the appropriate due diligence
Control	High level of control
Liquidity	Reasonable liquidity, subject to usual property market timings
Management Oversight	Assuming management is outsourced - relatively light requirement – high involvement at key decision points (buying and selling)

Limitations

Performance	Low return option and no competitive market position for HDC
Diversification	Circa 20 investments required to deliver portfolio diversification



2. Existing Assets – Joint Venture

<p>What is it?</p> <ul style="list-style-type: none"> The Council acquires and manages freehold or leasehold properties together with a partner.
<p>How does it work?</p> <ul style="list-style-type: none"> The options are to approach this on a case by case basis or create a strategic relationship with a trusted partner. The Council will wish to select a partner or partners on the basis of their demonstrated expertise and ability to co-invest with the Council (assume 50/50). The Partner will carry out much of the management role. The Partner will identify market opportunities. The JV will include governance allowing Council input on key decisions, including acquisitions and sales. The Partner is responsible for on going management arrangements. Council rights to review business plan and exit strategy.

Benefits

Financial Objective	Depending on property type, is capable of delivering market level income return
Revenue Delivery	Generates revenue from the time of the property acquisitions
Risk	Lower risk option – JV partner risk added
Control	Medium level of control
Liquidity	Reasonable liquidity, subject to usual property market timings and governance of JV
Management Oversight	Light requirement – JV partner undertakes most of the direct acquisition, management and sales work

Limitations

Performance	Low return option. Partner selected to bring track record and potentially competitive market position
Diversification	Circa 20 investments required to deliver portfolio diversification



3. Existing Assets – Investment Funds

What is it?
<ul style="list-style-type: none"> The Council invests in an unlisted property fund which owns a range of diversified property investments.
How does it work?
<ul style="list-style-type: none"> The Council will undertake a process of reviewing available fund options and the track record of the fund managers. Once capital is invested the entire responsibility for acquiring and managing the investments is delegated to and the responsibility of the fund manager. The fund manager will report and pay distributions to the Council on a regular basis, usually quarterly. The fund documentation will set out the rights of the Council to redeem its investment and/or to sell it on the secondary market. The nature of these rights will vary depending on the type of fund.

Benefits

Financial Objective	Depending on property type, is capable of delivering market level income return
Revenue Delivery	Generates revenue from the time of the fund investment – generally a shorter time than investing in direct property
Risk	Risk is determined by the nature of the fund. Additional risks relate to the fund structure, principally the performance of the fund manager
Performance	Returns are related to the specific investment strategy of the fund and manager performance.
Diversification	Fund investment can spread risk over a large number of underlying assets.
Control	High level of control of fund interest
Management Oversight	Very light requirement

Limitations

Liquidity	Unlisted investment funds generally have a low level of liquidity, particularly in market downturns.
------------------	------------------------------------------------------------------------------------------------------



4. Existing Assets – Listed Property Shares

What is it?
<ul style="list-style-type: none"> The Council invests in listed property shares in a fund or a separate account mandate managed by a specialist fund manager.
How does it work?
<ul style="list-style-type: none"> The Council will undertake a process of reviewing managers and available fund options and selecting an appropriate investment strategy. Once capital is invested the entire responsibility for acquiring and managing the investments is delegated to and the responsibility of the fund manager. The fund manager will report and pay distributions to the Council on a regular basis, usually quarterly. The mandate with the fund manager can be structured to allow an immediate liquidation of the investment portfolio if required.

Benefits

Revenue Delivery	Generates revenue from the day the property shares are acquired – share transactions can be effected in a short time period
Liquidity	The highest level of liquidity
Risk	The risk and return level is flexible and can be altered over time by reference to the agreed investment strategy
Diversification	Risk can be spread over a large number of underlying property companies/assets.
Control	High level of control
Management Oversight	Very light requirement

Limitations

Performance	Higher volatility than direct property. Longer term performance correlates to property but short term can correlate to general equity markets
Financial Objective	Dividend yields generally lower than direct property yields.



5. Risk Share Development – Forward Purchase / Funding

<p>What is it?</p> <ul style="list-style-type: none"> The Council enters into an agreement with a developer to fund part of the development cost and/or acquire a development on completion.
<p>How does it work?</p> <ul style="list-style-type: none"> The Developer will identify a market opportunity (although it may come from the Council) and carry out the development functions. The Council will be able to determine the risk profile it wishes to take on in entering the arrangement with the developer (e.g. after planning permission has been secured and construction packages have been tendered). During the construction stage the Council will likely require monitoring rights. Post development completion (as per direct investment): <ul style="list-style-type: none"> Establish on going management arrangements (internal or outsourced). Regular asset reviews to determine business plan and exit strategy.

EC HARRIS
BUILT ASSET
CONSULTANCY
AN ARCADIS COMPANY

Benefits

Financial Objective	Should deliver a premium to pure investment activity, so at least a market level income return dependent on property type
Performance	A higher level of performance than investment activity
Risk	The risk of development is highly mitigated by the forward purchase/funding arrangements
Control	High level of control
Management Oversight	Moderate level once the transaction is agreed

Limitations

Revenue Generation	Revenue can accrue to the investment when funded, but this will only occur during or at the end of the development period
Diversification	Circa 20 investments required to deliver portfolio diversification
Liquidity	Low liquidity during the development period, thereafter as per the general property market

6. Risk Share Development – Joint Venture

<p>What is it?</p> <ul style="list-style-type: none"> The Council enters into a JV agreement with a developer to carry out a specific development.
<p>How does it work?</p> <ul style="list-style-type: none"> The Developer will identify a market opportunity (although it may come from the Council) and carry out the development functions. The risk of the development will be shared 50/50 between the Council and the Developer. The Council will be involved in key decisions during the development period. Post development completion (as per direct investment): <ul style="list-style-type: none"> Establish on going management arrangements (internal or outsourced). Regular asset reviews to determine business plan and exit strategy.

EC HARRIS
BUILT ASSET
CONSULTANCY
AN ARCADIS COMPANY

Benefits

Financial Objective	Should deliver a premium to pure investment and forward purchase/funding, so at least a market level return dependent on property type
Performance	A higher level of performance than investment and forward purchase/fund development activity
Risk	The risk of development is mitigated by careful partner selection and development stage oversight
Control	Strong level of control through JV documentation
Management Oversight	Meaningful level of oversight required

Limitations

Revenue Generation	Revenue will only accrue once the development is completed and leased (or sold).
Diversification	Diversification improved given Developer 50% capital contribution. Circa 20 investments required to deliver portfolio diversification
Liquidity	Low liquidity during the development period, thereafter as per the general property market

7. Self Development

What is it?
<ul style="list-style-type: none"> ■ The Council undertakes a development itself, appointing a development manager.
How does it work?
<ul style="list-style-type: none"> ■ The Development Manager will identify a market opportunity (although it may come from the Council) and carry out the development functions. ■ The risk of the development will be taken 100% by the Council. ■ The Council will be involved in key decisions during the development period. ■ Post development completion (as per direct investment): <ul style="list-style-type: none"> - Establish on going management arrangements (internal or outsourced). - Regular asset reviews to determine business plan and exit strategy.

