

A meeting of **HUNTINGDONSHIRE DISTRICT COUNCIL** will be held in the **CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **WEDNESDAY, 19 OCTOBER 2016** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

## **A G E N D A**

	<b>Time Allocation</b>
<b>PRAYER</b>	
The Right Reverend Dr David Thomson, Bishop of Huntingdon will open the meeting with prayer.	
<b>APOLOGIES</b>	<b>2 Minutes</b>
<b>CHAIRMAN'S ANNOUNCEMENTS</b>	<b>10 Minutes</b>
<b>1. MINUTES</b> (Pages 7 - 16)	<b>2 Minutes.</b>
To approve as a correct record the Minutes of the meeting held on 27th July 2016.	
<b>2. MEMBERS' INTERESTS</b>	<b>2 Minutes.</b>
To receive from Members declarations as to disclosable pecuniary, non-disclosable pecuniary or non-pecuniary interests in relation to any Agenda item. See Notes below.	
<b>ITEMS FOR DECISION</b>	
<b>3. MOTION ON NOTICE</b>	<b>10 Minutes.</b>
Councillor T Hayward to move –	
(a) that the Council notes:	
Network Rail (NR) has previously examined proposals for the closure of all level crossings on the East Coast Main Line (ECML) from Kings Cross to Doncaster, including all those within Huntingdonshire. Following a feasibility study and formal consultations, these were considered by Cabinet in March 2015 when it was resolved that the District Council would support the project. The proposal was greeted with relief by many, particularly by the residents of the villages of Buckden and The Offords which are separated by this busy level crossing.	
Following a strategic review of NR's Investment Programme, it was confirmed that project would not proceed in totality. NR indicated that it would consider all crossings separately, trying to integrate any closures with other schemes in the area.	

Following this decision, a Regional Working Group was created by NR to develop an East Coast Route Study between London and Edinburgh. This will set the strategic direction for this route and future investment priorities. It would include the new InterCity Express programme and, possibly, new long distance services to other regions passing through our District. Stuart Bell, our Transportation Officer, attends these meetings on the Council's behalf.

This Council believes that the cancellation of the plans to close this level crossing between Buckden and The Offords (with a bridge replacement) will result in the continuance of existing delays to traffic flow on this busy route, especially when the A14 or A1 are closed.

During an average week, the crossing is used by over 20,000 vehicles, 560 cyclists and 100 pedestrians and this number is often exceeded if other roads are closed due to accidents. The approach to the level crossing is difficult from both directions. On the Offords side, there are frequent occasions when the traffic tailback reaches a considerable distance in both directions. On the Buckden side the approach to the level crossing is more hazardous. The road is narrow and one way traffic in places due to the three River Ouse crossings, dangerous corners and negligible sight lines. There is also a road safety problem for cyclists and pedestrians brave enough to use the road. This current situation is bad but could be compounded when the new A14 is completed as current proposals indicate that there will be a marginal increase in traffic movements on this crossing.

- (b) that this Council calls upon the Executive Leader and Executive Councillor for Planning Policy, Housing and Infrastructure to work with their fellow Members and Officers to:
- ❖ Press the National Rail Regional WG and Government to accelerate the removal of this crossing by whatever means and at the earliest opportunity, possibly in conjunction with the now approved A14 scheme, and emphasise that this would be in line with the NR suggestion that closures could be integrated with other schemes in the local area
  - ❖ Press our local MP to contact the relevant Minister of State to lobby for the closure of this crossing at the earliest opportunity, possibly in conjunction with the A14 scheme

**Councillor G J Bull to provide a response.**

**4. CORPORATE PEER CHALLENGE (Pages 17 - 36)**

**20 Minutes.**

Councillor D Brown, Executive Councillor for Strategic Partnerships and Shared Services to present the results of the Corporate Peer Challenge undertaken in June 2016.

## ITEMS FOR INFORMATION

5. **EXECUTIVE COUNCILLOR PRESENTATIONS** **40 Minutes.**
- (a) Councillor J A Gray, Executive Councillor for Strategic Resources to present on the Capital Programme and Investment.
  - (b) Councillor G J Bull, Executive Councillor for Planning, Housing and Infrastructure to present on his Portfolio and provide an Update on the Local Plan
  - (c) Questions to other Members of the Cabinet
- (Notes –*  
*Executive Councillor presentations* *10 Minutes each*  
*Questions to each presenting Councillor* *5 Minutes each*  
*15 Minutes in total.)*
- Period for questions to other Members of the Cabinet* *10 Minutes).*
6. **ANNUAL REPORT OF THE CORPORATE GOVERNANCE COMMITTEE** (Pages 37 - 52) **10 Minutes.**
- Councillor M Francis, Chairman of the Corporate Governance Committee to present the Committee's Annual Report for the year ending 30th September 2016.
7. **OUTCOMES FROM COMMITTEES AND PANELS** (Pages 53 - 54) **10 Minutes.**
- An opportunity for Members to raise any issues or ask questions arising from recent meetings of the Council's Committees and Panels.
- A list of meetings held since the last Council meeting is attached for information and Members are requested to address their questions to Committee and Panel Chairmen.
8. **VARIATIONS TO THE MEMBERSHIP OF COMMITTEES AND PANELS** **5 Minutes.**
- (a) Group Leaders to report on variations to the Membership of Committees and Panels, if necessary;
  - (b) To vary the Membership of the Electoral Boundary Review Working Group, following a change in membership of the Conservative Group.

Dated this 11th day of October 2016



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.*

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## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the COUNCIL held in Civic Suite, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 27 July 2016.

PRESENT: Councillor P L E Bucknell – Chairman.

Councillors J D Ablewhite, T D Alban, K M Baker, Mrs B E Boddington, D Brown, G J Bull, E R Butler, R C Carter, S Cawley, B S Chapman, Mrs S Conboy, J E Corley, S J Criswell, D B Dew, Mrs A Dickinson, Mrs A Donaldson, Mrs L A Duffy, M Francis, R Fuller, I D Gardener, L George, J A Gray, S Greenall, R Harrison, D Harty, T Hayward, R B Howe, B Hyland, Mrs P A Jordan, P Kadowere, Mrs R E Mathews, D J Mead, J P Morris, J M Palmer, P D Reeve, Mrs D C Reynolds, M F Shellens, L R Swain, Mrs J Tavener, R G Tuplin, D M Tysoe, D Watt, R J West and J E White.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors J W Davies, D A Giles, Mrs S A Giles, T D Sanderson, Mrs S L Taylor and D R Underwood.

### 19. PRAYER

The Reverend M Amey, Vicar of All Saints Parish Church, St Ives opened the meeting with prayer.

### 20. CHAIRMAN'S ANNOUNCEMENTS

The Chairman referred to the recent death of former Councillor R H Turpin OBE who had died on 26th July 2016 after a short illness having served as a District Councillor for many years during which time he had held a number of positions, including Leader of the Council.

Councillor Mrs D C Reynolds paid tribute to Mr Turpin's enthusiasm for life and offered her condolences to his family. In so doing Councillor Reynolds referred to his talent in his role as Leader of the Council and his interests outside of the Council, including involvement with the church and Freemasons.

Councillor T Hayward referred to the years that he had known Mr Turpin, through serving together in 617 Squadron in the RAF and the loss that would be felt personally.

On behalf of the Conservative Party and the Cabinet, the Deputy Leader, Councillor J A Gray, commended Councillor Reynolds tribute to Mr Turpin with his remarkable and varied life and the huge loss to his family and the Conservative Party.

In concluding, the Chairman paid tribute to Mr Turpin and referred to him as a gentleman.

Following the tributes made to former Councillor Turpin, Members stood and observed a minute's silence in his memory and the Reverend Amey offered prayers for him and his family.

The Chairman presented to the Council an account of the activities both he and the Vice-Chairman Councillor R J West had attended since the last meeting. The Chairman referred to the appointment of the new High Sheriff of Cambridgeshire and had been invited to meet Sir D Arculus at an evening reception. The Chairman was also honoured to meet the Duke of Edinburgh at an event with the Chairman of Cambridgeshire County Council and the High Sheriff. Attendance had also included the laying of a wreath for Memorial Day at Madingley Cemetery, further Queen's birthday celebrations and the flying of a flag for the Battle of the Somme.

The Vice-Chairman reported upon his attendance at the St John's Ambulance presentation and commended the involvement of the young volunteers to the service. He also referred to the launch of the 'Invest Huntingdonshire' website and his attendance at the Freedom of Entry and Centenary Parade in Huntingdon and the Luminus Community Inspiration Awards.

## **21. MINUTES**

Subject to replacement of the number "1" with "2" in Minute No. 17 in the voting 'For the Motion' paragraph for Councillor T Hayward and the inclusion of Councillor Mrs S J Conboy in the votes 'For the Motion' in Minute No. 17, the Minutes of the meeting held on 29th June 2016 was approved as a correct record and signed by the Chairman.

## **22. MEMBERS' INTERESTS**

No declarations were received.

## **23. STATE OF THE DISTRICT 2016 (ANNUAL REPORT)**

In accordance with Council Procedure Rule 12, the Chairman invited the Executive Leader, Councillor R B Howe to address the Council on the State of the District. In support of his presentation, a copy of the Annual Report 2015/16 had been laid on the table (a copy of which is reproduced in the Minute Book).

Councillor Howe reported upon the continuing challenge faced by the Council to deliver higher quality services with reduced budgets with a rapidly increasing population. In this connection, Members had been reminded of the surplus budget that had been attained in 2015/16, through efficiency savings and strategic partnerships for some services and commended the Officers involved in achieving these efficiencies.

In referring to the Annual Report 2015/16 that highlighted the achievements in the previous year, the Council noted that Council



Tax had not increased for four successive years and remained one of the lowest in the country. Councillor Howe also referred to his new role as Executive Leader and the focus for the Council going forward to understand and manage the demands and expectations of the residents, as well as working with partners and organisations.

