

A meeting of the **CABINET** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 22 OCTOBER 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 - 14)

To approve as a correct record the Minutes of the meeting held on 17th September 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. REPLACEMENT FINANCIAL MANAGEMENT SYSTEM (Pages 15 - 22)

To consider a report by the Head of Resources regarding the joint procurement of a new financial management system in partnership with South Cambridgeshire District Council and Cambridge City Council.

**C Mason 388157
R Maxwell 388117**

4. URGENT REPAIRS TO THE OCTAGON BUILDING, ST IVES
(Pages 23 - 28)

To consider a report by the Strategic Assessment of Estates and the Estate Management Surveyor regarding a capital allocation to repair and preserve the Octagon building in St Ives.

**C Luscombe 388728
B Tilah 387086**

5. PRESENTATION ON EMPLOYEE OPINION SURVEY RESULTS 2015

To receive a presentation on the results of the Employee Opinion Survey.

**A Dobbyne
388100**

6. SAFETY ADVISORY GROUP (Pages 29 - 32)

To receive the report of the Safety Advisory Group meeting held on 9th September 2015.

**A Green
388169**

Dated this 14 day of October 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

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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.

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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, 17 September 2015.

PRESENT: Councillor J D Ablewhite – Chairman.

Councillors R B Howe, R C Carter, S Cawley,
D B Dew, R Harrison, J A Gray and
D M Tysoe.

29. MINUTES

The Minutes of the meeting held on 16th July 2015 were approved as a correct record and signed by the Chairman.

30. MEMBERS' INTERESTS

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

31. ONE LEISURE - SIX MONTH UPDATE REPORT

At the Cabinet meeting in March a report was presented on the performance of One Leisure. At the request of the Cabinet a further report was presented to provide an update on the progress made to date (a copy of which is appended in the Minute Book).

The Cabinet were informed that the progress made was as follows:

- The financial performance had significantly improved. The 2014/15 final outturn for One Leisure had a deficit of £61k which was an improvement of £314k compared to the previous financial year;
- One Leisure had been in profit for the final quarter of last year and once the expenses and income had been correctly profiled, remained in monthly profit to date;
- The 2014/15 admissions showed an increase in attendance of 9% against the previous year and was currently showing a year to date improvement of 2%;
- The outcome of the Phase I management restructure had been implemented and Phase II was 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 was being implemented;
- The implementation of the new membership packages introduced in April, had 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;
- The latest forecast suggested the Group was on target to reach the annual budget surplus of £343k (before capital charges of £165k).

Although the management restructuring was in its early stages, the

lines for reporting and accountability had become clearer which assisted with each individual member of staff being able to understand how they contributed to the drive and deliverability of a customer focussed service.

The new membership packages introduced in April 2015 had resulted in Members now only paying for the services they used at a fairer and more competitive price. Currently 5.5% of Members cancelled their membership each month which was better than the industry standard. A key future focus was to retain Members beyond the average length of membership of 9 months.

The Cabinet recognised that the two smaller sites at Ramsey and Sawtry operated at a loss. However, with the various changes to opening times, management structure and other proposals the annual deficit would reduce to an acceptable level. The Cabinet were pleased to note that the value these two sites had to the local community had been recognised as they would remain operational albeit at a rationalised level.

In the absence of the Head of Leisure and Health, the Business Manager Operations, Paul France, explained that the staffing structure at Sawtry and Ramsey would be combined. Relations between One Leisure Ramsey and the Abbey College in Ramsey had improved as there was an agreement to enable the College to use the facilities. Discussions with Sawtry Academy had commenced regarding relations between One Leisure and the Academy Management Team, with a view to increasing the access for the Academy to use the facilities when they were not open to the public, specifically the swimming pool and sports hall.

Before the opening times of Sawtry had been rationalised, a comprehensive review of usage patterns was undertaken, along with a consultation process with users to ascertain current and future usage patterns. It was intended that customer focus groups would be introduced throughout all of the sites.

The Cabinet commended the Executive Councillor and all Officers for the significant progress made as the improvements had been remarkable. The Cabinet,

RESOLVED:

That the update report and its contents be noted.

32. CORPORATE PLAN AND FINANCE - INTEGRATED PERFORMANCE MONITORING REPORT (QUARTER 1)

The Cabinet considered a report by the Corporate Team Manager and Head of Resources (a copy of which is appended in the Minute Book) and commented on progress against the Key Activities and Corporate Indicators listed in the Council's Corporate Plan for 2015/16 for the period 1st April to 30th June 2015, and progress on the current projects being undertaken at the Council.

The Cabinet also considered and commented on the Council's financial performance on revenue and capital spend as at the end of

June 2015.