Benefits

Financial Objective	Should deliver a premium to pure investment and forward purchase/funding, so at least a market level return dependent on property type
Performance	The highest level of performance – the Council retains all development profit
Risk	The risk of development is mitigated by appointment of expert development manager and adoption of thorough risk management strategy
Control	Complete control with the Council

Limitations

Management Oversight	High level of oversight required
Revenue Generation	Revenue will only accrue once the development is completed and leased (or sold).
Diversification	Circa 20 investments required to deliver portfolio diversification
Liquidity	Low liquidity during the development period, thereafter as per the general property market

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title:	Zero Based Budgeting Update: Preparation for the 2016/17 Budget and Medium Term Financial Strategy
Meeting/Date:	Overview & Scrutiny Panel (Economic Well-Being) – 3 rd September 2015 Cabinet – 17 th September 2015
Executive Portfolio:	Councillor Jonathan Gray Executive Portfolio Holder for Resources
Report by:	Head of Resources
Ward(s) affected:	All

Executive Summary:

As part of the budget setting cycle for 2016/17, the Council is continuing the Zero Based Budgeting exercise that started during the last financial year in preparation for the 2015/16 budget. The ZBB process is split into a number of Tranches, with Tranche 1 having been undertaken during the Autumn of 2014 (in which £1.8m was removed from the Councils 2015/16 budget) and Tranches 2 and 3 are being undertaken during 2015/16.

In preparation for 2016/17 budget setting, Tranche 2 commenced in April 2015 and concluded with a Cabinet led Star Chamber in mid-July 2015; the estimated savings totalled in excess of £1.3m and the detailed service changes are shown in Appendix 1. Tranche 3 commences in August and the associated Star Chamber is scheduled for November 2015.

In addition to the above ZBB reviews, other budget activity is being undertaken including a:

- series of ZBB “Light” reviews for those services that were “heavy” reviewed (Tranche 1) in the last financial year.
- two cross-cutting ZBB review’s, namely administration support and design service.

Recommendation(s):

That Cabinet:

- i. Comments on the progress of the ZBB programme to date.
- ii. Reviews the Tranche 2 savings proposals noted in Appendix 1 and comments accordingly.

1. PURPOSE

- 1.1 To provide members with an update on the Zero Based Budgeting (ZBB) process in preparation for the 2016/17 Budget and Medium Term Financial Strategy (MTFS).

2. BACKGROUND

- 2.1 As a result of:

- an external audit recommendation following the audit of the 2013/14 Annual Financial Report,
- the new management team's focus on ensuring that the Council has effective control and understanding of cost base,
- a past trend of excessive budget under spending over a number of years,
- a need to deliver significant budget savings over the medium term,
- a wish by members to have a more engaged and transparent budget process,

it was agreed by Cabinet that by the time that the 2016/17 Council Tax was to be set, all Council services would have been subject to a ZBB review. During the late summer of 2014 a comprehensive ZBB programme was developed that would involve all services being split into three Tranches and subject to a "Heavy" review process. Therefore for the:

- 2015/16 Budget, the Tranche 1 "Heavy" review was completed along with a "Light" review of all other services.
- 2016/17 Budget, Tranche 2 and 3 "Heavy" reviews will have been completed along with a "Light" review for all other services.

ZBB Tranche 1

- 2.2 Tranche 1 commenced in early Autumn 2014 and the services included were:

- Leisure & Health: One Leisure
- Community: Health Protection and Animal Welfare/Pest Control
- Operations: Greens Spaces and Car Parking
- Resources: All teams except Estates.

- 2.3 Along with the "Light" reviews; the total net ZBB related saving that was included within the 2015/16 budget was £1.847m.

3. 2016/17 BUDGET SETTING AND MTFS

- 3.1 In February 2016, Full Council will be presented with the proposed budget for 2016/17 and the MTFS, Council will then set the Council Tax for the forthcoming year. By this time Tranche 2 and 3 of the ZBB process will have been completed.

ZBB Tranche 2

- 3.2 Tranche 2 itself commenced in April 2015 and the services that have been subject to a "Heavy" review were:

- Development (including Housing Strategy and Economic Development)
- Community: Licensing and Projects & Assets
- Customer Services (including Housing Needs and Document Centre)
- Resources: Estates

3.3 As last year:

- an external “on-site” specialist has been appointed who is leading the day-to-day ZBB programme; this includes ongoing project management, service liaison and critical friend challenge. The appointee is a long-serving local government finance specialist who has expertise in technical, financial and budget management.
- Pixel Financial Consulting have been appointed to provide strategic benchmarking, forecasting and budgeting advice.

3.4 Members will recall that a key milestone in the ZBB process is the presentation of service change options to a Star Chamber. The Tranche 2 Star Chamber was held on the 20th and 21st July and the Cabinet members who attended the Star Chamber were the Leader, Deputy Leader and the Executive Portfolio Holder for Resources (Chairman). For each service, various options for service change were presented by the respective Executive Portfolio Holder, with support from the relevant Head of Service and a summary of the savings that were reported to the Star Chamber is shown at **Appendix 1**. At this time, the confirmed 2019/20 savings that can be included in the budget savings for 2016/17 at this time are £1.372m; there is a potential further £12,000 which may be able to be secured once a LEAN review is completed within the Licensing Service (this would give a total ZBB Tranche 2 saving of £1.384m). The conclusion of this review will be reported to the November Star Chamber and Cabinet thereafter.

3.5 The current MTFS modelled a total draw-down from General Reserves of £6.263m between 2016/17 and 2019/20. If the total savings from Tranche 2 are achieved, the total draw-down will have reduced by 77.1% to £1.435m. By the final year of the current MTFS (2019/20) the forecast net saving to the budget is 6.4%. This is summarised in **Table 1** below.

Table 1	Impact of ZBB Tranche 2 savings on the 2015/16 Budget and MTFS (Reserves & Net Expenditure)				
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
RESERVES					
2015/16 MTFS: Planned Reserves Used to balance budget	298	1,537	2,073	2,355	6,263
Tranche 2 Savings	(966)	(1,164)	(1,314)	(1,384)	(4,828)
Revised Planned Use of Reserves	(668)	373	759	971	1,435
	>100.0%	75.7%	63.4%	58.8%	77.1%
NET EXPENDITURE					
Approved 2015/16 MTFS Net Expenditure:	19,870	20,671	21,259	21,721	
Post Tranche 2 2015/16 MTFS Net Expenditure	18,904	19,507	19,945	20,337	
Tranche 2 Savings	(966)	(1,164)	(1,314)	(1,384)	
Reduction in Net Expenditure	4.9%	5.6%	6.2%	6.4%	

ZBB Tranche 3

3.6 Tranche 3 will commence in August 2015 with the Star Chamber provisionally agreed for November 2015. The services that will be subject to a “Heavy” review are:

- Community: CCTV
- Customer Services: Revenues and Benefits
- Operations: all services
- Corporate Team and Directors

3.7 By the conclusion of Tranche 3, all services will have been subject to the ZBB “Heavy” process.

Other Budget work currently being undertaken

3.8 ZBB Light

During the late Summer/Autumn of 2015, further “Light” reviews will be undertaken of those services that were in Tranche 1.