The Council's attention was drawn to closer engagement and improving the working relationships of District Councillors with Town and Parish Councils, in particular referred to the recent issues that had been reported in the press regarding grass cutting. Furthermore, Members were reminded of the Customer Service Strategy that was published last year and referred to the action to develop a new website as a result of direct feedback from customers and work towards channel migration to encourage self-service and reduce the number of unnecessary visits and telephone calls to the Council. In addition to this, Members attention was also drawn to the increased presence on social media and related interaction from the residents.

Councillor Howe reported upon the growth agenda and the delivery of new housing well underway, particularly at the key sites of Alconbury Weald and Godmanchester. He also referred to the aim of meeting the housing needs of the growing population of the District and the subsequent development of infrastructure to support such development. Attention was also drawn to the success of One Leisure and the surplus that had been created in 2015/16 for the first time.

Looking forward, the Council was advised of the challenges to find further saving to reduce reliance on Government funding and the plans already in place to generate additional income, including income from CCTV and the Document Centre and returns on the Council's capital investment through the Commercial Investment Strategy. The 3C Shared Service went live in October 2015 for Building Control, ICT and Legal and it was expected to produce services delivered more efficiently with increased resilience.

Councillor Howe referred to recent discussions and further debates on the Devolution Deal that was currently out for consultation that would result in the transfer of significant resources and powers for infrastructure, housing, economic investment and capital investment in Huntingdonshire. In concluding, Councillor Howe referred to his confidence in the administration of the Council to address the challenges ahead with the Council's finances to provide value for money services for the residents of Huntingdonshire.

The Leader of the Principal Opposition, Councillor Mrs S J Conboy was invited to respond. Councillor Mrs Conboy commended the Council and its staff on their performance over the previous 12 months and in particular the achievements at One Leisure, development of the shared services and letting of space in Pathfinder House. Councillor Mrs Conboy asked that the Managing Director, Executive Leader and Lead Members pass on a message of thanks to those staff involved.

In referring to the Council's current financial position and necessity to identify further savings, Councillor Mrs Conboy highlighted their concern for the future sustainability but commended the changes that had already taken place to transform the way the Council delivered its services.

Member's attention was drawn to the proposed Devolution Deal and although in support of the regional decisions being made locally, Councillor Mrs Conboy expressed concern that although negotiations are still ongoing there remained issues to be resolved before taking the Deal forward. Reference was made to encourage the Council to be more ambitious for the residents of the District to focus on becoming a provider of services rather than enabler and provide support to the vulnerable residents and volunteer services.

Whilst welcoming the need for further housing, there was a requirement for more affordable housing and Councillor Mrs Conboy expressed concern with the current provision of jobs in the District and highlighted the need for the development of jobs to support residents to remain in the District.

Reference was made to the additional financial burdens that had been placed upon Towns and Parishes as a result the savings that the Council had achieved and Councillor Mrs Conboy suggested that the Council had a role to play in supporting Towns and Parishes and ensuring that frontline services are maintained.

In concluding, Councillor Mrs Conboy welcomed working alongside the new Executive Leader in the forthcoming year in an attempt to be more ambitious and show greater leadership for the District's residents.

In response to a question from Councillor T Hayward on the importance of attendance by Councillors at organised training events, Councillor Howe referred to the difficulty of some Members in attending events during the day due to work commitments but concurred with the sentiments of Councillor Hayward and the importance of the training programme but had been investigating alternative flexible methods of delivering the training to Members.

Arising from concerns raised by Councillor M F Shellens in relation to the potential unfairness of how the funding would be shared between the Combined Authority as part of the Devolution Deal, Councillor Howe explained that there would be a guaranteed stream of funding for the District and explained that there would be significant discussions and debates as to whole the funding would be allocated.

## **24. EXECUTIVE COUNCILLOR PRESENTATIONS**

### **(a) Councillor R C Carter, Executive Councillor for Environment, Street Scene and Operations**

Councillor R C Carter, Executive Councillor for Environment, Street Scene and Operations addressed the Council on the Waste and Recycling Round Reconfiguration Project. A copy of Councillor Carter's PowerPoint presentation is appended in the Minute Book.

By way of background, Members attention was drawn to the reason for the reconfiguration of the waste collection streams to reduce imbalances within the rounds and deliver a more efficient service. Savings had been identified in the region of £276k by a combination of balancing collection rounds and reduction in the size of the domestic waste bin.

Councillor Carter outlined the work programme established to deliver the reconfiguration of the waste collection and the timescales involved before final implementation of reconfigured rounds on 21st November 2016. The Communications Plan to residents was further highlighted to Members using various media and publicity and in this connection Members were requested for their support in identifying newsletters produced by Town and Parish Councils to be used for publicity material.

In response to a question from Councillor Mrs D C Reynolds on the domestic waste bins, Councillor Carter explained the criteria for size and provision of additional bins.

Arising from concerns expressed by Councillor P D Reeve on proposals to reduce the size of the domestic waste bins, Councillor Carter assured Members that a full consultation would be carried with residents prior to any changes being made.

**(b) Councillor D Brown, Executive Councillor for Strategic Partnerships and Shared Services**

The Chairman invited Councillor D Brown, Executive Councillor for Strategic Partnerships and Shared Services to update the Council on the 3C Shared Services. A copy of the Executive Summaries of the Business Plans for the ICT, Legal and Building Control Services for the period 2016/17 are appended in the Minute Book.

Members were reminded that the 3C Shared Service had gone live in October 2015 and in conjunction with the Executive Summaries referred to above, Councillor Brown reiterated the key objectives that had been agreed by the Leaders of the three Councils to identify savings, provide better value for money services, income generation, maintaining and improving service quality and support growth and the local economy.

Attention was drawn to the key performance indicators that had been implemented to allow performance monitoring and the proportional savings per partner Council of £317k for ICT, £25k for Legal and £16k for Building Control, whereby members noted that progress had been on track and would be reported at future meetings.

Councillor Brown referred to further challenges faced by the 3C Shared Service, including the harmonisation of HR policies across the three Councils and recognition of Trade Unions. A Business Case and harmonisation study would be compiled by October 2016 for consideration by Members and the Cabinet by the end of the year.

**(c) Questions to other Members of the Cabinet**

In response to a question from Councillor T Hayward on the loss of the Tree Warden Co-ordinator for the Towns and Parishes, Councillor G J Bull explained that following similar concerns expressed by Parishes the Council had been looking at how the service could be delivered to replace this post that had been identified as a saving through the Zero Based Budgeting process.

Arising from concerns expressed by Councillor M F Shellens on the turnover of staff in the Planning Department, Councillor Bull referred to the reorganisation process and the vacant posts had been supported by further provision of support in the Administration Teams. Furthermore, Members had been informed that the posts of Planning Services Manager and Development Management Manager had been successfully recruited.

Councillor B S Chapman referred to the rowing regatta that had taken place in the Riverside Park, St Neots the previous weekend and the promotion of the Council's parks, whereby Councillor R C Carter reported that he had met with the St Neots Rowing Club previously and outlined his full support for such promotional activities.

Councillor J P Morris raised a question in relation to the receipt of complaints on the maintenance of the grass verges in the District and the viability of increasing the frequency of cuts each year. In response Councillor Carter outlined the background to the programme, whereby new machinery had been procured this year but the number of viable days had been lost to the wet conditions that had been experienced in June 2016. In conjunction with this, new working practices had been implemented with the crews and this had slowed work in some areas, but the frequency of cuts had not reduced for parks and open spaces and amenity grass adjacent to highways.

**25. OUTCOMES FROM COMMITTEES AND PANELS**

Members were acquainted with the background and context to the new format for consideration of outcomes from Committees and Panels by Mrs J Lancaster, Managing Director. The Council noted that any matters for decision would appear as a separate item on the Council's Agenda. A copy of the list of meetings held since the Annual Council meeting on 18th May 2016 is appended in the Minute Book and Members were advised that any issues or questions could be raised in relation to these meetings.

**26. USE OF SPECIAL URGENCY PROVISIONS 2015/16**

Consideration was given to a report by the Executive Leader on the use of special urgency provisions taken throughout the previous year (a copy of which is appended in the Minute Book). Councillor Howe advised Members of the procedure to consider a key decision that had not been included on the Notice of Key Decisions and reported that this provision had been used on one occasion in the previous year to consider the procurement of a Commercial Investment Strategy asset. Whereupon, it was

RESOLVED

that the contents of the report be noted.

**27. APPOINTMENT OF MONITORING OFFICER AND INTERIM ARRANGEMENTS**

By way of a report by the Managing Director (a copy of which is appended in the Minute Book) regarding the legislative duty placed upon the Council to appoint a Monitoring Officer and the designation that had been held previously by the Corporate Director (Services), the Council were invited to consider interim arrangements relating to the designation of a Monitoring Officer and appointment of a new Monitoring Officer following this period. Whereupon, it was

RESOLVED

(a) that Mr T Lewis, the newly appointed Head of Legal Shared Services be designated the Council's Monitoring Officer with effect from 22nd August 2016; and

(b) that Mrs M Sage, Democratic Services Officer, be appointed Monitoring Officer for a temporary period commencing 23rd July until 21st August 2016.

**28. ELECTORAL BOUNDARY REVIEW OF HUNTINGDONSHIRE**

Further to Minute No. 72 of the meeting of the Council on 23rd March 2016, the Council considered a report by the Managing Director to which was attached the new warding proposals published by the Local Government Boundary Commission for England (LGBCE) now subject to consultation (copies of which are appended in the Minute Book).

The Chairman of the Electoral Boundary Review Working Group, Councillor G J Bull, reported that that the Group had met on the 29th June 2016 and considered the draft recommendations in detail. Councillor Bull advised Members that the proposed warding arrangements had largely mirrored the proposals submitted by the Council. Further clarification had been sought on Fenstanton and St Ives South and the feasibility of splitting the proposed three Member Huntingdon North Ward into a single Member and two Member ward. Whereby in relation to the latter, following further consultation with Huntingdon councillors, support for this proposal had not been forthcoming.

Councillor M F Shellens highlighted his concern for the Huntingdon North proposals and in response Councillor Bull explained that as there had been no support for any changes to this from Members it was felt that, on balance, the proposals should be supported.

In response to concerns raised by Councillor B S Chapman in relation to anomalies in the projected electorate used in the St Neots area, the Chairman reminded Members that representations could still be submitted separately to the Council's submission.