In the absence of the Head of Resources, the Accountancy Manager noted that as at the end of June 2015 the majority of capital projects had not commenced. Following the Cabinet meeting in February 2015 where it was approved, as recommended by the Finance Governance Board, that the capital programme be reduced by £1.428m, the revised process now required business plans to be submitted to the Finance Governance Board before funds were released. In future the only capital programmes that would be automatically carried forward from the previous financial year and approved were those where a contractual obligation existed.

It was further noted that the Council was not on target to deliver against the New Homes Bonus. There was a level of frustration amongst the Cabinet as the three large sites identified within the Local Plan for development all had received planning permission yet there was no sign of significant development on any of the sites in the near future.

It was noted that the report had been well received by all three Overview and Scrutiny Panels and a Project Management Select Committee – 6 Month Review report was due to be presented to the Overview and Scrutiny (Economic Well-Being) Panel in October 2015.

The report presented to the Cabinet included a breakdown of projects including the purpose of the project and comments from the Programme Office as to the current status of each project, allowing for greater transparency and ensured visibility on how the project was progressing. It was noted that there was now greater consistency in the quality of the Performance Indicator data which had been collected in accordance with standardised procedures.

Having considered the comments of the Overview and Scrutiny Panels (Social Well-Being), (Economic Well-Being), (Environmental Well-Being) the Cabinet acknowledged that the Council was in a challenging position. However, financially it was in a much better position than many other Authorities. The Cabinet stated that Members and Officers should be proud of the achievements and the progress made against the Council's ambition of not being reliant on Central Government Funding and it was,

RESOLVED:

That the Cabinet

- i. considered and commented 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 of the Officer's report.
- ii. considered and commented on the Council's financial performance to the end of June 2015, as detailed in the Financial Performance Monitoring Suite at Appendix D of the Officer's report.

33. CIVIL PARKING ENFORCEMENT

The Cabinet was provided with a report (a copy of which is appended in the Minute Book) of the outcome of the review into the desirability of the Council in supporting the County Council to adopt Civil Parking Enforcement (CPE) powers.

The Cabinet endorsed the outcome of the review and agreed that the Council should not commit to being the County Council's agent for CPE in Huntingdonshire on the basis that the case for such powers had not yet been made and such powers were not financially viable.

However, the Cabinet agreed that the Parking Service should engage with the County Council about the development of a comprehensive traffic management strategy for Huntingdonshire that included funding by the County for the infrastructure costs if the strategy proposed a Civil Enforcement Area (CEA) for the District.

Although the creation of a CEA in Huntingdonshire was operationally desirable it was not financially viable. In order for the District Council and County Council to adopt the powers required for CPE there were initial set-up costs with an on-going net operating cost per annum that would increase year on year with inflation.

Although the Police would support the application the Police had deprioritised on-street parking enforcement because of the pressure on their resources which suggested that the Police had evaluated that illegal street parking was not a substantial issue. It was noted that no resources would transfer from the Police to the Council to support the CEA.

The Corporate Director (Services) noted to the Cabinet that during the discussions at the Overview and Scrutiny Panel (Environmental Well-being) meeting some Members had expressed concerns about parking issues within their wards. Further work was to be undertaken to establish the nature and extent of such issue. However, it was noted that CPE would not necessarily resolve these issues.

The Cabinet fully supported further engagement with the County Council to investigate whether there was a desire to develop a more holistic traffic management strategy for Huntingdonshire. Whereupon it was,

RESOLVED

That the Cabinet:

- i. 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.
- ii. 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 Civil Enforcement Area for the district.

34. IMPLEMENTATION OF OUTSTANDING INTERNAL AUDIT ACTIONS

Via a recommendation from Council at their meeting on 29th July 2015, the Cabinet considered a report (a copy of which is appended in the Minute Book) regarding the 13 Internal Audit Actions outstanding as at the 30th April 2015.

The Corporate Governance Panel at its meeting on 3rd June 2015 expressed concern at the outstanding audit actions and wanted the issues to be highlighted to the Cabinet. Subsequently the Panel recommended to the Council that it request the Cabinet take appropriate action to address their concerns.

Of the 13 recommendations that were not implemented when reported to the Corporate Governance Panel:

- 4 recommendations were now fully implemented;
- 4 recommendations were partially implemented; and
- 5 recommendations were not implemented.

By the end of October 2015 all recommendations, with the exception of one, were scheduled to be fully implemented.

The Cabinet requested that the relevant Executive Councillors ensured that recommendations be implemented where appropriate in line with the revised deadlines (as detailed in Appendix 1 of the Officer's report) and report to the Cabinet if the revised deadlines were not achieved.