3.9 Cross-Cutting Review

The ZBB process currently being undertaken has followed a traditional “bottom-up” approach. However, it is considered that there may be some advantage in undertaking two cross-cutting reviews, namely Administrative Support and Design Services. Such an approach may allow some cross-service efficiencies to be achieved but also allow for a practical evaluation of the cross-cutting ZBB approach for future budget setting cycles.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 The Overview and Scrutiny Panel (Economic Well-Being) Panel was informed that Officers have looked “over the horizon” to create progressive plans to deliver savings: there is more work to do but moving in the right direction.

Panel members queried the reductions in repairs and maintenance and were advised that these charges will now be payable by tenants as additional charges in their current terms and conditions. This means additional income rather than a reduction in expenditure.

The Panel were informed that consultancy costs in Planning Services would be reduced through a wider range of expertise as a result of sharing services.

5. LINK TO THE CORPORATE PLAN

5.1 Zero Based Budgeting is a key action within the Corporate Plan Strategic Theme “Ensuring we are a customer focused and service led council” by “becoming more business-like and efficient in the way we deliver services”.

6. LEGAL IMPLICATIONS

6.1 There are no direct legal implications arising from this report.

7. RESOURCE IMPLICATIONS

7.1 The implications in respect of ZBB are detailed within the report.

8 REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 To ensure that there is continued strategic support of the ZBB process and that Cabinet fully support the Tranche 2 proposed savings following the July Star Chamber.

9. LIST OF APPENDICES INCLUDED


Appendix 1 – ZBB Tranche 2 Savings

BACKGROUND PAPERS

Enclosed

CONTACT OFFICER

Clive Mason, Head of Resources

 01480 388157

Star Chamber Confirmed Service Change Proposals & Budget Implication					
Service	Recommendation	2016/17 (£'000)	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
Community Services					
Strategic Assets & Projects	Restructuring	(88)	(89)	(90)	(91)
	Reductions in Environmental Improvement Budgets	(10)	(15)	(15)	(15)
	Review of fees and charges	(37)	(73)	(73)	(73)
		(135)	(177)	(178)	(179)
Development Services					
Economic Development	Various Grants	(30)	(30)	(30)	(30)
Development Management & Planning Policy	Changes to working practices	(80)	(80)	(81)	(81)
	Pre-Planning Application fee increases	(10)	(10)	(10)	(10)
Housing Strategy	Reduction in Consultants budgets for redevelopment proposals	(140)	(140)	(140)	(140)
	Changes to working practices	(34)	(34)	(34)	(34)
	Procurement Savings	(20)	(20)	(20)	(20)
		(314)	(314)	(315)	(315)
Customer Services					
Customer Services	Reductions in Service offer	(39)	(39)	(39)	(39)
	Restructure of Customer Services and relocation of Call Centre to Pathfinder House	(183)	(185)	(186)	(188)
	Creation of Multi-Agency Customer Service HUB at Pathfinder House	(17)	(46)	(46)	(46)
	Review of front facing service provision at CSC's	0	(23)	(92)	(92)
Document Centre	Re-procurement and rationalisation of print and postage services	(31)	(36)	(36)	(36)
	Increased income generation from external customers	(60)	(95)	(110)	(115)
Housing Needs	Re-procurement of Information Technology Systems	(10)	(10)	(10)	(10)
	Reduction in Homelessness Prevention Budget	(20)	(20)	(20)	(20)
	Reduce Homelessness related Housing Benefits due to reduced use of temporary accommodation	(60)	(60)	(60)	(60)
		(420)	(514)	(599)	(606)
Resources					
Estates	Reduced Repairs & Maintenance	(8)	(8)	(8)	(8)
	Increased and new fees and charges	(77)	(139)	(202)	(264)
		(85)	(147)	(210)	(272)
Savings - ZBB Tranche 2 - Confirmed		(954)	(1,152)	(1,302)	(1,372)

Star Chamber Service Change Proposals & Budget Implication BUT Subject to confirmation via a LEAN Service Review					
Service	Recommendation	2016/17 (£'000)	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)
Community Services					
Licensing	Removal of vacant post	(12)	(12)	(12)	(12)
Savings - ZBB Tranche 2 - Subject to LEAN Review		(12)	(12)	(12)	(12)

TOTAL SAVINGS - ZBB TRANCHE 2		(966)	(1,164)	(1,314)	(1,384)
--------------------------------------	--	--------------	----------------	----------------	----------------

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Langley Court – Loan to Luminus

Meeting/Date: Overview & Scrutiny (Economic Well-Being) Panel – 3rd
September 2015
Cabinet – 17th September 2015

Executive Portfolio: Cllr Gray, Resources
Cllr Dew, Planning and Strategic Housing

Report by: Head of Resources
Lead Housing Strategy Manager

Ward(s) affected: St Ives

Executive Summary:

Together with Cambridgeshire County Council and health partners, we identified a need for extra care for older people in St Ives. Developing this scheme is a priority in the Council's Housing Strategy 2012-15 and helps to meet the needs of our ageing population. Luminus had an outdated sheltered scheme in Langley Close, Ramsey Road. Luminus were willing to demolish the scheme and redevelop a new extra care scheme in its place consisting of 55 1 and 2 bedroom flats. Luminus have supported residents to move out of the original building and the new building has planning permission and ground works have commenced.

There is a grassed area to the front of the site, bordering the car park which is still owned by this Council, and not by Luminus. To make best use of the site, Luminus would like to use this space to form part of the car park and green space for the scheme. To enable this to happen, this Council would need to transfer ownership of the green space to Luminus (see Appendix 1). Any potential transfer will be subject to a clawback arrangement so that if the site is ever sold in the future, the monetary equivalent of the land value reverts to this Council. This grassed area does not have any standalone development potential, given its proximity to the street, and the surrounding buildings, and therefore transferring it to Luminus would be in line with the Council's forthcoming Asset Strategy.

Legal advice has been obtained from a member of Queens Counsel to give assurance of the Council's legal position in relation to the loan. A specialist consultant has been appointed by this Council to help arrange the loan facility for Luminus. The heads of terms for the legal agreement have been drafted and the due diligence is underway. These fees will be reimbursed by Luminus.

At the time of drafting the report the specific loan details are yet to be finally agreed; however the loan will not have a negative financial impact on the Council as Luminus will be repaying the loan in full including a margin of 1.5% over the 30 year term of the loan.