Councillor D B Dew referred to his inability to support the proposal for Godmanchester and Hemingford Abbots, owing to the lack of community cohesion between the parishes affected.

In continuing the debate, Councillor Shellens moved and it was duly seconded by Councillor S Greenall that the Huntingdon North Ward proposals be comprised of a single Member and two Member Ward, whereupon being put to the vote the Motion was declared to be LOST.

Councillor Bull moved the recommendation, which was duly seconded by Councillor R B Howe and upon being put the vote, it was

RESOLVED

that the Local Government Boundary Commission for England's (LGBCE) draft proposals for the District Council be approved and the LGBCE be informed accordingly.

## **29. CODE OF CORPORATE GOVERNANCE**

In conjunction with the Corporate Governance Committee at their meeting held on 20th July 2016, the Council considered a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) to which was attached the new Code of Corporate Governance.

The Chairman of the Corporate Governance Committee, Councillor M Frances, advised the Council that the Code of Corporate Governance was first adopted in September 2003 and had been subsequently amended on a number of occasions to take account of updates to 'proper practice'. A new 'proper practice' document - Delivering Good Governance in Local Government: Framework – had been published in April and the Framework had been recognised as 'proper practice' by both the Accounts and Audit Regulations 2015 and the National Code of Practice on Local Authority Accounting in the United Kingdom 2016. Therefore Members noted that a new Code of Corporate Governance was required to meet the Framework and ensure that the Council acted in accordance with 'proper practice'.

Members were acquainted with the seven principles as defined in the

Framework that should underpin the Council's overall governance structure alongside a number of sub-principles that expanded each area. Whereupon, it was

RESOLVED

that the Code Of Corporate Governance as attached as an Appendix to the report now submitted be adopted.

**30. REPRESENTATION OF POLITICAL GROUPS ON DISTRICT COUNCIL COMMITTEES**

A report was submitted by the Elections and Democratic Services Manager (a copy of which is appended in the Minute Book) relating to the principles of proportionality to be applied to the appointment of Committees and Panels in accordance with Section 15 of the Local Government and Housing Act 1989 and Part II of the Local Government Act 2000 following the change in membership of the Conservative Group.

Whereupon it was

RESOLVED

that the allocation of seats on Panels to political groups and non-aligned Members be determined as set out in the report now submitted.

**31. VARIATION TO THE MEMBERSHIP OF COMMITTEES AND PANELS**

Further to Minute No. 30 ante, it was

RESOLVED

(a) that Councillors M Francis and R Fuller be appointed to the Development Management Committee in place of Councillors T D Sanderson and K D Wainwright;

(b) that Councillor D B Dew be appointed to the Corporate Governance Committee in place of Councillor T D Sanderson;

(c) that Councillor R J West be appointed to the Overview and Scrutiny Panel (Performance and Customers) in place of Councillor T D Sanderson;

(d) that Councillor T D Sanderson be appointed to the Overview and Scrutiny Panel (Economy and Growth) in place of D A Giles: and

(e) that Councillor D A Giles be appointed to the Overview

and Scrutiny Panel (Communities and Environment) in place of M Francis.

The meeting ended at 8.50pm.

Chairman



**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

<b>Title/Subject Matter:</b>	Corporate Peer Challenge
<b>Meeting/Date:</b>	Council
<b>Executive Portfolio:</b>	Executive Leader and Executive Member for Strategic Partnerships and Shared Services
<b>Report by:</b>	Managing Director
<b>Ward(s) affected:</b>	All

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### **Executive Summary:**

This covering report accompanies the full feedback report from the Local Government Association (LGA) following a Peer Challenge that they conducted at Huntingdonshire District Council (HDC) in June 2016.

Their report gives a full account of how the Council was performing in seven key areas:

1. Understanding of the local place and priority setting
2. Leadership of the local place and priority setting
3. Financial planning and viability
4. Organisational leadership and governance
5. Capacity to deliver
6. Our internal capacity and capability for transformation
7. Maximising our engagement and influence at political and managerial level with partners

The report contains 12 recommendations which the LGA Peer Challenge Team believe should shape the future direction of HDC. These can be found on page two of their report.

Going forward it is proposed that the Managing Director be delegated responsibility for devising an Action Plan based on the 12 LGA recommendations in consultation with the Executive Leader and the Executive Member for Strategic Partnerships and Shared Services.

This Action Plan will be presented to Overview and Scrutiny (Performance and Customers) and the Cabinet.

### **Recommendation:**

- i) that the Council note and comment on the LGA Peer Challenge feedback report;
- ii) delegate responsibility for devising an Action Plan to the Managing Director in consultation with the Executive Leader and the Executive Member for Strategic Partnerships and Shared Services.

## **1. PURPOSE OF THE REPORT**

- 1.1 To present to members the LGA's feedback report on the Peer Challenge that took place in June 2016 and to agree the planned approach to devising an Action Plan.

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

- 2.1 HDC invited the LGA to assess the organisation against seven criteria.
- 2.2 The report attached at Appendix one is the full feedback report written by the LGA and includes 12 recommendations for Council to consider going forward.

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

- 3.1 An Action Plan will be devised by the Managing Director in consultation with the Executive Leader and the Executive Member for Strategic Partnerships and Shared Services.
- 3.2 It is proposed that the Action Plan be presented to Overview and Scrutiny (Performance and Customers) on 2 November 2016 and Cabinet on 17 November 2016.

## **4. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 4.1 When presented to Overview and Scrutiny and Cabinet, the Action Plan will make clear links to the Corporate Plan as well as our Strategic Priorities and Corporate Objectives.

## **5. REASONS FOR THE RECOMMENDED DECISIONS**

- 5.1 The recommendation gives members the opportunity to review the findings of the LGA and make any comment.
- 5.2 Further, it allows them to agree an approach for further work to be undertaken based on the LGA's recommendations.

## **6. LIST OF APPENDICES INCLUDED**

- 6.1 Appendix 1 – Corporate Peer Challenge – Feedback Report

## **BACKGROUND PAPERS**

None

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# Corporate Peer Challenge **Huntingdonshire District Council**

Monday to Thursday 6 – 9 June 2016

## Feedback Report

## 1. Executive summary and context

The people of Huntingdonshire enjoy a good quality of life. The area has consistently featured in the Halifax rural quality of life survey, being ranked 9<sup>th</sup> in 2015. Levels of deprivation are comparatively low and the economy recovered quickly from the recession and is benefitting from booming Cambridge and Peterborough economies – two of the top five growth cities in the country - along with proximity to London and the South East economy. This supported by high quality transport infrastructure.

The Council has rapidly modernised in recent years. This was needed as it had been an old fashioned, traditional Council and increasingly inward looking.

At the same time the Council's financial position had been characterised by high level budget underspends, in part from unfilled vacant posts that appear to have acted as a financial cushion. Finances have been stabilised following savings of £5m in recent years, with a clear understanding of the savings needed over the next five years, being a reduction of the net revenue budget of £3.6m or 21 per cent. Reduced resources are focusing the attention of senior members and officers on the future direction for the Council.

The net cost reduction target is to be achieved by a significant change programme. The Council's staff and members understand what lies ahead. However, the next phase will require increased focus and rigour as the savings from these changes will be more difficult to achieve than the 'low hanging fruit' already taken.

The vision to guide the new Council direction is set out in the new Corporate Plan 2016-2018. The plan has been streamlined to focus resources by concentrating on three priorities rather than four and includes 'delivering sustainable growth' and 'enabling communities', along with an internal priority of 'becoming a more efficient and effective Council'. These priorities have been effectively communicated and are well understood across the Council.

Delivery of the Council's vision will need to ensure that the Corporate Plan priorities remain the focus and that the budget and resources are aligned to those priorities for delivery. This may not always clear as the Plan on a Page describes an inherent strategy of delivering savings and less about services and priorities.

Service delivery is still, in many respects, operating in the traditional mode rather than considering how services may shape place, community and vision. This will be an area that continuing modernisation and transformation will need to give attention to.

Partnership working is recognised by the Council as having been a weakness. This is improving but more work needs to be done as the focus can tend to be internal and detailed rather than external and strategic. The considerable preparatory work invested in devolution offers a strong basis for future partnership working, as it has strengthened the Greater Cambridgeshire and Greater Peterborough identity and the need for collaborative working.

The Council is moving in the right direction having undergone great change with more ahead. Increasing the pace of modernisation and transformation will enable it to be well positioned for the enabling and delivery of services to residents and businesses.

## **2. Key recommendations**

The corporate peer challenge team propose the following:

- 1) Develop a long term narrative of the future of Huntingdonshire to inform place shaping, direct decision making and future forms of partnership working. This should make use of local evidence and context, along with national data of future trends and projections, to underpin this
- 2) Ensure the Corporate Plan drives the budget and delivery - this will mean changing the footprint of existing service delivery to focus on new priorities
- 3) Recast the approach to working in partnership, recognising that this means not always leading, to secure benefits for the wider area and the community
- 4) Use all Members' democratic position, as ambassadors of the Council, to engage and influence partners and forms of partnership working
- 5) Improve the relationship, the Council offer and partnership working with the business sector
- 6) Retain the Council's focus on continued growth, including meeting the full range of housing need. Growth will be contingent upon increased housing.
- 7) Conduct further work on refining the organisational understanding of efficiency that extends beyond just financial savings. This should link efficiency with the other two Council priorities of growth and enabling communities. New ways of working can lead to outcomes than include redefining models of delivery, service improvement and improved satisfaction.
- 8) Extend benchmarking activity so that the Council can benefit from understanding the 'value for money' of its services compared with other councils. This would assist the Council in its decision making on service cost, quality and performance.
- 9) Enhance and develop the organisational understanding of demand management to form the cornerstone of the enabling communities and community resilience priority. Initiate an internal and external debate on what an enabling communities programme might look like and use this to inform the production of an Enabling Communities Strategy. This would guide Council activity on this priority with greater assurance and understanding of resources required.