The Cabinet expressed appreciation to the Corporate Governance Panel for its diligence and for notifying the Cabinet, whereupon it was

RESOLVED

That the Cabinet:

- i. notes the comments of Council; and
- ii. requests that relevant Executive Councillors ensure that recommendations are implemented where appropriate in line with the revised deadlines (as detailed in Appendix 1 of the Officer's report) and report to the Cabinet if the revised deadlines are not achieved.

35. COMMERCIAL INVESTMENT STRATEGY

The Cabinet gave consideration to a report (a copy of which is appended in the Minute Book) by the Corporate Director (Services) to approve the Commercial Investment Strategy (CIS) and the 'as is' model of governance arrangements.

In order to achieve the Council's ambition to reduce reliance on Central Government funding, a funding gap of £8.2m had to be addressed by 2019/20. Income generation was one business activity that would assist to address the funding gap.

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

A Business Plan was being drafted which would be presented to the Cabinet for approval. The Business Plan would establish the parameters for the Loan to Value of each type of investment to ensure that additional borrowing was affordable and that there was adequate security over direct capital investment in assets.

The governance structure for the CIS needed to allow the Council to trade on a commercial basis and also to recognise the statutory and political boundaries. The report to the Cabinet advised of the two options available to the Council. The preferred option recommended to the Cabinet was for the 'as is' position which made use of existing resources and ensured Members were involved in relevant decisions through the Treasury and Capital Management Group. The governance structure would ensure regular reporting to Members

At the Council meeting in July 2015 amendments to the Constitution were approved to reflect the Disposal and Acquisitions Policy to provide new financial thresholds for the disposal and acquisition of land and property and subsequently greater delegated decision making powers to allow Senior Officers and Members to act and take decisions on disposals and acquisitions of land and property.

In considering the comments of the Overview and Scrutiny Panel (Economic Well-Being) it was noted that the Panel had endorsed the CIS and questioned the resources available to deliver the Strategy.

The issue of risk was discussed amongst the Cabinet and it was explained that this was considered within the CIS. It was not proposed that the Council concentrated on one type investment, for instance commercial property. The CIS identified a range of investment strategies with different financial, risk and timing profiles. Initial investment would focus on lower risk investments, with potential risk and reward to be increased over time. The Business Plan would set out risks and mitigation for the types of investments planned each year.

The amount of savings that the Council was required to generate would be impossible to deliver without an impact on services; therefore the Cabinet considered that there was a bigger risk in doing nothing. The Cabinet were in agreement that they wanted to make Huntingdonshire a better place and were mindful that in implementing the CIS risks must be mitigated appropriately. In conclusion the Cabinet,

RESOLVED

To approve the Commercial Investment Strategy as attached to Appendix A of the Officer's report and the 'as is' model of governance arrangements.

36. ZERO BASED BUDGETING UPDATE: PREPARATION FOR THE 2016/17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

The Cabinet was provided with an update report (a copy of which is appended in the Minute Book) by the Head of Resources on the Zero Based Budgeting (ZBB) process in preparation for the 2016/17 Budget and Medium Term Financial Strategy (MTFS).

As part of the budget setting cycle for 2016/17, the Council was continuing with the ZBB exercise that commenced during the last financial year in preparation for the 2015/16 budget. The ZBB process was 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 Council's 2015/16 budget) and Tranches 2 and 3 were 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. Tranche 3 commenced in August and the associated Star Chamber was scheduled for November 2015

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

- series of ZBB 'light' reviews for those services that were 'heavy' reviewed during Tranche 1 in the last financial year; and
- two cross-cutting ZBB review's, namely administration support and design service.

The confirmed 2019/20 savings accumulated from Tranche 2 of the ZBB process included in the budget savings for 2016/17 was £1.372m. In the absence of the Head of Resources, the Accountancy Manager explained that there was potential for a further £12,000 to be secured once a lean review was completed within the Licensing Service, which would give a total ZBB Tranche 2 saving of £1.384m. The conclusion of this review would be reported to the November 2015 Star Chamber and Cabinet thereafter. The detailed service changes as a result of Tranche 2 were detailed in Appendix 1 of the Officer's report.

The Cabinet agreed that the benchmarking information provided by Pixel Financial Consulting had been useful in the process as a comparison against other Authorities.

The Cabinet expressed appreciation to the Executive Councillors and Officers that had been involved in the ZBB process.

Having considered the comments of the Overview and Scrutiny Panel (Economic Well-Being) it was

RESOLVED

That the Cabinet considered and commented on the progress of the ZBB programme to date and the Tranche 2 savings proposals noted in Appendix 1 of the Officer's report.