Recommendation(s):

That members:

1. agree to the transfer of the grass area (see Appendix 1) at the front of Langley Court to Luminus, subject to a clawback arrangement at paragraph 3.5.
2. agree to the continued support of the Langley Court development by the provision of loan finance at nil cost to the Council.
3. agree that the Head of Resources, as the Section 151 Officer, be authorised to make the loan following consultation with the Executive Councillor for Resources (and a satisfactory Due Diligence report from the Council's Treasury Management Advisors).

1. WHAT IS THIS REPORT ABOUT?

- 1.1 To update Members on the redevelopment of Langley Court St Ives.
- 1.2 To seek approval to transfer a piece of land to Luminus to enable the redevelopment to proceed.
- 1.3 To update Members about the terms of the loan to Luminus.

2. BACKGROUND

- 2.1 Together with Cambridgeshire County Council and health partners a need has been identified for extra care for older people in St Ives. Developing this scheme is a priority in our Housing Strategy 2012-15 and helps us to meet the needs of our ageing population.
- 2.2 Luminus had an outdated sheltered scheme consisting of 50 bedsits and 1-bedroom flats in Langley Close, Ramsey Road, next to Slepe Hall. Luminus were willing to demolish the scheme and redevelop a new extra care scheme consisting of 55 1 and 2 bedroom flats in its place. The extra care scheme will feature communal areas including restaurant and lounge, hairdressing salon, assisted bathing facilities and guest room. Social activities and other services (e.g. visiting chiropody) will be made available for older people who live in the surrounding community to make use of. In addition to the normal housing related support service, there is 24 hour social care presence on the site. Health partners intend to commission intermediate care in the scheme whereby people go to the scheme for a short while to help with rehabilitation after a hospital admission. This facility can also be used to prevent emergency hospital admissions when someone has had a period of ill health at home.
- 2.3 The scheme is expected to cost in the region of £8.4m with £2.3m being secured in grant funding from the Department of Health via the Homes and Communities Agency (HCA), with this Council's support. On 21st November 2013 Cabinet considered a report by the Executive Director of Finance and Resources (a copy of which is appended in the Minute Book) regarding a request by Luminus for a loan to enable them to develop a new extra care scheme for frail older people at Langley Court, St Ives. Executive Councillors discussed the significant housing, health and social care benefits the scheme would offer to the local population. In expressing their support for the scheme, the Cabinet stressed that:
 - no residents should be asked to leave until planning permission for the scheme is granted;
 - any provision allows any resident that wishes to return after the new build is finished, can;
 - every possible effort be made to ensure that any resident that wishes to return is temporarily housed in St Ives; and
 - the Luminus Board reconsiders its attitude to District Council appointed Members to ensure full engagement and transparency.

Cabinet then agreed that (a) that a loan be provided to Luminus of up to £5.5m over 30 years to fund the new extra care home, subject to confirmation of the various legal, procedural and security issues highlighted in the report and agreement of the interest rate; and

(b) that the Assistant Director, Finance and Resources, be authorised to make the loan following consultation with the Executive Councillor for Resources on these issues, subject to the Executive Councillor having the right to require agreement of the details to be determined by Cabinet.

2.4 However, considering:

- the time that has elapsed since this approval was given,
- the changing financial environment that the Council now finds itself, and the
- new management arrangements that have come into place since 2013,

it is opportune to update members on the loan arrangement.

3. UPDATE ON PROGRESS

The Scheme

3.1 Luminus have supported residents to move out of the original building. A planning application was submitted for the new extra care scheme. This included a large glass and steel atrium. Unfortunately the final costs of this proved prohibitive and Luminus have had to reproduce a more modest design in order to deliver the project within their budget. The revised plans have been approved and Luminus have let a build contract. An archaeological dig has been completed and contractors are now on site commencing ground works. Luminus have claimed the first tranche of grant funding from the HCA to support this stage of development.

The Site

3.2 There is a grassed area to the front of the site, bordering the car park (see Appendix 1) and is still owned by this Council, and not by Luminus. To make best use of the site, Luminus would like to use this space to form part of the car park and green space for the scheme. At this time the grass area does not have any obvious standalone development potential, given its proximity to the street and the surrounding buildings. However that does not mean that if the Langley Court development had not been taking place that some future development opportunity would not have been possible. To enable Luminus to utilise this space the Council would need to transfer ownership of the green space to Luminus.

3.3 To give some relative depth to the value of this space, a separate external valuation has been undertaken of this land to determine the potential transfer cost to the Council; three scenarios were reviewed:

i. Scenario 1 – Market Value: existing use and present condition

As a cleared site subject to the benefit of planning permission (as secured by Luminus) for the proposed extra care development, the combined Luminus and HDC land is valued at £1.4m, with the Councils element being £50,000 (3.5%).

ii. **Scenario 2 – Market Value; in its proposed use as an extra care development.**

This valuation was based on the agreed plans and costings and on the express assumption that the development has been completed as at the date of valuation. The combined Luminus and HDC land is valued at £11.1m, with the Councils element being £100,000 (0.9%).

iii. **Scenario 3 – Market Value; subject to tenancies and no restrictions upon subsequence disposal.**

This valuation was based on the principle that tenancies would convert from affordable rents to market rents after an average of five years for each tenancy. The combined Luminus and HDC land is valued at £5.5m, with the Councils element being £30,000 (0.4%).

3.4 It is envisaged that the extra care facility will continue for the duration of the loan agreement, consequently Scenario 3 is unlikely. Further, a 4th scenario of alternative use was not considered because the Council has previously made a full commitment to supporting this partnership development.

3.5 Considering that:

- there is a likelihood that there will be an increase in the value of the land,
- the land does not have any standalone development potential considering the Councils partnership commitment to the project, and
- the valuations have shown that the HDC land has a proportionately small value when compared to the whole,

the land should be transferred to Luminus subject to an appropriate a claw-back arrangement.

The Loan and associated Financial Considerations

3.6 The net loan finance to be arranged by the Council in respect of the development itself is £5.0m. Interest due on loan instalments during the construction period will be capitalised and rolled up into a consolidated loan at Practical Completion of Langley Court. This means the estimated gross value of the loan is £5.140m at Practical Completion. The maximum permitted value of the loan, including any interest, is £5.5m. A summary of the cost of the project and all financing is shown in **Table 1** below.

HDC Loan Arrangement		Table 1
	£m	
Project Cost	8.346	
Luminus Sourced Funding		
- Homes and Communities Agency	(2.300)	*1
- Luminus Contribution	(0.746)	
- Recycled Capital Grant	(0.113)	*2
- Capital Receipts	(0.187)	*3
	<u>(3.346)</u>	
HDC Loan Arrangement - Langley Court Development	5.000	
Interest - maximum roll-up	0.500	
Total Loan	<u>5.500</u>	
Key		
*1 £2.3m via a successful bid to the Homes and Communities Agency (HCA)		
*2 £0.113m via Recycled Capital Grant Fund – this is a pot that Luminus have accrued from the sale of shared		
*3 £0.187m via capital receipts contribution from Luminus' disposal and replacement programme.		