- 10) Continue to develop the model of Commercial Investment Strategy to produce future income streams. As part of this evaluate how the Strategy could both deliver economic growth and housing priorities within the area while also generating important income streams
- 11) The relationship with the Local Enterprise Partnership needs to be 'reset' and built afresh, taking a different approach from that to date, recognising the constraints both organisations are under
- 12) Produce a formal transformation strategy and implementation plan

### **3. Summary of the Peer Challenge approach**

#### **The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the Council's requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Huntingdonshire were:

- Duncan Sharkey, Corporate Director – Place, Milton Keynes Council
- Councillor Linda Robinson, Leader of Wychavon District Council
- Stephen Hill, Strategic Director for the tri-council partnership of North Dorset, West Dorset and Weymouth and Portland councils
- Chris Harding, HR and Payroll Manager, LGA
- Andrew Winfield, Peer Challenge Manager, LGA.

#### **Scope and focus**

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas we believe are critical to councils' performance and improvement:

1. Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Leadership of Place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?

4. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, you asked the peer team to consider/review/provide feedback on internal capacity and capability for transformation and whether the Council is maximising engagement and influence at political and managerial levels with partners.

### **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite at Huntingdonshire, during which they:

- Spoke to circa 100 people including a range of Council staff together with councillors and external partners and stakeholders
- Gathered information and views from circa 50 meetings, including visits to key sites in the area and additional research and reading.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (9 June 2016). In presenting feedback to you, we have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority setting**

The new Corporate Plan sets out the vision for Huntingdonshire and its priorities are rightly focusing more widely than direct service delivery. Accountability and responsibility for the delivery of the Corporate Plan is reinforced with the Executive cabinet members, each being allocated one of the nine corporate priorities.

Delivering Sustainable Growth

The priority of 'delivering sustainable growth' takes account of the importance of local economic growth and the Council's key role to work with a range of partners to support this. This is a key priority following the financial crash of 2008 and the Council sees itself as a "genuine growth hungry organisation" with Cambridgeshire being the fastest growing English county between 2001 and 2011. Growth for Cambridgeshire and Peterborough is expected to increase by 100 per cent over the next 25 years with Gross Value Added (GVA) increasing to £40bn.

Huntingdonshire has considerable advantages to enable growth. Its geographical location is close to London and the South East, it has high quality transport infrastructure and is part of a functioning economy that is leading in science and technology. It is striking that in, what is still essentially a rural area, there is generally an acceptance of growth. This approach will be key to the Council effectively realising its objectives and approach will be key to the Council effectively realising its objectives and is a significant strength as in many other areas this can be accompanied an anti-development sentiment.

The Council's Economic Growth Plan sets out the proposed approach to deliver growth, with a clear understanding of the area's unique offer. The focus of this plan is directed to looking towards the booming economy of Cambridge to the east, the Alconbury Enterprise Zone, supporting skills development, infrastructure to support growth, three large strategic housing sites and the offer of the second most affordable housing land in the county after Fenland.

The draft Local Plan identifies housing need as 21,000 for the period 2011-2036, of which 8,000 would be affordable homes. This will be important for balanced economic growth which meets the range of housing needs. However, affordable housing will become increasingly challenging with 40 per cent viability challenges from developers and the various impacts arising from the Housing and Planning Act 2016. The Council will need to work closely with a range of partners – including registered providers, other councils and the private sector – to develop innovative housing solutions that meet future housing need, maintain a 5-year land supply and support a growing economy.

Housing growth has identified three major strategic sites at Alconbury Weald, St Neots East and Wyton airfield with a total of circa 13,800 homes. This is driving partnership discussions on infrastructure provision to address transport impacts/proposed new roads to enable these sites to provide their full development capacity. These feature as key elements of infrastructure project bids for the Growth Deal, round two and the devolution bid.

### Efficient and Effective Council

The priority of becoming a 'more efficient and effective Council' recognises the financial pressures on local government with continuing grant cuts and the prospect of grant ending by the end of the decade. It is also a Council ambition to be free of grant funding. A programme of efficiency and effectiveness is therefore vital to meet these financial pressures and to recalibrate the Council in a new direction.

There is strong evidence of modernisation within the Council and successful change to adapt to a quickly changing local government environment. There is clear evidence of a



'golden thread' running from corporate priorities to individual contributions towards these. Delivery of priorities is supported by Service Plans. All staff undergo Personal Development Reviews (PDRs) to review the individual contribution towards priorities, performance against agreed targets and stretch targets and identify training needs.

The recent commitment to shared services involves working with the 3C partnership, including the Council, South Cambridgeshire District and Cambridge City Councils, was established in October 2015 for Building Control, ICT and Legal. There are other shared arrangements outside of 3C, for example a CCTV partnership between the Council and City. It is clear that the Council is agile about how it delivers its services on a 'what works' ethos.

Shared service working recognises the principle of lead authority arrangements with the Council leading for ICT. This model is important for the potential savings that can be achieved, estimated at 15 per cent, but also to ensure service resilience and improved customer service. Future savings, beyond 15 per cent, should be achieved by service transformation.

### Enabling Communities

There is a new priority on 'enabling communities'. This combines a strengthened focus on services to the customers of the district and of supporting communities to take on a more active role in shaping and delivering services. An emerging programme of neighbourhood planning has the Council working alongside local communities to set out their spatial and growth vision. A neighbourhood plan for St Neots has been adopted and six further plans are in the pipeline.

The Council has an adopted Core Strategy which is important for its understanding of place, community priorities and sustainable growth. This was adopted in 2009 and is National Planning Policy Framework (NPPF) compliant.

Work is ongoing on a refreshed Local Plan for the period 2011-2036. However, the timetable for finalising this Local Plan is uncertain. Significant delay has been experienced in Cambridgeshire County Council producing the required transport modelling. Some told the peer team it would be 2018 for adoption, the Local Development Scheme states February 2019, the Annual Monitoring Report (AMR) 2018 and the draft devolution bid says 2017. The Council and its partners would benefit from certainty on the Local Plan completion and adoption. As part of developing the partnership with the County Council, efforts could be made to approach Plan development as a joint project.

The peer team saw few examples of place data being coordinated and analysed to evidence need and to inform priorities. In addition, there has also been limited local community engagement to support this understanding of need. Council priorities would carry more authority with the community and partners if there was an evidence to link to local community need and local communities were aware they had been part of that priority setting.

Such evidence could also be used to develop a long term narrative to inform place shaping. The peer team felt that projecting a vision of Huntingdonshire twenty-five

years from now could be good mechanism to describe potential scenarios of the economic, population, housing, health, education and skills profile of the district. This would support longer term planning on what the future role of the Council might look like and, correspondingly, that of partners, businesses and residents. This could then support the transformation plans for the Council to plot the shift from now to then - both internally and in partnership.

Some priority areas are not yet resourced to deliver. There can be very good reasons for this where some are new programmes not yet fully developed, for example the Customer Service Strategy and the ICT enabling for transactional 'channel shift'. In others it can be due to new conceptual ways of working that are still being developed for example, the emerging Enabling Communities programme, which is building on existing activity such as community and neighbourhood planning but also exploring new areas such as community asset transfer and demand management. However, it will become increasingly important to plan the future shape of these programmes with accompanying resources to deliver.

One quote the peer team picked up during the week from the Council was "are we doing what we should be doing?" The team characterised the Council as one that five years ago was old fashioned and traditional in outlook at a time when local government, out of necessity, was changing rapidly. Huntingdonshire is changing quickly and certainly in the right direction but there remain areas for continuing refocusing of resources and for devising new ways of working and service delivery.

## **4.2 Leadership of Place**

It was apparent to the peer team that the Council in recent years has undertaken an important modernisation agenda, marked by the appointment of a new Managing Director and more recent leadership changes at Senior Management Team. This complemented new political working arrangements and the move to the Executive Leader and Cabinet introduced five years ago. This has contributed towards the Council's intentions to become more open and engaging with external partners.

Significant growth is planned and is being delivered. Huntingdonshire has considerable geographical advantages. Its proximity to London (50 minutes by train), Luton, Milton Keynes and Bedford supported by good road and rail links. Housing/land value costs are the second lowest in Cambridgeshire which makes a potentially compelling offer to support the growth of Cambridge in the east and Peterborough to the north. Despite 'looking' to Cambridge it will also be important to be aware of the opportunities created by the growth of Peterborough. Continuing success to shape growth, which meets the requirements and aspirations of residents and business, will depend on working with partners to direct this. The Council recognises that it cannot do this by itself.

The Government programme of extending devolution is recognised as potentially 'game changing'. The Council clearly understands the importance of the deal, proposed for Greater Cambridgeshire and Greater Peterborough, and the opportunities that could become available. The draft agreement seeks a transfer of "significant resources and powers" for infrastructure, housing, economic development, employment and skills. Considerable preparatory work has been invested in devolution and this has strengthened the Greater Cambridgeshire and Greater Peterborough identity and the

recognition of the importance of collaborative working. This offers a basis for stronger future partnership working which will be crucial.

Public service partnership working is supported by a mature and functioning Cambridgeshire Public Services Board, bringing together the range of partners to consider strategic matters of mutual importance. The advantages of county-wide public service working are clear from initiatives such as: the Making Assets Count (MAC) programme which is pooling asset information for strategic considerations of future use; the county-wide Joint Strategic Planning Unit to support local plan making and the approach to infrastructure planning.

The Council has dispensed with its asset management strategy following a review of its operational and commercial assets in 2014. The peer team suggest that the Council should periodically evaluate whether an asset management strategy would be beneficial, particularly in light of the growing property portfolio that is promised by the Commercial Investment Strategy and how this supports the Council's corporate priorities, particularly around enabling economic growth and affordable housing. .

The Council has renewed its focus on customer service excellence. The Customer Service Strategy outlines intentions for channel migration and digital by default, adjusted standards to deal with in person enquiries and a commitment to shift to self-service. The peer team were impressed with the customer offer itself which has moved more to the 'front end' and pursues a right first time offer. For example, recent improvements to Leisure Services have focused on the customer, empowering staff to provide a business led service, leading to no net cost to the Council. While some areas have clearly delivered in this arena - such as transactional bookings at the leisure centres – the peer team could not see evidence of the Council learning from itself. Areas of very good practice were not being systematically used to inform improvements in other parts of the Council, nor with partners.