37. LANGLEY COURT - LOAN TO LUMINUS

The Cabinet gave consideration to a report by the Head of Resources and Housing Strategy Manager (a copy of which is appended in the Minute Book) regarding the transfer of a grassed area to Luminus and the provision of loan finance to Luminus at nil cost to the Council.

The need for extra care for older people in St Ives was a priority in the Council's Housing Strategy 2012-15. Luminus had an outdated sheltered scheme in Langley Close, Ramsey Road, St Ives and wanted to demolish the scheme and redevelop a new extra care scheme in its place consisting of 55 one and two bedroom flats. Luminus had supported residents to move out of the original building, the new building had planning permission and ground works had commenced.

There was a grassed area to the front of the site, bordering the car park which was owned by the Council. To make best use of the site, Luminus wanted to use the area to form part of the car park and green space for the scheme. To enable this to happen, the Council needed to transfer ownership of the green space to Luminus. It was noted that the transfer would be subject to a clawback arrangement so that if the site was ever sold in the future, the monetary equivalent of the land value reverted to the Council. It was explained that the grassed area did 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 had been obtained to give assurance of the Council's legal position in relation to the loan. A specialist consultant had been appointed by the Council to help arrange the loan facility for Luminus. The heads of terms for the legal agreement had been drafted and the due diligence was underway. The fees would be reimbursed by Luminus.

The specific loan details were yet to be finalised. However, the loan would not have a negative financial impact on the Council as Luminus would be repaying the loan in full including a margin of 1.5% over the 30 year term of the loan. The net loan finance to be arranged by the Council in respect of the development itself was £5m. It was anticipated that Luminus would draw down their loan at various stages of the development process and consequently the Council would draw down the loan from the Public Works Loan Board in similar tranches.

Financial security during the development phase would be Brook House, which was owned by Luminus Finance Limited. As the development came to a completion the intention would be to transfer financial security to the Langley Court development.

The Cabinet were keen to support the proposals as a need for additional care for older people in the area had been identified as a priority in the Council's Housing Strategy. The Cabinet were satisfied that the risks regarding the loan to Luminus were well mitigated.

The Cabinet subsequently

RESOLVED

- i. to the transfer of the grassed area (as identified in Appendix 1 of the Officer's report) at the front of Langley Court to Luminus, subject to a clawback arrangement as detailed in paragraph 3.5 of the Officer's report.
- ii. to the continued support of the Langley Court development by the provision of loan finance at nil cost to the Council.
- iii. 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).

38. SAFETY ADVISORY GROUP

RESOLVED

The report of the Safety Advisory Group meeting held on 3rd June 2015 was received and noted.

Chairman

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Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Replacement Financial Management System
Meeting/Date: Cabinet – 22 October 2015
Executive Portfolio: Resources: Councillor J A Gray
Report by: Head of Resources
Ward(s) affected: All

Executive Summary:

The Council is undertaking a number of initiatives to achieve overall reductions in its revenue budget that will enable the delivery of more cost efficient and effective services. One of the ways that it is doing this is in the development of shared services with its strategic partners, Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC).

Both CCC and SCDC have gained approval for the joint procurement of a new Financial Management System (FMS). Following discussions with partners, and reflecting on the short-comings of the Councils current FMS, it is considered opportune for the Council to join this procurement and implement a new FMS. This project will provide a considerable number of opportunities, as well as improvements and efficiencies in processes and practices.

Recommendation(s):

It is recommended that the Cabinet:

- i. Agree the Councils involvement in the procurement and implementation of a new FMS in partnership with our strategic partners, Cambridge City Council and South Cambridgeshire District Council.
- ii. Releases up to £258,667 to finance the £192,000 capital acquisition and implementation costs and £66,667 first year revenue costs from the Special Earmarked Reserve.
- iii. Delegates final approval, subject to a 10% contingency, the release of the reserve to finance this project to the Head of Resources in consultation with the Executive Portfolio Holder for Resources.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 The purpose of this report is to outline the business case for the replacement of the Financial Management System (FMS) at Huntingdonshire District Council (HDC) in conjunction with our shared service partners; Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC).

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 HDC currently uses e-Financials version 4.1, a product of Advanced Business Solutions. This system has been in operation since 1999 with little system improvement or modification since then. The current system meets our basic accounting requirements, however it is:

- designed to operate in a specific environment,
- inflexible in service redesign,
- very limited in its reporting requirements,
- does not facilitate Budget Managers to proactively access their financial information, or
- support, with any ease, the new commercial and shared services environment that the Council is moving into.

- 2.2 Further, the current system does not support the operation of workflow that would enable relatively substantial savings in back-office operations to be achieved.