3.7 It is anticipated that Luminus will draw down their loan at various stages of the development process; consequently the Council will draw down the loan from PWLB in similar tranches. The currently estimated draw down profile is shown in **Table 2** below.

Loan Funding Profile		Table 2
		£
2015	October	750,000
	November	500,000
2016	January	500,000
	February	500,000
	March	500,000
	April	500,000
	May	750,000
	June	500,000
	July	500,000
		<u>5,000,000</u>
Interest Roll-Up: Maximum		
	After July 2016	500,000
		<u>5,500,000</u>

3.8 Luminus is a group of separate companies. The practicalities of the loan arrangement are that the:

- Loan will be with Luminus Finance Limited,
- Langley Court development will be undertaken by Oak Foundation Limited,

- And security during the development phase will be Brook House, which is owned by Luminus Finance Limited, as the development comes to practical completion the intention will be a transfer of security to the Langley Court development itself. However, if there is any risk in respect of not being able to secure the charge on the Langley Court development (i.e. potential change to charitable status) the release of Brooke House will not be undertaken until all such risks are eliminated
- 3.9 Although this appears to be a relatively complicated arrangement, a summary is attached in **Appendix 2** but members should be reassured that the various legal agreements provide the same protection to HDC as would a single Loan Agreement and associated legal charge.
- 3.10 At the time of drafting this report, the following elements of the loan arrangement process have been completed:
- Queens Counsel has provided assurance that the loan does not attract any State-Aid Issues.
 - Heads of Terms have been agreed between the Council and Luminus.
- 3.11 The following work continues:
- A Due Diligence review is being undertaken by the Councils Treasury Management Advisors, Arlingclose.
 - Actual draw-down of the loan from PWLB.
- 3.12 All costs relating to the loan arrangement will be reimbursed by Luminus. However there has been a considerable opportunity cost in arranging this loan facility and there will be an ongoing opportunity cost in respect of future monitoring of the loan facility for both the finance and legal services.
- 3.13 Other elements of the terms of the loan that members should be aware include:
- The margin on the loan will be 1.5% above the prevailing PWLB rate at the time of drawdown (Subject to confirmation from Arlingclose that this is an acceptable margin and anticipated to be £75,000 in the first full year of the loan, which will then gradually reduce as the loan is repaid over a 30 year period)
 - The Facility Fee for the loan will be 0.75% (approximately £37,500)
 - The term of the loan is 30 years from Practical completion of Langley Court.

Treasury Management

- 3.14 The Councils Treasury Management Strategy, as approved by Council in February 2015 includes the Prudential Indicator “The authorised limit for external debt”; this permits the Council to borrow up to £75.0m in respect of “Loans to Organisations and Investments Yielding a Commercial Return”. This indicator is broken down further between two sub-indicators:
- £15.0m for “long term borrowing to finance long term loans to organisations”, and
 - £60.0m for “long term borrowing to finance loans for capital investments delivering a commercial yield”

As shown in **Table 3**, if the loan for Langley Court is £5.5, the total borrowings for the Council will be £7.075m, this is well within the overall authorised limit and the sub-indicator “long term borrowing to finance long term loans to organisations”.

Treasury Management Long Term Borrowing for Loans to Organisations	Table 3	
	Amount HDC has borrowed	Amount HDC has invested
	£m	£m
Financed from external borrowing		
- Luminus Finance (Langley Court)	5.500	5.500
- Huntingdon College	1.500	1.500
Total	7.000	7.000
Financed from internal borrowing		
- Huntingdon Gym	0.075	0.075
Total	0.075	0.075
Overall borrowing & investment	7.075	7.075
Authorised Limit as per 2015/16 Treasury Management Strategy	15.000	

3.15 A specific consideration is in respect of Minimum Revenue Provision (MRP). Both the Treasury Management Strategy (which was approved by Council in February 2015) and also the accounting policies that are approved by the Councils external auditors permit the Council to:

- recognise principal repayments from the borrower as capital receipts, and to
- subsequently apply these as the Councils own principal repayment.

This approach will thereby mitigate the requirement for the Council to set-aside additional MRP. The specific Treasury Management and Accounting Policy mitigations in respect of MRP are shown in **Appendix 3**.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 The report was introduced to the Overview and Scrutiny (Economic Well-Being) Panel by the Executive Councillor for Resources. The housing needs assessment has been the driver in this project, as there is a clear need in the area for additional care facilities. It was explained that as adult social care becomes a wider issue, we need to work with strategic partners to deliver solutions. This fundamental need is the driver behind the loan, rather than commercial interest.

The Chairman commented that the decision to award the loan was made some time ago, and the Panel were in agreement that the recommendations should be approved.

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

5.1 The loan of up to £5.5m is substantial and carries risk. This risk is mitigated by the due diligence process that is underway. Furthermore, the ongoing financial position of Luminus is subject to ongoing regulation by the Homes and Communities Agency.

5.2 Other risks involved in delivering the project on time and within budget are owned by Luminus and not the Council. However, the loan is not risk free in that should the scheme not be successful, the Council could be required to step in and resolve any problems. Ultimately it may be forced to sell the assets upon which it has security and it cannot be guaranteed that the proceeds would cover the value of any loan outstanding.

5.3 However the Council has taken steps to mitigate the various project risks, there are shown in **Appendix 4**. If mitigation were ever to be necessary then this would be taken in consultation with the regulator, the Homes and Communities Agency.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

6.1 Once the due diligence and legal agreement are completed, the loan can be drawn down. This is likely to happen in the Autumn of 2015.

6.2 Development has commenced and the scheme should be completed by Winter 2016.

7. LINK TO THE CORPORATE PLAN

7.1 Enabling sustainable growth

- Improve the supply of new and affordable housing to meet future needs

7.2 Working with our communities

- Improve health and well-being
- Meet the housing and support needs of our ageing population
- Enable people to live independently through the provision of adaptation, accessible housing or support

7.3 Ensuring we are a customer focused and service led council (Delivering value for money services)

- Become more business-like and efficient in the way we deliver services
- Maximise income opportunities

8. CONSULTATION

8.1 Enabling an extra care scheme to be developed in St Ives is a key action for the Council's Housing Strategy 2012-15. The Housing Strategy was produced following consultation with partners.

9. LEGAL IMPLICATIONS

9.1 Advice on State Aid was obtained and assurance received that the loan does not trigger any State Aid provisions.

- 9.2 Risk has been negated as much as possible by securing the loan against various properties owned by Luminus. Once the new build has been completed, the loan will then be secured against this property.
- 9.3 Discussions are ongoing for the remainder of the terms of the loan agreement and will be in place prior to any loan being provided.