The Council has a strong and productive working relationship with the local voluntary sector infrastructure organisation – Hunts Forum - and through them many local voluntary sector organisations. After reviewing a traditional grant funding relationship in 2011, the Council worked with the sector to create a more financially sustainable offer by providing accommodation. This enables the sector to operate at lower level of subsidy and offers the potential to raise further income.

The links between the Council and business are not sufficiently strong to support the priority of sustainable growth. Certainly some individual officers had strong relationships but this was far from systemic or directed. The business support offer across Huntingdonshire was fragmented with many organisations and companies offering business support for start-ups, expansion, investment and other areas. The Council, County Council and the LEP all had their own offers for business support. However, the quality of many parts of this offer was felt to be poor because funding was short term and no one had sufficient critical mass to pull together a high quality, wide ranging programme and the opportunity exists to consider greater collaboration.

Although the peer team were given many examples of excellent projects in this area, such as the EDGE project or local business events, there was no evidence of a driven strategy, involving partners, to improve productivity and grow businesses. It was not

clear what strategic engagement senior officers and members had with local businesses outside of meeting them on specific live projects.

The Council has agreed a Commercial Investment Strategy, with a funding commitment. This will be important to generate income streams to support Council revenue budgets, particularly when revenue support grant comes to an end. At the moment the strategy is geared towards opportunities that offer financial returns, irrespective of whether these are within the district or outside.

There was no clear concept of market making or building additional value underpinning the Council's thinking. The analogy was of the Council adopting a treasury management approach acting as a distant investment fund rather than a local developer of value. It will be important to recognise that there will be investment opportunities in the district that could be developed that can both generate strong returns on investment while also supporting the delivery of corporate priorities on local economic growth and housing. Examples of this could be commercial town centre leases that support growth/regeneration and investment in private rented and social sector housing to meet local housing need and promote tenure mix.

In the future there may be potential for the development of joint Local Plans to support spatial planning and sustainable growth over a larger economic and housing area. Much of this may hinge upon how devolution discussions unfold, how shared services develop and the collective appetite of partners. It will also be informed by partnership working with the LEP, the County Council and other districts. This needs keeping under review.

### **4.3 Organisational leadership and governance**

There is strong evidence of modernisation within the Council and successful change to adapt to a quickly changing local government environment. Modernisation has included: a senior management restructure, an organisational pay review and an ongoing organisational restructure. In addition there is the recent move to shared service arrangements and the adoption of Lean and Zero Based Budgeting (ZBB) to support efficiency and effectiveness.

The Council has successfully shifted to an ability and skills-led model for both officers and executive members. For officers this is underpinned by a Competency and Values framework and for members by induction training and, for members of cabinet, a job description. Whilst the senior officer structure is now robust, care will be required to ensure the new Leader and expanded Cabinet are clear on the Council's direction and aspirations and the complementary differences in roles of officers and members.

Modernisation has been directed by focused, clear and driven managerial leadership. This is supported by strong political leadership which will benefit further in moving to all out elections every four years from 2018, in place of the current election by thirds. The new arrangements should provide stability for longer-term political and managerial leadership.

Partners recognise that the Council has undergone recent structural and cultural changes and they can see the benefits of this. There is partner confidence that the Council is moving in the right direction.

This is accompanied by a more open culture prepared to talk about difficult issues. For example, the purpose of the restructuring, currently underway, has been openly communicated and described by senior managers to all staff in terms of its rationale, timetable and process. The restructuring of Operations is viewed as a success in achieving savings of £400k and staff valuing the improvement in business processes, clarity of purpose and management accountability.

However, radical change can be unsettling. Despite staff being clearly informed of the purpose and timetable for the restructuring many were apprehensive which was described as leaving the organisation “punch drunk” following change over the last three years. The role of senior and middle managers in promoting and driving the Council’s direction and ambition will be important in delivering effective change and transformation.

The annual staff survey is recognised as a barometer of organisational change. The more recent survey is showing improvements across most areas, although this was from a low base in the previous year’s survey. However, it is also evident in the most recent survey that there are continuing areas of concern. The Council is commended for being open on this and its commitment to act on key areas via staff groups. It will be important to continue this process with the wholehearted commitment currently shown.

It is important to take the organisation forward together through change and this would benefit from being underpinned by a more compelling description of the future. Such a narrative could be along the lines of the need to ensure services are fit for purpose, that staff are empowered to deliver change and improvement and that the responsibilities of staff and managers are clearly established/reaffirmed. This would be a shift from the current perception that change is directed to achieve savings.

#### **4.4 Financial planning and viability**

The financial challenges for the Council have been met by achieving savings of circa £5m since 2013-14. This record is continuing with a strong focus on the delivery of £3.6m net cost reductions between 2016-17 and 2020-21, that is a revenue budget reduction of 21 per cent.

Financial management shows a strong performance to balance current and future budgets, particularly after recent years have shown a budget overspend due to pension deficits and, in different years, budget underspends.

There is a strong understanding across the organisation on the importance of the financial drivers for the Council. The Plan on a Page strategy shows this clearly and the intention to “reduce the Council’s reliance on Central Government funding and...create a sustainable financial platform.” The strength of this focus has created an inherent strategy to deliver on a financial target; this is at the expense of overlooking service delivery and strategic priorities. This will need to be more carefully balanced in future.

Like many councils across England, the Council is looking at new ways of working and using assets to generate income streams. The vehicle for this is the Commercial Investment Strategy. This is at an early stage but unquestionably has great potential and is linked to a strong balance sheet commitment. The Council already has an enviable asset portfolio of £20.8m which is generating returns of 7.2 per cent and has contributed £1.5m to the revenue budget. In supporting the new Commercial Investment Strategy the Council is committing an additional £12m from reserves with a willingness to increase this to £50m via prudential borrowing.

Zero based budgeting (ZBB) is one of the levers to achieve savings and has led to savings of £2.2m for 2016-17 and projected to rise to £4m by 2020-21. Potentially this is a powerful tool where it is acknowledged that some Council services have been cushioned by vacant posts and accustomed to year on year budget increases. ZBB will be an important mechanism to challenge service costs and support in achieving the savings target.

The peer team recognise that the mechanisms to achieve financial savings – ZBB, Lean, shared services, income generation, and customer services/service standards are at a relatively early stage of development and application. These will require a more detailed programme of assessment, implementation and evaluation on how and when they will contribute to delivering the £3.6m savings. This will be important to provide an assurance for the Council and its Medium Term Financial Strategy (MTFS).

One question the peer team would pose is whether the Council needs a clearer definition of efficiency that can optimise the opportunities change can bring? Significant savings have been delivered in parts of the organisation, such as Operational Services, and are strong examples of a savings programme being used systemically and deliberately to drive service improvement, new ways of working and improved satisfaction. However, this nuanced approach was not consistently seen across the Council. A definition of efficiency that can lead services to think more widely when undergoing change, rather than narrowly focus on a single, usually financial, driver, may open up useful debates and expand management thinking.

Beyond ZBB scrutiny the peer team saw limited evidence of cost or performance benchmarking on a systematic basis. The limited benchmarking that the team did see was confined to performance indicator type data and didn't bring together cost, performance and satisfaction metrics compared to other organisations. For example, is procurement an area that could deliver more by way of savings and enhanced social value? The Council would benefit from understanding the 'value for money' of its services compared with other councils, which should assist its decision making on service cost, quality and performance.

The peer team saw no evidence of demand management or its application. This should be an important element of the Council's Customer Service Strategy and form the cornerstone of the enabling communities and community resilience priority. Delivery will depend on improving dialogue with town and parish councils and communities on current and future service delivery and how this might change in the future. It would be advantageous for the Council to initiate an internal and external debate on what an enabling communities programme might look like and for this to inform the production of

an Enabling Communities Strategy. This would guide Council activity on this priority with greater assurance and understanding of resources required.

The Council has an ambition to be grant-free by the end of the decade. Getting to this point includes the cost reduction plans described above and the success of income generation. However, it will also depend on developing a business rates income stream and that links directly to the corporate priority of delivering sustainable growth. This will be important but the peer team were not aware that the Council has conducted any work in modelling business rates income post 2020-21. It may be too early to do this now as the detail of business rates allocations are still being developed by Government but it will be important to give attention to in due course.

The Council has committed to no increase in Council Tax for the last four years and is due to continue this to 2020-21. This has been achieved by the use of reserves which is only sustainable to 2018-19 when these would be breached. The Council's proportion of Council Tax, in relation to overall funding, was 36 per cent in 2013-14 when the England average was 50.8 per cent. With the ending of Council Tax Freeze Grant, now may be time to consider Council Tax increases, which appears to be expected by Government, as an option to assist in meet savings targets.

#### **4.5 Capacity and capability to deliver and to transform**

The Council recognises the importance of capacity and capability for modernisation and this was an area the peer team were asked to specifically give attention to and the extent to which this supported the plans for future transformation.

The programme of modernisation to date has developed a more collegiate and open managerial and political approach. Senior officers and members are working closely on policy development and looking ahead to anticipate future issues. This is exemplified by the joint member and officer approach in drafting reports, with a role for Overview and Scrutiny in pre-decision oversight, and recent move to the presentation of reports by cabinet member portfolio holders and lead members.

The Council has undertaken a number of steps to build capacity. For example, the move to shared services, with neighbouring councils, is building service resilience and the ability to specialise in particular areas which would be cost prohibitive for individual councils. At the same time it has made a significant investment in Lean, project and programme management to support transformation. More than fifty members of staff have been trained in Lean with the purpose of gaining efficiencies from reviewing business processes and eliminating waste but as yet there is currently no targeted Lean programme. The Council is aware that it needs to develop a more structured programme to get the most value out of its investment in Lean and this will need to form part of future modernisation plans.

There is also the commitment to improving Customer Services efficiency by enhancing the customer experience, increased self-service and a 'channel shift' in customer engagement and transactions. To support capacity in specialist areas the Council is willing to buy in new and specialist skills as required, for example consultancy skills for developing options for the Commercial Investment Strategy and for ZBB.