Strategic Partners – Shared Services

- 2.3 The Council has committed to a strategic partnership with both CCC and SCDC, and Members will be aware that as of the 1st October 2015 the first 3 services commenced operating under the 3C shared service brand.

- 2.4 With regard to the FMS, CCC got approval for its procurement of a new FMS in July 2015 and SCDC got similar approval in September. Following subsequent discussions, it has been concluded that there are distinct advantages for HDC to join in this procurement; some of the advantages of having a new FMS and sharing that service would be:

- Efficiency from improvements in workflow between Creditors, Debtors, Cash Reconciliation and the General Ledger (including Commitment Accounting).
- Efficiency from “close to service” budget management and reporting.
- Empowering users to take direct responsibility for budget monitoring.
- Improvements in resilience.
- Common coding structures, thereby enabling easier FMS management and system housekeeping.
- Common reporting framework will allow easier financial reporting at the year-end.
- Introduce a more flexible approach to cost recording.
- Allow the introduction of more modern, innovative approaches in the payment of suppliers and the recovery of monies from debtors.
- Facilitate the development of a shared transactional finance service across the 3 partner Councils should this be agreed in the future.
- Allow for the development of common-ways for working within the finance function of all 3 Councils to enable a more efficient service.

Cost of a new FMS

- 2.5 At this time the exact costs of a new FMS are unknown, they will only become known when the formal procurement has concluded. However, CCC undertook some preliminary soft market testing earlier in 2015 and the initial costing exercise has indicated a range of possible costs, which ultimately depend on the system eventually selected. The indicative costs, as reported to their respective Councils, for both CCC and SCDC are shown in **Appendix 1**.
- 2.6 However, both CCC and SCDC are statutory landlords (i.e. they operate a Housing Revenue Account) and this service is quite “finance resource” hungry. It is fair to conclude that as HDC does not operate this service the total usage of a new shared FMS would be less than for the other two partners, consequently the currently estimated costs for HDC are also shown in **Appendix 1** and summarised below. As can be seen, it is estimated that the FMS will pay for itself within 5 years.

Year	0	1	2	3	4	5
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
Capital Net Cash flow	192,000	0	0	0	0	0
Revenue outflow	106,667	53,333	53,333	53,333	53,333	53,333
Revenue inflow	(40,000)	(92,500)	(126,000)	(123,000)	(123,000)	(123,000)
Revenue Net Cash flow	66,667	(39,167)	(72,667)	(69,667)	(69,667)	(69,667)
Annual Net Cash flow	258,667	(39,167)	(72,667)	(69,667)	(69,667)	(69,667)
Pay back		219,500	146,833	77,167	7,500	(62,167)

- 2.7 It has been assumed that HDC implementation and subscription costs will be 2/3 of CCC's as HDC does not have a HRA and are indicative as mentioned above.
- 2.8 Following the procurement, it is expected that further savings in these estimates will be achieved as a consequence of economies of scale as it will be 3 partners rather than 2.

Implementation

- 2.9 There will be a joint project team for both the procurement and implementation phases. A key objective will be to procure a system which provides inbuilt best practice processes and to implement these with minimum changes. It is therefore expected that changes to processes, procedures, reports and ways of working will be required at all Councils to ensure that the maximum savings will be achieved, and this will include services having a more active role and greater ownership of the financial management information for their service.

3. OPTIONS CONSIDERED/ANALYSIS

Continue with the current system

- 3.1 One option is to continue to use the existing FMS, i.e. to do nothing. This is likely to be the cheapest option. However, it will make sharing finance resources more difficult and reduce the benefits of doing so. It will also mean that the improvements required to support better financial reporting and improved financial management by budget holders will not be achievable.

Enhance the current system

- 3.2 HDC could enhance the current system; however some elements of the entire financial management system are close to being 'not fit for purpose' and the cost to develop further bespoke solutions is not considered good Value for Money (VfM). In addition, there are additional and on-going cost inefficiencies for example having single system experts in the ICT shared service, which is not only more costly but also lacks resilience.

Procure alone

- 3.3 If HDC procured its own FMS this could be quicker, however procuring a joint system with partners is likely to offer a better price. Procuring alone would also require significant additional resources to deliver.

Procure in collaboration

- 3.4 The recommended option is to collaborate with both CCC and SCDC to procure a system to replace all three legacy FMS's, thereby sharing costs, resources and expertise.

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

- 4.1 The FMS is the primary system of any organisation, and this is especially true in the case of a local authority. Most systems operated by services that involve money will interface with the FMS. In addition, the debtors and creditors services are themselves embedded within users departments. There will be careful project management to ensure the FMS is introduced in the most effective way possible without hindering front-line service delivery.