10. RESOURCE IMPLICATIONS

- 10.1 The loan to Luminus, although it will broadly be in line with market rates, will only generate the Council a small return – but it will be at nil cost to the Council. However, it is considered that any such investments should be viewed in the future as a means of supporting the Council's strategic housing objectives rather than as a means by which the Council can make a worthwhile contribution to bridging the known future revenue budget gap.
- 10.2 With regard to the land that is needed to complete the Langley Court development, it is considered that without this land the development would not meet its full potential and therefore the proposal of transferring to Luminus, with appropriate clawback arrangements, is fair.

12 REASONS FOR THE RECOMMENDED DECISIONS

(Summary leading to the Recommendations)

- 12.1 This report updates Members on the progress with Luminus' extra care scheme in St Ives. In summary, the original building has been vacated by residents. It has been demolished and construction has commenced.
- 12.2 There is a green space at the front of the site which is owned by HDC. To make best use of the site, this should be transferred to Luminus to incorporate within the car park and green space for the scheme; subject to a clawback arrangement; whereby Luminus agree that if the site is ever sold in the future, the monetary equivalent of that area of land reverts to the Council.

13. LIST OF APPENDICES INCLUDED

- Appendix 1 - Map of Langley Court green space.
- Appendix 2 - Diagram representing the various parties to the Facility/Loan Agreement re. Langley Court.
- Appendix 3 - Council policies in respect of Minimum Revenue Provision.
- Appendix 4 - Risks and Mitigations relating to the Loan Facility to Luminus.

BACKGROUND PAPERS

Cabinet Report 21.11.13 – Exempt Report

<http://applications.huntingdonshire.gov.uk/moderngov/ieListDocuments.aspx?CId=256&MId=5084&Ver=4>

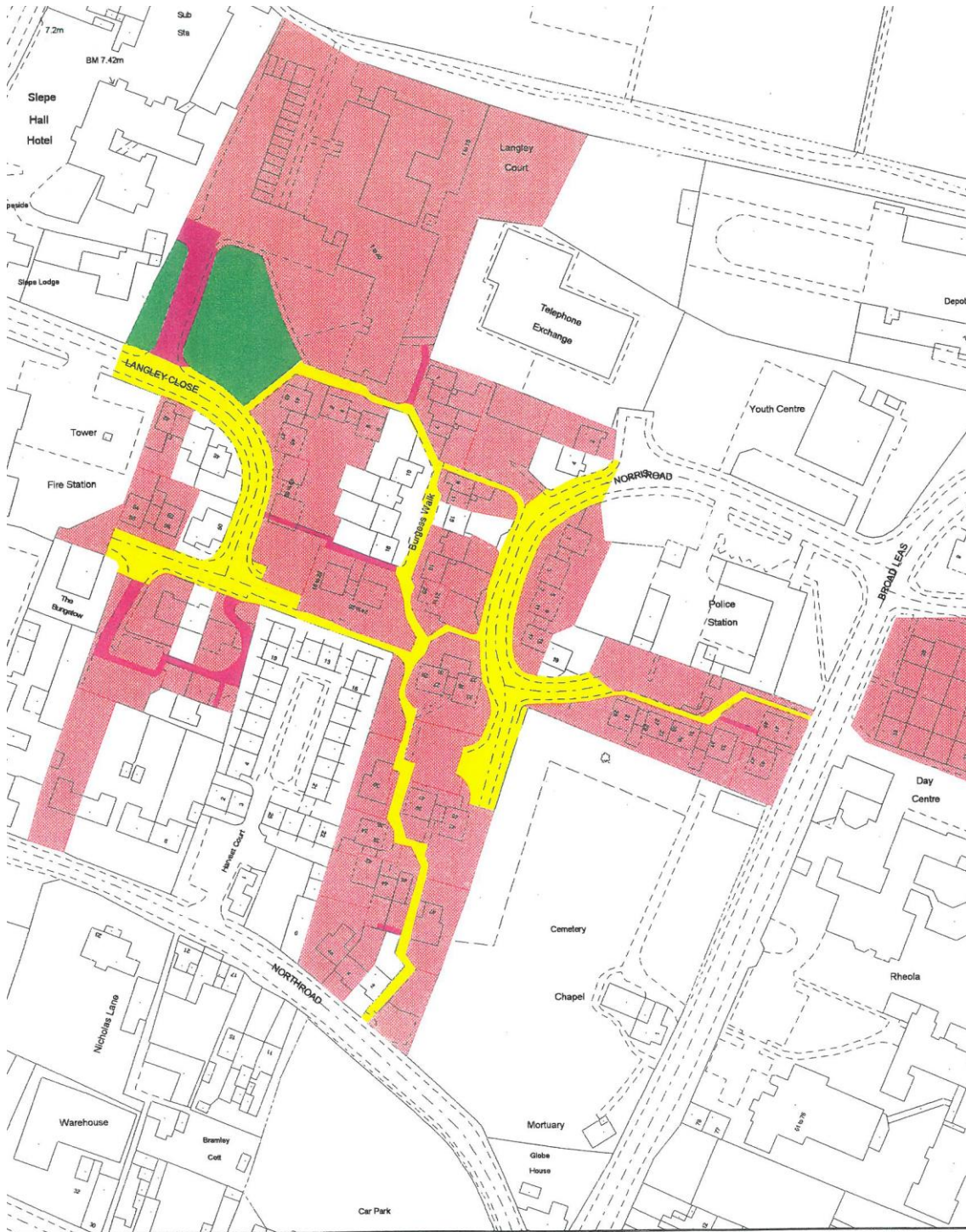
Langley Court Development File

CONTACT OFFICER

Jo Emmerton / Lead Housing Strategy Manager / 01480 388203
Clive Mason / Head of Resources / 01480 388157