At the same time the Council has shifted to competency-led PDRs which is important in identifying future skills requirement, to underpin a workforce strategy and support future training to build capacity.

The Council has undergone quite a radical change programme. At the current time a service restructuring is underway with all services to undergo review by 2017. The recent restructure in Operations achieved savings of circa £400k. Staff morale is still at a low ebb in some areas and this is noticeable from staff meetings, from the staff survey and comparatively high levels of sickness (11.7 days per FTE in 2015-16). Sickness absence has increased significantly compared to previous years and will need continuing monitoring and action planning as further change is introduced.

The peer team acknowledge that the Commercial Investment Strategy has potential to develop significant income streams and will be important to move the authority to becoming grant free. However, more work needs to be conducted on what commercial skills will be required to deliver this programme. Success will depend greatly on these skills being available and the Council will need to consider how these will be provided, including from external specialists and/or specialist recruitment.

The Council's change programme to date has principally been one of modernisation and this has been important to place it on a sound financial footing and direction shared by officers and members.

The next stage will be transformation, including elements of innovation and should be informed by projecting what the shape and role of the future council will be. This will involve reviewing service provision in light of customer needs, service quality and standards, council resources and who is best placed to deliver these. This will draw upon a more developed sense of demand management and a more coherent understanding of 'enabling communities' and what this may look like.

#### **4.6 Partnership working**

Partnership working is increasingly important during an austerity programme of steep public spending cuts. Partnership working can add capacity, develop synergy and enable partners to deliver on mutually shared objectives.

The Council acknowledges that in the past partnership working has not been a strength. However, it is clear that partnership relationships are improving, although this is coming from what the Council acknowledges is a low base. Many external partners told the peer team this and there were pockets of strong activity that the team encountered, including: EDGE concerning skills support, the Oxmoor Regeneration initiative on a deprived estate of 1,150 homes, the Loves Farm Community building at St Neots to provide a combined community centre and pre-school setting, the Hunts Forum of Voluntary Organisations located at the Maple Centre along with a new health centre, housing enabling and delivery with housing associations.

The co-location of services at Council offices to Muir Housing, Department of Work and Pensions, the NHS and Citizens Advice (CA) is not only valuable for rental income but is also promoting the provision of complementary services. For example, the CA can offer debt advice services while working closely with staff in the housing and benefits service.



There appears to be a strengthening relationship at managerial and political levels with the County Council and this will be important to build on. Locally organisations were positive about the review of County Council budget proposals, undertaken by the Council with local partners and were positive about the value this had.

However, the peer team were unclear if this strengthening relationship was just at senior member and officer levels and whether this extended to all levels of both organisations. An example of this is the traffic modelling evidence for the Council's Local Plan which has been delayed in being provided by the County Council.

The failure to work successfully in partnership can jeopardise the delivery of priorities, particularly those such as sustainable growth which are dependent on partner involvement and commitment. One interviewee put it to the peer team that the "lack of coordination...between partners will eventually slow down and damage the delivery of growth". The fact that partnership working is improving is encouraging but more progress will be needed by both members and officers.

One area to work for the Council is a lingering reputation for an aggressive and uncompromising negotiating and partnership style, particularly at a senior level. These styles of engagement can influence those adopted by the rest of the organisation so it will be important to encourage consistent role modelling of member and officer behaviours. This should take account of:

- Recognise the value of creating trusting partners in advance of a delivery requirement
- Does the Council need to move past previous problems and be the enablers in resolving partnership problems?
- Consider how your values and competencies could modify behaviours internally, in partnerships and negotiations
- Understanding difference between preferred and required working styles.

One aspect of this is for the Council to recast its partnership approach beyond council boundaries. The moves to working sub-regionally with the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (LEP) and, more recently, the moves towards devolution over the same geographical area carry important partnership implications. These partnerships involve partners 'competing' for limited resources with benefits being spread more widely. This requires a different partnership approach that can build strong relationships and develop new strategies to gain desired outcomes.

It was particularly noticeable from talking to Council staff, members and external partners that the relationship with the LEP is poor. Strategies have been developed to improve this, for example a Local Growth Strategy Group of Cambridgeshire councils' senior officers, chaired by the Council, is meeting monthly, but more is needed. The importance of this relationship is such that it cannot be allowed to be left as it is and will require an alternative approach from the Council's senior officers and members to improve this.

This comes to the heart of partnership working and can be illustrated by the former airfield at Alconbury Enterprise Campus (Enterprise Zone – EZ). The EZ was

established in 2014 and is projected to provide 8,000 jobs onsite with an additional 4,600 to be created in the wider economy. The location is also planned for 5,000 homes. But infrastructure requirements and the LEP relationship has led to some uncertainty on whether the potential for these sites will be realised. The Council and its partners would benefit from considering the impacts should a strategic site not deliver on time.

One perspective is that the failure of the LEP to commit to expensive road infrastructure investment is causing development uncertainty. Another perspective is that the Council has tended to place too many of its development 'eggs' in too few baskets and has not opened up the prospect of alternative sites for development. This appears to be the case with the delivery of 60 per cent of housing numbers in the draft Local Plan being contained on three strategic sites. Certainly the LEP is having to prioritise limited Local Growth Funding across its area for which there are many strong and competing bids. .

A related partnership issue is whether the Council's preferred delivery solution is working in partnership or self-delivery? The Council appears to have traditionally preferred in-house service provision with only some and recent mixed provision, for example the 3C shared services.

To illustrate this one of Council's priorities is to develop a flexible and skilled workforce. The Skills Funding Agency provided £10.4m funding for the iMET (Manufacturing, Engineering, and Technology) training centre at Alconbury. The Council also established the EDGE as a joint partnership with DWP Jobcentre plus, Urban and Civic, the Huntingdonshire Regional College, Groundwork and the County Council to provide 'sharper' skills, recruitment and jobs brokerage, apprentice matching service training and careers advice etc. This is a very impressive initiative launched in 2015 that is reaping the benefits of cross partner working. However, to date the LEP and the Council have been unable to collaborate on delivering similar/overlapping programmes and this leads to duplication, higher service costs and client/customer confusion. This will be an important area for the Council, the LEP and partners to work on.

Similarly the Council has a Marketing Strategy which is intended to attract inward investment to the district. This has gone against an option of working with a larger 'Cambridgeshire and Peterborough' brand used by the LEP to attract inward investment, with enquiries directed on to relevant areas/councils. This suggests a tendency on some big partnership schemes for the Council to 'plough its own furrow' when there could be more advantage in working in partnership provided sufficient local emphasis and visibility could be secured.

The Council also acknowledges that in the past there has been a history of limited partnership working with town and parish councils. With some councils levying a precept nearly as high as the district council it will be important for the Council to be satisfied that resources are not being used for competing services.

Council members and front-line staff have an essential external facing role as advocates within communities and local councils. This is a key relationship in what is predominantly a rural area. The large geographical span of the district makes it more critical that the Council's 52 members play an active ambassadorial role in promoting the Councils activities and objectives and in building community capacity. The peer

team felt that energy should be invested to improve this relationship through developing, for example, a shared 'Pride of Place' commitment and a fuller and more open discussion on future public service provision to develop community resilience.

The Council has improved its approach to partnership working but there is still much to do to gain partner trust, strengthen important relationships and derive increased benefits for Huntingdonshire.

## **5. Next steps**

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Gary Hughes and Rachel Litherland, Principal Advisers, are the main contact between your authority and the Local Government Association (LGA). Their contact details are: [gary.hughes@local.gov.uk](mailto:gary.hughes@local.gov.uk) and [rachel.litherland@local.gov.uk](mailto:rachel.litherland@local.gov.uk)

In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

### **Follow up visit**

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.

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Public  
Key Decision – No

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Annual Report of the Corporate Governance Committee

**Meeting/Date:** Council – 19 October 2016

**Executive Portfolio:** Strategic Resources: Councillor J A Gray (Deputy Executive Leader)

**Report by:** Internal Audit & Risk Manager

**Wards affected:** All Wards

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### **Executive Summary:**

The Corporate Governance Committee present an annual report to the Council on the work that it has undertaken each year.

The Committee's work activities have been designed so that they not only provide assurance to the Council and allow it to discharge its functions, but also allow the Committee to make a positive contribution towards maintaining good governance practices across the Council.

The Committee's annual report for the year ending 30 September 2016 is attached.

### **Recommendation:**

It is recommended that the Council receive the Corporate Governance Committee's 2015/16 Annual Report.

## **1. PURPOSE OF THE REPORT**

- 1.1 The Corporate Governance Committee (CGC) provides independent assurance on the Council's arrangements for the management of risk and its internal control environment. Its annual report summarises the work that it has undertaken and its impact upon the Council's internal control and governance framework.

## **2. ANALYSIS**

- 2.1 Whilst the key assurance that the CGC provides to the Council is via the Annual Governance Statement (AGS), its annual report supplements the AGS by providing an overview of key issues discussed and considered and actions taken.
- 2.2 CGC provides an independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 2.3 The CGC is of the view that the Council's governance and internal control procedures are generally sound.

## **3. LINK TO THE CORPORATE PLAN**

- 3.1 The report will be available on the Council's website. As such it will assist with customer engagement.

## **4. LEGAL AND RESOURCE IMPLICATIONS**

- 4.1 There are no direct legal or resource implications arising from this report.

## **5. REASONS FOR THE RECOMMENDED DECISIONS**

- 5.1 In receiving the CGC annual report, the Council are able to take assurance that CGC consider that risk management, internal control and the wider governance framework are effective.

## **BACKGROUND PAPERS**

Minutes and reports presented to the former Corporate Governance Panel and the Corporate Governance Committee.

## **CONTACT OFFICER**

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# **Corporate Governance Committee**

## **Chairman's Annual Report to Council**

**for the year ending 30 September 2016**



## **Introduction by the Chairman of the Corporate Governance Committee**

This is the sixth annual report on the work of the Corporate Governance Committee and the second one that I have presented as Chairman of the Committee.

The report is intended to demonstrate to the Districts resident's and other stakeholders the importance of good governance and the contribution the Committee makes to achieving that aim. The Committee's meetings are open to the public and its reports are available on the Council's webpages and I welcome the public's attendance at our meetings.

