

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (COMMUNITIES AND ENVIRONMENT) held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 13th July 2017.

PRESENT: Councillor T D Alban – Chairman.
Councillors P L E Bucknell, S J Criswell,
J W Davies, Mrs A Donaldson,
Mrs P A Jordan, P Kadewere, L R Swain and
Mrs J Tavener.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors D A Giles and D Watt.

22. MEMBERS' INTERESTS

Councillor S J Criswell declared a non-statutory disclosable interest in relation to Minute Number 24 as a Cambridgeshire County Councillor. Cambridgeshire County Council is responsible for the appointment of Members to the Cambridgeshire and Peterborough Fire Authority.

(At 7.01pm, during the consideration of this item, Councillor L R Swain entered the meeting.)

23. REGULATORY JUDGEMENT: LUMINUS GROUP LIMITED

The following representatives from Luminus Group Limited were in attendance to answer the Panel's questions on the Home and Communities Agency (HCA) regulatory judgement on the organisation: Mr Mike Forrest, Chairman of the Board; Mr Tom Miskell, Interim Chief Executive and Mr Nigel Finney, Executive Director (Operations).

Members were informed of the changes that had been undertaken since the HCA judgement including; the change of Board Chairman, the appointment of three new Board members, the resignation of Dr Chan Abraham as Chief Executive and the appointment of Mr Miskell as Interim Chief Executive.

Luminus has entered into a legally binding agreement with the HCA to rectify some issues that have been highlighted including the gas safety certificates. The Panel was informed that whilst Luminus have been rectifying issues around the gas safety certificates, they took the opportunity to ensure that the electric certificates were up to date.

Luminus have also updated the company's mission and there is also a desire to be transparent with staff, residents and partners. The Interim Chief Executive stated that he had met with the Council's Managing Director and Corporate Director (Delivery) and will meet the Executive Leader and the Executive Councillor for Housing and Regulatory Services in the week commencing 17th July.

In response to the question, was there trouble with the electric certificates as well the gas safety certificates, the Panel was informed that the main issue was the gas safety certificates which has now been rectified however what Luminus are trying to do is update the electric certificates as well at the same time. No problems with the electric certificates had been identified.

With the resignation of the previous Chief Executive, Members asked is there still influence upon the Board and the company from the previous Chief Executive and do they still use Luminus property to host their church? In response the Panel was informed that the previous Chief Executive stopped using Luminus' property for his Church before Christmas 2016. The previous Chief Executive has no links with any part of the organisation.

Following a question regarding the £48m commercial investment in an external property development company, Members were informed that the investment was a way for Luminus to develop commercial property however, due to legislation, Luminus could not be in control of the company. The investment was supposed to deliver a number of properties, some of which are located in Huntingdonshire, however the investment is not delivering the number of properties anticipated. Luminus Board and Management are still establishing the full details of the investment that was made several years ago.

In response to a supplementary question on the £48m investment, Members were informed that £35m is the capital investment and the rest is interest. The investment is repayable in 2036 and was meant to deliver housing. The Interim Chief Executive stated that he will clarify how many houses are expected to be delivered and how far off the target it is when he has the full facts.

When it was suggested that Luminus do not seem to have oversight of the investment, Members were informed that Luminus now recognise that the governance was not sufficient. In terms of a risk assessment on the investment it is believed that the Board at the time took legal advice however, as there is not a Board Member who was on the Board at the time of the decision, Luminus have to assess the paperwork to establish what advice was taken and the terms of the investment. The representatives from Luminus informed Members they will inform them what happened to the investment once it has been established.

A number of Members stated that what the residents and staff were telling them was different to what was being presented by Luminus. In addition, Members were informed that staff felt they had lacked freedom to discuss issues or ideas with the previous Chief Executive. The Interim Chief Executive reiterated that the previous Chief Executive has no links with any part of the organisation, however it was recognised that when the previous Chief Executive left, staff felt they were able to ask questions.

Luminus also recognises that there is no formal system to engage with residents, however there is a plan to write to residents. Luminus have postponed writing to residents for a couple of weeks as events were changing at a quick pace however the letter has now been

drafted. The residents have been asked for their feedback and they have been invited to a meeting. There is also the Tenants Consultative Forum and the Scrutiny Panel in which residents can get involved. There will also be a renewed mystery shopper scheme so that residents can give feedback anonymously.

The Executive Director (Operations) added that the residents will receive a newsletter. This will have a different tone to previous newsletters and will be distributed three to four times a year. It was confirmed that Members will receive a copy of the Luminus newsletter and that Luminus will engage in a Members Forum so that Members are able to feedback to Luminus the experiences of their residents.

Following a question about the fear residents had about speaking out and specifically the fear they had about the termination of their tenancy, Members were informed that there is no way that Luminus can end a tenancy other than for reasons outlined in legislation.

In response to a question regarding the setup of the Board and how Luminus intend to make it transparent, the Panel was informed that the Board has appointed Councillor Mrs R E Mathews as the Council's representative on the Board in addition to the three new Board Members. Charitable conversion has been an ongoing issue for two years with the application not approved by the Charities Commission. The Board will review the charitable conversion process at their next meeting. In addition Luminus has set up a Task and Finish Group to review governance procedures within the organisation.

The Panel was informed that there is a plan to go through a governance review with the proposal for all Board Members to stand down and reapply. If that was to happen, Luminus would advertise for a Chairman and Vice Chairman and then follow an appointment process.

A Member expressed concern that a governance review would wait for several months and stated that it is important that governance would change. In response, Members were assured that there has been transformational change from the three Board appointees and the challenge they have presented, however reviewing the Board membership and the skills set would happen later.