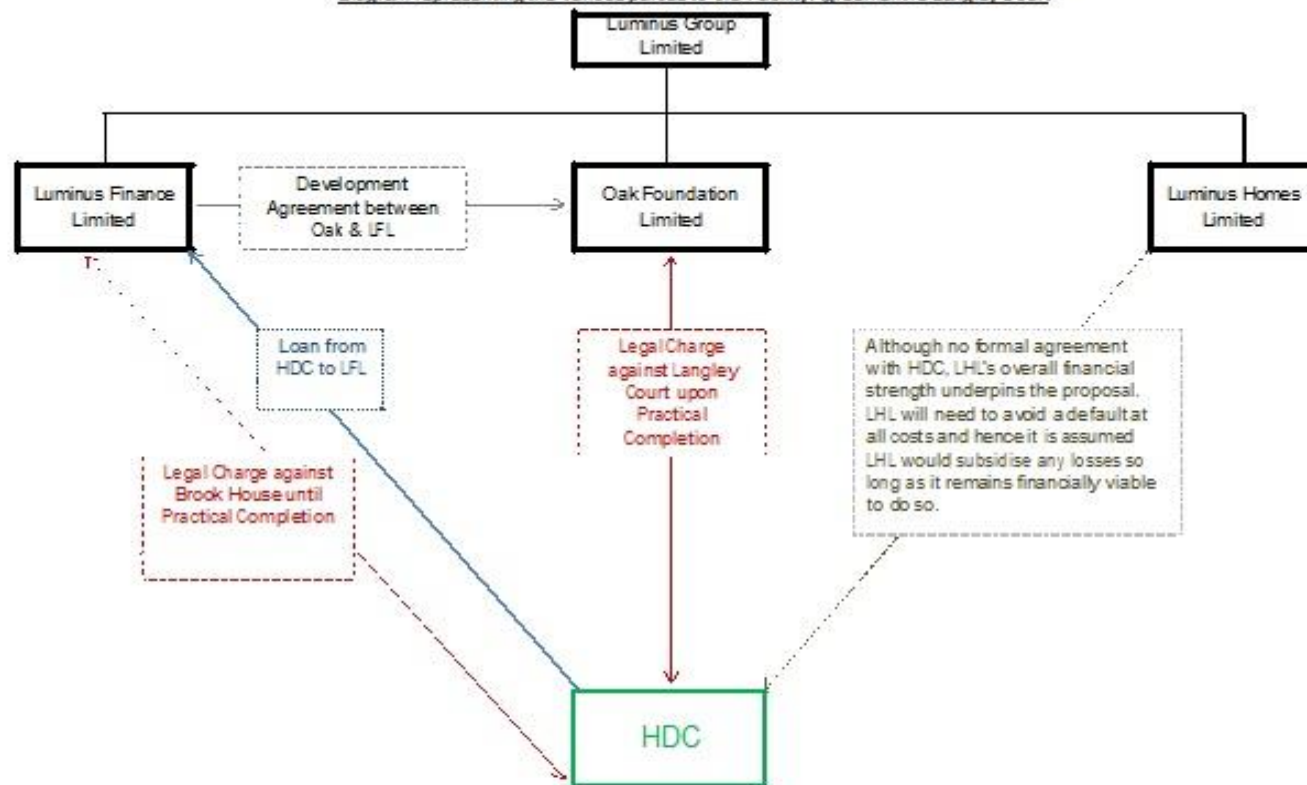
Map of Langley Close St Ives

Land owned by HDC and recommended for transfer to Luminus is shaded green.



Reproduced from the Ordnance Survey Mapping with the permission of the Controller of Her Majesty's Stationery Office (C) Crown Copyright.

Diagram representing the various parties to the Facility Agreement re Langley Court



Notes
 The loan facility will be between HDC and LFL. This agreement will contain development obligations that LFL will in turn pass on to the Developer, Oak Foundation Ltd.

HDC will have the benefit of a legal charge over Brook House (owned by LFL) during the construction phase (the riskiest part of the project). Brook House was valued at £8.6m in 2014. Post completion, HDC will have the benefit of a legal charge against Langley Court valued in July 2015 at £11m (market value) and £5.53m based upon use as an affordable Extra Care home.

The Council will not have any direct control over the development within the loan agreement itself. However, the development and ongoing obligations will also be reflected within the charges on Brook House and Langley Court respectively meaning that HDC will be able to enforce these obligations if required.

1. Treasury Management Strategy:

Annual Minimum Revenue Provision Policy 2015/16

Approved by Council, February 2015

- Where loans are made to other bodies for their capital expenditure, and the principal repayments are received at least on an annual basis, no MRP will be charged. The capital receipts generated by the annual repayments will replace the need to make a provision for MRP.

2. Annual Financial Report:

Accounting Policies

➤ **Depreciation and other Charges to Revenue for Non-Current Assets**

i. Policy in respect of Loans to Organisations or Loans with Security (as defined within the Treasury Management Strategy)

Where the Council has provided:

- loans to local organisations or businesses, and/or
- loans with security

and these loans are repaid on, at least an annual basis, that the principal repayments received can replace the need to make a minimum revenue provision.

Risks and Mitigations relating to the Loan Facility to Luminus

Category	Risk	Proposed Mitigation
Financial	1. Significant expenses incurred in setting up the loan facility	When heads of terms were agreed, it was confirmed that the Council's subsequent legal and due diligence costs would be borne by Luminus.
	2. The finance is used poorly meaning the loan is worth less than the assets created.	The Borrower's obligations will be set out in Loan Facility Agreement. Upon the occurrence of an Event of Default, the Council's rights will include: a) cancel, suspend or vary the terms of the Development Facility; b) call for immediate repayment or whole or part of the Development Facility; and/or c) Enforce the Legal Charge.
	3. The scheme is not as successful as expected causing diminution of the Value of the loan.	Satisfactory completion of due diligence in relation to the construction contract and warranties that will be assigned to the council in the event of default. The scheme is also backed by HCA funding and significant Luminus contributions.
	4. Development assets do not provide sufficient security	Independent valuations have confirmed the value of the land and the completed facility (based upon both market value and existing use) In addition, the council will have the benefit of a charge over Brook House (valued at £6.6m) during the construction period, the riskiest phase of the project.
	5. Significant costs are incurred in drafting the Agreement and monitoring the security provided.	Legal costs, and valuation fees incurred after Heads of Terms are agreed will be met by the Borrower.

Risks and Mitigations relating to the Loan Facility to Luminus		
Category	Risk	Proposed Mitigation
	6. The Developer repays the loan early resulting in significant early repayment premiums payable by HDC.	The Borrower will be liable for any early repayment premiums.
	7. 3rd party rights/ covenants affect the development, subsequent use or the value of the land.	Certificates of Title to be prepared and title due diligence will be undertaken. Luminus will be required to obtain title indemnity insurance if required (although this is considered unlikely).
	8. Interest rates change during the period of the Loan Facility	The council will be protected in that it is the margin above the prevailing PWLB rate (at the time of drawdown) that is fixed, not the interest rate itself. This way it is Luminus that bears the interest rate risk.
	9. Proposed accounting treatment is challenged and MRP needs to be applied.	The Council has an acceptable policy in respect of MRP and a new accounting policy was introduced in respect of 2013/14 with no challenge by the external auditor.
Construction Phase	10. Poor Construction means that the asset created does not achieve the required value.	The Council has the option to appoint a Technical Adviser (Funder's TA) to monitor the development. This cost would be funded by the Borrower if required. The Borrower will be required to provide access to all relevant construction information and significant changes to the development would require the Council's consent. Drawdowns will be dependent upon pre agreed milestones being achieved.