The Council adopted a new Constitution in March 2016. This removed from the Committee's terms of reference the requirement to provide the Council with an annual report. I feel that it is important that the Council and all its stakeholders are aware of how the Committee discharged its duties and for that reason I have decided that an annual report will be prepared for this year. The Committee will consider whether or not it intends to continue to produce an annual report when it undertakes its annual self-assessment in February next year.

The report provides an overview of the key issues considered by the Committee during the year ending September 2016. The Committee is of the view that the Council's governance and internal control procedures are generally sound. They have however expressed concerns that the controls associated with the management of debt are not as effective as they should be and felt that significant improvements were needed in this area. Consequently they included this issue in the Council's 2015/16 Annual Governance Statement (AGS).

Whilst the Council's Annual Financial Report (AFR) is prepared for the year ending March, the key assurance that the Committee provides to the Council is via the AGS. The AGS has to reflect the governance position of the Council at the date when the AFR is approved - September 2016. It is for that reason, that this report covers the period to September, rather than the 2015/16 financial year.

Legislation has been introduced that will bring forward to 31 July 2018 the date by which both the 2017/18 AFR and AGS have to be approved and published. This change will also affect the publication date for this report. It is proposed to change the period which this reports covers to reflect financial years – so the next report will reflect upon the 2016/17 financial year.

In March 2016, following the adoption by the Council of an amended Constitution, the former Standards Committee was merged with the Corporate Governance Committee. Committee membership was increased from eight to twelve Members. To allow the newly appointed Members the opportunity to contribute to the annual Committee effectiveness review, a decision was made to move the review date from July 2016 to February 2017. Coincidentally, this also has the benefit of allowing the review to be reported in a timely way in future annual reports.

Finally, I would like to thank all the Members who served on the Committee during the reporting year and those Officers who have supported its work.

Councillor Mike Francis  
Chairman, Corporate Governance Committee  
September 2016



## **Committee Functions**

The Committee is required to discharge the functions of the Council in relation to both the corporate governance of the Council and the conduct of Elected Members.

The Committee's functions (terms of reference) were amended when the Council approved a new Constitution in March 2016. At that time, the former Standards Committee was abolished and merged with the former Corporate Governance Panel, so forming a new Corporate Governance Committee.

The Committee oversees the Council's governance and financial arrangements and the promotion and maintenance of high standards of conduct amongst the Council and Town and Parish Council's within the District of Huntingdonshire. This includes advising the Council on the Code of Conduct for Members, agreeing a Code of Conduct for Planning matters and considering reports by the Local Government Ombudsman.

Functions relating to the conduct of Members will be considered by a Standards Sub-Committee, which will be a Sub-Committee of the Corporate Governance Committee.

The full functions of the Committee are listed in Appendix A.

The Constitution review was undertaken by a cross-party Constitution Review Advisory Group (CRAG). The Chairman of the former Corporate Governance Panel was a member of the Group. In the course of the review it became clear that the Council needed to reconsider the naming of its Committees and Panels. Legal advice provided was that the Local Government Act requires delegations to be made only by a Committee or Sub-Committee of the Council or Cabinet, not a Panel. Consequently a number of Panels were renamed – with the Corporate Governance Panel becoming the Corporate Governance Committee.

For ease of reference, Committee has been used as the naming convention in this report to cover the work undertaken by the former Corporate Governance Panel and the current Corporate Governance Committee.

## **Effectiveness**

An effective Corporate Governance Committee can bring many benefits, including:

- raising greater awareness of the need for internal control and the implementation of agreed audit recommendations;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- reinforcing the importance and independence of internal and external audit and other similar review process; and
- providing additional assurance through a process of independent and objective review.

The Committee's work activities have been designed so that they not only provide assurance to the Council and allow it to discharge its functions, but also allow the Committee to make a positive contribution towards maintaining good governance practices across the Council.

A brief outline of the main business conducted by the Committee during the reporting year is listed in the table below and on the following pages.

<b>December 2015</b>	<b>March 2016</b>	<b>June 2016</b>	<b>July 2016</b>
Approved the Corporate Fraud Team work plan and prosecution policy	Reviewed proposals for a new Council Constitution and changes to the Code of Financial Management and Code of Procurement and recommend their adoption to the Council	Considered the Internal Audit Service 2015/16 annual report, opinion and effectiveness review. Approved the Internal Audit Charter	Recommended to Council the adoption of a new Code of Corporate Governance
Reviewed proposed changes to the structure of Overview & Scrutiny Panels and recommend their adoption to Council	Reviewed external audit plan for 2015/16 and 2014/15 grant certification	Approved changes to the whistleblowing policy & procedure and reviewed concerns received.	Agreed the significant governance issues for inclusion in the 2015/16 AGS
Reviewed delivery of 2015/16 Internal Audit plan	Approved 2016/17 Internal Audit plan	Reviewed 2015/16 Corporate Fraud Team activity	Considered changes to the benefits risk based verification policy and recommended to Cabinet that it be approved
Reviewed the external auditors annual audit letter 2014/15	Noted progress on issues from 2014/15 AGS	Considered the current position of business continuity planning across the Council	Considered the annual report on the Council's compliance with the FoI & EIR <sup>1</sup> and governance issues arising
Noted progress on the introduction of agreed internal audit actions	Approved accounting policies for 2015/16	Noted the progress on the introduction of external audit recommendations from 2014/15 audit	Considered appropriateness of thresholds within the Disposals and Acquisitions Policy: Land and Property and made recommendations to Cabinet

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<sup>1</sup> Freedom of Information Act and Environmental Information Regulations.

## How effective is the Committee ?

As explained in the introduction to the report, the Committee has not undertaken a review of its own effectiveness during 2016, but postponed the date of the review from July 2016 to February 2017.

The results of the 2015 review were considered by the Committee in September 2015. Whilst considering themselves to be acting effectively and fulfilling their Terms of Reference (as applicable at that time), an number of opportunities to further improve effectiveness were identified – these are listed below together with the action taken.

<b>Opportunities to improve effectiveness</b>	<b>Action taken</b>
1 Five new Members were appointed to the Committee in May 2015. In order to get a clear idea of all Committee Members current knowledge of governance matters, a skills assessment questionnaire to be circulated, based upon the CIPFA Audit Committee knowledge and skills framework.	There was a delay in issuing the questionnaire. It was issued to all Committee Members in August 2016 and the results will form the basis of a training programme for the Committee.
2 Cabinet are responsible for approving the Risk Management Strategy and ensuring that risk management procedures are in place across the Council. The Committee require assurance that these arrangements are working effectively.	The Head of Resources to report to Committee (in September 2016) on the risk governance arrangements in place across the Council.
3 With regard to the Constitution review that is underway, the Committee would like early sight of proposed changes so that they are able to adequately deliberate and consider the changes before making any recommendation to Council.	The Chairman of the Committee was appointed a member of the CRAG, which was formed to support the Monitoring Officer in undertaking the Constitution review.  Whilst a Special Meeting of the Committee was planned to be held in late January 2016 to review the new Constitution, the meeting had to be cancelled as the final document was not available for review. The Committee reviewed the Constitution at their March 2016 meeting.
4 A wide breadth of governance related knowledge is required by Members of the Committee. To ensure that the Committee remains effective the Constitution review should consider options for restricting the number of changes to Committee membership each year or the appointment of Members for longer than one year.	The CRAG did not propose any changes to membership appointments. The decision was accepted by the Committee.

- 5 As recommended by the Committee in 2013 and 2014 the Council should -
- a. introduce a Procurement Policy; and
  - b. become a signatory to the Prompt Payment Code (PPC)

A Procurement Policy was approved by the Council in December 2015.

The voluntary PCC has been superseded by two pieces of legislation. Together they deliver the same outcome as the PCC – payment of invoices in 30 days and contractors required to pay sub-contractors within 30 days. For this reason the Procurement Manager proposed to the Committee that the Council does not sign up to the PCC. This was agreed by the Committee in September 2015.

Whilst the table above summarises the work of the Committee, significant items of note that were discussed or considered are summarised in the following paragraphs.

## Reviewing the Constitution

**The Council have adopted the recommendations of the Committee and introduced a number of changes to the Constitution to allow it to operate more effectively.**

The Committee is responsible for proposing to Council changes to the Council's Constitution.

As noted above, a major review of the Constitution was undertaken during 2015/16.

The main changes were:

- All Panels with delegated decision making powers were renamed as Committees in line with Local Government Act 2000 requirements.
- The introduction of a revised Scheme of Delegations.
- The introduction of Committee Procedure Rules.
- The incorporation of the Standards Committee into the Corporate Governance Committee (and for Standards Committee to be a Sub-Committee of the Corporate Governance Committee).

The proposed changes were considered by the Committee in March 2016, who after review, agreed to recommend their adoption to the Council. (Council approved the Constitution on 23 March 2016) .

The annual review of the Code of Financial Management and Code of Procurement was also considered in March 2016, and subsequently approved by Council.

## The overall governance of the Council

### **Adopting a new Code of Corporate Governance.**

The Code of Corporate Governance (CoCG) describes the way in which the Council carries out its functions through its Members, and employees and the way it undertakes its work, so ensuring that it establishes and maintains public confidence. It is a key document that supports the preparation of the Annual Governance Statement (AGS).

Council first adopted a CoCG in September 2003. A new 'proper practices' document – *Delivering Good Governance in Local Government: Framework* – was published in April 2016. The Framework defines seven principles that underpin the Council's overall governance structure.

The Committee recommended to Council that a new CoCG should be adopted from April 2016, and so form the basis for the 2016/17 AGS.

The Committee also discussed the assurance gathering processes to be introduced to ensure compliance with the CoCG and noted that the six Officer led Governance Groups (first introduced in November 2013) would be responsible for this.

### **Approving the Annual Governance Statement on behalf of the Council.**

At the September 2016 meeting, the Committee approved the 2015/16 AGS. The Committee continue to believe that it is important that the Council's stakeholders understand the Council's governance structures and consider that the style of the annual governance statement allows this.