Following a question on what kind of review will happen on the staffing structure, Members were informed that some action was taken on gas safety certificates and some staff left Luminus. There are also capacity problems as low management costs have led to a problem in the recruitment of staff with the right skillset.

In response to the question, was the Board performing its duties or was it rubber stamping what the previous Chief Executive wanted, Mr Forrest stated that that it wasn't rubber stamping however it wasn't challenging enough.

A question was asked in regards to the Luminus Scrutiny Panel and whether the Panel would be open to the public and could Members participate. In response the Interim Chief Executive stated that nothing had been decided, however Luminus will review the set up

and report back to Members.

Luminus informed the Panel of the next steps including briefing the HCA after every task and finish meeting. The representatives of Luminus have accepted the invitation to attend the Overview and Scrutiny Panel (Communities and Environment) meeting on 31st October 2017.

A concern was raised in regards to the loss of social housing in rural areas, the Executive Director (Operations) stated that Luminus has 50% of its housing stock in the villages and recognises that homelessness in rural areas is just as acute as in urban areas. Luminus does also have a modest development programme and has used this to develop housing in rural areas.

(At 7.02pm, during the consideration of this item, Councillor J D Ablewhite entered the meeting.)

(At 7.06pm, during the consideration of this item, Councillor Mrs D C Reynolds entered the meeting.)

(At 7.07pm, during the consideration of this item, Councillor R B Howe entered the meeting.)

(At 7.50pm, during the consideration of this item, Councillor M F Shellens left the meeting and did not return.)

(At 8.02pm, after the consideration of this item, Councillors S J Criswell and Mrs R E Mathews left the meeting and did not return.)

24. CAMBRIDGESHIRE POLICE AND CRIME COMMISSIONER'S FIRE GOVERNANCE CONSULTATION

The Police and Crime Commissioner (PCC), Jason Ablewhite, was in attendance to address the Panel and inform them of his Fire Governance Consultation. Members were informed that the Government have amended legislation to allow Police and Crime Commissioners to take on the governance of the Fire Service. The legislation provides four options relating to fire governance: the no change option, the representation option, the governance option and the single employer option.

The PCC stated that he has been working closely with the Fire Authority on governance and they have been fully involved with the process. The Panel was informed that the PCC and three members of the Fire Authority decided to hire PA Consulting in order to put together a Business Case. The consultant recommended option three, the governance option.

An eight week consultation is now in progress and in the opinion of the Police and Crime Commissioner there are significant benefits of fire governance coming under the remit of the PCC.

The PCC highlighted the potential savings from the better use of the fire and police estates by explaining to Members the current collaboration over the location of the Fire Service Headquarters and the relocation of the Fire Service's training facility to the Police

training centre at Monks Wood.

The PCC expects that there will be opposition from Cambridgeshire County Council, however he believes that change is required. Every other PCC with the exception of Bedfordshire is pursuing the governance option.

In response to the question, what risks that had been identified, the Panel was informed that the biggest risk was lack of staff buy in. There is an option to have one Chief Officer across both services however the PCC believes that the option is not practical and that the staff wouldn't buy into it.

Concern was raised that the Parish Councils are not receiving the information on the Fire Governance consultation, however the PCC stated the Parish Councils are receiving the information however the consultation has only just begun.

Following a question, Members were informed that if the Fire Authority was abolished it would save £108k per annum. The PCC recognised that his office does cost more than the previous Police Authority however he has more responsibility. In response to the question, would he take on a deputy for the governance of the Fire Service, the Panel was informed that he wouldn't but he would appoint an assistant commissioner on a part time basis.

In response to the criticism from the Fire Authority, the PCC stated that it is not surprising they are criticising the plans as they are not keen to give up their allowances and responsibilities.

Following concerns that the governance will be in the hands of one individual and that the PCC wasn't elected at the Police, Fire and Crime Commissioner, the Panel was informed that the current PCC stood on the platform of taking on the governance of the fire service and that the next PCC election will be in 2020. The PCC believes that fire governance can easily be incorporated into the police governance structure.

County Councillor and Chairman of the Fire Authority Kevin Reynolds addressed the Panel. Members were informed that the Fire Authority has published a response to the PCC's Fire Governance Consultation on 13th July 2017 and has based the response on evidence.

The Fire Authority Chairman stated that the business case lacks evidence and that the Fire Authority recommends option two, the representation option. Members were informed that the Fire Authority believes that the savings stated in the business case have been overstated with only £14k being realistic.

The Panel was informed that Gloucestershire and Hertfordshire Fire Authorities have made similar responses to Cambridgeshire however Essex and Northamptonshire Fire Authorities have decided that the governance route is the best option.

In response to a question, the Fire Authority Chairman stated that the objection to the governance option is not forever and if there was an option to restructure local government then the Fire Authority would

recommend the governance option. In the Fire Authority Chairman's opinion, the fire service has the trust of the public and governance from the PCC may jeopardise that trust.

The Panel

RESOLVED

- 1) to refer the item to Cabinet as a matter of urgency and decide whether a response on behalf of the Council is appropriate;
- 2) to recommend the Cabinet reviews all the documents and perhaps invite both the Police and Crime Commissioner and the Chairman of the Fire Authority to attend the Cabinet when the item is discussed before formulating a response, and
- 3) to recommend that whilst the Cabinet is to formulate a Council response, individual Members should be allowed to formulate their own responses to the consultation.

(At 8.25pm, during the consideration of this item, Councillor Mrs P A Jordan left the meeting and did not return.)

Chairman