5. TIMETABLE FOR IMPLEMENTATION

- 5.1 The procurement is expected to commence imminently. HDC has been actively involved in the development of the FMS specification so its "requirements" are clearly embedded within the document. Implementation of the chosen system is planned to happen on the 1st October 2016.

6. LINK TO THE CORPORATE PLAN

- 6.1 The introduction of an FMS will allow the development of more effective financial processes and practices, as well as supporting the Councils key shared service agenda.
- 6.2 Consequently the FMS will support the strategic theme of "Ensuring we are a customer focused and service led council" along with the outcome of "Become more business-like and efficient in the way we deliver services".

7. CONSULTATION

7.1 No direct consultation has been undertaken.

8. LEGAL IMPLICATIONS

8.1 Relevant advice will be sought in relation to Procurement and Contracts.

9. RESOURCE IMPLICATIONS

9.1 There will be one-off and ongoing costs as a result of the replacement FMS. These will depend on the system chosen and the supplier's charging model. The costs will replace the running costs of the current FMS. However, the new system will enable efficiencies and improved financial management practices.

9.2 The FMS has been considered by the Finance Governance Board (FGB) and the Board has concluded that the business case for the project is sound and recommended to the Cabinet to release funding.

9.3 As at the start of 2015/16 the Council had an Earmarked Reserve entitled "Special Reserve" totalling £2.5m. The purpose of this reserve is to support the business activity of the Council that will achieve future savings. As this FMS is a corporate system and one that touches all services (regardless of whether back-office or front facing) it is proposed that funds are released from this Reserve to finance the capital acquisition and implementation costs and first year revenue costs. Members should note that this will be growth within the Capital Programme but by the use of the aforementioned Earmarked Reserve there will not be any additional Minimum Revenue Provision implications.

10 REASONS FOR THE RECOMMENDED DECISIONS

10.1 To join in with our strategic partners in the procurement of a joint FMS. This will enable the development of a common accounting platform and for the development of common practices, and in time the joining of teams, in relation to debtors, creditors and cash receipting. Further, a new FMS will improve resilience and introduce more effective financial and budget management processes that are expected to generate savings.

11. LIST OF APPENDICES INCLUDED

11.1 **Appendix 1** – FMS Cost Comparison across the three partner Councils.


BACKGROUND PAPERS

Link to the FMS report considered at the Strategy and Resources Scrutiny Committee meeting, Cambridge City Council on 13th July 2015:
<http://democracy.cambridge.gov.uk/documents/s30004/REP%20SR%2015%2007%2013%20Replacement%20financial%20system%20-%20FINAL.pdf>


Link to the FMS report considered at the Cabinet meeting, South Cambridgeshire District Council on 10th September 2015:
<http://scams.moderngov.co.uk/documents/s82036/Cabinet%20report%20FMS.pdf>

CONTACT OFFICER

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APPENDIX 1				
Area of Expenditure	Reported Costs		HDC	
	CCC (Appendix 1)	SCDC (Appendix 2)		
	Expenditure	Expenditure	Expenditure	Source of funding
	Capital (£000)	Capital (£000)	Capital (£000)	
<ul style="list-style-type: none"> • Implementation consultancy • Project manager • Back fill for finance staff involved in the implementation project • ICT support 	65-150		100	
	29-44		44	
	23-33		33	
	15		15	
Total capital	132-242	100-190	192	Earmarked reserve
	Revenue (£000)	Revenue (£000)	Revenue (£000)	
<ul style="list-style-type: none"> • Annual subscription for system usage • Back fill for finance staff involved in the implementation project 	35-160			
	23-33			
Total revenue	58-193 (Year 1)	58-123 (Year 1)	67 (Year 1)	Earmarked reserve
	35-160 (ongoing)	35-160 (ongoing)	54 (ongoing)	Revenue Budget
Abbreviations				
CCC = Cambridge City Council				
HDC = Huntingdonshire District Council				
SCDC = South Cambridgeshire District Council				

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**Public
Key Decision - No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Urgent repairs to the Octagon building, St Ives

Meeting/Date: Cabinet – 22 October 2015

Executive Portfolio: Resources: Councillor J A Gray

Report by: Strategic Assessment of Estates / Estates Management Surveyor

Ward(s) affected: St Ives

Executive Summary:

The Octagon is a building owned by Huntingdonshire District Council (HDC) and is located within the Cattle Market Car Park in St Ives. It is the historic cattle market sale ring and along with the old railings is the only evidence left of the former usage, as such is a significant local structure. The building is not listed but does have protection against demolition as it is in the Conservation Area.