Risks and Mitigations relating to the Loan Facility to Luminus

Category	Risk	Proposed Mitigation
	11. Increased construction costs reduce the viability of the scheme.	The Council has security over Brook House during the construction period. This means Luminus has every incentive to commit additional funds to finance any construction overspend. Luminus' ability to fund any cost overruns will be addressed as part of the due diligence exercise.
	12. Luminus cannot complete the construction.	The Council will have the following options: <ul style="list-style-type: none"> • Exercise its rights under the charge over Brook House and sell the property • Step in and complete Langley Court itself with a view to an ultimate sale. All key construction and design warranties will be assignable to the council in this event.
Operational Phase	13. Poor maintenance/ management means that the assets fall in value post construction.	Valuations will take place periodically to ensure the assets are properly maintained. If loan covenants are breached then this would give rise to an Event of Default and the Council exercising its rights under the legal charge. Typically a "cure plan" will be implemented to address any potential breach. The ultimate recourse for the Council would be to exercise its rights under the legal charge and step in and sell the development.
	14. Reduced rental income means that Luminus cannot afford to repay the loan.	Interest and income covenants will alert the Council to warnings prior to this situation arising. Again poor performance could lead to an Event of Default and the Council exercising its rights under the legal charge.
Legal	15. The Council does not have the power to make the loans	Counsel Opinion has been obtained to confirm that the Council has such powers.

Risks and Mitigations relating to the Loan Facility to Luminus		
Category	Risk	Proposed Mitigation
	16. The loan constitutes state aid	<ul style="list-style-type: none">Market Economy Investment Principles to be adhered to. Professional Opinion (via Arlingclose) to be sought that confirms the loan terms reflect the current market and therefore do not constitute State Aid.

This page is intentionally left blank

SAFETY ADVISORY GROUP

WEDNESDAY, 3 JUNE 2015

CIVIC SUITE 1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN

ACTION SHEET

MEMBERS PRESENT: **Management Side**
 Councillor Mrs B E Boddington
 Councillor J W Davies
 Councillor A Hansard

Employee Side
 K Lawson
 Mrs S Mckerral

IN ATTENDANCE: Mrs D Breedon
 B Bentley
 P Corley
 A Green
 S Howell
 A Radford
 C Stopford

APOLOGIES: Councillor R Harrison and Councillor Mrs P A Jordan

ITEM NO.	SUBJECT	ACTION BY
1	<p>ELECTION OF CHAIRMAN</p> <p>Councillor A Hansard was elected Chairman of the Group.</p> <p>Councillor A Hansard in the Chair.</p>	
2	<p>APPOINTMENT OF VICE-CHAIRMAN</p> <p>K Lawson was appointed Vice Chairman of the Group.</p>	
3	<p>REPORT OF THE ADVISORY GROUP</p> <p>The report and action sheet of the meeting of the Advisory Group held on 25th February 2015 was received and noted.</p> <p>Mr Bentley reported that he was no further forward on the issue of humidity.</p> <p>The Group were updated on the actions following the fire evacuation of Pathfinder House in October. The evacuation had</p>	

ITEM NO.	SUBJECT	ACTION BY
	<p>been initiated by the accidental breaking of the glass in one of the alarm points in the Civic Suite. Feedback had been received including concern relating to employees taking hot drinks out of the building and the lack of Fire Officers. Due to employees leaving the authority Huntingdonshire District Council was left with three Fire Officers when normally there are six. To remedy this a list of replacements had been submitted on 12th May.</p> <p>It had been identified that new employees are not receiving a Corporate Induction in which there is a section that explains the fire safety procedure. In addition the current assembly points are on land that has being sold. The Council are in talks with Methodist Church to use their land as an assembly point and when that has been finalised there will be a fire drill with the first drill used to iron out problems.</p>	
4	<p>MEMBERS' INTERESTS</p> <p>No declarations were received.</p>	
5	<p>FIRST CONTACT ANNUAL REPORT</p> <p>Mrs D Beedon introduced the First Contact Annual Report. Currently the service has 11 First Contacts and a Chaplain who visits Pathfinder House on a Thursday (10am-12pm) and bases herself in the canteen where people are able to chat with her.</p> <p>The Group were informed that between January 2014 and January 2015 First Contact had a total of 61 contacts (there were 22 in the same period in the previous year). Of these, 48 related to the pay review and concerns about finances. Between January and April 2015 this year there had been four contacts. A work issue was the top reason for an employee needing to spend time with a First Contact Officer, followed by financial reasons. The number of enquires raised relating to work issues rose significantly after January 2014.</p> <p>The Group noted the report and welcomed the progress made.</p> <p><i>(At 3.05pm during discussion on this item, Mrs S Mckerral took her seat at the meeting).</i></p>	
6	<p>HEADS OF SERVICE - HALF YEARLY REPORT</p> <p>The Group received a report from the Corporate Health & Safety Advisor, Mr Radford. There continued to be a downward trend in regards to the seriousness of accidents. The Council now had a severity rate which is lower than expected for a District Council.</p>	

ITEM NO.	SUBJECT	ACTION BY
	<p>Mr Radford informed the Group that the new health and safety indicators showed that management were taking health and safety seriously. A risk relating to cash handling and a potential violent incident had been identified and a solution had been found to minimise the risk.</p> <p>There had been 321 supervisor inspections undertaken during the period with only 1 incident of non-conformance recorded which represented a 99.69% safety behaviour rate.</p> <p>A question was asked whether the supervisor inspections were concerned solely with health and safety techniques or of a more generic assessment of working standards. In response it was confirmed that the inspections assessed refuse and ground maintenance workers in the field and the inspected work quality issues as well as health and safety issues. However, it was noted that work quality aspects did not impact on health and safety statistics.</p> <p>The Group noted the report.</p>	
7	<p>QUARTERLY ACCIDENT/INCIDENT REPORTS</p> <p>(a) Pathfinder House</p> <p>The Group received and noted the quarterly accident and incident report for Pathfinder House. In total there was one non-RIDDOR employee accident and one non-RIDDOR non-employee accident. The employee accident was a fall on the stairs in which no defects were identified on the stairway and the employee lost their footing and can't explain why.</p>	
	<p>(b) One Leisure</p> <p>Mr Corley introduced the report in which there have been six employee related accidents and 139 non-employee related accidents since the last Safety Advisory Group meeting held on 25th February 2015. Of the 139 non-employee accidents only two were not caused by taking part in an activity.</p> <p>The Group noted the report and commended the good job done in reducing the number of accidents.</p>	
	<p>(c) Operations</p> <p>Mr Howell introduced the report in which Operations have</p>	

ITEM NO.	SUBJECT	ACTION BY
	<p>had 14 accidents and 1 incident for the period of 16th February to 15th May including one accident which led to lost time. The lost time accident was a road traffic collision in which a vehicle came round the bend and hit a HDC refuse collection vehicle causing an employee to sustain whiplash. It was established the accident was not the fault of HDC.</p> <p>A Member asked how often manual handling training is repeated to which Mr Howell responded that there is initial training, monitoring and further pro-active training throughout the rest of the employee's career. The service does provide further training if required.</p> <p>The Group asked if the service continues to employ casual workers and their training requirements. It was confirmed that the Council occasionally employs casual workers however training is provided by the agency prior to deployment.</p> <p>The Group noted the report.</p> <p><i>(At 3.14pm during discussion on this item, Councillor Mrs B Boddington left her seat at the meeting).</i></p>	
8	<p>DATE OF NEXT MEETING</p> <p>The next meeting was scheduled to take place on 9th September 2015.</p>	