The Committee are of the opinion that there are two areas that need specific mention – the development of robust and effective reporting arrangements for shared services ([page 7](#) provides more information); and to continue to improve debt management arrangements ([page 8](#) provides more information).

### **Significant governance issues included in the 2014/15 AGS:**

~ *Improve project management practices.*

~ *Develop robust & effective reporting arrangements for shared services.*

In March 2016 the Committee discussed the progress that had been made in delivering the two significant governance issues identified in the 2014/15 AGS.

#### **Project management**

The action taken to address all five of the recommendations agreed by Cabinet in April 2015, through reports presented to the Overview and Scrutiny Panel (Economic Well-Being) in

October 2015 and March 2016 was noted. The Committee consequently felt that sufficient improvement had been made that it was not necessary to include the issue in the 2015/16 AGS.

### **Shared Services**

The Committee were aware that the Council approved the overall shared service<sup>2</sup> governance arrangements in July 2015 and were content with the progress since made.

In July 2016 they revisited the shared service governance arrangements and noted that business plans which set out the key priorities, objectives, activities and measures of success for each service had been approved by the Cabinet in June 2016. Whilst having no specific concerns about this, it was felt that reporting and oversight of shared services performance was still in its infancy and the failure of a shared service would be of significant impact to the Council. For this reason, the Committee decided that the Council should not lose sight of the shared service initiatives and decided that it should remain as a significant governance issue for the 2015/16 AGS.

## **Approving the Annual Financial Report 2015/16**

### **Unqualified financial statement and value for money opinion issued by the external auditor.**

The 2015/16 financial report was externally audited and approved prior to the statutory deadline of 30 September 2016. The external auditors issued both an unqualified value for money and financial statement opinion.

The Committee are aware that from 2017/18 the financial statements will need to be ready for external audit review by the 31 May and be approved by the Committee by the 30 July. They are also aware that the Council missed the deadline for preparing the 2010/11 accounts due to introduction of new accounting standards. The Committee intend to request updates on the progress being made to ensure that the new dates are achieved.

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<sup>2</sup> Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council – collectively known as 3Cs - have agreed the principle of working in partnership to deliver a range of shared services.

## Internal audit plan and annual opinion

**The annual opinion of the Internal Audit & Risk Manager as at 31 March 2016 was that the Council's internal control environment and systems of internal control provide, with the exception of IT systems (where no work has been completed during 2015/16) adequate assurance over key business processes and financial systems.**

The Committee noted that the assurance opinion was unchanged from 2014/15.

The Committee had previously expressed concern that the need to drive out savings and efficiencies may lead to a reducing internal control environment and increasing numbers of internal audit reports being issued that are in the 'limited' or 'little' categories. It is pleasing that this does not appear to be the case.

The Committee were concerned about the continuing low level of assurance given to the Accounts Receivable system. Control failings had been reported to the Committee over three successive years. Due to the difficulties in recruiting and retaining staff little improvement had been made to the implementation of systems and processes.

Having considered the matter, the Committee decided that improvements in debt management should be included as a significant issue for the 2015/16 AGS.

**Concerns about the lack of IT audit services during 2015/16.**

The Internal Audit Service has obtained IT audit services from an external contractor since 2006. The previous contract ended in January 2015. It was not immediately re-let due to uncertainty over which of the 3Cs would be appointed the lead authority for the IT shared service. Following the decision that Huntingdonshire would lead, a further delay occurred due to the commencement of a review to examine options for forming a shared internal audit service.

The lack of IT audit is of concern. However some of the risks associated with this have been mitigated by the Cabinet Office renewing the Council's Public Services Network (PSN) compliance certificate in November 2015 for twelve months. The certification shows that the Council has demonstrated that its infrastructure is sufficiently secure that our connection to the PSN does not present an unacceptable risk to the security of the network.

Whilst no IT audit reviews were conducted during 2015/16, work is expected to be completed in 2016/17. A contract for IT audit services was awarded in August 2016 to BDO LLP.

**Poor performance in introducing agreed internal audit action on time.**

As last year, the Committee have continued to express concern and disappointment at the low number of agreed audit actions that have been introduced on time. In June 2015 the Committee referred the matter to Council and requested that it be referred on to the Cabinet. This was done.

Despite their being an initial improvement, recent months has seen a tail off in performance.

Before the Committee refer the matter to Council once again, they have decided to review the outstanding actions and seek an explanation from the appropriate Head of Service so as to understand the reason why the action has not introduced on time. The first such review is due to be completed in September 2016.

**Approving the internal audit work plan and Internal Audit Charter.**

The Committee approved the internal audit plan for 2016/17 in March 2016.

In July 2016, the Committee approved changes to the Internal Audit Charter. Changes were necessary following revised Public Sector Internal Audit Standards (PSIAS) being issued in April 2016 – which introduced a Mission of Internal Audit and Core Principles for the Professional Practice of Internal Auditing.

The Audit Charter was updated to reflect the ethos of the Mission of Internal Auditing. However, no changes have been made to the Audit Charter to reflect the Core Principles as the Committee considered that these were already sufficiently addressed.

**Countering fraud and the work of the Corporate Fraud Team**

**Consideration of the Corporate Fraud Teams (CFT) work plan and prosecution policy.**

The Committees 2015 annual report explained that the Council's Anti-Fraud and Corruption Strategy had been amended to reflect the CFT change of focus – that was a move away from undertaking mainly welfare fraud reviews.

In December 2015, the Committee received a report that detailed how this change of approach was reflected in the work plan of the CFT. At the same time, the Committee considered a revised prosecution policy.



The work plan outlined the approach to dealing with areas such as Council Tax Support and Council Tax discount fraud; Housing Tenancy and Business Rate frauds.

A Fraud Working Group had previously been set-up by the Committee to review the work of the CFT. The Committee considered whether the Group should be re-formed as work priorities had changed. However they felt that an annual report to the Committee together with the Executive Councillor for Customer Services overseeing the work of the team was an appropriate level of focus.

The Committee made a number of comments to the Cabinet on the report as they were responsible for approving the work plan and prosecution policy.

**Approving the whistleblowing policy and guidance.**

In June 2015 that policy and guidance was overhauled to meet the aims of the Public Concern at Works whistleblowing code of practice. Consequently, only minor changes to the policy were required in 2016.

Due to the adoption of a narrower definition of 'whistleblower' – covering only Council employees and contractors and suppliers who provided services under contract to the Council – no allegations of whistleblowing were received during 2015/16.

However three allegations were made from members of the public. All have been investigated and the Committee made aware of the outcomes of those investigations.

The areas referred to above deal with the core business of the Committee. A number of reports and other issues were also considered during the year that had a direct impact upon governance systems and processes across the Council. The most significant of these were:

- Reviewing the Disposals & Acquisitions Policy (in July 2015) that supports the Commercial Investment Strategy, recommending to Council that it be adopted. In July 2016, considering whether financial thresholds in the Policy should be amended, deciding that they should remain unchanged;
- Considering and then approving to Cabinet, changes to the Housing Benefits risk based verification policy; and
- Reviewing the Council's compliance and performance in respect of responses to enquiries received under both the Freedom of Information and Environmental Impact Regulations.

## **Future Developments**

The Committee wish to continue to build upon the solid governance processes and procedures that are in place across the Council. In addition to the opportunities for improvement that are listed earlier in the report, there are other developments planned.

- Reinvigorating the Committee's training programme.
- Undertake an effectiveness review of the S106 Agreement Advisory Group.
- Undertake an effectiveness self-assessment in February 2017

**Corporate Governance Committee  
Functions : Approved by Council 23 March 2016**

To discharge the functions of the Council in relation to the Corporate Governance of the Council and to be the Council's "Audit" Committee.

These responsibilities include:

<b>Governance</b>	<p>Regularly reviewing the Council's Code of Corporate Governance and recommending any changes to the Council and approving the annual governance statement and reviewing the achievement of any outstanding improvements.</p> <p>Ensuring there are effective arrangements for the management of risk across the Council.</p> <p>Ensuring there are effective arrangements for the system of internal audit of the Council including:</p> <ul style="list-style-type: none"> <li>• considering a regular review of its effectiveness;</li> <li>• reviewing and approving the internal audit charter;</li> <li>• approving internal audit plans and receiving reports on progress in delivery.</li> </ul> <p>Receiving and considering external audit reports including the adequacy of management response to issues identified.</p>
<b>Final Accounts</b>	<p>Approving the accounting policies, statement of accounts and considering any matters arising from the external audit.</p>
<b>Standards</b>	<p>To advise the Council on the adoption or revision of its Codes of Conduct for Members.</p> <p>The promotion and maintenance of high standards of conduct within the town and parish councils within Huntingdonshire.</p> <p>To advise the Council on the adoption or revision of a Protocol for Member/Officer relations.</p> <p>To advise the Council on the adoption of a Code of Conduct for Planning and monitoring operation of the Code.</p>
<b>Complaints</b>	<p>Consideration of reports by the Local Government Ombudsman including compensatory payments.</p>
<b>Electoral matters</b>	<p>Consider the periodic electoral review and review District and Parish electoral arrangements including boundaries and other electoral matters.</p>
<b>Standards Sub-Committee</b> To include Independent Person and Parish Council representatives	<p>Functions relating to standards of conduct of members under any relevant provision of, or regulations made under, the Localism Act 2011.</p>

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## **MEETINGS OF THE COUNCIL'S COMMITTEES AND PANELS HELD SINCE THE LAST MEETING**

### **AUGUST 2016**

- 8 Cabinet - Special Meeting
- 15 Development Management Committee

### **SEPTEMBER 2016**

- 6 Overview and Scrutiny Panel (Communities and Environment)
- 7 Overview and Scrutiny Panel (Performance and Customers)
- 8 Overview and Scrutiny Panel (Economy and Growth)
- 15 Employment Committee
- 19 Development Management Committee
- 22 Cabinet
- 27 Corporate Governance Committee

### **OCTOBER 2016**

- 4 Overview and Scrutiny Panel (Communities and Environment)
- 6 Overview and Scrutiny Panel (Economy and Growth)
- 12 Overview and Scrutiny Panel (Communities and Environment) – Special Meeting
- 17 Development Management Committee

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