The building's condition is such that repairs are now required to ensure that the structure is made safe, is able to be securely locked and to improve the use of the internal space.

From the visible conditions survey complete, the repairs noted below in 2.5 have been identified with an estimate of £40,629 for the cost of repairs. However this does not include any potential wood rot or infestation and improving the security to the building by reinforcing the doors, frames or improved locks.

It would be prudent to budget for this additional cladding, electrical work and security provisions and a budget of £50,000 is considered more appropriate.

Recommendation(s):

It is recommended that Cabinet:

- i. Approve a capital allocation of £50,000 to repair and preserve the historic Octagon building in St Ives.

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1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 The purpose of this report is to outline the business case for the required repairs to the Octagon building in St Ives.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Octagon is a building owned by Huntingdonshire District Council (HDC) and is located within the Cattle Market Car Park in St Ives. It is the historic cattle market sale ring and along with the old railings is the only evidence left of the former usage, as such is a significant local structure. The building is not listed but does have protection against demolition as it is in the Conservation Area.

- 2.2 The building's condition is such that repairs are now required to ensure that the structure is made safe, is able to be securely locked and to improve the use of the internal space.

- 2.3 From the visible conditions survey complete, the repairs noted below in para. 2.5 have been identified with an estimate of £40,629 for the cost of repairs. However this does not include any potential wood rot or infestation and improving the security to the building by reinforcing the doors, frames or improved locks.

- 2.4 It would be prudent to budget for this additional cladding, electrical work and security provisions and a budget of £50,000 is considered more appropriate.

- 2.5 The repairs identified in the visible condition survey are:

1. The building is a steel frame building with timber tongue and groove cladding with further timber lining to some areas. The paint to the timber cladding has peeled off on the majority of the area and there are large areas of wood missing, damaged or rotting. Two of the walls are covered in ivy which would need to be removed and the wood repaired underneath. The full extent of the damaged to these faces is not known until this is removed.
2. The roof is not watertight and there are areas of missing and damaged asbestos sheeting, which are difficult to repair in isolation. In addition the roof light has old glass which also needs replacing to ensure the building is sound.
3. Doors are timber and again in poor condition. Although the building is lockable the overall security is low without strengthening of the doors.
4. The internal structure is steel columns with steel truss beams. These appear sound, but require painting to improve their appearance and lengthen their life.
5. There is an old concrete bund in the building which would require removing and the floor reinstating to make more room usable.
6. The electric supply to the building is basic with old lighting internally and externally. No test has been carried out on this installation to date.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 One option is to do nothing and accept the continual decline in the buildings condition and fund a more extensive repair in the future. This would impact on the use of the building as it may become unsafe for the public to use and may damage the reputation of the Council.
- 3.2 The preferred option would be to secure the funding for the necessary repairs and carry out the essential works to preserve the building for future generations.

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

- 4.1 The higher than normal health & safety risk to the public and building users will need regular assessment ahead of repair works.
- 4.2 Repair works will be subject to a risk assessment and standard operating procedures.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 Upon funding approval, the works will be procured in line with the Code of Procurement.

6. LINK TO THE CORPORATE PLAN

- 6.1 Undertaking the essential capital works to the Octagon building links to:
- To enhance our built and green environment
 - To create safer, stronger and more resilient communities

7. CONSULTATION

- 7.1 No consultation has been undertaken in respect of these repairs.

8. LEGAL IMPLICATIONS

- 8.1 The Octagon needs to be maintained in a state of repair that does not pose a unnecessary liability to the Council. All such procurement will be undertaken in line with the Council's Code of Procurement.

9. RESOURCE IMPLICATIONS

- 9.1 The repairs will extend the life of the asset and improve the facility for the St Ives community and the Council, which may have commercial advantages, i.e. increased rent. The requested budget of £50,000 can be accommodated from the 2015/16 capital programme underspend.

10. OTHER IMPLICATIONS

- 10.1 The repairs to the building will help to preserve an important historical building in a conservation zone and the preservation of the building is noted of interest to several local community groups and to the local Town Council.
- 10.2 The removal of the asbestos roof and regulated disposal will be a positive contribution to the local environment.

- 10.3 The preservation of the building will allow future community and/or commercial uses of the unit to be considered.
- 10.4 The Octagon is currently in a state of disrepair and if remedial works are not taken there is an increased risk due to reductions in health and safety standards; this could then negate our public liability insurance cover. Considering the building is in a public space, it is of paramount importance that the building meets the required standards.

11. REASONS FOR THE RECOMMENDED DECISIONS

11.1 Cabinet are asked to:

- Approve a capital allocation of £50,000 to repair and preserve the Octagon building in St Ives.

BACKGROUND PAPERS

None

CONTACT OFFICER

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Tel No. 07881 857224

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SAFETY ADVISORY GROUP

9TH SEPTEMBER 2015

CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN

ACTION SHEET

**MEMBERS
PRESENT:**

Management Side:
Councillor J W Davies
Councillor A Hansard

Employee Side:
K Lawson
Mrs S McKerral
G Vince

IN ATTENDANCE:

B Bentley
P Corley
A Green
S Howell
C Stopford

APOLOGIES:

Councillor Mrs B E Boddington, Councillor Mrs P Jordan,
Councillor R Harrison, A Radford

ITEM NO.	SUBJECT	ACTION BY
1	<p>Report of the Advisory Group</p> <p>The report and action sheet of the meeting of the Advisory Group held on 3rd June 2015 was received and noted.</p>	
2	<p>Members' Interests</p> <p>No declarations were received.</p>	
3	<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 injury and eight non-employee non-RIDDOR injuries which are in health and leisure department.</p>	
	<p>(b) One Leisure</p> <p>The Group received and noted the quarterly accident and incident report for the One Leisure premises. It was confirmed that there were no RIDDOR accidents during the period.</p>	

ITEM NO.	SUBJECT	ACTION BY
	<p>In response to a query regarding the category column of incident 14648 Mr Corley confirmed that the wording for the categories are restricted and are approved by the Health and Safety Commission.</p> <p>A question was raised regarding the need to record incident 14629 as an employee fainted whilst not on duty however as the employee had seizures and was a Lifeguard as a result the employee had to be removed from Lifeguard duties until it could be established what caused the employee to faint and have seizures.</p> <p>Due to the similarity of incidents 14634 and 14633 it was asked was this a case of double recording. It was confirmed that the incidents happened at different times with different tiles. The first incident happened at poolside and the other happened in the pool. The cause for the incidents was identified as old tiles.</p>	
	<p>(c) Operations</p> <p>The Group received and noted the quarterly accident and incident report for the Operations Division. During the period nine accidents were reported of which one was a RIDDOR accident. The details of the RIDDOR accident are that the employee sustained injures he was then referred to occupational health after which he was sent to hospital for x-rays and he now requires an operation.</p> <p>There was a concern raised that incidents 4, 7 and 9 are all similar and the Group wanted to know if there was a pattern happening and how it could be stopped.</p> <p>Following a query the Group were informed that regarding casual workers the contractors train them and then provide evidence that they have been trained. The Council keeps on record copies of casual workers training record.</p>	
4	<p>Emergency Evacuation Report</p> <p>The Group were informed that a practice emergency evacuation of Eastfield House took place on the 29th July with 49 participants. The Cambridge Fire and Rescue Service were informed of the practice prior to its commencement and on completion.</p> <p>One problem identified was two employees left the site and did not use the booking out system so it was not initially known whether they were on site. It was discovered that the employees had used a different exit to the one their booking in/out board was located. As a result the individuals were reminded of the importance of booking in/out and their names were located to a different booking in/out board.</p> <p>A second problem identified was that two vehicles returned to Eastfield House and entered the yard as the barrier was open during the evacuation. The barrier is normally open to allow emergency vehicles in. To remedy the problem in the future the barrier will be manned. In</p>	

ITEM NO.	SUBJECT	ACTION BY
	<p>response to a suggestion it was confirmed that it will be investigated whether it is feasible to fix a light to the barrier to warn incoming vehicles an evacuation is taking place.</p>	
<p>5</p>	<p>Any Other Business</p> <p>Humidity Mr Bentley updated the Advisory Group on the progress of the humidity situation. Copy of a report was sent to Mr Merrick with a view to send it to senior level. Mr Merrick has stated that needs to re-evaluate all the options. Mr Lawson remembers that Senior Managers gave their permission although Mr Bentley thought that senior managers only gave their approval to advance the first stage.</p> <p>Agenda The Group discussed the shortness of the agenda. Councillor Hansard commented that a 20 mile round trip for a 20 minute meeting does not seem worthwhile. Councillor Hansard stated that he would like a member of the Senior Management Team to contact him regarding the agenda.</p> <p>Chris Sneesby Mr Lawson led the Groups tributes to Chris Sneesby who had recently passed away. The Group were informed that his funeral would be taking place on Wednesday 16th September, 1.30pm at West Chapel Cambridge Crematorium.</p>	<p>A Green to email J Lancaster to ask her to contact Councillor Hansard.</p>
<p>6</p>	<p>Date of Next Meeting</p> <p>The next meeting was scheduled to take place on 25th November 2015.</p>	

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